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REPORT OVERVIEW

At LG, we have established a roadmap to long-term ESG commitments with a view to demonstrating our commitment to sustainable growth and change, and working toward achieving these goals. This report has been prepared in order to share our major activities and achievements, as well as our efforts toward our mid to long-term ESG goals, with our stakeholders. As material issues derived through our materiality assessment are described in our ESG commitments, the management approach (MA) for each material issue, management activities, and performance, and gaps and progress are described in detail throughout this report. We will continue to transparently disclose our ESG management activities and achievements to collaboratively publish our sustainability report.

REPORTING-PRINCIPLES AND STANDARDS

The 2020-2021 LG Electronics Sustainability Report applies the Convention of GRI (Global Reporting Initiative) Standards, which is an international standard guideline for report preparation, and reflects the reporting standards and frameworks outlined by the SASB (Sustainability Accounting Standards Board) and the TCFD (Task Force on Climate-related Financial Disclosures). Further, this report was created in accordance with the Ten Principles of the United Nations Global Compact (UNGC) for the four areas of human rights, labor, environment, and anti-corruption. In addition, the report satisfies the four principles of industry, materiality, responsiveness, and impact as outlined in the AA1000AP (AccountAbility Principles Standard) which also outline the obligation of companies to disclose the approaches to sustainability management.

REPORTING PERIOD

This report covers our activities from January 2020 to December 2020, in addition to covering major activities from the first half of 2020 in order to thoroughly address the interests of our stakeholders in terms of quantitative performance data from 2018 to 2020 was used such as trends could be identified.

SCOPE OF REPORT

This report covers the activities of our headquarters, and South Korean and international production sites and sales subsidiaries operated by LG Electronics. Consolidated financial information has been prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS), and non-financial information prepared on a stand-alone basis is presented in the form of footnotes. In the case of social and environmental information, if there is any extinction in the selection of data, the reporting scope of these data is also outlined as footnotes.

THIRD PARTY ASSURANCE

In order to ensure the accuracy, objectivity, and reliability of the report and all of the data prepared by us, we commissioned an independent verification organization (Korea Foundation for Quality) to verify the report in accordance with international verification standards. The third party verification results are described in 122-137 of the report. The financial information in this report has been audited by an independent auditor, and assurance on GRI emissions and energy usage was carried out in accordance with verification principles such as Administrative Guidelines on Reporting and verification of G4 emissions by Emissions Trading System.

More information on the sustainability management activities of LG Electronics can be found here.
LG Electronics website https://www.lg.com/global/sustainability

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As a global leader at the forefront of technological innovation in the home appliances and electronics, LG Electronics is sustainably growing and developing our business around the world, and creating customer value.
LG Way

LG’s Jeong-Do Management is our unique management philosophy based on the principles of creating value for customers and respecting human dignity. These principles drive our business and through collective pursuits, we aspire to become the No.1 LG.

LG, Coveted by Talented Professionals
Create a great workplace that inspires talented professionals to work with passion and drive

LG, Trusted by Customers
Capture the hearts of customers with exceptional quality and brand value

Management Principles
Our management principles consist of “Customer-Value Creation” that represents our business objective and “People-Oriented Management” as our operating principle.

No.1 LG is the ultimate goal of becoming a market leader in business performance as well as in management practice through Jeong-Do management based on people-oriented management and customer-value creation

LG, A Force to be Reckoned with and Respected by Competitors
Generate strong results by operating a world-class management and become a force to be reckoned with and respected by competitors

LG, Preferred by Investors
Become a preferred investment option for investors by delivering high returns

How We Conduct Business
Jeong-Do Management is an ethical management and code of conduct to enable capacity development and fair competition
MESSAGE FROM THE CEO

Greetings stakeholders,

Due to the pandemic, the market continues to be unstable and the business environment daunting. Even in the face of this unprecedented situation, we were able to achieve our best performance ever in 2020 through extraordinary business acumen and sheer effort, continuing to expand our position as a brand trusted by customers. We would like to express our gratitude to all our stakeholders whose interest and support have never wavered despite the difficulties, and to all our employees who have continued to put their best foot forward despite the challenges.

In 2021, we will focus our efforts as such:

First, we will create sustainable business results based on our fundamental competitive edge.

Going forward, we will deliver results based on the fundamental competitive edge of our company, not temporary advantages created by external factors. To this end, our goal is to enhance the competitiveness of existing businesses based on our understanding of customers and upgrade our business portfolio by preparing for the future in particular. We will target results that go beyond everyday innovation through DX (Digital Transformation) activities based on cutting-edge technologies. And we will remain committed to our philosophy of “change through growth and growth through change” by better understanding the sensibilities and values of our customers.

Second, we will make every effort to exceed customer expectations.

As LG, customers are always at the center of everything we do. Prioritizing customer value begins by focusing on their pain points through which we are able to better understand our customers in order to create differentiated values through fresh methods. We strive to know our customers by knowing their lifestyles, values and aspects of their lives and needs. As one of the world’s largest consumer electronics and home appliance brands in the world, LG has unique customer insights that have yet to be applied to all its products and services. Ultimate customer satisfaction will require everyone at LG to put ourselves in our customers’ shoes and view things from their perspective in every aspect of our business, down to the smallest detail.

Lastly, we will expand ESG management for a more sustainable future.

We are fully committed to working with employees to create a more sustainable future by internalizing ESG management. This year we aim to boost positive environmental value beyond just reducing our environmental footprint to expanding inclusive social values to more members of society. In addition, we will work toward building a rational and transparent ESG decision making model in order to establish a culture of ESG management at LG.

We will continue to listen to and hear all our stakeholders, which includes customers, suppliers, investors, local communities and employees, with the aim of working with our stakeholders to create more enhanced life values going forward.

July 2021
CEO & President of LG Electronics
Brian Kwon

2020-2021 LG ELECTRONICS SUSTAINABILITY REPORT
Corporate ESG (Environmental, Social, and Governance) management is not merely a strategy in the global market. It is emerging as a new paradigm in corporate management that affects capital raising and business relations, and acts as an important factor in decision-making of investment institutions.

This is an important issue that goes beyond mere communication and is directly connected to a company’s survival. Going forward, ESG management will continue to gain momentum and importance due to the uncertainty created by the COVID-19 crisis.

In the current market environment, we recognize the essential need for ESG management and thus we transparently disclose our economic, social, and environmental performance in an effort to reflect ESG values throughout our overall management. Going forward, we will continue our efforts to create social value, beyond mere compliance, throughout the entirety of the value chain.

We will strive to develop into a company that inspires trust, and emphasizes with stakeholders through business innovation centered around ESG.

CFO
Guam Cho
Executive Vice President

We will implement changes aimed at a better life by placing priority to people.

Inclusive

We aim to grow into a lifestyle innovator that leads the new normal of the “new normal” through platform innovations that shift the locus of customer value from product to experience.

CEO
Joo-Wan Cho
Executive Vice President

As a Lifestyle innovator that is leading the way in the era of the “new normal,” we will take the lead in innovation through digital transformation aimed at overcoming the cross-flux of humanity, and through presenting a new vision and value.

From reliable TVs to robotics, the accumulation of scale ramping technological capabilities and customer insights are the driving force behind our ability to be or stay ahead when it comes to responding to rapidly changing customer needs. “Systemic ecology,” which considers diverse values and products and technologies, will be the key to a better life and a better future. As such LG’s Thirty Stone framework, where state-of-the-art energy solutions meet the best smart home appliances and home management systems in order to achieve optimal efficiency, will continue to be a fundamental system innovation that creates a sustainable way of life through creative collaboration that crosses the boundaries between different fields. In this sense, the expansion of the LGX360 partnership will further step toward completely deferring the focus of customer value from product to experience.

This is a change that by changing the way consumers interact with our platform strategy. Going forward, we plan to put in place a more active open innovation strategy and build an open innovation platform ecosystem by collaborating with the best partners across various fields.

As LG Electronics, we will do our best to build a company that can grow and develop through human resource management, and one that can further create social value.

We are going through a period of uncertainty in which everyone talks about change, but no one can accurately predict it. In particular, the business environment in which companies find themselves is facing a huge wave of change in the form of ESG (Environmental, Social, Governance), which is directly connected to the survival of a company in a way that exceeds today’s current trends. Now, as members of society, companies must strive for the creation of value that goes beyond mere profit creation. In order to achieve this, consideration for the future should be the foundation for any organization, which must be protected above all else.

We are constantly striving for talent-oriented growth and development. In particular, we aim to continue making concerted efforts to acquire skilled human resources, improve work environment, and secure the diversity and inclusion

CEO
Woon-Bum Kim
Senior Vice President

We will implement our unique and sustainable form of HR management by encouraging work methods, improving work environments, and emphasizing inclusion throughout our business.
As a global leader in the IT market, LG Electronics is leading technological innovation in the fields of home appliances and electronic devices. With around 140 production sites worldwide, we recorded USD 53.6 billion in sales and USD 2.7 billion in operating income.
Our Home Appliance & Air Solution (H&A) Company is leading the global home appliance market via the introduction of innovative home appliances tailored to the lifestyles of our customers through products equipped with distinctive technology and design that reflect market trends and customer needs.

Going forward, in 2021 we will accelerate the expansion of our growth by utilizing our competitive edge, such as in the fields of steam and UV nano, by adapting our business in accordance with the increased hygiene and health concerns of customers due to the prolonged COVID-19 crisis and issues related to fine dust. Furthermore, we will establish sustainable home appliance business through the development of eco-friendly products, and by making products more accessible and creating a safe working environment.

Head of H&A Company
Executive Vice President
Jae-Cheol Lyu

Our Home Entertainment (HE) Company delivers excellent results by providing customer-oriented solutions for multimedia video and audio equipment such as TV and audiovisual products, and the field of beauty through trend sensing based on customer value-oriented thinking and MI (Market Intelligence) activities.

At the HE Company, we concentrate our capabilities on providing products and services that solve customer pain points in order to achieve sustainable growth. We are proactively striving to grasp market trends and customer needs by enhancing our market intelligence (MI) capabilities in order to provide better products and services. In response to the recent growth in the online market and the diversification of the features of TVs, we are strengthening our online and digital marketing capabilities and continuously expanding our online sales business. In terms of our future business growth, we plan to expand our business areas such as personal devices, home beauty, and medical devices, and diversify our portfolio in line with market changes. In addition, we are making concerted efforts to transform into a sustainable business by establishing a mid-to long-term roadmap in line with the company’s ESG direction, and by expanding eco-friendly certification and production methods.

Head of HE Company
Executive Vice President
Hyoung-Sei Park

The H&A Company, which prioritises customer value creation above all, conducts research into potential customer needs and introduces innovative home appliances that provide new value. In addition, we are continuing to expand our business portfolio by focusing on products to which cutting-edge technology has been applied, specialized spaces, and home care services. We also constantly research new business models centered on smart home appliances, and through this research, we aim to continue to release Only & Best products that lead the home appliance market. Going forward, in 2021, we will accelerate the expansion of our growth by utilizing our competitive edge, such as in the fields of steam and UV rays, by adapting our business in accordance with the increased hygiene and health concerns of customers due to the prolonged COVID-19 crisis and issues related to fine dust. Furthermore, we will establish sustainable home appliance business through the development of eco-friendly products, and by making products more accessible and creating a safe working environment.

Head of H&A Company
Executive Vice President
Jae-Chul Jun

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Head of HE Company
Executive Vice President
Hyoung-Sei Park

The H&A Company, which prioritises customer value creation above all, conducts research into potential customer needs and introduces innovative home appliances that provide new value. In addition, we are continuing to expand our business portfolio by focusing on products to which cutting-edge technology has been applied, specialized spaces, and home care services. We also constantly research new business models centered on smart home appliances, and through this research, we aim to continue to release Only & Best products that lead the home appliance market. Going forward, in 2021, we will accelerate the expansion of our growth by utilizing our competitive edge, such as in the fields of steam and UV rays, by adapting our business in accordance with the increased hygiene and health concerns of customers due to the prolonged COVID-19 crisis and issues related to fine dust. Furthermore, we will establish sustainable home appliance business through the development of eco-friendly products, and by making products more accessible and creating a safe working environment.

Head of H&A Company
Executive Vice President
Jae-Chul Jun
At the VS Company, we share our growth via differentiated products and services with global automakers as our partners, based on our vision of becoming an Innovation Partner for Future Mobility. We are striving to re-establish our business portfolio and improve our revenue structure in order to achieve sustainable business growth. Based on our customer-oriented philosophy which outlines that customer growth leads, in turn, to the growth of our company, we are making concerted efforts to strengthen our product competitiveness and maximize customer value. In addition, we aim to create dependable business results by strengthening our market sensing and supply management capabilities in order to respond to unstable market conditions in a timely manner. The VS Company will not only contribute to LGE’s transition into an eco-friendly company, but also develop our electric vehicle parts business into one of the future growth engines of the company by securing a solid position in the growing international eco-friendly automobile market.

Head of VS Company
Executive Vice President
Ar-Yong Kim

As a business partner for business innovation and successful business execution for corporate customers, the BS Company prioritizes creating genuine customer value through the products and solutions of LG Electronics. In order to implement this, we are proactively identifying and integrating rapidly changing market trends and technologies in order to innovate our products and business methods, and we continue to communicate with customers in a reciprocal manner via digital marketing. In addition, we are continuously expanding new solutions that support the digital transformation of our customers in response to the needs of segmented markets. In line with the changes in the energy market, we are enhancing the competitiveness of our energy solutions, such as highly efficient solar modules and electric vehicle batteries. Going forward, we aim to create future growth engines by expanding into the robot industry. The BS Company will enhance corporate value in accordance with trends and key changes in the global community, and proactively participate in an eco-friendly business transition to improve the quality of human life.

Head of BS Company
President
Soon-Hwang Kwon

Our Vehicle Component Solutions (VS) Company intends to fulfill the corporate vision of a sustainable profits structure and become an Innovation Partner for Future Mobility by producing and selling infotainment products for vehicles (such as AV navigation, display systems, telematics, and in-vehicle monitoring systems), driving parts for electric vehicles (such as motors, inverters, and converters), and automotive lamps.

Sales (consolidated)

4.9 USD billion

Portion of Sales (consolidated)

9.2

Our Business Solutions (BS) Company provides innovative products and solutions that respond to customer needs in various areas based on the trust that we have accumulated from customers around the world. We continue to secure strong market positions via market-leading premium products across several fields, such as the IT industry which is centered around monitors and PCs, the information display (ID) industry which is centered around signage products, and the energy industry which is centered around solar panels. We are also focusing our capabilities on value-discovery activities in new growth fields, such as robot businesses.

Sales (consolidated)

5.5 USD billion

Portion of Sales (consolidated)

9.5

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OUR RESPONSE TO COVID-19

Many people are having a hard time due to COVID-19. However, mankind has always wisely overcome the crisis. Since people around the world, including quarantine authorities and healthcare professionals, are doing their best in their fields, one day we will be able to overcome COVID-19.

In the global pandemic of COVID-19, LG Electronics has thoughtfully contemplated its role as an electronics manufacturer and global corporate citizen. We have taken numerous measures to safeguard the health of our workplace such as adopting temperature screening at entry and enabling work from home, especially for employees at higher risk like pregnant women. Workplace counselors have reached out to employees to provide compassionate care and support. Our management has also listened to the voice of the employees collecting ideas on overcoming this crisis.

In Korea, groups of employees took part in non-face-to-face volunteer activities by purchasing or making essential goods and delivering them to nonprofit organizations. To express gratitude to medical workers on the frontline, we donated air purifiers, dryers and STYLERS (steam closets) to hospitals and public health centers. Electronic goods and infection control equipment including face masks were donated to over ten nations in response to their request. Together with local subsidiaries, we have provided support to countries in need of test kits.

Like many businesses around the world, LG Electronics has experienced negative effects from the coronavirus. However, our business fundamentals remain sound and we believe the overall impact from COVID-19 will be limited. By addressing global supply issues with our diversified production bases, expanding health-related product lineups and closely cooperating with distributors and customers, we expect to use this crisis as an opportunity to be a momentum for further growth.

The pandemic has demonstrated that the Earth, People and Living things are all interconnected. One confirmed case can rapidly lead to chains of infections among colleagues and family members. Therefore, without exception, everyone should take part in combating this dreadful virus. As an entity with influence on diverse aspects of production and sales, LG Electronics must take responsibilities in a befitting manner. We have continuously worked to reduce negative impacts to the planet by eliminating the use of toxic substances and developing energy-efficient products that can help address social issues and positively influence society, and we will remain committed to these efforts. Even if we succeed in overcoming COVID-19, as long as environmental issues including climate change persist, we will experience another risk. As a responsible global corporate citizen, LG Electronics will continue supporting employees, suppliers, customers, investors and all stakeholders to rise to the current challenge and return to normality, where “Life’s Good.”
At LG, we manage approximately 140 subsidiaries around the world. We prioritize the safety of our employees above all else, thus we have taken necessary measures such as allowing telecommuting and adjusting the operation schedule of production subsidiaries in accordance with local circumstances.

Efforts to respond to the era of COVID-19

Operations of a Corporate-Level Consultative Body to Implement COVID-19 Response

In accordance with the scale of the crisis, we response classified for the audience of infectious diseases, we implemented measures in the following categories: concept, caution; alert; and serious.

Activities:
• Establishing a COVID-19 guidelines advisory company-wide.
• Daily sharing of the latest status and employee updates.
• Providing guidance regarding global travel restrictions.
• Considering risks and maintaining the daily monitoring of global news.
• Establishing a COVID-19 guidelines review team to monitor the status of the business and the nature of the crisis.
• Providing guidance regarding global travel restrictions.
• Preparing a protocol for COVID-19 test kit.
• Allowing employees to work from home.
• Installing screens in the company cafeterias.
• Implementing the policy of working from home.
• Taking measures to ensure the safety of employees.
• Installing a health management system which allows employees to communicate with their families.

Support to the Overseas Business Sites

Some days, the number of new confirmed cases has passed 1,000 in South Korea. To prevent the COVID-19 pandemic, employees from different regions have been provided with protective gear and masks. In order to prevent the spread of the virus, employees have been advised to wear protective masks and wash their hands regularly.

Activities:
• Installing protective equipment at the company’s overseas business sites.
• Providing masks to employees working in the overseas business sites.
• Providing masks and other protective gear.
• Implementing a system which allows employees to communicate with their families.

Supporting the Supply Chain (Suppliers)

To minimize the impact of the COVID-19 pandemic, LG Electronics has taken measures to ensure the safety of its employees who are working in the overseas business sites.

Activities:
• Installing masks in the company cafeterias.
• Implementing the policy of working from home.
• Allowing employees to work from home.

Donations

Donations have been made to organizations and charities to support those affected by the COVID-19 pandemic.

Countries

Korea
• Donation of Home appliances such as refrigerators and air conditioners.

Overseas (Australia)
• Donation of 5,000 medical masks to the New South Wales Health Department.

Overseas (China)
• Donation of 161 cell phones and tablet PCs to hospitals such as Tongji Hospital.

Overseas (Europe)
• Donation of 5,000 masks to the governments of states in which our major business sites are located.

Overseas (North America)
• Donation of $300,000 via voluntary employee fundraising.

Overseas (Asia)
• Donation of 3,000 medical protective suits to the Daegu Public Health Office.

Overseas (USA)
• Donation of approximately 300,000 N95 masks and surgical masks to local hospitals.

Taking actions against COVID-19

Donations

Donations have been made to organizations and charities to support those affected by the COVID-19 pandemic.

Countries

Korea
• Donation of Home appliances such as refrigerators and air conditioners.

Overseas (Australia)
• Donation of 5,000 medical masks to the New South Wales Health Department.

Overseas (China)
• Donation of 161 cell phones and tablet PCs to hospitals such as Tongji Hospital.

Overseas (Europe)
• Donation of 5,000 masks to the governments of states in which our major business sites are located.

Overseas (North America)
• Donation of $300,000 via voluntary employee fundraising.

Overseas (Asia)
• Donation of 3,000 medical protective suits to the Daegu Public Health Office.

Overseas (USA)
• Donation of approximately 300,000 N95 masks and surgical masks to local hospitals.
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Through our mid- to long-term ESG goals, which were reorganized in 2021, LG Electronics is striving to clearly communicate our ESG direction to our stakeholders. Accordingly, we have set detailed tasks and targets to promote a strategic objective of maximizing “positive environmental value” and “an inclusive society” under our ESG vision of “Life’s Good.” Moving forward, we will use our new ESG goals as a foundation to pursue sustainability between our company and society, and do our utmost to create economic and social value.
LGE’S MID-TO LONG-TERM ESG COMMITMENTS

In 2018, LGE presented a direction for sustainable management and established major goals to achieve it. LGE has since continued to achieve the goals it set, and transparently discloses its major activities and results to stakeholders through its annual sustainability report. In 2021, we established a new ESG-based direction by reviewing the performance from the past three years, with a view to reflecting the ESG trends in the international community and reorganizing the existing direction to maintain more effective communication with stakeholders. The reorganized direction more clearly expresses LGE’s aims to promote ESG management and secure sustainability.

In consideration of internal and external issues, specific achievable goals were set to enable continuous performance management and communication with stakeholders.

LGE’s ESG management has existed in different forms and expressions in the past, present, and future, but its primary goal and essence remain the same. LGE will continue to strive for the sustainable development of the company and society by maximizing positive environmental values and pursuing inclusive growth for all under the ESG vision of Life’s Good.

**TOWARD A MORE POSITIVE EXTERNALITY**

- Zero Negative Environmental Impact
- Product for the Next Generation

**EMBRACING AN INCLUSIVE SOCIETY**

- Sustainable Workplace for All
- Balanced Growth

**TRUSTWORTHY MANAGEMENT**

- Compliance
- Beyond Compliance

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**LGE’s ESG Commitments for Sustainability**

**Strategic Task**

- Strengthening ESG Compliance
- Establishing an ESG Decision-Making System

**Foundation**

- Zero Controversy Issue
- Establishing an ESG Decision-Making System
- Stakeholders > Business Departments > ESG Consultative Group > Management Meeting > ESG Committee > Board of Directors

**Managing Performance Data**

- Corporate Governance
- Compliance Risk Management
- Fair Trade
- Safety and Environment
- Suppliers
- Conflict Minerals
- Customers
- Information Protection
- Employees

**New ESG Commitments (2021~)**

- Reflect the global ESG trends in the industry
- Emphasizing transparency for stakeholders
- Raising the bar of ESG performance management system

**Previous Sustainability Commitments (2018~2020)**

- Establish sustainable management activities and performance management system
- Establish mid-to long-term goals
- Reflect the UN SDGs, standards required by the international community

**GRI Standards Index**

- LGE's ESG performance management system is certified by the GRI standards.
- According to the GRI standards, LGE continuously aims to improve the value of sustainable management.
TOWARD A MORE POSITIVE EXTERNALITY

Zero Negative Environmental Impact
- Reduce carbon emissions in the production phase by 50% compared to 2017 by 2030
- Achieve carbon neutrality by expanding the areas of the CDM (Clean Development Mechanism) by 2030
- Expand the introduction of SF6 reduction technology by 2030
- Complete transition to electric/hydrogen cars for business by 2030
- Increase the ratio of Green 3 Star certified products up to 80% by 2030
- Achieve 95% in waste recycling rate at production sites by 2030
- Reduce carbon emissions in the production phase by 50% compared to 2017 by 2030
- Achieve carbon neutrality by expanding the areas of the CDM (Clean Development Mechanism) by 2030
- Expand the introduction of SF6 reduction technology by 2030
- Complete transition to electric/hydrogen cars for business by 2030
- Increase the ratio of Green 3 Star certified products up to 80% by 2030
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- Expand the introduction of SF6 reduction technology by 2030
- Complete transition to electric/hydrogen cars for business by 2030
- Increase the ratio of Green 3 Star certified products up to 80% by 2030
- Achieve 95% in waste recycling rate at production sites by 2030
- Reduce carbon emissions in the production phase by 50% compared to 2017 by 2030
- Achieve carbon neutrality by expanding the areas of the CDM (Clean Development Mechanism) by 2030
- Expand the introduction of SF6 reduction technology by 2030
- Complete transition to electric/hydrogen cars for business by 2030
- Increase the ratio of Green 3 Star certified products up to 80% by 2030
- Achieve 95% in waste recycling rate at production sites by 2030
We are upgrading our energy management system by introducing the Energy Management System (ISO 50001) at all of our production sites in Korea. We have established energy management systems to overseas business sites, and we manage and maintain the certification of these systems through annual re-examination.

Energy Management System (ISO 50001) Certification

We are up-grading our energy management system by introducing the Energy Management System (ISO 50001) international standard in order to efficiently use energy and reduce related costs. The energy management systems at all of our production sites in Korea have been certified. We are expanding our energy management systems to overseas business sites, and we manage and maintain the certification of these systems through annual re-examination.

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History of sustainability reports publication

Pursuing Carbon Neutrality throughout the Value Chain Focusing on the Phases of Procurement, Production and Customer Use

At LG, we continue to differentiate ourselves in terms of our goals and our approach to carbon neutrality by establishing our own challenging targets. In 2021, we intensify efforts to reduce our carbon footprint.

Energy Consumption Status and Targets (Korea + Overseas)

We implement the SF6 (sulfur hexafluoride) reduction project in order to reduce greenhouse gas emissions and achieve carbon neutrality. In 2021, four new scrubber facilities will be added to a total of thirty-four new scrubber facilities being operated at the Gumi plant of our BS Company. The annual emission reduced by this project is about 400,000 tons, thus achieving an average annual treatment efficiency of more than 96%.

Global Carbon Emission Status and Targets (Korea + Overseas)

We conduct a process gas emission reduction test by improving the solar process. About 20% of the emission in this process has been reduced, and an additional reduction of 150,000 tons per year is currently being targeted through the consideration of a new investment in solar processes gas reduction facilities. In 2021, we will also conduct the carbon fund investment efficiency verification, such as high efficiency CFC facility investment, with a view to reducing carbon emissions in the production phase.

We conduct a market average efficiency data in order to calculate carbon reduction, and we are carrying out the task of obtaining approval for the Indian air conditioner project from the Indian government. GOES expects to proceed with this project as soon as possible.

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Carbon Pricing

We apply an ‘internal carbon cost’ policy which quantitatively determines the value of carbon for internal transactions by weighing business opportunities related to energy saving and reducing greenhouse gas emissions and discovering risks. This approach allows accurate measurement of the environmental burden placed on the company in terms of financial value, thereby contributing to rational decision-making on future investments that seek to reduce greenhouse gas emissions.

Introduction of Carbon Accounting

In accordance with Chapter 13 of the Generally Accepted Accounting Principles (Greenhouse Gas Emission Permits and Emission Liability), we analyze greenhouse gas emission rights as allocated by the Korean government as well as our own emissions on a quarterly basis. Expiry (emission bubbles) due to excess emissions are reflected in the consolidated statement of financial position.

GHG Emissions Measurement, Reporting and Verification

We are a company subject to management under Article 42 (2) of the Framework Act on Low Carbon, Green Growth. In accordance with Article 44 of the aforementioned law, we submit emission statement to the government in a timely manner following third-party verification of our greenhouse gas emissions and energy consumption at all of our domestic production sites, while also transparently disclosing information to various stakeholders. In addition, we have completed building a greenhouse gas inventory for our global production sites and disclose greenhouse gas emissions every year.

Case. Creating a carbon-neutral cluster (Korea)

In March 2021, we entered into a MOU with the Korea Water Resources Corporation and POSCO aimed at establishing a new and renewable energy cluster in order to achieve carbon neutrality. This MOU is significant in that it sets a new and renewable energy cluster that plays a leading role in terms of energy transition policies such as the achievement of carbon neutrality. In addition to securing various technologies to promote renewable energy, we are actively practicing carbon neutrality by introducing various high efficiency heat pump systems such as air conditioners powered with air, ground (underground) and water, and large-capacity refrigerators. In addition, high performance buildings integrated solar power systems, and energy management systems.

탄소중립 실험 및 신재생 에너지 클러스터 조성 업무협약식

문의: 2021. 3. 31 (목) 6:00 볼코스터회재정관전치 | 협력기관: 코웨이/LG/POSCO/한국수자원공사/수자원공사

Remarks on caption: “Korea Water Resources Corporation and POSCO aim to establish a new and renewable energy cluster in order to achieve carbon neutrality.”
In addition to changing the energy sources used, the transition to renewable energy is also significantly altering the energy management systems and the overall management of businesses. In the future, we envision the management of businesses will be based on sustainable energy sources.

Expansion of Renewable Energy

LG Electronics is committed to achieving 100% of renewable energy by 2050. To achieve this goal, we have set the following targets:

- **Stage 1 (2021-2025)**: 90% of renewable energy usage
- **Stage 2 (2026-2028)**: 96% of renewable energy usage
- **Stage 3 (2029-2030)**: Complete transition to 100% renewable energy

In order to achieve these targets, we are taking the following measures:

1. **Technological innovation**: We are investing in research and development to enhance the efficiency of renewable energy technologies such as solar panels and wind turbines.
2. **Policy support**: We are working with governments and regulatory agencies to create favorable conditions for the expansion of renewable energy systems.
3. **Partnerships**: We are collaborating with renewable energy companies and other stakeholders to share resources and knowledge.

We believe that by 2050, our business will be powered solely by renewable energy, contributing to a sustainable future. We are committed to doing our part in creating a carbon-neutral society.
In 1987, the World Commission on Environment and Development (WCED) proposed the concept of sustainable development in a report titled “Our Common Future.” Highlighting the importance of ensuring the sustainability of future generations, it defined sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” Our products and services are carefully designed with the consideration of contributing to a sustainable future alongside our customers, society, and the environment.

Increase the ratio of Green 3 Star certified products up to 80% by 2030 as a part of internal eco-friendly product assessment

In 2011, we introduced Eco-Index, an evaluation index unique to our company that seeks to evaluate the eco-friendliness of our products. Developed by LGE, the Eco-Index quantifies our products’ eco-design into grades through an eco-friendliness evaluation. It classifies groups and models of products into three grades according to their level of eco-friendliness: Green 1 Star, Green 2 Star, and Green 3 Star. We realistically operate and manage eco-index standards by analyzing and reflecting changes in the product development environment. In addition, we strive to increase the proportion of Green 3 Star products, i.e., products that are evaluated as being the highest level according to the Eco-Index. We will continue to conduct eco-friendly evaluation and performance management based on the Eco-Index in order to develop and expand upon green products with the ultimate goal of satisfying our customers.

The Evaluation Standard of Eco-Index

<table>
<thead>
<tr>
<th>Classification / Grade</th>
<th>Green 1 Star</th>
<th>Green 2 Star</th>
<th>Green 3 Star</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human</td>
<td>Satisfying regulatory requirements</td>
<td>Satisfying human needs</td>
<td>Satisfying human needs</td>
</tr>
<tr>
<td>Energy</td>
<td>Reducing energy specifications</td>
<td>Achieving average energy efficiency</td>
<td>Achieving high energy efficiency</td>
</tr>
<tr>
<td>Resource</td>
<td>Satisfying regulatory requirements</td>
<td>Designed/expected resource use efficiency</td>
<td>Designed/expected resource use efficiency</td>
</tr>
<tr>
<td>Innovation</td>
<td>Performance index for eco-friendly products (LIFE national-level certification: development of advanced technology)</td>
<td></td>
<td></td>
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</tbody>
</table>

Achievements and goals in developing Green 3 Star products (as of Q2 2023)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>TV</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
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<td>Monitor</td>
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<tr>
<td>Refrigerator</td>
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<tr>
<td>Air conditioner</td>
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<td>0.09%</td>
</tr>
<tr>
<td>Washing machine</td>
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<td>0.15%</td>
<td>0.15%</td>
</tr>
<tr>
<td>SAC1</td>
<td>0.00%</td>
<td>0.00%</td>
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</tr>
<tr>
<td>SAC2</td>
<td>0.00%</td>
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</tr>
<tr>
<td>RAAC</td>
<td>0.00%</td>
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<td>0.00%</td>
</tr>
</tbody>
</table>

Target: Increase the number of development programs.

Calculation of Carbon Emissions throughout the Product Life Cycle

<table>
<thead>
<tr>
<th>Stage of Life Cycle</th>
<th>Per manufacturing</th>
<th>Manufacturing</th>
<th>Distribution</th>
<th>Use</th>
<th>Original</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>0.00%</td>
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<tr>
<td>TV</td>
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</tr>
<tr>
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<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>SAC2</td>
<td>0.00%</td>
<td>0.00%</td>
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<td>0.00%</td>
<td>0.00%</td>
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</tbody>
</table>

Calculation of carbon emissions by major product groups and disclosure of results

Progress of Life Cycle Assessment

Application of LCA

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory LCA for the development stage of key product groups and the development of the Simplified LCA tool</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Enhancement and development of the Simplified LCA tool (relevance to 35 major categories including global warming)

Calculation of Carbon Emissions throughout the Product Life Cycle

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<tr>
<td>SAC2</td>
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</tbody>
</table>

Progress of Product Life Cycle Assessment

Construction of the life cycle inventory database and its partial certification

Mandatory LCA for the development stage of key product groups and the development of the Simplified LCA tool

Calculation of carbon emissions by major product groups and disclosure of results

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<td></td>
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Enhancement and development of the Simplified LCA tool (relevance to 35 major categories including global warming)
Humans: Reducing Environmental Hazards

Voluntary Substitution of Hazardous Substances

We adhere to international environmental regulations such as RoHS and WEEE that prohibit the use of hazardous substances (e.g., lead, mercury, cadmium, hexavalent chromium, PBB, PBBDE, etc.). We entirely prohibit the use of harmful substances and continuously develop and apply replacement technical parts for toxic substances that can cause harm to the human body and the environment. Though not currently subject to regulation, we are gradually replacing harmful substances such as polyvinyl chloride (PVC) and brominated flame retardants (BFRs) through safety and reliability tests. As a result, the use of PVC and BFRs was completely abolished in all of our mobile phone products starting in 2015, and we implemented the voluntary substitution of harmful substances such as phthalate and bisphenol in 2011, and anthraquinone tetrabromide in 2013. Moreover, we replaced PVC in the cables of HCF and OLED TVs, and from 2010, we removed part replacement parts that were developed and applied to refrigerators, and further efforts are continually being made to develop and apply this technology to reduce toxic substances while maintaining product quality to a number of other products. Meanwhile, in 2013, hexabromocyclododecane, a type of brominated flame retardant, was removed from all of our products and packaging in an agreement response to EU regulations on persistent organic pollutants (POPs). In addition, the supply chain management of the information of bisphenol in used products has been carried out, and we are striving to cut out toxic substances in the manufacturing process through thorough management.

Management Standards for Hazardous Substances

We classify hazardous substances into LEVEL A-I, LEVEL A-II, and LEVEL B. To enable management of these substances in accordance with national regulations and international agreements.

- **LEVEL A-I (Prohibited substances)**
  - Contains the top 10 hazardous substances outlined in the EU RoHS regulation. These include heavy metals such as lead, cadmium, and mercury, hexavalent chromium, and its compounds, brominated flame retardants such as PBB and PBDE, and flame retardants of phosphorus (PCTs, VOC, HBCD, bisphenol A, nickel, etc.). It also excludes hazardous substances specified in the EU REACH SVHCs, as substances to be monitored or the level thereof of the reduced substances stipulated in EU REACH SVHC, additional Propositions 65, etc. as well as PVC and PCBs.

- **LEVEL A-II (Substances prohibited by other than EU RoHS)**
  - Excludes the regulated substances prohibited by national or international regulations other than the EU RoHS regulation. It refers to chlorine-containing compounds, asbestos, organotin compounds, formaldehyde, specific flame retardants, etc. Commonly known as PVC, these substances are to be monitored in the local or national regulations.

- **LEVEL B (Substances subject to monitoring or reduction)**
  - Level B refers to polyvinyl chloride (PVC) resin, phthalate, heavy metals, and other related substances classified in additives and substances prohibited by national or international agreements other than the EU RoHS. It aims to reduce (or avoid) the use of PVC and related substances in the company’s products and packaging to minimize damage to the human body and the environment.

Use of Recycled Materials

We are expanding our use of recycled materials by conducting product reliability and quality tests aimed at improving the efficiency of our use of resources. As a result, recycled materials are currently being used in various products of LG, such as washing machines, refrigerators, air conditioners, smartphones, TVs, and monitors. The amount of recycled plastic that we used over the previous four years is as follows: 5.77 Tons in 2017, 6.14 Tons in 2018, 6.14 Tons in 2019, and 6.46 Tons in 2020. In addition, we have continuously developed the design and application of recycled products for our products, expanded the replication for recycled products for each of our product groups, and systematically manage performance in order to broaden the scope of the application of recycled plastics in the long term.

An Example of our Green Packaging Efforts

As LG, we continue to improve the minimization and weight reduction of packaging materials, including the application of eco-friendly packaging materials, with a view to minimizing the amount of resources used. In 2012, we created our Eco-Friendly Packaging Design Guidelines and applied it to some of our product groups such as TVs and mobile phones and we expanded it to all products in 2013. By securing a database of the net product content (Net) ratio of packaging materials, we contribute to the improvement of the recycling rate of packaging materials. Since 2014, we have been establishing goals for each of our business companies regarding the amount of packaging material used, the packaging volume, and the reduction rate of packaging waste, and we have been consistently monitoring progress toward these goals. As of 2020, we conducted an environmental assessment that applied a design improvement plan to our ready-made model, and reduced the amount of packaging material used and the packaging volume by 10% in 2019 and 15% in 2020. In addition, we continuously promote the development of alternative materials and technologies for all of our products, expand the replication for recycled products for each of our product groups, and systematically manage performance in order to broaden the scope of the application of recycled plastics in the long term.

Resource: Improving Resource Efficiency

Structural Improvement of Materials

From the development stage, we conduct activities aimed at improving materials and structures in order to present products exhibiting improved performance and eco-friendliness. In 2020, we introduced the reuse of recycled materials by 6% for ten types of plastic, as compared with the data for the previous reporting period in order to expand resource utilization and reduced material waste further. We are actively working on the recycling of waste materials and continuously developing ways to improve the design of existing products, starting with product development that takes eco-friendly factors into consideration.

Supplier Training and Technical Support

Every year we conduct systematic training programs regarding regulations concerning hazardous substances, specialized skills in eco-friendly materials, and greenhouse gas management practices in order to strengthen our green partnerships with the environmental managers of our suppliers and designated employees. In addition, a training course for ‘hazardous substance management experts’ was established with a view to enhancing hazardous substance management and measurement technology, and improving the reliability of data. This training course is provided to those in charge of monitoring the hazardous substances of our equipment suppliers.
2020-2021 LG Electronics Sustainability Report

CORPORATE OVERVIEW
Management Philosophy
Message from the CEO
Message from the Management
Who We Are
What We Do
Our Commitment to the Environment
Assurance Statement
History of sustainability reports publication

2020-2021 LG Electronics Sustainability Report

Energy: Improving Energy Efficiency
Improving Energy Efficiency
Reducing Greenhouse Gas Emissions
Energy-related Products (ErP) directive, we reduce energy consumption and standby power via the establishment of our own energy-related goals and detailed strategies.

Establish TRM by each product group

Set energy efficiency goals for each stage of product development

Maximize energy efficiency by each product

Voluntary PMI Declaration

Reduce its energy consumption and standby power by 85% compared to the 2007 baseline.

Energy: Improving Energy Efficiency

Improving Energy Efficiency

Energy-related Products (ErP) directive, we reduce energy consumption and standby power via the establishment of our own energy-related goals and detailed strategies.

Establish TRM by each product group

Set energy efficiency goals for each stage of product development

Maximize energy efficiency by each product

Reduction of Greenhouse Gas Emissions

In order to enable consumers to be able to recognize the environmental impact of our products, we disclose information indicating the amount of greenhouse gas emissions and carbon emissions generated in the entire product life cycle of our flagship products. To improve energy efficiency and reduce greenhouse gas emissions in each stage of the product life cycle, we are developing and selling energy-efficient products in order to contribute to the reduction of greenhouse gas emissions during the consumption use of these products. In 2020, we expanded the number of products to which high-efficiency energy technology was applied in order to reduce greenhouse gas emissions during the product use stage by approximately 175 million tons (when compared with 2007 power consumption data). Going forward, we will continue to implement enhanced energy improvement activities to further contribute to reducing greenhouse gas emissions.

Energy Star

Energy Star is a program jointly hosted by the US Environmental Protection Agency (EPA) and the Department of Energy (DOE) aimed at certifying energy efficient products. A total of 52 of our product groups, including monitors, air conditioners, washing machines, and refrigerators, received the Energy Star certification, and as of 2020, 432 of our products have been certified.

Energy Star Certified for Products Among Those Sold in the United States

<table>
<thead>
<tr>
<th>Segment</th>
<th>Model Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitors</td>
<td>110</td>
</tr>
<tr>
<td>PCs</td>
<td>21</td>
</tr>
<tr>
<td>Air conditioners</td>
<td>24</td>
</tr>
<tr>
<td>Dryers</td>
<td>86</td>
</tr>
<tr>
<td>Refrigerators</td>
<td>87</td>
</tr>
<tr>
<td>Dishwashers</td>
<td>30</td>
</tr>
<tr>
<td>Washing machines</td>
<td>68</td>
</tr>
<tr>
<td>Humidifiers</td>
<td>2</td>
</tr>
<tr>
<td>Set-top boxes</td>
<td>2</td>
</tr>
<tr>
<td>Air conditioners</td>
<td>2</td>
</tr>
</tbody>
</table>

Case. Implement ‘Packaging Material Reusability Evaluation’ as a Pilot Project (Non-EU)

In July 2021, we signed a business agreement with LG Display and the Ministry of Environment to reduce the amount of waste generated through the reuse of packaging materials for home appliances, and to promote the ‘packaging material reusability evaluation’ project accordingly. This pilot project is being conducted in order to evaluate and analyze the field-applicability of reusable packaging materials. From among our products, the packaging material for the outdoor units of system air conditioners has been set as the target. Since packaging materials are discarded after product installation, the reuse of packaging materials can reduce not only disposal costs but also environmental pollution. The amount of paper used as a cushioning material for the outdoor units of our system air conditioners will be drastically reduced from 3,950g to 30g. Through the pilot project, we expect to reduce the use of paper by about 85 tons and the use of expanded polystyrene by about 19 tons per year. Going forward, we will continue to actively carry out such waste reduction activities.
400 Large Packaging Boxes Donated to Seoul Grand Park (Korea)

Starting in 2021, LG is recycling the packaging materials of home appliances, and helping the Animal Behavior Enrichment Program® in operation at Seoul Grand Park. At the same time, we have been donating four hundred boxes per year which is used to package large appliances such as washing machines, refrigerators, and air conditioners. As the paper boxes used to package large home appliances we donate are thick and wide as they generally have to provide a high degree of protection, they are highly useful as play tools for animals such as lions, tigers, and bears. In the past, we only offered packaging materials collected after product installation through specialized companies. However, going forward, we will conduct upcycling of recyclable materials, such as paper boxes and other packaging materials, and provide them to places where they are needed, such as zoos.

The LG box is an asset for animals in order to maintain their instincts and enhance their physical ability in their natural environment. In addition, it is a great tool for the mental stimulation of animals, which lead to an improved overall quality of life. This program creates a living space for animals that is similar to nature such that they can naturally reclaim their instincts and relieve stress in order to lead healthier and happier lives.

Here at LG, we are implementing policies aimed at ensuring compliance with regulations on the collection and disposal of discarded home appliances in different parts of the world. While also continuing our efforts to contribute to the creation of a better future environment, we will increase the recyclability of e-waste and reduce the environmental impact of landfills and incineration during the disposal process. In particular, we enhance the recyclability of products by conducting recyclability evaluations from the product development stage.

E-waste Collection Policy and Programs

Compliance with the individual Producer Responsibility Regulations

In response to regulations on the take-back and disposal of discarded home appliances in countries where our production sites are located, we have established relevant policies and operate a collection and disposal service for e-waste. In addition, we continue to make concerted efforts to increase the recyclability of e-waste and reduce the environmental impact of landfills and incineration during the disposal process. In particular, we enhance the recyclability of products by conducting recyclability evaluations from the product development stage.

E-waste Take-Back and Disposal Service (Overseas)

We provide an e-waste recovery service in 87 regions in 52 countries as of 2020. These services reflect the WEEE (Waste Electrical and Electronic Equipment) directives and the requirements of each country. With a view to expanding our voluntary recycling policy to new areas, we are strongly introducing these services following regulatory analysis and prior communication and discussion of countermeasures with the government and industry groups in the target countries.

Regional E-Wastes Take-Back/Treatment (Korean Tons)
Continuous development of a business reflecting future-oriented, eco-friendly and human values

Diffusion of Photovoltaic Components and Solutions

Here at LG, we are strengthening our competitiveness in the solar industry by providing high performance and high quality solar modules and diversifying our business portfolio, and continuously providing customers with value for their energy use. In particular, we are continuously improving the output of modules in order to strengthen product competitiveness, and we are reducing total costs through various activities aimed at reducing product cost. In addition to these efforts, we are also expanding our footprint into the solar power generation component market for homes (high-power black module/AC module) and for small and medium-sized businesses (P-type/N-type module). Moreover, we are strengthening our remote sales capabilities by expanding our concept service and online marketing efforts. Moving forward, we will continue to expand our business in terms of solar power generation parts and solutions, in addition to diversifying our business portfolio by entering the market for applicable products.

Improving power generation through the development of a high-power module

Development and Commercialization of Building-Integrated Photovoltaic Module (BIPV)

With the implementation of the Korean government’s zero-energy building policy in 2020, the emphasis placed on the energy independence rate of buildings continues to increase. In response to this government policy and in order to increase the energy independence rate of buildings by overcoming past limitations in installing solar power generation devices on the roofs of buildings, we developed a building-integrated photovoltaic module (BIPV) that can be applied to an entire building. Our BIPV was first applied to a back-contact module by essentially functioning as an exterior finish, and it can be applied in various colors. The module provides high reliability and the resistance to corrosion of the application of double-sided glass structure, and we are on course to commercialize it with the official launch at the end of 2021. Along with BIPV, we are pursuing an AC module ‘innovation’ that has an improved power generation efficiency in comparison with the existing DC module. In particular, it enables improvement in design with free wiring between modules when applying microinverters, and increases safety and construction convenience. Furthermore, by using an individual inverter that does not need separate inverter space, the use of the dedicated space of inverter can be optimized.

Development and Mass Production of Solar Rooftops for Vehicles

In 2019, we started mass-producing solar roofs for Hyundai Motors Group’s electric vehicles and hybrid vehicles, and in 2020, we newly developed solar roofs for the electric vehicles. Solar roof for a vehicle is a solar module having an excellent appearance to fit the roof of the vehicle, capable of charging the batteries of electric vehicles and hybrid vehicles through high power generation performance with an output of 200W or more. Through the development and mass production of solar roofs, we are creating sustainable value via the improvement of vehicle fuel efficiency, reducing vehicle CO₂ emissions, and increasing user convenience through the ability to charge power while parked.
LG ThinQ Home, a Home of the Future Where Innovation Becomes a Part of Daily Life

LG ThinQ Home, located in Pangyo, Bundang district of Seongnam city in the Gyeonggi province, was completed over a period of about three years from initiation planning to solutions development, land purchase, concept and detail design, construction, and zero energy building certification. It was designed reflecting our vision of ‘Life’s Good at Home’ which enables customers to enjoy a safe and convenient life at home. The ThinQ Home implemented “LG ThinQ Home Integrated Solution” in the actual housing unit combining innovative products such as TV, and home appliances, IoT space solutions, and differentiated energy solutions from production to storage and management. LG ThinQ Home is next generation future housing that helps customers use energy efficiently (Zero Energy) and focus on the value of daily life with little effort (Zero Effort) and without stress (Zero Stress). In addition, it goes beyond providing energy-saving solutions, and intelligently manages energy-related major appliances at home. Going forward, we plan to use the LG ThinQ Home as a venue for introducing innovative products and home integrated solutions to our global customers.

LG ThinQ Home is certified as a Grade 1 zero energy building by the Ministry of Land, Infrastructure, and Transport. Grade 1 is the highest grade among the zero-energy building grades and is given to buildings that have an energy independence rate of 100% or higher.

The Three Values of LG ThinQ Home

Through innovative products and solutions installed throughout the LG ThinQ Home, we present three values that customers can experience in their daily lives: Entertainment, Convenience, and Safety.

3F Communication and Harmony: A space where families can meet and talk

Signature Kitchen & Dining: A clean and refined kitchen space composed of kitchen appliances from the LG Signature Kitchen Suite and equipped with a local and automatic air vent that helps to manage an air quality when cooking food. Families can gather in the dining space to talk and have meals together. When making meals, families can enjoy a cinematic experience before falling asleep through the projector installed on one of the walls.

Floor-to-ceiling glass windows & transparent OLED: A space configured as a powder room combined with the bathroom. Installed within the powder room is a smart mirror that can act as a personal assistant (schedule management, traffic/news, etc.), as well as luxury products such as a body dryer and health management solutions. Smart Wall: An installed smart wall that can be moved to best fit the space, and which includes an internal storage space and a space for decorative displays.

2F Immerison and Rest: A space for self-focus

Home Office: A space optimized for the era of working from home. Immersion in work is achieved through the use of ergonomically designed products such as the LG monitor curved monitor, and LG PC. Bedroom: A bedroom for focused deep sleep and a cinematic experience fully control of the Smart Sleep Mode, a mode which can control the curtains, lights, and air conditioner of the room, and enjoy a cinematic experience before falling asleep through the projector installed on one of the walls.

Powder Room: A space configured as a powder room combined with the bathroom. The powder room is a smart mirror that can act as a personal assistant (schedule management, traffic/news, etc.), as well as luxury products such as a body dryer and health management solutions. Smart Wall: An installed smart wall that can be moved to best fit the space, and which includes an internal storage space and a space for decorative displays.

1F Safety and Purity: A space that connects with the outside world

Smart Front Door: A facial recognition technology implemented for entering and leaving the home, and recognizing visitors. Entrance Clear Zone: A space to remove external pollutants solution such as the TV, LG air purifier, and LG PC. Smart Mirror: Installed on every floor and enabling control of multiple devices including front door lockers, lights, and curtains, as well as providing diverse capabilities such as monitoring domestic safety and family members.
EMBRACING AN INCLUSIVE SOCIETY

Sustainable Workplace for All

- Establish a safety culture at the highest level throughout the manufacturing process. (Indicate as of 1st quarter 2020)

- Ensure full membership in the Responsible Business Alliance (RBA) by

- Promote social contribution activities at all LGE business sites by 2030

- Enhance ethical and competitive workplaces and lives for our employees. In addition, to promote the participation of employees, a culture of transparency is being fostered through complex training scenarios.

Balanced Growth

- Develop products that can be easily used by anyone by applying accessibility and universal design.

- Ensure a culture of growth and healthiness by combining future-oriented accessibility and universal designs

- Expand safety culture that enables employees to collaborate independent of culture and conditions

Independent Assurance Statement

Here at LG, we established a goal of implementing a culture of safety where its employees focus on their own safety as well as that of their colleagues. We have implemented various activities and systems aimed at achieving a safety culture capable of operating independently and at the highest level throughout the manufacturing process by 2030; in addition, we evaluate our safety culture index through interviews with the executive and employees as well as company-wide surveys, where we develop and manage items for improvement based on the results. Kypros to increase our safety culture index from 3.3 pts (out of 5) to 4 pts in 2021. We will continue to establish a safety culture of the highest level in the manufacturing sector by pursuing various activities including leadership in action, increased employee participation, and an enhanced risk management system.

Leadership in Action

LG’s organizational managers and heads of departments are actively taking the lead in spreading a culture of environmental safety. Starting in 2021, agenda items related to safety and the environment have been regularly discussed at the ESG Committee meetings held under the CFO. The discussed items under- go the decision-making process and are directly reflected in our management tasks. In addition, Safety Talk is conducted before the start of the meeting in the form of an ice-breaking session on major issues surrounding safety and the environment at the monthly management meetings held by each company. Moreover, we have designated the first Tuesday of each month as “Safety Environment Day” where organizational managers of Korean business sites as well as overseas supplier conduct assessments based on our safety standards which cover our 4 fundamental principles. They also deliver tasks related to safety and environmental focuses on each business site and carry our improvement measures, contributing to the prevention of safety-related accidents and the expansion of a safety culture.

Increased Employee Participation

Safety Culture Campaign

We conduct various campaigns that motivate employee participation in order to raise the safety awareness of our employees. To contribute to the expansion of a safety culture throughout the daily lives of our employees, we held a photo exhibition under the theme of safety at workplaces and lives for our employees. In addition, we have promoted the participation of employees by conducting safety culture campaigns in order to promote the six safety principles that must be prioritized by all of our employees. Moreover, various content such as animations, cartoons, and brochures were produced and widely used in publicity campaigns in order to promote the six safety principles that must be prioritized by all of our employees.

Interactive Safety Education (Korea)

We conduct interactive safety training that enables our employees to autonomously recognize and prevent risks. We are also making concerted efforts to increase awareness in issues related to safety by including safety experience centers as our business sites including in Seoul and Gumi as well as the Pro- duction Engineering Research Center and the Science Park. By providing experienced-centered safety education directly related to the safety risks present at the workplace through VR training, facility safety, CPR practice and fire evacuation drills, we are strengthening our response capabilities to facilitate a rapid response in the occurrence of emergencies. Moreover, we have responded to risks by improving our emergency response scenarios for safety environment at business sites and developing complex training scenarios. We also executed training sessions in partnership with fire stations.
Reduce high-risks with supplier self-assessments 1.50 to 0.50 by 2030

In order to enhance the sustainability of the entire supply chain, LG Electronics identifies risk factors in advance and continuously strives to manage these factors and mitigate risks. With the goal of assessing CSR risks of all tiers of suppliers and ensuring the proportion of high-risk suppliers, we established a CSR risk assessment process and continuously operate this for systematic CSR risk management. In addition, self-assessments are carried out by our major suppliers with an assessment sheet covering labor/human rights, safety, health, environment and ethics. For our high-risk suppliers, we offer improvement measures through on-site assessments and consultations. Furthermore, CSR management training is provided for suppliers and overseas subsidiaries in order to strengthen operational risk management capabilities so that suppliers can improve and manage CSR risks autonomously.

Risk Management for Supply Chain

Supplier Code of Conduct

We created a Supplier Code of Conduct based on the RBA Code of Conduct and we require all of our suppliers to comply with it in order to encourage the voluntary compliance of our suppliers with the Code of Conduct. Moreover, it is reflected in our purchase contracts and is provided suppliers with a guide.

Supplier’s Agreement to Comply with Code of Conduct

Our company promises to implement the following:

1. We have adopted a copy of the LG Electronics Supplier Code of Conduct on (month) (year). In addition to the supply contract concluded between LG Electronics and our company, our company promises to faithfully implement the principles and requirements outlined in the LG Electronics Supplier Code of Conduct.

2. Our company will faithfully respond when LG Electronics or a third party designated by LG Electronics requests evidence in order to evaluate our degree of compliance with the Supplier Code of Conduct, and we agree to visit our site for diagnosis upon receiving seven days’ written notice.

3. Our company will do its best to determine the LG Electronics Supplier Code of Conduct to our suppliers and then endeavor and seek them to abide by the Code of Conduct.

4. Our company will not object to any actions taken by LG Electronics against us due to any violations of the LG Electronics Supplier Code of Conduct.

CSR Risk Management Program for Suppliers

Stage 2: Assess

- On-site inspection and consulting carried out by LG Electronics' third party audit (if necessary)
- Improvement activities
- Monitoring
- Select suppliers to reflect assessment results

Stage 3: Verify

Details of CSR Self-Assessments of Suppliers (by region)

<table>
<thead>
<tr>
<th>Region</th>
<th>High-Risk Suppliers</th>
<th>Unstable</th>
<th>Low-Risk</th>
<th>Completed</th>
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<td>Central and South America</td>
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<td>168</td>
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</tbody>
</table>

Stage 1: Select

- Selection of assessment targets
- On-site assessment (if necessary)
- Voluntary improvement activities

Stage 4: Improve

- Improvement activities
- Monitoring
- Select suppliers to reflect assessment results

On-Site Inspection of one of Suppliers
Support for Improving the CSR Management Capabilities of Suppliers and Overseas Subsidiaries

By providing education to our suppliers, we help them identify and mitigate their own supply chain risks. Every year, CSR management education is provided for purchasing managers at our overseas subsidiaries. In 2020, we conducted this education online in light of the current environment brought about by the COVID-19 crisis. We also conduct safety and health education twice a year for suppliers in Korea. Since 2021, we have been working to enhance our management of the working environment of the suppliers through the addition of labor rights education in partnership with an RBA accredited agency.

Maintain full membership in the Responsible Business Alliance (RBA) by 2030

CSR Risk Management at Production Sites

LG Electronics is managing the risks of labor rights, human environment, ethics, and suppliers at all production sites on an ongoing basis. After joining the RBA in 2010, we established a 5-step CSR risk management process using RBA's self-assessment tool. In particular, LG Electronics manages CSR risk management processes in all production sites under the supervision of the CSR team at the headquarter, and senior personnel responsible for CSR at each business site. In 2020, LG Electronics conducted an in-depth self-assessment on 38 all production sites instead of on-site assessment due to COVID-19. CSR risks are continuously managed by reflecting the identified common risks in each corporate system and operation.

<table>
<thead>
<tr>
<th>Types of Non-conformities in On-site Assessments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classification</td>
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<tr>
<td>Lab./Fac. Rights</td>
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<tr>
<td>Lab./Fac. Rights</td>
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<tr>
<td>Labor/Human Rights</td>
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<tr>
<td>Safety/Health</td>
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<tr>
<td>Safety/Health</td>
</tr>
<tr>
<td>Labor/Human Rights</td>
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<td>Labor/Human Rights</td>
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</table>

5-step CSR Risk Management Process and Results Analysis

<table>
<thead>
<tr>
<th>STEP</th>
<th>Target Selection</th>
<th>STEP</th>
<th>Self-assessment</th>
<th>STEP</th>
<th>On-site assessment (remote consultation)</th>
<th>STEP</th>
<th>Third-party audit</th>
<th>STEP</th>
<th>Progress monitoring and improvement activities</th>
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<td>1</td>
<td>Target Selection</td>
<td>2</td>
<td>Self-assessment</td>
<td>3</td>
<td>On-site assessment (remote consultation)</td>
<td>4</td>
<td>Third-party audit</td>
<td>5</td>
<td>Progress monitoring and improvement activities</td>
</tr>
</tbody>
</table>

LG identifies business sites with high risks based on the results of self-assessment and on-site assessments and makes business sites that have high risks and high-pressure areas the focus of improvement. The improvement process is as follows:

1. Target Selection

- STEP 1: Target Selection

  a. In-depth Self-Assessment Questionnaire

  b. We developed the I-SAQ (In-depth Self-Assessment Questionnaire) to assess the CSR management level of each business site. This questionnaires covers the five key management items of the RBA Code of Conduct.

2. Self-assessment

- STEP 2: Self-assessment

  a. Since 2017, we have conducted in-depth self-assessments using the I-SAQ (In-depth Self-Assessment Questionnaire) to assess the CSR management level of each business site. Business sites are classified into three categories: green, yellow, and red. The green category consists of those with medium or low risk, while the yellow category consists of those with medium or high risk, and the red category consists of those with high risk.

3. On-site assessment (remote consultation)

- STEP 3: On-site assessment (remote consultation)

  a. In 2020, we conducted an in-depth self-assessment on 38 all production sites instead of on-site assessment due to COVID-19. Since 2021, we have been working to enhance our management of the working environment of the suppliers through the addition of labor rights education in partnership with an RBA accredited agency.

4. Third-party audit

- STEP 4: Third-party audit

  a. In 2020, we conducted third-party audits at 11 business sites.

5. Progress monitoring and improvement activities

- STEP 5: Progress monitoring and improvement activities

  a. We conduct progress monitoring and improvement activities for sites classified as red, yellow, or green.

Results of Suppliers’ On-site Assessments (Unit: Site)

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<td>Environment</td>
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</table>
Corporation Overview
Management Philosophy
Message from the CEO
Message from the Management
Who We Are
What We Do
Our Commitments
Independent Assurance Statement
History of Sustainability Reports Publication

Balanced Growth

In order to contribute to the creation of an inclusive society, LG pursues growth that promotes the coexistence of society and business and conducts various activities with this aim in mind. In particular, we create social value based on our technologies and solutions and improve product accessibility through various products and services to enable customers to use our products more conveniently. We develop products that can be used easily and conveniently by anyone including people with disabilities, the elderly, children and pregnant women by applying accessibility and universal designs. In addition, as awareness around the themes of ‘Inclusive Society’ and ‘Health care’ continue to increase among various social and environmental issues, we are expanding our line of health-care-related home appliances and developing product solutions. Accordingly, we are able to provide eco-friendly products that combine our existing products with future-oriented technologies, ensuring a healthy lifestyle for our customers. In addition, we continue to carry out various social contribution activities centered on the themes of ‘Circular Economy’ and ‘Future Generations.’ Youth aimed at promoting a balanced growth of our community.

Develop products that can be easily used by anyone by applying accessibility and universal designs

LG Electronics is committed to promoting accessibility. We believe that accessibility is essential to keep diverse customers happy and convenient to use the products. To achieve this goal, we are developing products that can be used easily and conveniently by anyone including people with disabilities, the elderly, children and pregnant women by applying accessibility and universal designs. In addition, we strive to provide eco-friendly products that combine our existing products with future-oriented technologies, ensuring a healthy lifestyle for our customers.

Here at LG, we carry our various activities to ensure that socially disadvantaged people, such as people with disabilities, the elderly, children, and pregnant women are able to use our products more conveniently. By considering accessibility from the product development stage, we ensure that they do not experience any inconvenience when using our products. In partnership with an advisory group consisting of organizations for people with disabilities, accessibility experts and law firms, we have held an advisory meeting every year aimed at improving accessibility since 2013. In 2021, we contributed to improving product accessibility by producing audio manuals and braille stickers for people with visual impairments. We develop technology for accessibility in TV’s that is specific to various types of disabilities, making it more convenient for people with limitations to use these products. We will continue to do our utmost to enhance product accessibility so that all customers are able to use our home appliances with ease.

Major Activities for Accessibility Improvement throughout the Past Three Years

2018

• Mobile App Accessibility Improvement Task (Feb. 2018 ~ Jul. 2018)
• 11th LGE Accessibility Advisory Board Meeting (Washington D.C., Oct. 2018)

2019

• 11th Ergonomic Design Award Code Zero Cordless Vacuum Cleaner (LG Pra.L, 4K UHD Projector HU80K, 34GK950 Gaming Monitor) (May 2019)
• The Accessibility Improvement Task for LGE website (Mar. 2019 ~ Dec. 2020)
• 11th Ergonomic Design Award Code Zero Cordless Vacuum Cleaner (LG Pra.L, 4K UHD Projector HU80K, 34GK950 Gaming Monitor) (May 2019)

2020

• 11th Ergonomic Design Award (LG OLED TV C1, LG XBOOM NK73, LG XBOOM Jazz, Code Zero M9 ThinQ and Dios steam dishwasher.
• The Accessibility Improvement Task for LGE website (Mar. 2019 ~ Dec. 2020)
• 9th LGE Accessibility Advisory Board Meeting (Virtual, Dec. 2020)

Home Appliances Made More Accessible through Introduction of Voice Manual and Production of Braille Stickers

In April 2020, we entered into an MOU with HDCO to produce audio manuals of our home appliances for people with visual impairments. Also in 2021, we introduced a specialized voice manual for visually impaired customers who use the TROMM Wash Tower, a washer dryer combo. Through the use of voice manuals, users are able to easily figure out the direction of the opening of the door and the locations of buttons on the control panel. In addition, when the power button and the washing-pumping selection button are pressed, a sound for each operation is played in order to enhance the convenience of users. We also provide stickers in braille to enable people with visual impairments to more conveniently operate the buttons. These stickers are attached to the front panel of the control unit of the TROMM Wash Tower enabling users to locate the power button, the washing and drying selection button, and various other buttons and their locations. Going forward, we will continue to expand the production of voice manuals and braille stickers for all of our home appliances, including the Code Zero (VT7N4) and Disc steam dishwasher.

Operation of an Advisory Group Including People with Disabilities and Accessibility Experts

Since 2013, LG has been establishing a U.S.-based advisory group of accessibility experts (an organization of groups for the disabled, institutions, operators, and companies). To enhance accessibility across our entire product range, we began operating an advisory group on accessibility for the disabled in the Korean market starting in May 2021. The advisory group consists of seven accessibility experts selected by the Korean Disabled Consumers’ Union (KDCU) and six companies who have various types of disabilities, such as visual, hearing, and physical disabilities. The advisory group contributes to the development of indicators by personally and directly, using our home appliances and sharing their thoughts and opinions with accessibility experts on the inconveniences that customers may potentially feel. In addition, we regularly communicate with the advisory group and conduct activities aimed at enhancing accessibility-related functions and designs for our products in various development stages.

APPENDIX

Business Status
Sustainability Management Performance Data
SHEEH Certification Status
Memberships & Recognition
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SOCINDEX
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Independent Assurance Statement
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EMBRACING AN INCLUSIVE SOCIETY
Type of Disability
LG Signature Air Conditioner / LG WHISEN Air Conditioner
LG OLED / QNED / Nanocell / UHD / FHD AI & Smart TV
LG Signature Refrigerator (SRX2897FD)
LG Tromm Tower (WT745) / LG Tromm ThinQ (WT500) / LG AllWashing Machine (TM2250S)

For people with hearing impairments
- Intuitive use of modes and representative functions through remote control
- Frequently-used controls can be skipped
- Replaced by intuitive controls
- Voice recognition is provided in the main unit
- Intuitive operation through a touch panel
- Intuitive icon design
- User-friendly for effective operation
- Remotely controlled through voice recognition
- Voice-controlled access allowed
- Accurate control of peripheral devices through voice control
- Voice recognition feedback
- Voice command-oriented

For people with visual impairments
- LCD display of operations
- Remote control and monitoring through webOS app
- On-screen display
- Intuitive use of modes and representative functions through the webOS app
- Voice recognition enabled
- Operations checked through voice guidance
- Remote control and monitoring through the ThinQ app
- Remote control enhanced through voice recognition

For people with physical disabilities
- Intuitive use of modes and representative functions through remote control
- Frequently-used controls can be skipped
- Replaced by intuitive controls
- Voice recognition is provided in the main unit
- Intuitive operation through a touch panel
- Intuitive icon design
- User-friendly for effective operation
- Remotely controlled through voice recognition
- Voice-controlled access allowed
- Accurate control of peripheral devices through voice control
- Voice recognition feedback
- Voice command-oriented

For people with cognitive/other disabilities
- Automatic power saving by detecting user activity/presence
- Air conditioning by distinguishing between customer activity spaces and non-residential spaces
- Fast cooling/comfort mode/power saving with one smart care
- Quick Access: Allows direct access to desired services and content
- Optimal power saving based on AI (Deep Learning)
- Quick Access: Allows direct access to desired services and content
- Optimal power saving based on AI (Deep Learning)
- Voice recognition feedback
- Voice command-oriented

For people with mobility impairments
- LCD display of operations
- Remote control and monitoring through webOS app
- On-screen display
- Intuitive use of modes and representative functions through the webOS app
- Voice recognition enabled
- Operations checked through voice guidance
- Remote control and monitoring through the ThinQ app
- Remote control enhanced through voice recognition

For people with cognitive impairments
- Automatic power saving by detecting user activity/presence
- Air conditioning by distinguishing between customer activity spaces and non-residential spaces
- Fast cooling/comfort mode/power saving with one smart care
- Quick Access: Allows direct access to desired services and content
- Optimal power saving based on AI (Deep Learning)
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2020-2021 LG Electronics Sustainability Report

EBS COMMITMENTS

EBS FACT BOOK
Corporate Governance - Jeong Do-Management - Compliance Risk Management - Fair Trade - Safety and Environment - Suppliers - Conflict Minerals - Customers - Information Protection - Employees

APPENDIX

SUSTAINABILITY REPORT
Ensures a customized and healthy lifestyle by combining future-oriented technologies that considers the society and the environment.

Here at LG, we are constantly developing various health care products aimed at improving the health of our customers. In addition, we carry out various activities with a view to promoting the health of our customers by recognizing and sympathizing with social and environmental problems they are facing. Going beyond simple product development, we support customers in developing healthy lifestyles through our continuous management and care services. Going forward, we will establish a central value of coherence with which we developed our existing products, by actively pursuing the value of establishing healthy living and working spaces while presenting a future-oriented, customized healthy lifestyle that takes into consideration both society and the environment.

Expanding the Home Health Care Appliance Market
As awareness of social and environmental issues such as the fine dust, water pollution, and food hygiene continues to spread around the world, the number of customers striving to develop a healthy lifestyle and the demand for home health care appliances is increasing. We are developing enhanced home health care appliances by reflecting these customer needs and social and environmental issues through our product development. Moreover, we are continuously striving to expand our share of the home health care appliance sector not only in South Korea but in overseas markets such as North America, Asia, Europe, and South America, increasing our home health care appliance sales markets.

Health Care Appliances that Reflect the Opinions of Stakeholders
We are currently developing products that take the health and convenience of our customers into consideration based on the opinions of various stakeholders. The Air Science Research Center holds a symposium twice a year to share technology and come up with ideas and technology projects with the aim of industry-university cooperation. In addition, the Air Science Research Center advises developers to conduct quarterly workshops and annual research tasks. Finally, the Food Science Research Center operates a food science and technology advisory group and collaborates with the food industry to identify trends and encourage producers.

Developing Technology for Home Health Care Appliances
We develop various technologies which allow us to provide home health care appliances and solutions in order to enable our customers to lead healthy lifestyles. In addition, we operate individual research organizations in the fields of water, air, and food, and conduct R&D activities for each of these fields. We develop new generation technologies and solutions through collaboration with various organizations, including research institutes, and apply the technologies developed to all of our products. Going forward, we will go beyond researching products and solutions, and will continually invest in building diverse infrastructure and environments in order to establish a sustainable R&D environment.
LG Electronics Health Care Appliances for Customer Health

LG TROMM Wash Tower

The first ever South Korean washer and dryer combo. This product sterilizes 99.9% of harmful bacteria and also 100% of house dust mites through steam sterilization during the drying process.

LG TROMM Styler

With the patented TrueSteam and the moving hanger, you can remove fine dust from clothes. This product ensures cleanliness by sterilizing 99.9% of harmful bacteria, removing 99.9% of various viruses, and killing 100% of dust mites.

LG TROMM Dryer

The steam sterilization mode not only sterilizes 99.9% of harmful bacteria, but also removes 99.9% of house dust mites and 100% of dust mites, giving customers peace of mind.

LG Dosa Dishwasher

This product is the only TrueSteam in Korea that removes 99.9% of twenty kinds of harmful bacteria and viruses from tableware.

LG Dosa Microwave

With the support of 17 safety features, customers are able to enjoy safe and healthy cooking without worrying about gas odors.

LG Puricare 360° Air Purifier Pet

The ‘photocatalyst’ filter provides a 10% increase in deodorization and an intense cleaning of pet hair on the floor with the maximum of 30% increase in filtration strength in pet mode.

LG Puricare Dual Water Purifier

Four materials as well as tableware are thoroughly washed with clean water, and the water pipe is annually replaced free of charge such that the product can constantly operate in its optimal state.

In response to the public demand for ESG, we broke from our previous focus on SDGs as established in 2017 and reorganized our social contribution framework for 2021. This framework consists of social contribution activities that seek to address social and environmental issues by utilizing LGE’s technology-based products and services. These activities are classified under the main strategic themes of ‘Circular Economy’ and ‘Future Generation: Youth’, wherein ‘Circular Economy’ consists of eco-friendly social contribution programs aimed at establishing a healthy future for all stakeholders, and ‘Future Generation: Youth’ consists of programs that support young people in their efforts to strengthen their capabilities.

Social Contribution Framework

- Carbon & Circular Economy
  - Eco-friendly social contribution programs aimed at establishing a healthy future
- Next Generation: Youth
  - Youth support programs aimed at bolstering the capabilities of future generations

Major Program

- LG Social Campus (Supporting ➊ Eco-friendly Social Economy Enterprises)
- LG Global Volunteer Day
- Hope Vocational School (Ethiopia, Cambodia) ➋ Global IT Challenge for Youth with Disabilities
- ESG Academy for University Students

Technology and Participation

Participate in solving community problems by utilizing LG Electronics’ technology/products/services.
Our Response to COVID-19

Since 2014, LG Electronics has been operating the CSR Academy, which fosters talent in the CSR field for university students, and has recorded more than 200 students who completed the curriculum. In 2020, the CSR Academy was reorganized into the ESG Academy for university students under the theme of ESG. 32 students selected through applications and non-face-to-face interviews in 2021 will complete this academy to raise awareness of ESG among university students and to foster talent in the field of ESG. The purpose of this academy is to raise awareness of ESG among university students and to foster talent in the field of ESG. 32 students selected through applications and non-face-to-face interviews in 2021 will complete this program. The curriculum includes a variety of courses that cover the latest trends and challenges in ESG, such as climate change, social responsibility, and corporate governance. The program is designed to be flexible and accommodating to students’ needs and schedules, with a mix of online and in-person sessions. The ESG Academy is an important step in LG’s commitment to sustainability and responsible business practices, and we are proud to be providing this educational opportunity to a new generation of leaders. 

The LG-KOICA Hope Vocational Training School (Ethiopia)

Since 2011, LG Electronics has been operating the LG-KOICA Hope Vocational Training School in Ethiopia in cooperation with the Ethiopian government, KOICA, and NGOs, to support youth independence through technical education. In 2020, the LG-KOICA Hope Vocational Training School was established in 2014 in cooperation with the Ethiopian government, KOICA, and NGOs, to support youth independence through technical education. In 2020, it was difficult to hold classes because schools in Ethiopia were closed from March to November due to COVID-19. In response, we established an online lecture platform with the help of the Dubai Service Corporation that advises schools, and thereby laid the foundation for school instructors to implement theoretical education online - excluding practical education. As a result, 228 out of 239 students completed the curriculum in 2020, representing 80% of the beginning courses (Level 1, 2) and 95% of the intermediate courses (Level 3). As of the online platform in Ethiopia, the local media have been attempting to provide learning aids and teaching materials to support students. In 2021, LG Electronics conducted an Income Generation Activity (IGA) for the sustainable operation of the school even when it was closed due to COVID-19. The IGA was run as an online platform in 2021, and in 2020, we have plans to provide technical education for students and community via a mobile project. The 2nd class (45 students) was held in early 2020 and the 3rd class (47 students) was held in 2021. Moving forward, LG is planning to continuously expand this profitable project in order to improve the school’s independence and differentiation from other vocational training schools.

Global IT Challenge for Youth with disabilities

We have held the Global IT Challenge (GICT) for Youth with disabilities since 2011. This program is designed to create a foundation for social advancement, such as admission to college and employment, and to create opportunities for improving awareness regarding people with disabilities in participating countries, by bridging the information gap among young people with disabilities. GICT is the world’s only IT festival for young students with disabilities, and it transforms the barriers of disability, religion, culture and nationality. Adolescents with various types of disabilities (physical, hearing, visual, or developmental) from 20 countries participate in 50 individual events at the IT Festival. In 2020, the competition was canceled due to COVID-19 but the 2021 competition will be held online in October.
Other Social Contribution Activities

Promotion System of Social Contribution
Creation and Operation of the Execution Social Contribution Fund
The Creation of the Social Contribution Fund was founded in 2008 through the voluntary participation of its employees, in which employees contributed 0.1% of their salary. Since 2019, volunteer activities have also participated in the fund, accounting for more than 80% of the total number of executives. LGU conducts various activities both domestically and overseas by raising 90% of executive donations with grants. In order to provide support in various causes, the fund then reaches a year to determine the appropriate actions of social contributions in the form of active initiatives (for the structure) 

Employee Volunteer Group
Since 2019, our employee volunteer group has carried out activities aimed at giving back to society by rallying in support of the rights of the elderly. We carry out nation-wide volunteer programs in a product and service application, and in the development of mutual activities. Employees are highly enthusiastic and electricity to conduct various activities inspired by LGU, the volunteer group is still active in the form of donating money to volunteer organizations. In 2020, 23 employee volunteer groups participated in the relevant tasks and practiced training.

Number of Employee Volunteers/Participatory year

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Volunteers</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Types of Social Contribution Cost

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Volunteers</td>
<td></td>
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</tbody>
</table>

Causes of Social Contribution

<table>
<thead>
<tr>
<th>Causes</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Volunteers</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
Through the reorganization of our ESG goals in 2021, LG Electronics has set its key strategic direction as the promotion of positive environmental value and inclusive social value for a better future for all and has established detailed tasks necessary to realize this. In particular, our target system promotes a foundation to achieve our ESG goals based on three factors: strengthening ESG compliance, establishing an ESG decision-making system to drive diversity, rationality, and transparency, and fostering a culture of internal ESG management for the successful implementation of such tasks in accordance with our strategic direction. Corporate ESG management and the creation of social value should form the basis for an organization’s robust ESG management system.

Accordingly, LG Electronics is continuously managing and improving all factors for ESG management within our organization and is constantly making the following efforts to realize our ESG vision of Life’s Good.

**Establishment and Expansion of an ESG Culture**

LG Electronics is putting forth various efforts to be kept as a trustworthy corporation and to lead autonomous ESG management by providing its employees with awareness and understanding of ESG. In particular, by upgrading the CSR Letter, we started providing our employees with a monthly CSR Talk that selects the latest ESG-related issues and introduces related information and the latest industry trends in 2020. Further, through our internal newsletter (LG LIFE), we are establishing channels through which all employees can routinely access the company’s ESG-related information through newsletters and lectures. In addition to this, our CFO directly presented to our executives LGE’s ESG-related information through an internal management meeting. We are constantly striving to increase our employees’ awareness on ESG by proposing ways for LG Electronics to improve from an ESG perspective.

**Trustworthy Management**

Establishing an ESG Decision-Making System to Drive Diversity, Rationality, and Transparency

Statutory Systems, Business Departments’ ESG Council, Management Meeting, ESG Committee, Board of Directors

Fostering a Culture of Internal ESG Management

Improvement of Congregation, Institutionalization of ESG

2°C, the critical point of temperature increase

Average temperature on Earth has risen by 1°C, over the past 150 years. This is a critical change when compared to the fact that the average temperature has changed by more than 1°C, over the previous 1,000 years. If the current temperature continues to rise, the average temperature will reach 2°C, by the end of the current century. This climate crisis will be duplicated over the next 100 years, leading to an irreversible change in the natural environment.

As Asian companies are considering an ever-growing threat to the regional environment, we have set a new target of zero carbon emissions by 2050 and are making efforts to solve the climate change issues that are being raised globally.

2°C is a target set by the Intergovernmental Panel on Climate Change (IPCC) to avoid severe damage to the global environment and economy due to climate change.

2°C is a target set by the Intergovernmental Panel on Climate Change (IPCC) to avoid severe damage to the global environment and economy due to climate change.
LG Electronics is not only creating economic value but also performing the corporate social responsibilities through various activities in social and environmental aspects. In the "ESG FACT BOOK", our activities and performances in each group are introduced that the current value is created based on the skills and assets accumulated through the business activities in the past and sustainable future of the stakeholders is ensured.
Corporate Governance

Here at LG Electronics, our BOD (Board of Directors) functions so as to be able to identify the demands and expectations of our global stakeholders in terms of transparent governance, while also ensuring, by operating the Board Committees and establishing the director appointment process that the core values of expertise, independence, and transparency are constantly present. By strictly complying with our BOD Regulations, the BOD ensures that checks and balances are in place, in addition to protecting the rights of stakeholders and facilitating our sustainable growth by directly facilitating responsible management.

BOD-casted Responsible Management

Classification | Name | Gender | Position | Major Career Experience | Last Appointed In | Date
--- | --- | --- | --- | --- | --- | ---
Non-executive Directors | Young-Soo Kwon | Male | COO of the Holding Company | March 2019 | Chairman of the Board | Management Team Committee

Executive Directors | Brian Kwon | Male | CEO | March 2020 | Chair of the Management Committee | CEO Committee

Doo-Yong Bae | Male | CFO | March 2021 | Management Chairman | Internal Trading Committee

Dae-Hyung Kim | Male | Former CFO of LG Electronics China | Former CFO of LG Electronics Asia Pacific | March 2019 | CEO Committee | Internal Trading Committee | Chairman of the Audit Committee | Independent Director Candidate Albido Recommendation Committee

Independent Directors | Yong-Ho Bok | Male | Former Chairman of the Korean Stock Exchange | Former Professor of Law at Ewha Womans University | March 2019 | CEO Committee | CEO Committee

Song-Gyu Ko | Male | Professor, Department of Computer Science and Engineering, Seoul National University | March 2019 | CEO Committee | Internal Trading Committee | Independent Director Candidate Albido Recommendation Committee

So-In Kim | Female | Former Professor of the Faculty of Law, Yonsei University | March 2021 | CEO Committee | Internal Trading Committee | Audit Committee

Composition of the BOD

• The BOD consists of eleven members in order to facilitate efficient decision-making and efficient operation of meetings.

• The three directors act as the Board of Directors (BOD) members.

• The nine directors, one executive director, and four independent directors.

• The BOD comprehensively evaluates independence, independence, and diversity, and differentiates in terms of gender, race, religion, political views, and culture.

Operation of the BOD

• The BOD holds its board meetings at least (twice) a quarter.

• The BOD decides on the general policy and strategy of the corporation, etc.

• The BOD ensures that new growth engines and measures at all corporate levels (as a corporate level) as a strategic perspective while managing the fluctuation in its professional roles such as investment and strategic management.

• Independent directors are given the opportunity to participate in the business operations of the company by serving as objective outside experts in terms of monitoring and checking management.

Appointments of BOD Chair

• The Chair of the BOD is designated by the CEO, after appointing the CEO, other ten executive directors, and independent directors.

• The CEO chairs the BOD meeting and exercises powers over the entire corporation.

• The Chairperson of the BOD decides and deliberates on matters proposed by the CEO, the board of directors, or the management committee.

• The chairperson is appointed by the members of the board of directors.

Activities of the BOD

Number of Meetings Held | Approved Agenda Items | Identified Agenda Items
--- | --- | ---
| | | |
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Trustworthy Management
- Balanced Growth
- Sustainable Workplace for All
- Embracing an Inclusive Society
- Toward a More Positive Externality

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Information Protection
Customers
Suppliers
Safety and Environment
Fair Trade

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TIC’s ESG Report
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Independence of the BOD
- We designed a dual structure to the BOD and business execution rights to the top-management in order to ensure that the appropriate checks and balances are in place throughout the governance of our company.
- Fair transactions that may cause conflicts of interest between any of the directors and our company, it can only be approved upon Full consideration by the BOD prior to such transactions taking place.
- The majority of the BOD members are independent directors; thereby ensuring that the BOD provides soundness in corporate governance and decision making.
- The elected appointed independent director assumes the role of an independent director, representing the vested independent directors and soliciting their opinions.

Grounds for Ineligibility of Independent Directors
- Directors, executive directors, and employees who are engaged in the regular business of the company, or directors, executive directors, and employees who have been engaged in the regular business of the company within the last ten years.
- The largest shareholder’s family members and related members.
- Directors, auditor, executive directors, and employees of the corporation or the largest shareholder’s family members and related members.
- Directors, principal executive officer, and principal financial officer.
- Directors, executive directors, and employees of same group or company of the company or company’s group.
- Directors, executive directors, and employees of a corporation who has a significant interest in the company, such as business relations with the company.

Evaluation of Management Performance
- The performance of the management is evaluated using financial and qualitative indicators.
- Performance is evaluated for up to three years for the purpose of the payment of bonuses.
- The criteria and methods for evaluating compensation for top-tier management are disclosed.

Classification
Indicators
Financial
Cash flow, liquidity, etc.
Non-Financial
Cash flow facility, productivity, etc.

Compensation System for Top-Tier Management
- The compensation system for top-tier management is paid in accordance with the criteria established by the BOD taking into account positions and duties held, and is within the arena approved by the AGA.
- Bonuses in compensating to 0-150% of the total remuneration are based on the evaluation of quantitative and qualitative indicators and are in accordance with the executive remuneration regulations.

BOD Compensation
(Units: 100,000)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Remuneration</th>
<th>Bonus</th>
<th>Total Amount</th>
<th>Average per Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO/Chairman</td>
<td>21,087,832</td>
<td>1,872,471</td>
<td>23,020,303</td>
<td>1,145,016</td>
</tr>
<tr>
<td>CFO/Deputy Chairman</td>
<td>11,076,125</td>
<td>909,456</td>
<td>12,285,581</td>
<td>706,022</td>
</tr>
<tr>
<td>Independent directors</td>
<td>2,900,283</td>
<td>248,093</td>
<td>3,148,376</td>
<td>349,820</td>
</tr>
</tbody>
</table>

Jeong-Do Management
- We established a code of ethics, which details the fundamental principles of Jeong-Do Management that all employees ought to adhere to.
- The Code of Ethics overdose the corporation to its ethical values rooted in “customer value creation” and “people-oriented management”.
- The Code of Ethics, which provides detailed guidelines on employee conduct, has been published on our website (https://www.lg.com/global/sustainability/business_principles)
- As of 2020, the Code of Ethics has been amended six times, through which related regulations and sub-guidelines were strengthened.
- All employees of LG Group are obligated to familiarize themselves with the code of ethics, and employees are subject to disciplinary action in accordance with the seriousness of the violation, as determined through investigation.

Wistleblower System
- LG formed an internal whistleblower system as a means of reporting violations of Jeong-Do Management by our employees, thereby further strengthening transparency and a sense of responsibility in the course of the business.
- LG Management and the LG Ethics Center are responsible for receiving whistleblower reports.
- LG established a whistleblower system (https://www.lg.com/ethics) within the organization.
- LG has also established a system for protection of whistleblowers and established an independent review system.
- All reports received through the whistleblower system are thoroughly protected under the internal reporting system, and any matters related to corruption and illegality are subject to disciplinary action in accordance with the seriousness of the violation, as determined through investigation.

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Jeong-Do Management is our unique way of conducting business and, at its core, is a commitment to fair competition in the marketplace. This principle of management is embodied in our declarative code of ethics and practice guidelines, thereby forming the foundation of the thinking and behavior of everyone associated with our company. All of our employees and suppliers make diverse and concerted efforts to internalize Jeong-Do Management and fulfill our corporate social responsibilities as global corporate citizens, through counseling, educating, and carrying out awareness activities etc.

Code of Ethics
- In 1994, we established a Code of Ethics, which details the fundamental principles of Jeong-Do Management that all employees ought to adhere to.
- The Code of Ethics overdose the corporation to its ethical values rooted in “customer value creation” and “people-oriented management”.
- The Code of Ethics, which provides detailed guidelines on employee conduct, has been published on our website (https://www.lg.com/global/sustainability/business_principles).
- As of 2020, the Code of Ethics has been amended six times, through which related regulations and sub-guidelines were strengthened.
- The LG code of ethics is distributed to all global subsidiaries in order to enable all employees to be fully aware of the code of ethics.

Chapter 1. Responsibilities and Duties to Customers
- Fulfilling customer needs
- Creating value

Chapter 2. Fair Competition
- Fulfilling customer needs
- Creating value

Chapter 3. Fair Transactions
- Fairness and transparency
- Conducting fair transactions
- Ensuring the growth
- Ensuring fairness

Chapter 4. Basic Ethics for Employees
- Basic Ethics
- Conducting fair transactions
- Ensuring the growth
- Ensuring fairness

Chapter 5. Corporate Responsibilities for Employees
- Prioritizing humanity
- Prioritizing safety

Chapter 6. Responsibilities to the Nation and Society
- Contributing to social development
- Contributing to the environment

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Number of Cases Reported (Unit: Case)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cases</th>
<th>Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>422</td>
<td>100</td>
</tr>
<tr>
<td>2019</td>
<td>658</td>
<td>100</td>
</tr>
<tr>
<td>2020</td>
<td>457</td>
<td>100</td>
</tr>
</tbody>
</table>

Types of Cases Reported in 2020

<table>
<thead>
<tr>
<th>Inquiry</th>
<th>No. of Cases</th>
<th>Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints (Customer complaints, supplier grievances, etc.)</td>
<td>305</td>
<td>66</td>
</tr>
<tr>
<td>Corruption &amp; Irregularities</td>
<td>52</td>
<td>114</td>
</tr>
<tr>
<td>Whistleblower (Internal &amp; Trade Union)</td>
<td>51</td>
<td>120</td>
</tr>
<tr>
<td>Total</td>
<td>457</td>
<td>100</td>
</tr>
</tbody>
</table>

Jeong-Do Management Risk Prevention System and Process

- We have established a Jeong-Do Management risk diagnosis system with the aim of preventing risks and taking the lead in Jeong-Do Management as an employee.
- We implemented a two-track process whereby both the business department and the audit department can jointly manage risks related to internal controls, expenses, and purchasing. This allows us to ensure that risks are properly identified and management actions are taken.
- For the training of our employees, we established training systems for each type of risk.

Diagnostic Measures Taken in 2020

<table>
<thead>
<tr>
<th>Classification</th>
<th>No. of Cases</th>
<th>Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severe disciplinary action</td>
<td>186</td>
<td>100</td>
</tr>
<tr>
<td>Light disciplinary action</td>
<td>85</td>
<td>88</td>
</tr>
<tr>
<td>Disciplinary Dismissal &amp; Revocation</td>
<td>14</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>285</td>
<td>100</td>
</tr>
</tbody>
</table>

Jeong-Do Management Counseling Center

- Counseling Center: The Jeong-Do Management Counseling Center offers various counseling services for providing on-site counseling to employees. This ensures that employees can receive counseling and support in the workplace.
- Counseling Channel: The Jeong-Do Management Counseling Center offers employees various counseling channels to receive counseling, such as counseling via e-mail, counseling via telephone, and counseling via the Jeong-Do Management Counseling Center's website.
- Diagnostic Measures Taken in 2020
  - 30 employees received counseling via e-mail
  - 22 employees received counseling via telephone
  - 6 employees received counseling via the Jeong-Do Management Counseling Center's website

Types of Inquiries Made at the Jeong-Do Management Counseling Center in 2020

<table>
<thead>
<tr>
<th>Inquiry</th>
<th>No. of Cases</th>
<th>Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpersonal conflicts</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>Discrimination (gender, race, etc.)</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Procedure for receiving gifts or conflict of interest</td>
<td>24</td>
<td>180</td>
</tr>
<tr>
<td>Business expenses</td>
<td>27</td>
<td>21</td>
</tr>
<tr>
<td>Other</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>138</td>
<td>100</td>
</tr>
</tbody>
</table>

Expansion of Workplace Harassment/Sexual Harassment Prevention Education

- We introduced in 2020 a workplace harassment prevention education program, consisting of Jeong-Do Management more easily.

Provision of Informed and Resource Support for Reporting Irregularities

- We established a hotline for employees to report irregularities and provide support to those who have reported them.
- We conduct regular surveys to assess the level of awareness regarding relevant issues with a view to preventing irregularities and developing improvement measures.

Appendix

<table>
<thead>
<tr>
<th>Business Status</th>
<th>Sustainability Management Performance Data</th>
<th>SGS-Quality Certification Status</th>
<th>Membership: Awards &amp; Recognition</th>
<th>Materiality</th>
<th>IIS Standard Index</th>
<th>SASB Index</th>
<th>TCFD Blueprint</th>
<th>Governance Standards</th>
<th>Independent Assurance Statement</th>
<th>History of sustainability reports publication</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Classification</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Training</td>
<td>762</td>
<td>782</td>
</tr>
<tr>
<td>Offline Training</td>
<td>3,006</td>
<td>3,005</td>
</tr>
<tr>
<td>Total</td>
<td>3,768</td>
<td>3,787</td>
</tr>
</tbody>
</table>

Jeong-Do Management Training and Activities Aimed at Increasing Awareness

- We conducted a workshop on Jeong-Do Management with the aim of increasing awareness of the principles of Jeong-Do Management to all employees, but other than that, it is not a non-negotiable requirement that permeates our company. We provide regular training and conduct lectures aimed at increasing awareness of the principles of Jeong-Do Management such that employees can fully understand these principles.
- Training materials and lectures are tailored to the employees' needs and are delivered with an emphasis on the principles of Jeong-Do Management.
- We conduct regular surveys to assess the level of awareness regarding relevant issues with a view to preventing irregularities and developing improvement measures.
- We conduct regular surveys on the participation of our suppliers and employees in terms of Jeong-Do Management.

2020 Participation in the Online/Offline Jeong-Do Management Training

<table>
<thead>
<tr>
<th>Classification</th>
<th>Number of Trainers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Training</td>
<td>120</td>
</tr>
<tr>
<td>Offline Training</td>
<td>120</td>
</tr>
<tr>
<td>Total</td>
<td>240</td>
</tr>
</tbody>
</table>

Jeong-Do Management Online/Offline Training

<table>
<thead>
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<th>2020</th>
</tr>
</thead>
<tbody>
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<td>120</td>
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<tr>
<td>Total</td>
<td>240</td>
</tr>
</tbody>
</table>
Compliance Risk Management

At LG, we implement compliance management through the establishment of a compliance risk management system by a dedicated organization, in addition to setting compliance goals and managing performance. We provide various programs to our employees, such as compliance surveys and training, in order to help them internalize compliance management while operating reporting channels with a view to creating a sound and transparent corporate culture.

Compliance Risk Management System
- We establish and operate the Compliance Risk Management System under the CEO, thereby contributing to spread a culture of responsible management.
- Compliance Planning and Reporting: Supports risk management involving providing guidance on global regulatory trends and compliance improvement of major regulations and systems, and legal solutions for compliance risks through compliance inspection.
- Compliance Monitoring Plan: Prevention and mitigation of compliance risks through compliance program design and operation, emerging risk sensing, risk level monitoring, work processes in processes, and compliance awareness activities.
- Compliance Investigation Team: Minimizes the possibility of compliance risks through ongoing and periodic investigations both domestically and internationally.

Goals and Plans for Compliance Risk Management

Mid-to-Long Term Goals
- Establish a comprehensive compliance risk management system
- Establish corporate compliance measurement system
- Establish a multi-level risk management system

Implementation Plans
- Strengthening of monitoring and engagement with external and internal issues such as laws and regulations, international standards, and stakeholder requirements
- Evaluation of performance in terms of on-site risk mitigation and customized compliance marketing

Compliance Program Cycle

Identification & Assessment
- Identified regulatory developments
- Identified key violations and sanctions
- Identified risk scoring and risk pool management
- Identified risk levels of risk management

Mitigation
- Established compliance management
- Established key risk policies and processes
- Established risk management support and reporting
- Established risk owner and risk owner

Monitoring
- Compliance Check/Investigation and Measurements
- Compliance risk management activities
- Monitoring performance indicators in the defined compliance
- Employee compliance self-check

Reporting
- Compliance committee
- Report to BOD
- Decision to public
- Decision to recur

Compliance Risk Management Organization

HQ
Compliance Bureau
HR Compliance Manager
Risk Owner*

Business Units
Compliance Manager
Risk Owner

Subsidiaries
Compliance Manager
Risk Owner*

*Manager complaining compliance at the divisional level
**Managers and support compliance organization each business and division
***Manager complaining compliance at the corporate level
****Manager complaining compliance at the institutional level

Compliance Risk Management

Governance Index
- Independent Assurance Statement
- Governance Disclosure
- Independent Assurance Statement
- Corporate Governance
- CRH
- Sustainability Management Performance Data
- Jeong-Do Management
- ESG FACT BOOK
- Compliance Risk Management
- Compliance Program Cycle
- Compliance Risk Management System
- Compliance Investigation Team
- Compliance Planning and Reporting
- Compliance Monitoring Plan

Online Compliance Training
- We develop the training course with external compliance training agencies.
- We provide education optimized for the various working environments of our employees, such as fair trade compliance risk.

Online Compliance Training for Employees
- Number of recipients of training: 18,801
- Number of people subject to training: 48,105
- Survey participants: 45,574

Survey targets
- Korea: 27,531
- Overseas: 18,043

Classification
- 2018
- 2019
- 2020

Employees
- Number of people subject to training: 20,275
- Number of people subject to training: 20,280
- Number of people subject to training: 20,280

Survey participants
- Number of recipients of training: 15,807
- Number of recipients of training: 16,389
- Number of recipients of training: 18,043

Compliance Risk Management

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Corporate Overview
Management Philosophy
Message from the CEO
Message from the Management
Who We Are
What We Do
Our mid-to-long-term ESG commitments
Independent Assurance Statement
History of sustainability reports publication

Business Site-Level Compliance Committee Meetings

- Balanced Growth
- Sustainable Workplace for All
- Zero Negative Environmental Impact
- Toward a More Positive Externality

History of sustainability reports publication

Independent Assurance Statement

Overview of Operation Reporting Channel
- All illegal acts related to the law and company rules shall be suppressed.
  - Reporting corruption, bribery, acceptance of money or favors, entertainment and dining, and delicious meals.
  - Provide protection against discrimination, sexual harassment, and other relevant acts by illegal means, such as bribery.
- A commitment to practicing fair trade is not only our duty to society, as prescribed by our stakeholders, but also serves as one of our fundamental strategies.

Compliance Advice on Laws and Regulations
- Regularly review major domestic and overseas laws and regulations in order to provide compliance advice to business units.
- Frequently update the system, the format, and the front- and back-end sessions.

Compliance Key Performance Indicator (KPI)
- Regular performance evaluation in 2020 includes key performance indicators such as online training completion rate, compliance committee meeting fidelity, risk evaluation vector system, and ongoing report.

Strengthening of Anti-Corruption Compliance Activities
- All employees shall not engage in any activity by illegal means in their jobs.
- Conduct a list of risk factors, and implement it in order to prevent occurrences of related laws and regulations.

Compliance Committee
- In the event of a deviation, the compliance committee is responsible for the mitigation.
- Establish an annual compliance risk mitigation activity plan for worksites through the compliance committee and occasionally share progress.
- An integrated hotline operated through LG hotline (http://ethics.lg.co.kr)
- Conducting self-checks and customer training through the compliance committee.
- Members of top management meeting at HQ
- Leadership Training for Expatriates
- Compliance managers
- Risk management officers and other employees

Corporate-Level Compliance Committee Meetings
- Identify top management including the CEO in order to make it clear that fair trade is a central principle of ours that cannot be compromised.
- We conduct improvement activities such as frequent inspections and follow-up monitoring of labeling and advertising to identify if there is anything that consumers may mistake as unfair trade or unfair labeling.
- We create customer value by developing a strong sense of trust with customers around the world through fair competition and transactions.
- A commitment to practicing fair trade is not only our duty to society, as prescribed by our stakeholders, but also serves as one of our fundamental strategies.

Fair Trade
As a global company, we fulfill our social obligations, comply with the principles of fair trade, and continuously operate related compliance programs aimed at win-win growth through mutual cooperation with our suppliers. We actively monitor and manage fair trade risks and ensure fairness in competition through promotional and educational activities aimed at preventing unfair trade practices.

Promoting an Awareness of Fair Trade
- We make the customer solidarity campaign a year of some of our customers' supply chains and adopt joint activities through fair cooperation and transactions.
- We operate the Fair Trade Complaint Program in order of fair trade responsibility in terms of fair trade subcontracting with our stakeholders.
- We continue to progress in this program, undertake periodic activities aimed at raising the awareness of our employees in terms of unfair trade practices, and at facilitating and improving social dialogues with our stakeholders.
- We will continue our efforts to fulfill our social responsibilities.

Immediate Action
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- We will continue our efforts to fulfill our social responsibilities.
Safety and Environment

LG Electronics, as a global electronics company, has established an integrated management system for safety, health, energy, and environment (SHE), while also striving to implement eco-friendly management and comply with safety and health policies through the establishment of SHEE (safety, health, environment, and energy) policies and mid-to-long-term goals, so as to achieve continuous improvements in these policies and regulations over global standards. We aim to further strengthen our integrated SHEE management system at the corporate level and to continuously improve our SHEE management system.

SHEE Policy

- We have established and disseminated a SHEE policy and management guidelines, which are centered on our strategies and guidelines for responding to risks related to safety, health, and environment.
- We carry out various activities based on our SHEE policy, including the maximization of energy efficiency, the operation of a service-friendly process, the development of green products, and promoting safety awareness at all business sites through the means of our employees.
- We have placed our employees in the SHEE policy in a culture of safety throughout all work sites to proactively identify safety and environment-related risk factors at our business sites and thus prevent accidents and keep our work environments safe and healthy.
- We carry out various activities based on our SHEE policy, including the maximization of energy efficiency, the operation of a service-friendly process, the development of green products, and promoting safety awareness at all business sites through the means of our employees.

SHEE Management System

Integrated SHEE Management System

- We established an integrated SHEE management system in 2009. Since then, we have made continuous improvements in these policies and regulations over global standards.
- We link an integrated system of SHEE standards at the corporate level, and this system is centered on our SHEE management system.

APPENDIX

- Business Status
- Sustainability Management Performance Data
- SHEE/Quality Certification Status
- Membership Awards & Recognition
- Materiality
- IRS Standard Index
- SASB Index
- Tristill Index
- Governor Index
- Independent Assurance Statement
- History of sustainability reports publication

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Quality Certification Status

- We have implemented an integrated management system for safety, health, energy, and environment (SHEE), while also striving to implement eco-friendly management and comply with safety and health policies through the establishment of SHEE policies and mid-to-long-term goals, so as to achieve continuous improvements in these policies and regulations over global standards.

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### Chemical Substance Management

**Chemical Substance Management**

- **Compliance with Environmental Laws**
  - In order to eliminate risks of non-compliance with environmental laws, we conduct environmental assessments at each production site, take necessary to correct issues identified in these assessments, and monitor progress.
  - We comply with environmental laws to install and operate pollution prevention facilities, and to continuously improve our environmental management processes.
  - We plan to establish legal compliance monitoring systems to regulate, review each of our business sites, and utilize the regular meetings to discuss the developments regarding environmental regulations.
  - In 2020, we did not receive any citation or violation for violations of environmental laws and regulations.

**Higher Standards for Environmental Pollutant Emissions**

- **The minimization of waste and pollutant discharge** from our business sites is maintained at 50% of the legal discharge level. We continuously strive to reduce pollutant discharge and maintain the efficiency of pollutant discharge.
  - Our business sites strive to achieve the following discharge standards: water quality, air quality, and waste management levels.
  - In 2020, we reined in pollutant discharges following legal standards, and no damage was recorded.

---

**Training on Chemical Substance Management**

- **Pre-screening**
  - Evaluate and determine potential chemicals.
  - Complete pre-screening.
  - Prepare and maintain MSDS, component statements, etc.
  - Submit the results of our assessments.

- **Purchase**
  - Evaluate the chemical substances.
  - Complete quality assurance.
  - Ensure that the chemical substances are delivered and enter the warehouses.

- **Warehousing**
  - Ensure that the chemical substances are stored in proper conditions.
  - Prepare and maintain MSDS, component statements, etc.
  - Complete quality assurance.
  - Ensure that the chemical substances are handled and disposed of in a controlled manner.

- **Use**
  - Evaluate the chemical substances.
  - Complete quality assurance.
  - Ensure that the chemical substances are used in a controlled manner.

- **Disposal**
  - Complete quality assurance.
  - Ensure that the chemical substances are disposed of in a controlled manner.

---

**Chemical Substance Information System**

- **Experimental Pre-screening**
  - Prioritize experiments and reduce the number of experiments.
  - Ensure that chemicals are stored and disposed of in a controlled manner.

---

**Approach to Disposal**

- **Pre-screening**
  - Identify and manage chemicals.
  - Complete pre-screening.
  - Prepare and maintain MSDS, component statements, etc.

---

**Management**

- **Who We Are**
  - Message from the CEO
  - Message from the Management

- **What We Do**
  - Our Response to COVID-19

- **Our Sustainability Goals**
  - Balanced Growth
  - Sustainable Workplace for All
  - Embracing an Inclusive Society
  - Product for the Next Generation
  - Zero Negative Environmental Impact

---

**Message from the Management**

- **Our Response to COVID-19**
  - In 2020, there was no leakage of pollutants exceeding legal standards, and no damage was incurred.
  - Each business site operates its own pollutant discharge reduction system taking into account the characteristics of the major chemicals and the principal and raw materials handled at the site.
  - In 2020, we did not run into any litigation or receive any fines in relation to violations of environmental laws and regulations.
  - We comply with environmental laws by installing and operating pollution prevention facilities, and by continuously improving our environmental management procedures.

---

**Sustainability Report**

- **Corporate Governance**
  - LGED's 'No-to-Loss Term' ESG Commitments

- **Fair Trade**
  - Compliance Risk Management

- **Safety and Environment**
  - Chemical Substance Management

---

**ESG FACT BOOK**

- **Corporate Governance**
  - Corporate Responsibility

---

**Strategy for Implementing Win-Win Growth Cooperation with Suppliers**

- **Win-Win Growth Cooperation Strategy**
  - Target: To drive co-innovation with suppliers, employ technology and business innovation, and maximize the efficiency of pollutant disposal.

---

**Win-Win Growth**

- **Supply of Technology**
  - We provide suppliers with technology for products such as TV and mobile phones.

---

**Win-Win Growth Cooperation with Suppliers**

- **Support for Achieving the Highest Level of Global Competitiveness**
  - In 2020, we provided technology cooperation to our suppliers, thereby enhancing the competitiveness of our products.

---

**Win-Win Growth Academy**

- **Support for Strengthening Next-Generation Technology**
  - We developed technology cooperation with suppliers to enhance the innovativeness of our technology.

---

**Support for Implementing Win-Win Growth Cooperation with Suppliers**

- **Win-Win Growth Cooperation Strategy**
  - Target: To drive co-innovation with suppliers, employ technology and business innovation, and maximize the efficiency of pollutant disposal.

---

**A Challenge to Build a Future Toward Sustainable Growth with Our Suppliers**

- **Supplier Grievance Hotline**
  - We are committed to maintaining a fair and transparent process.

---

**Fair Trade**

- **Supplier Development Plan**
  - We provide suppliers with technology for products such as TV and mobile phones.

---

**Win-Win Growth**

- **Suppliers**
  - We provide suppliers with technology for products such as TV and mobile phones.

---

**Support for Achieving the Highest Level of Global Competitiveness**

- In 2020, we continued to provide technology cooperation to our suppliers, thereby enhancing the competitiveness of our products.

---

**Support for Implementing Win-Win Growth Cooperation with Suppliers**

- **Support for Strengthening Next-Generation Technology**
  - We developed technology cooperation with suppliers to enhance the innovativeness of our technology.

---

**Win-Win Growth**

- **Supports**
  - We provide technology cooperation with suppliers to enhance the innovativeness of our technology.
• Provide suppliers with on-site feedback necessary for product quality and improvement and expansion of facilities, overcome the existing weaknesses, and take advantage of advanced technologies.

Toward a More Positive Externality

• In an effort to prevent major disasters, we send an official letter requesting that our suppliers manage major risks related to the working environment, safety, and health in order to raise awareness of these difficulties.

Support for Supplier Employee Welfare

• In order to ensure systematic utilization of on-site safety consultation and prevention activities, we established LG Group's First ever on-site safety management system for suppliers.

Support for Suppliers’ Management of Working Environments

• We monitor the origin of the four major conflict minerals (tantalum, tungsten, tin, and gold) used in our products and components, and require Responsible Mineral Assurance Certification for suppliers that wish to use non-conformant ores. In addition, we provide information to manage and report the conflict mineral tracking system.

Win-Win Growth Payment System

• We conduct on-site assessment and improvement consultations once a year.

Communication with Suppliers

• In order to consistently communicate with our suppliers, our CEO or procurement executives visit them regularly to hear their opinions on expanding technology exchange and difficulties related to management.

Funding

Zero Interest Direct Financing

• We provide additional on-site feedback necessary for product quality and improvement and expansion of facilities, overcome the existing weaknesses, and take advantage of advanced technologies.

Support for Win-Win Growth Payment System

• The results of on-site inspections are registered in the system, and we manage improvement tasks for non-conformities by conducting activities aimed at supporting these improvements.

Support for Win-Win Growth Payment System

• We provide special technical training in collaboration with local universities (Kyungnam University and Korea Polytechnics).

Support for Supplier Employee Welfare

• Win-Win Growth Payment System: The amount of Win-Win Growth payment is tied to the output (value added) and secondary raw materials we purchase from our supplier, thereby enabling such partners to receive benefits.

Support for Win-Win Growth Payment System

• An 18-month study on the influence of introducing various activities such as conflict mineral screening and grounds and submitting information to the LGE Conflict Mineral Management System was conducted.

Support for Win-Win Growth Payment System

• In 2020, twelve companies that engaged in innovation activities such as production line automation were awarded with the Best Supplier Award LGE Best Supplier Award

Support for Win-Win Growth Payment System

• Both are firstever fire safety management systems for our business sites. These thermal imaging cameras were offered with a view to offering encouragement to suppliers who have continued to make every effort to supply parts.

Support for Win-Win Growth Payment System

• As a member of the Responsible Minerals Initiative (RMI), which is a global industry-wide standard for conflict minerals, and the RPA (Responsible Private Parties Agreement) for Responsible Minerals Track, and as a member of the TCFD (Task Force on Climate-related Financial Disclosures), we provide information on managing risks and improving corporate sustainability.

Support for Win-Win Growth Payment System

• We prohibit the use of minerals mined in conflict areas or those that violate labor/human rights or cause environmental damage during the mining process.

Support for Win-Win Growth Payment System

• In addition, in order to secure new technology capabilities for suppliers, we established the Win-Win Growth payment system in 2015.

Support for Win-Win Growth Payment System

• In order to ensure systematic utilization of on-site safety consultation and prevention activities, we established LG Group’s First ever on-site safety management system for suppliers.

Support for Win-Win Growth Payment System

• We provide special technical training in collaboration with local universities (Kyungnam University and Korea Polytechnics).

Support for Win-Win Growth Payment System

• To provide the area of functional improvements and the requirements for our business sites, we formulated the Win-Win Growth Cooperation Fund, thereby making such suppliers more marketable.

Support for Win-Win Growth Payment System

• We provide special technical training in collaboration with local universities (Kyungnam University and Korea Polytechnics).

Support for Win-Win Growth Payment System

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Support for Win-Win Growth Payment System

• In order to consistently communicate with our suppliers, our CEO or procurement executives visit them regularly to hear their opinions on expanding technology exchange and difficulties related to management.

Funding

Zero Interest Direct Financing

• We provide additional on-site feedback necessary for product quality and improvement and expansion of facilities, overcome the existing weaknesses, and take advantage of advanced technologies.

Support for Win-Win Growth Payment System

• The results of on-site inspections are registered in the system, and we manage improvement tasks for non-conformities by conducting activities aimed at supporting these improvements.

Support for Win-Win Growth Payment System

• We conduct on-site assessment and improvement consultations once a year.

Communication with Suppliers

• We provide special technical training in collaboration with local universities (Kyungnam University and Korea Polytechnics).

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CORPORATE OVERVIEW
Management Philosophy
Message from the CEO
Message from the Management
Who We Are
What We Do
Our Commitments
Independent Assurance Statement
History of sustainability reports publication

Inspection and Due Diligence of Conflict Minerals and Risk Assessment

Inspection and Due Diligence of Conflict Minerals
- LG is a member of the Responsible Minerals Initiative (RMI) and has built a Management System (RMI) in order to collect information about conflict minerals in its mineral supply chain.
- LG Electronics is committed to ensuring the responsible, ethical, and sustainable sourcing of conflict minerals, cobalt, and other raw materials.

Due Diligence
- LG Electronics is committed to ensuring the responsible, ethical, and sustainable sourcing of conflict minerals, cobalt, and other raw materials.
- LG Electronics collects information about suppliers that use conflict minerals through the RMI if they are required to disclose their mineral supply chain.
- LG Electronics uses the HSMS (Hazardous Substances Management System) and the CMMS (Conflict Minerals Management System) to collect information about conflict minerals in its materials.
- LG Electronics performs due diligence on its suppliers to ensure the responsible, ethical, and sustainable sourcing of conflict minerals.

Risk Assessment of Conflict Minerals
- LG Electronics assesses the level of risk in the procurement of conflict minerals and cobalt based on the data about their raw material, origin, and whether or not they are included in the RMI's due diligence program.
- LG Electronics checks the information on the origin of the conflict minerals and cobalt through the RMI's due diligence program.
- LG Electronics conducts due diligence on its suppliers to ensure the responsible, ethical, and sustainable sourcing of conflict minerals.

Customers
At LG Electronics, we manage our organizational structure and our management system from a customer perspective in order to achieve the enhancement of our brand value through the creation of customer value. These changes are aimed at establishing a one-view, in-house system capable of representing one LG, through the integration of all data distributed by various customer contact points and the establishment of a customer-centered response process. In addition, we will continue to fulfill our CSR activities aimed at solving the pain points in the overall experience of our customers by flexibly and diversely responding to rapid social change.

Services for Customer Satisfaction
- LG Electronics will make various efforts to ensure that the services provided are suitable for each customer.
- LG Electronics will continue to fulfill its CSR activities aimed at solving the pain points in the overall experience of our customers by flexibly and diversely responding to rapid social change.

CSR Activities at Customer Contact Points
- LG Electronics will continue to fulfill its CSR activities aimed at solving the pain points in the overall experience of our customers by flexibly and diversely responding to rapid social change.
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- LG Electronics will continue to fulfill its CSR activities aimed at solving the pain points in the overall experience of our customers by flexibly and diversely responding to rapid social change.

APPENDIX
Business Status
Sustainability Management Performance Data
SHEE-Quality Certification Status
Membership/Awards & Recognition
Materiality
LG-/SASB Index
TCSI-Desert Index
Governance Guide
Independent Assurance Statement
History of sustainability reports publication
Integration of the ‘One Vision’, In-House Customer System

- Establishment of an integrated system that flows in one place, consumer’s history about their experience with our products and services, such as product purchase and delivery, after-sales service, and after-sales support.
- Systematic response to customer issues across all contact points and share information of customer issues between contact points via the company-wide integration of customer journey and order format.
- Establishment of a solution process that facilitates immediate resolution of customer issues through the activation of contact point communication and sharing of customer issue on-line.
- Promotion of the customer experience system for each customer problem, and entrance response capabilities for each contact point.

Customer-Oriented Change

Contact Point-Oriented

- Empowerment of the front-line service engineers to take proactive measures in response to customer concerns.
- An education program for service engineers was conducted online due to the impact of COVID-19.
- Fusion of the LG Learning Center and customer service training centers.

Customer-Oriented

- Ongoing and systematic training to enhance customer satisfaction.
- LG Learning Center: We launched an education platform that allows service engineers to watch service-related content and live broadcasts anytime and anywhere through the web or a mobile app in order to expand our platform of contactless education that minimizes spatial constraints in line with the increase in demands for remote training.
- Integration of, and standardization of, the customer journey map from sales to services.
- Establishment of an integrated system that shows, in one place, a consumer’s history about their experience with our products and services, such as product purchase and delivery, after-sales service, and after-sales support.
- Systematic response to customer issues across all contact points and share information of customer issues between contact points via the company-wide integration of customer journey and order format.
- Establishment of a solution process that facilitates immediate resolution of customer issues through the activation of contact point communication and sharing of customer issue on-line.
- Promotion of the customer experience system for each customer problem, and entrance response capabilities for each contact point.

Training Aimed at Upgrading the Capabilities of Service Engineers

- Full participation of service engineers were emphasized.
- Core and comprehensive training were provided.
- Following the online training, we conducted regular customer satisfaction surveys to evaluate the performance of service engineers.

Engineers’ Tech Olympics

- Conducted runway tie-breaking test of ‘Engineers’ Tech Olympics’.
- This was a tech challenge to measure the limits of space and time by examining the number of customer’s experiences and sales generated by each person in order to achieve the highest efficiency.
- Recognizing the largest number of experiences from various countries to date, eighty-four people from twenty-four countries participated, and 23 winners were honored across a total of five categories.

Service Technology Research Group

- We supported and shared the development of customer context and context collection for remote service in Korea and overseas.
- Developing our standard repair guide.
- Developing, updating, and optimizing the management of self-repair content for customers.
- We verified the efficiency of the product content and reviewed it such that customers could smoothly handle products required through the new product development stage.
- Exploring easy and quick repair content was developed in order to improve field service productivity and contribute to operational efficiency.
- Discovering the causes of overall service dissatisfaction, and promoting its meaningful change.

Customer Satisfaction Surveys

- Korea satisfied customers were surveyed and managed by sending two messages to customers who had used our services and then receiving replies to these messages.
- Overseas: we conducted on the phone survey regarding the retrieval of service satisfaction with customers who used our services, and thus were able to manage customer satisfaction with satisfied customers.

* Response limited to consultation
* Response limited to delivery
* Response limited to installation
* Response limited to consultation

Materiality

- Recording the largest number of participants from various countries to date, eighty-one people from twenty-seven countries participated, and 23 winners were honored across a total of five categories.
- Conducted online due to the impact of COVID-19.
- Five nationwide service academies were integrated into one place, and thirteen service training centers were established.
- In order to provide systematic education tailored to the needs and capabilities of our engineers, we reorganized and customized our educational content such that it is adjusted to various positions/stages.
- Systematization of service training in an education platform that allows service engineers to watch service-related content and live broadcasts anytime and anywhere through the web or a mobile app.
- LG Learning Center: We launched an education platform that allows service engineers to watch service-related content and live broadcasts anytime and anywhere through the web or a mobile app.

Major Honors in 2020

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<thead>
<tr>
<th>Country</th>
<th>Month</th>
<th>Host</th>
<th>Description</th>
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<tbody>
<tr>
<td>US</td>
<td>Aug</td>
<td>CES</td>
<td>2020 CES Innovation Awards</td>
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<tr>
<td>Korea</td>
<td>Jul</td>
<td>Dong-A Ilbo</td>
<td>Korea Consumer Awards in the Classification of post-sales support for home appliances</td>
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<tr>
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<td>Jan</td>
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<tr>
<td>Indonesia</td>
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<tr>
<td>US</td>
<td>Aug</td>
<td>J.D. Power</td>
<td>2020 J.D. Power Survey (Customer Care) (Customer Care Survey)</td>
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<tr>
<td>Indonesia</td>
<td>Aug</td>
<td>The Institute for Industrial Policy Studies</td>
<td>Korea New Lifestyle Awards in the Classification of post-sales support for home appliances</td>
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<tr>
<td>Peru</td>
<td>Aug</td>
<td>ReclameAQUI</td>
<td>Highest customer rating received on the complaint handling site</td>
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<tr>
<td>Korea</td>
<td>Jul</td>
<td>Dong-A Ilbo</td>
<td>Studies National Service Awards for post-sales support for home appliances</td>
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<tr>
<td>Indonesia</td>
<td>Jun</td>
<td>Chosun Ilbo</td>
<td>Consumer Agency Consumer Rights and Service Quality</td>
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<tr>
<td>Russia</td>
<td>Aug</td>
<td>Hi-M Solutek</td>
<td>International Digital Innovation Award</td>
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<tr>
<td>US</td>
<td>Aug</td>
<td>Time</td>
<td>2020 Time 100</td>
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<tr>
<td>Peru</td>
<td>Aug</td>
<td>CEMAG</td>
<td>Latin America Customer Agency</td>
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<tr>
<td>Peru</td>
<td>Aug</td>
<td>The Institute for Industrial Policy Studies</td>
<td>Customer Satisfaction in Overseas</td>
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<tr>
<td>Overseas</td>
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* Company satisfaction survey was conducted online due to the impact of COVID-19. Due to the results of surveys issued by the LG 2020-2021, it may require surveys in several countries in order to be able to reflect the results.
Information Protection

Due to the diversification of IoT products and services, in addition to constant changes in the business environment, there is an increased demand for companies to be more responsible in terms of personal rights and privacy data protection. Accordingly, we protect the rights of our employees and customers by identifying risk factors related to cyber security compliance, and by ensuring transparency in disclosing the handling of privacy data both in Korea and overseas.

Privacy Data Protection and Product Security

Basic System for Privacy Information Protection
- Indication of the use of privacy data in terms of the purpose for which it is collected and processing
- Privacy Information Protection Measures

- Identification/Access control
- Protection of information confidentiality
- Protection of information integrity
- Protection of information availability
- Protection of privacy information

Privacy Information Protection Measures

®① Prior approval by privacy manager
®② Minimization of printing privacy information
®③ One-way encryption storage
®④ Access control measures
®⑤ Separation of privacy information servers
®⑥ Response to request for revocation of consent
®⑦ Observance of the information usage period
®⑧ Measures enabling search/change of privacy information
®⑨ Frequency for access by third party

Impact Assessment of Privacy Data

- Through impact assessment of privacy data, we proactively evaluate and mitigate risk factors, and make improvements to the adequacy of our privacy protection measures, which enables us to launch products and services with reinforced privacy protection features.
- We continuously upgrade to our impact assessment framework to protect privacy data to ensure that standards and regulations, as well as technological trends,

Technical Measures

®① Use of privacy data
®② Collection of privacy data
®③ Use of privacy data
®④ Collection of privacy data
®⑤ Use of privacy data

Managerial Measures

®① Development of privacy data collection system
®② Development of privacy data collection system
®③ Development of privacy data collection system
®④ Development of privacy data collection system
®⑤ Development of privacy data collection system

Measures to Protect Customer Rights

®① Use of privacy data
®② Collection of privacy data
®③ Use of privacy data
®④ Collection of privacy data
®⑤ Use of privacy data

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<tr>
<th>ESG FACT BOOK</th>
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<td>Corporate Governance</td>
<td>Privacy Protection</td>
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<td>Jeonyoung Kim, CEO</td>
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<td>Compliance Management</td>
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<td>Conflict Minerals</td>
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<td>Customer</td>
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<td>• Information Protection</td>
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<td>Employees</td>
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APPENDIX

Business Status | Sustainability Management Performance Data
| SHEER/Quality Certification Status | Membership/Awards & Recognition
| Materiality | GRI Standards Index
| TDY/Consolidated | TDY/Consolidated
| Governance/index | Independent Assurance Statement
| History of sustainability reports publication |
**Basic Principles of Product Security**

- We monitor global security regulations to ensure our products are compliant.
- We continuously update our security procedures based on global regulations.
- We ensure our products are secure by implementing security measures from the design stage.
- We monitor global security regulations, such as the EU Cybersecurity Act and UNR No. 155, to continuously reflect them in our standard security requirements and guidelines.
- We establish proactive security measures to prevent security incidents.
- We continuously improve product security by evaluating security vulnerabilities.

**Product Security Management System**

- We set up a Product Security Management System to handle security incidents.
- We establish security management systems to handle security incidents.
- We continuously evaluate product security by re-evaluating security requirements.
- We work with internal and external security experts to diagnose security vulnerabilities.

**Corporate Governance**

- We establish proactive and preemptive security incident prevention measures.
- We review and report security vulnerabilities in product software to external parties.
- We operate the LGE ISAC (Information Security Analysis Center) to check the vulnerabilities of IoT products.
- We continuously reflect global security regulations in our standard security requirements.

**Cybersecurity Engineering Training**

- We conduct cybersecurity training to enhance the capabilities of our software developers.
- We ensure our software development teams are equipped with key security technologies.
- We provide training to software developers to enhance their capabilities.
- We ensure our software development teams are equipped with key security technologies.

**LG Electronics Product Security Certification**

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**LG Secure Development Lifecycle**

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- We operate the LGE ISAC (Information Security Analysis Center) to check the vulnerabilities of IoT products.
- We continuously reflect global security regulations in our standard security requirements.

**Nurturing Software Security Specialist**

- We cultivate world-class experts through partnerships with Carnegie Mellon University.
- We ensure our software development teams are equipped with key security technologies.
- We provide training to software developers to enhance their capabilities.
In pursuit of the "LG Way", which embodies our corporate philosophy and manner of conducting business, we strive to create value for customers and implement a management system based on respect for people. We make continuous and concerted efforts to improve our HR management system in order to ensure a fair evaluation system and compensation, while supporting our employees to develop their job capabilities and achieve exponential growth through various programs. Additionally, we continue to promote a healthy management relationship through communication between employees and the company, as well as creating a corporate culture built on mutual trust and respect.

**HR Management**

**Key initiatives for 2021**

At LG, we encourage innovation in the way we work and throughout our systems in order to achieve sustainable growth even in new business environments. We operate a HR management and training system that enables every employee to be able to realize their potential.

**Evaluation and Compensation**

We constantly enhance our HR system in order to facilitate creativity and strong business performance. We reinforce objectivity and impartiality in employee evaluation by adopting an evaluation system of absolute evaluation in addition to the general evaluation system. At the same time, we are striving to develop a performance management model, which engages employees in actively managing their own job performance. In addition, we are strengthening our performance-based compensation system through ongoing incentives paid to employees who have achieved outstanding results.

**Type of Job Position**

In 2017, with a view to promoting a horizontal, creative, and open corporate culture, we changed our job position system to a new one that involves a role, operation, and performance. Through this simplification of a role-grade system, we enhanced the speed of efficiency and execution of work. In addition, we revised and promoted employees who have outstanding achievements in order to foster a self-driven and challenge-oriented workplace environment.

**Talent Development**

As the global business landscape and key talent roles have evolved in our company in the future, we continue to strengthen activities aiming at achieving a strategic change towards a new fundamental capability. We first discover and then develop key talents with a view to supporting our new growth engine and enhancing management leadership and organizational unity, which is necessary for our future strategic goals.

**Work-Life Balance**

In order to make a corporate culture that values family, we have balanced work and life. We believe the work system consisting of a 40-hour work week and a 26-week paid parental leave is the best way to support employees who have a new born child, which is also in line with the organization’s competitiveness.

- Improved meeting/reporting culture
- Implemented casualization policy
- Implemented flexible working hours
- Established merit-based compensation system

**Evaluation and Compensation**

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**Work-Life Balance**

In order to make a corporate culture that values family, we have balanced work and life. We believe the work system consisting of a 40-hour work week and a 26-week paid parental leave is the best way to support employees who have a new born child, which is also in line with the organization’s competitiveness.

- Improved meeting/reporting culture
- Implemented casualization policy
- Implemented flexible working hours
- Established merit-based compensation system

**Evaluation and Compensation**

We constantly enhance our HR system in order to facilitate creativity and strong business performance. We reinforce objectivity and impartiality in employee evaluation by adopting an evaluation system of absolute evaluation in addition to the general evaluation system. At the same time, we are striving to develop a performance management model, which engages employees in actively managing their own job performance. In addition, we are strengthening our performance-based compensation system through ongoing incentives paid to employees who have achieved outstanding results.

**Type of Job Position**

In 2017, with a view to promoting a horizontal, creative, and open corporate culture, we changed our job position system to a new one that involves a role, operation, and performance. Through this simplification of a role-grade system, we enhanced the speed of efficiency and execution of work. In addition, we revised and promoted employees who have outstanding achievements in order to foster a self-driven and challenge-oriented workplace environment.

**Talent Development**

As the global business landscape and key talent roles have evolved in our company in the future, we continue to strengthen activities aiming at achieving a strategic change towards a new fundamental capability. We first discover and then develop key talents with a view to supporting our new growth engine and enhancing management leadership and organizational unity, which is necessary for our future strategic goals.

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- Improved meeting/reporting culture
- Implemented casualization policy
- Implemented flexible working hours
- Established merit-based compensation system
Principles of Organizational Culture

We believe in creating a culture of innovation and change. As an organization, we are committed to the principles of respect, excellence, and sustainability.

Respect

We believe in fostering an environment of mutual respect and understanding. We strive to include everyone in our decision-making processes and to ensure that all voices are heard.

Excellence

We are committed to excellence in all that we do. We strive to exceed expectations and to continuously improve our processes and products.

Sustainability

We believe in taking responsibility for our impact on the environment and on society. We are committed to reducing our carbon footprint and to promoting sustainability in all aspects of our operations.

Message from the CEO

[CEO's message]

Message from the Management

[Management's message]

Who We Are

Our mission is to create a sustainable future for all. We believe in innovation and excellence, and we are committed to making a positive impact on the environment and on society.

What We Do

We provide a range of products and services that aim to make life easier and more convenient for our customers. We believe in creating products that are not only functional but also environmentally friendly.

Our Commitments

We are committed to reducing our carbon footprint and to promoting sustainability in all aspects of our operations.

Environmental Stewardship

We believe in being good stewards of the environment. We are committed to reducing our carbon footprint and to promoting sustainability in all aspects of our operations.

Sustainability Report

We publish an annual sustainability report to demonstrate our commitment to sustainability and to provide transparency regarding our efforts.

Establishing an Organizational Culture which Centres the Perspective of Customers

We believe in placing our customers at the center of our decision-making processes. We listen to their feedback and adjust our products and services accordingly.

Business Model

Our business model is centered around the customer. We strive to provide products and services that meet their needs and exceed their expectations.

Internalizing the Fulfillment of Customer Value

We believe in internalizing the fulfillment of customer value. We believe that our employees are the key drivers of customer satisfaction.

Innovative Strategies

We believe in implementing innovative strategies to improve our operations and to create a more sustainable future.

Management Story with Employees

We believe in involving our employees in our decision-making processes. We value their input and listen to their feedback.

Facilitating Interactive Communication and Making New Changes

We believe in facilitating interactive communication and making new changes. We believe that our employees are the key drivers of change.

Message from the Management

[Management's message]

LGE Adventure (LGE+VENTURE) for Fostering In-House Ventures

We support the two selected teams by providing them with external office space, subsidies for project implementation, and ‘accelerators’ aimed at commercializing within our company or to go independent as a start-up.

Care Programs and Other Contactless Programs for Business Travelers in times of COVID-19

We provide various counseling programs (a class for handling uncomfortable emotions and a class for handling symptoms of past traumatic events) with a view to improving the mental health of employees and their families in the post-Corona Blues era.

Corporate Governance

We believe in maintaining a transparent and accountable organization. We believe in providing our stakeholders with the information they need to make informed decisions.

Company Information

[Company information]

LGE Adventuring (LGE+VENTURE) for Fostering In-House Ventures

Our goal is to create a sustainable future for all. We believe in innovation and excellence, and we are committed to making a positive impact on the environment and on society.

Our Corporate Sustainability Strategy

Our Corporate Sustainability Strategy is centered around the customer. We believe in providing products and services that meet their needs and exceed their expectations.

Heart-to-Heart Communication with the MZ Generation

We believe in heart-to-heart communication with the MZ generation. We value their input and listen to their feedback.

LGE IdeaPot, a Crowdsourcing Platform for Employee Ideas

We believe in LGE IdeaPot, a crowdsourcing platform through which all employees, both domestic and overseas, are welcome to suggest ideas regarding solving various technical difficulties and can flow freely, regardless of position within the company.

Our online communication activities and programs received a positive response, with many employees citing that communicating online allowed for more open and honest

Internalizing the fulfillment of customer value

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Management Story with Employees

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Our Corporate Sustainability Strategy

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Directions of Talent Cultivation
• In order to develop future business leaders and create future growth engines, we aim to provide optimal learning solutions and nurture future leaders who are creative and capable of embracing challenges.

Management Philosophy
• Acting according to the principles of diversity and fairness.
• Embracing an Inclusive Society
• A platform-based learning system is being operated with a view to providing digital learning material in modules classified by competency or level. In-house experts in leadership and digital transformation are employed as trainers.

Cultivation of Future Business Leaders and Key Talents
In order to develop future business leaders that can take on forward roles in the next 10 to 15 years, we identify young and talented employees who display great entrepreneurial potential and, for a specified period, we support them through leadership-based training to develop their leadership potential.

To ensure the systematic and continued growth of key talents, we provide a track-specific training system. Additionally, we operate a development center aimed at assessing the qualities necessary for developing a leader in digital business environments.

Introducing our Design Thinking Program and Providing Creative Spaces
In order to design core positions and future talents, we operate an Assessment Center that scientifically identifies individual competencies and related characteristics. Through our Virtual Assessment Center, we evaluate each participant's performance using digital data and analysis, while also providing on-site training and personal growth counseling.

Boasting Global Business Capabilities
We support diverse cultivation activities by responding to changes in the overseas business environment in a manner that allows us to adapt to the local environment and establish a business culture. We provide opportunities for overseas training to employees and managers from all overseas branches.

Ensuring Digital Transformation Capabilities
• We have introduced and are currently operating digital transformation programs and consulting projects with a view to creating a sustainable business model and ensuring business continuity by aligning with the latest technology. Additionally, we provide digital transformation-related training to support the digital transformation of our employees.

Ensuring Digital Transformation Capabilities
• For on-site employees, we established and are operating the Digital Competency Enhancement Program with a view to increasing their technical competence in the context of digital transformation and ensuring business continuity.

Regular On-Site Learning
• We operate a variety of regular learning systems that enable employees to continue their learning and receive training at all levels, and we always take time to ensure that the learning systems are effective in developing our employees.

A platform-based learning system is being operated with a view to providing digital learning material on modules classified by competency or level. In-house experts in leadership and digital transformation are employed as trainers.

Suppliers’ Consortium for National Human Resource Development (Korea)
Since 2016, through the Suppliers’ Consortium for National Human Resource Development, we have been conducting educational support activities for our suppliers in order to encourage social development and contribute to the cultivation of local human resources.

We conduct a variety of training programs aimed at improving the leadership and skills of the employees of our suppliers. Our employees visit suppliers in order to support their efforts to increase work productivity by introducing robot process automation (RPA) and other IT-driven practices with close cooperation.

LG Electronics 2020-2021 Sustainability Report
APPENDIX

LG Electronics continues to communicate with stakeholders through transparent disclosure of ESG management activities and performance, including external evaluation results and performance in each field of environment, society, and governance.

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>51,962.5</td>
<td>52,779.5</td>
<td>52,827.0</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>39,187.3</td>
<td>39,788.7</td>
<td>39,767.1</td>
</tr>
<tr>
<td>Gross profit</td>
<td>12,775.2</td>
<td>12,990.8</td>
<td>13,060.9</td>
</tr>
<tr>
<td>Selling and marketing expenses</td>
<td>10,485.2</td>
<td>10,927.1</td>
<td>11,115.6</td>
</tr>
<tr>
<td>Operating income</td>
<td>2,290.0</td>
<td>2,063.6</td>
<td>2,706.5</td>
</tr>
<tr>
<td>Financial income</td>
<td>412.9</td>
<td>361.0</td>
<td>557.5</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>674.8</td>
<td>604.8</td>
<td>983.0</td>
</tr>
<tr>
<td>Operating income before income tax</td>
<td>1,701.5</td>
<td>1,459.8</td>
<td>2,623.6</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>453.9</td>
<td>295.4</td>
<td>332.0</td>
</tr>
<tr>
<td>Profit (loss) for the year</td>
<td>1,247.6</td>
<td>1,164.4</td>
<td>2,291.6</td>
</tr>
</tbody>
</table>

Economic Value Generated and Retained (Separated)

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>25,989.7</td>
<td>24,373.2</td>
<td>24,087.5</td>
</tr>
<tr>
<td>Non-operating income and financial profits</td>
<td>376.4</td>
<td>275.4</td>
<td>462.0</td>
</tr>
<tr>
<td>Economic value generated</td>
<td>25,316.1</td>
<td>24,147.8</td>
<td>24,550.0</td>
</tr>
<tr>
<td>Operating equipment</td>
<td>14,709.7</td>
<td>14,635.8</td>
<td>14,840.0</td>
</tr>
<tr>
<td>Non-operating income and expenses</td>
<td>53,867.5</td>
<td>57,972.5</td>
<td>62,475.5</td>
</tr>
<tr>
<td>Profit (loss) before income tax</td>
<td>1,701.5</td>
<td>1,459.8</td>
<td>2,623.6</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>453.9</td>
<td>295.4</td>
<td>332.0</td>
</tr>
<tr>
<td>Profit (loss) for the year</td>
<td>1,247.6</td>
<td>1,164.4</td>
<td>2,291.6</td>
</tr>
<tr>
<td>Economic value distributed</td>
<td>28,660.7</td>
<td>28,328.0</td>
<td>27,640.5</td>
</tr>
<tr>
<td>Economic value retained</td>
<td>(3,618.8)</td>
<td>(4,245.5)</td>
<td>(3,091.0)</td>
</tr>
</tbody>
</table>

FINANCIAL PERFORMANCE AND DISTRIBUTION

Business Status

Net Sales (as of 2020)

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>51,962.5</td>
<td>52,779.5</td>
<td>52,827.0</td>
</tr>
</tbody>
</table>

2020-2021 LG ELECTRONICS SUSTAINABILITY REPORT
Sustainability Management Performance Data

Summary of Consolidated Statements of Income

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit 17th year (2018)</th>
<th>Unit 18th year (2019)</th>
<th>Unit 19th year (2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Net sales</td>
<td>39,187.3</td>
<td>39,788.7</td>
<td>39,767.1</td>
</tr>
<tr>
<td>2. Cost of sales</td>
<td>10,485.2</td>
<td>10,927.1</td>
<td>11,115.6</td>
</tr>
<tr>
<td>3. Gross profit</td>
<td>28,702.1</td>
<td>28,861.6</td>
<td>28,651.5</td>
</tr>
<tr>
<td>4. Selling and marketing expenses</td>
<td>12,775.1</td>
<td>12,990.8</td>
<td>13,822.0</td>
</tr>
<tr>
<td>5. General and administrative expenses</td>
<td>7,399.4</td>
<td>7,213.8</td>
<td>6,793.6</td>
</tr>
<tr>
<td>6. Operating income</td>
<td>8,527.6</td>
<td>8,757.0</td>
<td>8,035.4</td>
</tr>
<tr>
<td>7. Financial expenses</td>
<td>3,117.4</td>
<td>3,031.6</td>
<td>3,219.0</td>
</tr>
<tr>
<td>8. Gain (loss) from equity method</td>
<td>(65.4)</td>
<td>(891.2)</td>
<td>(20.5)</td>
</tr>
<tr>
<td>9. Other income (expenses)</td>
<td>4,684.1</td>
<td>4,246.0</td>
<td>4,686.0</td>
</tr>
<tr>
<td>10. Profit (loss) before income tax</td>
<td>1,701.5</td>
<td>447.8</td>
<td>2,080.1</td>
</tr>
<tr>
<td>11. Income tax expense</td>
<td>453.9</td>
<td>295.4</td>
<td>332.0</td>
</tr>
<tr>
<td>12. Profit (loss) for the year</td>
<td>1,247.6</td>
<td>152.4</td>
<td>1,748.2</td>
</tr>
</tbody>
</table>

Summary of Consolidated Statements of Financial position

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit 2018</th>
<th>Unit 2019</th>
<th>Unit 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Current assets</td>
<td>15,420.3</td>
<td>14,715.3</td>
<td>14,969.5</td>
</tr>
<tr>
<td>2. Non-current assets</td>
<td>21,148.3</td>
<td>21,267.6</td>
<td>21,147.6</td>
</tr>
<tr>
<td>3. Total assets</td>
<td>36,568.6</td>
<td>36,982.9</td>
<td>36,117.7</td>
</tr>
<tr>
<td>4. Current liabilities</td>
<td>21,064.1</td>
<td>20,416.9</td>
<td>20,780.6</td>
</tr>
<tr>
<td>5. Non-current liabilities</td>
<td>2,540.1</td>
<td>2,849.8</td>
<td>2,863.0</td>
</tr>
<tr>
<td>6. Total liabilities</td>
<td>23,604.2</td>
<td>23,266.7</td>
<td>23,643.6</td>
</tr>
<tr>
<td>7. Shareholders’ equity</td>
<td>12,964.4</td>
<td>13,716.2</td>
<td>12,474.1</td>
</tr>
<tr>
<td>8. Total equity</td>
<td>12,964.4</td>
<td>13,716.2</td>
<td>12,474.1</td>
</tr>
<tr>
<td>9. Total liabilities and equity</td>
<td>36,568.6</td>
<td>36,982.9</td>
<td>36,117.7</td>
</tr>
</tbody>
</table>

ECONOMIC DATA

Financial Assistance Received from Government (Korea)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit 2018</th>
<th>Unit 2019</th>
<th>Unit 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Investment grants, R&amp;D grants, and other relevant types of grant</td>
<td>1,739</td>
<td>5,917</td>
<td>1,492</td>
</tr>
</tbody>
</table>

Defined Benefit Plans Obligations and Other Retirement Plans (Korea)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit 2018</th>
<th>Unit 2019</th>
<th>Unit 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Defined benefit plan obligations</td>
<td>39,250.6</td>
<td>38,000.8</td>
<td>40,833.7</td>
</tr>
<tr>
<td>2. Other retirement plans (Korea)</td>
<td>432.9</td>
<td>361.0</td>
<td>557.5</td>
</tr>
</tbody>
</table>

Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage (Korea)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit 2018</th>
<th>Unit 2019</th>
<th>Unit 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Male employees</td>
<td>117</td>
<td>103</td>
<td>106</td>
</tr>
<tr>
<td>2. Female employees</td>
<td>145</td>
<td>131</td>
<td>139</td>
</tr>
</tbody>
</table>

Amount of Direct Purchase from Local Suppliers

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit 2018</th>
<th>Unit 2019</th>
<th>Unit 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. New male employees</td>
<td>117</td>
<td>103</td>
<td>106</td>
</tr>
<tr>
<td>2. New female employees</td>
<td>145</td>
<td>131</td>
<td>139</td>
</tr>
</tbody>
</table>

Amount of Direct Purchases by Classification

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Raw materials</td>
<td>17.2</td>
</tr>
<tr>
<td>2. Parts and components</td>
<td>10.9</td>
</tr>
<tr>
<td>3. Finished goods</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Amount of Local Purchases by Key Subsidiaries by Product

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. TV</td>
<td>13.0</td>
</tr>
<tr>
<td>2. Refrigerator</td>
<td>11.6</td>
</tr>
<tr>
<td>3. Monitor</td>
<td>11.4</td>
</tr>
</tbody>
</table>

APPENDIX

Business Sustainability Management Performance Data

| SHEQ | Classification | Unit 2020 |
|----------------|----------|
| 1. Total sales | 39,767.1 |
| 2. Gross profit | 28,651.5 |
| 3. Operating income | 8,035.4 |
| 4. Total assets | 36,117.7 |
| 5. Shareholders’ equity | 12,474.1 |
| 6. Net income | 1,748.2 |

ECONOMIC DATA

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<th>Classification</th>
<th>Unit 2020</th>
</tr>
</thead>
<tbody>
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</tr>
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</tr>
<tr>
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<tr>
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<td>12,474.1</td>
</tr>
<tr>
<td>6. Net income</td>
<td>1,748.2</td>
</tr>
</tbody>
</table>
**Sustainability Management Performance Data**

**Energy Consumption within the Organization**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>TWh</td>
<td>2,190</td>
<td>2,070</td>
<td>2,280</td>
</tr>
<tr>
<td>Non-renewable energy</td>
<td>TWh</td>
<td>1,748</td>
<td>1,820</td>
<td>1,980</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>TWh</td>
<td>452</td>
<td>250</td>
<td>300</td>
</tr>
<tr>
<td>Energy purchased</td>
<td>TWh</td>
<td>1,577</td>
<td>1,866</td>
<td>1,967</td>
</tr>
</tbody>
</table>

**GHG Emissions (Scope 1, 2)**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>tCO2eq</td>
<td>1,637</td>
<td>1,000</td>
<td>1,261</td>
</tr>
</tbody>
</table>

**Environmental Data**

- **Waste by Type and Disposal Method**
  - Classification | Unit | 2018 | 2019 | 2020 |
  - Landfill | Ton | 0 | 0 | 0 |
  - Recycling | Ton | 137 | 293 | 1,060 |
  - Incineration | TJ | 0 | 0 | 0 |

- **Total weight according to treatment methods (non-hazardous)**
  - Total | Ton | 19,977 | 18,875 | 18,973 |

- **GHG emission intensity (Scope 1/2)**
  - Classification | Unit | 2018 | 2019 | 2020 |
  - tCO2eq/TWh | 0.75 | 0.72 | 0.71 |

---

**Sustainability Management Performance Data**

**Emissions Management Performance Data**

- **Non-renewable energy emissions (Scope 1)**
  - Classification | Unit | 2018 | 2019 | 2020 |
  - Electric (Korea) | TWh | 1.637 | 1.000 | 1.261 |
  - Natural gas (Korea) | TWh | 0.351 | 0.171 | 0.200 |
  - Diesel (Korea) | TWh | 0.239 | 0.167 | 0.200 |
  - Others (Korea) | TWh | 0.022 | 0.022 | 0.020 |
  - Total | TWh | 1.259 | 0.622 | 0.687 |

- **Non-renewable energy emissions (Scope 2)**
  - Classification | Unit | 2018 | 2019 | 2020 |
  - Electric (Overseas) | TWh | 0.378 | 0.250 | 0.230 |
  - Fuel (Overseas) | TWh | 0.030 | 0.020 | 0.020 |
  - Total | TWh | 0.408 | 0.270 | 0.250 |

**Energy Consumption within the Organization**

- **Non-renewable energy use**
  - Classification | Unit | 2018 | 2019 | 2020 |
  - Electric (Korea) | TWh | 1.637 | 1.000 | 1.261 |
  - Natural gas (Korea) | TWh | 0.351 | 0.171 | 0.200 |
  - Diesel (Korea) | TWh | 0.239 | 0.167 | 0.200 |
  - Others (Korea) | TWh | 0.022 | 0.022 | 0.020 |
  - Total | TWh | 1.259 | 0.622 | 0.687 |

**Emissions Management Performance Data**

- **Non-renewable energy emissions (Scope 1)**
  - Classification | Unit | 2018 | 2019 | 2020 |
  - Electric (Korea) | TWh | 1.637 | 1.000 | 1.261 |
  - Natural gas (Korea) | TWh | 0.351 | 0.171 | 0.200 |
  - Diesel (Korea) | TWh | 0.239 | 0.167 | 0.200 |
  - Others (Korea) | TWh | 0.022 | 0.022 | 0.020 |
  - Total | TWh | 1.259 | 0.622 | 0.687 |

**Emissions Management Performance Data**

- **Non-renewable energy emissions (Scope 2)**
  - Classification | Unit | 2018 | 2019 | 2020 |
  - Electric (Overseas) | TWh | 0.378 | 0.250 | 0.230 |
  - Fuel (Overseas) | TWh | 0.030 | 0.020 | 0.020 |
  - Total | TWh | 0.408 | 0.270 | 0.250 |

---

**GHG Emissions (Scope 1, 2)**

- **GHG emissions intensity (Scope 1/2)**
  - Classification | Unit | 2018 | 2019 | 2020 |
  - tCO2eq/TWh | 0.75 | 0.72 | 0.71 |
### Water Withdrawal by Source

<table>
<thead>
<tr>
<th>Source</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground water</td>
<td>648.6</td>
<td>714.2</td>
<td>1,035.6</td>
</tr>
<tr>
<td>Water treated in workplace</td>
<td>1,335.2</td>
<td>1,330.0</td>
<td>1,124.6</td>
</tr>
<tr>
<td>Municipal water supply</td>
<td>395.0</td>
<td>352.9</td>
<td>372.9</td>
</tr>
<tr>
<td>Industrial water</td>
<td>1,883.7</td>
<td>1,819.0</td>
<td>2,102.4</td>
</tr>
<tr>
<td>Total</td>
<td>4,644.1</td>
<td>4,257.1</td>
<td>4,896.5</td>
</tr>
</tbody>
</table>

* 2019-2020 data reflect EBITDA humiliating (increase data which was not reflected in 2019-2020 EBITDA). 2020 data includes corrections based on new data.

### Water Withdrawal by Source

<table>
<thead>
<tr>
<th>Source</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface water</td>
<td>1,433</td>
<td>223</td>
<td>541</td>
</tr>
<tr>
<td>Industrial water</td>
<td>6,363</td>
<td>6,396</td>
<td>4,487</td>
</tr>
<tr>
<td>Municipal water</td>
<td>10,850</td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td>22,646</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* 2019-2020 data reflect EBITDA humiliating (increase data which was not reflected in 2019-2020 EBITDA). 2020 data includes corrections based on new data.

### Water Pollutants Emission

<table>
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<tr>
<th>Source</th>
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<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>COD</td>
<td>6,256.3</td>
<td>6,619.3</td>
<td>6,635.3</td>
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<tr>
<td>Total</td>
<td>22,646</td>
<td></td>
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</tbody>
</table>

* 2019-2020 data reflect EBITDA humiliating (increase data which was not reflected in 2019-2020 EBITDA). 2020 data includes corrections based on new data.

### Number of Employees by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td></td>
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<tr>
<td>Middle East</td>
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<tr>
<td>Africa</td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* New Employee Turnover by Gender:

<table>
<thead>
<tr>
<th>Gender</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>515</td>
<td>569</td>
<td>1,544</td>
</tr>
<tr>
<td>Female</td>
<td>14,420</td>
<td>14,864</td>
<td>15,047</td>
</tr>
</tbody>
</table>

* Turnover rate of employees who turnover by age group:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>5.5%</td>
<td>6.2%</td>
<td>7.0%</td>
</tr>
<tr>
<td>30-50</td>
<td>3.7%</td>
<td>6.1%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Over 50</td>
<td>21.8%</td>
<td>23.9%</td>
<td>21.8%</td>
</tr>
</tbody>
</table>
Sustainability Management Performance Data

Total Number and Percentage of Voluntary Recognition (Korea)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Male</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
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</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>5,000</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>5,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

Diversity of Employment and Employees

<table>
<thead>
<tr>
<th>Classification</th>
<th>Total</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Total</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Female</td>
<td>5,000</td>
<td>5,000</td>
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</tbody>
</table>

Parental Leave (Korea)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Male</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,000</td>
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<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>5,000</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>5,000</td>
<td>5,000</td>
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</tbody>
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Workers with Disabilities

<table>
<thead>
<tr>
<th>Classification</th>
<th>Total</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,000</td>
<td>5,000</td>
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<table>
<thead>
<tr>
<th>Gender</th>
<th>Total</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Female</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
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</tbody>
</table>

Average Hours of Employee Training

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit 2018</th>
<th>Unit 2019</th>
<th>Unit 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>5,000</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>5,000</td>
<td>5,000</td>
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</tbody>
</table>

Average Hours of Training by Age

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit 2018</th>
<th>Unit 2019</th>
<th>Unit 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>5,000</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>5,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

Average Hours of Training by Program (Office)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit 2018</th>
<th>Unit 2019</th>
<th>Unit 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>5,000</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>5,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

Average Hours of Training by Program (Online)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit 2018</th>
<th>Unit 2019</th>
<th>Unit 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
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</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>5,000</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>5,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>
Sustainability Management Performance Data

**Incidents of Violations Involving Rights of Indigenous People (Korea)**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Total Number and Percentage of Operations Assessed for Risks Related to Corruption**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Communication and Training About Anti-corruption Policies and Procedures**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Confirmed Incidents of Corruption and Actions Taken**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Business Sites that have been Subject to Human Rights Impact Assessments**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Training on Human Rights Policies or Procedures (Korea)**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Ratio of Security Personnel Trained in Human Rights Policies or Procedures**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Incidents of Discrimination and Corrective Actions Taken (Korea)**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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</tbody>
</table>

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**Sustainability Management Performance Data**

**Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data (Korea)**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Assessment of the Health and Safety Impacts of Product and Service Categories**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Non-compliance with Laws and Regulations in the Social and Economic Area**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Impact Assessment of Local Community**

<table>
<thead>
<tr>
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<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**New Suppliers that were Screened Using Social Criteria (Korea)**

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business sites</td>
<td>16</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Ratio of business sites</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Sustainability Management Performance Data

Local Personnel at Major Business Sites

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of local employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,600</td>
<td>1,600</td>
<td>1,547</td>
<td>1,379</td>
</tr>
<tr>
<td><strong>Senior Management</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>176</td>
<td>178</td>
<td>175</td>
<td>174</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,144</td>
<td>1,142</td>
<td>1,172</td>
<td>1,105</td>
</tr>
</tbody>
</table>

*Note: The number of local employees has been estimated.

Negative Social Impacts in the Supply Chain and Actions Taken

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of suppliers identified as having significant actual or potential negative social impacts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,600</td>
<td>1,600</td>
<td>1,547</td>
<td>1,379</td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
<td>1,600</td>
<td>1,600</td>
<td>1,547</td>
<td>1,379</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of suppliers identified as having significant actual and potential negative social impacts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,600</td>
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<td><strong>Suppliers</strong></td>
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<td>1,600</td>
<td>1,547</td>
<td>1,379</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percentage of suppliers identified as having significant actual and potential social impacts and suppliers in which such requirements were agreed upon as a result of assessment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,600</td>
<td>1,600</td>
<td>1,547</td>
<td>1,379</td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
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<td>1,379</td>
</tr>
<tr>
<td></td>
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</tr>
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</table>

Free Training for Suppliers (Korea)

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of participating employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,121</td>
<td>1,610</td>
<td>1,201</td>
<td></td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>2,121</td>
<td>1,610</td>
<td>1,201</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Number of suppliers identified as having significant actual and potential negative social impacts as a result of assessment | | | | |
| **Total** | 0 | 0 | 0 | 0 |

Amount of Funding for Suppliers (Korea)

<table>
<thead>
<tr>
<th>Classification</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
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<tbody>
<tr>
<td>The number of participating employees</td>
<td></td>
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<td></td>
</tr>
<tr>
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Safety Data

<table>
<thead>
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<th>2019</th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td>LTIFR1)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>OIFR2)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Fatality (No. of case)</td>
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<tr>
<td>Lost-time Injuries (No. of case)</td>
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<td>106</td>
<td>92</td>
<td>103</td>
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<tr>
<td>Lost-time Injuries Frequency Rate (LTIFR)</td>
<td>0.004</td>
<td>0.006</td>
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<tr>
<td>Occupational Injuries Frequency Rate (OIFR)</td>
<td>0.004</td>
<td>0.006</td>
<td>0.005</td>
<td>0.004</td>
</tr>
</tbody>
</table>

*1. LTIFR1) Lost Time Injuries Frequency Rate (Number of cases x 1,000,000)/(Total hours worked in accounting period)
*2. OIFR2) Occupational Injuries Frequency Rate (Number of occupational illness cases x1,000,000)/(Total hours worked in accounting period)

**As of June 2021**

APPENDIX

Business Status
Sustainability Management Performance Data
SHEE-Quality Certification Status
GRI Standards Index
Materiality
SGS Index
ISO Standards Index
INDEX

Trustworthy Management
- Balanced Growth
- Sustainable Workplace for All
- Embracing an Inclusive Society
- Product for the Next Generation
- Zero Negative Environmental Impact
- Toward a More Positive Externality

Independent Assurance Statement

Calendar Year

2020-2021 LG Electronics Sustainability Report

2020-2021 LG ELECTRONICS SUSTAINABILITY REPORT
### Membership Awards & Recognition

<table>
<thead>
<tr>
<th>Membership Awards &amp; Recognition</th>
<th>Description</th>
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<tbody>
<tr>
<td>LGE Corporate Governance Award</td>
<td>Presented [1]</td>
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</table>

### Materiality

In order to identify material sustainability issues, LG Electronics adopted global sustainability initiatives and assessment systems such as GRI, SASB, and TCFD. Based on the analysis of global standard-based and forward-thinking sustainability management, evaluation systems, and perspectives of external stakeholders, we identified 18 key issues and selected priorities through comprehensive analysis. LG Electronics also considered the perspectives of external stakeholders to identify the key issues.

#### Materiality Assessment Process

1. **MATERIALITY ASSESSMENT PROCESS**
   - **STEP 01** Fundamental Analysis of Key Issues
     - Based on the analysis of global standard-based and forward-thinking sustainability management, evaluation systems, and perspectives of external stakeholders, 20 key issues were identified.
     - *A pool of 20 key issues has been created in line with sustainability management based on industrial standards, assessment, trends, internal practice and perspectives of external stakeholders.*
   - **STEP 02** Identification of Material Issues
     - A pool of 12 issues has been created in line with sustainability management based on industrial standards, assessment, trends, internal practice and perspectives of external stakeholders.
   - **STEP 03** Assessment of Materiality
     - Through prioritization of 12 material issues, 9 material issues have been identified and listed through the sustainability report.

#### Key Feedback by Sector

- **Public Relations**
  - Requested additional information on public relations issues.
  - Requested past financial statements and transparency.

- **Investor Relations**
  - Requested additional information on investor relations issues.
  - Requested past financial statements and transparency.

- **Regulatory**
  - Requested additional information on regulatory issues.
  - Requested past financial statements and transparency.

- **Internal Audit**
  - Requested additional information on internal audit issues.
  - Requested past financial statements and transparency.

- **Compliance**
  - Requested additional information on compliance issues.
  - Requested past financial statements and transparency.

### Appendices

- **APPENDIX**
  - **Business Status**
  - **Sustainability Management Performance Data**
  - **Sustainability Information Disclosure System**
  - **Sustainability Information Disclosure Standards**
  - **Sustainability Information Disclosure Standards**
### GRI Standards Index

<table>
<thead>
<tr>
<th>Topic</th>
<th>Standard Indicators</th>
<th>Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Rights</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>Social</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>Environment</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>Marketing and Labeling</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>Information</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>Supplier Social Responsibility</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>Operational Environment</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>Diversity and Inclusion</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>Health and Safety</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>Training and Education</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>Management Approach</td>
<td>413-1</td>
<td></td>
</tr>
<tr>
<td>Operations with Local Communities</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>New suppliers that were screened using social criteria</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>Operations with significant social impacts on local communities</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>Employee training on human rights policies or procedures</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
<tr>
<td>Operations that have been subject to human rights reviews or impact assessments</td>
<td>Management Approach</td>
<td>413-1</td>
</tr>
</tbody>
</table>

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### 2020-2021 LG Electronics Sustainability Report

- **Management Philosophy**: Trustworthy Management
  - Balanced Growth
  - Sustainable Workplace for All
  - Embracing an Inclusive Society
  - Product for the Next Generation

- **Independent Assurance Statement**

- **Governance Index**
  - TCFD Report
  - SASB Index
  - GRI Standards Index

- **Materiality**
  - Membership
  - Awards & Recognition
  - SHEE
  - Quality Certification Status

- **Sustainability Management Performance Data**
  - Employees
  - Information Protection
  - Customers
  - Conflict Minerals
  - Suppliers
  - Fair Trade
  - Compliance Risk Management

- **ESG FACT BOOK**
  - ESG COMMITMENTS
  - APPENDIX

- **CORPORATE OVERVIEW**
  - Management Philosophy
  - Message from the CEO
  - Message from the Management
  - Who We Are
  - What We Do
  - Our Response to COVID-19

- **2020-2021 LG Electronics Sustainability Report**
  - Independent Assurance Statement
  - Governance Index
  - TCFD Report
  - SASB Index
  - GRI Standards Index

- **ESG FACT BOOK**
  - Corporate Governance
  - Jeony-Do Management
  - Compliance Risk Management
  - Fair Trade
  - Safety and Environment
  - Supplier
  - Conflict Minerals
  - Customers
  - Information Protection
  - Employees

- **APPENDIX**
  - Business Status
  - Sustainability Management Performance Data
  - SHEE Certification Status
  - Membership
  - GRI Standards Index
  - SASB Index
  - TCFD Report
  - Governance Principles
  - Independent Assurance Statement
  - History of sustainability reports publication
The SABS (Sustainability Accounting Standards Board) Standard is an industry-specific sustainability accounting standard established by the US Sustainability Accounting Standards Board in 2011. For the first time in the industry, the standard categorized sustainability information with a high level of financial importance into 77 industries in 11 areas in accordance with the “SKE” (Sustainable Industry Classification System), taking into account the specificity of each industry. LG has been actively supporting the implementation of the SABS standards by disclosing, since 2022, sustainability-related information corresponding to the Hardwear industry group within the Technology and Communications sector, which has high potential to have a significant financial impact on our business.

Sustainability Disclosure Topics & Accounting Metrics

<table>
<thead>
<tr>
<th>Topic</th>
<th>Accounting Metric</th>
<th>Identification Code</th>
<th>Code</th>
<th>Description of Risk Management Related to the Use of Impact-Sensitive Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions</td>
<td>Percentage of electricity use from renewable sources</td>
<td>TC-HW-460a.1</td>
<td>21.6-47</td>
<td>Description of risk management related to the use of impact-sensitive indicators</td>
</tr>
<tr>
<td>Emissions</td>
<td>Percentage of green energy for lighting</td>
<td>TC-HW-450a.1</td>
<td>21.6-47</td>
<td>Description of risk management related to the use of impact-sensitive indicators</td>
</tr>
<tr>
<td>Emissions</td>
<td>Percentage of green energy for hot water</td>
<td>TC-HW-440a.1</td>
<td>21.6-47</td>
<td>Description of risk management related to the use of impact-sensitive indicators</td>
</tr>
<tr>
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<td>Percentage of emissions reduction targets for greenhouse gases</td>
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<td>21.6-47</td>
<td>Description of risk management related to the use of impact-sensitive indicators</td>
</tr>
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<td>TC-HW-420a.1</td>
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<td>Description of risk management related to the use of impact-sensitive indicators</td>
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<tr>
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<tr>
<td>Emissions</td>
<td>Percentage of emissions reduction targets for water pollutants</td>
<td>TC-HW-400a.1</td>
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<tr>
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<td>Emissions</td>
<td>Percentage of emissions reduction targets for land pollutants</td>
<td>TC-HW-380a.1</td>
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<td>Description of risk management related to the use of impact-sensitive indicators</td>
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<td>Description of risk management related to the use of impact-sensitive indicators</td>
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</table>

TCFD Report

Climate-Related Issues and the Role of the International Community

As the intensity and frequency of extreme weather events caused by global warming increase, climate change is increasingly being perceived as a major threat to society. Through its Global Risk Report 2021, the World Economic Forum selected climate-related issues such as extreme weather or failure to take action on climate change, along with the ongoing COVID-19 pandemic, as the most threatening global issues facing the world in 2021. Following the signing of the climate change agreement at the 1995 summit in Rio de Janeiro by various heads of state, the international community has continued to have discussions and reach agreements on climate change over the past few decades while emphasizing the importance of the agreement itself. Through the Paris Agreement adopted in December 2015 at the United Nations Climate Change Conference, specific reduction targets were established aimed at keeping the global average temperature rise to below 2°C, and preferably to 1.5°C, compared to pre-industrial levels. The Intergovernmental Panel on Climate Change (IPCC), an intergovernmental consultative body related to climate change, published a study through its 5th assessment report suggesting that 420-700% of the global greenhouse gas emissions must be reduced by 2050 in order to keep the global average temperature rise below 2°C.

Accordingly, climate-related issues that the international community is currently attempting to respond to are not only causing extreme weather phenomena, but also causing major changes in the overall global economy and social structures, such as society’s energy use, industrial production, and transportation methods. In order to respond to these changes and overcome the climate change crisis, governments around the world are introducing various policies and systems. In line with this, companies are continuing efforts to respond to changes to social, economic, and trade structures, such as reducing carbon emissions, using renewable energy, and developing and investing in low-carbon green technologies.

Here at LG, we recognize that climate change is a major issue that we, as no one else, must take responsibility for and address, and we are thus striving to do so through the establishment of strategic directions. Starting in 2021, we disclosed climate-related information that meets the TCFD guidelines in accordance with the demands of the international community through our sustainability report, and we plan to continuously supplement this information and transparently disclose it.

APPENDIX

Business Status | Sustainability Management Performance Data | SHEE Quality Certification Status | Membership Awards & Recognition | Materiality | LGI Standards Index | SABS Index | TCFD Dashboard Governance Index | ESG FACT BOOK | APPENDIX

114
In April 2021, we established an ESG Committee which operates under the BOD with a view to supervising and reviewing overall ESG management activities and the direction of strategies, including those related to climate change.

Our senior management recognizes that climate change is an important issue that can affect the international community and overall management of our company, and, accordingly, is constantly reviewing risks and opportunities related to climate change. In particular, the CTO monitors the safety environment and climate change issues of the company through the ESG Council and reports to the company-wide management meeting and ESG Committee. In addition, the committee examines and reviews on major climate-related issues, such as establishing mid-to-long-term greenhouse gas reduction targets and making investment decisions for major large-scale emission reduction projects. Decisions made through the company-wide management meeting of reviewed matters and the ESG Committee reporting are reflected in and implemented as major policies.

TCFD Report

1. Governance

In 2020-2021, LG Electronics established an ESG Committee which operates under the BOD with a view to supervising and reviewing overall ESG management activities and the direction of strategies, including those related to climate change.

| Classification of Risks | Risk Description | Annual Impact | Chronological Impact | Direction of Activities
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulative</td>
<td></td>
<td></td>
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<tr>
<td>Reputational</td>
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<td></td>
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<tr>
<td>Technological</td>
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<tr>
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<td>Climate</td>
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<tr>
<td>Physical</td>
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<td></td>
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</tbody>
</table>

The Role of Top-Management in Assessing and Managing Climate-Related Risks and Opportunities

The ESG Committee is responsible for reviewing and making decisions about the overall direction of environmental, social, and corporate governance, including climate change, and other related goals. The ESG Committee, which consists of four outside directors and one executive director, handles issues related to the environment and safety, including our response to climate change, as one of its key areas. Regular meetings are held once every six months, with extraordinary meetings being convened if and when necessary, and the outcome of discussions will be reported to the BOD regularly. Going forward, the committee will continue to manage and supervise ESG management activities carried out by the execution.

APPENDIX

- Corporate Governance
- Key-Go Management
- Compliance Risk Management
- Fair Trade
- Safety and Environment
- Supply
- Conflict Minerals
- Customers
- Information Protection
- Employees

- Stakeholder Advisory Group
- Advisory Group
- ESG Committee
- ESG Council

Sustainability Report 2020-2021 LG Electronics

TCFD Report

2. Strategy

We integrate the impact of climate change into business impact, and reputational impacts in terms of social awareness. Business impact is defined as the risk that climate change may financially impact our company such that projects are disrupted. We manage these risks by establishing a proactive response strategy for different scenarios such as possible financial loss and human casualties.

Reputational risk is defined as the risk of financial loss caused by damage to the image of a company and by legal sanctions and conflicts related to climate change. Here at LGE, as a company specializing in consumer goods, we regard reputational risk as a major issue because corporate image tarnished by legal sanctions or disputes can lead to sluggish or dwindling sales.

The ESG Committee is responsible for reviewing and making decisions about the overall direction of environmental, social, and corporate governance, including climate change, and other related goals. The ESG Committee, which consists of four outside directors and one executive director, handles issues related to the environment and safety, including our response to climate change, as one of its key areas. Regular meetings are held once every six months, with extraordinary meetings being convened if and when necessary, and the outcome of discussions will be reported to the BOD regularly. Going forward, the committee will continue to manage and supervise ESG management activities carried out by the execution.

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APPENDIX

- Corporate Governance
- Key-Go Management
- Compliance Risk Management
- Fair Trade
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- Conflict Minerals
- Customers
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- Stakeholder Advisory Group
- Advisory Group
- ESG Committee
- ESG Council

Sustainability Report 2020-2021 LG Electronics

TCFD Report

2. Strategy

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TCFD Report

To understand the potential impact that climate change-related risks may have on LG Electronics, we have analyzed two different global warming scenarios, to limit global warming to 2°C or 4°C respectively by 2100 and have established strategies to respond appropriately to each scenario.

Classification
2°C Scenario
4°C Scenario
Details
This scenario limits global warming to 2°C. It is considered pragmatically sustainable and has been set as the threshold for long-term sustainability goals for our business. The approach in this scenario is to adopt prompt and innovative reduction methods. This scenario predicts the macroeconomic consequences that are expected to occur as a result of global warming, and efforts to respond to climate change are significant, and prompt and ambitious targets and strategies are essential. For this purpose, the 2°C scenario focuses on the material risks arising as a result of climate change and thoroughly and comprehensively reviews the potential impact on global products and suppliers, including damage to businesses in coastal areas that will occur as a result of rising sea levels and the loss of infrastructure and major storms and floods. The enhancement of capabilities will require significant commitment of resources.

LG Electronics Impact & Response
- Regulatory risks: Changes in LG Electronics’ production sites, located globally across 15 countries, are expected to increase carbon taxes, carbon border adjustment mechanisms, emission trading systems, and energy consumption through waste heat recovery in Korea. In order to reduce energy use reduction and greenhouse gas emissions in accordance with the IEA 450 scenario, tariffs are expected to rise.
- Risks of an increase in the price of raw materials affecting LG Electronics’ products, which are manufactured throughout the supply chain, are expected to rise.
- With increasing pressure for energy efficiency, continuous investment is necessary to minimize energy consumption through waste heat recovery in Korea and each production branch to ensure the competitiveness of LG Electronic’s home appliances.
- Risks to energy use reduction and greenhouse gas emissions are significant, and we expect to confirm whether this goal is aligned with the RIA 450 scenario through a review by the SBTi.
- Review of our business portfolios and changes to business strategy for improved response to environmental changes, and to ensure the sustainability of our global production sites and supply chains. Additional efforts are necessary if the target of 2°C cannot be achieved.

In response to climate change, we continuously manage energy consumption and greenhouse gas emissions. Moreover, we set mid- to long-term goals and strive to achieve them.

Energy Consumption

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit</th>
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<tbody>
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<td>Non-renewable fuel</td>
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</tr>
<tr>
<td>(kcal)</td>
<td></td>
<td>1,875</td>
<td>1,496</td>
<td>1,532</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>TJ</td>
<td>3,902</td>
<td>2,946</td>
<td>3,239</td>
</tr>
<tr>
<td>(kcal)</td>
<td></td>
<td>1,875</td>
<td>1,496</td>
<td>1,532</td>
</tr>
<tr>
<td>Total</td>
<td>TJ</td>
<td>7,804</td>
<td>5,902</td>
<td>6,478</td>
</tr>
<tr>
<td>(kcal)</td>
<td></td>
<td>3,751</td>
<td>2,992</td>
<td>3,064</td>
</tr>
</tbody>
</table>

* Business site subject to verification
Non-renewable fuel: Steam (overseas), electricity (Korea), non-renewable fuel (overseas)
Renewable energy: Biomass, solar, wind, other (overseas)

* Calculation of energy consumption: Based on net calorific value, steam includes steam consumed by refrigeration

* Calculation of energy consumption: Based on net calorific value, steam includes steam consumed by refrigeration

* Business site subject to verification
Non-renewable fuel: Steam (overseas), electricity (Korea), non-renewable fuel (overseas)
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* Calculation of energy consumption: Based on net calorific value, steam includes steam consumed by refrigeration

* Calculation of energy consumption: Based on net calorific value, steam includes steam consumed by refrigeration

Energy Use by Business Segment (TJ)

<table>
<thead>
<tr>
<th>Energy use by Business Segment</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable energy</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Non-renewable fuel</td>
<td>3,902</td>
<td>2,946</td>
<td>3,239</td>
</tr>
<tr>
<td>Total</td>
<td>3,902</td>
<td>2,946</td>
<td>3,239</td>
</tr>
</tbody>
</table>

* Business site subject to verification
Non-renewable fuel: Steam (overseas), electricity (Korea), non-renewable fuel (overseas)
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* Calculation of energy consumption: Based on net calorific value, steam includes steam consumed by refrigeration

3. Risk Management

Our climate-related risks are identified through top-down and bottom-up approaches under the supervision of the corporate-level Safety & ESG Council and are integrally managed by the corporate-level risk management process.

Top-Down Risk Identification and Assessment
ESG Council evaluates short-term risks related to climate change regularly. To maintain the risk management process, the Council established a mid-to-long-term strategy aimed at reducing greenhouse gas emissions from 2019 to 2030. Major issues discussed by the Council are reported to the CEO and the Chief Executives for further guidance and final decision-making.

Bottom-Up Risk Identification and Assessment
We conduct monthly inspections at each of our production sites in order to identify and evaluate climate-related risks at the asset level. The energy environment management teams for each department, in order to achieve their ultimate goals, establish annual goals related to energy use reduction and greenhouse gas emissions in accordance with internal safety and environmental standards. Monthly energy management and emissions are calculated, and performance evaluation is conducted through target review and implementation results.

4. Metrics and Targets
**Corporate Overview**

**Management Philosophy**

**Message from the CEO**

**Message from the Management**

**Who We Are**

**What We Do**

**Our Commitments**

**Independent Assurance Statement**

**History of sustainability reports publication**

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**2020-2021 LG Electronics Sustainability Report**

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**TCFD Report**

### Greenhouse Gas Emissions (Spheres 1 and 2)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions</td>
<td>tCO2e</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 1 (Direct)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct GHG emissions</td>
<td>tCO2e</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect GHG emissions</td>
<td>tCO2e</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total GHG emissions</td>
<td>tCO2e</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**GRI Standards Index**

**Materiality**

**Membership & Awards & Recognition**

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**2. Reduction of greenhouse gas emissions through participation in the UN CDM project**

- Contribute to the reduction of emissions from the use of our products by expanding the supply of high-efficiency products such as refrigerators and air conditioners in India.
- We continue to acquire authentication and certification in the form of recognition of our reduction performance from the UN.

---

**3. Expansion of renewable energy**

- Ample to completely switch to renewable energy by 2050.
- Switching to 100% renewable energy for all of our operations in North America by the end of 2021, and switching to 100% renewable energy for global production facilities by 2025 (except for those in Korea).

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**TCFD Framework**

**Key Corporate Governance Indicator Compliance**

**ELG ELECTRONICS SUSTAINABILITY REPORT 2020-2021**
Dear Stakeholders of LG Electronics

KPMG has been requested by LG Electronics to conduct an independent assurance on the 2020-2021 Sustainability Report for LG Electronics (Further ‘the Report’). KPMG has responsibility to provide an opinion of independent assurance in accordance with scope of assurance, based on standard, methodology and limitations stated in this Assurance Statement.

KPMG was not involved in the process of preparing the Report and the information and presentation of data within the Report is the responsibility of LG Electronics.

Standard and Scope of Assurance

The assurance was planned and conducted in accordance with AAD0053 v3 and AAD0055 (2018), international standards developed by AccountAbility for the purpose of verifying corporate activities and performance. The assurance team implemented a Type 2 assurance engagement (Type 2 was implemented for water consumption, air emissions, waste generated, and work-related injury rates) as a “moderate” level, based on limited evidence gathering, to assess compliance with the four Accountability Principles (Inclusivity, Materiality, Responsiveness, Impact). We also assessed whether the GRI Standards reporting principles, Universal Standards, and Top-10 Specific Standards were applied such that the report was prepared in accordance with the Core option of the GRI Standards.

Methodology

In order to assess credibility of sustainability performance of the Report, we reviewed process and system for preparation of the Report; as well as available data and information. Non-financial information was reviewed based on internal data of LG Electronics, such as latest sustainability report disclosed Business Report and compared with information from media and the internet. Financial information was investigated whether data in the Report are correctly reported from DART (Data Analysis, Retrieval and Transfer System), an Electronic Disclosure System managed by Financial Supervisory Service. Validity of report descriptions and processes for materiality assessment, data collection and management; and report preparation are assessed through interview during on-site verification.

It was confirmed that the findings from above steps such as error, inappropriate information and ambiguous expressions are properly complemented by LG Electronics.

Competency and independence

The assurance team was organized in accordance with KPMG’s internal regulations. KPMG has no conflict of interest which could threaten the independence and impartiality of work, other than providing third-party assurance services in the LG Electronics business.

Limitations

The completeness and responsiveness of sustainability performance in the Report has inherent limitations due to its nature and the methodology used to determine, calculate and estimate its performance. In accordance with the terms of the contract, assessment is conducted based on provided data and information without verification for original data of specified performance information which is out of assurance scope.

Findings and Conclusions

As a result of the above assurance, we confirm that the content of this report fulfills the requirements of the Torea criterion of GRI Standards and secured reasonable basis to assurance level of Type 1 (Type 2 assurance for Water, waste, work-related injuries and nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions) in accordance with AAD0053 v3. Within the scope of the assurance activities above, we could not find any further significant error or inappropriate information from the final Report against the following principles:

- Inclusivity: Whether LG Electronics is actively identifying stakeholders and enabling their participation in establishing an organization’s material sustainability topics, and the developing strategic countermeasures.
- LG Electronics is communicating with various stakeholders including Customers, Suppliers, Employees, Industry, Academia, Opinion Leaders, Government Local Media, NGO, International Organizations, Stockholders, Investors through communication channels such as Meeting, Intranet, Web page, Campaign, Customer satisfaction survey, Training, Media. Observation of major stakeholders was not found.

- Materiality: Whether each topic is considered in overall sustainability management activities by identifying and prioritizing the most relevant sustainability topics in consideration of impact on the organization and stakeholders.
- LG Electronics conducted a materiality assessment in terms of social (stakeholder) impact and business relevance. They identified important issues, derived priorities, and supported sustainability management activities and performance without omission of major issues.

- Responsiveness: Whether LG Electronics has established a communication process with stakeholders to respond to the needs, interests, and expectations of stakeholders that affect sustainability performance.
- LG Electronics has been reporting activities and performance that addresses needs and concerns of stakeholders which were identified from materiality assessment process and responds to their opinion by taking into consideration for its overall management.

- Impact: Whether LG Electronics has considered sufficient aspects of the impact of material topics based on its understanding of relevant stakeholders’ concerns.
- KPMG conforms that LG Electronics is identifying and monitoring for impact of material topics of stakeholders such as services and research activities and reporting them to the extent possible.

Recommendation for improvement

KPMG recommends following developmental approaches in order to systematize sustainability management in the future and to decline results of the report effectively.

- As a member of the UN Global Compact, we look forward to continuing in soliciting practice achievements related to the 10 principles of UNGC, including human rights, Labor, Environment, and Anti-Corruption.

- In the future, we anticipate LG Electronics actively discloses mutual impact between newly established ESG committees and key stakeholder groups. The action allows stakeholders to fully understand LG Electronics‘ efforts for ESG Management.

Ji Young Song, CEO

July, 2021
Seoul, Korea

Foundation for Quality (KFO)
CORPORATE OVERVIEW

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2020-2021 LG Electronics
Sustainability Report

2020

2021

HISTORY OF SUSTAINABILITY REPORTS PUBLICATION

2006-2021

CONTRIBUTORS TO REPORT PREPARATION

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Corporate Audit Team

Ho-Sung Joo

3 EV & Energy Management Division

EV Management Team

Jong-Soo Shin

4 R&D Management Center

R&D Management Team

Seong-Ho Lee

5 Product Quality Control

Quality Control Team

Byoung-Soo Kim

6 Customer Quality Research Lab

Quality Research Lab Team

Seung-Hyun Ji

7 Safety & Environment Division

Safety & Environment Planning Team

Min-Chul Shin

8 Human Resources Division

HR Planning Team

Jae-Won Choi

9 Learning and Development Division

Training Planning Team

Byeong-Heon Yoo

10 Customer Service Division

Customer Service Team

Jung-Min Song

11 Labor Management Division

Labor Management Cooperation Team

Sung-Joo Yu

12 Government Relations Division

Government Relations Team

Jong-Soo Shin

CSR Team, LG Electronics

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Email: sustainability@lge.com

Tel: 82-2-3777-3024

2020-2021 LG Electronics Sustainability Report

(April 2021)

Disclosure of established mid to long term ESG
commitments and progress

Application of GRI (Global Reporting Initiative)
Standards

No Department Department Name Team Leader

1 Legal Group

Compliance Office

Compliance Team

Jung Sung-Geun

2 Corporate Audit Center

Corporate Audit Team

Ho-Sung Joo

3 EV & Energy Management Division

EV Management Team

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4 R&D Management Center

R&D Management Team

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Quality Control Team

Byoung-Soo Kim

6 Customer Quality Research Lab

Quality Research Lab Team

Seung-Hyun Ji

7 Safety & Environment Division

Safety & Environment Planning Team

Min-Chul Shin

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HR Planning Team

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Training Planning Team

Byeong-Heon Yoo

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Customer Service Team

Jung-Min Song

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Labor Management Cooperation Team

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12 Government Relations Division

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and other controlled sources.