

# Sustainable Future with Business Solution

LX International 2024 Sustainability Report



# ABOUT THIS REPORT

## Overview

LX International has published its annual sustainability reports since 2014 to disclose its strategies, goals, and achievements towards securing sustainable management across the environmental, social, governance, and economic sectors. This report provides a detailed account of the strategies, key performance, and future directions and plans around the top ten material issues selected from the perspectives of our many stakeholders. Additionally, it reports on key issues according to the opinions of various stakeholders, applying the IFRS framework.

## Reporting Principles and Assurance

This report is aligned with the Global Reporting Initiative (GRI) Standards. When it comes to financial performance, the report adheres to the Korean version of the International Financial Reporting Standards (K-IFRS). In addition, it reports on the requirements and related activities of international global guidelines such as the UN SDGs, UNGC, and TCFD. To ensure the reliability of the reporting principles and data, a third-party verifier, British Standards Institution, has verified the data. The results are available in the Appendix section.

## Reporting Boundaries and Period

This report focuses on the headquarters’ plans and achievements across the economic, environmental, social, and governance sectors. It also provides information on the progress of overseas operating and investment corporations. The report includes the subsidiaries performances based on the ownership ratio, including LX Pantos, LX Glas and Poseung Green Power, in terms of their performance. The scope of non-financial performance is limited to the local business sites of LX International while including aspects of the performance of its key subsidiaries in the environmental sector. These areas are separately marked. This report covers our sustainability progress and data from January 1, 2023 through December 31, 2023. Key operations in the first half of 2024 are also included. Additionally, it provides three years of quantitative data from 2021 to 2023 to enables readers to grasp the trends.

## Inquiries

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E-mail : [esg@lxintl.co.kr](mailto:esg@lxintl.co.kr)

## Participants

|                       |   |
|-----------------------|---|
| (LX International)    | Kim Seongmin, Kim Jihae, Shin Sun Mi,<br>Sim Jaehee, An Byoung Chul,<br>Yoo Eun Hye, Lee Junseob, Jang Joomin,<br>Cho Jaeun, Ji Woong Jun,<br>Ji Hyesung, Choi Jimin, Choi Hanpyul,<br>Han Seunghyeok |
| (LX Pantos)           | Park Jina   |
| (LX Glas)             | Go Heangjun, Oh Nahyun  |
| (Poseung Green Power) | Kim Hak Min, Jang Kyung Jin   |

## INTERACTIVE PDF READER’S GUIDE

This 2024 Sustainability Report is published in the form of an interactive PDF with the added functions of directing to relevant pages and associated web pages.





CONTENTS

OVERVIEW

|                       |    |
|-----------------------|----|
| CEO Message           | 05 |
| Management Philosophy | 06 |
| Company Profile       | 07 |
| Business Areas        | 13 |

ESG  
MANAGEMENT

|                           |    |
|---------------------------|----|
| ESG Management            | 17 |
| Sustainable Business      | 19 |
| Our Commitment to UN SDGs | 22 |
| Materiality Assessment    | 23 |
| Stakeholder Communication | 25 |

ESG FACTBOOK

|               |    |
|---------------|----|
| Environmental | 27 |
| Social        | 44 |
| Governance    | 71 |

APPENDIX

|                                       |    |
|---------------------------------------|----|
| GRI Index                             | 83 |
| TCFD Index                            | 87 |
| UNGC                                  | 87 |
| Financial Statements                  | 88 |
| Awards-Membership-Certifications      | 90 |
| Independent Assurance Statement       | 91 |
| Greenhouse Gas Verification Statement | 93 |

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

APPENDIX

# 01 OVERVIEW

- 05 CEO Message
- 06 Management Philosophy
- 07 Company Profile
- 13 Business Areas



## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

## APPENDIX

# CEO Message



**Dear Esteemed Stakeholders,**  
**I would like to take this opportunity to express my sincere gratitude for your unwavering trust and support.**

In 2023, our economy was significantly impacted by the global economic downturn, high-interest rates, and the expansion of regional conflicts, increasing the overall instability. Despite these unfavorable business conditions, LX International's journey of challenge and success did not cease. We improved operational efficiency in our existing businesses, pursued continuous innovation, and achieved a stable financial performance while laying the groundwork for future growth.

We acquired LX Glas (formerly Hankuk Glass Industries), a leader in coated glass technology, and successfully acquired the AKP Nickel Mine in Indonesia earlier this year. Moving forward, we plan to diversify our business focusing on critical minerals such as nickel, lithium, and silica sand for secondary batteries. We aim to develop new business opportunities by fostering India and the Middle East as new strategic hubs. LX International is committed not only to business expansion and economic performance but also to creating sustainable value through environmental, social, and governance responsibilities.

Last year, we announced our ESG vision "Sustainable Future with Business Solution" and executed the "10 Core ESG Tasks." We established the environmental management system, built the environmental data management process, and reduced risk factors through safety inspections at domestic and overseas sites. We also established the Human Rights Declaration and Code of Conduct for Suppliers, and improved our compliance management system to obtain international certification (ISO 37301).

With the intensification of global supply chain issues and regulations and the increasing ESG demands from stakeholders, LX International aims to respond to ESG risks within the supply chain by building a supply chain management system and spreading ESG management culture to our partners. Furthermore, we will strengthen our social contribution activities planned and participated by the members of our in-house volunteer group (LEXT), and practice ESG management together with our employees.

We will continue to contribute more to the local community and provide better value to our customers as a company fulfilling its social responsibilities. Once again, we deeply appreciate your interest and support in LX International's challenges for a sustainable future.

Thank you very much.

CEO Yoon Chun Sung

## OVERVIEW

- CEO Message
- Management Philosophy
- Company Profile
- Business Areas

## ESG MANAGEMENT

## ESG FACTBOOK

## APPENDIX



SUSTAINABLE FUTURE  
 WITH BUSINESS SOLUTION

# Management Philosophy

Vision

## Future in Business Solution

LX International **proactively addresses our customers' pain points,** and provides **business solutions** that bring **unique customer value.**

Mission

Principle



## OVERVIEW

- CEO Message
- **Management Philosophy**
- Company Profile
- Business Areas

## ESG MANAGEMENT

## ESG FACTBOOK

## APPENDIX

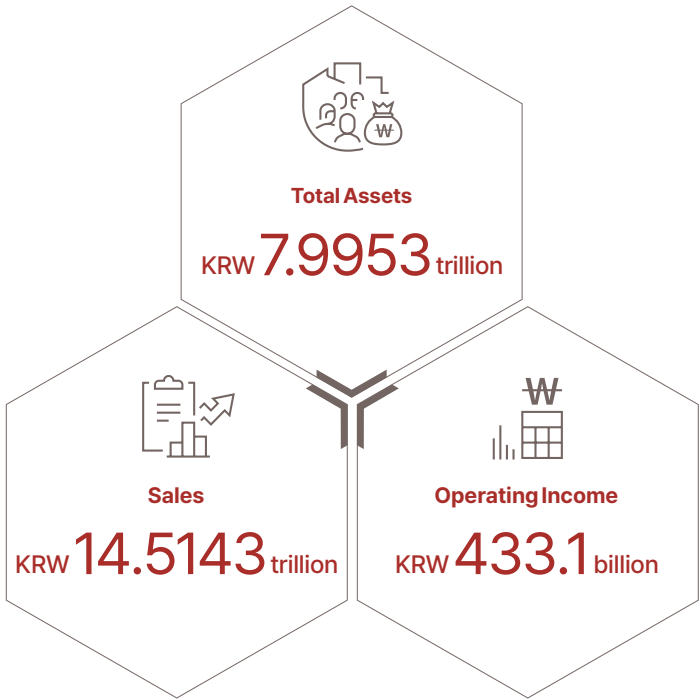
# Company Profile

## LX International at a Glance

Since its establishment, LX International has undergone continuous change and growth, building the foundation of South Korea's trade and growing alongside the national economic development. Now, we are reinventing ourselves as a global trading player that provides a full suite of services across the entire value chain that encompasses trading, business development and investment, financing and raw material supply, and logistics services, thereby taking our brand reputation to the next level, and accelerating our innovation and growth based on our broad network of 50 business hubs across the globe. LX International provides value that surpasses our customers' expectations so that they can improve their competitiveness. We are shaping a future of business solution through the identification and provision of our unique customer value.

## Business Performance

(As of December 31, 2023, Consolidated Basis)



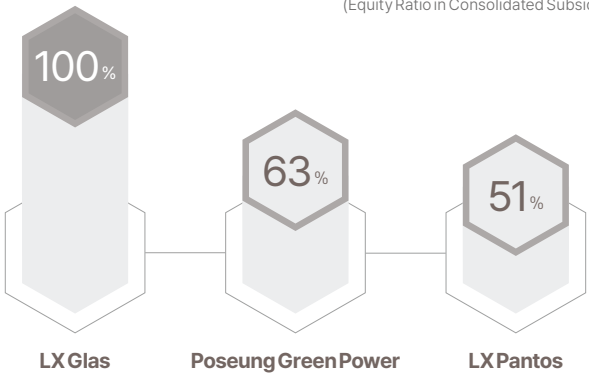
## General Status

(As of December 31, 2023)

|              |                                   |                       |               |
|--------------|-----------------------------------|-----------------------|---------------|
| Company name | LX International                  | Date of establishment | November 1953 |
| CEO          | Yoon Chun Sung                    | No. of employees (HQ) | 477           |
| HQ location  | 58, Saemunan-ro, Jongno-gu, Seoul |                       |               |
| Website      | https://www.lxinternational.com   |                       |               |

## Key Subsidiaries

(Equity Ratio in Consolidated Subsidiaries)



## LX International PR Video

We have produced a PR video that includes an introduction to LX International's business, future vision, and identity in Korean, English, Indonesian, and Chinese versions. You can access it through the QR code below.



• QR Code to Access the LX International PR Video



## OVERVIEW

- CEO Message
- Management Philosophy
- Company Profile
- Business Areas

## ESG MANAGEMENT

## ESG FACTBOOK

## APPENDIX



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

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Global Network



**Headquarters and Subsidiaries**

**Headquarters (Seoul)**

Subsidiaries

- LX Pantos (Seoul)
- LX Glas (Seoul, Gunsan)
- Poseung Green Power (Pyeongtaek)

**Regional Hubs**

**3**

- Indonesia Region Representative
- India & Middle East Region Representative
- China Region Representative

**Trading Corporations**

**6**

- Japan
- Singapore
- Hong Kong
- China
- USA
- Europe (Germany)

**Branches/Offices**

**19**

|                  |                      |           |
|------------------|----------------------|-----------|
| Beijing          | Bangkok              | New Delhi |
| Erdos            | Dubai                | Qingdao   |
| Guangzhou        | Muscat               | Lanzhou   |
| Shenzhen         | Moscow               | Yangon    |
| Ho Chi Minh City | Ashkhabad (Ashgabat) | Yakutsk   |
| Hanoi            | Istanbul             |           |
| Taipei           | Jakarta              |           |

OVERVIEW

- CEO Message
- Management Philosophy
- **Company Profile**
- Business Areas

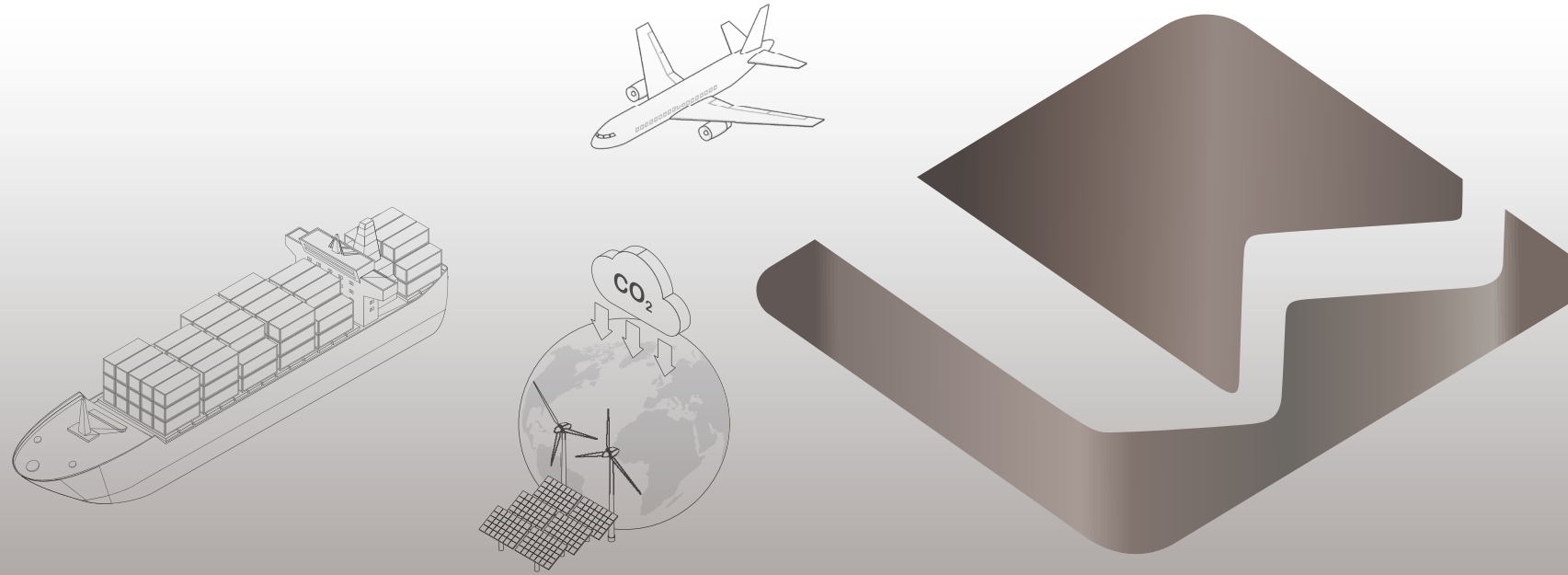
ESG MANAGEMENT

ESG FACTBOOK

APPENDIX



## Our History



### ▶ 1953~2009

- 1953 11 Established Lucky Industry Corporation, a group dedicated to imports and exports  
In-Hwoi Koo was inaugurated as the first president of the company
- 1976 11 Designated as a general trading company  
11 Won the 100 Million Dollar Export Tower and the Gold Tower Order of Industrial Service Merit
- 1983 3 Took part in the development of the ENSHAM coal mine in Australia
- 1995 1 Changed the company name to LG International Corp.
- 1997 11 Won the Gold Tower Order of Industrial Service Merit on the Trade Day
- 1998 7 Received an order for an oil refinery plant from Qatar worth USD 700 million
- 2003 11 Won the Tower of Export on the Trade Day for exporting USD 15 billion
- 2004 5 Received an order for the polypropylene plant from Oman worth USD 180 million
- 2006 2 Received an order for the aromatics plant from Oman worth USD 150 million
- 2009 2 Began commercial production at the MPP coal mine in Indonesia  
11 Entered the Indonesian Palm Plantation Business  
12 Received an order for the gas treatment plant from Turkmenistan worth USD 1.5 billion

### ▶ 2010~2019

- 2011 9 Began commercial production at the Wantugou (currently Xinzheng) coal mine in Inner Mongolia, China
- 2012 3 Received an order for an oil refinery plant from Turkmenistan worth USD 530 million  
5 Received an order for the petrochemical plant from Turkmenistan worth USD 3.4 billion  
7 Began commercial production at the coal-to-chemicals urea plant in Inner Mongolia, China
- 2015 5 Acquired 'LX Pantos (formerly Pantos Logistics)'
- 2016 9 Began production at PT.GAM coal mine in Indonesia
- 2018 9 Acquired stakes in a couple of palm plantation areas (PT.GUM, PT.TBSM) in Indonesia

### ▶ 2020~

- 2020 1 Began operation of Hasang hydro electric power plant in Indonesia  
10 Won the '2020 Excellent Company Award' in the excellent ESG company
- 2021 7 Changed the company name from LG International Corp. to LX International Corp.  
12 Acquired the 'Family-friendly Company' certification from the Ministry of Gender Equality and Family  
12 Won the Tin Tower Order of Industrial Service Merit on the Trade Day
- 2022 7 Launched the ESG Committee  
10 Acquired Poseung Green Power  
11 Rated A in the ESG evaluation by the Korea Institute of Corporate Governance and Sustainability (KCGS) for three consecutive years
- 2023 1 Acquired LX Glas (formerly Hankuk Glass Industries)  
4 Obtained ISO 27001, international certification for data protection  
11 Obtained ISO 37301, international certification for the compliance management system
- 2024 1 Acquired the AKP Nickel Mine in Indonesia  
4 Joined the UN Global Compact (UNGC)

## OVERVIEW

- CEO Message
- Management Philosophy
- Company Profile
- Business Areas

## ESG MANAGEMENT

## ESG FACTBOOK

## APPENDIX



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

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Subsidiaries


LX Pantos

LX Pantos has established itself as a leading global integrated logistics company representing South Korea. Based on its top-notch global network, advanced logistics information system, and a network system connecting major ports and airports worldwide, LX Pantos connects the world and creates value beyond logistics.


Main Business Areas




**Comprehensive logistics services**  
(sea/air/rail freight)




**Warehouse & Distribution**



**Project Logistics**



**e-Commerce Logistics**



**SCM & Logistics Consulting**



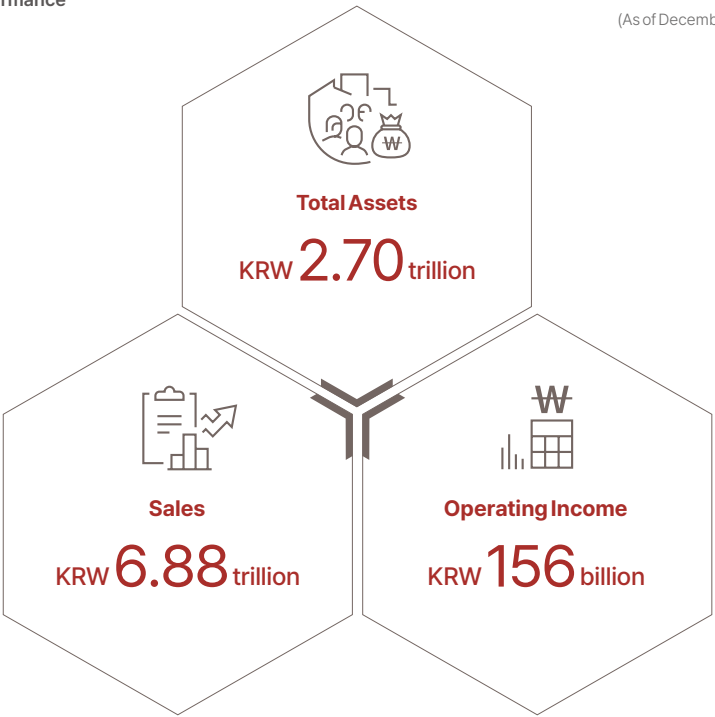
General Status

(As of December 31, 2023)

|              |   |                       |               |
|--------------|---|-----------------------|---------------|
| Company name | LX Pantos   | Date of establishment | February 1977 |
| CEO          | Lee Yong-ho   | No. of employees      | 2,000         |
| Location     | LX Pantos, 58, Saemunan-ro, Jongno-gu, Seoul                    |                       |               |
| Website      | <a href="https://www.lxpantos.com">https://www.lxpantos.com</a> |                       |               |

Business Performance

(As of December 31, 2023)



OVERVIEW

- CEO Message
- Management Philosophy
- Company Profile
- Business Areas

ESG MANAGEMENT


ESG FACTBOOK

APPENDIX


LX Glas

Since starting the production of flat glass for the first time in Korea in 1957, LX Glas has established itself as a leading company in the Korean glass industry. LX Glas has built the largest coating glass processing plant in Korea and secured excellent technological capabilities. As Korea's leading glass specialist, we are connecting people, spaces, and the environment to a new future


Main Business Areas



Architectural and automotive flat glass



Architectural coated glass



Processed and specialty glass



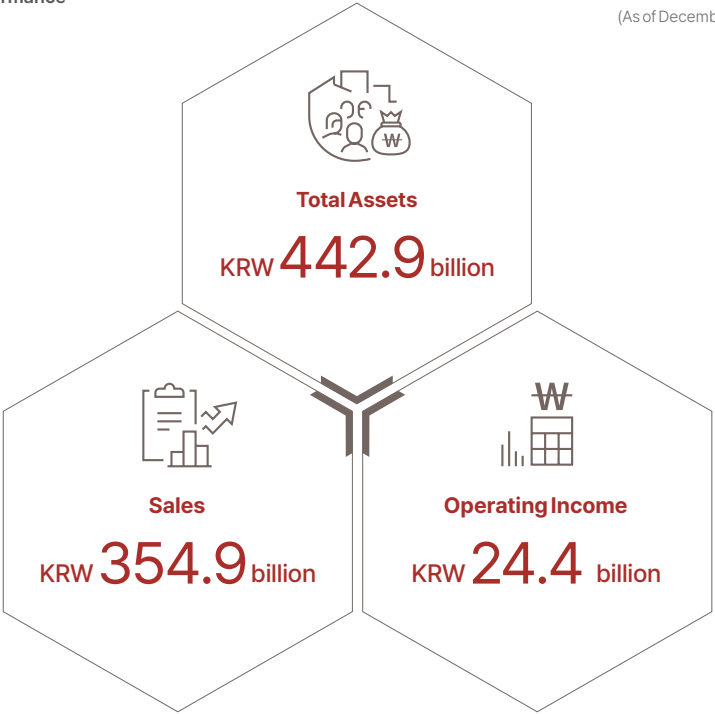
General Status

(As of December 31, 2023)

|              |  |                       |            |
|--------------|--|-----------------------|------------|
| Company name | LX Glas  | Date of establishment | March 1957 |
| CEO          | Lee Kanghoon   | No. of employees      | 336        |
| Location     | KEPCO Art Center main building, 60 Hyoryeong-ro 72-gil, Seocho-gu, Seoul |                       |            |
| Website      | <a href="https://www.lxglas.co.kr">https://www.lxglas.co.kr</a>          |                       |            |

Business Performance

(As of December 31, 2023)



OVERVIEW

- CEO Message
- Management Philosophy
- Company Profile
- Business Areas

ESG MANAGEMENT

ESG FACTBOOK

APPENDIX

Poseung Green Power

Poseung Green Power operates a biomass cogeneration plant in the Poseung Industrial Complex in Pyeongtaek, Gyeonggi Province. Using woody biomass as fuel, it produces up to 43 MWh (megawatt-hours) of electricity per hour and engages in a district energy business that supplies steam to companies within the Poseung Industrial Complex.

Main Business Areas



Power and steam supply



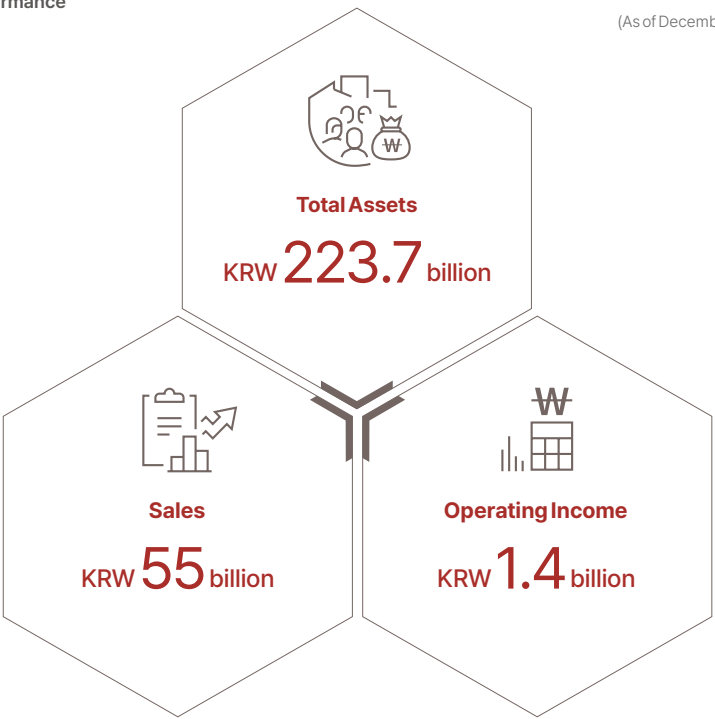
General Status

(As of December 31, 2023)

|              |  |                       |               |
|--------------|--|-----------------------|---------------|
| Company name | Poseung Green Power  | Date of establishment | November 2014 |
| CEO          | Lee Myung-hoon   | No. of employees      | 69            |
| Location     | Poseung Green Power, 4 Pyeongtaekhang-ro 156beon-gil Poseung-eup, Pyeongtaek-si, Gyeonggi-do |                       |               |

Business Performance

(As of December 31, 2023)



OVERVIEW

- CEO Message
- Management Philosophy
- Company Profile
- Business Areas

ESG MANAGEMENT

ESG FACTBOOK

APPENDIX



# Business Areas

## Natural Resources Business

### Supply of Key Resources

LX International operates coal, nickel, and palm oil (CPO, Crude Palm Oil) businesses in Indonesia, China, and Australia. Leveraging its capabilities in mine development and operations, the company is developing promising future minerals such as nickel, lithium, and silica sand, and is planning to enter the secondary battery value chain through investments in nickel refineries. Additionally, LX International operates three palm plantations in Indonesia, ensuring a stable supply of CPO to both the Indonesian and global markets.

### Metal Business and Promising Mineral Development for the Future



- Pursuing investment, development, and the operation of new promising mines (nickel, silica sand, lithium, etc.)
- Planning to enter the value chain of the secondary battery through investment in nickel refining facilities

### Mine Development and Trading



- Developing and operating of coal mines
- Developing and operating of nickel mines

### Palm Oil Production and Trading



- Developing and operating of palm plantations in Indonesia
- Operation of our own facilities to produce and distribute CPO
- Strengthening the foundation of ESG management through the completion of the RSPO certification



## OVERVIEW

- CEO Message
- Management Philosophy
- Company Profile
- Business Areas

## ESG MANAGEMENT

## ESG FACTBOOK

## APPENDIX



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

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## Trading Business

### Providing Integrated Trading Solutions

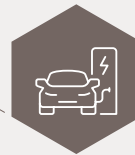
LX International provides essential resources and materials to domestic and international companies through trading operations in coal/nickel (linked to resource development projects), petrochemicals/steel products, and IT components. Leveraging our global network, infrastructure, and industry-specific trading expertise, we offer optimal business solutions that connect sellers and buyers, delivering differentiated value to our customers.

#### Petrochemicals/Steel Trading



- Export, triangular trade, and domestic distribution of chemical products such as methanol and polymers
- Processing and supply of steel products for home appliances and automobiles through the operation of overseas steel processing centers

#### Core Minerals and Materials for Secondary Batteries/Electric Vehicles Trading



- Trading of raw and semi-processed nickel, electrical steel sheets for electric vehicles, and other materials/components

#### IT Integrated Supply Solutions



- Providing integrated supply solutions for displays, home appliance components, etc. (including procurement, sourcing, customs clearance, warehousing, management, and transportation)

#### Coal Trading



- Stable energy supply to power plants and industrial sectors based on production from owned mines



## OVERVIEW

- CEO Message
- Management Philosophy
- Company Profile
- Business Areas

## ESG MANAGEMENT

## ESG FACTBOOK

## APPENDIX



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

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## New Growth Business

### Developing Next-Generation Energy Sources for Sustainable Growth

LX International is expanding its renewable energy business across a diverse range of projects including biomass, hydro, and solar power. By introducing carbon credits secured from renewable energy projects into the domestic market, we contribute to the creation of a sustainable industrial ecosystem. We are also actively developing and investing in clean fuel sectors to discover next-generation energy sources that go beyond fossil fuels.



- Promoting renewable energy projects such as domestic biomass power plants, and hydro and solar power projects in Indonesia
- Reviewing clean fuel (such as HVO) projects as next-generation energy sources
- Securing and commercializing carbon credits

### Exploring Business Opportunities through New Market Development

To secure new growth drivers, we are developing new strategic hubs and exploring opportunities to expand our business areas. Utilizing our overseas business experience and global network built in Indonesia, we are focusing on entering new emerging markets showing rapid economic growth and identifying new business opportunities in sectors such as food.



- Developing new business strategies and identifying opportunities to enter emerging markets such as the Middle East and India



## OVERVIEW

- CEO Message
- Management Philosophy
- Company Profile
- Business Areas

## ESG MANAGEMENT

## ESG FACTBOOK

## APPENDIX



OVERVIEW

**ESG MANAGEMENT**

ESG FACTBOOK

APPENDIX

# 02

# ESG MANAGEMENT



- 17 ESG Management
- 19 Sustainable Business
- 22 Our Commitment to UN SDGs
- 23 Materiality Assessment
- 25 Stakeholder Communication



# ESG Management

## ESG Management System

### Sustainable Future with Business Solutions

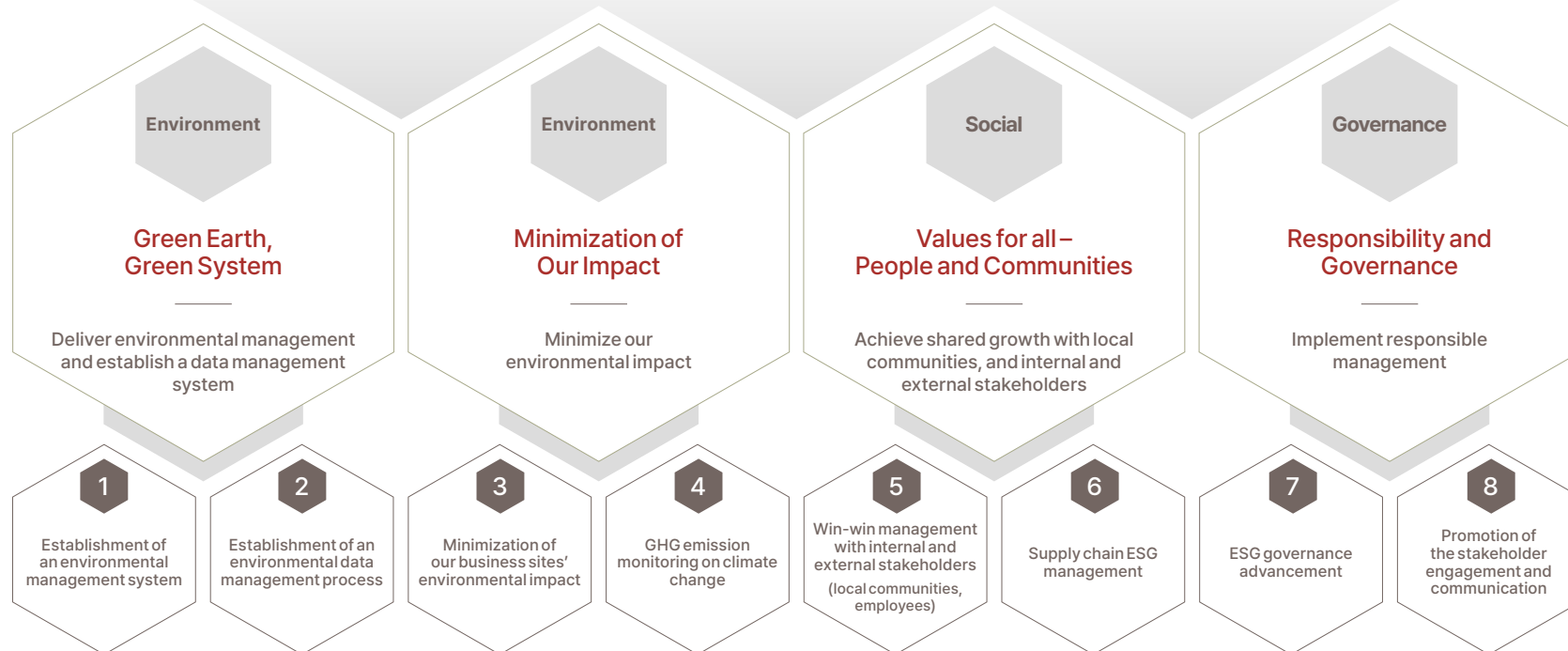
LX International's ESG vision is "Sustainable Future with Business Solutions." This vision encapsulates our commitment to practicing ESG management with a focus on a sustainable future, creating new value for our customers. We have formulated and implemented detailed strategic directions and tasks, taking into account the directions LX International aims to pursue in the areas of environment, society, and governance. Moving forward, we will continue to enhance our ESG management based on our ESG vision and strategic framework, in cooperation and mutual growth with all stakeholders.

### VISION

## Sustainable Future with Business Solution

### Strategic Directions

### Key Strategies



## OVERVIEW

## ESG MANAGEMENT

- ESG Management
  - Sustainable Business
  - Our Commitment to UN SDGs
  - Materiality Assessment
  - Stakeholder Communication

## ESGFACTBOOK

## APPENDIX

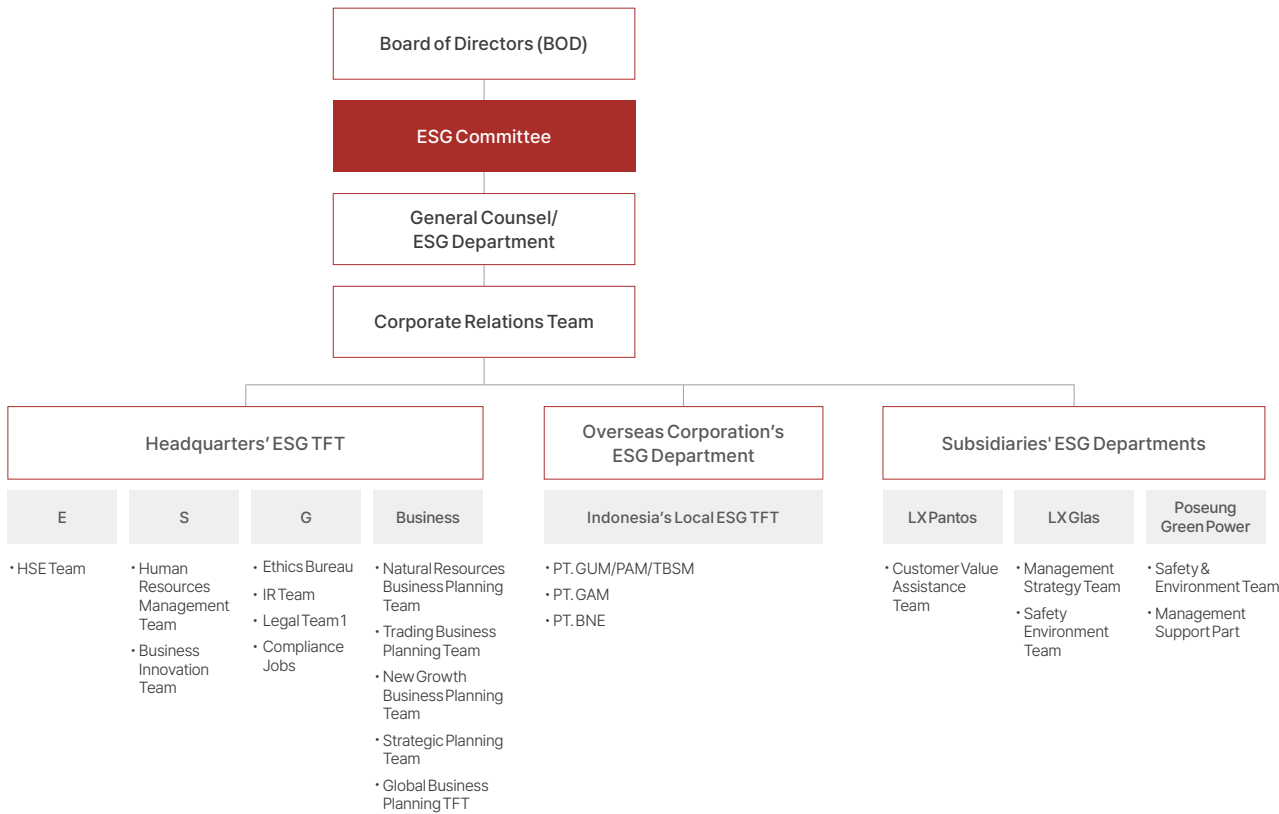


ESG Governance

ESG Management Implementation System

LX International conducts company-wide ESG management centered around the ESG Committee under the Board of Directors. The Corporate Relations Team manages the implementation and performance of ESG tasks at the headquarters and subsidiaries, communicates with internal and external stakeholders, provides practical support for the overall operations of the ESG Committee, and conducts campaigns and education to internalize ESG within the company. The General Counsel/ ESG Department reviews ESG management performance and reports ESG management agenda items to the ESG Committee. The Board of Directors is responsible for approving ESG management policies, strategies, and long-term goals, approving internal transactions and transactions with related parties, and managing ESG performance and risks.

Our ESG Management Implementation System



Major Activities of the ESG Committee

The ESG Committee of LX International reviews the strategic directions of ESG and conducts company-wide discussions and decision-making regarding the implementation of ESG management. The ESG Committee is composed of both internal and external directors, and since its establishment in July 2022, the committee has been chaired by an external director.

LX International ESG Committee Meeting Status

| Schedule          | Key Agenda Items  |
|-------------------|---|
| April 28, 2023    | Approval of the Appointment of the ESG - Committee Chair                              |
|                   | Approval of ESG Vision and Strategic Plan   |
|                   | Approval of Environmental Management System Establishment                             |
| July 28, 2023     | Approval of Payment Guarantees for Overseas Corporations                              |
|                   | Report on ESG Activities for the First Half of 2023                                   |
|                   | Approval of transactions for oneself with subsidiaries                                |
| November 07, 2023 | Report on ESG Management Performance for the Second Half of 2023 and Plans for 2024   |
|                   | Report on Internal Transaction Execution within the Board of Directors Limit for 2023 |
|                   | Approval of Total Transaction Limits with the Related Parties                         |
|                   | Approval of transactions for oneself with subsidiaries                                |
|                   | Approval of LX Trademark Usage Agreement  |

OVERVIEW

ESG MANAGEMENT

- **ESG Management**
  - Sustainable Business
  - Our Commitment to UN SDGs
  - Materiality Assessment
  - Stakeholder Communication

ESGFACTBOOK

APPENDIX



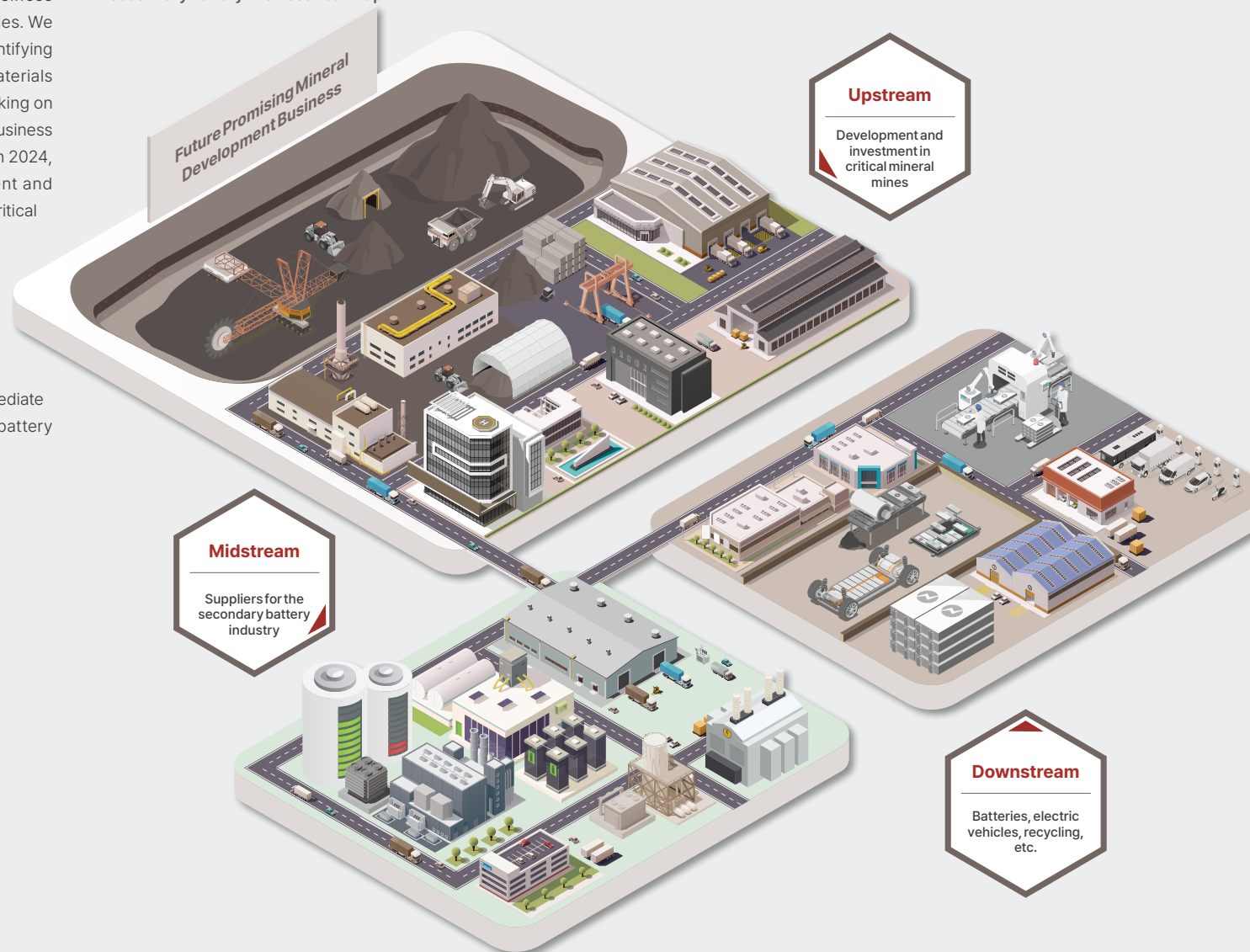
SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

**Material Issues** Sustainable Business

**Strategic Growth Business Expansion**

LX International is expanding its sustainable business foundation based on its existing business capabilities. We aim to explore and develop related resources by identifying sustainable businesses and associated mineral materials that align with ESG trends. Under the principle of taking on difficult and new challenges, we are expanding our business domains through growth driven by new initiatives. In 2024, leveraging our strengths in resource development and trading, LX International is strategically focusing on critical minerals and materials to expand the value chain of the secondary battery and electric vehicle industries. We plan to expand the value chain of the secondary battery industry through additional investments in assets such as mines and refineries. Furthermore, in connection with asset investments, we aim to promote the trading of intermediate goods from domestic and international secondary battery material companies.

Secondary Battery Business Roadmap



OVERVIEW

**ESG MANAGEMENT**

- ESG Management
- **Sustainable Business**
  - Our Commitment to UN SDGs
  - Materiality Assessment
  - Stakeholder Communication

ESGFACTBOOK

APPENDIX

OVERVIEW

ESG MANAGEMENT

- ESG Management
- **Sustainable Business**
  - Our Commitment to UN SDGs
  - Materiality Assessment
  - Stakeholder Communication

ESG FACTBOOK

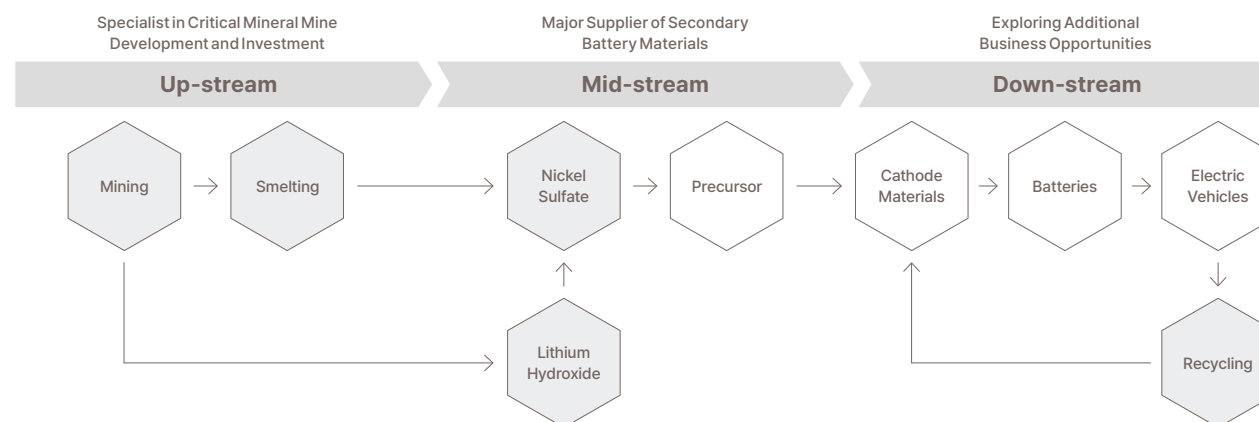
APPENDIX

## Secondary Battery Business Strategy

### LX International's Secondary Battery Business Strategy

The secondary battery industry requires stable procurement and management of critical minerals, which are major raw materials, and materials and components account for more than half of the production cost. It is also a consumer-centric industry that requires customized processing according to the products and applications in electric vehicles, mobile devices, robots, and other industries. Considering these characteristics, LX International is strategically pursuing the secondary battery business with the vision of becoming an "Investment Specialist in Critical Minerals from Up to Mid Stream and a Major Supplier of Secondary Battery Materials."

### Secondary Battery Business Vision and Strategy



- Joint ventures with mines and lithium manufacturers
- Sales of products to cathode material manufacturers



### The Necessity of Secondary Batteries

Secondary batteries, which can be recharged and reused, allow for the storage of electrical energy through repeated discharge and recharge cycles. Unlike disposable primary batteries such as alkaline batteries, which must be discarded after a single use, secondary batteries are economical and environmentally friendly. While secondary batteries have traditionally been developed primarily for small batteries used in mobile IT devices, the market is now expanding towards medium and large batteries used in electric vehicles (EVs) and energy storage systems (ESS). In particular, with the global movement to address climate change, including the 2050 carbon neutrality goal, environmental regulations have been strengthened, leading to rapid growth in the EV industry, which has relatively lower carbon emissions. Consequently, the market for secondary batteries used in EVs is expected to grow in tandem, with demand projected to exceed supply.



1) Produced by dry smelting nickel ore (approximately 70% nickel content)  
2) Mixed Hydroxide Precipitate (MHP): produced by wet smelting nickel ore (35-40% nickel content)

OVERVIEW

ESG MANAGEMENT

- ESG Management
- **Sustainable Business**
  - Our Commitment to UN SDGs
  - Materiality Assessment
  - Stakeholder Communication

ESG FACTBOOK

APPENDIX

## Critical Mineral Development Strategy

### LX International's Nickel Development Roadmap

To replace its existing coal business and secure a sustainable portfolio, LX International has established a future promising minerals development roadmap focused on developing mineral resources, essential raw materials for secondary batteries. In November 2023, the Board of Directors resolved to acquire a nickel mine, and as of 2024, the company is laying the foundation for the stable operation and production capabilities of the mine.



### Acquisition of Nickel Assets in Indonesia

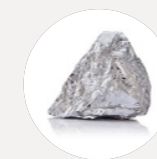
In January 2024, LX International acquired a 60% stake in the AKP mine in Indonesia through an investment of KRW 133 billion, securing off-take rights for the entire production volume and management control. The AKP mine, located near the Morowali Industrial Park on Sulawesi Island, Indonesia, covers 2,000 hectares, an area seven times the size of Yeouido. Nearby are nickel refining complexes, haul roads, stockyards, and ports. LX International is striving for stable operations through phased production increases.

The AKP mine, acquired by LX International, had an annual production capacity of 1.5 million tons as of 2022, with plans to increase this capacity to 3.7 million tons by 2028. By leveraging its extensive experience in the mining industry and development capabilities, LX International aims to strategically foster the secondary battery minerals and materials industry, thereby contributing to the stable supply of critical minerals domestically and promoting the growth of sustainable industries.

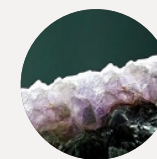


### Future Promising Mineral Development

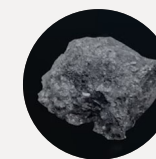
Critical minerals such as nickel, lithium, and cobalt, which are essential for achieving carbon neutrality and energy transition, are primarily processed and exported by a few countries. There is intense competition among importing countries to secure these resources, and finding substitutes is challenging. South Korea relies on imports for about 95% of its mineral demand, necessitating the diversification of supply sources and the establishment of a stable supply chain.



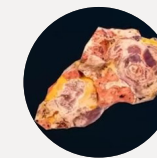
Nickel



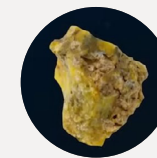
Lithium



Graphite



Bauxite



Silica











Soda Ash





# Our Commitment to UN SDGs

LX International is striving to contribute to the achievement of the United Nations' Sustainable Development Goals (SDGs). By engaging in activities linked to eight specific goals, we are fulfilling our responsibility as a global trading company to implement ESG management and promote sustainable development.

| Goal    |   | Targets   | Our Key Activities   | Page       |
|---------|---|---|--|------------|
| Goal 1  |    | Eradicate extreme poverty for all people everywhere and implement nationally appropriate social protection systems and measures for all to end poverty in all its forms | <ul style="list-style-type: none"><li>• Make donations in partnerships with local children shelters and lend support to soup runs for the marginalized of society</li><li>• Carry out disaster relief activities, and provide assistance for housing / residential infrastructure establishment</li><li>• Provide local residents in foreign regions with food and essential medicine including nutrition necessary for pregnant women and infants</li></ul> | 49~52      |
| Goal 4  |    | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all  | <ul style="list-style-type: none"><li>• Expansion and support of the educational infrastructure in areas near business sites</li><li>• Establish a learning infrastructure for employee skill development</li></ul>  | 49~52, 55  |
| Goal 6  |    | Ensure availability and sustainable management of water and sanitation for all  | <ul style="list-style-type: none"><li>• Safeguard and manage HCVs (High Conservation Value Areas) and HCSs (High Carbon Stocks)</li><li>• Monitor and protect habitats and ecosystems for the preservation of biodiversity</li><li>• Manage water resources and contaminants to ensure clean and safe water</li></ul>  | 36, 38~39  |
| Goal 8  |    | Promote sustained, inclusive and sustainable economic growth, full and productive employment and respectable work for all   | <ul style="list-style-type: none"><li>• Attract and nurture excellent talents to secure future growth engines</li><li>• Operate diverse recruitment programs and provide educational courses by position and level</li><li>• Operate programs to help suppliers sharpen their capabilities</li></ul>   | 53~55      |
| Goal 9  |   | Build a resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation   | <ul style="list-style-type: none"><li>• Adopt sustainable procedures and create a circulation structure within our businesses</li><li>• Help developing countries boost sustainable businesses</li></ul>   | 15, 33, 40 |
| Goal 12 |  | Ensure sustainable consumption and production patterns  | <ul style="list-style-type: none"><li>• Establish a structure for ESG strategies for sustainable management</li><li>• Operate the ESG Committee and its working -level consultative body to step up our sustainable management</li></ul>   | 17~18      |
| Goal 13 |  | Take urgent action to combat climate change and its impacts   | <ul style="list-style-type: none"><li>• Build an environment management system and climate response system</li><li>• Strengthen our sustainable business portfolio including the entrance into the sustainable resources industry</li><li>• Spreading the ESG culture within the company through ESG practice campaigns</li></ul>  | 28~34      |
| Goal 16 |  | Promote peaceful and inclusive societies and build effective, accountable and inclusive institutions at all levels  | <ul style="list-style-type: none"><li>• Embed ethical norms into every aspect of our management through education on LX Jeong-do management and newsletter issuance</li><li>• Conduct Jeong-do management surveys to check the status and operate reporting channel</li><li>• Establish a compliance control system and appoint a compliance officer</li></ul>   | 72~75      |

OVERVIEW

ESG MANAGEMENT

- ESG Management
- Sustainable Business
- **Our Commitment to UN SDGs**
- Materiality Assessment
- Stakeholder Communication

ESG FACTBOOK

APPENDIX

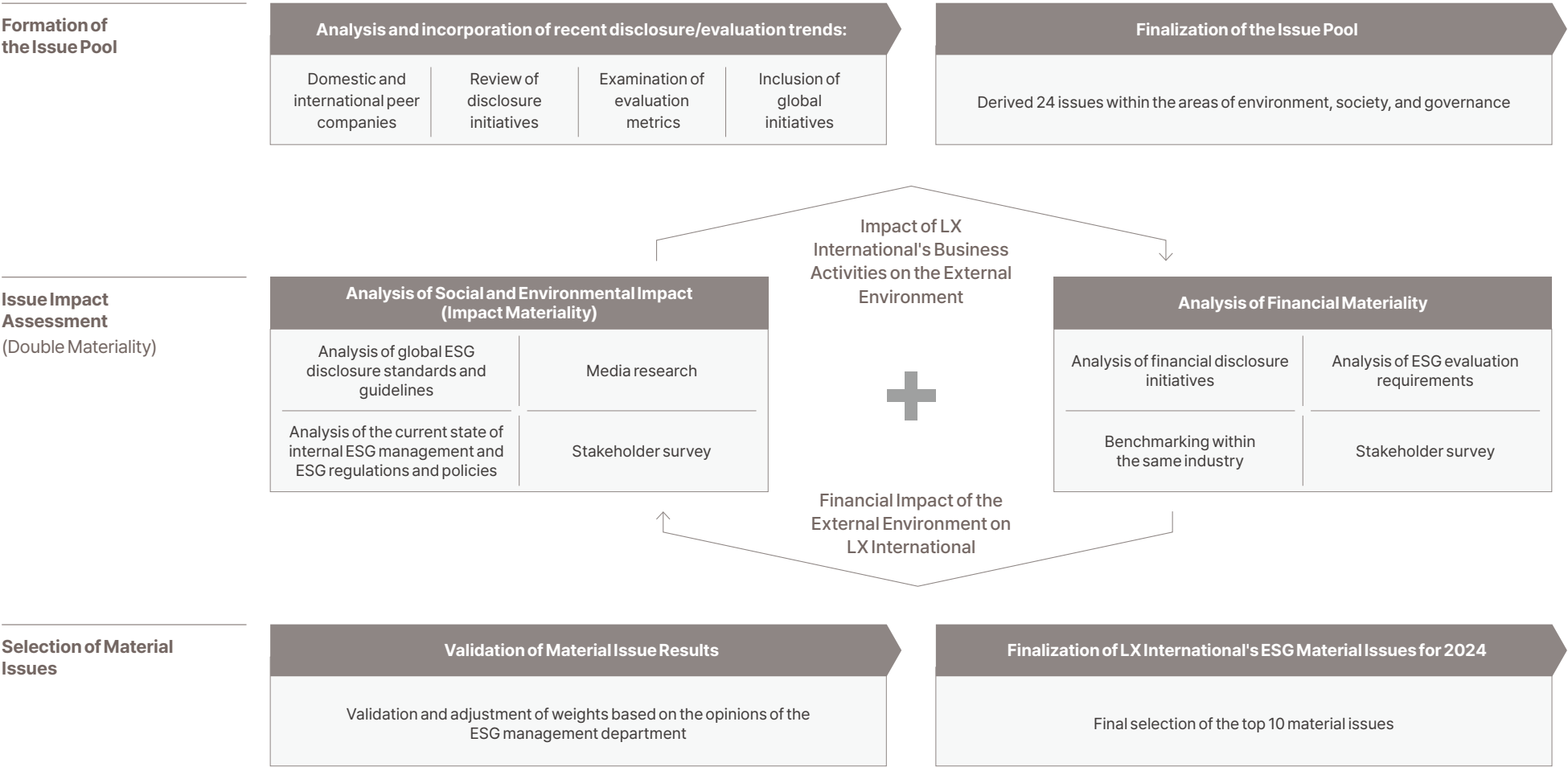


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WITH BUSINESS SOLUTION

# Materiality Assessment

## Materiality Assessment Process

To identify key issues in promoting ESG management and to incorporate stakeholder demands and expectations, LX International conducted a Double-Materiality assessment, identifying both Impact Materiality and Financial Materiality.



OVERVIEW

ESG MANAGEMENT

- ESG Management
- Sustainable Business
- Our Commitment to UN SDGs
- **Materiality Assessment**
- Stakeholder Communication

ESG FACTBOOK

APPENDIX



OVERVIEW

ESG MANAGEMENT

- ESG Management
- Sustainable Business
- Our Commitment to UN SDGs
- **Materiality Assessment**
- Stakeholder Communication

ESG FACTBOOK

APPENDIX

Materiality Assessment Results

Through the double materiality assessment process, the top 10 ESG issues for LX International in 2024 are identified as follows:

● High Impact ● Medium Impact ● Low Impact

| Top 10 Material Issues |                                       | Major Impact  | Management Measures   | Impact Materiality |           |                                 | Financial Materiality |           |                  | Double Materiality |         | Page     | GRI                  |
|------------------------|---------------------------------------|---|---|--------------------|-----------|---------------------------------|-----------------------|-----------|------------------|--------------------|---------|----------|----------------------|
|                        |                                       |   |   | Scale              | Potential | Social and Environmental Impact | Scale                 | Potential | Financial Impact | Assessment Results | Ranking |          |                      |
| Environmental          | Climate Change Response               | Excessive GHG emissions from business operations cause climate change, including abnormal weather and natural disasters, and incur financial costs such as emission trading.                    | Expand GHG emission management and climate change response activities.  | ●                  | ●         | ●                               | ●                     | ●         | ●                | ●                  | 1       | 32-33    | 302-1<br>305-1,2,5,7 |
|                        | Environmental Management System       | Minimize environmental impact from business operations through management and improvement of environmental impact indicators and investment in sustainable energy and resources.                | Establish and strengthen a company-wide environmental management system.  | ●                  | ●         | ●                               | ●                     | ●         | ●                | ●                  | 7       | 28-30    | -                    |
|                        | Sustainable Business Operations       | Building a sustainable portfolio to respond to increased social demands for sustainable business and stakeholder requirements for climate change response.                                      | Develop renewable energy businesses such as biomass, hydropower, and solar power as sustainable businesses.   | ●                  | ●         | ●                               | ●                     | ●         | ●                | ●                  | 8       | 15,19,40 | -                    |
| Social                 | Human Resource Management             | Enhance employee competencies and expertise by recruiting talent through various job programs and providing job-specific capability training and education.                                     | Promote competency development through position- and theme-specific employee training programs based on the employee development framework.                                 | ●                  | ●         | ●                               | ●                     | ●         | ●                | ●                  | 2       | 53-57    | 401-1~3<br>404-1~3   |
|                        | ESG Risk Management for Supply Chains | Strengthen the ESG capabilities of partner companies and mitigate related potential risks through ESG risk management of partners and the establishment of supply chains due diligence systems. | Establish the ESG self-diagnosis and due diligence system for supply chains.  | ●                  | ●         | ●                               | ●                     | ●         | ●                | ●                  | 3       | 45-48    | 308-1<br>413-1       |
|                        | Social Contribution                   | Conduct various co-prosperity activities with communities through diversified social contribution activities and increased employee participation.  | Establish a vision and strategy for social responsibility and specify social responsibility in the sustainable management strategy.   | ●                  | ●         | ●                               | ●                     | ●         | ●                | ●                  | 4       | 49-52    | 203-1<br>413-1       |
|                        | Respect for Human Rights              | Cultivate a culture of diversity and respect for human rights by managing and improving potential human rights risks.   | Implement activities such as establishing a management system for respecting human rights, providing human rights education, and operating grievance handling institutions. | ●                  | ●         | ●                               | ●                     | ●         | ●                | ●                  | 6       | 58-59    | 406-1                |
|                        | Safety and Health Management          | Accidents and disasters at headquarters, subsidiaries, and partner company sites can hinder productivity and cause human or material damage.  | Operate safety and health management systems, committees, and monitoring, and promote safety environment priority tasks.  | ●                  | ●         | ●                               | ●                     | ●         | ●                | ●                  | 9       | 61-65    | 403-1~7,9            |
| Governance             | Jeong-do Management                   | Create a transparent corporate culture through the proactive management of risks related to ethics management and compliance with laws and regulations.   | Promote internalization activities such as operating a compliance system, providing compliance education, and distributing newsletters.                                     | ●                  | ●         | ●                               | ●                     | ●         | ●                | ●                  | 5       | 72-73    | -                    |
|                        | Compliance                            | Proactively respond to and mitigate compliance and ESG risks that may affect the business.  | Operate an integrated risk management system at the company level and manage both financial and non-financial risks comprehensively.  | ●                  | ●         | ●                               | ●                     | ●         | ●                | ●                  | 10      | 74-75    | -                    |

# Stakeholder Communication

## Stakeholder Communication Status

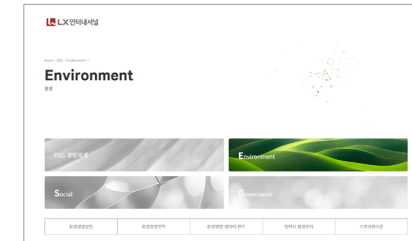
LX International has classified its key stakeholders into several groups to guarantee efficient management. And through the operation of communication channels for each group, we have shared our business operations and related issues with them. In addition to sharing our environmental, social, governance, and economic achievements, we have contemplated our long-term directions. And the thoughts and opinions identified through the channels have actively been collected and reflected in our management.

### Communication Channels and Frequency by Stakeholder Group



## Disclosure of ESG Information on the Website

LX International provides a dedicated ESG category on its website, where it discloses its ESG management system, strategies for each area, and activity details. Stakeholders can access LX International's ESG vision, sustainability reports, and key activities in the areas of environment, society, and governance through the website.



## External Communication Activities

LX International shares its activities and achievements through various communication channels. To ensure that all stakeholders can easily and accessibly receive updates, we create and upload content suitable for each communication channel, such as blogs and YouTube.

## Joining the UN Global Compact

In 2024, LX International joined the UN Global Compact (UNGC), a major global initiative for sustainable management. The UNGC is a voluntary corporate initiative that integrates the key values of sustainability, including environment, human rights, labor, and anti-corruption, into business strategies and operations. LX International recognizes the importance of these core elements of sustainable management and aims to apply the UNGC principles throughout its operations while expanding cooperation with the related stakeholders.



## OVERVIEW

## ESG MANAGEMENT

- ESG Management
- Sustainable Business
- Our Commitment to UN SDGs
- Materiality Assessment
- Stakeholder Communication

## ESG FACTBOOK

## APPENDIX

OVERVIEW

ESG MANAGEMENT

**ESG FACTBOOK**

APPENDIX

# 03

## ESG FACTBOOK



27 Environmental  
44 Social  
71 Governance

**LX International**

SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

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OVERVIEW

ESG MANAGEMENT

**ESG FACTBOOK**

- **Environmental**
  - Environmental Management System
  - Climate Change Response
  - Environmental Impact Monitoring
  - Environmental Data
- Social
- Governance

APPENDIX



From the results of LX International's double materiality assessment, 'Climate Change Response,' 'Sustainable Business Operations,' and 'Environmental Management System' were identified as critical ESG environmental issues that significantly impact corporate operations and the environment. LX International recognizes its role in protecting the environment for future generations and strives to fulfill its corporate responsibilities. The company has taken the steps to enhance its environmental management system and internalize environmental management practices. To achieve this, LX International has clearly defined the roles of the related departments and conducted various activities to promote sustainable approaches even in the smallest aspects of corporate operations, including environmental education and various campaigns. Additionally, to participate in achieving carbon neutrality, the company is expanding its business areas into sustainable operations by securing critical minerals such as those for secondary batteries, thereby engaging in more proactive climate change response activities.

|                                 |    |
|---------------------------------|----|
| Environmental Management System | 28 |
| Climate Change Response         | 32 |
| Environmental Impact Monitoring | 34 |
| Environmental Data              | 41 |



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

Material Issue | IFRS Framework

# Environmental Management System

## Material Issue Reporting Framework

In line with the trend of establishing environmental management structures and implementing company-wide ESG decision-making through dedicated organizations, LX International is also striving to enhance its environmental management system and internalize company-wide environmental management. Additionally, LX International is reporting activities and performance of the material issue 'Environmental Management System' according to the categories of 'Governance, Strategy, Risk Management, Metrics and Targets' designated by IFRS as core elements of the ESG information disclosure.

### IFRS Framework S2 Disclosure Core Elements



- **Governance**  
Information on decision-making bodies responsible for overseeing climate-related risks and opportunities, the role of management in assessing and managing climate risks and opportunities, and related policies
- **Strategy**  
Strategies for responding to climate-related risks and opportunities
- **Risk Management**  
Processes for identifying, assessing, and managing climate-related risks and opportunities
- **Metrics and Targets**  
Disclosure metrics for measuring climate-related risks and opportunities, and climate-related goals that enable performance evaluation

## Governance

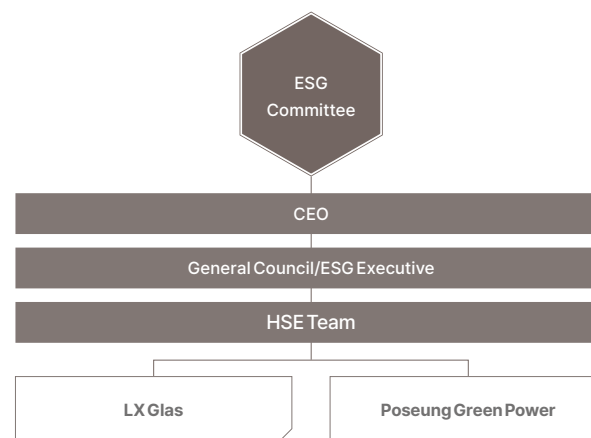
### Environmental Management System

With the aim of minimizing our environmental impact, LX International has established its environmental management system aligned with the ESG management strategies. Based on our environmental policy, we have designed and carried out the related activities. And the ESG Committee identifies environmental risks, and reviews and deliberates on grave environmental issues. As part of the effort to advance our environmental management, we have built a subsidiary risk management and environmental data reporting system to monitor their environmental management.

### Organizational Structure for Environmental Management

Our ESG Committee is responsible for examining and deliberating on grave environmental issues, such as climate change or the environmental impact on local communities. The HSE Team assumes the roles of collecting and analyzing environmental data, and fully managing environmental affairs while the Corporate Relations Team is in charge of carrying out tasks related to legal and ESG affairs and reporting their progress to the executives in charge of legal and ESG affairs.

### Environmental Management Organizational Structure and Their Functions



### Our Environmental Management Policy

LX International has formulated its environmental management policy that guides us to shape an environment where human and nature coexist and thrive by achieving sustainable growth. We ensure our compliance with laws and regulations aimed at improving the environment, have set up better environmental management goals, and regularly updated them. A variety of activities will carry on to ramp up our environmental management according to the following policy.



| Organization                   | Roles  |
|--------------------------------|--|
| ESG Committee                  | <ul style="list-style-type: none"><li>• Making final decisions regarding environmental management issues</li><li>• Identifying environmental risks</li><li>• Reviewing and deliberating on grave environmental issues on a quarterly basis (climate change and environmental impacts on local communities)</li></ul>   |
| General Council/ESG Executives | <ul style="list-style-type: none"><li>• Approving environmental data and reports to be submitted to public institutions</li><li>• Authority and duties as the general manager of environmental management</li></ul>  |
| HSE Team                       | <ul style="list-style-type: none"><li>• Collecting and analyzing the environmental data of the headquarters and its subsidiaries</li><li>• Managing environmental data required for ESG evaluations</li><li>• Keeping track of environmental laws and regulations</li><li>• Examining environmental management and reporting the areas that need improvement</li></ul> |
| LX Glas· Poseung Green Power   | <ul style="list-style-type: none"><li>• Collection and management of environmental data from business sites</li><li>- GHG emissions, energy/water consumption, waste/ pollutant/hazardous substance emissions</li><li>• Establishment of environmental management goals</li><li>• Quarterly submission of data to LX International</li></ul>                           |

## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

- **Environmental**
  - Environmental Management System
  - Climate Change Response
  - Environmental Impact Monitoring
  - Environmental Data
- Social
- Governance

## APPENDIX



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

- Environmental
  - Environmental Management System
  - Climate Change Response
  - Environmental Impact Monitoring
  - Environmental Data
- Social
- Governance

## APPENDIX

## Strategy

### Environmental Management Strategy and Goal

With the objective to minimize our adverse environmental impact, LX International has mapped out environmental management strategies. First, we have defined the directions for environmental management and the key strategies that will guide us through the systematic management of our environmental impacts, and the subsequent key tasks have been derived to attain the strategic goals. These tasks are being executed in line with the goals and plans over the short- mid- and long-term periods. Going forward, LX International will make the all-out efforts to deliver the tasks and achieve our strategic goals, thereby taking our environmental management capabilities to the next level, and advance our entire environmental management system.

#### LX International's Environmental Management Strategy

|                      |  |   |
|----------------------|--|---|
| Strategic directions | Establishment of an environmental management and a data management process   |   |
| Key strategies       |  <p>Establish an environmental management system</p>  |  <p>Establish an environmental data management process</p>                                   |
|                      |  <p>Establish an environmental management system and help our employees sharpen their required capabilities</p> |  <p>Map out the detailed action plans for environmental management and achieve the goals</p> |
| Key Tasks            |  |   |

## Risk Management

### Compliance with Environmental Regulations

To manage environmental risks, we regularly inspect the compliance and risk status of domestic and international subsidiaries. We proactively respond to changes in environmental laws and regulations. If a risk related to legal compliance is anticipated, the relevant information is reported through the established reporting system, involving the General Council/ESG executives, and ultimately to the CEO and the ESG Committee, to minimize the occurrence of risks.

### Environmental Education for Employees

LX International provides personnel in charge of environmental affairs with diverse educational courses so as to prevent the negative environmental impacts and accidents at overseas corporations. The palm farms conducted environmental management training for employees to ensure compliance with Indonesian environmental laws and to address assessment responses. Additionally, they provided GHG training and expanded various environmental education programs, such as HCV (High Conservation Value) monitoring and management training, to three farm entities.

#### Environmental Education Program in 2023

| Corporation | Training Content   |
|-------------|--|
| PT. PAM     | • Training on waste management guidelines and management plans   |
| PT. GUM     | • Completion of water and air pollution control training and acquisition of BSNP certification<br>• Training on hazardous waste management |
| PT. TBSM    | • Environmental safety training by sector  |



### Management and Training of Hazardous Chemicals

Poseung Green Power conducts annual safety training for hazardous chemicals in accordance with the Enforcement Rules of the Chemical Substances Control Act. The training primarily covers the dangers of chemical accidents, response methods, safety procedures, and handling methods for hazardous chemicals. The training is tailored to specific groups: seven handlers who directly manage hazardous chemical facilities, three technical personnel and managers responsible for overseeing hazardous chemicals, and 75 other employees across the business site. The training is delivered through both online and in-person sessions, with a total of 85 participants completing the training in 2023. Additionally, Material Safety Data Sheets (MSDS) and related materials are updated annually on the internal network, ensuring that information on hazardous chemicals is easily accessible at all times. This helps prevent potential chemical and environmental accidents.

\* MSDS (Material Safety Data Sheets): These sheets provide detailed information on 16 aspects of chemical substances, including hazards, emergency response procedures, and handling methods.

#### Training Results Report for Employees



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

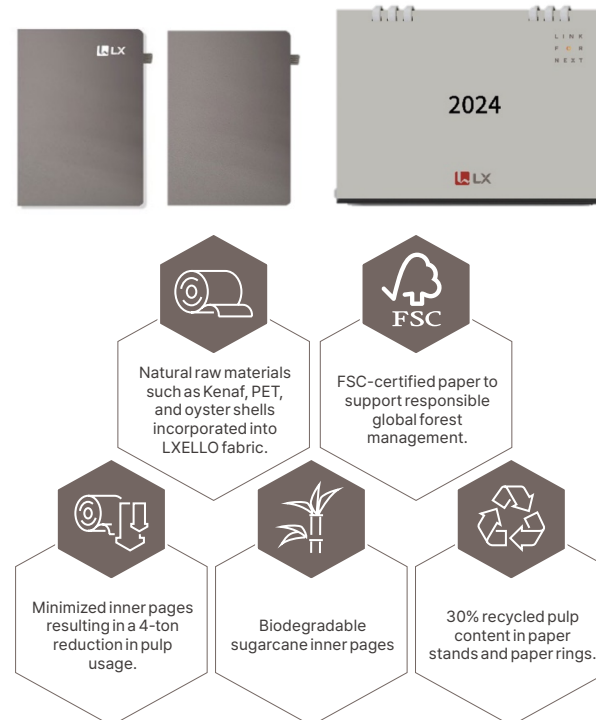
- **Environmental**
  - Environmental Management System**
    - Climate Change Response
    - Environmental Impact Monitoring
    - Environmental Data
  - Social
  - Governance

APPENDIX

**Production of Recycled Material Diaries and Calendars**

This year, LX International has shared the value of environmental protection by switching to recycled materials for the diaries and calendars distributed to employees. The diaries were made using LX Hausys's LXELLO fabric, which includes recycled materials such as natural kenaf and oyster shells. In addition, the calendars were produced using FSC-certified paper and were reduced from 12 pages to 6 pages to minimize paper usage and environmental impact.

\* FSC (Forest Stewardship Council) Certification: This certification is granted to ensure consumers can easily recognize products made from responsibly managed forest resources.



**ESG Practice Campaign**

At the LX International headquarters, all employees are encouraged to use reusable cups instead of disposable ones. After using the reusable cups available in break rooms and kitchens, employees can place them in designated collection bins, where a specialized company then cleans and disinfects them through a six-step process before returning them for reuse. Cups that are no longer suitable for reuse are crushed and reprocessed into raw materials for new reusable products, creating a virtuous cycle. Various activities are also practiced at overseas offices to internalize ESG management, such as a recycling campaign and the use of waste materials for interior decoration.

PT. GUM: Interior Decoration Using Waste Materials



Corporations in Indonesia : Recycling Bins







OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

- **Environmental**
  - Environmental Management System
  - Climate Change Response
  - Environmental Impact Monitoring
  - Environmental Data
- Social
- Governance

APPENDIX

Metrics and Targets

Environmental Education

| Company  | Unit    | 2021 | 2022 | 2023 |
|--|---------|------|------|------|
| LX International   |         |      |      |      |
| PT. PAM: The number of persons completing environmental education      | Persons | 46   | 68   | 44   |
| PT. TBSM: The number of persons completing environmental education     | Persons | 0    | 0    | 10   |
| PT. GUM: The number of persons completing environmental education      | Persons | 0    | 0    | 5    |
| LX Pantos  |         |      |      |      |
| The number of persons completing environmental education <sup>1)</sup> | Persons | -    | -    | 240  |
| LX Glas  |         |      |      |      |
| The number of persons completing environmental education               | Persons | 4    | 1    | 3    |
| The hours of environmental education completed                         | Hour    | 94   | 6    | 50   |
| Poseung Green Power  |         |      |      |      |
| The number of persons completing environmental education               | Persons | 90   | 77   | 85   |

1) The number of persons completing environmental education measured starting from 2023

Environmental investment

| Company                         | Unit | 2021          | 2022          | 2023          |
|---------------------------------|------|---------------|---------------|---------------|
| LX Glas                         |      |               |               |               |
| Water Quality                   | KRW  | 17,300,000    | 98,330,000    | 134,222,000   |
| Air Quality                     | KRW  | 6,381,361,000 | 8,236,144,000 | 2,234,560,000 |
| Waste Management                | KRW  | 34,079,000    | 26,346,000    | -             |
| Other                           | KRW  | -             | -             | -             |
| Total Environmental Investments | KRW  | 6,432,740,000 | 8,360,820,000 | 2,368,782,000 |
| Poseung Green Power             |      |               |               |               |
| Water Quality                   | KRW  | 37,486,360    | 29,458,500    | 19,182,218    |
| Air Quality                     | KRW  | 1,441,541,630 | 2,086,842,160 | 5,086,911,053 |
| Total Environmental Investments | KRW  | 1,479,027,990 | 2,116,300,660 | 5,106,093,271 |



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MaterialIssues

# Climate Change Response

## Climate Change Response Strategies

### Climate Change Response System

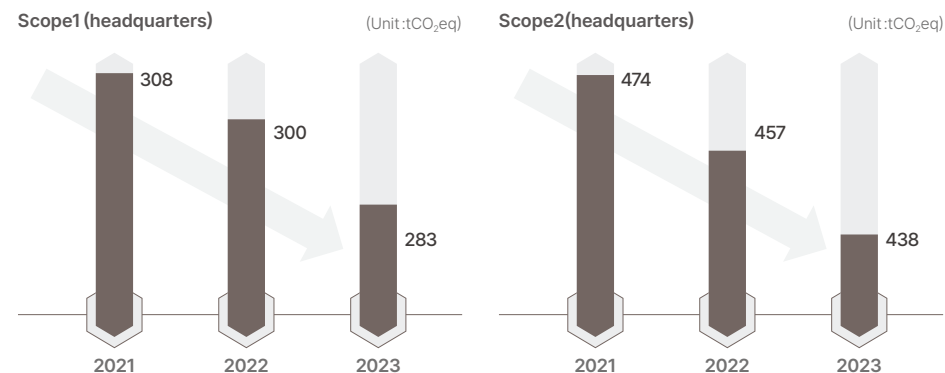
In response to climate change, LX International has been establishing its system to respond to climate change, taking into account local and international energy and climate change policies, as well as its own business strategies. LX International plans to manage its GHG emissions, promote new green businesses, and strengthen its eco-friendly business portfolio.



## Efforts to Reduce GHG Emissions

### Management of GHG emissions

LX International is committed to managing and monitoring its GHG emissions every year. Starting in 2023, we will expand our management scope to include our subsidiaries and assist them in developing and implementing the measures to reduce emissions. As a result, GHS emissions have continuously decreased over the past three years. We will continue our efforts to contribute to international climate change mitigation efforts.



### Energy Management Activities

We are committed to managing our energy use sustainably and improving our energy efficiency. This includes our subsidiaries, where we separate stationary and mobile combustion for better management. LX Glas has invested in high-efficiency glass tanks and installed natural gas combustion equipment to save energy. Since 2022, we have been consistently setting and managing energy reduction targets.

### Resource Circulation Activities

Poseung Green Power is striving for a transition to a circular economy. In September 2023, we installed two additional magnetic separators in the fuel transfer facilities to collect an average of 0.5 tons of scrap metal per day. This initiative aims to minimize the total amount of newly introduced natural resources and reduce waste.

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

- Environmental**
  - Environmental Management System
  - Climate Change Response**
  - Environmental Impact Monitoring
  - Environmental Data
- Social
- Governance

APPENDIX

**GHG Emissions Mitigation Project – International Mitigation Project**

GHG emissions reduction is a challenging task that all nations must undertake. In response to the Paris Agreement, the Korean government has tightened the related regulations, including setting its NDC (Nationally Determined Contribution). Against this backdrop, to join the efforts to cut down on GHGs, LX International is applying CDM projects to our palm plantations and Hasang Hydro Electric Power Plant, capitalizing on its experience in developing GHG emissions reduction businesses and securing carbon credits.

Clean Development Mechanism (CDM) allows countries to earn CERs (certified emissions reductions) by implementing emission reduction projects in developing countries. These credits can be sold and are equivalent to the amount of emissions reduced through the project. Under the Paris Agreement, the CDM business under the Kyoto Protocol is set to transition to the SDM (Sustainable Development Mechanism). This business model provides a foundation for sustainable business practices by allowing companies to use CERs to meet their GHG mitigation targets.

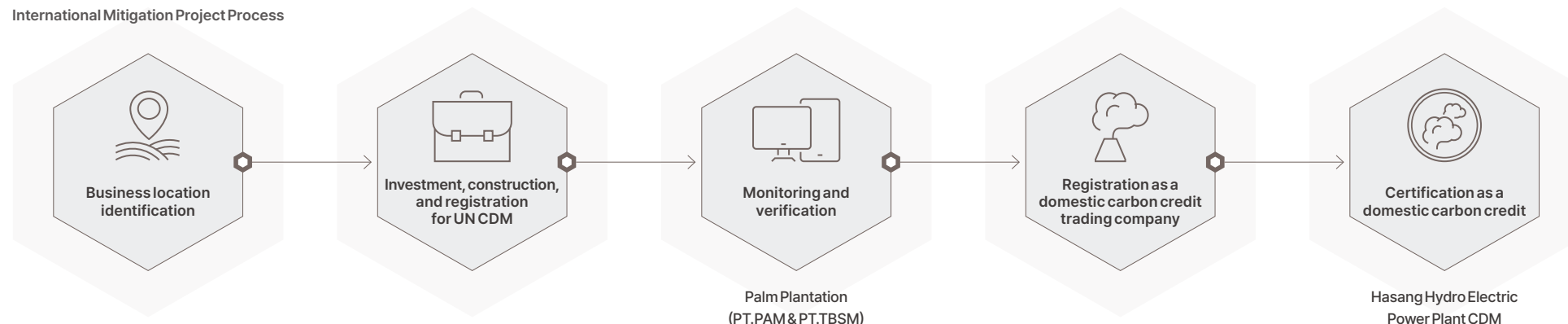
LX International has completed the application for SDM (Sustainable Development Mechanism) conversion for all three ongoing projects (2023) and is awaiting approval in accordance with UN policies. Our Hasang Hydro Electric Power Plant has been recognized for its emission reductions, which are achieved through the use of hydro power instead of fossil fuels. Through these efforts, the operational performance by the end of 2020 has been fully converted into domestic emission allowances, and we plan to continue securing carbon credits in the future. LX International is currently installing GHG mitigation equipment in its palm plantation to reduce carbon emissions and earn carbon certified emissions reductions (carbon credits). In addition to our own plantation, we are also implementing this GHG mitigation business in external and new palm plantations. In the future, we plan to adopt new technologies to expand our carbon credit business and explore alternative markets to further lessen GHG emissions.

**Voluntary Joining of the Carbon Disclosure Project (CDP)**

LX Pantos voluntarily became a member of the Carbon Disclosure Project (CDP) in July 2022. The CDP requires companies to disclose their response to climate change response status and related information, based on which it publishes an annual corporate evaluation report and assigns grades. By setting climate change response targets and actively pursuing detailed tasks, LX Pantos received a B- grade in its first CDP evaluation in 2023, recognizing its efforts in addressing climate change. LX Pantos plans to continue playing a leading role in the transition to sustainable logistics by continuously identifying and implementing climate change response tasks and transparently disclosing the related performance.



**International Mitigation Project Process**



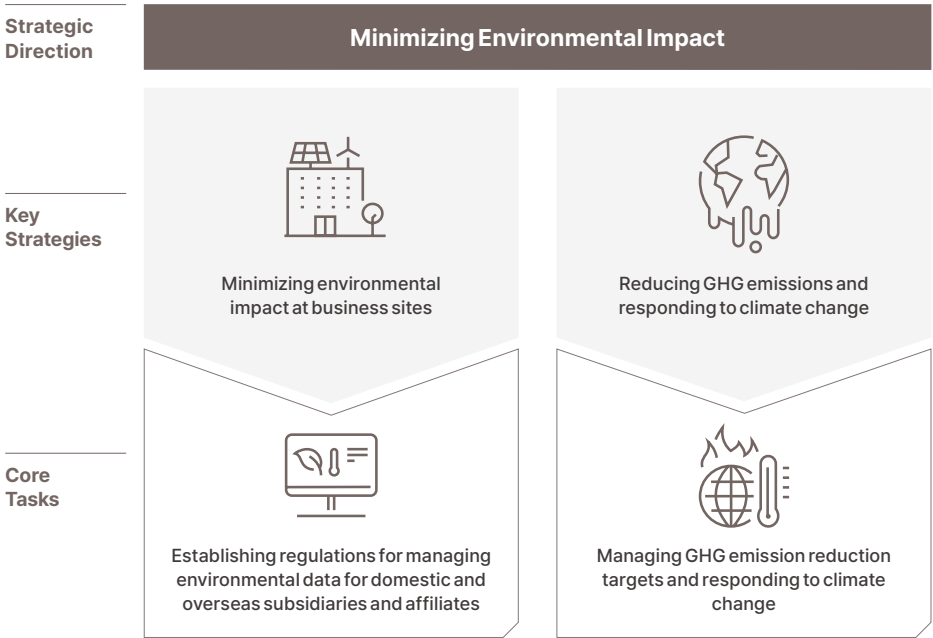
\* Existing UN CDM projects are expected to be approved for conversion to SDM projects.

# Environmental Impact Monitoring

## Environmental Impact Monitoring Management System

Based on its environmental management system, LX International is expanding the scope of its environmental management and actively promoting environmental impact management. To manage the environment company-wide, including subsidiaries, LX International has established a dedicated environmental management organization. The LX International ESG Committee identifies the risks related to the environment and reviews and deliberates on significant environmental issues. The General Counsel/ESG Executives, as the overall head of environmental management, has the authority and responsibility to approve disclosures and reports. The HSE Team handles practical environmental tasks such as managing performance against environmental data targets, providing environmental management education and promotion, inspecting emission and prevention facilities, and responding to legal regulations and disclosure obligations. Additionally, key subsidiaries such as LX Glas and Poseung Green Power have designated environmental managers to collect quarterly data, thereby strengthening the management system to aggregate and manage company-wide environmental data.

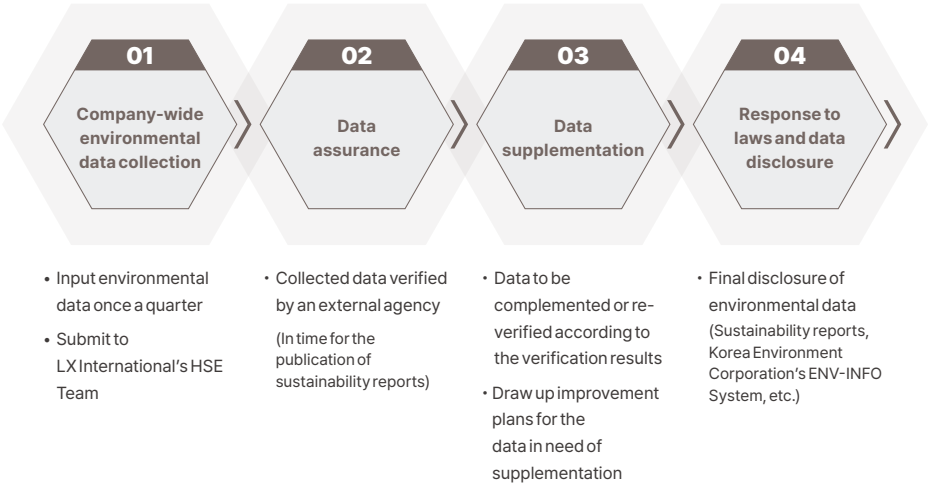
### LX International’s Environmental Management System



## Environmental Impact Data Management

LX International has implemented an environmental data management process where environmental data is collected quarterly from across the company and undergoes external verification annually. Through this verification, we identify any data that needs to be supplemented and develop a plan to do so, ensuring our environmental impact management stays on track. We have also expanded the scope of our environmental management to include data from our subsidiaries. For any performance that falls short of our targets or data that may have a significant negative impact on the environment, we require appropriate action to be taken for improvement. LX International is committed to continuing this integrated data management, monitoring our environmental impact, complying with the laws and regulations, increasing communication with the stakeholders, and expanding disclosure in the future.

### Environmental Impact Data Management Process



OVERVIEW

ESG MANAGEMENT

## ESG FACTBOOK

- **Environmental**
  - Environmental Management System
  - Climate Change Response
  - Environmental Impact Monitoring**
  - Environmental Data
- Social
- Governance

APPENDIX

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

- Environmental
  - Environmental Management System
  - Climate Change Response
  - Environmental Impact Monitoring**
  - Environmental Data
- Social
- Governance

APPENDIX

## Pollution and Hazardous Substance Management

### Air Pollutant Management

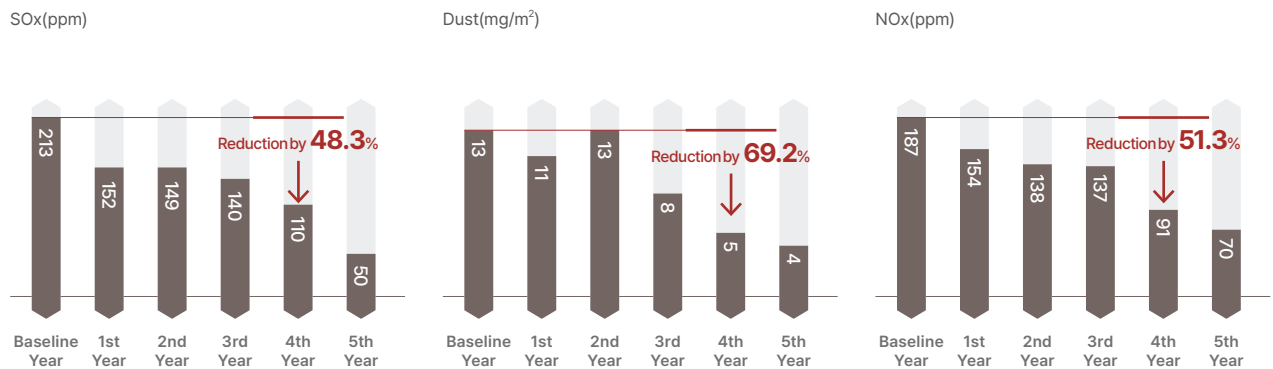
To minimize the negative environmental impact of air pollutants, we measure and manage air pollutant emissions in accordance with the relevant laws and regulations. LX Glas monitors individual air pollutants such as sulfur oxides, nitrogen oxides, and dust using the Tele Monitoring System (TMS\*). In the event of an emergency such as excessive pollutant emissions, we promptly halt emissions, report the incident, and take corrective actions to prevent recurrence.

### Air Pollutant Reduction Operations and Prevention Facility Investments

Poseung Green Power diligently conducts quarterly self-measurements of air quality as required by the post-environmental impact assessment and the integrated environmental operation system. They monitor the concentrations of 19 major air pollutants, analyze surrounding risks, and submit annual reports to the Ministry of Environment, actively working towards environmental conservation. In September 2023, Poseung Green Power undertook the replacement of a low-temperature SCR (Selective Catalyst Reduction) air prevention facility to improve the reduction efficiency of ozone and nitrogen oxides, which are key contributors to ozone formation. For LX Glas, in an effort to reduce the environmental impact, we invested 6.3 billion KRW to replace the electrostatic precipitator with a CCBF (Ceramic Catalyst Bag Filter) and invested 14.6 billion KRW to replace two air pollution prevention facilities at the Gunsan plant. These efficiency improvements have significantly reduced air pollutant emissions.

\* TMS (Tele Monitoring System): A remote monitoring system that measures pollutants emitted from business sites 24 hours a day.

### LX Glas Air Pollutant Emission Status

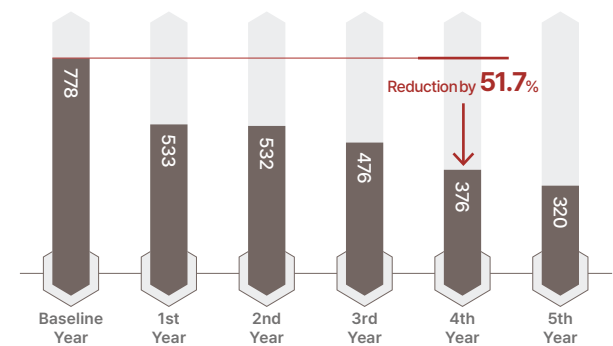


### Fine Dust Reduction Performance

In accordance with the revision of the Special Act on the Reduction and Management of Fine Dust, LX Glas has entered into a voluntary agreement with the Ministry of Environment to reduce fine dust on a seasonal basis. As of March 2023, the voluntary agreement period expired, and we extended the agreement with the Jeonbuk Regional Environmental Office. During the fine dust seasonal management period, we invested 17.1 billion KRW in replacing fine dust prevention facilities and filter collectors, achieving a total reduction of 51.7% in fine dust emissions compared to the baseline period in the first quarter of 2019.

- Baseline Year: December 2018 to March 31, 2019
- 1st Year: December 2019 to March 31, 2020
- 2nd Year: December 2020 to March 31, 2021
- 3rd Year: December 2021 to March 31, 2022
- 4th Year: December 2022 to March 31, 2023
- 5th Year: December 2023 to March 31, 2024

### Seasonal Fine Dust Reduction (tons)



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

- Environmental

Environmental Management System

Climate Change Response

**Environmental Impact Monitoring**

Environmental Data

Social

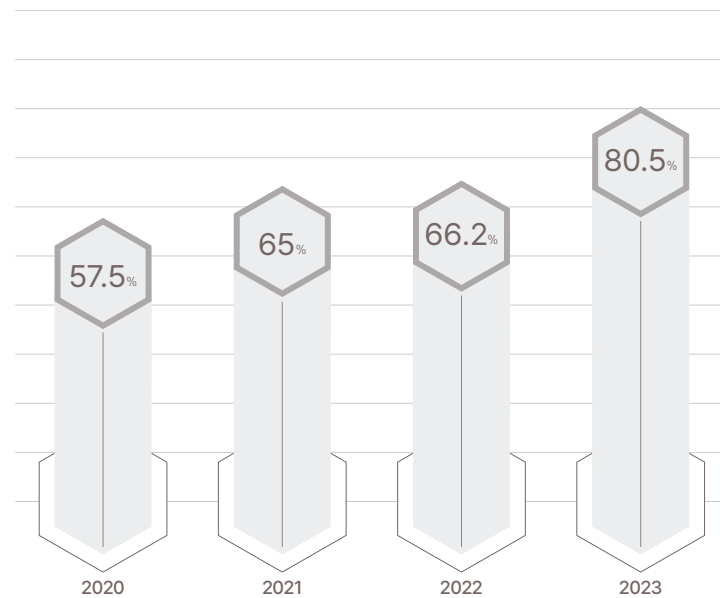
Governance

APPENDIX

### Waste Management

LX International manages the waste emissions of its headquarters and subsidiaries to minimize negative environmental impacts. The headquarters categorizes waste into general waste and recyclable waste to manage the waste generation. LX Glas classifies generated waste by type and manages the emission volume of each waste type, ensuring legal processing according to procedures. In 2023, they increased the recycling rate by recycling CCBF dust generated from air pollution prevention facilities. In 2024, they plan to establish a legal waste processing and management system. Poseung Green Power also categorizes waste by type and manages the emission volume of each waste type, ensuring legal processing according to procedures. More than 90% of the emitted industrial waste is recycled into materials for the construction industry. In September 2023, they installed two additional Magnetic Separators\* to separate iron from the fuel supplied to boilers, collecting an average of 0.5 tons of scrap metal per day, thus maximizing resource recycling.

#### Recycling Rate



\*Magnetic Separator: A device that separates magnetic materials from a mixture.

### Water Pollution Management at Domestic Business Sites

LX Glas conducts biannual discharge water pollution analyses and manages data on wastewater (BOD, TOC, SS) discharge volumes. They plan to continuously monitor water quality voluntarily to prevent water pollution and improve the roles and responsibilities of water pollution prevention facilities, along with on-site patrol and improvements. Poseung Green Power conducts quarterly self-measurements of 18 wastewater pollutants required by the post-environmental impact assessment and the integrated environmental operation system, and an annual analysis of non-point pollution\* reduction facilities for seven items. Based on the analysis results, they perform tasks such as filter replacements to enhance the treatment capacity of the prevention facilities, thereby minimizing the environmental impact on aquatic ecosystems.

### Water Resource and Recycled Water Management

As the importance of water management continues to increase, Poseung Green Power manages its water usage. They monitor the usage of industrial water, chemical makeup water, and city water, managing data on individual usage volumes. For recycled water, they treat the cooling water used in cooling towers and reuse it for chemical dilution, temperature reduction, and cleaning. Additionally, they recover steam sent to nearby heat users, process it into pure water, and reuse it for power generation, thus reducing wastewater generation and maximizing water use efficiency.

\* Non-point pollution sources refer to sources that discharge water pollutants from unspecified locations such as cities, roads, farmland, mountains, and construction sites.





OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

- Environmental
- Environmental Management System
- Climate Change Response
- Environmental Impact Monitoring
- Environmental Data
- Social
- Governance

APPENDIX

Environmental Impact Mitigation Activities

Conducting Environmental Impact Assessments

Poseung Green Power has been conducting regular environmental impact assessments since 2016. These assessments evaluate air quality, hygiene and public health, odor, water quality, soil, noise, and eco-friendly resource circulation. They also identify and manage potential and actual environmental damage, concerns, and legally protected flora and fauna in the surveyed areas. The environmental impact assessments are conducted based on relevant regulations and testing standards. Monitoring includes not only harmful emissions but also the proper installation and operation of environmental mitigation measures and compliance with consultation standards.

Environmental Impact Assessment Results

Each year, after conducting the environmental impact assessment, Poseung Green Power reviews the results to identify any environmental damage or concern arising from their operations. They thoroughly investigate the cause-and-effect relationship for specific impacts identified in the notification report and carry out follow-up measures and improvements.

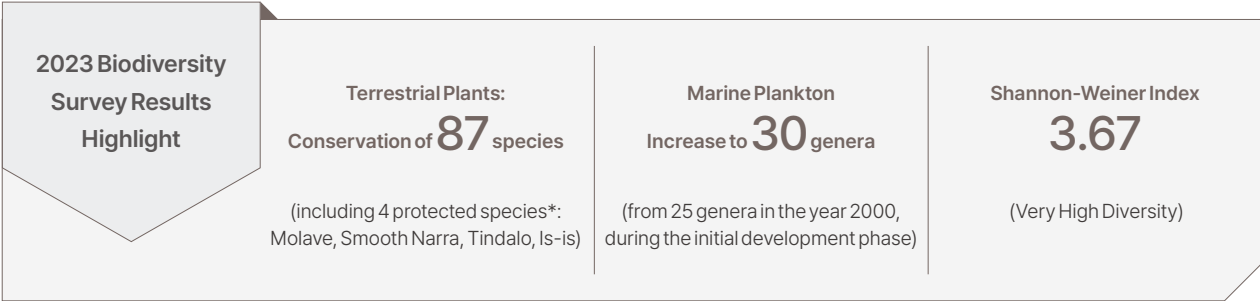
Environmental Impact Assessment Investigation Items and Standards

| Category                                 | Investigation Items   | Investigation Methods and Standards                                     |
|--|---|---|
| Water quality, hygiene and public health | • General air pollutants - NOx, SOx, PM10, CO, etc.                                       | • Standard methods for the examination of air                           |
|  | • Toxic air pollutants - HCl, Pb, As, Cd, Hg, etc.  | • Standard methods for the examination of persistent organic pollutants |
| Odor                                     | • Odor compounds  | • On-site Investigation   |
| Water quality                            | • Management of facilities for non-point pollutant reduction - pH, BOD, COD, DO, SS, etc. | • Air dilution olfactory method   |
|  | • Soil around oil storage tanks - BTEX, TPH, heavy metals                                 | • Standard methods for the examination of water                         |
| Soil                                     | • Pollution caused by hazardous air pollutants - Cd, Cu, As, Hg, TPH, etc.                | • On-site investigation   |
|  | • Test of fuel quality  | • On-site Investigation   |
| Eco-friendly resource circulation        | • Proper Waste Disposal   | • Solid Fuel Product Quality Test and Analysis Methods                  |
|  |   |   |

Ecosystem Conservation Activities

Post-Mining Environmental Restoration and Biodiversity Conservation

LX International conducted a five-year environmental restoration project at a decommissioned mine in the Philippines, completing the project in April 2023. The restoration efforts included vegetation establishment, construction of water treatment facilities, slope stabilization, and backfilling of open pits, significantly contributing to the reconstruction of the ecosystem. Following the restoration, a third-party environmental audit was conducted, and for the next two years, intensive monitoring will continue to manage environmental impacts. Through these restoration efforts, LX International has managed the population of four internationally or locally protected species and increased the diversity of plankton from 25 genera to 30 genera, thereby promoting biodiversity conservation. The third-party environmental audit report indicated that the Shannon-Weiner Index, a representative measure of species diversity within a community, was evaluated at 3.67, maintaining a ‘very high diversity’ status. LX International will continue to engage in biodiversity-related activities in connection with its business operations.



\*Protection Standards: IUCN 2023-02 (International Union for Conservation of Nature), DAO 2017-11 (Threatened Philippine Plants and their Categories)

Marine Plankton Diversity Changes

| Category                        | Year 2000 (Initial Development) | 2023 (Post-Restoration Completion) |
|---------------------------------|---------------------------------|------------------------------------|
| Bacillariophyceae (diatoms)     | 19                              | 20                                 |
| Dinophyceae (dinoflagellates)   | 5                               | 8                                  |
| Cyanophyceae (blue-green algae) | 1                               | 2                                  |
| Total                           | 25                              | 30                                 |

(Unit: genus)

Post-Restoration Open Pit Landscape



Conservation of 4 species of terrestrial protected plants





OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

- **Environmental**
  - Environmental Management System
  - Climate Change Response
  - Environmental Impact Monitoring**
  - Environmental Data
- Social
- Governance

APPENDIX

**Overseas Subsidiaries' Ecosystem Conservation Activities - Restoration of High Conservation Value (HCV) Areas**

Major overseas subsidiaries are striving to minimize the negative impacts of their operations on the surrounding environment and to preserve the ecosystem. PT. PAM is promoting the protection and management of High Conservation Value (HCV) areas. In 2023, the company identified and separately managed palm trees planted within the 120-hectare HCV area designated for restoration by the RSPO<sup>1)</sup>. Additionally, the company is cultivating saplings, including fruit trees, in its own nurseries to contribute to ecosystem creation and restoration.

1) RSPO: Roundtable on Sustainable Palm Oil

**Biodiversity and Water Quality Monitoring at PT. BNE**

PT. BNE has been monitoring the ecology and habitats in nearby areas, analyzing the parameters such as stream water quality, stream biodiversity, and the presence of animals and plants. In 2023, river biological monitoring identified a total of three fish species, including one protected fish species.

As a result, PT. BNE has placed the signs around the stream to notify people that fishing and littering are prohibited. Their security team also monitors the area to take the appropriate action in case of any violations. Furthermore, PT. BNE monitors the water quality to prevent habitat disturbance in compliance with the regulations set by the Indonesian government. In addition, PT. BNE has been checking the flora and fauna, including mammals, and monitoring for any accidents caused by its business operations. LX International is committed to managing its operations in a way that does not harm biodiversity and preserves the ecosystem.



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

- **Environmental**
  - Environmental Management System
  - Climate Change Response
  - Environmental Impact Monitoring**
  - Environmental Data
- Social
- Governance

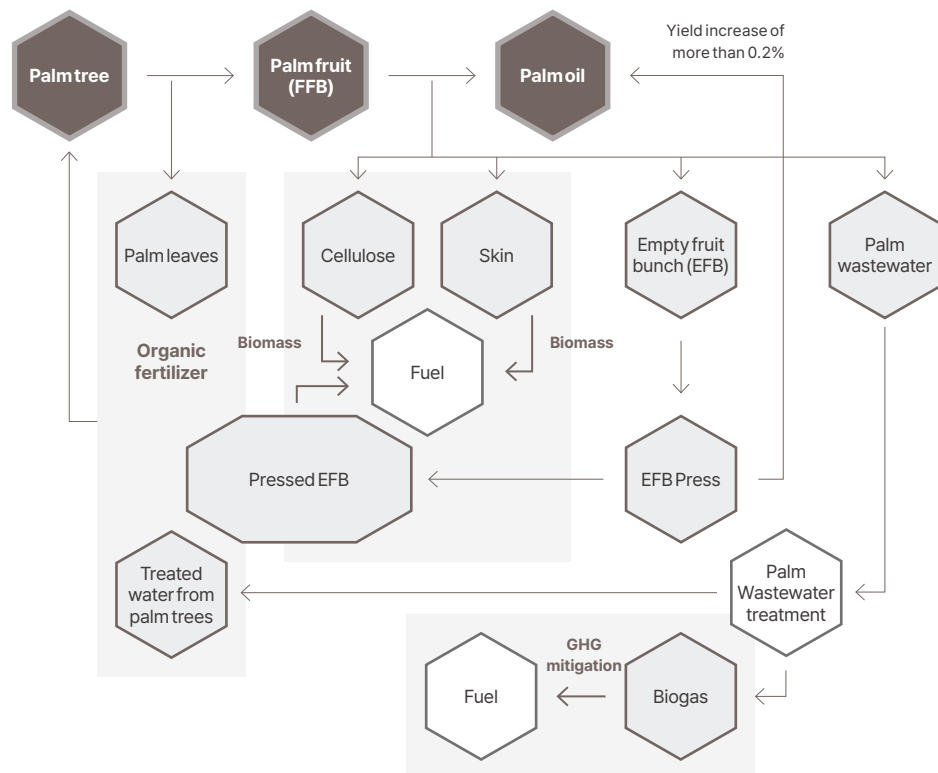
APPENDIX

## Sustainable Palm Oil Plantation Operation

### Eco-friendly Operation System of Palm Oil Plantations

As part of our resource development efforts, LX International operates palm oil plantations. We are committed to maximizing productivity while minimizing our environmental impact. To achieve this, we have adopted a 'Zero Waste' approach, and forged a circulation system that utilizes the byproducts generated during palm oil manufacturing for other purposes. With the growing demand for environmentally friendly palm oil, we plan to increase our trading volume through the sustainable operation of our plantations over them mid-to-long-term.

### Resource Circulation Structure of PT. TBSM's Palm Plantation



### RSPO (Roundtable on Sustainable Palm Oil) Certification Obtained

The RSPO (Roundtable on Sustainable Palm Oil) is a nonprofit international consortium involving 54 NGO institutions, established by the international NGO WWF (World Wide Fund for Nature) to promote the environmentally friendly development of palm plantations and sustainable palm oil production. The demand for environmentally friendly palm oil and RSPO certification from stakeholders, including palm oil-consuming countries and companies, has been steadily increasing. PT. PAM operated by LX International, has been striving to obtain RSPO certification since 2018 and officially received the certification in March 2023. This makes it the sixth corporate palm plantation in West Kalimantan, Indonesia to receive certification, recognizing its environmental value and efforts. As a sustainable palm oil production company, LX International will continue to strive to meet RSPO requirements for transparency, compliance with laws, and responsibility towards the environment and local communities.

#### RSPO Certification



#### RSPO Certification Logo



### Introduction of EFB (Empty Fruit Bunch) Press

In 2023, PT. PAM and PT. TBSM subsidiaries introduced an EFB Press to recover palm oil from the empty fruit bunches (EFB), a byproduct of palm oil production. This implementation has improved the production yield by more than 0.2%, reducing the environmental impact while producing the same amount of palm oil. Additionally, the EFB, which was previously used only as organic fertilizer, can now be utilized as an energy source (sold as boiler fuel).

- PT. PAM : Completed in the first half of 2023, operational as of August 2023
- PT. TBSM : Completed in the second half of 2023, operational as of March 2024







# Environmental Data

## GHG Emissions<sup>1) 2)</sup>

### LX International

| Category                               | Unit  | 2021  | 2022  | 2023  |
|--|---|-------|-------|-------|
| Direct GHG emissions (Scope 1)         | tCO <sub>2</sub> eq                         | 308   | 300   | 283   |
| Indirect GHG emissions (Scope 2)       | tCO <sub>2</sub> eq                         | 474   | 457   | 438   |
| Total GHG emissions                    | tCO <sub>2</sub> eq                         | 783   | 758   | 721   |
| GHG Emission Intensity <sup>3)</sup>   | tCO <sub>2</sub> eq/thousand m <sup>2</sup> | 160.6 | 156.3 | 160.0 |
| Other Indirect GHG Emissions (Scope 3) | tCO <sub>2</sub> eq                         | 1,159 | 0.835 | 0.918 |

### LX Pantos

| Category                         | Unit                            | 2021   | 2022   | 2023   |
|----------------------------------|---------------------------------|--------|--------|--------|
| Direct GHG emissions (Scope 1)   | tCO <sub>2</sub> eq             | 35,901 | 25,180 | 22,471 |
| Indirect GHG emissions (Scope 2) | tCO <sub>2</sub> eq             | 8,388  | 9,450  | 10,066 |
| Total GHG emissions              | tCO <sub>2</sub> eq             | 44,289 | 34,631 | 32,538 |
| GHG Emission Unit                | tCO <sub>2</sub> eq/million KRW | 0.006  | 0.006  | 0.009  |

### LX Glas

| Category                         | Unit                            | 2021    | 2022    | 2023    |
|----------------------------------|---------------------------------|---------|---------|---------|
| Direct GHG emissions (Scope 1)   | tCO <sub>2</sub> eq             | 211,944 | 184,889 | 246,886 |
| Indirect GHG emissions (Scope 2) | tCO <sub>2</sub> eq             | 45,258  | 41,489  | 51,436  |
| Total GHG emissions              | tCO <sub>2</sub> eq             | 257,200 | 226,376 | 298,318 |
| GHG intensity                    | tCO <sub>2</sub> eq/million KRW | 0.831   | 0.677   | 0.841   |

### Poseung Green Power<sup>4)</sup>

| Category                         | Unit                            | 2021  | 2022  | 2023  |
|----------------------------------|---------------------------------|-------|-------|-------|
| Direct GHG emissions (Scope 1)   | tCO <sub>2</sub> eq             | 6,751 | 7,980 | 6,239 |
| Indirect GHG emissions (Scope 2) | tCO <sub>2</sub> eq             | 836   | 943   | 1,152 |
| Total GHG emissions              | tCO <sub>2</sub> eq             | 7,588 | 8,923 | 7,392 |
| GHG intensity                    | tCO <sub>2</sub> eq/million KRW | 0.120 | 0.148 | 0.134 |

1) There is a difference between the total emissions by GHG and the total emissions by business site due to unit truncation based on calculation standards.

2) From 2022, verification was conducted by an external professional organization, resulting in differences in figures compared to the previous year's report. (Verification opinion and standards for GHG emissions are attached in the Appendix of this report).

3) The 2023 GHG emission intensity is measured by the unit area of the business site.

4) The third-party verification of GHG emissions for 2023 includes previously omitted items such as initial combustion LNG and BioSRF NO2.

## Energy Consumption

### LX International

| Category                       | Unit                       | 2021 | 2022 | 2023 |
|--------------------------------|----------------------------|------|------|------|
| Direct Energy Consumption      | TJ                         | 5    | 5    | 4    |
| Indirect Energy Consumption    | TJ                         | 9    | 9    | 9    |
| Total Energy Consumption       | TJ                         | 15   | 14   | 14   |
| Energy Intensity <sup>1)</sup> | TJ/thousand m <sup>2</sup> | 3.1  | 2.9  | 3.1  |

### LX Pantos

| Category                    | Unit           | 2021   | 2022   | 2023   |
|-----------------------------|----------------|--------|--------|--------|
| Direct Energy Consumption   | TJ             | 512    | 359    | 321    |
| Indirect Energy Consumption | TJ             | 175    | 197    | 210    |
| Total Energy Consumption    | TJ             | 687    | 557    | 531    |
| Energy Intensity            | TJ/million KRW | 0.0001 | 0.0001 | 0.0001 |

### LX Glas

| Category                    | Unit           | 2021   | 2022   | 2023   |
|-----------------------------|----------------|--------|--------|--------|
| Direct Energy Consumption   | TJ             | 2,617  | 2,234  | 2,657  |
| Indirect Energy Consumption | TJ             | 945    | 866    | 1,074  |
| Total Energy Consumption    | TJ             | 3,562  | 3,100  | 3,731  |
| Energy Intensity            | TJ/million KRW | 0.0115 | 0.0093 | 0.0105 |

### Poseung Green Power

| Category                    | Unit           | 2021   | 2022   | 2023   |
|-----------------------------|----------------|--------|--------|--------|
| Direct Energy Consumption   | TJ             | 3,070  | 2,947  | 2,529  |
| Indirect Energy Consumption | TJ             | 17     | 19     | 24     |
| Total Energy Consumption    | TJ             | 3,088  | 2,967  | 2,553  |
| Energy Intensity            | TJ/million KRW | 0.0487 | 0.0493 | 0.0464 |

1) The 2023 energy intensity is measured by the unit area of the business site.

2) The total energy consumption for LX Group and its affiliates is calculated in TJ according to unified unit standards.

## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

- Environmental
- Environmental Management System
- Climate Change Response
- Environmental Impact Monitoring
- Environmental Data
- Social
- Governance

## APPENDIX



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

- Environmental
- Environmental Management System
- Climate Change Response
- Environmental Impact Monitoring
- Environmental Data
- Social
- Governance

APPENDIX

Waste Generation and Recycling

LX International

| Category                    |                      | Unit | 2021 | 2022 | 2023 |
|-----------------------------|----------------------|------|------|------|------|
| General Waste <sup>1)</sup> | Recycling            | Ton  | 45.8 | 37.5 | 34.2 |
|                             | Waste Recycling Rate | %    | 100  | 100  | 100  |

LX Pantos

| Category      |  | Unit | 2021 | 2022 | 2023 |
|---------------|--|------|------|------|------|
| General Waste |  | Ton  | 384  | 419  | 403  |

LX Glas

| Category         |              | Unit | 2021  | 2022  | 2023  |
|------------------|--------------|------|-------|-------|-------|
| General Waste    | Incineration | Ton  | 182   | 184   | 278   |
|                  | Landfill     | Ton  | 155   | 340   | 1,198 |
|                  | Recycling    | Ton  | 2,482 | 4,635 | 6,333 |
| Designated Waste | Incineration | Ton  |       | 37    | 27    |
|                  | Landfill     | Ton  | 963   | 658   | 33    |
|                  | Recycling    | Ton  |       |       | 1.8   |

Poseung Green Power<sup>2)</sup>

| Category         |           | Unit | 2021   | 2022   | 2023   |
|------------------|-----------|------|--------|--------|--------|
| General Waste    | Recycling | Ton  | 25,040 | 28,677 | 36,265 |
| Designated Waste | Recycling | Ton  | 4      | 3      | 2      |

1) Data revised compared to the previous year due to unified indicators across LX Group and affiliates, and environmental data verification.

2)Reporting data standards aligned correctly with the system.

Water Management

LX International<sup>1)</sup>

| Category    | Unit | 2021  | 2022  | 2023  |
|-------------|------|-------|-------|-------|
| Water Usage | Ton  | 9,761 | 8,298 | 8,385 |

LX Pantos

| Category    | Unit | 2021  | 2022   | 2023   |
|-------------|------|-------|--------|--------|
| Water Usage | Ton  | 9,541 | 14,216 | 15,418 |

LX Glas<sup>2)</sup>

| Category    |                  | Unit | 2021    | 2022    | 2023    |
|-------------|------------------|------|---------|---------|---------|
| Water Usage | Discharge Volume | m³   | 193,257 | 184,358 | 172,519 |
|             | Industrial Water | m³   | 259,060 | 215,691 | 243,498 |
|             | Tap Water        | m³   | 93,327  | 115,141 | 75,632  |

Poseung Green Power

| Category       |                       | Unit | 2021      | 2022      | 2023      |
|----------------|-----------------------|------|-----------|-----------|-----------|
| Water Usage    | Industrial Water      | m³   | 1,063,225 | 1,032,718 | 1,095,161 |
|                | Tap Water             | m³   | 3,626     | 2,649     | 5,797     |
| Recycled Water | Chemical Makeup Water | m³   | 896       | 896       | 896       |
|                | Site Cleaning Water   | m³   | 20,658    | 20,658    | 20,658    |

1) 2021 data corrected due to identified errors in external GHG verification and water usage data aggregation.

2) Errors in the previous year's report corrected



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION





OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

- Environmental
- Environmental Management System
- Climate Change Response
- Environmental Impact Monitoring
- Environmental Data
- Social
- Governance

APPENDIX

Water Pollutant Management

LX Glas

| Category                    | Unit | 2021    | 2022    | 2023   |
|-----------------------------|------|---------|---------|--------|
| Wastewater Discharge Volume | m³   | 111,922 | 107,127 | 94,837 |
| TOC                         | mg/L | 3.9     | 1.8     | 2.6    |
| COD                         | mg/L | 4.7     | 3.3     | 4.6    |
| BOD                         | mg/L | 2.3     | 2.5     | 4.6    |
| SS                          | mg/L | 18.0    | 12.6    | 8.6    |
| T-N                         | mg/L | 3.4     | 2.7     | 2.8    |
| T-P                         | mg/L | 0.1     | 0.1     | 0.1    |

Poseung Green Power

| Category                    | Unit | 2021    | 2022    | 2023    |
|-----------------------------|------|---------|---------|---------|
| Wastewater Discharge Volume | m³   | 291,165 | 268,794 | 284,450 |
| TOC                         | mg/L | -       | -       | 10.4    |
| COD                         | mg/L | 9.0     | 8.0     | -       |
| BOD                         | mg/L | 1.0     | 1.0     | 2.3     |
| SS                          | mg/L | 6.0     | 8.0     | 11.4    |

Air Pollutant Management

LX Glas

| Category                        | Unit | 2021    | 2022    | 2023    |
|---------------------------------|------|---------|---------|---------|
| Sulfur Oxides (SOx) Emissions   | kg   | 744,732 | 659,097 | 613,014 |
| Nitrogen Oxides (NOx) Emissions | kg   | 584,262 | 521,012 | 377,090 |
| Dust Emissions                  | kg   | 13,304  | 12,501  | 13,336  |

Poseung Green Power

| Category                        | Unit | 2021   | 2022   | 2023   |
|---------------------------------|------|--------|--------|--------|
| Sulfur Oxides (SOx) Emissions   | kg   | -      | -      | -      |
| Nitrogen Oxides (NOx) Emissions | kg   | 33,385 | 37,404 | 33,440 |
| Dust Emissions                  | kg   | 2,005  | 2,001  | 1,856  |

Zero Emission Vehicles

LX International

| Category                           | Unit    | 2021 | 2022 | 2023 |
|------------------------------------|---------|------|------|------|
| Number of Environmentally Friendly | Vehicle | 45   | 45   | 46   |
| Ratio of Environmentally Friendly  | %       | 96   | 96   | 98   |

LX Pantos

| Category                           | Unit    | 2021 | 2022 | 2023 |
|------------------------------------|---------|------|------|------|
| Number of Environmentally Friendly | Vehicle | -    | 11   | 6    |
| Ratio of Environmentally Friendly  | %       | -    | 12   | 7    |

LX International recognizes its role as a member of society and is committed

LX International

| Category   | Unit  | 2021 | 2022 | 2023 |
|--|-------|------|------|------|
| Number of Legal Obligations/Regulations Violations | Cases | 0    | 0    | 0    |
| Amount of Fines                                    | KRW   | 0    | 0    | 0    |

LX Pantos

| Category   | Unit  | 2021 | 2022 | 2023 |
|--|-------|------|------|------|
| Number of Legal Obligations/Regulations Violations | Cases | 0    | 0    | 0    |
| Amount of Fines                                    | KRW   | 0    | 0    | 0    |

LX Glas

| Category   | Unit  | 2021 | 2022    | 2023 |
|--|-------|------|---------|------|
| Number of Legal Obligations/Regulations Violations | Cases | 1    | 1       | 0    |
| Amount of Fines                                    | KRW   | 0    | 800,000 | 0    |

Poseung Green Power

| Category   | Unit  | 2021      | 2022 | 2023 |
|--|-------|-----------|------|------|
| Number of Legal Obligations/Regulations Violations | Cases | 3         | 0    | 0    |
| Amount of Fines                                    | KRW   | 8,640,380 | 0    | 0    |



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

# SOCIAL



LX International recognizes its role as a member of society and is committed to fulfilling its social responsibilities while striving for sustainable growth. Among the various social issues, safety and health management, promoting a culture of respect for human rights, human resources management, expanding community engagement, and managing ESG risks for supply chains have been identified as particularly important ESG issues for LX International's business operations. In 2023, LX International established a new ESG management system for supply chains to effectively spread sustainable management practices. The company conducted ESG assessments and due diligence on key partners and plans to gradually expand the evaluation scope to ultimately enhance the ESG capabilities across its extensive supply chains. Additionally, LX International actively engages in community contribution activities both domestically and internationally, while also focusing on the development of employee capabilities and the realization of human rights respect.

|                                       |    |
|---------------------------------------|----|
| ESG Risk Management for Supply Chains | 45 |
| Social Contribution                   | 49 |
| Human Resources Management            | 53 |
| Respect for Human Rights              | 58 |
| Labor-Management Relations            | 60 |
| Safety and Health Management          | 61 |
| Data Protection                       | 66 |
| Social Data                           | 68 |

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

- ESG Risk Management for Supply Chains
- Social Contribution
- Human Resources Management
- Respect for Human Rights
- Labor-Management Relations
- Safety and Health Management
- Data Protection
- Social Data

Governance

APPENDIX



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

Material Issue | IFRS Framework

# ESG Risk Management for Supply Chains

## Material Issue Reporting Framework

Recent global ESG initiatives have been focusing on spreading ESG values across the entire supply chain and managing the risks related to environment, safety, and labor to prevent ESG risk occurrences. In response, LX International has established a supply chain ESG code of conduct, as well as a self-assessment and audit management system. With the 'ESG Risk Management for Supply Chains' being identified as a material issue, we are reporting our activities and achievements in alignment with the core elements of IFRS disclosures.

### IFRS Framework S1 Disclosure Core Elements



- **Governance**  
Information on the roles, processes, and policies used for the oversight of ESG-related risks and opportunities.
- **Strategy**  
Strategies for responding to sustainability-related risks and opportunities.
- **Risk Management**  
Processes for identifying, evaluating, and managing sustainability-related risks and opportunities.
- **Metrics and Targets**  
Metrics for measuring sustainability-related risks and opportunities, as well as performance evaluation information and targets.

## Governance

### Code of Conduct for Suppliers

Together with the LX Group, LX International is committed to spreading and promoting ESG management within its partners based on the 'LX Group ESG Code of Conduct for Suppliers. Through this effort, we aim to strengthen ESG management within the supply chain and fulfill our social responsibilities.

### Fair Trade Principles

LX International strives for transparent and fair transactions. Partner registration and selection are conducted based on an objective and fair criteria, adhering to the principles of free competition. Unfair treatment of partners, unilateral changes to transaction conditions, and the unauthorized use of partners' technology or assets are strictly prohibited. LX International will continue to pursue mutual development based on trust and cooperative relationships through fair trade.

### LX Group ESG Code of Conduct for Suppliers

The LX Group ESG Code of Conduct for Suppliers (hereinafter the "Code") is a standard that all domestic and foreign suppliers (hereinafter "Suppliers") related to LX's products and services must adhere to in order to pursue a sustainable future together with LX Group. Suppliers shall comply with this code, and they shall also ensure that all sub-suppliers that provide assembly, parts, and raw materials to the partner comply with this code.

#### 1. Labor and Human Rights

##### 1.1 Voluntary Work (prohibition of forced labor)

Suppliers shall not compel workers to perform forced labor (slavery, human trafficking, involuntary prison labor, etc.) against their will. Upon hiring, a copy of the labor contract written in a language that the worker can understand shall be provided to all workers after signing. Workers shall retain their own government-issued documents, such as passports and work permits, and suppliers or labor dispatch companies shall not request workers to pay fees incurred during hiring. Suppliers shall not unreasonably restrict the workers' movement, and workers shall have the freedom to leave the company at any time.

##### 1.2 Prohibition of Child Labor and the Management of Minor Workers

Suppliers shall have a procedure for verifying the age of workers when hiring workers, and comply with the minimum employment age established by each country and local laws. Young workers under the age of 18 shall not participate in processes that are hazardous to their safety and health or work for extended or night hours. When operating apprenticeship programs, local laws and regulations shall be followed.

##### 1.3 Prohibition of Excessive Overtime Work

Total hours worked per week shall not exceed local legal standards. All overtime work shall be voluntary, and this shall be applied equally to all in-house partners working within the workplace, and compliance shall be required.

## Strategy

### Policy and Activities for ESG management of Partner Companies

We obtain the 'commitment to practicing Jeong-Do management' from our suppliers to ensure their adherence to ethics, and we manage supply chain risks, including ESG, by verifying the history of safety and environment incidents and the breaches of local laws through a checklist during the supplier selection process. Moreover, regular operational evaluations are conducted on the same items, and the evaluation results are taken into account in contract renewal review. We aim to continuously manage the ESG factors throughout the entire supply chain, encompassing the head office and overseas corporations.

### Checklist for the Partner Deliberation and Operation

| Item                 | Checklist   |
|----------------------|---|
| Jeong-Do Management  | <ul style="list-style-type: none"><li>• Special relationship under the ownership structure between the shareholders and the parent company and the verification of the borrowed-name shareholder</li><li>• Existence of any issue regarding bribery</li><li>• Agreement on the mandatory inclusion of the Jeong-Do management compliance clauses in the contract</li><li>• Existence and compliance of the partner's own code of ethics</li></ul> |
| Compliance           | <ul style="list-style-type: none"><li>• Possession of a legal permit for business operation</li><li>• Breach of local laws</li><li>• Existence of subcontractors for the partner</li><li>• Cases of child labor</li></ul>   |
| Environment / Safety | <ul style="list-style-type: none"><li>• Accident or incident that caused a significant negative impact on the profits of the main contractor</li><li>• Warnings from national or local governments due to the breaches of the environment and safety</li></ul>  |
| Affordability        | <ul style="list-style-type: none"><li>• Price comparison with subcontract prices in adjacent mines and farms</li><li>• Appropriateness of the profit margin compared with the supplier's other sites</li><li>• Appropriateness of the profit margin compared with other suppliers' sites (waste rocks, coal transport, water transportation, etc.)</li></ul>  |

## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

Environmental

### ● Social

ESG Risk Management for Supply Chains

Social Contribution

Human Resources Management

Respect for Human Rights

Labor-Management Relations

Safety and Health Management

Data Protection

Social Data

Governance

## APPENDIX

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

**ESG Risk Management for Supply Chains**  
Social Contribution  
Human Resources Management  
Respect for Human Rights  
Labor-Management Relations  
Safety and Health Management  
Data Protection  
Social Data

Governance

APPENDIX

Risk Management

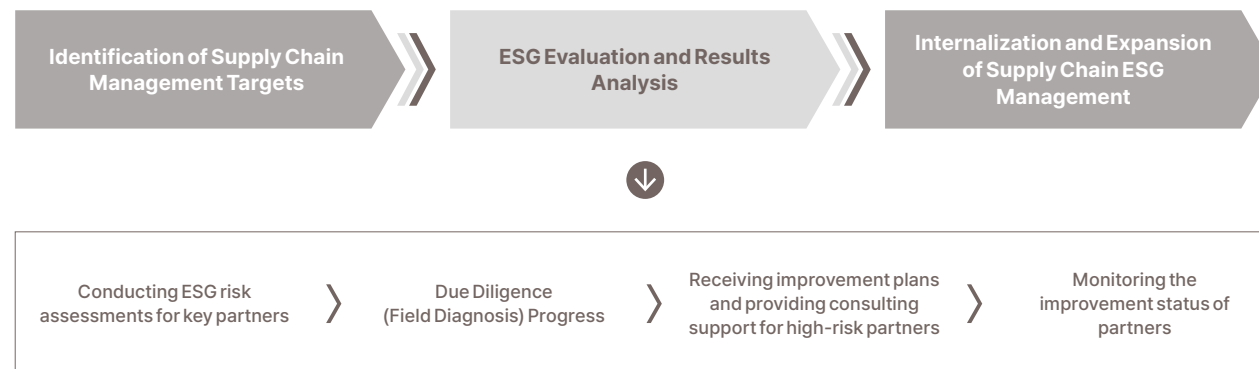
Selection of New Partner Companies

We seek to achieve shared growth with our partners by creating a transparent supply chain and adhering to our Code of Ethics, which outlines the relevant norms and best practices. We ensure that all companies have equal opportunities to undergo an impartial evaluation based on the 'business partner selection and operation procedures', and we establish and enforce the related standards to strengthen the competitiveness of suppliers and uphold fair trade order. Furthermore, we push forward with win-win growth by jointly sharing the benefits through technical assistance and management advice.

Establishment of the ESG Management System for Supply Chains

LX International has newly established an ESG management system to mitigate ESG risks that may arise within the supply chain. We have identified key partners among our entire network and created a system to conduct supply chain ESG evaluations. We plan to gradually expand the evaluation scope to strengthen the ESG capabilities of partners within the supply chain.

ESG Management System for Supply Chains

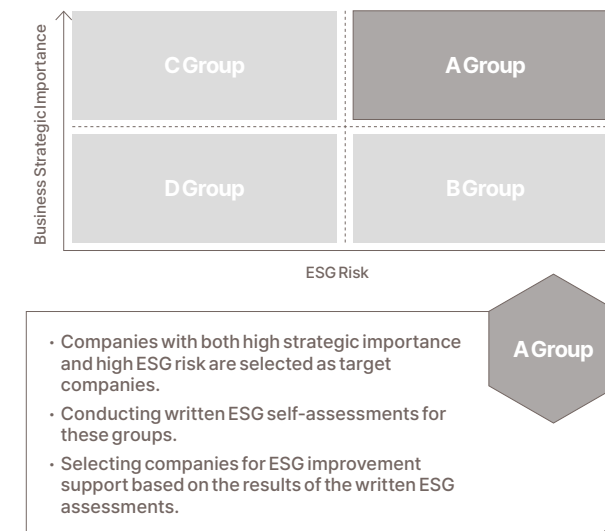


ESG Evaluation for Supply Chains

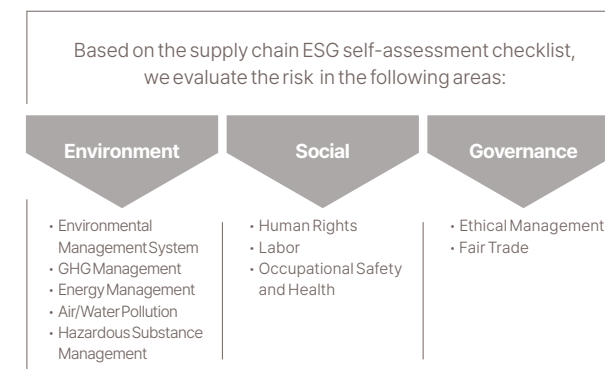
LX International has established the criteria to identify ESG management targets for supply chains and has advanced the ESG evaluation process. We have reviewed the entire network of partners, considering factors such as purchase volume, strategic importance to the core business, ESG information disclosure, and the potential for safety and environmental risks. LX International has regularized the ESG evaluation process for supply chains to identify and select key partners based on the ESG risk criteria. This allows us to determine which partners require focused management.

Looking ahead, LX International will continue to enhance the supply chain ESG management system by consistently evaluating and managing the ESG risks of our partners. We will conduct supply chain due diligence for target companies to ensure ongoing compliance and improvement.

Selection of Target Companies



ESG Risk Assessment Elements for Supply Chains



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

- ESG Risk Management for Supply Chains
- Social Contribution
- Human Resources Management
- Respect for Human Rights
- Labor-Management Relations
- Safety and Health Management
- Data Protection
- Social Data

Governance

APPENDIX

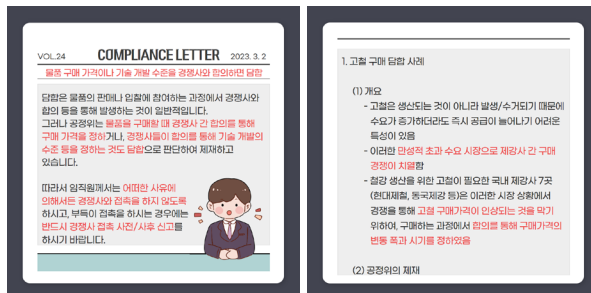
Win-win Cooperation with Partner Companies

LX International is committed to fostering mutually beneficial relationships with its partners. We actively communicate through a dedicated communication channel on our website designed specifically for our partners. Through this channel, LX International's partners can express various concerns and opinions. The feedback received through this channel is diligently reviewed by the responsible department and actively considered for incorporation into our practices.

Activities to Internalize Fair Trade

To enhance employees' awareness of fair trade, we regularly hold compliance training sessions related to fair trade. We have held annual compliance sessions for all employees and quarterly fair trade sessions for our subsidiaries. Additionally, we provided seven separate compliance training sessions for new expatriates, management staff, and new hires, tailored to their roles and ranks. To internalize fair trade practices among employees, we frequently send newsletters regarding amendments to domestic and international laws and recent case studies. In 2023, we sent three newsletters covering topics such as unfair support sanctions between affiliates and cases of fair trade law violations by other companies.

Compliance Newsletters



Operation of the Quality Reinforcement Network

LX Glas has established a network that offers various support to carefully selected companies that have been certified for technology and quality among the domestic pair glass and tempered glass processing companies, with an objective to build a shared growth structure and foster sustainable growth. 'Duolite Club', 'Seculite Partner' and 'Lamilite Partner' are the first processed glass producer networks in Korea that aim to achieve coexistence with small and medium-sized processed glass companies and to transform the domestic processed glass supply structure into a quality-oriented market structure with a fair price. The network will continue to provide benefits such as regular quality management, technical support, and EHS training to help member companies establish a basis for quality competitiveness and growth on their own, and to continuously expand the support programs to foster the overall development of the industry.

Detailed Support Contents

|  |   |
|--|---|
| <p><b>Enhancing Production Capabilities</b></p> <ul style="list-style-type: none"> <li>• Support for Super Jumbo/ Jumbo technology</li> <li>• Support for new product processing technology</li> <li>• Productivity analysis and improvement</li> <li>• Joint procurement support</li> </ul> | <p><b>Strengthening Quality Management Capabilities</b></p> <ul style="list-style-type: none"> <li>• Regular quality evaluation of products and raw materials</li> <li>• Regular on-site quality assessments</li> <li>• Technical and on-site training support</li> </ul> |
| <p><b>Marketing Support</b></p> <ul style="list-style-type: none"> <li>• Duolite Club branding</li> <li>• Club advertising and promotional activities</li> <li>• Production of various promotional materials</li> </ul>  | <p><b>Sales and Customer Support</b></p> <ul style="list-style-type: none"> <li>• Integration with green remodeling projects</li> <li>• Networking with window frame companies</li> <li>• Customer service support</li> </ul>   |

Shipping Company and Shipper Partnership Program

LX Pantos is committed to preventing unfair trade practices between shipping companies and shippers and promoting sustainable cooperation. Leveraging its cargo volume and global network capabilities, LX Pantos has established cooperative relationships among shipping companies, forwarders, and actual shippers. In particular, it has built strategic partnerships with national shipping companies to expand mutual business and optimize transportation efficiency. As a result of these efforts, LX Pantos was awarded the highest grade (Grade 1) in the shipper category for the 'Excellent Shipper Certification System' organized by the Korea Ocean Business Corporation in 2021. This certification recognizes the company's commitment to practicing shipper-shippping companies cooperation and compliance with regulations, and LX Pantos has successfully maintained this certification.

Strengthening Safety Management Capabilities for SME Partners

LX Pantos annually hosts safety and health seminars and policy meetings for its SME partners. These events include invitations to experts who provide updates on the latest government policy trends related to safety and health. Additionally, the Safety and Health Team, a dedicated safety organization, presents major accident cases and exemplary safety practices. Through these meetings, LX Pantos actively incorporates feedback from partners regarding safety and health, building a safety system in which all members of the supply chain participate. Through these activities, LX Pantos aims to minimize hazardous and risky factors across the supply chain and achieve the goal of zero major accidents.



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

Social

- ESG Risk Management for Supply Chains
- Social Contribution
- Human Resources Management
- Respect for Human Rights
- Labor-Management Relations
- Safety and Health Management
- Data Protection
- Social Data

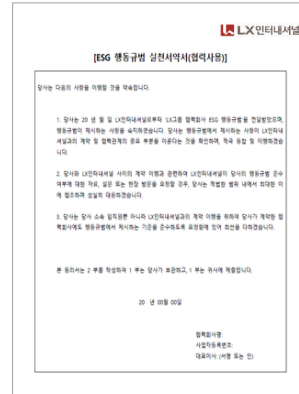
Governance

APPENDIX

Risk Management

Partner Commitment to the Code of Conduct

LX International is making extensive efforts to build a sustainable supply chain. To effectively manage the risks associated with the supply chain, the 'LX Group ESG Code of Conduct for Suppliers' is utilized as a management standard for partners. This code includes compliance requirements regarding labor and human rights, occupational safety, and health. Based on this management standard, we created the 'Partner Code of Conduct Commitment Letter' and distributed it to the target group of partners in 2024, obtaining signed commitments.

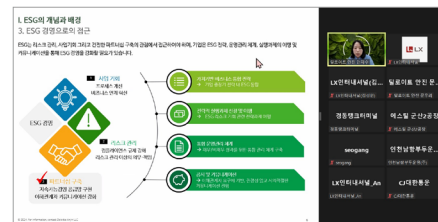


ESG Evaluation Results and Improvement for Supply Chains

According to LX International's supply chain ESG evaluation, partners showed relatively low scores in establishing ESG management systems and responding to climate change. It was also found that there were weaknesses in disclosing information on environmental and social matters and in activities related to reducing greenhouse gas emissions and energy consumption. Furthermore, deficiencies were identified in the areas of ESG management operation systems and environmental management systems. For companies requiring improvement, we plan to actively participate in providing support to implement corrective measures for the identified issues.

ESG Training for Supply Chains

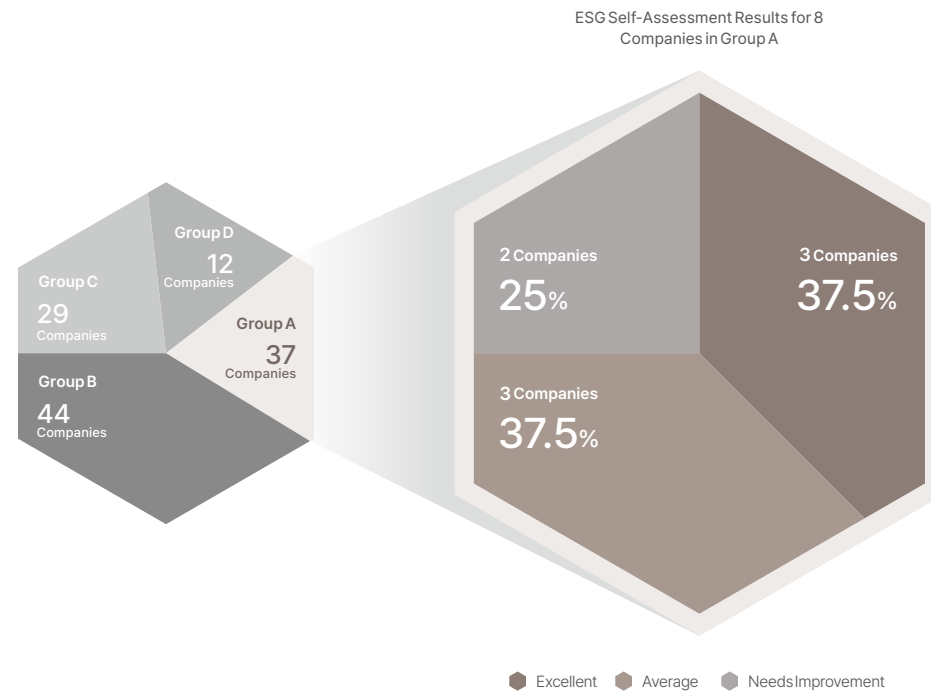
In 2024, LX International conducted supply chain ESG training for its partners. The training content was designed to strengthen capabilities in areas identified as weak in the supply chain ESG evaluation. This was aimed at enhancing partners' awareness and understanding, and supporting them in voluntarily internalizing ESG capabilities. LX International remains committed to creating various systems and support mechanisms to manage ESG risks and improve performance among partners, thereby realizing mutual growth and leading a healthy corporate culture.



Metrics and Targets

Following the ESG evaluation for supply chains, LX International identified high-risk partners through an analysis of the diagnostic results. The supply chain ESG evaluation targeted 122 domestic partners out of a total of 221, excluding those with terminated transactions. Among them, companies in Group A, which have high strategic business importance and ESG risks, were subjected to an ESG self-assessment. As a result, two companies were identified as needing improvement. LX International plans to support these companies in enhancing their ESG management and will continue to strive for consistent ESG management and internalization for supply chains.

Selection of Management Target Partners





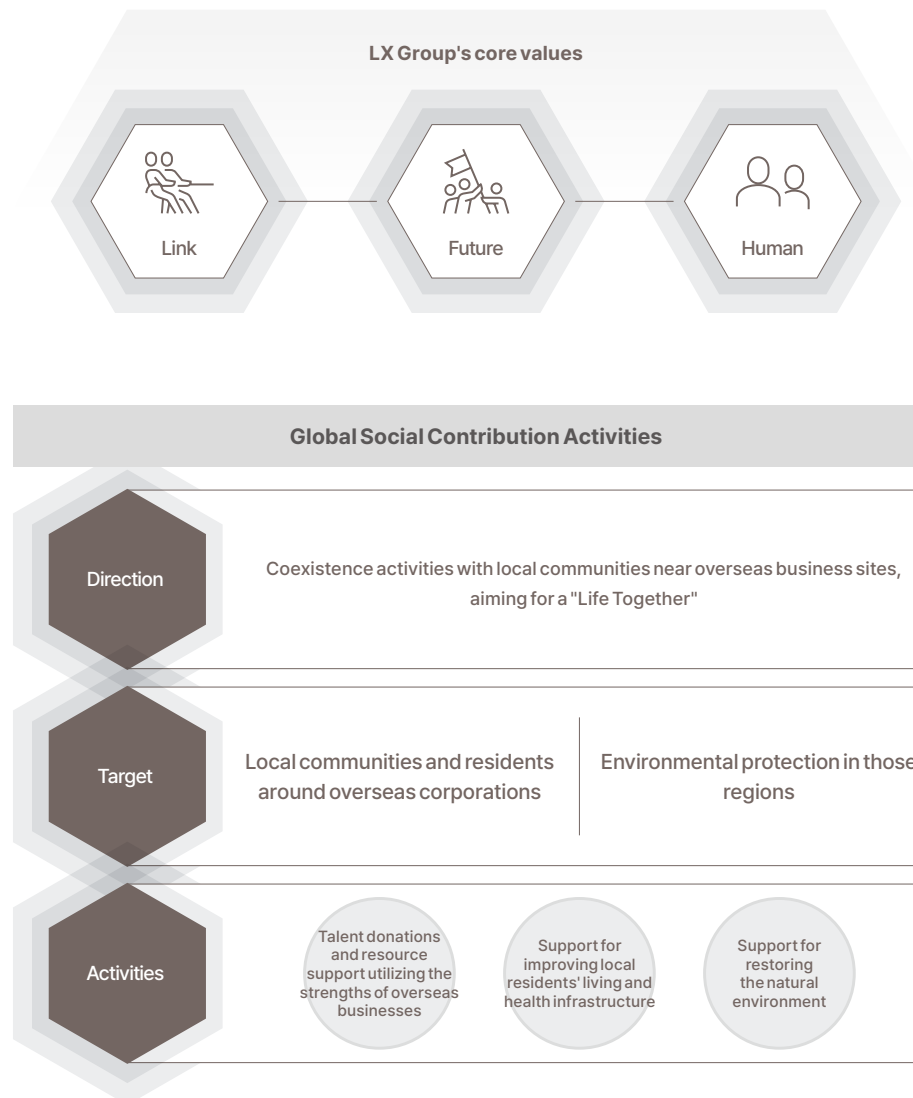
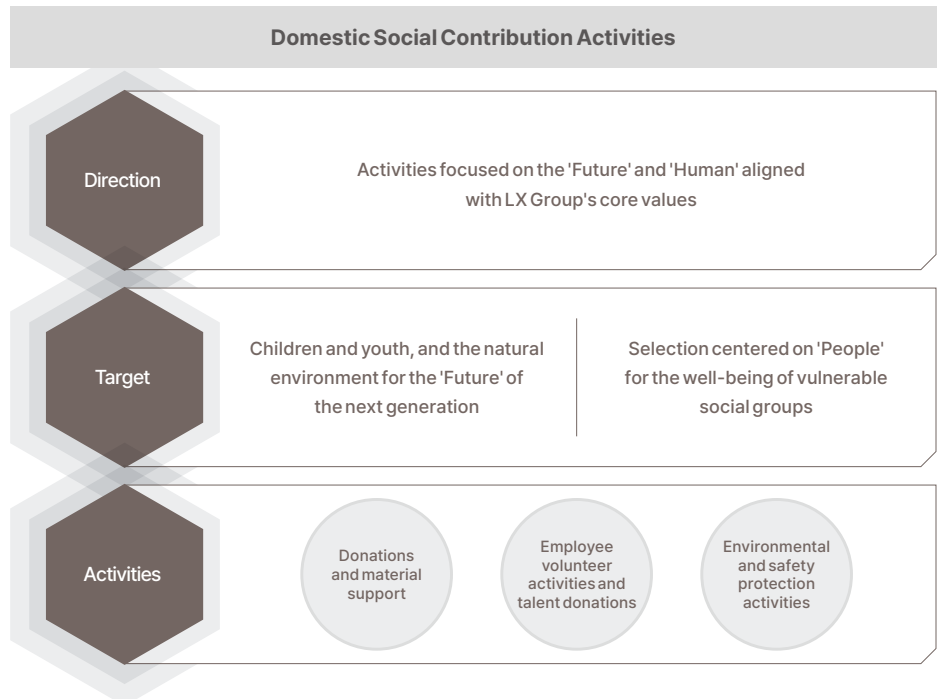
Material Issues
 Social Contribution

Social Contribution System

LX International is committed to fulfilling its corporate social responsibility by implementing the core values of the LX Group and aiming for a "Life Together." Through various social contribution activities linked to the company's capabilities, LX International strives to achieve this goal.

In 2023, domestically, the company engaged in activities such as donating to flood-affected areas, volunteering in collaboration with local communities, and offering talent donation activities for vulnerable groups. Internationally, LX International carried out various activities related to its business characteristics, such as renovating local facilities and supporting medical and educational services for local residents. In 2024, LX International plans to continue promoting social contributions by enhancing internal volunteer groups and activating donation initiatives.

Social Contribution Activity System



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

- Environmental
- Social
  - ESG Risk Management for Supply Chains
  - Social Contribution**
  - Human Resources Management
  - Respect for Human Rights
  - Labor-Management Relations
  - Safety and Health Management
  - Data Protection
  - Social Data
- Governance

APPENDIX

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

ESG Risk Management for Supply Chains

**Social Contribution**

Human Resources Management

Respect for Human Rights

Labor-Management Relations

Safety and Health Management

Data Protection

Social Data

Governance

APPENDIX

## Social Contribution Activities

### 2023 Domestic Social Contribution Achievements

In 2023, LX International continued to fulfill its social responsibilities through various social contribution activities. Donations were made for flood damage restoration and support for displaced residents. Regular activities were conducted for vulnerable children at community children's centers, including tours of the Blue House, visits to exhibitions, and life sports programs. A kimchi Sharing event and support for program operations and donations to Jongno-gu community children's centers were recognized as exemplary cases in the Jongno-gu volunteer newsletter. Additionally, various activities such as the regional center Kimchi Sharing event and blood drives were carried out. LX International plans to expand its social contribution activities in the future, encouraging employee participation and continuing the efforts to fulfill its responsibilities to the community.

### In-house Volunteer Group 'LEXT'

LX International operates an in-house volunteer group 'LEXT' to support employee participation in volunteer activities, donations, material support, talent donations, and environmental / safety protection initiatives. In addition to various domestic social contribution activities, we organize volunteer activities such as blood donation campaigns and charity events to encourage employee engagement. We plan to organize and implement the volunteer activities at least once a month, led by LEXT members, and also encourage and facilitate participation.



### Participation in Gwanghwamun One Team Activities

The Gwanghwamun One Team is a volunteer organization comprising 20 companies, institutions, and organizations located near Gwanghwamun. These entities collaboratively plan and participate in volunteer activities. LX International has participated in the Gwanghwamun One Team's efforts to promote community coexistence and cooperation. In 2023, we engaged in community cleanup campaigns through plogging activities in the Gwanghwamun area. Additionally, we conducted various activities such as sharing food with the elderly and volunteering to help with farming tasks in rural areas. These exemplary activities were also reported in the media.



### Matching Grant System

LX International operates a 'Matching Grant System' in which the company matches the amount donated by employees. Since 2018, we have been steadily accumulating employee donations through the Matching Grant System. In 2023, approximately 190 million KRW was donated to local children's centers and flood-affected areas.

### Support for Vulnerable Children in Jongno-gu

LX International has conducted regular volunteer activities for community children's centers in Jongno-gu. In addition to supporting environmental improvements through donations, we organized cultural experience activities such as tours of the Blue House and visits to exhibitions, as well as volunteer activities for supporting sports programs. In the future, we plan to diversify our programs to continue engaging with children from vulnerable groups.

### Support for Orphanage in Yangpyeong

Cultural experience activities were organized for children at Shinmangwon, an orphanage located in Yangpyeong, Gyeonggi-do. Additionally, donations were made to improve living conditions and support their activities.



### Flood Damage Restoration and Support for Displaced Residents

LX International provided cash donations for the restoration of damage caused by heavy rainfall and for supporting displaced residents. We plan to continue expanding our support to contribute to the community in the future.



## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

Environmental

### ● Social

ESG Risk Management for Supply Chains

### **Social Contribution**

Human Resources Management

Respect for Human Rights

Labor-Management Relations

Safety and Health Management

Data Protection

Social Data

Governance

## APPENDIX

### 2023 Overseas Social Contribution Achievements

LX International supports various social contribution and coexistence activities for the communities where its overseas subsidiaries are located. In 2023, the company engaged in diverse social contribution activities related to its business characteristics, including the provision of firefighting equipment, renovation of local roads and restrooms, medical services such as vaccinations and regular check-ups for pregnant women, and support for educational services at nearby elementary schools. In the future, LX International plans to continue listening to the voices of local communities and expand essential social contribution activities.

### Operation of Community Consultation Channels

To minimize the negative impact on local communities, LX International operates emergency consultation channels to collect and communicate the opinions of local residents where its overseas subsidiaries are located. Employees of the overseas subsidiaries and local residents can freely express their concerns to LX International's respective corporate representatives in case of issues related to plantation operations. The corporate representatives review the collected opinions and provide feedback, taking corrective actions as necessary.



### PT. PAM Social Contribution Activities

PT. PAM, a subsidiary of LX International in Indonesia, carried out the renovation of approximately 33 km of unusable local roads near the plantation and provided firefighting equipment to nine villages to prevent slash-and-burn agriculture and fires. The subsidiary also supported blood donation activities organized by the Indonesian Red Cross, spending about 70 million KRW on social contribution activities in 2023. In 2024, they plan to expand their budget to continue road renovations, disaster recovery, and scholarship support for children from vulnerable groups.



### PT. BNE Social Contribution Activities

As part of its community coexistence efforts, PT. BNE repaired agricultural water channels in nearby villages and supported road paving and landslide recovery for public road improvements. The subsidiary also supported educational activities at nearby elementary schools and plans to engage in various activities in 2024 to improve local public and educational infrastructure.

### PT. TBSM Social Contribution Activities

PT. TBSM primarily supported medical services and pharmaceuticals for local residents, focusing on regular check-ups, vaccinations, and nutritional supplements for pregnant women and infants, and pest control support to improve local health conditions. The subsidiary also supported the renovation of the village infrastructure and plans to undertake bridge replacement and repairs, as well as community center construction projects, in 2024.



### PT. GAM Social Contribution Activities

To contribute to the growth of local talent and future generations, PT. GAM supported various educational initiatives, including hygiene education for children, vocational training for youth, small business operation training, and medical education for pediatric healthcare workers. In 2023, the subsidiary carried out social contribution activities worth approximately 1.3 billion KRW, including support for residential improvements and life infrastructure. They plan to expand these activities in 2024 to further support local residents' income generation and economic self-reliance.



### PT. GUM Social Contribution Activities

PT. GUM supported road maintenance in nearby villages to improve road safety for residents and students commuting to school. Additionally, the subsidiary contributed to the construction of village sports facilities and playgrounds to create a healthy exercise environment for residents and students. In 2023, the subsidiary spent approximately 150 million KRW on social contribution activities and plans to improve communication and educational infrastructure in 2024 by establishing internet usage environments and supporting elementary school teachers.



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

ESG Risk Management for Supply Chains

**Social Contribution**

Human Resources Management

Respect for Human Rights

Labor-Management Relations

Safety and Health Management

Data Protection

Social Data

Governance

APPENDIX

2023 Subsidiaries Social Contribution Achievements

LXPantos

Support for Vulnerable Groups

Since 2016, LX Pantos has been engaged in various social contribution activities to support vulnerable groups, including supporting children battling intractable diseases and aiding vulnerable elderly individuals in the community since 2021. In 2023, LX Pantos was recognized for its efforts to improve child welfare and was awarded a commendation by the Seoul Metropolitan Government. LX Pantos operates a long-term support program that contributes a certain amount to a housing subscription savings account each month for children entering care facilities and provides additional self-support funds upon their departure. The program expands its beneficiary institutions and targets annually, focusing on care facilities near its business sites. Additionally, LX Pantos fosters emotional bonds through experiential learning companionship programs involving children from care facilities and employees. In 2023, LX Pantos supported regular exchanges through the mentoring program "Your Hometown is Always Here," providing diversified programs to ensure children grow up in a psychologically stable environment.



LXPantos

Social Value Expansion  
(VR Learning Playground)

Through its flagship social contribution activity, the "VR Learning Playground," LX Pantos has created a child-exclusive welfare space where children can freely experience basic elementary education courses in subjects such as Korean, English, math, science, as well as various physical activities using VR devices. The VR Learning Playground is the first public VR facility in Korea that is free and open to all children. Following the opening of facilities at Yeongdeungpo Comprehensive Welfare Center and Busan Comprehensive Social Welfare Center, the third facility was established at Jeonbuk Comprehensive Social Welfare Center in 2023. LX Pantos will continue to expand and open such facilities in communities where its business sites are located, ensuring that children in economically disadvantaged areas can access VR devices and content without financial burden, thereby bridging the information gap.



LX Glas

Shared Growth with Communities

At its Gunsan plant, LX Glas engages in social contribution activities based on the needs of various stakeholders in the local community. Through participation in the Environmental Committee of nearby villages, the plant conducts environmental cleanup activities. Additionally, it provides school supplies to elementary school students, supports health check-ups for the elderly, provides sports equipment to student-athletes, and engages in volunteer activities and food supply support for free meal centers. Through these diverse social contribution activities, LX Glas promotes mutual growth and development within the local community.



# Material Issues Human Resources Management

## Talent Management System

### Personnel System

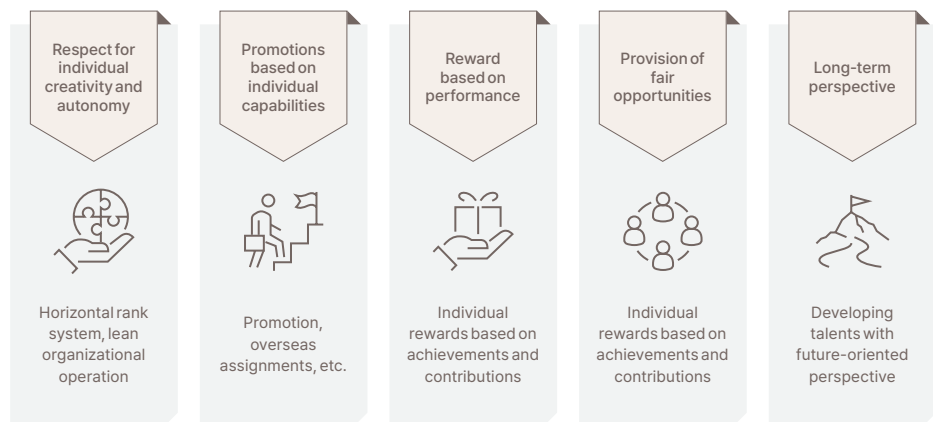
LX International considers its members as its most valuable asset. To enable our employees to accumulate experience and knowledge and unleash their full potential, we have implemented various personnel systems and programs. Our aim is to foster a sense of pride and entrepreneurial spirit among our employees as they grow and excel based on their capabilities.

### Talent Profile

'We strive to develop talents who embody the spirit of being the best, leading the way to a sustainable future through change and a pioneering mindset'.



### Personnel Principles



### Recruitment of New and Experienced Employees

To ensure the timely hiring of outstanding talent, we promote new job openings through various channels. We enhance our recruitment brand by utilizing our character (Lex) on platforms such as YouTube and other social media networks. Additionally, we continuously expand our connections with schools and departments that offer curricula related to our business areas. For experienced hires, we employ various methods, including open recruitment, direct sourcing, and employee referral programs, to attract top talent. In the case of employee referrals, we require a mandatory pledge to prevent any form of improper solicitation.

Recruitment Briefing



### Employee diversity

LX International strives to create an organization where diverse employees can synergize together based on fair and non-discriminatory recruitment, evaluation, and compensation policies, in line with our personnel principles. We do not tolerate discrimination on the ground of gender, nationality, race, disability, or any other factors. We ensure equal opportunities and treatment during the process of employee recruitment and evaluation. We have plans to continuously increase the proportion of female employees and managers. We are committed to creating an environment where all employees can work together based on mutual respect and trust, and we continuously make the efforts towards realizing that goal.

### Support for Retirees

We provide support for employees even after their retirement to ensure a stable life through retirement pension benefits and retirement allowances. Additionally, we offer one-on-one counseling and educational workshops through professional consulting firms to promote a smooth transition and sustained employment for retirees.

## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

Environmental

### Social

ESG Risk Management for Supply Chains

Social Contribution

### Human Resources Management

Respect for Human Rights

Labor-Management Relations

Safety and Health Management

Data Protection

Social Data

Governance

## APPENDIX

## Fair Recruitment and Rational Compensation

### Hiring Outstanding Talent

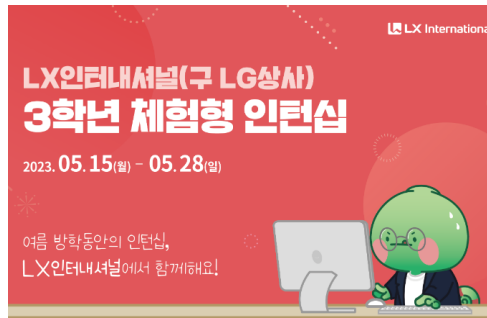
LX International operates a fair and transparent recruitment process. During the document screening stage, we conduct cross-reviews to prevent biased evaluations by individual reviewers. In the interview stage, we use a company-wide interview system involving a third department unrelated to the applicant's desired department to ensure diverse perspectives in the evaluation. Regular interviewer training is conducted to enhance professionalism throughout the hiring process. Additionally, to prevent cheating during online aptitude tests, we have implemented various security measures, including camera monitoring.

### Internship Program Linked to Recruitment

To ensure the timely recruitment of the outstanding candidates suitable for specific job roles, we have implemented an internship program linked to new recruitment. In 2023, we conducted a total of two internship programs linked to recruitment. Prior to posting job advertisements, we provided the necessary information to applicants through online and offline recruitment information sessions to facilitate their smooth participation in the recruitment program. Additionally, to ensure the fair assessment of the interns' potential, we conducted weekly evaluations and systematically evaluated their performance. The opinions of the mentors, recruitment personnel, and supervisors from the target departments are taken into consideration when assessing whether the interns should be offered regular employment opportunities.

### Operation of an Experiential Internship

We provide experiential internship opportunities for undergraduate students in their third year of university during vacation periods, allowing them to gain firsthand experience in their desired fields. We provide job experience and various programs to ensure that talented individuals can develop a sense of belonging to the company even before they graduate from university.



### Business Academy

The Business Academy program is an educational program designed to enhance the professional competencies of the applicants in key business areas over a period of approximately one month. During the four-week training period, participants attend various courses such as fundamental finance and practical trade. Exceptional performers in the program are given the opportunity to participate in an internship program linked to recruitment. This allows them to apply the knowledge gained during the training program to real-life industry settings, providing practical experience.



### Candidate Experience Management

LX International considers applicants participating in the recruitment process as important customers. We strive to ensure that each applicant does not experience any inconvenience during the recruitment process by improving the recruitment process guide, and enhancing the environment of waiting and interview rooms. We also maintain consistent communication from the announcement of acceptance to the actual joining date, offering welcome gifts, welcome kits, and onboarding guidebooks.



### Fair Performance Evaluation and Compensation

LX International provides feedback on individual goals and objective performance records through a continuous performance management system. We ensure the objectivity of evaluations and compensation by having regular meetings between employees and their leaders to discuss set goals and achieved results. To periodically assess and enhance individual competencies, we have introduced the "Competency Up Meeting" system, which supports long-term career growth in addition to short-term performance. Additionally, we conduct leadership surveys to evaluate key skills such as communication and feedback, and run leadership training programs to support skill improvement. For fair compensation, we implement a personalized salary system that reflects individual competency and achievement evaluations. To motivate employees through differentiated rewards based on work performance, we provide various allowances and bonuses, including position allowances, management performance bonuses, individual performance bonuses, and spot bonuses.

## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

### Environmental

#### ● Social

- ESG Risk Management for Supply Chains
- Social Contribution
- Human Resources Management**
  - Respect for Human Rights
  - Labor-Management Relations
  - Safety and Health Management
  - Data Protection
  - Social Data

### Governance

## APPENDIX



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

ESG Risk Management for Supply Chains

Social Contribution

Human Resources Management

Respect for Human Rights

Labor-Management Relations

Safety and Health Management

Data Protection

Social Data

Governance

APPENDIX

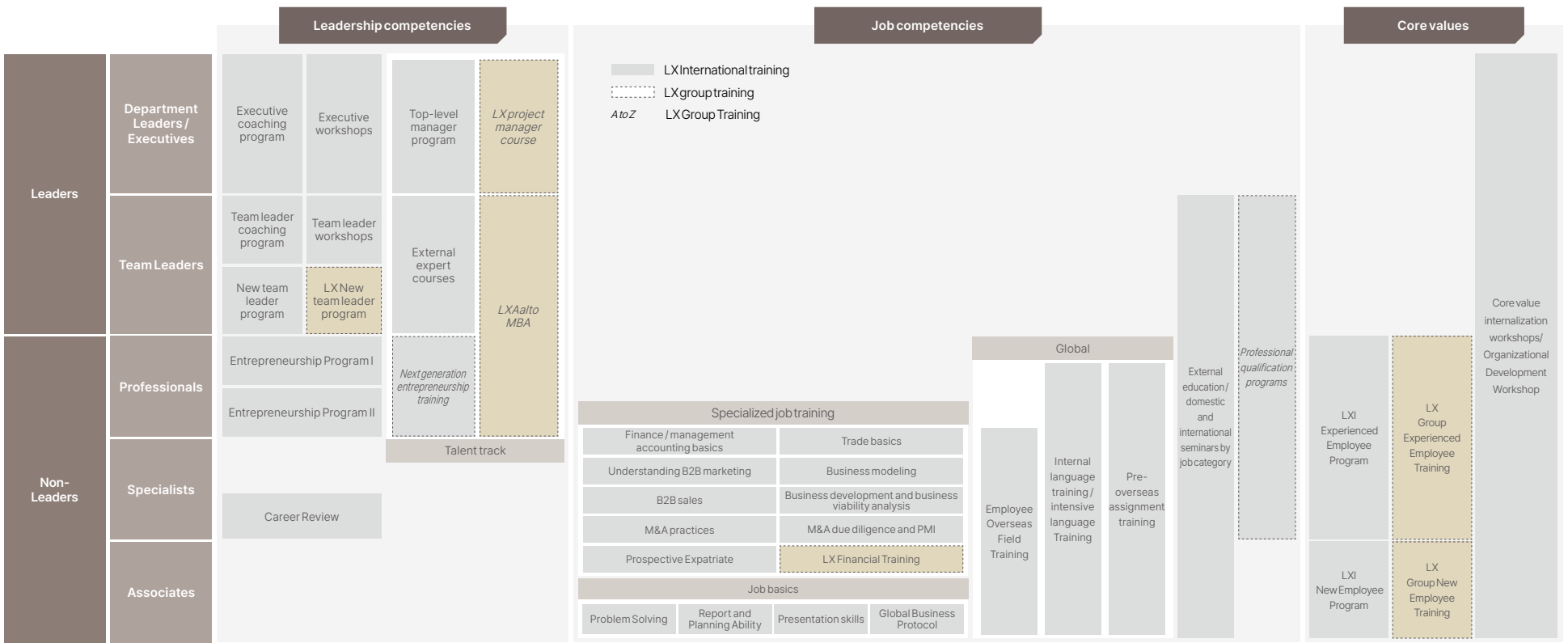
Employee Skills Development

Talent Development System

LX International has adopted a systematic approach to developing global entrepreneurs and experts. We provide leadership training based on job levels and job-specific training at different skill levels. Additionally, we continually furnish pre-assignment training to overseas expatriates to enhance global competencies, as well as in-house language education and intensive language training to improve language skills.

Enhancing the Effectiveness of Training Programs

To assess the effectiveness of our training programs, we conduct post-training surveys targeting all participants. Following Kirkpatrick’s Training Evaluation Model, we evaluate various aspects such as Level 1: course satisfaction, Level 2: improvement of job knowledge / skill, and Level 3: application of learning to the job. This comprehensive evaluation allows us to determine whether the training programs have an impact on the actual job performance and identify the areas for improvement. The effectiveness evaluation of the 2023 training programs resulted in a course satisfaction score of 4.6, an improvement in job knowledge/ skills score of 4.5, and a job applicability score of 4.4, all out of a maximum of 5 points.



## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

Environmental

### ● Social

ESG Risk Management for Supply Chains

Social Contribution

### Human Resources Management

Respect for Human Rights

Labor-Management Relations

Safety and Health Management

Data Protection

Social Data

Governance

## APPENDIX

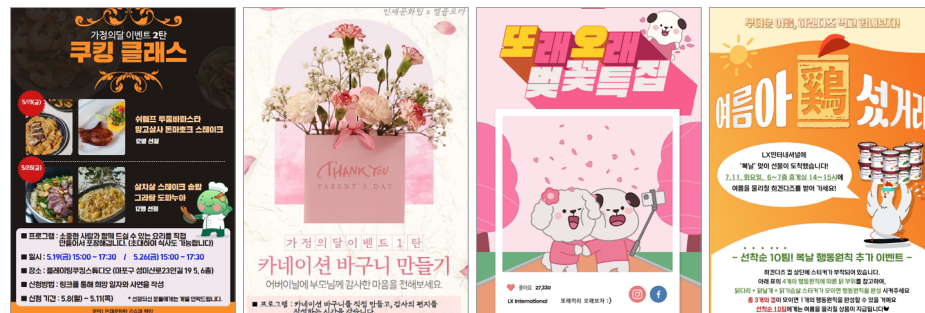
### New Employee Caring Program and Overseas Field Training

To enhance the organizational and job understanding of new hires and improve their adaptability, we implement a program for organizational adaptation for up to two years after joining. For employees who have worked for more than one year, we conduct overseas training at investment sites to increase their understanding of on-site operations. Additionally, through interdepartmental exchange programs, peer networking sessions, and mentoring programs, we systematically support new hires to adapt to the company by sharing company adaptation know-how, stress management techniques, and organizational vision.



### Organizational Culture Program

We operate various programs to create an organizational culture where employees can work happily. We conduct programs to promote networking among new and existing employees and support team workshops to strengthen organizational capabilities and team belonging. On special days throughout the year, such as Family Month and Cheer-up Day, we plan and run events for employees.



### In-house Study Program

To foster a culture of voluntary learning and personal skill development, we provide support for study groups among our headquarters employees. This support includes covering the costs of study materials, online courses, and meal expenses. In 2023, a total of ten study groups were formed on topics such as market trend analysis, work efficiency improvement, ChatGPT, book discussions, and foreign language proficiency enhancement.

### Providing Special Lectures

To ensure that employees stay informed and gain valuable insights, we conduct various special lectures on a wide range of topics. In 2023, a total of 7 guest lectures were held, covering diverse subjects such as market trends, policy issues, and in-depth business knowledge.

### Online Learning Platform Established

In addition to our in-house education programs, we have established an online learning platform to meet the individual learning needs of our employees. On this platform, we provide a variety of learning content and support employees' reading activities and access to academic papers through our in-house e-library.



**LX International**

SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

www.lxinternational.com

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

ESG Risk Management for Supply Chains

Social Contribution

Human Resources Management

Respect for Human Rights

Labor-Management Relations

Safety and Health Management

Data Protection

Social Data

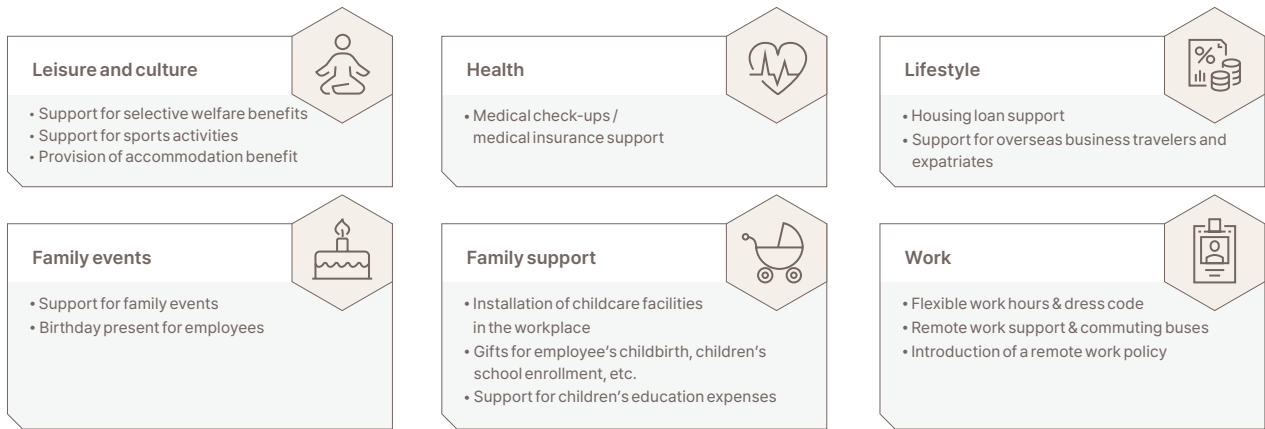
Governance

APPENDIX

Work-Life Balance

Employee Welfare

LX International strives to provide a conducive work environment for its employees, allowing them to fully utilize their work capabilities. To achieve this, we have established and implemented various welfare programs in different areas. In addition to welfare programs such as leisure and culture, family events and family support, we strive to create a comfortable work environment for our employees by providing simple breakfasts every morning and fruit cups in the afternoon.



Flexible Working Hours and Remote Work System

Since 2018, we have implemented a flexible working hours system, allowing employees to set their own work hours according to their work style, increasing job engagement. As long as they comply with core working hours and legal working hours, employees can freely set their start and end times. The remote work system, based on autonomy, responsibility, and trust, enhances work efficiency and concentration by allowing employees to align their work with their lifestyle.

Maternity and Childcare Support

To support our employees' families, we operate a variety of maternity and childcare support systems, including on-site daycare centers, family care leave, shortened working hours during pregnancy, and providing gifts for childbirth and pregnancy celebration. These initiatives help maintain a family-friendly atmosphere and support the balance between family and work. Based on this organizational culture, we have obtained the "Family-Friendly Company" certification. In 2024, we plan to strengthen support for all employees regarding childbirth and childcare, aiming to grow as a family-friendly company and contribute to alleviating the low birth rate. We will explore various support measures through studying and benchmarking the maternity and childcare systems implemented by competitors.



Material Issues

# Respect for Human Rights

## Human Rights Management System

### Organization Dedicated to Human Rights Management

We foster trust and cooperation among all stakeholders, including our employees, under the management philosophy of respect for human dignity. For this purpose, we have developed and are operating a human rights management system based on Jeong-Do Management, and have set and implemented ethical standards as the criteria for proper conduct and value judgments that the executives and employees must follow. Our human rights management is operated in cooperation with the Ethics Bureau and HR team. We have established operational directions to disseminate a culture of respect for human rights within the organization and conduct human rights training for the employees to embed it.

### Human Rights Principles

The Code of Ethics, which is the foundation of our employee’s principle of conduct, stipulated the respect for employee human rights and the prohibition of discrimination in Chapter 5 ‘Responsibility for Employees.’ It specifies that employees should be treated fairly, such as respecting human rights and providing equal opportunities, respecting individual privacy, and not being discriminated against for unreasonable factors, so that employees can develop themselves as equal talents. Moreover, we strive to safeguard and enhance the human rights of the local workers not only at the headquarter but also at overseas business sites. We have also developed and operated the Standard Operational Procedure (SOP) to comply with the labor laws of the local country and ensure that the workers work in an environment where safety and human rights are safeguarded.

### LX Code of Ethics Chapter 5. Responsibilities for Employees



LX treats each employee with **warmth** and **trust** and values every **individual's dignity**.

### Human Rights Declaration

LX International announced its Human Rights Declaration in accordance with international standards, such as the 'Universal Declaration of Human Rights,' UNGC 'Principles on Human Rights and Labor,' and UN 'Guiding Principles on Business and Human Rights.' Under the Declaration of Human Rights, we will endeavor to protect human rights, adhering to the principles of respect for human rights, the prohibition of discrimination, the prohibition of forced labor, the prohibition of child labor, compliance with working hours and working conditions, freedom of association, safety and environment in the workplace, and the protection of the human rights of local residents.

## Human Rights Declaration

Under the vision of 'Future in Business Solutions', LX International proactively addresses the customer pain points and develops the business models and solutions that identify and deliver differentiated customer value, paving the way for the future growth and change. In this process, LX International fosters autonomous management based on autonomy and responsibility in line with LX's 'human rights management', and puts its utmost priority on the respect for human rights with equal trust and sincere affection for people. Accordingly, we will support and comply with the key human rights principles noted in the international guides such as the 'UN Universal Declaration of Human Rights', 'UN Guiding Principles on Business and Human Rights' and the human rights principles presented by the OECD Due Diligence Guidance for Responsible Business Conduct. We will not only spearhead the efforts to protect the human rights of our employees, but also actively implement human rights management through activities that respect the human dignity and basic rights of all stakeholders.

1. We stipulated respect for the employees' human rights and the prohibition of discrimination in Chapter 5 of the LX Code of Ethics, 'Responsibilities for Employees', which is the foundation of the employee's code of conduct, and strive to internalize it to all our members. Based on mutual trust and affection, we treat each employee as an independent individual, and we do not tolerate any acts that violate this whatsoever.
2. We prohibit involuntary work through mental or physical coercion, and forbid the employment of child workers.
3. We adhere to local laws and regulations in creating an environment where human rights and safety are safeguarded for employees at Headquarter and overseas sites so that human dignity and a stable life can be preserved.
4. We respect the diversity of our employees, do not discriminate based on personal identity such as gender, age, origin, race, religion, or disability, and establish a fair and reasonable working environment. In particular, we provide equal opportunities for employment based on job qualifications and competencies.
5. We endeavor to ensure that all members of the company, subsidiaries, and partner companies can work in a safe and pleasant working environment through continuous safety and health management activities.
6. We enhance human rights management within the supply chain and disseminate a culture that respects and safeguards human rights in our subsidiaries and partner companies.
7. We actively collaborate in activities to improve the quality of life and protect human rights in order to coexist with external customers, shareholders, and local communities.

## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

Environmental

### ● Social

ESG Risk Management for Supply Chains  
Social Contribution  
Human Resources Management  
**Respect for Human Rights**  
Labor-Management Relations  
Safety and Health Management  
Data Protection  
Social Data

Governance

## APPENDIX



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

- ESG Risk Management for Supply Chains
- Social Contribution
- Human Resources Management
- Respect for Human Rights**
- Labor-Management Relations
- Safety and Health Management
- Data Protection
- Social Data

Governance

APPENDIX

Human Rights Management Activities

Internalization of Human Rights Management

LX International conducts legally mandated training to promote a culture of respect for human rights. This includes disability awareness training, sexual harassment prevention training, and workplace bullying prevention training. To ensure that all employees are well-versed in these important topics, we provided a one-month online learning program for domestic and international employees. Thanks to the active participation of our employees, we achieved a 100% completion rate for the annual training in 2023.

Human Rights Management Training

| Training Name  | Key Content  | Annual Completion Rate |
|--|--|------------------------|
| Disability Awareness Training                                    | <ul style="list-style-type: none"><li>How to view disabilities</li><li>Understanding disabilities</li><li>Protecting the rights of persons with disabilities</li><li>Working together with disabled colleagues</li></ul>   | 100%                   |
| Training on the prevention of sexual harassment in the workplace | <ul style="list-style-type: none"><li>Laws related to sexual harassment in the workplace</li><li>Concept and types of sexual harassment in the workplace</li><li>Cases of sexual harassment in the workplace</li><li>Employer responsibilities regarding sexual harassment in the workplace</li><li>Response to sexual harassment in the workplace and internal procedures</li></ul> | 100%                   |
| Training on the prevention of workplace bullying                 | <ul style="list-style-type: none"><li>Workplace bullying education background and conventional discipline</li><li>Related laws such as the Labor Standards Act</li><li>Concept and criteria of workplace harassment</li><li>Workplace bullying case study</li><li>Ways to prevent and respond to workplace bullying</li></ul>  | 100%                   |



Grievance Handling System

Operation of Grievance Handling System

We operate an in-house grievance handling center to establish a healthy organizational culture through handling the grievances of the employees. We receive reports on workplace sexual harassment and bullying through a hotline which the Ethics Bureau, HR team, and the labor-management council are in charge of, and make every efforts to respond to such cases rapidly and appropriately. Filing for grievance can be made via the extension number or the personal contact number of the employee in charge, or the counseling link provided in the grievance handling center.

Grievance Reporting Process and Informant Protection

The confidentiality regarding details of the consultation and the identity of the informant are strictly ensured, unless the person gives consent. After receipt of a grievance, we conduct an investigation on the relevant matters and consultation with the informant, and based on this, we take disciplinary action and personnel management measures according to the confirmed facts. We also carry out thorough follow-up measures to prevent further damages.

Grievance Handling Process





# Labor-Management Relations

## Labor-Management Council : Future Board

LX International has established a labor-management council called the ‘Future Board’ to promote employee welfare and the healthy development of the company. The establishment and operation of the labor-management council are governed by its Articles of Incorporation, and the application rate of the labor-management council’s operating regulations is 100%, applicable to all LX International employees. The Future Board, as its name suggests, is a council for preparing for the future. As of 2023, it consists of seven employee representatives and seven management representatives. The seven employee representatives are directly elected through employees’ voting. The Future Board engages in various activities aimed at improving company-wide systems and an organizational culture.

### Mission and Role of the Future Board



## Operation and Key Activities of the Future Board

The Future Board operates through regular quarterly meetings called the ‘Company-wide Board Meeting’ and maintains ongoing communication through various consultative bodies. In 2023, under the slogan of ‘Creating a Company Where People Want to Work’, the Future Board initiated various improvement activities in terms of work efficiency, organizational vitality, and welfare enhancement. In terms of work efficiency, we have focused on promoting the communication tool ‘Slack’. To invigorate the organization, we have organized events such as Family Month celebrations, Cheer-up Day events, and snack events for team members. To improve employee welfare, we introduced the ‘Happy Friday’ system and proposed various discussion agendas, including enhancements to maternity and childcare systems and the modernization of travel expenses.

### Operation of Future Board Committees

| Category                   | Frequency  | Attendees   | Key topics  |
|----------------------------|------------|---|---|
| Company-wide board meeting | Quarterly  | Employee representatives at the Future Board Management representatives at the Future Board | Sharing company management status, proposing cross-company activities, etc.                         |
| Working committee          | Bi-monthly | Employee representatives at the Future Board / Department heads in charge                   | Sharing business unit activities, examining possibilities for improvement in welfare benefits, etc. |
| Intermeeting               | Monthly    | Employee representatives at the Future Board / HR managers                                  | Sharing Voice of the Employee (VOE), developing activity plans, etc.                                |

## i-Round

LX International actively promotes communication with its employees through a unique town hall meeting called i-Round. i-Round is conducted every quarter and aims to enhance transparency by sharing management updates and business directions directly with the employees. This initiative focuses on strengthening organization- wide communication and fostering employee engagement through participatory programs.



## Management Meetings

We operate meetings with the CEO to enhance the understanding of company management and future vision, as well as to strengthen communication between the management and employees. We have made efforts to expand the meetings from being exclusively for the management team to include all executives, creating a flexible and open atmosphere for engaging in discussions on various topics. To encourage voluntary participation from employees, we openly accept applications, promoting active communication within the organization.



## Activating Internal Cultural Activities

We are fostering a culture where employees can naturally enhance communication through diverse cultural activities. By organizing sports competitions such as table tennis tournaments, we create opportunities for interaction between the departments, fostering camaraderie among colleagues and fostering a sense of unity between senior and junior employees. Additionally, we promote a culture of recognition within the company and plan initiatives such as lifestyle improvement challenges to expand the interaction among colleagues and form a healthy organizational culture.



## Operation of Company-Wide Anonymous Bulletin Board

We operate a company-wide anonymous bulletin board called ‘Raon Lounge’ to provide employees with a platform to freely express their opinions and hear honest voices from employees about their departments and the company. Through this platform, we can assess employee satisfaction levels and address their concerns, gathering feedback to implement necessary improvements.

## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

### Environmental

#### ● Social

- ESG Risk Management for Supply Chains
- Social Contribution
- Human Resources Management
- Respect for Human Rights
- Labor-Management Relations**
- Safety and Health Management
- Data Protection
- Social Data

### Governance

## APPENDIX



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

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# MaterialIssues Safety and Health Management

## Safety and Health System

### Safety and Health Management System

LX International employs a comprehensive and systematic approach to ensure safety and health across domestic and international business sites, continuously improving the system. Domestically, we have established an autonomous safety and health management system for our headquarters based on safety regulations requirements. To comply with safety and health obligations in contracting, service, and outsourcing relationships, we have clarified the principles and operational standards for adhering to the safety and health management system and have organized related forms for systematic management. The safety and health management system applied domestically covers business activities that are effectively controlled, operated, and managed by the company within the scope of its management activities in the country. We will continue to comply with the implementation of the safety and health management system and strive to contribute to maintaining and enhancing safety and health at our business sites.

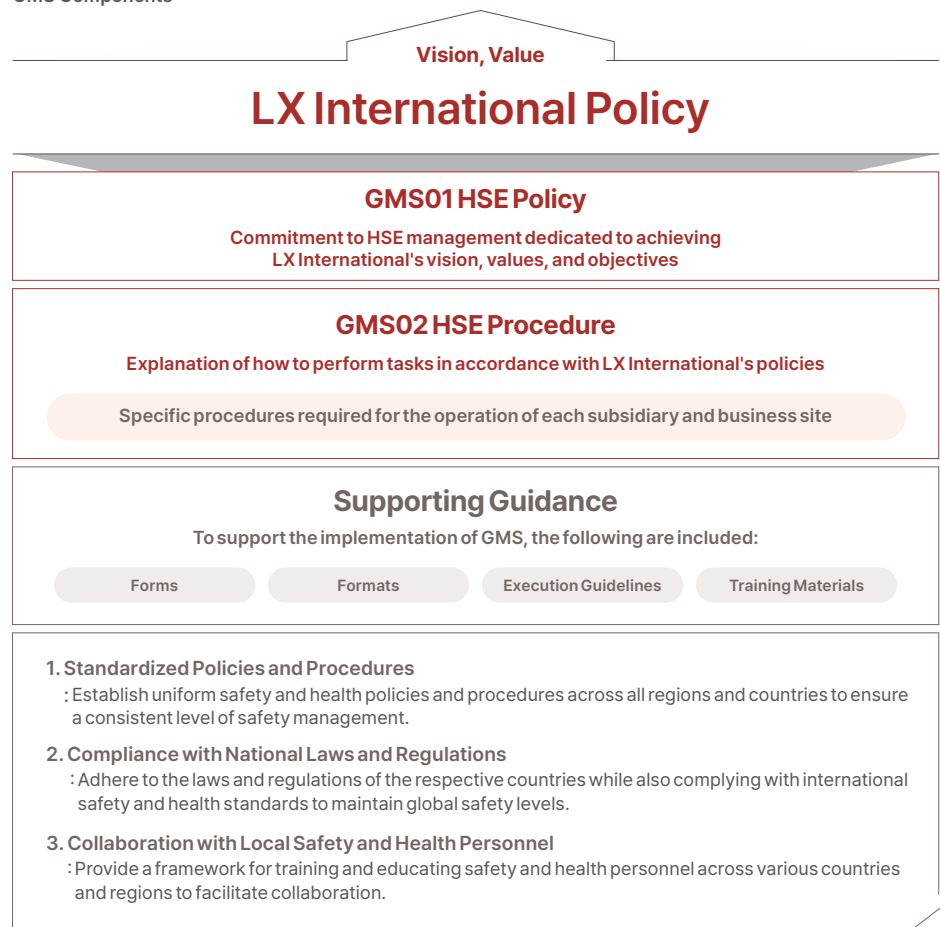
### LX International Safety Principle



### Overseas Business Safety and Health Management System

For overseas business operations, we have established and are operating the Global Management System (GMS). The GMS is a management system formulated to consistently implement LX International's safety and health management policies in all countries. It applies to all regions where we operate and encompasses all products and services provided by the company.

### GMS Components



## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

Environmental

### Social

ESG Risk Management for Supply Chains  
 Social Contribution  
 Human Resources Management  
 Respect for Human Rights  
 Labor-Management Relations  
**Safety and Health Management**  
 Data Protection  
 Social Data

Governance

## APPENDIX

LX International

SUSTAINABLE FUTURE  
 WITH BUSINESS SOLUTION

www.lxinternational.com

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

ESG Risk Management for Supply Chains  
 Social Contribution  
 Human Resources Management  
 Respect for Human Rights  
 Labor-Management Relations

**Safety and Health Management**

Data Protection  
 Social Data

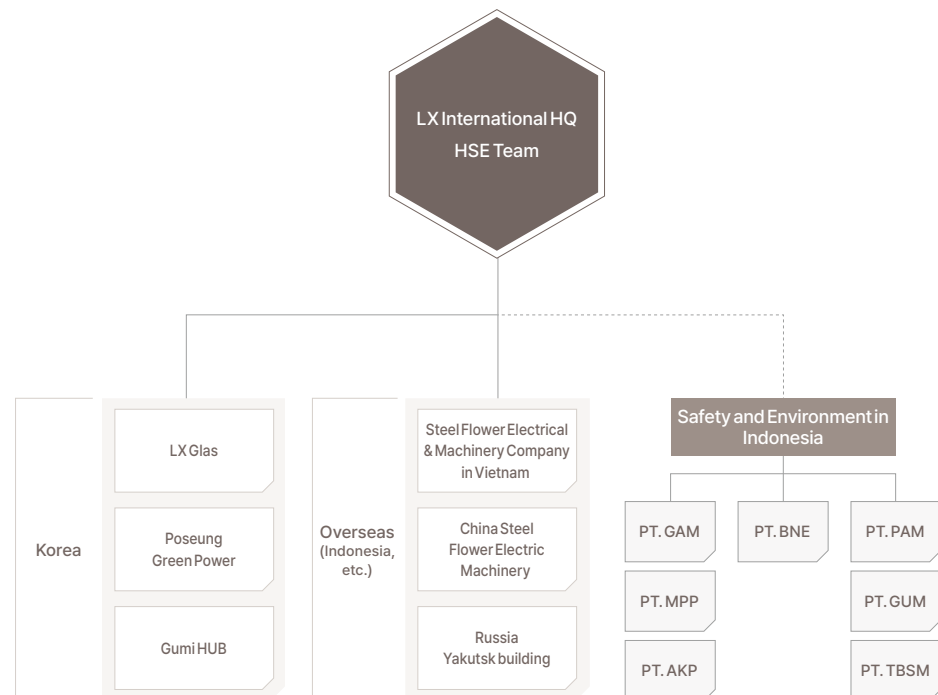
Governance

APPENDIX

**Organization Dedicated to Safety and Health**

We concentrate on safety and environment work from the perspective of the company centered on the HSE Team, an organization specialized in safety and environment at the Headquarters. The HSE Team manages the company standard safety environment system and system, devises strategies according to internal and external safety environment trends, and advances the safety management of new domestic and existing overseas businesses. We monitor the status of safety management at domestic and overseas business sites, conduct regular safety inspections, and enhance expertise in safety and the environment by securing professional talents according to the business characteristics of each business site. In the case of the Indonesian business site, a safety environment aspect is separately operated, and safety environment competencies have been enhanced by establishing a safety environment management system and reorganizing the safety environment, organization, and work at the workplace.

**Domestic and Overseas Roles and Responsibilities for Safety and Environment**



**Safety and Health Policy**

In accordance with LX International's safety and health management policy, we prioritize safety and health as our highest value, striving to ensure the safety and health of stakeholders by creating a safe workplace and a pleasant working environment. To promote a safety culture, we updated our safety and health management policy in January 2024. All members of the organization share and practice the company's safety and health management policy and its values.

**Safety and Health Management Policy**

**Safety and Health Management Policy**

LX International considers safety and health as the highest priority and sets the following policy and goals to secure the safety and health of stakeholders and to spread a mature safety culture by creating a safe workplace and a pleasant working environment.

1. Recognize "creating a safe workplace and a pleasant working environment" as the highest value in management.
2. Establish and continuously operate a safety and health management system to prevent accidents.
3. Periodically identify risk factors and ensure that the identified risks are improved by providing sufficient human and material resources.
4. Establish and faithfully implement internal regulations that comply with safety and health-related laws.
5. Prevent accidents through the participation and consultation of all workers, including subcontractors.
6. Build and develop a mature safety and health culture through active communication with stakeholders.

January 03, 2024

Yoon Chun Sung, CEO of LX International

## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

Environmental

### ● Social

ESG Risk Management for Supply Chains

Social Contribution

Human Resources Management

Respect for Human Rights

Labor-Management Relations

**Safety and Health Management**

Data Protection

Social Data

Governance

## APPENDIX

### Company-wide Safety and Health Committee

LX International presents and decides on safety and health-related matters through company-wide safety and health meetings. The safety and health committee reviews policies, procedures, training programs, and accident analysis results related to safety and health. Additionally, the HSE Team shares necessary updates with all employees during weekly company meetings. In 2023, the results of 17 safety and health activities were shared, including key policies and implementation guidelines such as year-end safety management reinforcement and accident reporting standards. Training on basic safety and health knowledge, such as forklift safety and chemical management, was also provided. LX International plans to consistently maintain the safety management committee as a channel to ensure the safety and health of all employees.

### Compliance with Safety and Health Regulations

LX International monitors compliance with domestic and international regulations, regularly checking adherence to the relevant safety and environmental laws. The HSE Team conducts internal audits to verify compliance or reviews it through self-assessments at each business site. We also use the services of specialized regulatory monitoring companies to prevent risks related to non-compliance. Through compliance evaluations, we check adherence to industrial safety and health laws and the Serious Accidents Punishment Act, identifying areas for improvement and implementing solutions. To maintain sustainability, we provide ongoing training to employees to ensure they have the necessary skills for regulatory compliance.

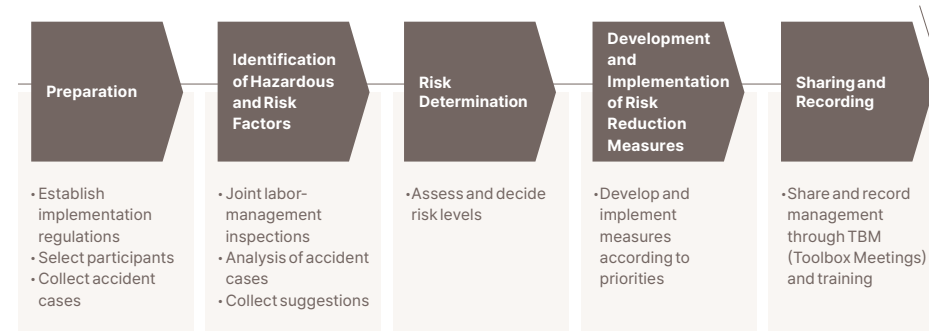
### Identification of Hazardous Risk Factors and Risk Assessment

LX International periodically identifies hazardous and risk factors in safety and health, estimates and determines the risks, and takes actions to reduce these risks. In domestic operations, risk assessments are conducted for the headquarters office and business trips, including reviews for musculoskeletal disorders and VDT (Visual Display Terminal) tasks. In overseas operations, detailed risk assessments are conducted for specific tasks at each business site. Identified hazardous risk factors are evaluated for the likelihood (frequency) and severity (intensity) of causing injury or illness, and mitigation measures are established and implemented.

### Safety and Health Monitoring

LX International conducts annual safety and health diagnostics to comprehensively evaluate the status of safety and health within the organization, identify areas for improvement, and take the necessary actions. The diagnostic results include the operational status of the safety and health management system, safety awareness and culture, risk assessment and response, accident analysis and prevention, and the effectiveness of training programs. Diagnostics were conducted for six business sites in Indonesia, and one each in China and Vietnam. These diagnostics play a crucial role in enhancing organizational safety management levels and strengthening accident prevention. Safety and health management evaluations conducted for two domestic subsidiaries aim to assess and improve the safety and environmental management levels the subsidiaries, encouraging the establishment of autonomous safety and health management systems. The safety and environmental management evaluation checklist verifies the management status of each item, contributing to risk elimination and sustainable management.

#### Safety and Health Monitoring Process



#### Safety and Health Monitoring Items

|  |  |
|--|--|
| <input checked="" type="checkbox"/> Leadership and worker participation in safety and health | <input checked="" type="checkbox"/> Implementation status of the production line responsibility system |
| <input checked="" type="checkbox"/> Setting safety and health management policies and goals  | <input checked="" type="checkbox"/> Safety management of subcontractors                                |
| <input checked="" type="checkbox"/> Procedures for reflecting employee opinions              | <input checked="" type="checkbox"/> Management of work environment and worker health                   |
| <input checked="" type="checkbox"/> Operation of the safety and health management system     | <input checked="" type="checkbox"/> Chemical management  |
| <input checked="" type="checkbox"/> Procedures for identifying and improving risk factors    | <input checked="" type="checkbox"/> Environmental management and GHG emissions management              |

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

- ESG Risk Management for Supply Chains
- Social Contribution
- Human Resources Management
- Respect for Human Rights
- Labor-Management Relations
- Safety and Health Management**
- Data Protection
- Social Data

Governance

APPENDIX

Implementation of Key Safety and Environmental Initiatives

LX International annually selects and operates key safety and environmental initiatives. By setting and achieving the goals for each business site according to our safety and health policies, we strive to create a safe and healthy working environment across all LX International operations. In 2023, we divided the initiatives into company-wide tasks and site-specific tasks. Company-wide tasks included expanding the implementation of risk assessments, ensuring rapid initial response capabilities during disasters, and enhancing emergency response capabilities through emergency drills. Site-specific tasks included achieving high ratings in evaluations/certifications from local governments, improving the safety and health infrastructure at business sites, and strengthening safety and health education for workers.

Company-wide Safety and Health Goals and Common Tasks

| Vision     | Achieve zero accidents in domestic and international operations!   |  |   |
|------------|--|--|---|
| Objectives | Detect risks and respond swiftly   | Standardization of Operations  | Expansion of Exchanges and Support  |
| Strategies | <ul style="list-style-type: none"> <li>Safety inspections by timing and target</li> <li>Legal Compliance Evaluation</li> </ul> | <ul style="list-style-type: none"> <li>Streamlining through standardized procedures</li> <li>Monitoring of Safety, Environmental, and Health Implementation</li> </ul> | <ul style="list-style-type: none"> <li>Enhancing company-wide safety and environmental roles</li> </ul> |
| Key Tasks  | Emergency Response Drills and Improvements   | Conduction and Improvement of Risk Assessments   | Monthly Thematic Inspections  |

Distribution of 2023 Safety and Environmental Best Practices

LX International identified and corrected the improvements found during safety diagnostics, discovering best practices at each business site. To support employees' safety and environmental activities, we distributed a collection of best practices across the company.



Industrial Accident Management

Industrial Accident Management

LX International monitors data such as industrial accident rates, number of accidents, and fatalities annually to prevent and manage industrial accidents. Over the past three years, there have been zero major industrial accidents in LX International's domestic operations, maintaining a record of zero safety incidents.

Industrial Accident Statistics for the Past Three Years

| Industrial Accident Rate | Number of Industrial Accidents | Number of Injuries and Fatalities |
|--------------------------|--------------------------------|-----------------------------------|
| 0%                       | 0 cases                        | 0 people                          |

Voluntary Agreement for the Improvement of Chimney Sampling Work Environment

Poseung Green Power has signed a voluntary agreement with the Capital Area Air Quality Management Office to improve the work environment for chimney sampling to ensure worker safety. Chimney sampling involves workers climbing chimneys to check for pollutant emissions, which poses the risks of falls and falling objects. Poseung Green Power has installed safety nets on the measurement platforms and will continue to make efforts to improve the working environment at the business site.





OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

- ESG Risk Management for Supply Chains
- Social Contribution
- Human Resources Management
- Respect for Human Rights
- Labor-Management Relations
- Safety and Health Management**
- Data Protection
- Social Data

Governance

APPENDIX

Safety and Health Management Awards for Indonesia PT. TBSM

LX International's overseas subsidiaries are making extensive efforts to prevent industrial accidents. Recognizing these efforts, Indonesia PT. TBSM received awards for "Excellent Safety and Health Management (SMK-3)" and "Excellent HIV/AIDS Prevention and Management" from the governor during the Safety and Health Emphasis Month event in early 2024.



Installation of Personal Protective Equipment Storage and the Separate Operation of Harvesting Tools at PT.PAM Subsidiary

To prevent workplace accidents, PT.PAM subsidiary is expanding the installation of personal protective equipment (PPE) storage facilities at worksites. Particularly, to prevent safety accidents, they have set up separate storage for harvesting tools (large blades), which workers previously kept at home and carried to and from work.



- \* Installation of Personal Protective Equipment Warehouses (3 completed, target of 10)
- \* Installation of Harvest Tool Warehouses (20 completed, target of 28)

Expansion of Safety and Health Culture

Strengthening Emergency Response and Establishing Rescue Centers at PT.GAM

At PT.GAM mining site, the emergency response team has been reinforced, and a new rescue center has been established. This investment aims to minimize damage in emergencies. The mining operations involve constant risks such as collapses and collisions between equipment. To ensure a quick response to accidents, professional rescue personnel have been added on-site at GAM. Additionally, an emergency rescue center has been set up, and one fire truck and one rescue work vehicle have been introduced, forming a 24-hour standby system.

Safety Principle Education

LX International conducted Safety Principle training for its subsidiaries, emphasizing that "achieving zero accidents is difficult without the development of a safety culture." This training aimed to instill this recognition among employees.

Year-End and New Year Safety Management Enhancement

From the end of 2023 to early 2024, LX International's domestic and overseas operations and subsidiaries set a period to strengthen safety management, achieving zero safety accidents through thorough safety oversight. According to industrial accident statistics, the number of industrial accidents occurring from December to January tends to be higher than at other times of the year. Therefore, special inspections were conducted focusing on slips, falls, and traffic accidents, and one-point lesson training for workers was carried out.



Travel Security Support for Overseas Residents and Business Travelers

Given the active overseas operations of LX International, ensuring the safety of business travelers and expatriates is crucial. The company has contracted with global companies providing medical support, overseas health management, and security services to ensure the safety and security of its overseas staff and travelers. Overseas employees can access safe and appropriate services in various crisis situations, such as health issues, the need for safe transportation, or personal threats. For some regional expatriates, emergency services are also extended to accompanying family members.



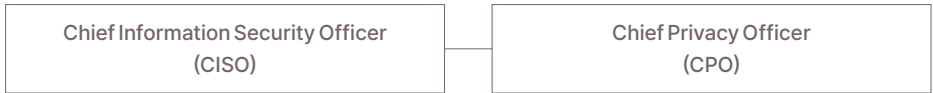


# Data Protection

## Data Protection System

### Data Protection Governance

To systematically manage information security and respond to risks, we have designated a Chief Information Security Officer (CISO) and a Chief Privacy Officer (CPO). These roles support communication with top management. We also operate an Information Security Council to discuss and make decisions on major security policies, address specific security issues, and review business plans and performance.



### Data Security Management Policy

LX International establishes and operates information security policies and guidelines based on a compliance system. By doing so, we minimize information security risks and respond efficiently to related incidents and environmental changes. To comply with amendments to relevant laws such as the Personal Information Protection Act and the requirements of ISO/IEC 27001 certification, we annually establish or revise our information security guidelines. We continuously notify and apply these efforts to all employees.

### Privacy Policy

LX International publicly discloses its privacy policy on the official website. This policy specifies the items of personal information collected, the purposes of use, matters related to third-party provision, and more. If there are any changes to the policy, such as the addition or deletion of clauses due to amendments in laws, government policies, or changes in security technologies, we will notify users through a separate notice on the website.

### Implementation and Operation of Information Security Measures

To implement information security measures, we manage physical and environmental security, operational security and security for the electronic financial transactions and ensure the implementation of information security measures during the IT adoption, development, and maintenance processes. Additionally, we have established and maintain a systematic record preservation system to demonstrate our compliance with the principle of due diligence.

### Data Security System Evaluation and Emergency Response

Every year, we conduct information security diagnostics by engaging external firms to assess the overall management level of information protection. We also perform web system vulnerability assessments to proactively identify and address potential weaknesses such as external hacking and system tampering. Furthermore, we establish and evaluate measures to ensure task continuity in response to information security emergencies, including customer data breaches and cyberattacks, aiming for a swift and efficient response to the relevant risks.

## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

Environmental

● **Social**

- ESG Risk Management for Supply Chains
- Social Contribution
- Human Resources Management
- Respect for Human Rights
- Labor-Management Relations
- Safety and Health Management

**Data Protection**

Social Data

Governance

## APPENDIX

Information Security Certification and Violations

Audit for Maintaining Information Security Certification - ISO/IEC 27001



ISO/IEC 27001 Certificate

In April 2023, LX International obtained the ISO/IEC 27001 certification, an international standard for information security management systems. Given the increasing importance of information security, we will conduct annual follow-up audits to maintain our certification, ensuring we provide reliable and secure services.

Information Security Violations

Over the past three years, LX International has not had any cases of personal data breaches, thefts, or losses. Additionally, there have been no complaints raised by internal or external parties.

Information Security Violation Status

| Category                     | 2021 | 2022 | 2023 |
|------------------------------|------|------|------|
| Number of Violations (Cases) | 0    | 0    | 0    |
| Fines (KRW)                  | 0    | 0    | 0    |

Employee Information Security Training

Signing Information Security Agreements

Upon joining LX International, new employees are required to sign an information security agreement. To reinforce security awareness among current employees, all employees are required to renew their information security agreement annually online. In 2023, this requirement was extended to include expatriates and locally hired employees (ISE).

Phishing Email Simulation Training

To enhance employee awareness of information security and prevent security incidents, LX International conducts annual phishing email response training. In 2023, a simulated phishing email disguised as a Chuseok special offer was sent to headquarters employees to prevent virus infections and personal data leaks caused by phishing emails. The result was a 99% success rate in immediate deletion and reporting of the email.

2024 Information Security Activities Plan

In 2024, we plan to provide online information security training for domestic employees and conduct on-site training for our Indonesian subsidiary. Additionally, we aim to strengthen the information security capabilities of our domestic and international employees through disaster recovery system drills. We also plan to implement various information security solutions to enhance our technical security measures, including the establishment of a central PC management system for overseas branches and the adoption of cloud security solutions.

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

- ESG Risk Management for Supply Chains
- Social Contribution
- Human Resources Management
- Respect for Human Rights
- Labor-Management Relations
- Safety and Health Management

Data Protection

Social Data

Governance

APPENDIX



# Social Data

## Employee Composition and Diversity

| Category                      |                               | Unit   | 2021        | 2022        | 2023        |
|-------------------------------|-------------------------------|--------|-------------|-------------|-------------|
| Total number of employees     |                               | Person | 456         | 468         | 477         |
| Gender                        | Male                          | Person | 350         | 357         | 362         |
|                               | Female                        | Person | 106         | 111         | 115         |
| Age                           | Age under 30                  | Person | 87          | 67          | 96          |
|                               | Age from 30 to 49             | Person | 332         | 342         | 332         |
|                               | Age 50 or above               | Person | 37          | 59          | 49          |
| Position                      | Executives                    | Person | 20          | 18          | 18          |
|                               | Non-Executives                | Person | 436         | 450         | 459         |
| Employment Type               | Regular                       | Person | 449         | 462         | 468         |
|                               | Non-regular <sup>1)</sup>     | Person | 7           | 6           | 9           |
|                               | ISE (Inland Service Employee) | Person | 392         | 399         | 383         |
| Employees with disabilities   | Total no.                     | Person | 6           | 6           | 13          |
|                               | Ratio                         | %      | 1.32        | 1.28        | 2.73        |
| Employees with national merit | Total no.                     | Person | 8           | 9           | 12          |
|                               | Ratio                         | %      | 1.75        | 1.92        | 2.52        |
| Ratio of female managers      | Team leaders                  | %      | 1           | 3           | 4           |
|                               | Senior manager or above       | %      | 11          | 12          | 9           |
| Average Wage                  | Male                          | KRW    | 129,000,000 | 167,000,000 | 151,000,000 |
|                               | Female                        | KRW    | 62,000,000  | 84,000,000  | 87,000,000  |

## New Hires and Departures

| Category            |                         | Unit   | 2021 | 2022 | 2023 |
|---------------------|-------------------------|--------|------|------|------|
| Number of New Hires |                         | Person | 39   | 71   | 61   |
| Gender              | Male                    | Person | 28   | 57   | 46   |
|                     | Female                  | Person | 11   | 14   | 15   |
| Age                 | Age under 30            | Person | 24   | 37   | 37   |
|                     | Age from 30 to 39       | Person | 11   | 28   | 16   |
|                     | Age from 40 to 49       | Person | 3    | 5    | 7    |
|                     | Over 50                 | Person | 1    | 1    | 1    |
| Position            | Entry-level             | Person | 19   | 27   | 40   |
|                     | Experienced             | Person | 20   | 44   | 21   |
| Departures          | Voluntary Turnover Rate | %      | 11.0 | 7.1  | 5.8  |
|                     | Average Tenure          | Year   | 9.5  | 9.3  | 9.0  |

1) Includes non-regular employees such as disabled athletes.

### OVERVIEW

### ESG MANAGEMENT

### ESG FACTBOOK

Environmental

● **Social**

ESG Risk Management for Supply Chains  
Social Contribution  
Human Resources Management  
Respect for Human Rights  
Labor-Management Relations  
Safety and Health Management  
Data Protection

**Social Data**

Governance

### APPENDIX



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

ESG Risk Management for Supply Chains  
Social Contribution  
Human Resources Management  
Respect for Human Rights  
Labor-Management Relations  
Safety and Health Management  
Data Protection

**Social Data**

Governance

APPENDIX

Employee Education

| Category                              |  | Unit   | 2021          | 2022          | 2023          |
|---------------------------------------|--|--------|---------------|---------------|---------------|
| Total hours and expenses of education | No. of employees who completed Education | Person | 2,968         | 1,506         | 3,062         |
|                                       | Total hours of education                 | Hour   | 19,003        | 18,826        | 41,300        |
|                                       | Average educational hour per capita      | Hour   | 42            | 40            | 87            |
|                                       | Total expenses of education              | KRW    | 1,331,609,376 | 1,387,055,625 | 1,219,289,164 |
|                                       | Average educational expenses per capita  | KRW    | 2,920,196     | 2,963,794     | 2,556,162     |
| Statutory education                   | Educational hour per capita              | Hour   | 2             | 2             | 2             |
|                                       | Total employees who completed education  | Person | 511           | 360           | 461           |
| Other than Statutory education        | Educational hour per capita              | Hour   | 1             | 1             | 1             |
|                                       | Total employees who completed education  | Person | 499           | 360           | 461           |

Regular Performance Assessment

| Category   |  | Unit   | 2021 | 2022 | 2023 |
|--|--|--------|------|------|------|
| No. of employees subject to regular performance assessment |  | Person | 367  | 411  | 424  |
|  | Ratio of employees subject to regular performance assessment <sup>1)</sup> | %      | 80   | 88   | 89   |

Social Contribution

| Category                              |   | Unit   | 2021        | 2022        | 2023        |
|---------------------------------------|---|--------|-------------|-------------|-------------|
| Social Contribution Activity Expenses | Charity donations                             | KRW    | 550,000,000 | 211,319,500 | 189,800,000 |
|                                       | In-kind donations                             | KRW    | 0           | 0           | 0           |
|                                       | Employee donation amount                      | KRW    | 29,798,400  | 29,447,850  | 26,827,270  |
| Employee Participation Status         | Annual Social Contribution Participation      | Person | 14          | 37          | 23          |
|                                       | Total Hours of Social Contribution Activities | Hour   | 96          | 540         | 300         |

1) The content of the previous year's report has been corrected due to changes in the calculation method for employees subject to performance evaluation.

Parental Leave

| Category   |        | Unit   | 2021 | 2022 | 2023 |
|--|--------|--------|------|------|------|
| No. of employees taking parental leave             | Male   | Person | 2    | 2    | 1    |
|  | Female | Person | 5    | 10   | 15   |
|  | Total  | Person | 7    | 12   | 16   |
| No. of employees returned from parental leave      | Male   | Person | 1    | 2    | 1    |
|  | Female | Person | 3    | 8    | 3    |
|  | Total  | Person | 4    | 10   | 4    |
| Ratio of employees returned from parental leave    | Male   | %      | 100  | 100  | 50   |
|  | Female | %      | 60   | 100  | 100  |
| Return-to-Work Retention Rate After Parental Leave | Male   | %      | 100  | 50   | 100  |
|  | Female | %      | 67   | 88   | 100  |

Employee Benefits

| Category  |                                | Unit   | 2021 | 2022 | 2023 |
|---|--------------------------------|--------|------|------|------|
| No. of Employees Using Flexible Work Arrangements |                                | Person | 342  | 346  | 358  |
| People Enrolled in Retirement Pension             | Defined Benefit plan (DB)      | Person | 393  | 368  | 389  |
|   | Defined Contribution plan (DC) | Person | 29   | 32   | 26   |

Labor Practices

| Category   |  | Unit | 2021 | 2022 | 2023 |
|--|--|------|------|------|------|
| Ratio of labor-management council meetings applied |  | %    | 100  | 100  | 100  |
| No. of labor-management council meetings convened  |  | Time | 4    | 4    | 4    |



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

● Social

- ESG Risk Management for Supply Chains
- Social Contribution
- Human Resources Management
- Respect for Human Rights
- Labor-Management Relations
- Safety and Health Management
- Data Protection

**Social Data**

Governance

APPENDIX

Respect for Human Rights

| Category                               |  | Unit   | 2021  | 2022  | 2023  |
|--|--|--------|-------|-------|-------|
| Human Rights Grievance Handling Status | No. of Human Rights Violation Complaints | Cases  | 1     | 0     | 1     |
|  | No. of Complaints Under Processing       | Cases  | -     | -     | -     |
|  | No. of Complaints Resolved               | Cases  | 1     | 0     | 1     |
| Human Rights Related Training Status   | Total Training Hours                     | Hours  | 1,521 | 1,080 | 1,383 |
|  | Training Hours per Person                | Hours  | 3     | 3     | 3     |
|  | Total No. of Participants                | Person | 507   | 360   | 461   |

ESG Management Status for Supply Chains<sup>1)</sup>

| Category  |                  | Unit   | 2021 | 2022 | 2023 |
|---|------------------|--------|------|------|------|
| Total Number of Partner Companies <sup>2)</sup>         |                  | Number | -    | -    | 122  |
| Partner Companies Evaluated for Environmental Standards | Number           | Number | -    | -    | 122  |
|   | %                | %      | -    | -    | 100  |
| Partner Companies Evaluated for Social Impact           | Number           | Number | -    | -    | 10   |
|   | %                | %      | -    | -    | 8.2  |
| Grievance Handling for Partner Companies                | Received         | Cases  | -    | -    | 0    |
|   | Under Processing | Cases  | -    | -    | 0    |
|   | Resolved         | Cases  | -    | -    | 0    |

Information Security / Cybersecurity

| Category   |  | Unit  | 2021        | 2022        | 2023       |
|--|--|-------|-------------|-------------|------------|
| Information Security Investment Amount                               |  | KRW   | 626,574,317 | 657,115,897 | 30,000,000 |
| No. of Personal Information Protection Law Violations and Complaints |  | Cases | 0           | 0           | 0          |

1) Starting from 2023, the data related to the supply chain is disclosed.

2) Excludes public institutions, financial institutions, subsidiaries, consulting firms, and companies with one-time transactions

Industrial Accident Management

| Category                                       |                                  | Unit  | 2021 | 2022 | 2023 |
|--|----------------------------------|-------|------|------|------|
| Industrial Accident Occurrences                | Workers                          | Cases | 0    | 0    | 0    |
|  | Partner Companies                | Cases | 0    | 0    | 0    |
|  | Fatal Accident Rate              | %     | 0    | 0    | 0    |
|  | Accident Rate                    | %     | 0    | 0    | 0    |
| Lost Time Injury Frequency Rate (LTIFR)        | Workers' Accident Rate           | %     | 0    | 0    | 0    |
|  | Partner Companies' Accident Rate | %     | 0    | 0    | 0    |
| Total Recordable Injury Frequency Rate (TRIFR) | Workers' Accident Rate           | %     | 0    | 0    | 0    |
|  | Partner Companies' Accident Rate | %     | 0    | 0    | 0    |



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental  
Social

• **Governance**

Jeong-Do Management  
Compliance  
Board of Directors and Committees  
Protection of Shareholders' Rights  
Governance Data

APPENDIX

# GOVERNANCE



Transparent governance is the foundation for the sustainable growth of a company. According to LX International's double materiality assessment, integrated ESG risk management and compliance have been identified as key governance issues. To solidify the foundation of ESG management, we are proactively responding to numerous external risks, aiming to create both financial and non-financial value. In 2023, LX International established and is operating a dedicated compliance organization and policies to enhance compliance. We also manage a dedicated organization for integrity management, establishing ethical standards and actively implementing compliance internalization activities through portal operations, various training programs, and content distribution.

|                                    |    |
|------------------------------------|----|
| Jeong-Do Management                | 72 |
| Compliance                         | 74 |
| Board of Directors and Committees  | 76 |
| Protection of Shareholders' Rights | 79 |
| Governance Data                    | 80 |

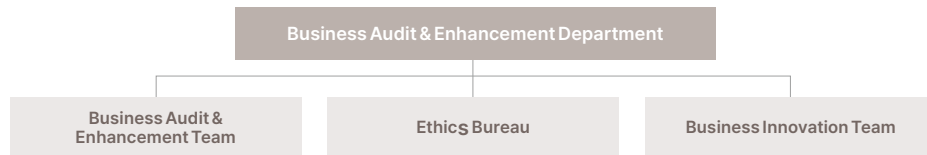
# Material Issues Jeong-Do Management

## Jeong-Do Management System

### Jeong-Do Management Organization

LX International operates Jeong-Do Management exclusively through the Ethics Bureau under the Business Audit & Enhancement Department Leader. With a commitment to creating performance through fair competition, we conduct training and cultural dissemination activities to promote the practice of Jeong-Do Management in daily operations. Additionally, we support Jeong-Do Management activities in collaboration with the Business Audit & Enhancement Team and the Business Innovation Team.

### Organization Chart for the Jeong-Do Management



### Code of Ethics

LX International has established the LX Code of Ethics as a standard for correct behavior and value judgment that all employees must adhere to. This code is applied to all employees and is made available in Korean, English, and Indonesian through the internal portal. Every year, all LX employees are required to submit a "Commitment to Jeong-Do Management" pledge. Additionally, when signing contracts with suppliers, the submission of this pledge is also required, promoting the application of the code of ethics throughout the entire company, including the supply chain.

### LX Code of Ethics

|  |   |  |
|--|---|--|
| <b>1</b> Responsibilities and Obligations to Customers <ul style="list-style-type: none"> <li>Respecting customers</li> <li>Creating value</li> <li>Providing value</li> </ul>   | <b>2</b> Fair Competition <ul style="list-style-type: none"> <li>Pursuing free competition</li> <li>Complying with laws and regulations</li> </ul>                  | <b>3</b> Fair Transactions <ul style="list-style-type: none"> <li>Equal opportunity</li> <li>Fair transaction process</li> <li>Pursuing mutual growth</li> </ul>   |
| <b>4</b> Basic Ethics of Employees <ul style="list-style-type: none"> <li>Basic ethics</li> <li>Accomplishing mission</li> <li>Self-development</li> <li>Fair handling of jobs</li> <li>Avoiding conflict of interests with the company</li> </ul> | <b>5</b> Responsibilities for Employees <ul style="list-style-type: none"> <li>Respecting humanity</li> <li>Fair treatment</li> <li>Promoting creativity</li> </ul> | <b>6</b> Responsibilities for the Environment, Society and Shareholders <ul style="list-style-type: none"> <li>Conserving the environment</li> <li>Complying with social responsibility</li> <li>Protecting shareholder returns</li> </ul> |

## Jeong-Do Management Internalization Activities

### Jeong-Do Management Training

LX International conducts regular Jeong-Do Management training for all employees. To establish a culture of Jeong-Do Management within the company, we have shifted from online to offline face-to-face training. This includes risk management training for new hires, experienced employees, expatriates, sales staff, and team leaders. Additionally, training was provided to domestic subsidiaries LX Glas and Poseung Green Power. For overseas business sites, we visited the Indonesia region to conduct comprehensive training for all Inland Service Employees (ISE). Furthermore, we provided Jeong-Do Management training to the seven partner companies of the Indonesian Ministry of General Affairs, continuously emphasizing the necessity and importance of Jeong-Do Management.



Jakarta Office ISE



Jakarta Office Partner Companies



On-site Training at Palm Plantations

## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

Environmental  
Social

### Governance

#### Jeong-Do Management

Compliance  
Board of Directors and Committees  
Protection of Shareholders' Rights  
Governance Data

## APPENDIX



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

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OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental  
Social

● Governance

**Jeong-Do Management**

Compliance  
Board of Directors and Committees  
Protection of Shareholders' Rights  
Governance Data

APPENDIX

## Jeong-Do Management Internalization Activities

### Dissemination of Jeong-Do Management Culture

LX International provides various Jeong-Do Management contents to domestic employees to foster a culture of internalizing Jeong-Do Management. For domestic employees, we publish a monthly Jeong-Do Management newsletter called "Jeong-Do Talk Talk" which is sent via email and posted on bulletin boards. Additionally, LX Group companies jointly create a comic series called "Jeong-Do Toon" which illustrates common Jeong-Do Management violations in an easy and entertaining manner. In 2023, we hosted the Jeong-Do Management Olympics, a quiz competition on Jeong-Do Management, following its first event in 2019.

#### Jeong-Do Talk Talk Newsletter



## 2023 Jeong-Do Management Achievements and 2024 Jeong-Do Management Plans

LX International faithfully implemented the Jeong-Do Management plans established in the previous year. Through the enhancement of the Cost Monitoring System (CMS), we expanded it to UAS overseas subsidiaries and conducted face-to-face Jeong-Do Management training for overseas subsidiaries and branches. In 2024, we plan to conduct intensive Jeong-Do Management training to prevent violations in advance. For our subsidiaries, LX Glas and Poseung Green Power, we plan to conduct four training sessions annually. We also aim to strengthen the internalization of Jeong-Do Management by providing two training sessions per year for overseas ISEs and four online training sessions per year for expatriates, who previously had limited access to training.

\* Targeted entities: LX International Indonesia, PT. GAM, PT. PAM, PT. BNE, expatriates, and ISEs.

## Reporting System

### Sinmungo System

In addition to the cyber reporting system on the LX International website, reports can also be made through SNS channels, email, mail, and phone. Since 2019, we have been operating an SNS channel (KakaoTalk Plus Friend) to allow employees at domestic and overseas business sites to conveniently inquire about Jeong-Do Management-related matters regardless of location or environment. This SNS channel will continue to be maintained. Through this channel, employees can conveniently report gifts received unavoidably in the course of work, ask questions, and receive answers at any time, thereby minimizing Jeong-Do Management incidents. Reports received through various channels are handled by a limited number of personnel who have pledged confidentiality, under strict whistleblower protection regulations. After investigating reports of corruption and confirming them as facts, disciplinary actions is taken according to the severity of the case. Furthermore, measures are implemented to prevent recurrence and manager follow-up to ensure similar incidents do not happen again.

#### Sinmungo Report Handling Status in 2023

| Cases received | Cases closed | Disciplinary action |
|----------------|--------------|---------------------|
| 3 in total     | 3 Cases      | 2 Cases             |

### Whistleblower Protection

LX International operates a whistleblower protection policy to safeguard the identity of individuals reporting misconduct. The policy requires real names and valid evidence for submissions. It ensures the thorough protection of the whistleblower's information as well as the related stakeholders' information. Furthermore, the policy prevents any retaliation against the whistleblower.

**Whistleblower Protection Policy**

#### Report Channels

|                        |   |
|------------------------|---|
| Cyber Sinmungo         | <a href="https://ethics.lxmdi.co.kr/index.do">https://ethics.lxmdi.co.kr/index.do</a> |
| Address for mail       | 58, Saemunan-ro, Jongno-gu, Seoul, Korea (03184) LX International                     |
| Responsible department | Ethics Bureau   |
| Email                  | <a href="mailto:ethics@lxintl.co.kr">ethics@lxintl.co.kr</a>                          |
| Contact                | +82-2-6984-5088   |



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

Material Issue | IFRS Framework

# Compliance

## Material Issue Reporting Framework

With the rising importance of managing both financial and non-financial risks on an enterprise-wide level, LX International has established a dedicated compliance organization to proactively address compliance and non-financial risks that may arise in the management process. The company implements relevant policies, conducts risk monitoring, and engages in internalization activities to make extensive efforts in various areas. Furthermore, as "Compliance" was identified as a key issue in LX International's materiality assessment, we report our activities and achievements according to the core disclosure elements recommended by IFRS.

### IFRS Framework S1 Disclosure Core Elements



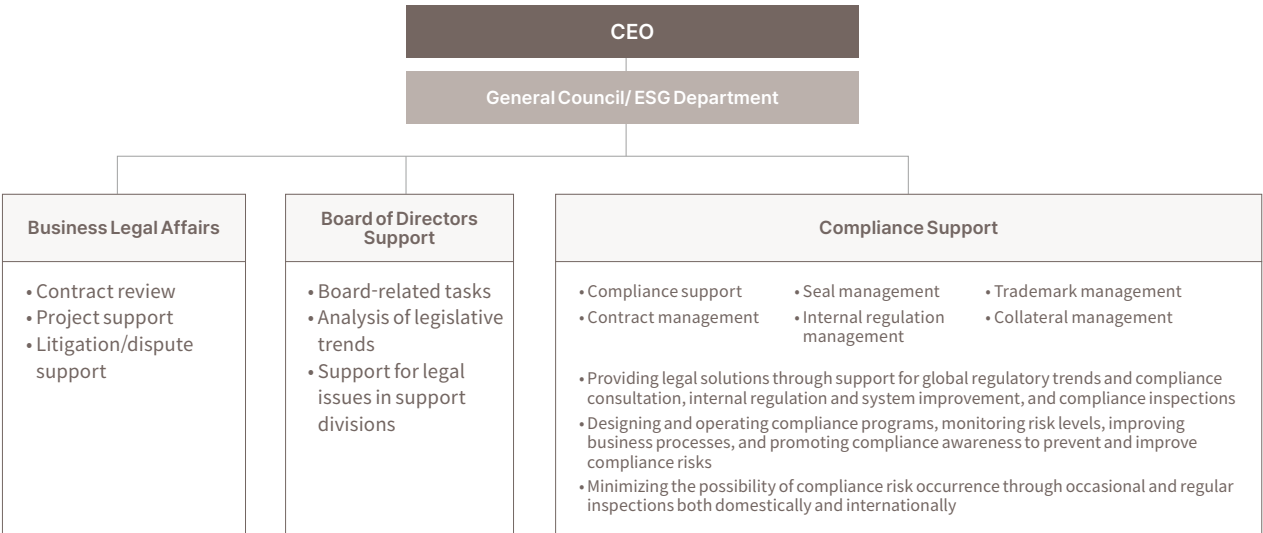
- **Governance**  
Information on the roles, processes, and policies used for the oversight of ESG-related risks and opportunities.
- **Strategy**  
Strategies for responding to sustainability-related risks and opportunities.
- **Risk Management**  
Processes for identifying, evaluating, and managing sustainability-related risks and opportunities.
- **Metrics and Targets**  
Metrics for measuring sustainability-related risks and opportunities, as well as performance evaluation information and targets.

## Governance

### Compliance Operating System

LX International operates a General Council /ESG department directly under the CEO, expanding its subordinate organizations and specialized personnel, and appointing responsible compliance officers. Additionally, a dedicated compliance organization has been established to manage company-wide compliance issues, including compliance training, contract review and legal advice, compliance monitoring, self-compliance checks, and legal management audits. The Board of Directors plays a role in establishing and amending compliance control standards, evaluating legal risks, and setting up an overall management system. Compliance officers oversee compliance support tasks and operate the company-wide compliance control system, while employees participate in compliance management through voluntary adherence to compliance standards and performance evaluations.

### Compliance Organization and Roles



### Compliance Policies

We implement compliance policies including 1) guidelines for contact with competitors and the collection of competitive information, 2) guidelines for handling new items, 3) pre-review of affiliate transactions, and 4) management of information acquired during the M&A process. The guidelines for contact with competitors and the collection of competitive information explicitly prohibit contact with competitors, collecting competitive information from competitors, and documenting such information. Distribution and training are conducted to manage these guidelines. When handling new items, relevant laws and procedures are reviewed by the compliance department and other related departments to ensure proper implementation. Affiliate transactions are reviewed in advance to ensure the appropriateness of transaction conditions. Information obtained during the M&A process is restricted from being used for purposes other than due diligence.

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental  
Social

● Governance

Jeong-Do Management  
**Compliance**  
Board of Directors and Committees  
Protection of Shareholders' Rights  
Governance Data

APPENDIX

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental  
Social

● Governance

Jeong-Do Management  
**Compliance**  
Board of Directors and Committees  
Protection of Shareholders' Rights  
Governance Data

APPENDIX

Strategy

Compliance System

As a listed company with assets over KRW 500 billion, we are obliged to set up the standards and procedures for compliance control and appoint a compliance officer. Accordingly, we have built a systematic compliance control system. Along with the compliance officer, the Legal Team 2 handles company-wide compliance issues such as compliance training, contract review and legal advice, compliance control, and voluntary compliance checks.

Compliance Management System (ISO 37301) Certification

LX International has established and operates a compliance management system that meets global standards, holding the international ISO 37301 certification. We conduct annual follow-up audits through an external professional certification body and undergo renewal audits every three years to verify the effectiveness of our compliance management system.

|                            |                                       |
|----------------------------|---------------------------------------|
| Certification              | ISO 37301                             |
| Initial Certification Date | November 18, 2023                     |
| Validity Period            | November 18, 2023 ~ November 17, 2026 |



Risk Management

Compliance Risk Monitoring and Review

We have a review process to avoid major compliance risks in the electronic payment process beforehand, following the autonomous compliance check regulations. We include a checklist of major compliance issues in the electronic payment system to prevent compliance risks in contracts, investments, and fund management.

| Autonomous compliance check   | Checklist item  |
|---|---|
| Loan and advance payment transaction / long-term sales or purchasing contract | Prohibition of collusion  |
|   | Prior approval for the transactions with related parties by the BOD, confirmation of adequacy of trade conditions                             |
| Investment  | Prior report for foreign direct investment  |
| Service contract  | Prohibition of improper solicitation and bribery to public officials  |
| Fund management   | Check on the BOD approvals when borrowing funds / Check on the BOD approval when the headquarters confirms security for overseas subsidiaries |

Compliance Risk Management Activities

LX International is promoting company-wide activities to minimize compliance risks and enhance trust with an aim to reinforce ethics and compliance management. In 2023, we made efforts to establish a compliance culture within the company by sharing relevant content through the distribution of a compliance newsletter. This included information on international trade sanctions, examples of other companies' violations of fair trade laws, improvements to the compliance system according to ISO 37301, and the prevention of workplace bullying and sexual harassment among employees.

| Category                         | Details  |
|----------------------------------|--|
| Compliance Education             | <ul style="list-style-type: none"><li>A total of 1 company-wide compliance training session provided, a total of 4 subsidiaries' compliance training sessions provided.</li><li>A total of 7 compliance training sessions provided for the managers, new expatriates, and new employee</li></ul> |
| Newsletter                       | <ul style="list-style-type: none"><li>A total of 11 compliance newsletters were sent on domestic and international law revisions and case studies</li></ul>  |
| Contract review and legal advice | <ul style="list-style-type: none"><li>Contract review and legal advice through an in-house legal portal</li></ul>  |
| Compliance control               | <ul style="list-style-type: none"><li>System operation to reinforce the compliance system and risk management for each organization based on it</li></ul>  |

Metrics and Targets

To advance the sophistication of our compliance system and to establish company-wide compliance activities with active team participation at an early stage, LX International will operate as follows:

2024 Compliance Operation Plan and Goals

|                                |   |
|--------------------------------|---|
| Compliance Support             | <ul style="list-style-type: none"><li><b>Semi-Annual Company-Wide Compliance Inspections</b><ul style="list-style-type: none"><li>Identify risks and enhance compliance awareness through interviews with headquarters business units and support departments, and check operational status according to ISO 37301</li></ul></li><li><b>Rotational Compliance Inspections for Overseas Corporations/Branches</b><ul style="list-style-type: none"><li>Method: Create a compliance checklist and check the implementation status of legal management</li><li>On-Site Inspections: Conduct rotational compliance inspections for overseas corporations/branches to check legal compliance and the implementation status of legal management</li></ul></li></ul>   |
| Process Improvement            | <ul style="list-style-type: none"><li><b>Pre-Review of Compliance Risks in New Businesses</b><ul style="list-style-type: none"><li>Establish processes to prevent legal risks, including permits and reporting requirements, by having relevant departments (legal, tax, safety, environment, etc.) review new products in advance</li></ul></li><li><b>Improve the record management system for legal advice and disputes related to projects and update work guidelines and enhance compliance during the execution of work by improving the record management system and updating work guidelines</b></li></ul>  |
| Enhancing Compliance Awareness | <ul style="list-style-type: none"><li><b>Compliance Training</b><ul style="list-style-type: none"><li>Conduct continuous training on laws highly relevant to our business, such as:<ul style="list-style-type: none"><li>Fair Trade Act (first half of the year) and Foreign Exchange Transactions Act, Foreign Trade Act, and other trade-related regulations (second half of the year)</li></ul></li><li>Education on the importance of compliance</li></ul></li><li><b>Departmental KPI Establishment</b><ul style="list-style-type: none"><li>Establish compliance goals for each department and reflect them in KPIs</li></ul></li><li><b>Guide Establishment</b><ul style="list-style-type: none"><li>Establish guides for overseas anti-bribery laws (Q2) and domestic Anti-Graft Law (Q3)</li></ul></li></ul> |





# Board of Directors and Committees

## Board Composition

### Board Composition

The Board of Directors at LX International functions as the highest decision-making body, ensuring a balance of checks and balances between the board and the management. Currently, the board operates with the CEO serving as the chairman of the board, considering the CEO's high understanding of the industry, expertise, and management efficiency.

### Board Composition

\* As of April 2024

| Name           | Gender | Position               | Duties  | Academic and Career Background  | Tenure                        |
|----------------|--------|------------------------|---|---|-------------------------------|
| Yoon Chun Sung | Male   | CEO<br>(Chairperson)   | CEO, Member of ESG Committee  | • BS/MSc, Geology, Yonsei University<br>• Former) Head of Resources Business Group  | Mar. 24, 2022 – Mar. 23, 2025 |
| Min Byeong Il  | Male   | Inside Director        | CFO   | • BA, Linguistics, Seoul National University<br>• Former) Head of Finance Division, LG Electronics                                      | Mar. 24, 2021 – Mar. 23, 2024 |
| Sohn Lan       | Female | Outside Director       | -   | • Public Relations Officer of Agriculture and Trade Center, The U.S. Embassy<br>• Present) CEO, Sohn's Market Makers                    | Mar. 24, 2022 – Mar. 23, 2025 |
| Chai Soo Il    | Male   | Outside Director       | Member of Audit Committee,<br>Chairperson of ESG Committee<br>Member of Outside Director Candidate Recommendation | • BA / MSc, Electrical Engineering, University of Southern California<br>• Present) Boston Consulting Group Korea Office Representative | Mar. 26, 2023 – Mar. 25, 2026 |
| Yang IhI Soo   | Male   | Outside Director       | Chairperson of Audit Committee,<br>Member of ESG Committee  | • BA / MBA, Management, Yonsei University<br>• Present) Partner of Samil Accounting Corporation   | Mar. 24, 2022 – Mar. 25, 2025 |
| Kwon Oh Jun    | Male   | Outside Director       | Member of Audit Committee<br>Member of Outside Director Candidate Recommendation<br>Member of ESG Committee       | • BS / MSc, Law, Seoul National University<br>• Present) Attorney at Kwon Oh Jun Law Firm   | Mar. 23, 2023 – Mar. 22, 2026 |
| Choi Sung Gwan | Male   | Non-executive Director | Member of Outside Director Candidate Recommendation   | • BA, Law, Seoul National University<br>• Present) CFO, LX Holdings   | Mar. 23, 2023 – Mar. 22, 2026 |

### Board Independence and Diversity

LX International's Board of Directors strives to maintain independence and diversity. The current board is responsible for decision-making and the oversight of major management operations and consists of four outside directors, two inside directors, and one other non-executive director. In appointing board members, efforts are made to ensure diversity in career and gender to prevent the representation of specific stakeholders. The board considers diversity not only in terms of job expertise but also in age, gender, religion, nationality, and race, with the inclusion of female outside directors. Additionally, LX International complies with the requirements of the Commercial Act and the Fair Trade Act to control transactions with stakeholders such as major shareholders and management. When relevant issues arise, board approval and disclosure are conducted. These issues are also subject to review by the ESG Committee for additional scrutiny.

### Board Expertise and Effectiveness

The Outside Director Candidate Recommendation Committee recommends candidates who possess the necessary expertise and capabilities as per the relevant regulations and the company's articles of incorporation. Our verification and assessment process evaluates the candidates' backgrounds, experiences and perspectives in the respective fields. Our objective is to identify individuals who can navigate dynamic business environments and make a meaningful contribution to the company's competitive advantage and future value. During the candidate verification process, we evaluate factors such as their eligibility to concurrently hold outside directorships and other legal disqualifications. Currently, the BOD is composed of professionals from various fields, including overseas business, finance and accounting, law, and management consulting, who contribute to fulfilling their respective roles and responsibilities.

### Corporate Governance Report Disclosure

We disclose our corporate governance report on our official website in order to provide stakeholders with increased access to vital governance information, including the related policies, shareholder information, and the BOD and audit organization.

## OVERVIEW

## ESG MANAGEMENT

## ESG FACTBOOK

Environmental

Social

### ● Governance

Jeong-Do Management

Compliance

**Board of Directors and Committees**

Protection of Shareholders' Rights

Governance Data

## APPENDIX



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental

Social

● **Governance**

Jeong-Do Management

Compliance

**Board of Directors and Committees**

Protection of Shareholders' Rights

Governance Data

APPENDIX

**Board Operations**

The Board of Directors at LX International conducts resolutions on major matters and supervises the execution of duties by the management and directors in accordance with relevant laws and the Articles of Incorporation. The board convenes as needed for major issues requiring board resolution. In 2023, the board held a total of six meetings, reviewing 25 agenda items, including management performance reports, executive appointments, approvals for new business investments, and the 2024 business plan.

**Board Operation Status in 2023**

| Meetings                | Resolutions                        | Reports                             |
|-------------------------|------------------------------------|-------------------------------------|
| 6 times                 | 18 items                           | 7 items                             |
| Average Attendance Rate | Inside Directors' Attendance Rate: | Outside Directors' Attendance Rate: |
| 92.8 %                  | 91.5 %                             | 91.8 %                              |

**Performance Evaluation and Compensation**

The board undergoes comprehensive performance evaluations based on individual goal achievement, management performance, financial results, and external competitiveness. For outside directors, the evaluation criteria include board meeting attendance, and whether they provided appropriate advice and opinions on board agenda items and major management decisions. Evaluation results are used as reference material for reappointment decisions. The Audit Committee's performance is evaluated based on its substantive contributions to monitoring mechanisms and internal control over the company's financial risks. Directors' remuneration is objectively determined and executed based on various evaluation items and payment criteria set by the board. Directors' salaries are determined within the remuneration limits approved by the general meeting of shareholders, considering position and duties, and are paid as fixed amounts per position as resolved by the board. Bonuses are differentiated based on goal achievement, financial performance, and business environment, according to executive personnel management regulations. Outside directors' remuneration is executed within the limits approved by the general meeting of shareholders, considering management performance and external competitiveness.

**Remuneration Status**

| Directors and Auditors | Total Remuneration | Average remuneration per person |
|------------------------|--------------------|---------------------------------|
| 6 members              | 2,752 million KRW  | 459 million KRW                 |

**Board Education and Support**

LX International strives to enhance the expertise and capabilities of outside directors by providing various educational programs necessary for business activities, including ESG areas, auditing, and other management activities. In 2023, in addition to the Audit Committee training, two ESG management trend sessions were held in April and November with domestic ESG experts. These sessions provided outside directors with a comprehensive education on ESG management trends, the current level of ESG management at LX International, and future directions. Going forward, we plan to continue offering effective education by providing updates on the company's business status, external auditors' accounting audits, internal control inspections, and management diagnostics. Additionally, to ensure the efficient operation of the board, we have a support organization for duty performance. The Board Secretariat assists outside directors and the Audit Committee by collecting and organizing agenda items, conducting legal reviews on the basis and resolutions of agenda items, and providing necessary support. The Internal Accounting Diagnostic Team supports the Audit Committee with internal accounting audits. Furthermore, a dedicated Compliance Officer handles compliance support tasks, reporting issues related to domestic and international regulations and trends, and providing compliance education for executives.

**Composition of Board Committees**

LX International has established the Audit Committee, the Outside Director Candidate Recommendation Committee, and the ESG Committee under the board to enhance operational efficiency. The detailed objectives, authority, activities, composition, qualifications, and appointments of each committee are explicitly defined by the relevant laws, the Articles of Incorporation, and board resolutions. Each committee receives reports from management, deliberates, and resolves matters, then reports the outcomes to the board. The details of committee meetings and individual directors' attendance rates are disclosed in the business report and the corporate governance report.

|   |   |
|---|---|
| Audit Committee                                     | <ul style="list-style-type: none"><li>• Consists entirely of outside directors, including one accounting expert.</li><li>• Internal control responsibilities.</li><li>• Monitoring and supervising management.</li></ul>  |
| Outside Director Candidate Recommendation Committee | <ul style="list-style-type: none"><li>• Operating with a majority of outside directors.</li><li>• Reviewing candidates for outside directors and recommending them at the general shareholders' meeting.</li><li>• Holding at least one meeting annually to recommend candidates for outside directors.</li></ul>                       |
| ESG Committee                                       | <ul style="list-style-type: none"><li>• Operating with a majority of outside directors</li><li>• Reviewing and deliberating on major policies and issues in the ESG areas (e.g., climate change response, greenhouse gas emission management, safety management).</li><li>• Monitoring and supervising internal transactions.</li></ul> |



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION

## Board of Directors and Committee Activities

### Board meetings convened

| Date of Convocation | Agenda Item  | Report / Approval | No. of Attendees |
|---------------------|--|-------------------|------------------|
| February 7, 2023    | Item 1 : 4Q22 Business Performance Report  | Reported          | 7/7              |
|                     | Item 2 : Internal Accounting Management System Operation Status Report   | Reported          |                  |
|                     | Item 1 : Approval of the 70th Fiscal Year Financial Statements and Business Report                             | Passed            |                  |
| Feb. 23, 2023       | Item 1 : Report on the evaluation results of the operation status of the internal accounting management system | Reported          | 7/7              |
|                     | Item 2 : Report on the operation status of the compliance control system                                       | Reported          |                  |
|                     | Item 1 : Approval of Compliance Officer Appointment  | Passed            |                  |
|                     | Item 2 : Approval of convening the 70th regular shareholders' meeting and agenda items                         | Passed            |                  |
| March 23, 2023      | Item 1 : Approval of Corporate Bond Issuance   | Passed            | 6/7              |
|                     | Item 2 : Approval of Executive Compensation  | Passed            |                  |
|                     | Item 3 : Approval of Amendments to the Executive Personnel Management Regulations                              | Passed            |                  |
|                     | Item 4 : Approval of Executive Performance Incentive Execution   | Passed            |                  |
|                     | Item 5 : Approval of the Appointment of Members to the Outside Director Nomination Committee                   | Passed            |                  |
|                     | Item 6 : Approval of the Appointment of Members to the ESG Committee   | Passed            |                  |
| April 28, 2023      | Item 1 : 1Q23 Business Performance Report  | Reported          | 6/7              |
|                     | Item 1 : Approval of Guarantee for Overseas Corporations   | Passed            |                  |
|                     | Item 2 : Approval of Director Dual Position  | Passed            |                  |
| July 28, 2023       | Item 1 : 2Q23 Business Performance Report  | Reported          | 6/7              |
|                     | Item 1 : Approval of Transactions with Affiliates  | Passed            |                  |
| November 7, 2023    | Item 1 : 3Q23 Business Performance Report  | Reported          | 7/7              |
|                     | Item 1 : Approval of 2024 Business Plan  | Passed            |                  |
|                     | Item 2 : Approval of Investment in AKP Nickel Mine in Indonesia  | Passed            |                  |
|                     | Item 3 : Approval of Total Transaction Limit with Related Parties  | Passed            |                  |
|                     | Item 4 : Approval of Transactions with Affiliates  | Passed            |                  |
|                     | Item 5 : Approval of LX Trademark Usage Agreement  | Passed            |                  |
|                     | Item 6 : Approval of Executive Personnel   | Passed            |                  |

### Audit Committee Convened

| Date of Convocation | Agenda Item   | Report / Approval | Member                                     | No. of Attendees |
|---------------------|---|-------------------|--|------------------|
| February 7, 2023    | Item 1 : Report on the 70th Fiscal Year Financial Statements and Business Report  | Reported          | Yang Ihl Soo<br>Lee Won Woo<br>Chai Soo Il | 3/3              |
|                     | Item 2 : Report on the Operation Status of the Internal Accounting Management System  | Reported          |  |                  |
|                     | Item 3 : Report on the 2022 Major Management Diagnosis Results and 2023 Plan  | Reported          |  |                  |
| February 17, 2023   | Item 1 : Approval of the Evaluation Results of the Internal Accounting Management System Operation Status                                 | Passed            |  | 3/3              |
|                     | Item 2 : Approval of the Evaluation Results of the Internal Control Device Operation Status   | Passed            |  |                  |
|                     | Item 3 : Approval of the Audit Report   | Passed            |  |                  |
| April 28, 2023      | Item 1 : Report on the 1Q23 Financial Statements  | Reported          |  | 3/3              |
|                     | Item 2 : Approval of the Audit Activities of the External Auditor for 2022  | Passed            |  |                  |
|                     | Item 3 : Approval of the Selection of an Accounting Firm for the Evaluation of the Internal Accounting Management System Operation Status | Passed            |  |                  |
| July 28, 2023       | Item 1 : Report on the 2Q23 Financial Statements  | Reported          | Yang Ihl Soo<br>Chai Soo Il<br>Kwon Oh Jun | 3/3              |
|                     | Item 2 : Report on the Results of the Separate Internal Accounting Management System Design Evaluation                                    | Reported          |  |                  |
|                     | Item 3 : Report on the 2023 H1 Major Management Diagnosis/Improvement Activities Results and H2 Plans                                     | Reported          |  |                  |
|                     | Item 4 : Approval of Non-Audit Services for Subsidiaries by the External Auditor  | Passed            |  |                  |
| November 7, 2023    | Item 1 : Report on the 3Q23 Financial Statements  | Reported          |  | 3/3              |
|                     | Item 2 : Report on the Results of the Consolidated Internal Accounting Management System Design Evaluation                                | Reported          |  |                  |

### ESG Committee Convened

| Date of Convocation | Agenda Item  | Report / Approval | Member   | No. of Attendees |
|---------------------|--|-------------------|--|------------------|
| April 28, 2023      | Item 1 : Approval of the Appointment of the ESG Committee Chairman   | Passed            | Yoon Chun Sung<br>Yang Ihl Soo<br>Choi Soo Il<br>Kwon Oh Jun | 3/4              |
|                     | Item 2 : Approval of the ESG Vision and Promotion Strategy   | Passed            |  |                  |
|                     | Item 3 : Approval of the Establishment of the Environmental Management System  | Passed            |  |                  |
|                     | Item 4 : Approval of the Guarantee for Overseas Subsidiaries   | Passed            |  |                  |
| July 28, 2023       | Item 1 : Report on the Results of First Half 2023 ESG Activities   | Reported          |  | 4/4              |
|                     | Item 2 : Approval of Self-Dealing Transactions with Affiliates   | Passed            |  |                  |
| November 7, 2023    | Item 1 : Report on the 2023 H2 ESG Management Performance and 2024 Plan  | Reported          |  | 4/4              |
|                     | Item 2 : Report on the Execution Details of Internal Transactions within the Board of Directors' Approval Limit for 2023 | Reported          |  |                  |
|                     | Item 3 : Approval of the Total Transaction Limit with Related Parties  | Passed            |  |                  |
|                     | Item 4 : Approval of Self-Dealing Transactions with Affiliates   | Passed            |  |                  |
|                     | Item 5 : Approval of the Contract for the Use of the LX Trademark  | Passed            |  |                  |

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental  
Social

● Governance

Jeong-Do Management  
Compliance

Board of Directors and Committees

Protection of Shareholders' Rights  
Governance Data

APPENDIX

 LX International

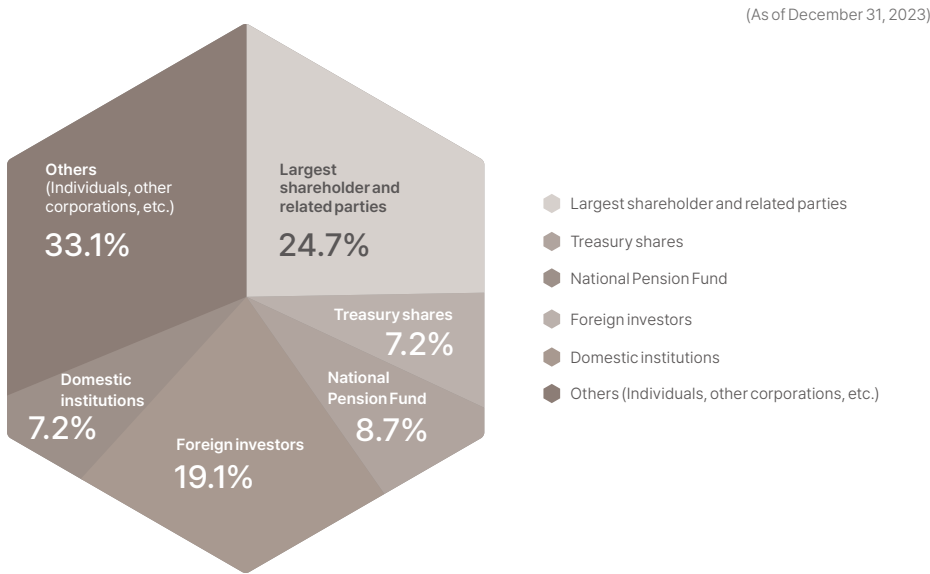
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# Protection of the Shareholders’ Rights

## Current Shareholder Composition

As of December 31, 2023, the total number of issued shares was 38,760,000, and LX Holdings owns 24.7% as the largest shareholder.



| Major shareholder                              | Number of shares | Ownership percentage |
|--|------------------|----------------------|
| Largest shareholder and related parties        | 9,578,191        | 24.71%               |
| Treasury shares                                | 2,792,098        | 7.20%                |
| National Pension Fund                          | 3,390,436        | 8.75%                |
| Foreign investors                              | 7,384,470        | 19.05%               |
| Domestic institutions                          | 2,780,437        | 7.17%                |
| Others (Individuals, other corporations, etc.) | 12,834,368       | 33.11%               |
| Total  | 38,760,000       | 100.0%               |

## Shareholder-Friendly Policies

### Shareholder Return and Dividend Policy

LX International has established and operates a shareholder return plan to enhance shareholder value. In determining the dividend level, we comprehensively consider internal factors such as business performance, financial structure, and distributable profits under the Commercial Act, as well as external factors including shareholder expectations, stock price trends, and the domestic stock market. The dividend level is decided by the board of directors and announced through disclosures before the general meeting of shareholders. In 2023, the dividend per share was 1,200 KRW, with a cash dividend payout ratio of 36.9% and a cash dividend yield of 3.8%. We plan to continue returning profits to shareholders through dividends that take into account LX International's profit levels and stock price trends. Additionally, starting from the 71st regular general meeting of shareholders, we have amended the articles of incorporation to allow the record date for dividends to be determined by a resolution of the board of directors instead of the fiscal year-end. This change enables LX International shareholders to know the dividend amount before making investment decisions starting with the 2024 fiscal year-end dividend. We will continue to strive to enhance shareholder value in the future.

### Safeguarding Shareholders’ Rights

We prioritize the enhancement of the shareholders rights by ensuring that they can exercise their rights through a fair and transparent process. We strive to provide shareholders with timely and comprehensive information to make informed decisions. We have implemented the electronic voting system and participate in the distributed shareholders’ meetings compliance program led by the Korea Listed Companies Association. Our goal is to lay the foundation for the seamless voting rights exercise by the shareholders.

### Communication with the Shareholders and Investors

When holding general meetings of shareholders, LX International discloses information such as the date, time and location of the meetings through the Electronic Disclosure System and the LX International website. Quarterly performance data and business reports are also disclosed on the website's investor information section. Starting from the 71st regular general meeting of shareholders, we have introduced an online dividend inquiry service. This service allows our eligible shareholders to conveniently and securely check their expected dividend amounts online. Furthermore, to ensure the right to information for foreign shareholders, we have expanded the availability of English-linked disclosures and regularly communicate with all investors through a dedicated contact number and email. Moving forward, we plan to enhance communication with shareholders by increasing voluntary disclosures.

- Website
- <https://www.lxinternational.com/en>  
<https://www.lxinternational.com/en/esg>

• Contact +82-2-6984-5505  
• E-mail lxi\_ir@lxintl.co.kr

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental  
Social

● Governance

Jeong-Do Management  
Compliance  
Board of Directors and Committees  
**Protection of Shareholders' Rights**  
Governance Data

APPENDIX



# Governance Data

## Board Composition

| Items                                  |   | Unit   | 2021 | 2022 | 2023 |
|--|---|--------|------|------|------|
| No. of Inside/<br>Outside Directors    | No. of directors  | person | 7    | 7    | 7    |
|  | Outside Directors   | person | 4    | 4    | 4    |
|  | No. of outside directors exceeding the minimum legal requirement  | person | 1    | 1    | 1    |
| Board of Directors<br>Gender Diversity | Male  | person | 7    | 6    | 6    |
|  | Female  | person | -    | 1    | 1    |
|  | No. of female directors among registered executives who are neither controlling shareholders nor affiliated individuals | person | -    | 1    | 1    |

## Board Activities

| Items  |  | Unit   | 2021 | 2022 | 2023 |
|--|--|--------|------|------|------|
| No. of BOD meetings convened                                 |  | Times  | 9    | 10   | 6    |
| Board<br>Attendance Rate                                     | Average attendance rate  | %      | 98   | 96   | 93   |
|  | Minimum attendance rate  | %      | 50   | 80   | 66   |
| Number of ESG-related Agenda Reviews                         |  | Times  | -    | 1    | 1    |
| Audit Committee  | No. of Audit Committee meetings convened                                 | Times  | 5    | 6    | 5    |
|  | No. of experts in accounting or finance among members of Audit Committee | person | 1    | 1    | 1    |
| ESG Committee  | No. of ESG Committee convened  | Times  | -    | 3    | 3    |
| Outside Director<br>Candidate<br>Recommendation<br>Committee | No. of Outside Director Candidate Recommendation Committee convened      | Times  | -    | 1    | 1    |

## Director Remuneration

| Items                              |   | Unit        | 2021  | 2022  | 2023  |
|------------------------------------|---|-------------|-------|-------|-------|
| Director<br>Remuneration<br>Status | No. of members                                  | person      | 6     | 6     | 6     |
|                                    | Total remuneration                              | million KRW | 1,378 | 2,056 | 2,752 |
|                                    | Average remuneration per person                 | million KRW | 230   | 343   | 459   |
| Individual Annual<br>Compensation  | Total remuneration of registered directors      | million KRW | 1,090 | 1,762 | 2,458 |
|                                    | Average Compensation per Registered Director    | million KRW | N/A   | 881   | 1,229 |
|                                    | Total Compensation for Outside Directors        | million KRW | 72    | 78    | 72    |
|                                    | Average Compensation per Outside Director       | million KRW | N/A   | 78    | 72    |
|                                    | Total Compensation for Audit Committee Members  | million KRW | 216   | 216   | 222   |
|                                    | Average Compensation per Audit Committee Member | million KRW | N/A   | 72    | 74    |

OVERVIEW

ESG MANAGEMENT

## ESG FACTBOOK

Environmental

Social

● **Governance**

Jeong-Do Management

Compliance

Board of Directors and Committees

Protection of Shareholders' Rights

**Governance Data**

APPENDIX



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION





OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

Environmental  
Social

● **Governance**

Jeong-Do Management  
Compliance  
Board of Directors and Committees  
Protection of Shareholders' Rights

**Governance Data**

APPENDIX

**Jeong-Do Management**

| Items   |  | Unit   | 2021 | 2022 | 2023 |
|---|--|--------|------|------|------|
| Jeong-Do Management Violation Reporting/Actions | Reports and Notices                      | Cases  | 1    | 5    | 3    |
|   | Disciplinary/Personnel Actions Completed | Cases  | 1    | 2    | 0    |
| Training on Jeong-Do Management                 | Training hours per capita                | Hour   | 1    | 1    | 1    |
|   | No. of participants                      | person | 483  | 533  | 967  |

**Compliance (Regulatory Violations) Status**

| Items  |                    | Unit  | 2021 | 2022 | 2023 |
|--|--------------------|-------|------|------|------|
| Anti-Competitive Practices, Monopolies, and Unfair Trade Practices | Cases of Violation | Cases | 0    | 0    | 1    |
|  | Fines              | KRW   | 0    | 0    | 0    |
| Violation of Disclosure Regulations for Corporate Group Status     | Cases of Violation | Cases | 0    | 0    | 0    |
|  | Fines              | KRW   | 0    | 0    | 0    |
| Tax-Related Assessments/ Violations                                | Cases of Violation | Cases | 0    | 0    | 0    |
|  | Fines              | KRW   | 0    | 0    | 0    |
| Other Socio-Economic Violations                                    | Cases of Violation | Cases | 0    | 0    | 0    |
|  | Fines              | KRW   | 0    | 0    | 0    |

**Protecting Shareholders' Rights**

| Items                                       |   | Unit        | 2021   | 2022    | 2023   |
|---|---|-------------|--------|---------|--------|
| Economic Value Distribution to Shareholders | Dividend per share                                      | KRW         | 2,300  | 3,000   | 1,200  |
|   | Total dividends   | million KRW | 82,726 | 107,904 | 43,161 |
| Stock Ownership of Management Leadership    | Stock ownership of CEO                                  | Stock       | 6,855  | 6,855   | 6,855  |
|   | Average stock ownership of executives excluding the CEO | Stock       | 385    | 250     | 239    |
|   | Stock ownership of the founder(s)                       | %           | 24.76  | 24.76   | 24.71  |

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

**APPENDIX**

# 04

## APPENDIX



- 83 GRI Index
- 87 TCFD Index
- 87 UNGC
- 88 Financial Statements
- 90 Awards·Memberships·Certifications
- 91 Independent Assurance Statement
- 93 Greenhouse Gas Verification Statement



# GRI 2021 Standards

|                                       |  |
|---------------------------------------|--|
| Description                           | LXI International applies the GRI Standards in reporting sustainable management information for the period from Jan. 1, 2023, to Dec. 31, 2023.  |
| GRI Standards used                    | GRI 1: Foundation 2021   |
| Applicable industry-specific criteria | As of the reporting date in June 2024, there are no published industry-specific standards applicable to the business sector of LX International. |

| Category                    | GRI Indicator | GRI Description   | Page no. in the Report | Remarks |
|-----------------------------|---------------|---|------------------------|---------|
| GRI 2 : General Disclosures |               |   |                        |         |
| GRI 2                       | 2-1           | Organizational details  | 2, 7                   |         |
|                             | 2-2           | Entities included in the organization's sustainability reporting            | 2                      |         |
|                             | 2-3           | Reporting period, frequency and contact point                               | 2                      |         |
|                             | 2-4           | Restatements of information   | -                      |         |
|                             | 2-5           | External assurance  | 91~92                  |         |
|                             | 2-6           | Activities, value chain and other business relationships                    | 13~15, 19~21           |         |
|                             | 2-7           | Employees   | 68                     |         |
|                             | 2-8           | Workers who are not employees   | 68                     |         |
|                             | 2-9           | Governance structure and composition  | 76                     |         |
|                             | 2-10          | Nomination and selection of the highest governance body                     | 77                     |         |
|                             | 2-11          | Chair of the highest governance body  | 76                     |         |
|                             | 2-12          | Role of the highest governance body in overseeing the management of impacts | 18                     |         |
|                             | 2-13          | Delegation of responsibility for managing impacts                           | 18, 76~78              |         |
|                             | 2-14          | Role of the highest governance body in sustainability reporting             | 18, 76                 |         |
|                             | 2-15          | Conflicts of interest   | 76                     |         |
|                             | 2-16          | Communication of critical concerns  | 76~78                  |         |
|                             | 2-17          | Collective knowledge of the highest governance bod                          | 77                     |         |
|                             | 2-18          | Evaluation of the performance of the highest governance body                | 77                     |         |
|                             | 2-19          | Remuneration policies   | 77                     |         |
|                             | 2-20          | Process to determine remuneration   | 77                     |         |
|                             | 2-21          | Annual total compensation ratio   | 80                     |         |
|                             | 2-22          | Statement on sustainable development strategy                               | 5                      |         |
|                             | 2-23          | Policy commitments  | 45, 62, 66, 72, 74, 79 |         |
|                             | 2-24          | Embedding policy commitments  | 45, 62, 66, 72, 74, 79 |         |
|                             | 2-25          | Processes to remediate negative impacts                                     | 73, 75                 |         |
|                             | 2-26          | Mechanisms for seeking advice and raising concern                           | 75                     |         |
|                             | 2-27          | Compliance with laws and regulations  | 81                     |         |
|                             | 2-28          | Membership associations   | 90                     |         |
|                             | 2-29          | Approach to stakeholder engagement  | 25                     |         |
|                             | 2-30          | Collective bargaining agreements  | 60, 69                 |         |

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

**APPENDIX**

- **GRI Index**
  - TCFD Index
  - UNGC
  - Financial Statements
  - Awards·Memberships·Certifications
  - Independent Assurance Statement
  - Greenhouse Gas Verification Statement



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

**APPENDIX**

- **GRI Index**
  - TCFD Index
  - UNGC
  - Financial Statements
  - Awards·Memberships·Certifications
  - Independent Assurance Statement
  - Greenhouse Gas Verification Statement

**GRI 3 : Material Topics**

| Category                        | GRI Indicator | GRI Description   | Page no. in the Report | Remarks |
|---------------------------------|---------------|---|------------------------|---------|
| Material Topics                 | 3-1           | Process to determine material topics  | 23                     |         |
|                                 | 3-2           | List of material topics   | 24                     |         |
| Climate Change Response         |               |   |                        |         |
| Material Topics                 | 3-3           | Management of material topics   | 32~33                  |         |
| Energy                          | 302-1         | Energy consumption within the organization                                      | 41                     |         |
| Emissions                       | 305-1         | Direct (Scope 1) GHG emissions  | 32, 41                 |         |
|                                 | 305-2         | Energy indirect (Scope 2) GHG emissions   | 32, 41                 |         |
|                                 | 305-7         | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 35, 43                 |         |
| Eco-friendly Business Operation |               |   |                        |         |
| Material Topics                 | 3-3           | Management of material topics   | 15, 19~21, 40          |         |
| NON-GRI                         |               | No Relevant Topic Standard  | -                      |         |
| Environmental Management System |               |   |                        |         |
| Material Topics                 | 3-3           | Management of material topics   | 28~31                  |         |
| NON-GRI                         |               | No Relevant Topic Standard  | -                      |         |
| Safety and Health Management    |               |   |                        |         |
| Material Topics                 | 3-3           | Management of material topics   | 61~65                  |         |
| Occupational Safety and Health  | 403-1         | Occupational health and safety management system                                | 61                     |         |
|                                 | 403-5         | Worker training on occupational health and safety                               | 64~65                  |         |
|                                 | 403-6         | Promotion of worker health  | 65                     |         |
|                                 | 403-9         | Work-related injuries   | 64, 70                 |         |
| Human Rights Respect            |               |   |                        |         |
| Material Topics                 | 3-3           | Management of material topics   | 58~59                  |         |
| Non-discrimination              | 406-1         | Incidents of discrimination and corrective actions taken                        | 70                     |         |



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION





OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

**APPENDIX**

- **GRI Index**
  - TCFD Index
  - UNGC
  - Financial Statements
  - Awards·Memberships·Certifications
  - Independent Assurance Statement
  - Greenhouse Gas Verification Statement

**GRI 3 : Material Topics**

| Category                                       | GRI Indicator | GRI Description  | Page no. in the Report | Remarks |
|--|---------------|--|------------------------|---------|
| Human Resource Management                      |               |  |                        |         |
| Material Topics                                | 3-3           | Management of material topics  | 53~57                  |         |
| Employment                                     | 401-1         | New employee hires and employee turnover   | 68                     |         |
|  | 401-2         | Benefits provided to full-time employees that are not provided to temporary or part- time employees  | 57                     |         |
|  | 401-3         | Parental leave, Return to work after parental leave, Employees retained 12 months after returning to work following a period of parental leave | 69                     |         |
| Training and Education                         | 404-1         | Average hours of training per year per employee  | 69                     |         |
|  | 404-2         | Programs for upgrading employee skills and transition assistance programs  | 55~56                  |         |
|  | 404-3         | Percentage of employees receiving regular performance and career development reviews   | 69                     |         |
| Social Contribution                            |               |  |                        |         |
| Material Topics                                | 3-3           | Management of material topics  | 49~52                  |         |
| Indirect Economic Impacts                      | 203-1         | Infrastructure investments and services supported  | 50~51                  |         |
| Local Community                                | 413-1         | Operations with local community engagement, impact assessments, and development programs   | 50~52                  |         |
| ESG Risk Management for Supply Chains          |               |  |                        |         |
| Material Topics                                | 3-3           | Management of material topics  | 45~48                  |         |
| Environmental Evaluation for Partner Companies | 308-1         | New suppliers that were screened using environmental criteria  | 48, 70                 |         |
| Social Evaluation for Partner Companies        | 414-1         | New suppliers that were screened using social criteria   | 48, 70                 |         |
| Compliance                                     |               |  |                        |         |
| Material Topics                                | 3-3           | Management of material topics  | 74~75                  |         |
| NON-GRI  |               | No Relevant Topic Standard   | -                      |         |
| Jeong-Do Management                            |               |  |                        |         |
| Material Topics                                | 3-3           | Management of material topics  | 72~73                  |         |
| NON-GRI  |               | No Relevant Topic Standard   | -                      |         |



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

APPENDIX

- GRI Index
- TCFD Index

UNGC

Financial Statements

Awards·Memberships·Certifications

Independent Assurance Statement

Greenhouse Gas Verification Statement

GRI 200 : Economic

| Category                  | GRI Indicator | GRI Description   | Page no. in the Report | Remarks |
|---------------------------|---------------|---|------------------------|---------|
| Economic Performance      | 201-1         | Direct economic value generated and distributed                                 | 88~89                  |         |
| Anti-competitive Behavior | 206-1         | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 81                     |         |

GRI 300 : Environmental

| Category     | GRI Indicator | GRI Description                               | Page no. in the Report | Remarks |
|--------------|---------------|---|------------------------|---------|
| Water        | 303-2         | Management of water discharge-related impacts | 36, 43                 |         |
|              | 303-3         | Water withdrawal                              | 42                     |         |
|              | 303-4         | Water discharge                               | 42                     |         |
|              | 303-5         | Water consumption                             | 42                     |         |
| Biodiversity | 304-3         | Habitats protected or restored                | 38~39                  |         |
| Waste        | 306-3         | Waste generated                               | 42                     |         |
|              | 306-4         | Waste diverted from disposal                  | 42                     |         |
|              | 306-5         | Waste directed to disposal                    | 42                     |         |

GRI 400 : Social

| Category         | GRI Indicator | GRI Description  | Page no. in the Report | Remarks |
|------------------|---------------|--|------------------------|---------|
| Customer Privacy | 418-1         | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 70                     |         |



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

APPENDIX

GRI Index

● TCFD Index

● UNGC

Financial Statements

Awards·Memberships·Certifications

Independent Assurance Statement

Greenhouse Gas Verification Statement

# TCFD

The TCFD's disclosure recommendations provide guidelines on the content and format to help stakeholders, such as customers and investors, easily identify information related to climate change.

| Area                | Item   | Reporting Page    |
|---------------------|--|-------------------|
| Governance          | a) Describe the board's oversight of climate-related risks and opportunities.  | 28                |
|                     | b) Describe management's role in assessing and managing climate-related risks and opportunities.   |                   |
| Strategy            | a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.                               | 29, 32            |
|                     | b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.                        |                   |
|                     | c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | -                 |
| Risk Management     | a) Describe the organization's processes for identifying and assessing climate-related risks.  | 29, 32            |
|                     | b) Describe the organization's processes for managing climate-related risks.   |                   |
|                     | c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.     |                   |
| Metrics and Targets | a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.    | 32, 34, 41~43, 92 |
|                     | b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.   |                   |
|                     | c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.                          |                   |

# UNGC

LX International has joined the UNGC (UN Global Compact) and declared its support for the UNGC's 10 principles in the areas of human rights, labor, environment, and anti-corruption, committing to uphold these principles in all business activities.

| Area            | Item   | Reporting Page |
|-----------------|--|----------------|
| Human Rights    | Businesses should support and respect the protection of internationally proclaimed human rights.                         | 59~60          |
|                 | Businesses should make sure they are not complicit in human rights abuses.   |                |
| Labor           | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | 61             |
|                 | Businesses should uphold the elimination of all forms of forced and compulsory labor.                                    |                |
|                 | Businesses should uphold the effective abolition of child labor.   |                |
| Environment     | Businesses should uphold the elimination of discrimination in respect of employment and occupation.                      | 29~32          |
|                 | Businesses should support a precautionary approach to environmental challenges.  |                |
|                 | Businesses should undertake initiatives to promote greater environmental responsibility.                                 |                |
| Anti-Corruption | Businesses should encourage the development and diffusion of environmentally friendly technologies.                      | 19~21, 32      |
|                 | Businesses should work against corruption in all its forms, including extortion and bribery.                             | 73~76          |



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION



OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

**APPENDIX**

GRI Index  
TCFD Index  
UNGC

● **Financial Statements**

Awards-Memberships-Certifications  
Independent Assurance Statement  
Greenhouse Gas Verification Statement

# Financial Statements

## Consolidated Balance Sheet

(Unit: KRW)

|                                  | The 71th<br>(as of Dec. 31st, 2023) | The 70th<br>(as of Dec. 31st, 2022) |
|----------------------------------|-------------------------------------|-------------------------------------|
| <b>Assets</b>                    |                                     |                                     |
| Current assets                   | 4,033,775,460,675                   | 4,482,204,749,190                   |
| Cash and cash equivalents        | 1,138,908,037,970                   | 1,550,674,815,272                   |
| Short-term financial instruments | 48,888,560,380                      | 49,951,748,763                      |
| Trade receivables                | 1,266,520,201,022                   | 1,374,878,497,715                   |
| Contract assets                  | 28,427,717,011                      | 21,476,471,060                      |
| Account receivables              | 222,297,338,611                     | 202,983,553,894                     |
| Accrued revenue                  | 11,812,493,913                      | 5,108,816,298                       |
| Advance payment                  | 133,011,777,375                     | 179,605,110,300                     |
| Prepaid expense                  | 84,835,376,892                      | 105,966,946,712                     |
| Other current assets             | 175,247,658,499                     | 288,430,020,156                     |
| Inventories                      | 904,844,381,830                     | 698,349,598,505                     |
| Assets held for sale             | 18,981,917,172                      | 4,779,170,515                       |
| Non-current assets               | 3,961,565,270,189                   | 3,236,802,584,439                   |
| Investment assets                | 337,012,516,882                     | 301,741,332,917                     |
| Investments in affiliates        | 514,656,629,320                     | 391,930,541,514                     |
| Tangible assets                  | 1,584,115,855,834                   | 1,163,339,867,412                   |
| Investments in real estate       | 4,204,182,255                       | 4,972,256,144                       |
| Intangible assets                | 1,235,582,310,857                   | 1,069,926,867,282                   |
| Deferred income tax assets       | 48,958,032,124                      | 43,333,665,580                      |
| Other non-current assets         | 237,035,742,917                     | 261,558,053,590                     |
| Total assets                     | 7,995,340,730,864                   | 7,719,007,333,629                   |
| <b>Liabilities</b>               |                                     |                                     |
| Current liabilities              | 2,608,427,815,094                   | 2,935,026,255,683                   |
| Short-term borrowings            | 130,851,842,086                     | 281,801,594,396                     |
| Trade payables                   | 1,275,508,210,575                   | 1,148,950,813,316                   |
| Account payables                 | 366,110,294,340                     | 358,628,228,391                     |
| Advance receive                  | 124,527,715,963                     | 129,762,255,489                     |
| Advanced deposit                 | 31,582,530,393                      | 212,805,362,380                     |
| Current tax liabilities          | 39,056,047,671                      | 118,168,998,054                     |

(Unit: KRW)

|  | The 71th<br>(as of Dec. 31st, 2023) | The 70th<br>(as of Dec. 31st, 2022) |
|--|-------------------------------------|-------------------------------------|
| Accrued expenses                                 | 112,899,062,208                     | 157,039,711,872                     |
| Current long-term liabilities                    | 313,994,957,637                     | 301,170,402,022                     |
| Advance revenue                                  | 62,333,024,845                      | 84,705,328,393                      |
| Guarantee received                               | 5,606,452,772                       | 5,563,288,449                       |
| Lease liabilities                                | 124,734,393,518                     | 106,770,188,451                     |
| Liabilities associated with assets held for sale | 5,655,191,913                       | 5,655,191,913                       |
| Other non-current liabilities                    | 15,568,091,173                      | 24,004,892,557                      |
| Non-current assets                               | 2,311,958,021,747                   | 1,747,505,805,034                   |
| Debenture  | 668,695,176,486                     | 468,997,633,492                     |
| Long-term borrowings                             | 1,092,432,516,853                   | 874,901,891,756                     |
| Retirement benefit liabilities                   | 11,255,141,377                      | 8,564,674,877                       |
| Deferred tax liabilities                         | 168,380,398,426                     | 109,254,809,330                     |
| Lease liabilities                                | 216,395,977,852                     | 162,949,586,992                     |
| Provisions                                       | 139,860,179,330                     | 116,220,121,659                     |
| Other non-current liabilities                    | 14,938,631,423                      | 6,617,086,928                       |
| Total liabilities                                | 4,920,385,836,841                   | 4,682,532,060,717                   |
| <b>Equity</b>                                    |                                     |                                     |
| Total equity attributable to stockholders of the | 2,272,161,864,255                   | 2,261,186,289,112                   |
| Company  | 193,800,000,000                     | 193,800,000,000                     |
| Share capital                                    | 99,650,866,978                      | 100,870,913,334                     |
| Share premium                                    | -41,300,239,270                     | -41,300,239,270                     |
| Other capita                                     | 54,295,014,019                      | 41,723,265,637                      |
| Accumulated other comprehensive loss             | 1,965,716,222,528                   | 1,966,092,349,411                   |
| Retained earnings (deficit)                      | 802,793,029,768                     | 775,288,983,800                     |
| Non-controlling interest                         | 3,074,954,894,023                   | 3,036,475,272,912                   |
| Total equity                                     | 7,995,340,730,864                   | 7,719,007,333,629                   |
| Total liabilities and equity                     |                                     |                                     |



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION





# Financial Statements

## Consolidated Income Statements

|   | (Unit: KRW)                         |                                     |
|---|-------------------------------------|-------------------------------------|
|   | The 71th<br>(as of Dec. 31st, 2023) | The 70th<br>(as of Dec. 31st, 2022) |
| Sales   | 14,514,349,869,122                  | 18,759,549,404,034                  |
| Cost of sales   | 13,138,717,077,726                  | 16,924,062,732,120                  |
| Gross profit  | 1,375,632,791,396                   | 1,835,486,671,914                   |
| Selling and administrative expenses                             | 942,523,197,300                     | 869,943,201,579                     |
| Operating profit (loss)   | 433,109,594,096                     | 965,543,470,335                     |
| Non-operating income  | -90,311,597,031                     | 167,644,222,443                     |
| Gains (losses) from equity method                               | 137,263,402,971                     | 97,492,162,491                      |
| Financial income  | 421,516,643,560                     | 709,295,602,583                     |
| Financial costs   | 520,967,737,602                     | 732,314,310,091                     |
| Other non-operating income                                      | -128,123,905,960                    | 93,170,767,460                      |
| Profit before income tax (loss)                                 | 342,797,997,065                     | 1,133,187,692,778                   |
| Income tax expense  | 149,439,195,125                     | 353,876,884,884                     |
| Net profit  | 193,358,801,940                     | 779,310,807,894                     |
| Net profit (loss) attributable to                               |                                     |                                     |
| Shareholders of the Company                                     | 117,082,888,989                     | 515,223,865,636                     |
| Non-controlling interest  | 76,275,912,951                      | 264,086,942,258                     |
| Earnings Per Share Attributable to Owners of the Parent Company |                                     |                                     |
| Basic (unit: KRW)   | 3,255                               | 14,325                              |
| Diluted (unit: KRW)   | 3,255                               | 14,325                              |

## Consolidated Statements of Comprehensive Income

|   | (Unit: KRW)                         |                                     |
|---|-------------------------------------|-------------------------------------|
|   | The 71th<br>(as of Dec. 31st, 2023) | The 70th<br>(as of Dec. 31st, 2022) |
| Net profit (loss)   | 193,358,801,940                     | 779,310,807,894                     |
| Other comprehensive income  | 42,932,506,191                      | 42,731,561,375                      |
| Items that will be reclassified to profit or loss   | 30,069,779,002                      | 36,699,812,105                      |
| Subsequently  | -586,307,920                        | 14,545,518,490                      |
| Net gain (loss) in valuation of derivatives for cash flow hedge                                       | -2,959,025,012                      | -15,244,269,340                     |
| Loss on valuation of equity method  | -111,677,657                        | -35,861,522                         |
| Change of retained earnings in equity method  | 33,726,789,591                      | 37,434,424,477                      |
| Gain (loss) on overseas operations translation  | 12,862,727,189                      | 6,031,749,270                       |
| Items that will not be reclassified to profit or loss subsequently                                    | 26,092,139,101                      | -11,796,628,683                     |
| Gain (loss) on financial assets / liabilities at fair value through other comprehensive profit (loss) | -13,229,411,912                     | 17,828,377,953                      |
| Remeasurements of net defined benefit scheme  | 236,291,308,131                     | 822,042,369,269                     |
| Total comprehensive income  |                                     |                                     |
| Total comprehensive income for the year attributable to   | 120,099,327,499                     | 568,522,868,270                     |
| Shareholders of the Company   | 116,191,980,632                     | 253,519,500,999                     |
| Non-controlling interest  |                                     |                                     |

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

**APPENDIX**

- GRI Index
- TCFD Index
- UNGC
- **Financial Statements**
  - Awards·Memberships·Certifications
  - Independent Assurance Statement
  - Greenhouse Gas Verification Statement



SUSTAINABLE FUTURE  
WITH BUSINESS SOLUTION



# Awards · Memberships · Certifications

## Domestic and Overseas Certifications

| Certification   | Content   | Certificate Authorities  | Date of Being Certified | Expiry Date    |
|---|---|--|-------------------------|----------------|
| AEO-Importer/Exporter                                 | Compliance with regulations and certification for export/import safety management               | Korea Customs Service  | August 2023             | July 2028      |
| ISO 37301   | Anti-bribery and Compliance Management System   | Lloyd's Register   | November 2023           | November 2026  |
| ISO/IEC 27001   | Information Security Management System  | BSI  | April 2023              | October 2025   |
| Authorized Economic Operator (AEO) - Trade Compliance | Designation for autonomous compliance in trade transactions                                     | Ministry of Trade, Industry and Energy   | April 2021              | April 2024     |
| Family-Friendly Company                               | Certification for exemplary operation of family-friendly policies                               | Ministry of Gender Equality and Family   | December 2021           | December 2024  |
| PT. GUMISPO Certification                             | Indonesian Sustainable Palm Oil Production Certification  | Ministry of Agriculture and Forestry of Indonesia                              | January 2022            | January 2027   |
| PT. TBSMISPO Certification                            | Indonesian Sustainable Palm Oil Production Certification  | Ministry of Agriculture and Forestry of Indonesia                              | April 2022              | April 2027     |
| PT. PAMRSPO Certification                             | International Certification for Sustainable Palm Oil  | World Wildlife Fund (WWF)  | March 2023              | March 2028     |
| Specialized Trading Company                           | Designation as a specialized trading company  | Ministry of Trade, Industry and Energy & Korea International Trade Association | July 2022               | June 2025      |
| AEO - Freight Forwarder                               | Certification for compliance with regulations and excellence in export/import safety management | Korea Customs Service  | May 2023                | May 2028       |
| AEO – Bonded area operators                           | Certification for compliance and import & exports safety management                             | Korea Customs Service  | May 2023                | May 2028       |
| ISO 9001  | Quality management system   | Korean Register of Shipping  | July 2023               | July 2026      |
| ISO 14001   | Environmental management system   | Korean Register of Shipping  | July 2023               | July 2026      |
| ISO 13485   | Medical Device Quality Management System  | SGS  | April 2023              | April 2026     |
| ISO 45001   | Safety and health management system   | Korean Register of Shipping  | July 2023               | July 2026      |
| ISO 28000   | Supply chain security management system   | Korean Register of Shipping  | September 2023          | September 2025 |
| ISO/IEC27001  | Information Security Management System  | BSI  | November 2022           | November 2025  |
| CEIV-Pharma   | Certification for excellent companies in transporting pharmaceutical air cargo                  | IATA   | June 2023               | May 2026       |
| CEIV-Fresh  | Certification for fresh cargo air transportation  | IATA   | September 2022          | September 2025 |
| CEIV-LiBatt   | Lithium Battery Air Transport Certification   | IATA   | April 2023              | April 2025     |
| CESS  | Certification for excellent shipping company and shipper for their win-win cooperation          | Ministry of Oceans and Fisheries   | July 2021               | July 2024      |
| Outstanding Logistics Company                         | Certification as an Outstanding Logistics Company   | Ministry of Land, Infrastructure and Transport                                 | September 2021          | December 2024  |
| Green Logistics Company                               | Certification for Green Logistics Company   | Ministry of Land, Infrastructure and T Transport                               | September 2021          | December 2024  |
| Smart Logistics Certification                         | Certification as a Nam (South) Cheongna Logistics Center as a Smart Logistics Center            | Korea Transport Institute  | October 2023            | October 2026   |
| GDP(Good Distribution Practices)                      | GDP(Good Distribution Practices)  | SGS  | 2022. 06                | 2025. 06       |
| TAPA (Transported Asset Protection Association)       | Certification for logistics security  | BUREAU VERITAS   | December 2021           | December 2024  |
| ISMS  | Information Security Management System Certification  | Korea Internet & Security Agency (KISA)  | September 2022          | September 2025 |
| ISMS-P  | Certification for Information Security and Personal Information Protection Management System    | Korea Internet & Security Agency (KISA)  | September 2022          | September 2025 |

## Award

| Year | Award   | Hosted by  |
|------|---|--|
| 2023 | Selection as an Excellent Company for the Disclosure of Corporate Governance Report | Korea Exchange   |
| 2022 | Rated A in overall ESG evaluation (for 3 consecutive years)                         | Korea Corporate Governance Service   |
| 2021 | Website reorganization 'Red Dot Design Award'                                       | Red Dot Design Award   |
| 2020 | Best ESG Company Award in the category of ESG management                            | Korea Corporate Governance Service   |
| 2018 | Minister Citation of Trade, Industry & Energy (LGI's Japan subsidiary)              | Korea International Trade Association  |
| 2017 | Citation of merit for the development of overseas resources                         | Energy & Mineral Resources Development Association of Korea  |
| 2017 | 1st place in the trading sector of KSI (Korea Sustainability Index)                 | Korean Standards Association   |
| 2016 | Deal of the Year (award for excellent project financing)                            | IJ Global (Project Finance & Infrastructure Journal)   |
| 2015 | Minister Award of Trade, Industry, and Energy at the 'Indonesia CSR Award'          | The Embassy of Korea in Indonesia, KOTRA, Indonesia Investment Coordinating Board, and Small and Medium Business Administration of Indonesia |
| 2014 | Citation of merit for the development of overseas resources                         | Energy & Mineral Resources Development Association of Korea  |
| 2013 | Prime Minister's Citation at the Trade Day  | Korea International Trade Association  |
| 2013 | Minister Award of Trade, Industry, and Energy at the Trade Day                      | Korea International Trade Association  |
| 2013 | 1st place in the trading sector of KSI (Korea Sustainability Index)                 | Korean Standards Association   |
| 2012 | Minister Award of Knowledge Economy at the Trade Day                                | Korean Standards Association   |

## Memberships

|  |                                       |
|--|---------------------------------------|
| Seoul Branch of the Chamber of Commerce and Industry | Korea Emission Market Association     |
| Korea International Trade Association                | Korean Bar Association (Seoul)        |
| Korea Listed Companies Association                   | Energy Future Forum                   |
| Korea Investor Relations Service                     | Korea-U.S. Economic Council, Inc.     |
| Korea Customs Logistics Association                  | Emergency Planning Association        |
| Korea Battery Industry Association                   | Korea-Oman Friendship Association     |
| Korea Logistics Association                          | Korea Chemical Management Association |

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

**APPENDIX**

GRI Index  
TCFD Index  
UNGC  
UNGC

● **Awards·Memberships·Certifications**  
Independent Assurance Statement  
Greenhouse Gas Verification Statement



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# Independent Assurance Statement

## To: The Stakeholders of LX International

### Overview

The British Standards Institution (hereinafter referred to as the "Assurer") was requested to verify the 2024 Sustainability Report (hereinafter referred to as the "Report"). The Assurer is independent to LX International and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the LX International's report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the LX International. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate. LX International is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to LX International only. The Assurer is responsible for providing LX International's management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of LX International. The Assurer will not, in providing this Independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the Independent assurance opinion statement may be read.

### Scope

The scope of engagement agreed upon with LX International includes the following:

- Report contents during the period from January 1st to December 31st 2023 included in the Report, some data of 2024 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report's compliance with the AA1000 AccountAbility Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

### Assurance Level and Type

The assurance level and type are as follows;

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018)

### Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by LX International.

#### [Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

#### [Topic Standards]

201-1, 203-1, 206-1, 302-1, 303-2~5, 304-3, 305-1~2, 305-7, 306-3~5, 308-1, 401-1~3, 403-1, 403-6, 403-9, 404-1~3, 406-1, 413-1, 414-1, 418-1

### Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of the materiality issue analysis process and prioritization and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures.
- An assessment of LX International's reporting and management processes against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the Main office of LX International to confirm the data collection processes, record management practices.

### Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by LX International. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

**APPENDIX**

- GRI Index
- TCFD Index
- UNGC
- UNGC
- Awards·Memberships·Certifications
- **Independent Assurance Statement**
- Greenhouse Gas Verification Statement

# Independent Assurance Statement

## Competency and Independence

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with LX International. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

## Opinion Statement

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain LX International's approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards. On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

## Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards is set out as below.

### Inclusivity: Stakeholder Engagement and Opinion

LX International defined Citizens, shareholders, investors, communities, governments, domestic and foreign partners, domestic and foreign employees as key stakeholder groups, and operated communication channels for each stakeholder group for engagement. LX International reflected key issues derived from stakeholder channels to sustainability management decisions and disclosed the process in the Report.

### Materiality: Identification and reporting of material sustainability topics

LX International has established strategies related to sustainable management and established a process to derive reporting issues. 10 major issues have been derived through analysis of the environmental and social impact on global ESG disclosure standards and guidelines, media research, stakeholder surveys, and financial impact on Analysis of financial disclosure initiatives, ESG management status, and stakeholder surveys.

### Responsiveness: Responding to material sustainability topics and related impacts

LX International has established a management process for critical issues determined by the materiality assessment. In order to properly respond to the Policies on critical issues, current status of desk performance, activities, and improvement measures are disclosed through the report.

### Impact: Impact of an organization's activities

### and material sustainability topics on the organization and stakeholders

LX International has established a process to identify and evaluate the impact on organizations and stakeholders related to critical issues. The management plan for critical issues is used in decision-making to establish a response strategy for each issue, and the process is disclosed through the report.

## Recommendations and Opportunity for improvement

The Assurer provides the following observations to the extent that they do not affect the assurance opinion;

- It can be helpful to increase the external stakeholders in the process of conducting materiality assessments and it helps reflect the sustainability issues that affect LX International. It can be helpful to increasing the external stakeholders in the process of conducting materiality assessments and it help reflect the sustainability issues that really affect LX International.

## GRI-reporting

LX International has self-declared compliance with GRI Standards. Based on the data and information provided by LX International, the Assurer confirmed that the Report is prepared in accordance with the GRI Standards, and confirmed there are no errors in the disclosures related to the Universal Standards and Topic Standards Indicators. No sector standard is applied.

Issue Date: 28/05/2024

For and on behalf of BSI (Brithish Standards Institution):

BSI representative

Doowon Kim,  
Lead Assurer

Seonghwan Lim,  
Managing Director  
of BSI Korea



BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea  
Hold Statement Number: SRA 790006



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# Greenhouse Gas Verification Statement

## LX International Corp.

The Korea Management Registrar Inc. (hereinafter “KMR”) has conducted the verification on the greenhouse gas (hereinafter “GHG”) emissions (Scope 1, 2) of LX International Corp. (hereinafter “the Company”) in 2023.

## SCOPE

Verification of places of business and emission facilities under the control of the company.

## STANDARDS

- ISO 14064-1:2018, ISO 14064-3:2019
- WRI/WBCSD GHG Protocol
- IPCC Guidelines for National Greenhouse Gas Inventories
- Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme

## PROCEDURE

We conducted a risk analysis approach and on-site verification based on data evaluation, and we identified the appropriateness of the data and factors applied to GHG emission calculations based on objective evidence. The verification team verified the GHG emissions during the reporting period in a reasonable way based on the verification guidelines.

## INDEPENDENT

KMR does not have any stake in the verified entity and does not conduct verification with biased opinions/views. We have drawn an independent and objective verification conclusion based on the verification standards, and reviewed every aspect of the verification we performed throughout the entire verification process through internal review.

## LIMITATIONS

The verification team verified the related reports, information and data presented by the audited institution by sampling or enumeration methods. As a result, there are many inherent limitations, and there may be disagreements in the interpretation of appropriateness. Although we have tried to faithfully perform verification that meets the verification standards, we suggest that errors, omissions, and false statements that could not be found may be latent as the limitations to the verification.

※ The abovementioned company is responsible for preparing verification data in accordance with the “Guidelines for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2021-278)”, and KMR’s responsibility is limited to the party in the verification contract according to the agreed contract terms, and is not responsible for other decisions, including investment decisions based on this verification statement.

※ The abovementioned company must comply with the use of the certification and logo marks under the contract entered into with KMR.

## OPINION

- GHG verification has been performed to meet the limited assurance level according to the verification standards.
- We express that no significant errors were found in the calculation of emissions during the verification process, and that relevant activity data and evidence were appropriately managed and calculated. As a result, we express an “unmodified” opinion.
- Criticality: meets the criterion, which is less than 5%

| GHG emissions       | Direct Emission(SCOPE1) | Direct Emission(SCOPE2) | Total(tCO <sub>2</sub> -eq) |
|---------------------|-------------------------|-------------------------|-----------------------------|
| LX International    | 283                     | 438                     | 721                         |
| LX Glas             | 246,886                 | 51,436                  | 298,318                     |
| Poseung Green Power | 6,239                   | 1,152                   | 7,392                       |
| Total               | 253,408                 | 53,026                  | 306,431                     |

| ENERGY CONSUMPTION  | Fuel  | Electricity | Steam | Total(TJ) |
|---------------------|-------|-------------|-------|-----------|
| LX International    | 4     | 9           | 0     | 14        |
| LX Glas             | 2,657 | 1,074       | 0     | 3,731     |
| Poseung Green Power | 2,529 | 24          | 0     | 2,553     |
| Total               | 5,190 | 1,107       | 0     | 6,298     |

※ Note : There is a difference in the total amount of emissions and emissions by greenhouse gas and by workplace.  
(Total emissions are cut to a decimal point for each workplace unit and emissions are summed up for each workplace unit.)

## RESULTS

We confirm through verification that the emissions from major emission facilities have been calculated and reported without omission.



April 24, 2024  
Authorized By

E. J. Hwang

CEO Eun Ju Hwang

OVERVIEW

ESG MANAGEMENT

ESG FACTBOOK

## APPENDIX

- GRI Index
- TCFD Index
- UNGC
- UNGC
- Awards·Memberships·Certifications
- Independent Assurance Statement
- **Greenhouse Gas Verification Statement**



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