



Environmental
Social
Governance

ESG IR Presentation

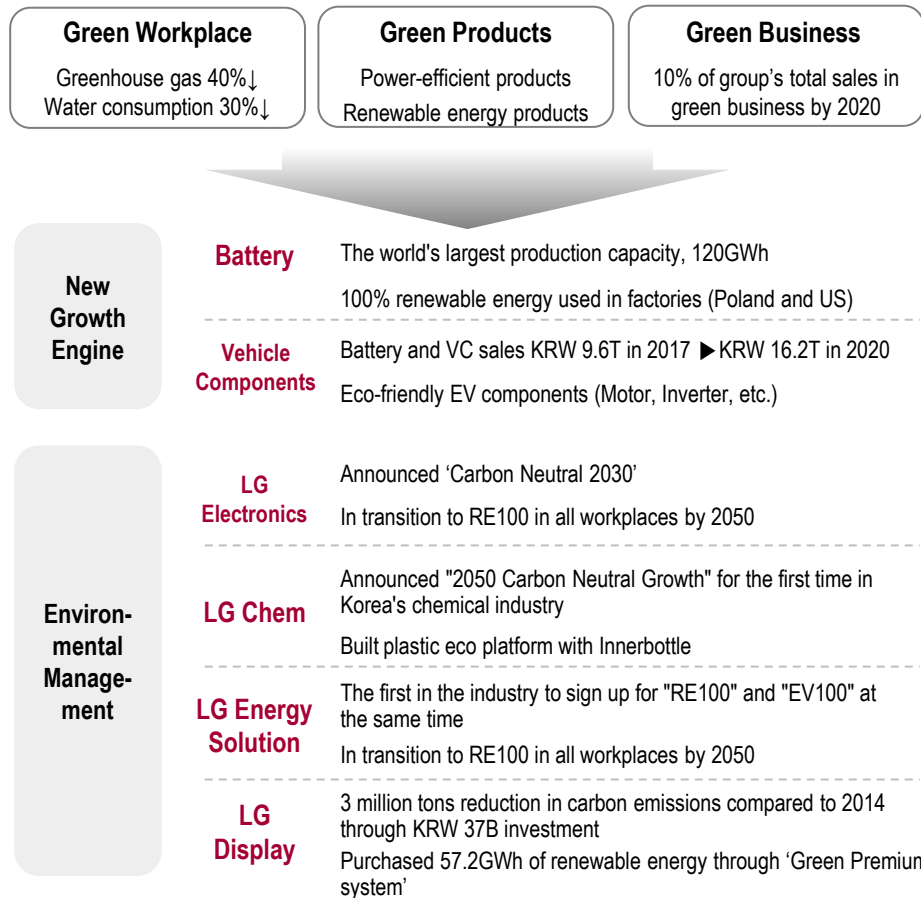
LG Corp.

Oct. 2021

From 'Green 2020' to ESG Management

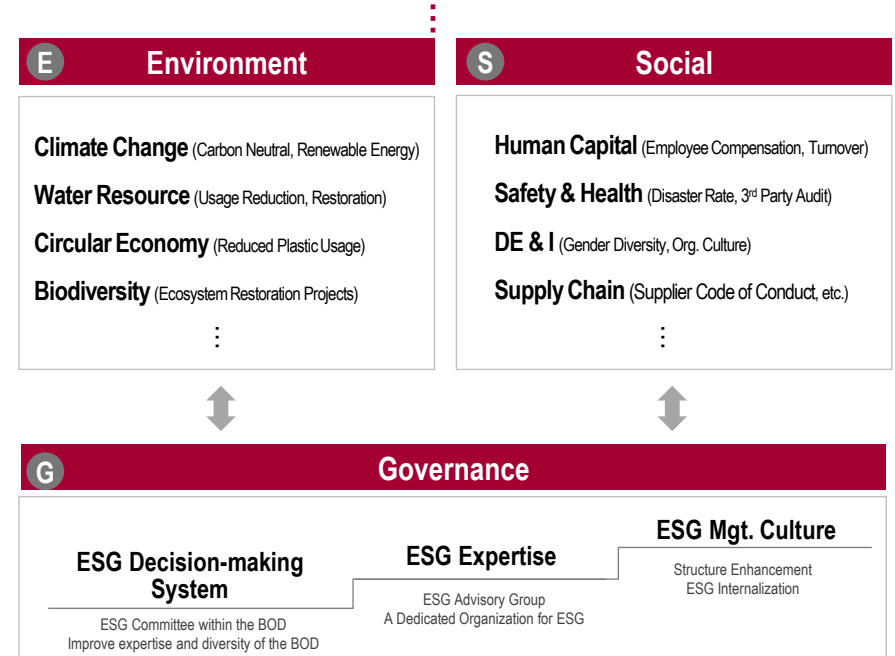
LG Corp. has so far strengthened the sustainability of LG Group through "Green 2020," an eco-friendly management strategy established in 2010. From 2021, we will expand and strengthen the scope of sustainability management by the transition to ESG management system.

'Green 2020' (2010~2020)



ESG Transformation (2021~)

- ✓ Establishment of ESG Committee under the BOD
- ✓ Reinforcement of expertise and diversity of the BOD
- **Reorganization of ESG orientation**
- **Establishment of ESG management system**



Our Approach to ESG

LG's ESG management is not only about risk and regulatory response, but also contributing to the future of humanity, including customers and next generation, through the process of pursuing our business with a perspective on preparing new business, technology, and future. LG will establish and work on ESG strategic tasks and KPIs based on the 4 principles below.

Justification

Active reflection of the social role changes required for companies

Sincerity

Drive ESG strategies with tasks and management activities that match declarations and practices

Feasibility

Establish feasible goals through innovation and investment while maintaining business competitiveness

Differentiation

Differentiated practice linked to LG's unique heritage and capabilities

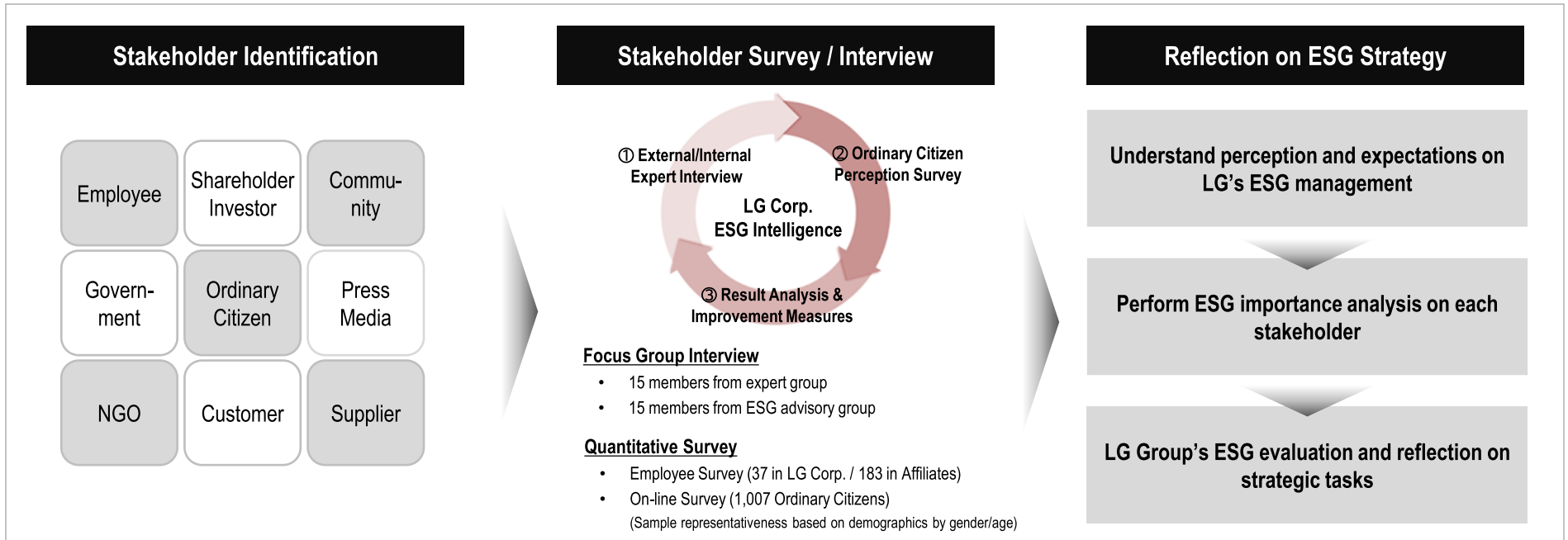
LG Corp. will continue to upgrade the ESG management system for sustainable growth.

ESG Management Timeline



Our Stakeholder Engagement

LG Corp. conducted in-depth surveys to hear the voices of stakeholders surrounding LG before promoting ESG management. In-depth interviews will be conducted every year to actively reflect the opinions of stakeholders in the direction of ESG promotion.

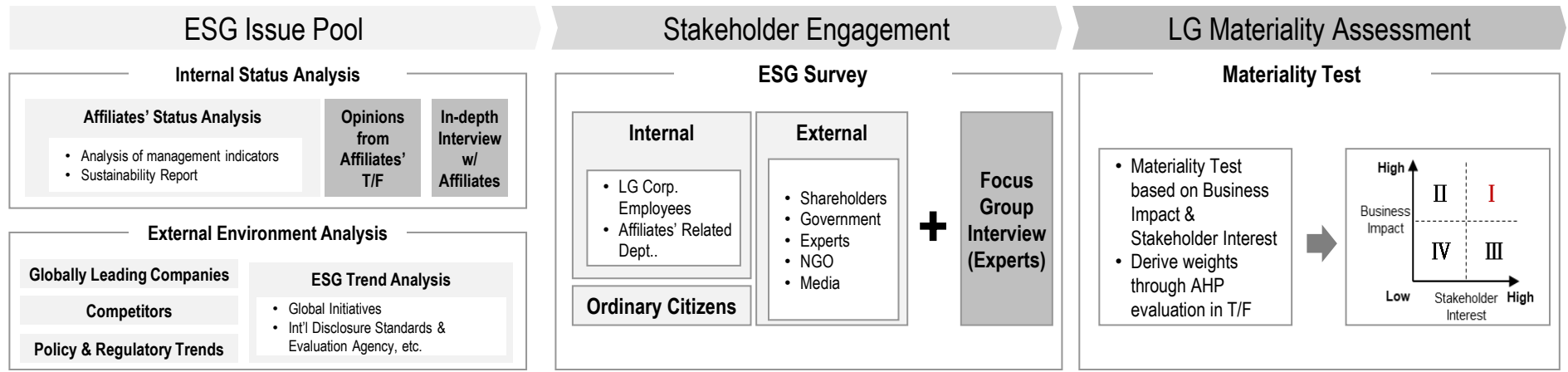
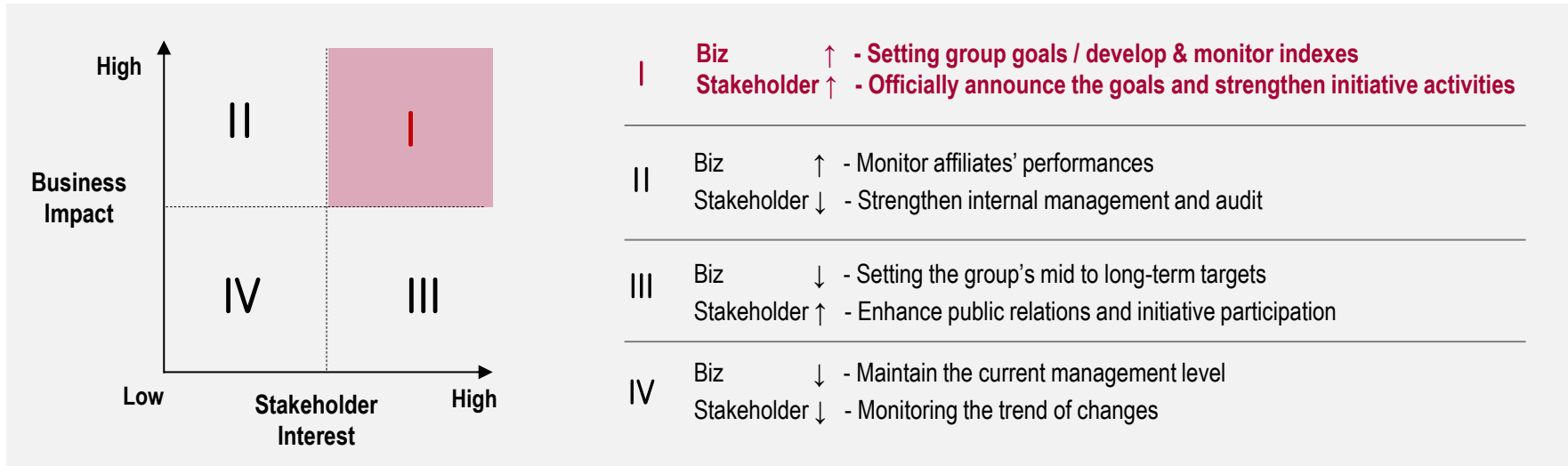


Major VoS (Voice of Stakeholders) in 2021

- Over the next 4-5 years, response to climate change has been evaluated as the most important issue. "Biodiversity," "Supply chain management," and "DE&I" are mentioned as issues that will emerge in the mid to long term.
"It is necessary to promote LG's differentiated ESG focus areas and activities while strengthening activities in essential areas such as climate change and human rights."
- Although LG's strong point was the image as a good company made by LG Righteousness Award, Jeong-do Management, and harmonious culture, it was commonly pointed out that there has been no communication about ESG activities.
- Emphasis on LG Corp.'s role in: ① Presenting the group's common vision and direction on ESG, ② Managing affiliates' goals and performances ③ Establishing a well-organized ESG system

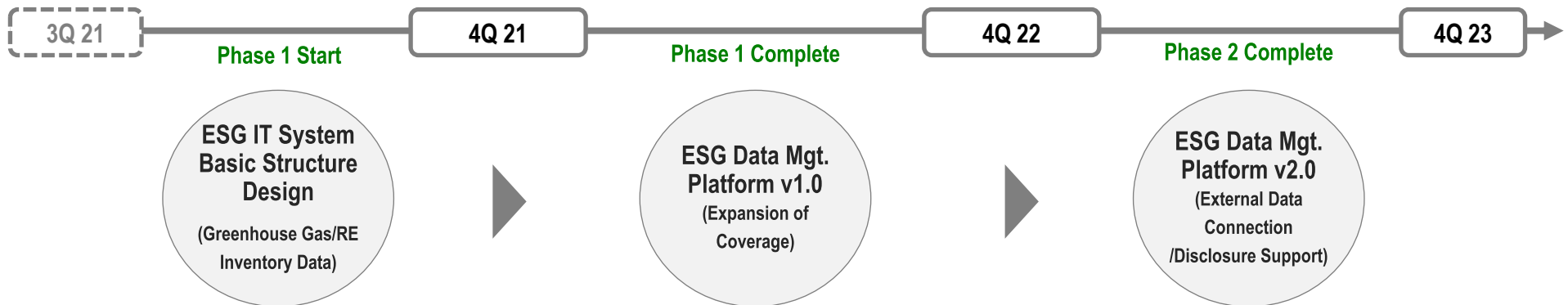
Our Materiality Assessment Framework

LG Corp. selects the group's ESG focus area every year using the materiality evaluation framework that actively reflects the opinions of stakeholders. We also prepare various activities to manage the area from a group perspective (development of focus issue index, establishment of ESG IT platform, etc.).

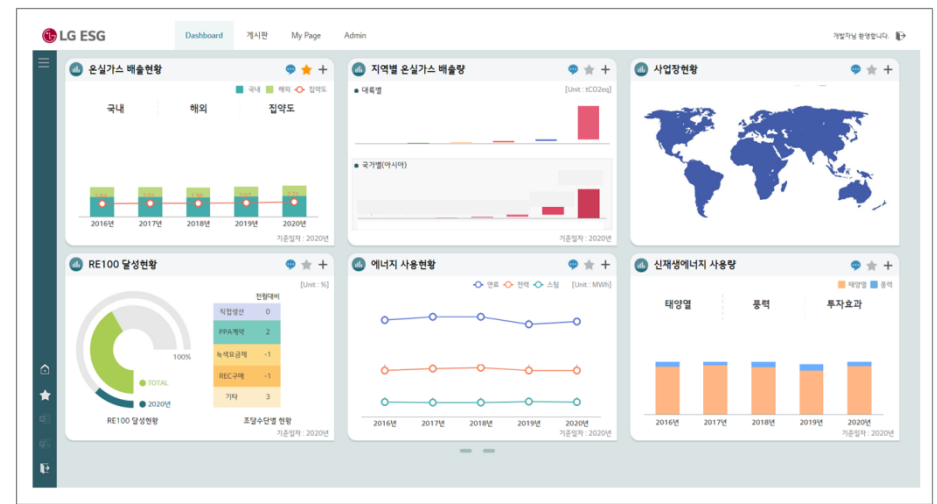
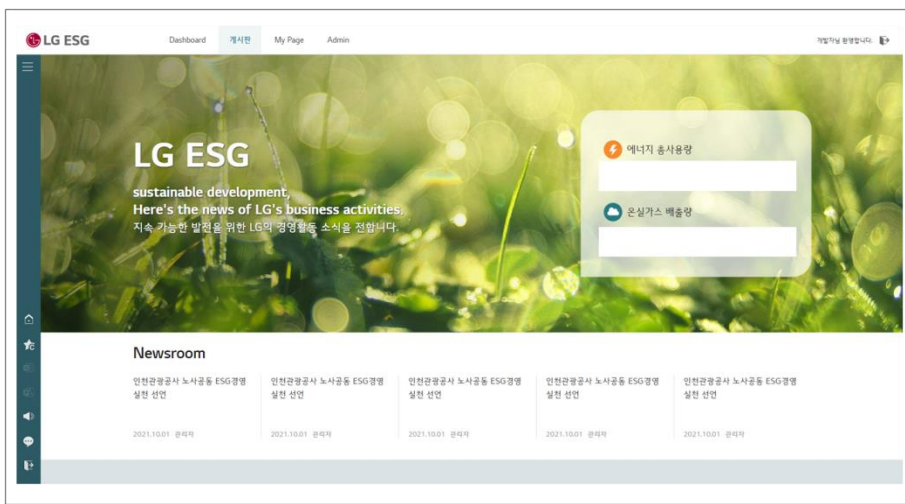


Stronger ESG data management through establishment of 'Group ESG IT Platform'

Along with the establishment of a group-level ESG management system, LG is building an IT infrastructure for data-based ESG management. This year, we are designing a basic structure of ESG IT platform and started implementing a climate change portal as the first step. From next year, we will expand it to various environmental and social areas to support ESG disclosures in the future.



LG ESG Data Platform (Output Image)



LG Corp.'s ESG Governance

LG Corp. will identify the threats and opportunities in terms of ESG through the ESG Committee & External ESG Advisory Group, and reflect them in the management activities.



| ESG Committee | | External ESG Advisory Group | |
|--|--|--|--|
| The highest deliberation and resolution organization for sustainable growth of LG Group | | Advisory group for professional suggestion and diverse opinion collection | |
| Role | <ul style="list-style-type: none"> Manage mid-to-long-term direction, goal setting and fulfillment of the group ESG risk management and actions | Role | <ul style="list-style-type: none"> Conduct research on group ESG issues Suggest ESG issues to the committee and inform external trends by holding seminars, etc. |
| Structure | <ul style="list-style-type: none"> Consists of 4 outside directors and COO (total 5) Regular meetings held semiannually CSR Team is the dedicated support department(Secretariat), supported by external advisors | Structure | <ul style="list-style-type: none"> Consists of 2 separate group (Experts & MZ Generation) <ul style="list-style-type: none"> Experts Advisory Group(8 members): Professors & Researchers MZ Advisory Group(6 members): Youth Activists & Social Venture Conduct regular meetings, research tasks, advisory meetings, etc. |

LG's ESG Advisory Group





The ESG Expert Advisory Group consists of eight experts from various fields, including human rights, supply chains, and governance. They involve in various areas such as research projects on ESG-related issues of LG Group, advice on the agenda of the ESG Committee, and ESG seminars for top management.

The MZ Generation Advisory Group consists of six people and has considered the harmony and diversity of different experiences such as climate change, human rights, and technology accessibility.

| Area | Gender | Current Job | Specialized Field | Research Projects |
|--------|--------|--|---|--|
| Common | M | Partner, Ventures Investment | Social Venture, Impact Investment | LG's impact investment, support for social problem solving startups, and direction of business linkage |
| Common | F | Intern, NGO Food Planning | Sustainable Development Goals | LG's gender sensitivity/diversity diagnosis and correct direction of change |
| E | M | Representative, Climate Change Youth Meeting | Climate Change, Greenhouse Gas | Suggestions for LG's activities to reduce carbon emissions and respond to climate change |
| E | F | Representative, Social Venture | Human Rights for the Disabled, Biodiversity | LG's support for startups pursuing social problem solving and direction of business linkage |
| S | F | Representative, Social Venture | Accessibility for the disabled, Diversity | The accessibility and improvement direction of LG products/services for the disabled |
| S | F | Postgraduate Student (Major: Social Welfare) | Gender, Diversity, CSR | Ideas and plans for employee-participating activities to internalize DE & I organizational culture |

ESG Evaluation and Shareholder Communication

LG Corp. will continue to improve insufficient areas based on the international standards and the latest evaluation results.

| Evaluation Organization | Evaluation Results (2020) | Notes |
|---|---|---|
|  MSCI ESG Ratings | BBB | Achieved “ESG Leader” in “Opportunities In Clean Technology” |
|  CDP Climate, Water & Forests Score | Climate Change: A- | Selected as “Carbon Management Sector Honors” in 2020 |
|  Sustainvest | BB (Investment Grade) | |
|  한국기업지배구조원 | E: B+, S: A+, G: B+ / ESG Integrated Ratings: A | Evaluated as having a good sustainable management system |

In 2022, we will strengthen shareholder/investor communication on ESG through various channels such as public disclosures, website, press, and etc.