

SUSTAINABLE FUTURE WITH **GREEN ENERGY SOLUTION**

2025–2026 LS ELECTRIC Sustainability Report



ABOUT THIS REPORT

Report Overview

Since 2015, LS ELECTRIC has published an annual Sustainability Report as a means of communicating with its stakeholders. This twelfth edition of the report provides a balanced and transparent account of the company's economic, environmental and social activities and performance in 2025.

Reporting Period

This report was prepared based on data from January 1 to December 31, 2025, including some data from the first quarter of 2026. For quantitative data, the reporting period covers the last three years to support yearly trend analyses.

Reporting Scope

The financial data presented here is aggregated on a consolidated basis. The nonfinancial quantitative data includes LS ELECTRIC and 15 major domestic and overseas subsidiaries. Any changes or differences in the data's reporting scope are duly noted.

Reporting Standards

This report has been prepared in accordance with GRI (Global Reporting Initiative) Standards. To enhance alignment with global sustainability disclosure frameworks, we have also incorporated the SASB (Sustainability Accounting Standards Board) guidelines and the IFRS S2 issued by ISSB (International Sustainability Standards Board). In addition, we referenced the recommendations of TNFD (Taskforce on Nature-related Financial Disclosures) and reflected selected elements in the relevant sections. Financial performance is based on the consolidated financial statements prepared in accordance with K-IFRS (Korean International Financial Reporting Standards).

Forward-looking Statements

This report contains not only statements regarding current and historical facts but also forward-looking statements related to future expectations and projections. Such statements may include terms such as "outlook," "assumption," "expectation," "estimate," and "plan," and may refer in particular to future business strategies, greenhouse gas reduction targets, climate scenario analyses, and other forward-looking matters. These statements are based on reasonable assumptions as of the date of this report; however, they inherently involve uncertainties and factors beyond our control or ability to predict. As a result, actual outcomes may differ materially from the expectations presented in this report. We neither guarantee the accuracy or completeness of the estimates or assumptions contained herein nor assume any obligation to update any forward-looking statements to reflect new information, future events, or other developments following the publication of this report.

Assurance

To ensure objectivity and credibility of the content, this report was assured by BSI Korea, a third-party independent assurance provider.

Report Access

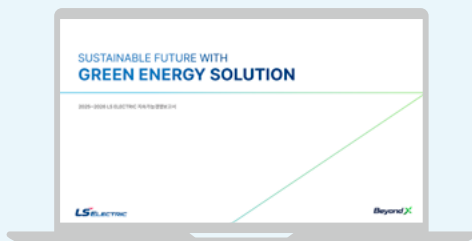
This report is publicly accessible through the LS ELECTRIC website (www.ls-electric.com) and is also available via the Financial Supervisory Service's electronic disclosure system (DART).

For any questions or comments regarding this report, please contact the LS ELECTRIC ESG Management Team.

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
Cover Story

We visualized the message "Green Energy Solutions" through a design that emphasizes essential elements, reinforcing our credibility as a global company and conveying the value of sustainable growth.

This report has been released as an Interactive PDF, enabling easy navigation to related pages and facilitating connections to external webpages.


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CEO Message



To our esteemed stakeholders, This is Ja-Kyun Koo, Chairman & CEO of LS ELECTRIC.

I would like to express my sincere gratitude to all of you for your unwavering trust and support for LS ELECTRIC over the past year.

In 2025, prolonged tensions between the US and China—coupled with a rise in protectionist policies—led to unprecedented uncertainty across global supply chains. At the same time, however, the rapid expansion of AI and data centers drove the explosive growth of power infrastructure demand, presenting significant business opportunities for LS ELECTRIC. We achieved the strongest performance in our history by responding swiftly to these shifts in the business environment and proactively addressing customer needs arising from global ESG regulations. Looking ahead to 2026, we expect an even higher level of uncertainty as existing risks are compounded by escalating geopolitical challenges. It is essential that we further strengthen the fundamental resilience of our company in times like these. To that end, we will reinforce ESG management—the foundation of sound management—and strive to turn external challenges into opportunities for continued growth.

We will accelerate the implementation of Carbon Neutrality 2040.

To achieve this goal, LS ELECTRIC joined the Global RE100 initiative in December 2023; since then, we have continued to advance renewable energy adoption and energy efficiency improvements across our domestic and overseas worksites. We successfully transitioned our Wuxi plant in China and our Bac Ninh plant in Vietnam to 100% renewable energy in 2025, while also investing in on-site solar generation at major facilities in Korea. In addition to the transition to renewable energy, we are actively expanding investments to enhance energy efficiency at each of our worksites. Furthermore, our product portfolio including HVDC, ESS, xEMS, and inverters serves as a direct enabler of carbon neutrality efforts for our customers and for society as a whole. As we advance our carbon neutrality strategy, we will continue to consider not only our own transition but also how we can support the decarbonization of our customers and communities; thus contributing to a more sustainable future for all.

We will prepare for the era of mandatory ESG disclosure.

Across the world including Korea, Europe, and California in the US, ESG information disclosure is becoming a regulatory requirement. It is essential that LS ELECTRIC strengthen its readiness for these evolving standards as it continues to expand its global footprint. To meet consolidated disclosure requirements, ESG reporting must encompass not only the parent company but also our domestic and overseas subsidiaries. In response, we are establishing an integrated ESG management system that covers our entire global network. We will continue to enhance this system, going forward, to ensure that we provide our stakeholders with accurate, transparent, and reliable ESG information.

We will strengthen our future technological competitiveness to ensure sustainable growth.

The rising demand for AI data centers and power grid modernization aligns directly with LS ELECTRIC's core business capabilities. We will continue to expand our R&D investments in low-carbon, energy-efficient technologies while enhancing the agility of our technical competencies to meet rapidly evolving market needs. Amid the global transition toward sustainable energy, the goal is to ensure that LS ELECTRIC becomes a trusted solution provider for the industry and a reliable partner for its customers.

Building on 51 years of technological excellence and trust, we will work together with all our stakeholders to create a more sustainable future. We sincerely ask for your continued interest and support.

Thank you.

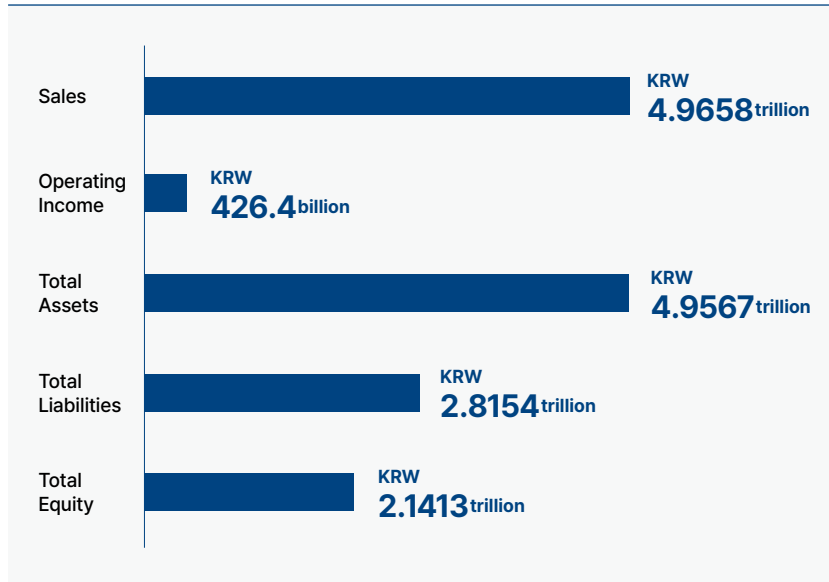
LS ELECTRIC
Chairman & CEO **Ja-Kyun Koo**

Company Profile

Company Overview

Name of Company	LS ELECTRIC Co., Ltd.
Date of Establishment	July 24, 1974
Representative	Ja-Kyun Koo, Dae-Seok Chae
Headquarter	LS Tower, 127 LS-ro, Dongan-gu, Anyang-si, Gyeonggi-do, Korea
Employees	3,486
Credit Rating	Corporate Bonds: AA-, Commercial Paper: A1

Summarized Financial Information in 2025



Corporate History

1974-1995

Era of Beginning Pioneering the power and automation industries

- 1974. 06 Goldstar Instrument & Electric Co., Ltd. established
- 1987. 03 Changed company name to Goldstar Industrial Systems Co., Ltd.
- 1994. 07 Held initial public offering of Goldstar Industrial Systems Co., Ltd.
- 1995. 02 Changed company name to LG Industrial Systems Co., Ltd
- 09 Merged with Goldstar Instrument & Electric Co., Ltd. and Goldstar Electric Machinery Co., Ltd.

1996-2007

Era of Challenge Leading Korea's power and automation sectors

- 1997. 04 Established a production subsidiary in Vietnam, ; merged with LG Metal Co., Ltd.
- 2000. 06 Completed a production plant in Dalian, China
- 2003. 12 Separated from the LG Group
- 2005. 03 Changed company name to LSIS
- 09 Completed an electric power and automation equipment production plant in Wuxi, China
- 2007. 02 Established a sales subsidiary in Dubai

2008-2014

Era of Innovation for Growth Preparing for growth beyond survival

- 2008. 04 Relocated the head office to LS Tower in Anyang
- 2009. 10 Established a sales subsidiary in Europe, Incorporated LS Mecapion Co., Ltd as a subsidiary
- 2010. 02 Established LS Sauter
- 04 Completed a plant in Busan and spun off the Metal Processing Business Unit (currently known as LS Metal)
- 10 Established a sales subsidiary in Japan
- 2011. 10 Completed an HVDC plant in Busan
- 11 Named one of the 500 Fastest Growing Companies by Fortune Korea
- 2012. 12 Established a sales subsidiary in the US
- 2013. 11 Received the 500 Million Dollar Export Tower Award, Awarded at the 39th National Quality Management Convention
- 2014. 05 Received the 49th Gold Tower Order of Industrial Service Merit on Invention Day

2015-2020

Era of Building a Global Business Foundation Securing competitiveness for global business

- 2015. 01 Declared the guiding principles of value management
- 03 Completed the R&D Campus
- 2016. 03 R&D Campus acquired the BEMS certification as a first in Korea
- 09 R&D Campus acquired a certification for establishing the first ESS for emergency power supply
- 2017. 03 Listed on the Global Top 100 Companies of patent applications in Europe
- 06 Awarded as Korea's Best Enterprise for 10 consecutive years
- 2019. 08 Completed the world's largest self-sufficient DC energy island on Seogeocho
- 12 Established a holding company in China
- 2020. 03 Changed the company name to LS ELECTRIC Co., Ltd.
- 07 Established the Yeongam Photovoltaic Power Plant with 94MW capacity, the largest in Korea

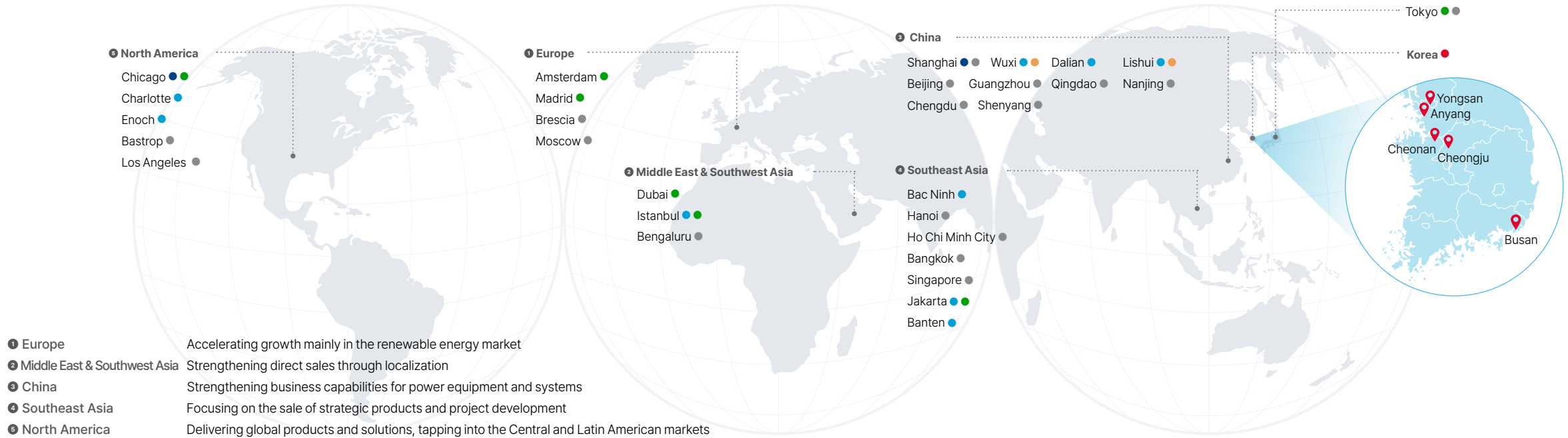
2021-2025

Era of Global Business Expansion Seizing opportunities to emerge as a global player

- 2021. 01 Announced the LS ELECTRIC vision of "Drive Change for 2030"
- 03 Named one of the world's top 100 Innovative Companies for 10 consecutive years, Acquired LS ITC and AC&T as subsidiaries
- 09 Named a Lighthouse Factory by the World Economic Forum (WEF)
- 2022. 03 Took over MCM Engineering II of the US
- 04 Spun off the EV Relay Business Unit (currently known as LS e-Mobility Solutions)
- 09 Established a sales subsidiary in Indonesia
- 10 Introduced ESG management, Established a sales subsidiary in Spain, Completed construction of the Bac Ninh Plant in Vietnam
- 11 Established a joint venture in Türkiye (LSAS)
- 2023. 07 LS ELECTRIC and KEPCO completed the superconducting current limiter test site
- 09 Established a joint venture in Indonesia (PT. SYMPHOS ELECTRIC)
- 12 Joined RE100, '700 Million Dollar Export Tower' Award at the 60th Trade Day
- 2024. 05 Acquired KOC Electric (currently LS Power Solution)
- 10 Completed the construction of the Bottley Battery Energy Storage System (ESS) power plant in the UK
- 12 '900 Million Dollar Export Tower' Award at the 61st Trade Day
- 2025. 04 Completed construction of Bastrop Campus in the US
- 12 Completed construction of the second production building at the Busan plant

Global Business

LS ELECTRIC set a mid- to long-term vision for each overseas market to broaden its global business presence. In addition to pursuing the evolution of our existing businesses, we are discovering new business opportunities and strengthening the basis of business operations to strengthen localized business operations tailored to each market.



Global Business Overview

	Head Office	Anyang
● Domestic	Worksites	Yongsan, Cheongju, Cheonan, Busan, Busan HVDC
	R&D Centers	R&D Campus (Anyang), Electric Power Research Center (Cheongju), Electric Power Testing & Research Center (Cheongju), Automation Research Center (Cheonan)
Overseas	● Holding Companies	Shanghai (China), Chicago (US)
	● Production Subsidiaries	Wuxi (China), Dalian (China), Lishui (China), Bac Ninh (Vietnam), Jakarta (Indonesia), Banten (Indonesia), Charlotte (US), Enoch (US), Istanbul (Türkiye)
	● Sales Subsidiaries	Amsterdam (Netherlands), Madrid (Spain), Istanbul (Türkiye), Dubai (UAE), Tokyo (Japan), Chicago (US), Jakarta (Indonesia)
	● R&D Centers	Wuxi (China), Lishui (China)
	● Branches	Shanghai (China), Beijing (China), Guangzhou (China), Qingdao (China), Nanjing (China), Chengdu (China), Shenyang (China), Tokyo (Japan), Hanoi (Vietnam), Ho Chi Minh City (Vietnam), Bangkok (Thailand), Bengaluru (India), Singapore (Singapore), Moscow (Russia), Brescia (Italy), Bastrop (US), Los Angeles (US)

Domestic Subsidiaries

LS Metal

Manufacturing copper tubes and STS pipes
Anyang-si, Gyeonggi-do, Korea

LS ITC

Providing total IT services
Yongsan-gu, Seoul, Korea

LS Mecapion

Manufacturing industrial electronic equipment
Dalseo-gu, Daegu, Korea

LS e-Mobility Solutions

Manufacturing EV Relays and BDU
Cheongju-si, Chungcheongbuk-do, Korea

LS Sauter

Selling BAS/IBS and GBS systems
Anyang-si, Gyeonggi-do, Korea

AC&T system

Manufacturing industrial communication equipment
Anyang-si, Gyeonggi-do, Korea

LS Power Solution

Manufacturing transformers and electrical and electronic equipment systems
Gangseo-gu, Busan, Korea

LS E&M

Manufacturing logistics automation systems and industrial electrical machinery
Anyang-si, Gyeonggi-do, Korea

LS THIRA-UTECH

Supplying equipment and logistics automation software
Gangnam-gu, Seoul, Korea

Business Overview

Integrated Global Brand

Moving Forward
into the Future,
Expanding into
the Global Market.



Roles of the Integrated Global Brand

Global

Enhancing global market and customer awareness and perception of our business (products, services, and solutions)

Establishing an easy-to-understand, sufficiently impactful brand for overseas customers to support rapid market entry and create a positive local image

Integration

Integrated brand that represents the full spectrum of our business offerings (products, services, and solutions)

Encompassing individual products, services, and solutions in the power and automation sectors, as well as diverse business models and combined solution packages

Customer Values

Defining the value we deliver to customers through our business

Communicating with customers based on the value we deliver, not on product features

Core value of Brand



Eco

- The prerequisite and goal for our business operations
- Fundamental pursuit and future value



Efficient

- Supporting our customers' business efficiency
- Providing optimized and customized solutions to stay competitive



Digital

- Connectivity and interoperability with internal and external products and business
- Data-driven smart technology to deliver innovation to our customers



K-Electric

- Responsibility and confidence in quality
- Prompt and flexible response, diligence, sincerity, respect for customers
- A reliable and trustworthy partner for customers

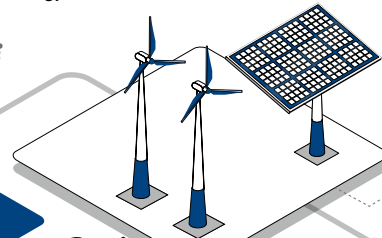
Business Overview

Power

Since its founding in 1974, LS ELECTRIC has led industrial development for the past 50 years by continuously introducing innovative products and solutions in domestic and global markets. The demand for power systems has recently grown to unprecedented levels due to the rapid increase in electricity consumption driven by the expansion of AI use, accelerated transition to renewable energy, and approaching replacement cycle of aging power infrastructure. In response, LS ELECTRIC is actively addressing these challenges by providing integrated solutions covering the entire power value chain from generation to end-use consumption. Furthermore, we are committed to creating a stable, reliable power use environment for our customers while focusing our capabilities on developing advanced, eco-friendly products that support decarbonization and improved economic efficiency. Looking ahead to the next 50 years, LS ELECTRIC will further strengthen communication and collaboration with customers and solidify its position as a leading green energy company driving the future of next-generation power systems.

1 Micro-Grid

A microgrid is a small-scale power network capable of operating either in connection with the main grid or independently, enabling localized self-sufficiency in electricity. LS ELECTRIC is actively participating in various projects aligned with the growing trend of distributed (decentralized) energy and expanding a wide range of energy efficiency and optimization solutions that address carbon neutrality and rising energy costs.



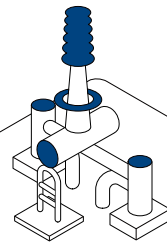
2 Renewable Energy Generation

Photovoltaic Power

Not only are we continuing with our large-scale photovoltaic power EPC project, but we're also working to assist our customers in switching to green energy, reducing carbon emissions, and improving energy efficiency by connecting with energy management systems.

Wind Power

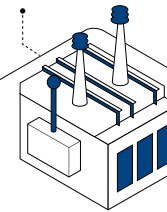
By serving as an energy hub that efficiently connects power generated from offshore wind farms to the onshore transmission grid, LS ELECTRIC provides an integrated solution encompassing the full scope of renewable energy business.



3 Power Transformation

5 Ultra-High Voltage Natural Ester Oil Immersed Power Transformer

We offer eco-friendly vegetable oil-immersed transformers that use natural ester fluid instead of conventional mineral oil, reducing the risk of fire and explosion while preventing environmental pollution. Because natural ester fluid is highly biodegradable, it minimizes environmental impact even in the event of leak. Its fire point is also nearly twice that of mineral oil, significantly lowering the risk of fire and explosion. Moreover, these transformers offer extended operational life compared to mineral-oil transformers, enabling reductions in both operating and maintenance costs.

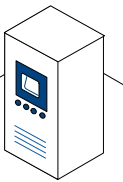


7 Arc Protection System

Arc-flash accidents escalate exponentially in severity over time, making ultra-fast interruption essential for effective protection. Our Arc Protection System (APS) detects arc-flash events occurring inside the switchgear and extinguishes the arc within an extremely short time to safeguard both personnel and equipment. It is the most powerful solution for minimizing secondary damage such as equipment destruction caused by arc faults.

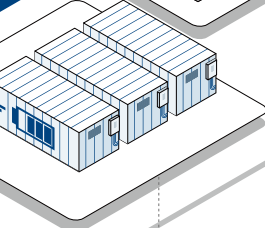


4 Power Distribution/ User



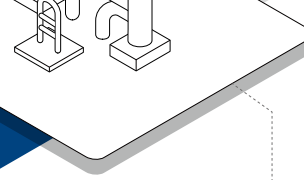
3 ESS (Energy Storage Systems)

ESS helps mitigate grid instability caused by fluctuations in renewable energy output and enables flexible power operations and efficient electricity consumption by controlling the storage and release of power. LS ELECTRIC provides end-to-end ESS services from design and procurement to construction. We are actively expanding our business to support energy efficiency and RE100 initiatives not only in Korea but in global markets as well including the US, UK, Japan, Australia, Vietnam, Malaysia, and Taiwan.



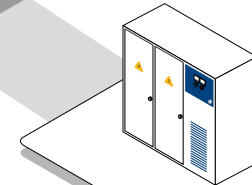
4 Eco-Friendly GIS

Research on alternative insulating materials has continued following the designation of SF₆—a widely used insulating medium—as a greenhouse gas in 1997, and regulations on SF₆ use have been tightening particularly in Europe and U.S. In response, LS ELECTRIC became the first in Korea to develop and supply transmission-class eco-friendly GIS.



6 Smart Switchboards

Smart switchboards boast of higher reliability, convenience, and efficiency compared to conventional switchboards. They enable remote monitoring of internal electrical equipment and provide self-diagnostic functions. The data collected through these functions is used for system protection, equipment inspection, and energy management through advanced analysis and visualization features available via on-site HMI or remote SCADA systems.



8 Distribution-Level Reactive Power Compensation Device

A reactive power compensation device helps improve the stability of the power grid and the reliability of power system operations through effective reactive power management and voltage regulation. This device is equipped with a power factor control function that rapidly supplies or absorbs reactive power when voltage fluctuations occur, improving equipment efficiency and reducing electricity costs while also contributing to enhanced grid stability.



Business Overview

Power

Data Center Products and Solutions

Data center systems require an uninterrupted power supply as well as a highly reliable system, since even brief operational disruptions can severely impact service continuity. In addition, introducing efficient smart energy management systems is increasingly important because data centers consume massive amounts of electricity. LS ELECTRIC provides power solutions to major data centers in Korea and abroad in response to these market demands, backed by exceptional technological expertise and proven reliability. LS ELECTRIC delivers total solutions that integrate power infrastructure—from low voltage to ultra-high voltage—with advanced unified control systems, solidifying its position as the leading solution provider in this field.

Beyond X™ for Data Center

Operational Infrastructure

- **Data Center Infrastructure Management (DCIM)**

Powered by AI Transformation (AX), DCIM is a connected platform that integrates IT assets and facility infrastructure. It is designed to enable efficient and convenient system operation and maintenance, from energy and asset management to facility protection and management.

- **Electric Power Monitoring System (EPMS/SCADA)**

Designed for stable power supply, accident prevention and prompt recovery, EPMS/SCADA enables remote monitoring and measurement of power facilities and transmission of data to a central server. Comprehensive monitoring and diagnosis of power and energy facilities helps reduce energy consumption and facility management costs.

- **Energy Management System (xEMS)**

Our xEMS solutions provide customized monitoring tools and actionable energy savings measures. Real-time monitoring of energy data and hierarchical data and information integration to establish an energy baseline facilitate ongoing energy efficiency activities.

Power Infrastructure

- **Closed Transition Transfer Switch (CTTS)**

In the event of planned power outages or other power disruptions due to incidents and restoration, the CTTS on the main power source and an emergency generator, enabling continuous operation without interruption. This eliminates the risk of service disruptions to critical infrastructure caused by power outages, improving operational efficiency.

- **All-in-One Power Integration Solution (PowerONE)**

The PowerONE integrated solution combines transformers, switchgear and UPS to provide stable power to data centers. Installation requires less space, less time, and lower cost, while integrated software enables monitoring of critical power equipment.

- **Remote Power Panel (RPP)**

RPP is a power switchgear designed to supply stable electricity to IT equipment while providing power quality measurement and energy use monitoring capabilities. Branch circuits can be easily replaced in the event of a malfunction or in response to the need to increase load or circuit breaker capacity, allowing for safe maintenance work without power interruption. In addition, power quality and energy consumption monitoring ensures stability and efficiency.

- **HyperGrid NX**

HyperGrid NX is a solution that leverages superconductivity, whereby certain materials exhibit nearly zero electrical resistance at cryogenic temperatures, allowing current to flow without loss to deliver large-capacity power to data centers through a compact transmission network. It ensures the continuous operation of data centers by minimizing the impact of power system faults. With minimal electromagnetic emissions and transmission losses, it is recognized as a next-generation technology that enhances energy efficiency and contributes to carbon reduction.

Business Overview

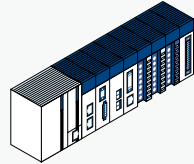
Automation

LS ELECTRIC leverages its extensive expertise accumulated in the industrial automation sector to lead the market by providing comprehensive solutions encompassing the manufacturing and sales of industrial automation systems, industrial communication devices, and related equipment as well as full-scope maintenance services. We play a pivotal role in enhancing our customers' business performance by supporting the implementation of smart factory systems optimized for each company's operational environment, driving higher productivity, dramatically reducing defect rates, and lowering processing costs.

Beyond X™ for Smart Factory

PLC

As a core control device used in automated equipment, PLC (Programmable Logic Controller) is designed to control various machines and processes precisely based on user-defined control logic. LS ELECTRIC offers a solution that enables the simultaneous reduction of safety risks in industrial sites and enhancement of equipment's operational stability by providing not only PLCs optimized for production and process automation but also safety PLCs that enhance the protection of people, equipment, and systems.



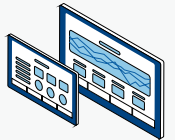
AC Drive

An AC Drive, also known as inverter or VFD (Variable Frequency Drive), supplies the appropriate frequency and power to motors installed in the field, enabling them to operate at the user's desired speed. LS ELECTRIC's AC Drives are installed in the heating and cooling systems of buildings and apartment complexes, helping maintain a comfortable working and living environment.



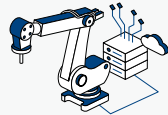
HMI

HMIs (Human Machine Interfaces) visualize the status of all equipment, including PLCs and drives, in diagrams and graphs. LS ELECTRIC's HMI allows the remote control of specific on-site devices by users by touching the switch and button icons displayed on the screen, enabling convenient and efficient operation of industrial systems.



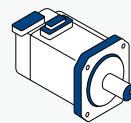
SDA

As a modular software-based automation technology that goes beyond traditional hardware-dependent PLC and motion control systems, Software Defined Automation (SDA) provides flexible, software defined modules for sequence control, motion, communication, and database functions. SDA technology that allows for flexible combinations provides autonomous control solutions optimized for diverse industrial environments.



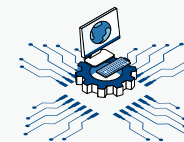
SERVO System

LS ELECTRIC's SERVO motor systems are driven by PLC and HMI commands, enabling precise positioning and speed control to support customized manufacturing. This system is expected to serve as a core functional component in future humanoid applications.



RAPIDnet+

Industrial Ethernet communication technology that is applied to IT/OT network control within smart manufacturing environments. It enhances interoperability between systems across industrial sites and supports efficient diagnostic capabilities, contributing to reduced total cost of ownership (TCO) for customers.



DEXA

DEXA (Data Expert Agent) is a software solution that securely protects engineering data from factories and power plants. It systematically manages data versions and enables rapid system recovery in the event of unexpected issues, minimizing both material and time-related losses for users.



EdgeHub:

A Solution that Connects OT and IT

EdgeHub is an edge-computing solution that connects diverse assets within the OT (Operational Technology) domain and processes and analyzes data for seamless exchange with IT systems. EdgeHub enables the real-time collection, storage, analysis, transmission, and visualization of equipment data by integrating with sensors, PLCs, MES, and other industrial systems, supporting more transparent, efficient, and sustainable operational management.



Tech Square:

A Smart Factory Service Platform for SMEs

LS ELECTRIC operates the "Tech Square" platform to support problem solving and collaboration for small and medium-sized manufacturers. The platform provides services that help companies enhance their competitiveness and achieve stable advancement toward smart factory operations. SMEs can develop customized transformation roadmaps with experts and collaborate with solution providers to implement smart factory systems, strengthening their long-term operational resilience and realizing sustainable growth in the process.



Solution Square:

An Integrated Engineering Service Platform Evolving Beyond the Cloud Through AI

Solution Square (SSQ) is evolving beyond a conventional product information platform into an intelligent system that shortens engineering lead times and lowers barriers to accessing specialized technical knowledge. By adopting advanced AI technologies such as LLMs (Large Language Models) and RAG (Retrieval-Augmented Generation), SSQ enables an AI chatbot to analyze extensive technical documentation in real time and deliver accurate solutions. LS ELECTRIC is building a 24/7 support framework and expanding multilingual services by leveraging these capabilities, ensuring scalable global technical support without time or geographic constraints while maximizing customer operational efficiency.



R&D Strategy

R&D Operation System

LS ELECTRIC is focused on accelerating its business growth by seeking out future solutions that integrate with our operations and improving our competitiveness in both primary and strategic business ventures, guided by our R&D vision, 'R&D for Vision 2030, Acceleration, Culture Transformation, Effectiveness & Efficiency' (RACE). To enhance R&D efficiency and development speed, we have reorganized our research structure so that digital and common foundational technologies such as communications, hardware and software modules, and numerical analysis can support product development more effectively. We are also accelerating innovation across our work processes by actively incorporating AI and digital technologies. Furthermore, under the Challenge, Collaboration, Creative (3C) slogan, we are accelerating a culture of innovation within our R&D organization. This is achieved through strategies like operating an internal research fund (CTO Fund), fostering researcher collaboration, and an ongoing rewards system to encourage innovative research.

R&D Governance

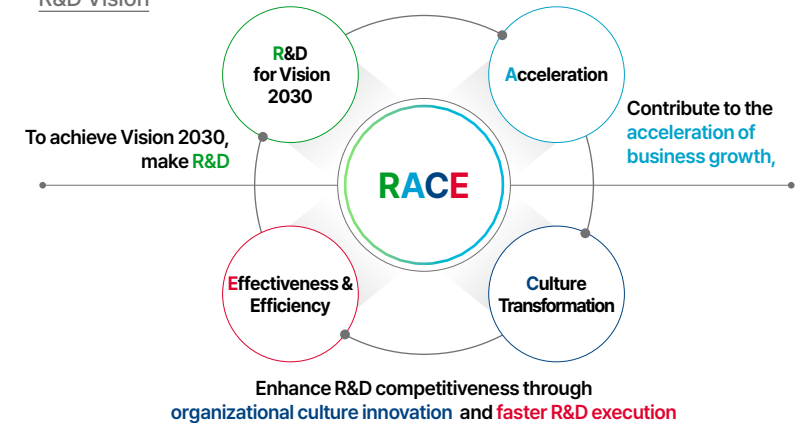
Guided by its mission "Futuring Smart Energy" R&D group is strengthening cross-business integration and collaboration to advance new technology research and develop comprehensive, future-oriented solutions. We also established the DX Business Promotion Headquarters under the CVO (Chief Vision Officer) to accelerate such transformation, securing core digital capabilities such as AI, machine learning, and big data. These efforts enhance our business competitiveness, position us to lead global markets, and reinforce our long-term future-readiness.

R&D Process

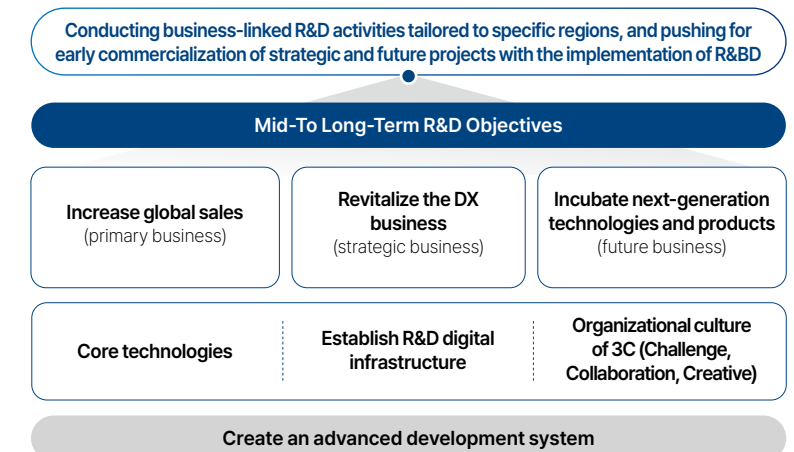
LS ELECTRIC is systematizing systems related to R&D, such as PLM, RMS, MDN, CDN, and MDM¹⁾, aimed at bolstering data consistency and connectivity throughout the R&D process. Moreover, we're restructuring our digital and core technology organizations dispersed throughout our R&D Group to elevate technological capabilities and streamline product development, thereby avoiding technological redundancies.

1) PLM : Product Lifecycle Management
 RMS : R&D Management System
 MDN : Mechanical Design Navigator
 CDN : Circuit Design Navigator
 MDM : Master Data Management

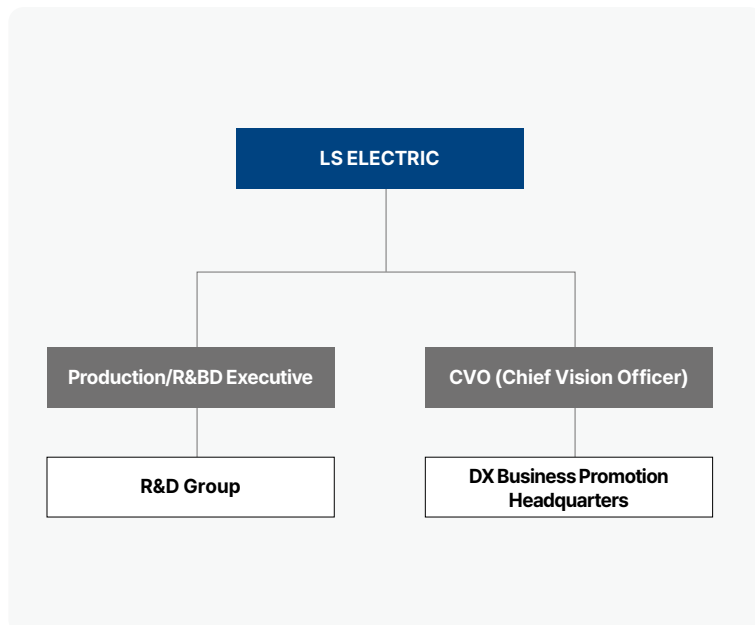
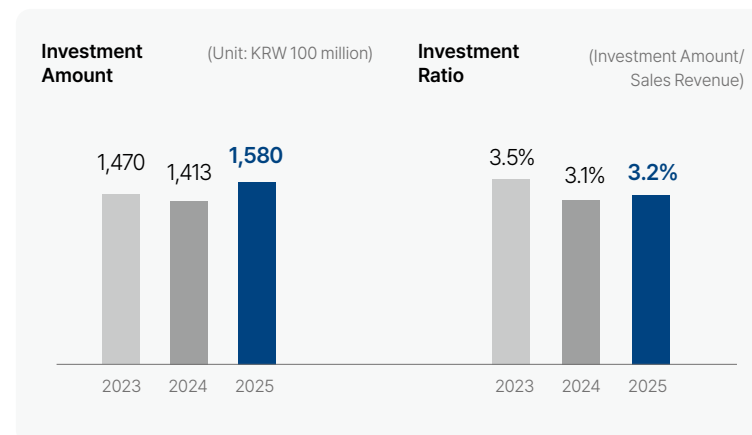
R&D Vision



R&D Strategy



R&D Investment Overview

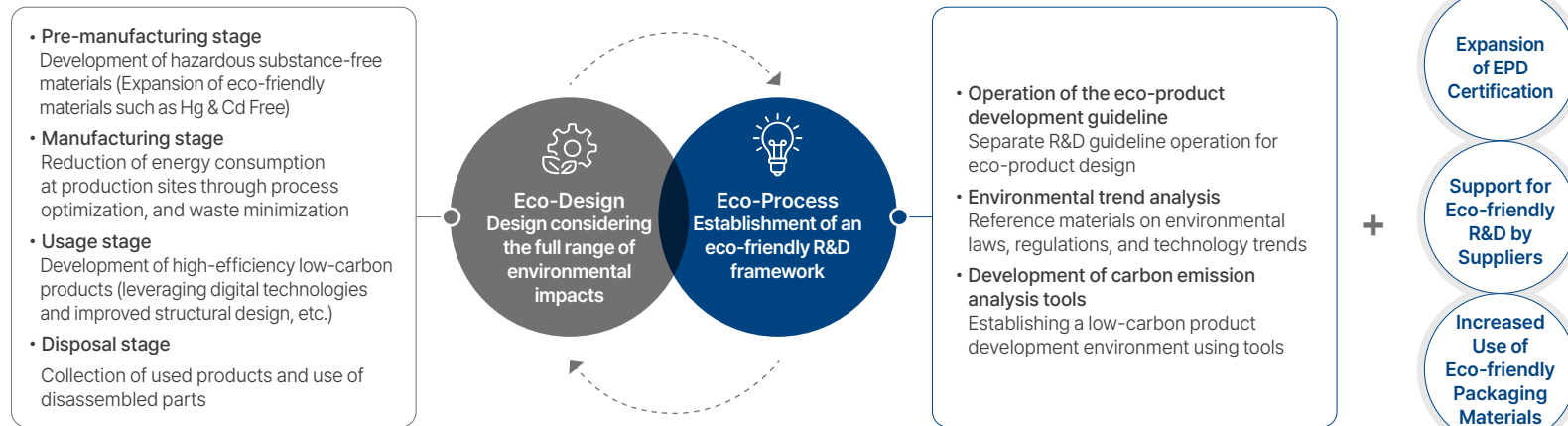


R&D Strategy

Development of Eco-Friendly Products and Green Technology Certification

LS ELECTRIC is committed to becoming a leading provider of eco-friendly solutions by establishing a comprehensive green framework across our entire product portfolio. As part of this effort, we have replaced SF₆ insulating gas with g³ gas in our 170kV 50kA Gas Insulated Switchgear (GIS), achieving more than a 98% reduction in greenhouse gas emissions compared to conventional GIS products. Despite adopting this environmentally friendly gas, we successfully maintained a compact design equivalent to existing models. We are also continuously developing eco-friendly solutions such as Energy Storage Systems (ESS) and Virtual Power Plants (VPP) that integrate with renewable energy sources. We also actively participate in the government's Green Technology Certification program to formally validate the environmental performance of our products. In January 2025, we obtained Green Technology Certification (GT-25-02189) from the Ministry of Land, Infrastructure and Transport for our Korean Train Control System Level 2 (KTCS-2) Ground Radio Block Center (RBC) technology. We plan to further broaden our portfolio of certified green technologies in the years ahead.

Research Strategy VISION 2030



Intellectual Property Rights

LS ELECTRIC is committed to innovation in eco-friendly technology and product portfolio to sharpen its global competitive edge and develop drivers for sustainable growth. As of the end of 2025, we have obtained a total of 505 eco-related patents and achieved recognition for our technological leadership by obtaining patents not only in Korea but also in major markets such as the U.S., China, Germany, and the United Kingdom. Going forward, LS ELECTRIC will continue its efforts to invest in core technologies to create value for generations to come.

2025 Key Achievements

Sectors	Key projects	Results and impact
Power	Development of the North America-targeted UL891 switchboard	<ul style="list-style-type: none"> Early entry into the North American low-voltage switchboard market enabled by acquiring UL891, the first safety certification of its kind in Asia. Expanded potential for entering large industrial plants and data center markets.
	MV-level SFCL ¹⁾ development and real grid operation technology	<ul style="list-style-type: none"> Improved power supply and system protection reliability through fault current reduction Contribution to eco-friendly power grid construction through carbon-emission reduction and mitigation of electromagnetic issues.
Automation	Development of the RAPIenet+based industrial Ethernet solution.	<ul style="list-style-type: none"> World's first unified Ethernet-based protocol solution: Simultaneous real-time operation of multiple industrial control protocols on a single module. Expanded applicability to data centers, automotive manufacturing, and secondary battery production processes.
	Development of the low code-based data processing and visualization solution.	<ul style="list-style-type: none"> Support for rapid in-house development of software required for smart factory implementation. Provision of a global real time collaborative development environment through a web-based engineering system.

1) SFCL (Superconducting Fault Current Limiter): A superconducting device that rapidly limits fault currents in the event of a power system failure.

Technology classification	Domestic	Overseas	Total
Energy Management Systems	2	0	2
Energy Storage Devices	105	135	240
Electric Vehicles	24	44	68
Superconducting Fault Current Limiters	25	31	56
Eco-Friendly Gas Insulated Switchgear	15	3	18
Photovoltaic Power	57	64	121
Total			505

R&D Strategy






Open Innovation

At LS ELECTRIC, Open Innovation represents our commitment to research and development. In particular, we operate the “LS ELECTRIC R&D STAR Partners and Lab” program to identify outstanding technical partners and leading university laboratories in Korea, expanding technical collaboration and exchange to promote mutual growth.

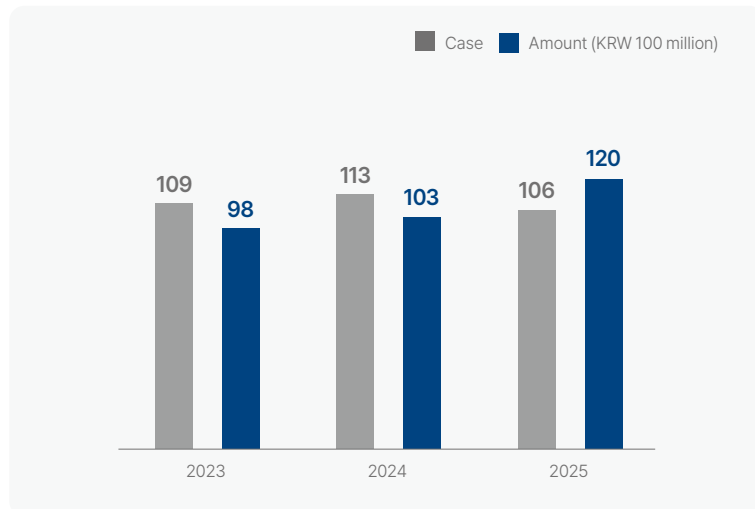
In 2025, LS ELECTRIC selected research laboratories at major universities, including KAIST and Hanyang University, as “LS ELECTRIC R&D STAR Labs,” actively conducting joint industry-academia research in next-generation DC power grids, enhanced PCS reliability, semiconductor transformer technology, and arc analysis technology. We are also continuously generating synergy by pursuing ongoing technological development with a wide range of technical partners.

By sharing technologies and expertise with selected companies and universities, LS ELECTRIC is building a healthy cooperative ecosystem that enables rapid response to fast-changing market conditions and accelerates the development of new technologies.

Eco-Friendly Material Development Activities

 <p>Development of Halogen-Free Eco-Friendly Insulation Material</p> <ul style="list-style-type: none"> Replaced the halogen-based materials used for insulating components (case, cover) with halogen-free materials by developing a halogen-free substitute suitable for power equipment. These halogen-free substitutions have already been introduced in a portion of the MCCB and MC product lines, with the phased transition expected to be complete by 2026. 	 <p>Eco-Friendly Cd-Free Contact Development</p> <ul style="list-style-type: none"> Applied eco-friendly, Cd-free contacts made from proprietary carbon nanotubes into its products. All cadmium oxide contacts in MS, MMS, MCCB, ELCB have been replaced with Cd-free alternatives in 2024. 	 <p>Eco-Friendly Mold Transformer Epoxy Recipe Development</p> <ul style="list-style-type: none"> Switched to a glycerin-based method for producing Epichlorohydrin (ECH)¹⁾, reducing carbon emissions compared to the traditional propylene method. <p><small>1) Ingredient for eco-friendly mold transformer epoxy resin</small></p>	 <p>Development of Carbon-Reducing Plastics</p> <ul style="list-style-type: none"> Using Post-Consumer Recycled (PCR) and Post-Industrial Recycled (PIR) materials Incorporating bio-plastics, derived from renewable plant sources, into product testing 	 <p>Development of Quick-Setting Epoxy Recipes</p> <ul style="list-style-type: none"> By employing quick-setting epoxy, the curing time is halved, leading to reduced energy use.
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Open Innovation Overview



Special Case

World's First DC-powered Factory, 'DC Smart Factory'

In line with the growing emphasis on energy efficiency, LS ELECTRIC has successfully established the world's first “DC Factory” equipped with a dedicated direct-current power grid at our Cheonan plant through collaboration with LG Electronics and Korea Electric Power Corporation. The DC system improves power efficiency by more than 15 percent compared to conventional AC systems while reducing power conversion steps and associated equipment. We also implemented an eco-friendly integrated solution in which electricity generated from solar power is stored in an energy storage system (ESS) and used to operate power equipment within the factory.

The “DC Factory” incorporates our proprietary DC distribution technologies. In particular, the Solid-State-Transformer (SST), capable of both AC/DC conversion, and the DC/DC converter, which efficiently adjusts DC voltage levels, serve as key technologies that ensure system stability and efficiency. We invest an average of KRW 14 billion annually in DC-related R&D and remain dedicated to advancing our technological capabilities. We plan to continue to invest in R&D to support the transition toward DC-based power systems and contribute to achieving RE100 and other global sustainability goals.





ESG MANAGEMENT

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ESG Highlight



ENVIRONMENT

For Distribution-Type Molded Transformers, **Conducted LCA and Obtained EPD Certification**

For Major Domestic and International Worksites, **Conducted Climate Scenario Analysis**

In Recognition of Carbon Reduction Achievements, **Received the 2025 Electronic Times Climate Tech Award**



SOCIAL

Domestic Suppliers **95.2% Conducted ESG Self-Assessments**

Employee Training Satisfaction **4.65 Points** *Rated on a scale of 1 to 5

Selected by the Ministry of Employment and Labor as **2025 Korea's Top Job Creation Company**



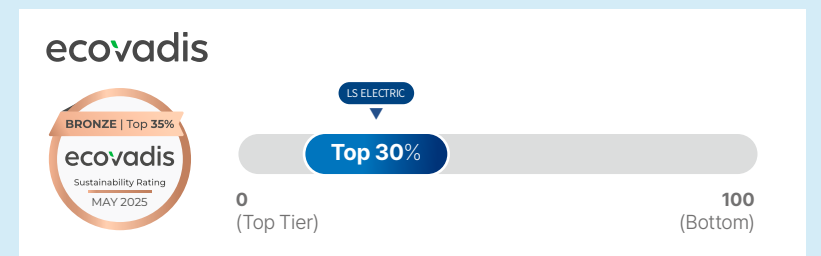
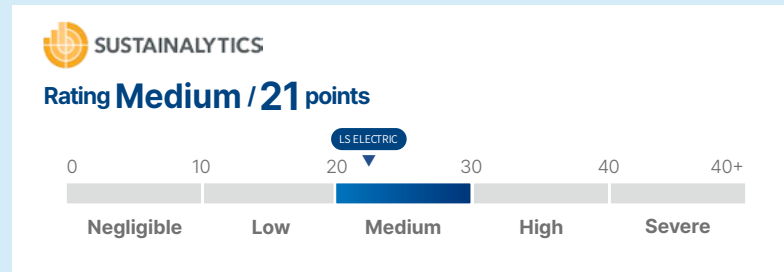
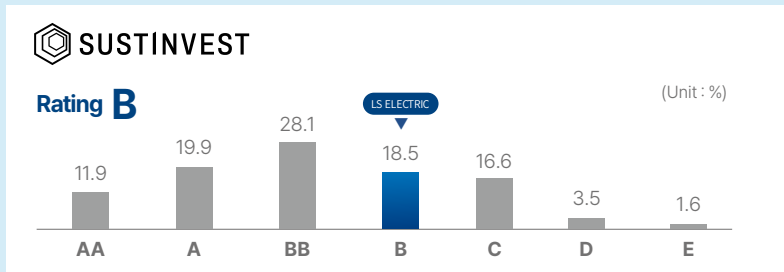
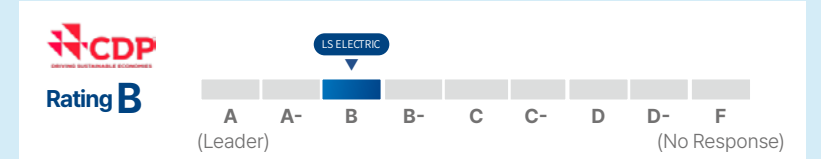
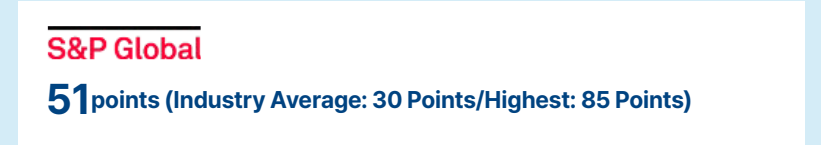
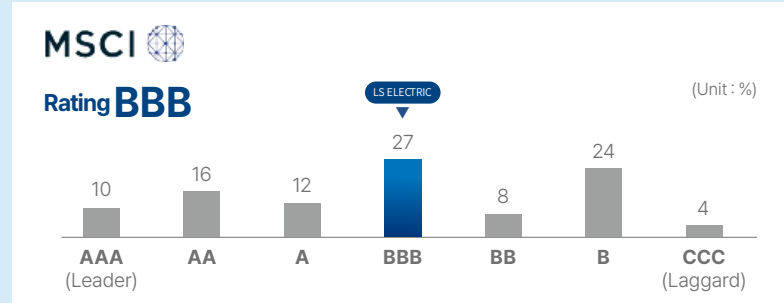
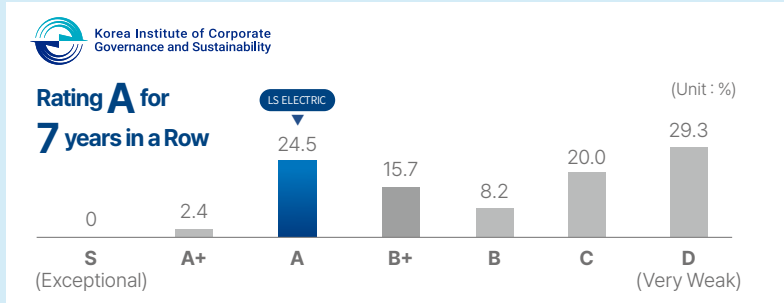
GOVERNANCE

For Strengthening Compliance Management, **Obtained ISO 37301 Certification**

For All Office Employees, **Ethical Management Training Conducted**

Cash Dividend Per Share **KRW 3,000**

Key ESG Rating Results



ESG Driving Strategy

Aiming to be a global leader that achieves sustainable growth and creates the future of smart energy, LS ELECTRIC declared its vision for ESG management “Sustainable Future with Green Energy Solution” in 2022. In order to establish transparent and progressive governance, we have established the ESG Committee under the Board of Directors to deliberate and decide on key ESG-related policies and strategies. For well-structured ESG management, the ESG Management Team has been established to lead the internal and external dissemination of ESG management practices. In addition, the ESG Council involves executives and organizational leaders from various internal value chains to implement ESG tasks and respond effectively to various ESG issues. In addition, the Subsidiary ESG Meeting (SEM) is held to disseminate ESG management to subsidiaries and overseas operations.

ESG Strategy System

Mission

FUTURING SMART ENERGY

We open up a brighter future through efficient and convenient energy solutions

Vision

DRIVE CHANGE FOR 2030

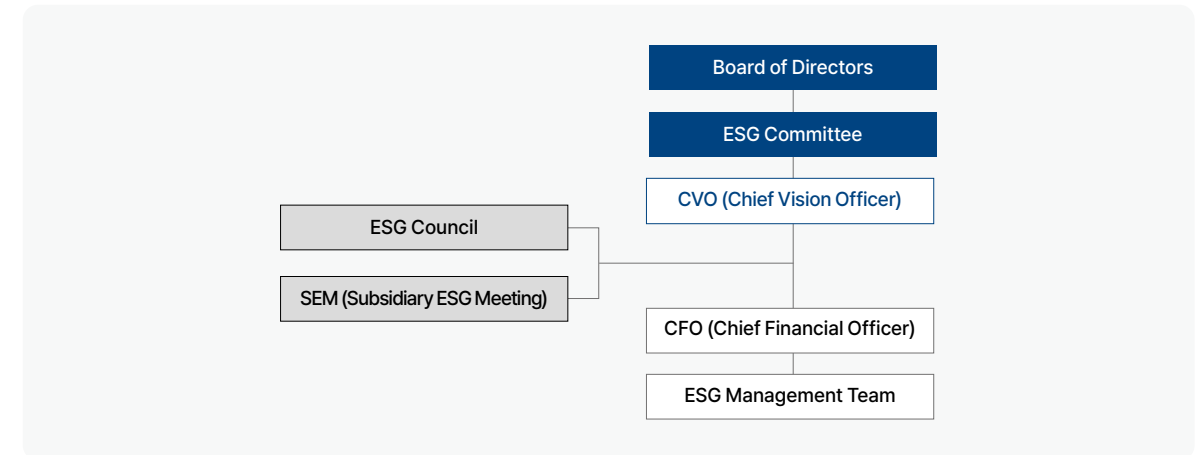
ESG Management Vision

SUSTAINABLE FUTURE WITH GREEN ENERGY SOLUTION

ESG Direction



ESG Governance



ESG Management Improvement Direction



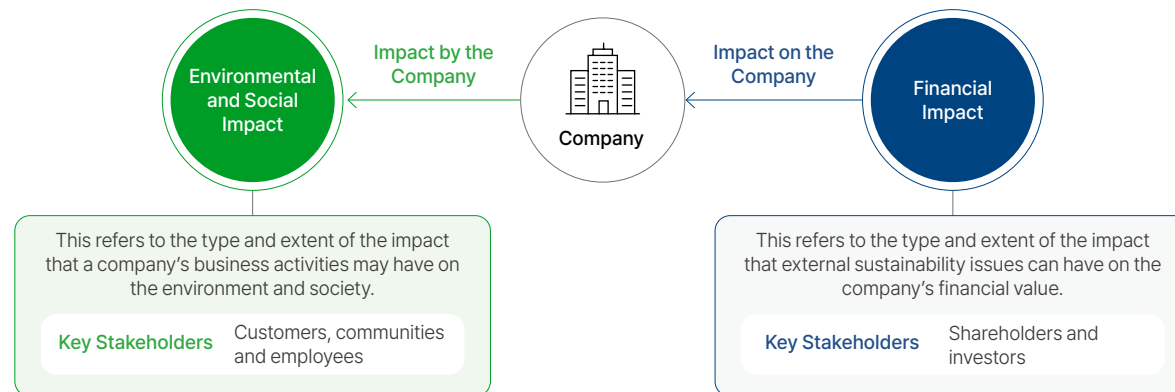
Materiality Assessment

LS ELECTRIC undertakes an annual Materiality Assessment to identify significant sustainability issues that affect our business and stakeholders. The identified issues are systematically managed through our company-wide risk management system, and the results of the assessment are reported to the ESG Committee on an annual basis. Applying the Double Materiality Assessment concept in accordance with the Global Reporting Initiative (GRI) Standards and the EU’s Corporate Sustainability Reporting Directive (CSRD), LS ELECTRIC evaluates both environmental and social impacts as well as financial implications to identify material issues. The assessment process has been validated by a third-party assurance provider.

Assessment Process



Double Materiality Assessment Concept



Materiality Assessment Results

Based on a quantitative evaluation of environmental, social, and financial impacts, eight top material issues were identified. Among them, the highest-priority issues were climate change, the transition to eco-friendly business, and occupational safety.

Degree of impact: ●●● High ●●○ Medium ●○○ Low

No.	ESG issue	Environmental and social impact	Financial impact	YoY change
1	Climate change	●●●	●●●	-
2	Eco-friendly transition of business	●●●	●●●	▲1
3	Occupational safety	●●○	●●●	▲1
4	Product safety/Quality	●●●	●○○	▲1
5	Recruitment/Talent development	●●○	●●○	▲3
6	Win-Win management with suppliers	●○○	●●○	▼3
7	Information security and personal information protection	●○○	●●○	▲10
8	Ethical/Compliance management	●●○	●○○	▼1






Materiality Assessment

Material Issue Management Plans

No	Issue	Impact on business and external environments	Key achievements	Mid- to Long-Term goals (KPI)	Related activities (pages in this report)
1	Climate change	<ul style="list-style-type: none"> Strengthening global regulations, including carbon neutrality, carbon pricing, and supply-chain emissions, and the growing physical risks of climate change are affecting business competitiveness Customer demand for low-carbon transition is increasing 	<ul style="list-style-type: none"> Acquired ISO 50001 (Energy Management System) certification Expanded our greenhouse gas accounting boundary and broadened the scope of external assurance (including Scope3 accounting) Improved energy efficiency and procured renewable energy 	<ul style="list-style-type: none"> Achieve 60% by 2030 and 100% by 2040 under RE100 Achieve carbon neutrality (Scope1 and 2) by 2040 	30–37
2	Eco-friendly transition of business	<ul style="list-style-type: none"> Strengthened environmental regulations and heightened customer expectations for low-carbon solutions directly influence the competitiveness of eco-friendly products and services, affecting orders and market expansion 	<ul style="list-style-type: none"> Developed eco-friendly products and energy efficient solutions Established internal design and manufacturing guidelines to support the development of low-carbon products Conducted LCA and obtained EPD certifications 	<ul style="list-style-type: none"> Increasing the proportion of revenue from eco-friendly products Expanding the number of products undergoing LCA and obtaining related certification 	28–29
3	Occupational safety	<ul style="list-style-type: none"> Possibility of economic and social risks arising in the event of a serious industrial accident Managing a wide range of factors, including accident prevention through the establishment of a safe working environment as well as employees' health and overall quality of life 	<ul style="list-style-type: none"> Zero serious accidents All domestic production sites certified to ISO 45001 (Occupational Health and Safety Management System) 	<ul style="list-style-type: none"> Maintaining zero serious industrial accidents Further develop the ESH system for systematic performance management 	48
4	Product safety/ quality	<ul style="list-style-type: none"> Product safety and reliability are directly linked to customer satisfaction Quality risks can lead to recalls, after-sales service costs, and even reputational damage 	<ul style="list-style-type: none"> Conducted quality issue monitoring and recurrence-prevention activities (QMS assessment) Collected customer VOCs and conducted regular satisfaction surveys 	<ul style="list-style-type: none"> Increasing customer satisfaction score Improving QMS system stabilization and usability 	57
5	Recruitment/Talent development	<ul style="list-style-type: none"> Securing top talent and strengthening capabilities have a significant impact on technological competitiveness and sustainable growth 	<ul style="list-style-type: none"> Fair recruitment and evaluation practices Conducted job-specific, leadership, and digital/AI training programs Selected as a 2025 Korea Top Job Creation Company 	<ul style="list-style-type: none"> Recruiting over 10% new office employees each year Diversification of DT and AX training 	41, 44
6	Win-Win management with suppliers	<ul style="list-style-type: none"> Growing demand from domestic and international customers for ESG disclosures, driven by the EU Supply Chain Due Diligence Directive and related regulations Need for proactive response to potential supply chain risks across the entire corporate value chain 	<ul style="list-style-type: none"> Expanded ESG assessments of suppliers and supported their improvement activities Implemented fair trade and mutual growth programs 	<ul style="list-style-type: none"> Extend ESG self-assessments to more suppliers Estimate greenhouse gas emissions in upstream supply chain 	61
7	Information security and personal information protection	<ul style="list-style-type: none"> Cybersecurity threats and strengthened personal data regulations are increasing the risks of business interruption as well as financial and legal exposure. 	<ul style="list-style-type: none"> Acquired ISO 27001 (Information Security Management System) certification Implemented information security policies and internal controls Increased personal data protection training and monitoring activities 	<ul style="list-style-type: none"> 0 cases of personal information breaches and security incidents Strengthening information security training and exercises for employees 	51–54
8	Ethical/Compliance management	<ul style="list-style-type: none"> Growing compliance expectations in the global market and the need to strengthen internal control reliability 	<ul style="list-style-type: none"> Obtained ISO 37301 (Compliance Management System) certification Conducted ethics training for employees 	<ul style="list-style-type: none"> Acquire ISO 37001 (Anti Bribery Management System) certification Zero cases of ethics or compliance violations Improving the completion rate of ethics and compliance training among all employees 	69–73

Stakeholder Communication

LS ELECTRIC categorizes employees, local communities, suppliers, customers, and shareholders and investors as key stakeholders. We will strive to achieve sustainable growth with our stakeholders by listening attentively to their voices across all management activities.

Category	 Employees	 Local Communities	 Suppliers	 Customers	 Shareholders and Investors
Communication Channels	<ul style="list-style-type: none"> E-Bridge WeLS (employee portal) Meetings with the management Grievance Committee 	<ul style="list-style-type: none"> Local community meetings Direct communication with persons in charge Meetings with the management Questionnaire survey 	<ul style="list-style-type: none"> ACE Club ESG Partnership Meeting Performance sharing Shared growth portal (TOPS) Training second-generation leaders 	<ul style="list-style-type: none"> Exhibitions and seminars Customer meetings Meetings with sole distributors Customer service center Social media (LinkedIn, YouTube) 	<ul style="list-style-type: none"> NDR (Non-deal Roadshow) Company visits Website General shareholders' meeting
Key Areas of Interest	<ul style="list-style-type: none"> Work-life balance Employee health and safety Employee welfare and organizational culture Fair performance and compensation 	<ul style="list-style-type: none"> Expansion of social contribution investment Environmental preservation activities Support for future generations Building a sustainable support program 	<ul style="list-style-type: none"> Establishment of fair cooperative relations Shared growth and ESG support Supply chain risk management Supplier communication 	<ul style="list-style-type: none"> Customer satisfaction management Personal information protection and leak prevention Product and service risk management Eco-friendly product development 	<ul style="list-style-type: none"> Shareholder-friendly management activation Stable profit generation and distribution Transparent information disclosure Risk management activities
Activities and Performance in 2025	<ul style="list-style-type: none"> New Recruits 385 persons Welfare Expenses per Person KRW 19.1 million 	<ul style="list-style-type: none"> Donations KRW 9,628 million Social Contribution Participants 3,770 persons Social Contribution Beneficiaries 335 persons 	<ul style="list-style-type: none"> Financial Support KRW 8.5 billion 	<ul style="list-style-type: none"> Customer Satisfaction Score 74.9 points 	<ul style="list-style-type: none"> Cash Dividend per Share KRW 3,000

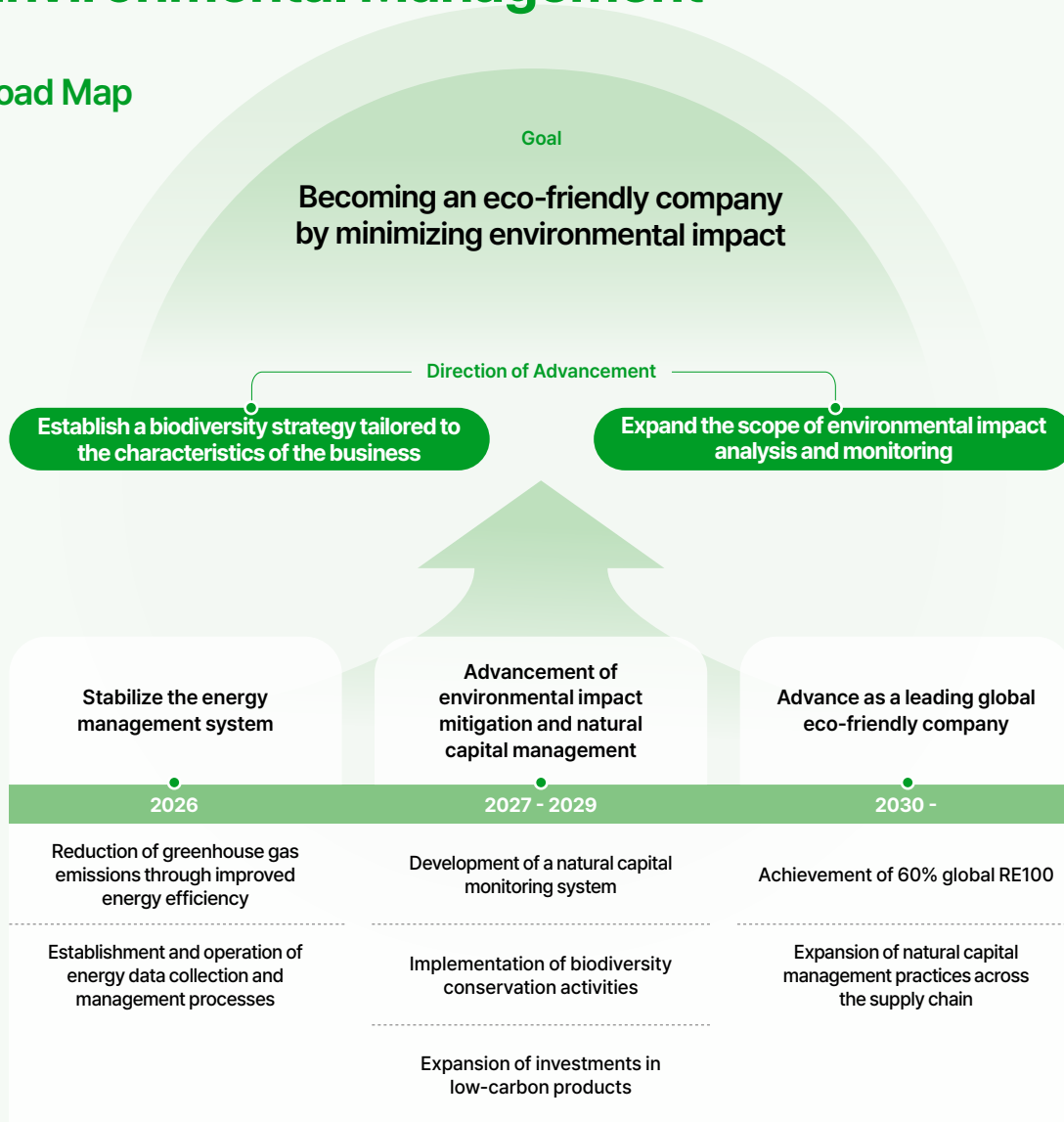


ESG PERFORMANCE

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Environmental Management

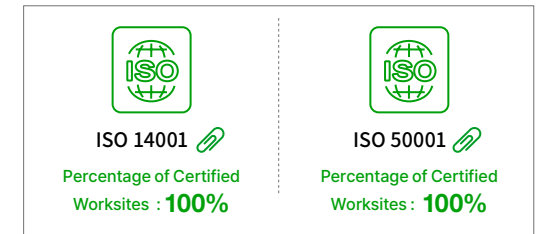
Road Map



Policy

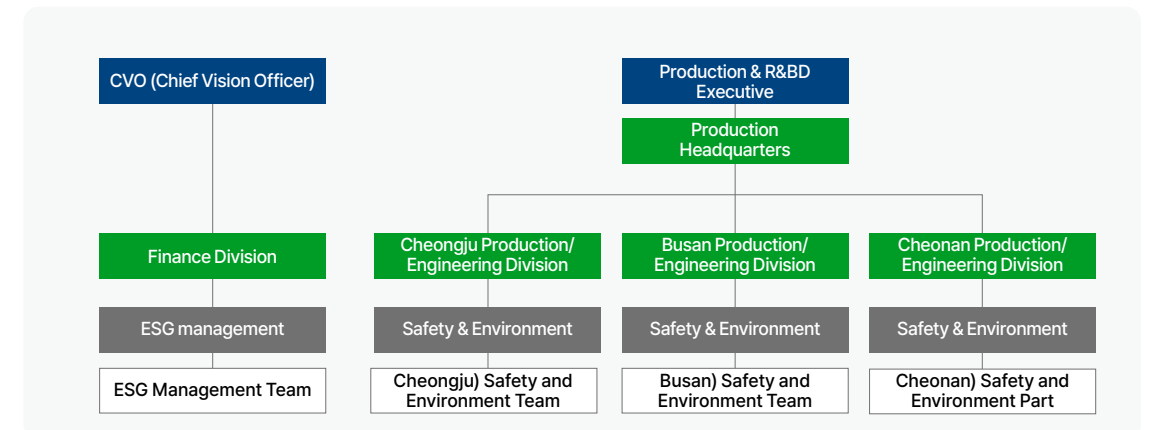
Environmental Management Implementation System

LS ELECTRIC strives to be a global leader in environmentally friendly business by practicing environmental management under its ESG management vision of "Sustainable Future with Green Energy Solution." After the first designation of the Cheongju Plant in 1997, all of our production plants have received the Green Company Certification. In addition, we continue to carry out various activities at the corporate and plant levels to maintain the Green Company status. At the global level, we have obtained the ISO 14001 Environmental Management System Certification to ensure transparency in environmental management and build trust with our stakeholders. Our Environmental Management System Manual guides us in conducting annual environmental impact assessments of each division to understand the environmental impacts of our business activities and to develop and implement actionable plans to mitigate these impacts. In 2024, we were certified for the ISO 50001 energy management system standard, further demonstrating our firm commitment to environmentally friendly management. To achieve our core goal of minimizing our environmental impact and becoming a greener company, we have established environmental and energy policies that serve as benchmarks for measuring and evaluating our performance. We monitor key environmental impacts such as energy consumption and pollutant emissions, setting goals based on the evaluation results and implementing improvement plans.



Environmental Management Governance

* Domestic production sites



Environmental Management

Policy

Environmental Risk Management

LS ELECTRIC has established a risk management process to identify and respond to risks that may arise in the course of environmental management. In addition, an emergency management system has been established to classify environmental incidents into levels A to C for rapid response in the event of an emergency.

We also conduct assessments on a regular basis to verify compliance with environmental regulations and implement measures such as installing pollution prevention facilities and applying alternative substances to ensure compliance.

Environmental Accident Response System

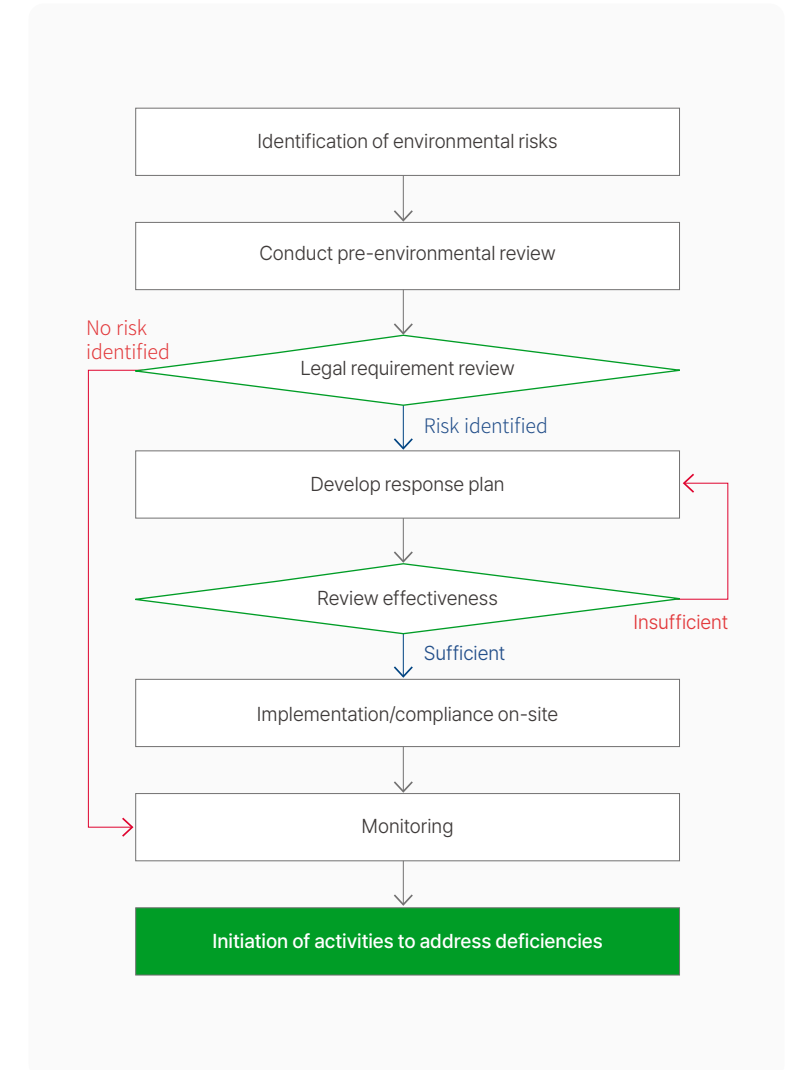
Risk Type	Level A	Level B	Level C
Physical	Critical impact on worksite/unit process	Impact on unit process	Impact on facilities within the process
Human	Serious accidents	Lost time of three days and longer	Lost time of less than three days
Reporting	Production & R&BD Executive		
Notification	Chief Operating Officer (COO ¹⁾	Group Leader	Plant Manager/Manager of Business Division

1) COO : Chief Operating Officer

Response to Environmental Legal Risks

Category	Requirement	Response
The Clean Air Conservation Act	Install IoT(Internet of Things) measurement devices (2025)	Install IoT measurement devices at air pollution emission and prevention facilities (data transmitted to the Ministry of Environment's Green Link system)
The Chemical Substances Control Act	Comply with hazardous chemical handling criteria	Completion of legal reporting and actions related to newly designated toxic substances
Act on the Registration and evaluation, etc. of Chemical Substances	Register imported chemicals	Completion of registration for imported chemical substances

Environmental Risk Management Process

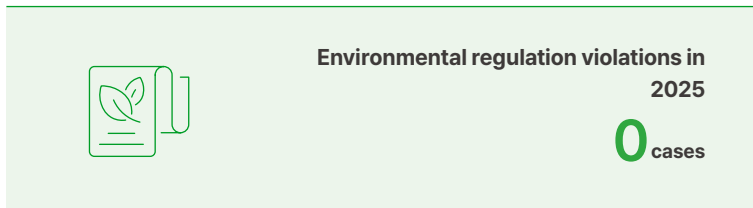


Environmental Management

Goal and Performance

Compliance with Environmental Regulations

LS ELECTRIC strictly complies with national and international environmental regulations and regularly reviews relevant legislative and regulatory developments so that revisions and amendments are promptly incorporated into our internal regulations. Environmental engineers at each worksite continuously update their knowledge of the latest regulations and key environmental issues through professional and technical training, and any emerging environmental issues are immediately shared with relevant employees to enable timely response. Through this management system, we achieved our goal of zero environmental regulation violations in 2025 and will continue to strengthen monitoring and compliance management to maintain regulatory violations at zero.



Activity

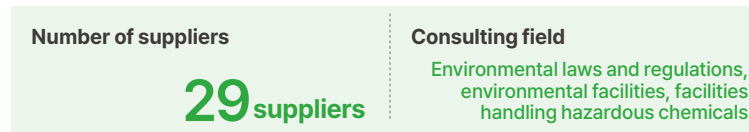
Environmental Training of Employees

LS ELECTRIC provides various environmental training programs to help employees better understand environmental management and develop their practical skills. Onboarding training for new employees, environmental technology specialist training, and department-specific environmental and safety officer training are designed to disseminate LS ELECTRIC’s environmental management goals and strategies and to develop the professional knowledge and skills required for their respective roles.

Name of training	Description	Target	Participants	Hours
Training upon recruitment	<ul style="list-style-type: none"> ESG management Environmental management Worksite operations 	• New employees	125	86.5
Environmental engineer training	<ul style="list-style-type: none"> Statutory training for environmental engineers Environmental technical training 	<ul style="list-style-type: none"> Environmental engineers Chemicals managers 	1	4
Division-specific environment and safety personnel training	<ul style="list-style-type: none"> ISO 14001 standards training Training on environmental laws and regulations Evaluation of internal audit practices 	• Division-specific environment and safety personnel	55	256

Environmental Due Diligence on Suppliers

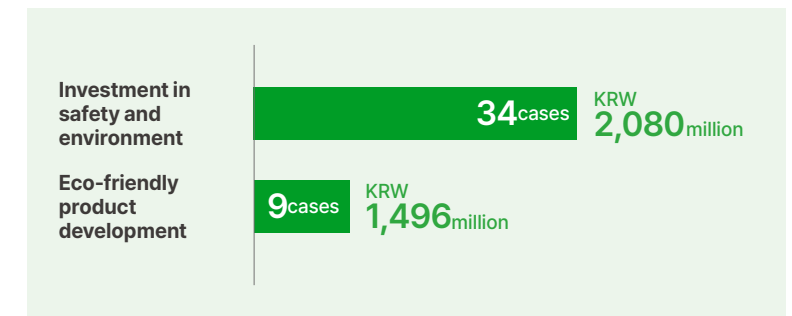
LS ELECTRIC provides environmental and safety consulting services to help suppliers assess their environmental and safety management practices and prevent potential risks. In 2025, we conducted environmental and safety inspections for 29 suppliers. The safety and environment team carefully reviewed the suppliers’ environmental management status, proposed improvement actions for identified risk factors, and carefully verified the results of the improvement measures taken. Ongoing follow-up management of suppliers’ improvement efforts contributes to the continuous improvement of environmental and safety management standards.



Eco-Friendly Investment

LS ELECTRIC strives to minimize the negative environmental impacts associated with our business operations. We are taking the lead in replacing hazardous chemicals and developing eco-friendly materials for eco-friendly power equipment, while also investing in software research, including the development of data structure models that enable proactive compliance with environmental regulations, in addition to research on hardware.

In addition, we conduct both routine and preventive maintenance on utility equipment such as HVAC systems and cooling towers, alongside initiatives to improve operational efficiency. Major power equipment used at worksite, including transformers and GIS units, is being gradually replaced with our eco-friendly products to reduce environmental impacts during operation. In August 2025, we completed the replacement with eco-friendly vegetable oil transformers, and in 2026, we plan to proceed with the transition to eco-friendly GIS facilities using g³ gas, an alternative to SF₆ greenhouse gas. Furthermore, to reduce energy losses from aging equipment, we continue to replace outdated systems with high-efficiency equipment in accordance with recommendations from the Korea Electrical Safety Corporation and the recommended replacement cycles for each utility system. Through these efforts, we are improving both equipment reliability and energy efficiency.



Environmental Management

Biodiversity

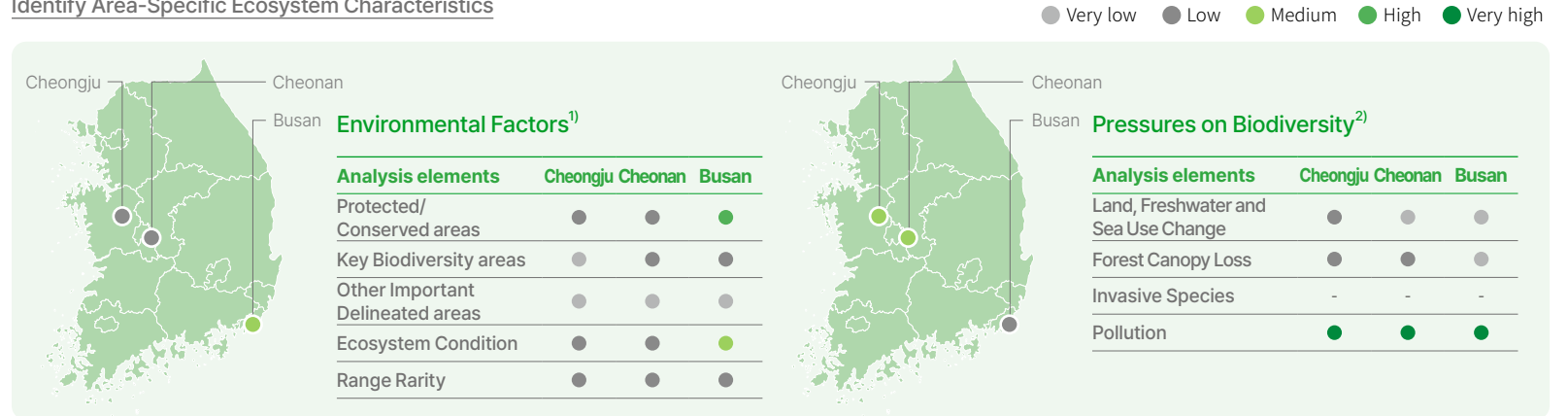
LS ELECTRIC recognizes that its operations are closely linked to the natural ecosystem and applies the LEAP¹⁾ approach to biodiversity risk assessment to comply with the recommendations of TNFD²⁾, a global initiative for the disclosure of financial information related to biodiversity. Based on the LEAP approach, we identify the impacts and dependencies of activities in our own operations and throughout the value chain on biodiversity and evaluate potential risks and opportunities. In the “Locate” phase, we analyzed ecosystem conditions and potential biodiversity risks at our domestic production worksites using the WWF³⁾ Biodiversity Risk Filter. We also assessed our exposure to biodiversity-sensitive areas by identifying protected areas within a 50-kilometer radius of each site through IBAT⁴⁾, and by mapping the IUCN⁵⁾ Red List threatened species as well as endangered species designated by Korea’s Ministry of Environment. We plan to extend the scope of biodiversity risk assessments further to the entire value chain, including suppliers.

- 1) LEAP : Locate, Evaluate, Assess, Prepare; an approach recommended by the TNFD for identifying and assessing issues related to nature
- 2) TNFD : Taskforce on Nature-related Financial Disclosures, an initiative for nature-related financial information disclosure
- 3) WWF : World Wide Fund for Nature, the world’s largest international nonprofit organization dedicated to nature conservation
- 4) IBAT : Integrated Biodiversity Assessment Tool, a global data platform supporting the assessment of biodiversity status and threat factors
- 5) IUCN: International Union for Conservation of Nature, a global nature conservation union involving governments, public institutions, and civil society organizations

Identify Ecosystem Characteristics and Risks in Each Worksite

We analyzed the ecosystem characteristics of each domestic worksite using WWF’s biodiversity risk filter. The analysis consists of two items: Environmental Factors, which indicate negative impacts on the community’s environmental assets; and Pressures on Biodiversity, which indicates impacts of human and business activities on ecosystems. A lower risk level for each factor indicates lower biodiversity impacts in the corresponding area.

Identify Area-Specific Ecosystem Characteristics



- 1) Indicates negative impacts on local environmental assets; lower risk score suggests reduced likelihood of biodiversity-related impacts occurring.
- 2) Indicates the impact of human activities and business operations on ecosystems; lower risk score suggests comparatively limited human influence on nature.

Biota and Protected Areas

Analysis elements		Cheongju	Cheonan	Busan
Nature reserves ¹⁾	Nationally protected areas	82	76	94
	Ramsar wetlands	0	0	1
	Important Bird and Biodiversity areas	0	2	2
Globally endangered species ²⁾	Critically endangered	0	7	14
	Endangered	12	35	45
	Vulnerable	22	50	61
District-specific endangered species designated by the Ministry of Environment		30	15	37

- 1) Nature reserves within a 50 km radius of the worksite
- 2) IUCN (International Union for Conservation Nature) red-listed species within a 50 km radius of the worksite

Environmental Management

Biodiversity

Natural Capital Dependency and Impact

LS ELECTRIC conducted an analysis using the ENCORE¹⁾ tool in accordance with the TNFD recommendations to identify the links between its business activities and natural resources. The results showed Medium dependence on certain ecosystem services such as water supply and rainfall regulation services, which is related to the nature of the electrical equipment manufacturing industry. This suggests that stable water supply and rainfall patterns, rather than extreme weather events (floods, droughts), could affect the sustainability of our operations. In addition, water and soil pollutant emissions from our operations were found to have a High level of ecosystem service burden. This means that LS ELECTRIC's business activities may have a negative impact on the water and soil environment, and therefore careful management is essential. Based on the results of the ENCORE analysis, we will conduct business activities in consideration of their connection with natural capital and continue efforts to reduce environmental burdens.

1) Ecosystem Natural Capital Opportunities & Risks, a tool to analyze industry dependence and impact on natural capital based on global industry classification standards.

● Very low ● Low ● Medium ● High ● Very high

	Indicator	Level
Dependence	Water supply	●
	Global climate regulation services	●
	Rainfall pattern regulation services (at sub-continental scale)	●
	Local (micro and meso) climate regulation services	●
	Air filtration services	●
	Soil and sediment retention services	●
	Solid waste remediation	●
	Water purification services	●
	Water flow regulation services	●
	Flood mitigation services	●
	Storm mitigation services	●
	Noise attenuation services	●
	Other regulating and maintenance service - Dilution by atmosphere and ecosystems	●
	Other regulating and maintenance service - Mediation of sensory impacts (other than noise)	●

	Indicator	Level
Impact	Disturbances (e.g noise, light)	●
	Emissions of GHG	●
	Emissions of non-GHG air pollutants	●
	Generation and release of solid waste	●
	Area of land use	●
	Emissions of toxic pollutants to water and soil	●
	Volume of water use	●

Natural Capital Risks and Opportunities

LS ELECTRIC has identified risks and opportunities that natural capital may present to our business based on our dependence on and impact on natural capital.

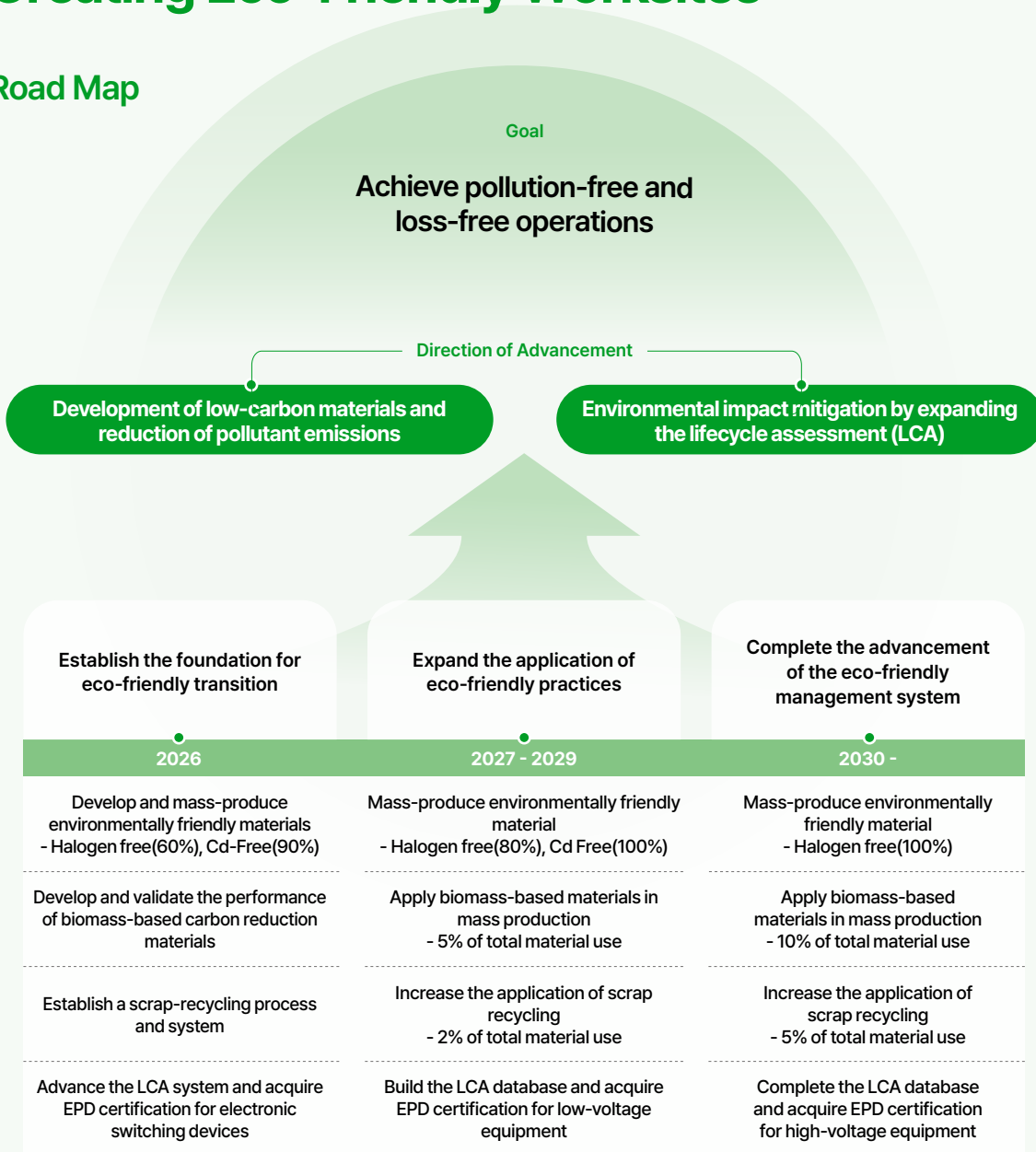
Type	Risk/Opportunity	Dependence	Impact	Potential business impact	Term
Risk	Water shortage risk due to dependence on stable water resources	●	●	Disruption in product production and increased production costs	Mid-term
	Potential flood and storm damage from increased extreme weather events such as heavy rainfall	●		Damage to production facilities, increases in disaster recovery costs, and potential delays in product sales	Mid/long-term
	Increase in water intake and wastewater treatment costs due to water quality deterioration and weakened natural purification	●		Increased water and wastewater treatment costs	Mid-term
	Soil and water pollution from hazardous substance leakage		●	Increased costs for pollutant treatments, penalties for non-compliance, and reputational risks	Short/mid-term
Opportunity	Strengthening climate resilience with a system to respond to natural disasters (rain, floods, etc.)	●		Minimizing disaster damage and ensuring production continuity	Mid/long-term
	Strategic investment in GHG reduction technologies and infrastructure creates opportunities to establish market leadership in the green economy		●	Enhancing product competitiveness, securing demand for low-carbon products, and strengthening green brand image	Short/mid-term

Biodiversity Conservation Activities

LS ELECTRIC assesses the relationship between its major production facilities and nature, identifies the resulting risks and opportunities, and develops biodiversity conservation targets and management plans. In 2025, each of our worksites contributed to the preservation of nearby river ecosystems through our "One Company, One River" stewardship activities. Notably, our Cheonan worksite was recognized with a commendation from the Mayor of Cheonan for its continued efforts to improve the local river environment. As part of our active efforts to mitigate environmental risks, we will conduct in-depth analysis of the impact of our business activities on society and our dependence on natural capital. We will also monitor the TNFD and national regulatory trends related to biodiversity, practice proactive environmental management, and establish an information disclosure system.

Creating Eco-Friendly Worksites

Road Map



Policy

Establishment of Eco-Friendly Worksite Systems

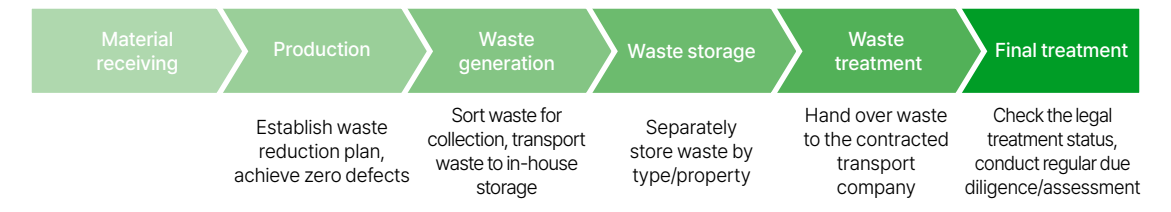
Aiming to minimize the environmental impact and maximize the resource circulation, LS ELECTRIC leverages an ESH management system for performance management and monitoring of environmental indicators including waste, pollutants and hazardous chemicals. In order to minimize the waste discharge, we sort the waste discharged from the worksites according to its recyclability and treat it lawfully by professional waste treatment service providers. Compliance with the waste treatment manual is ensured through annual conformity assessments.

LS ELECTRIC's Cheongju and Cheonan worksites fully outsource wastewater treatment and ensure full compliance through certified third-party treatment systems. At the Busan worksite, we rigorously monitor the concentrations of pollutants in discharged wastewater including BOD, TOC, and SS to ensure that they remain within permitted regulatory limits.

To maintain air pollutant emissions below 50% of the legal emission limits, we operate under strengthened internal standards established through our Air Quality Management Guidelines. We also ensure optimal performance by regularly repairing and replacing aging air pollution control facilities.

For chemical substances, we conduct preliminary hazard assessments to meet regulatory requirements and address potential risks proactively before the materials enter our worksites. We also perform an annual comprehensive chemical inventory to monitor all substances used across our facilities and strictly comply with legal reporting requirements, including chemical emissions reporting.

Waste Management Process



Chemical Management System



Creating Eco-Friendly Worksites

Policy

Waste Plastic Resource Circulation Process

Plastic waste has become a serious global problem, highlighting the importance of establishing a circular economy system. As such, many countries are strengthening policies and regulations related to plastic resource circulation. In response to these global trends, LS ELECTRIC has developed a recycling system for scrap generated during plastic injection molding processes and secured material property evaluations and quality verification data for applying recycled materials. By reusing previously discarded process scrap, we aim to reduce waste generation and enhance resource efficiency.

We have introduced dust removal equipment as well as an Automatic Material Feeding System into our scrap-recycling operations to ensure process stability and consistent quality. We have also established the technical capabilities and operational standards needed for systematically verifying the physical properties and quality of recycled materials. Furthermore, we have supported our component manufacturing partners in building their own recycling systems and completed feasibility assessments for application; thus securing the technological foundation for mass production adoption. LS ELECTRIC will leverage the accumulated data and technical expertise to expand the application of recycled materials in actual mass production processes gradually. We will also continue to advance our internal circular resource system to achieve tangible environmental outcomes, including reduced raw material consumption, lower waste generation, and decreased carbon emissions.

Life Cycle Assessment (LCA) for Product Life Cycle Management

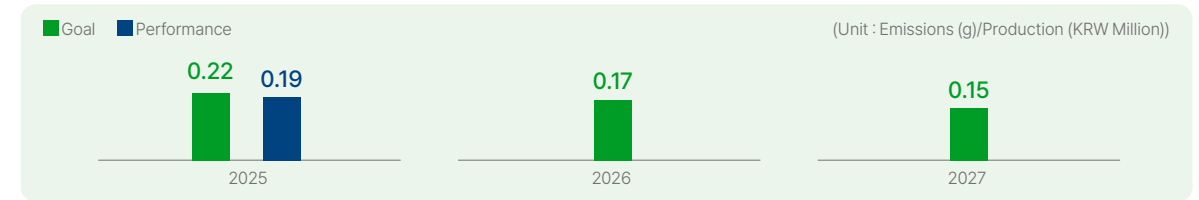
LS ELECTRIC conducts Life Cycle Assessments (LCA) to evaluate environmental impacts systematically across the entire product life cycle, from raw material extraction to product use and end-of-life disposal. We have also established an in-house carbon footprint estimation system for each product and enhanced its reliability by integrating internationally recognized databases. The system has been advanced to assess environmental impacts across all stages including material composition, manufacturing processes, transportation, use, and disposal based on the Bill of Materials (BOM). In addition, we have implemented internal eco-design development regulations to ensure that environmental considerations are incorporated from the early stages of product design and development. In the future, we plan to expand the scope of LCA-applied products continuously to strengthen environmental management throughout the entire product life cycle and contribute to minimizing environmental impacts.

Goal and Performance

Reduction of Pollutant Emissions

To minimize the environmental impact of pollutants from our worksites, we analyze performance and set targets for priority management items. We strive to reduce environmental impacts by managing the intensity of pollutant emissions at each worksite.

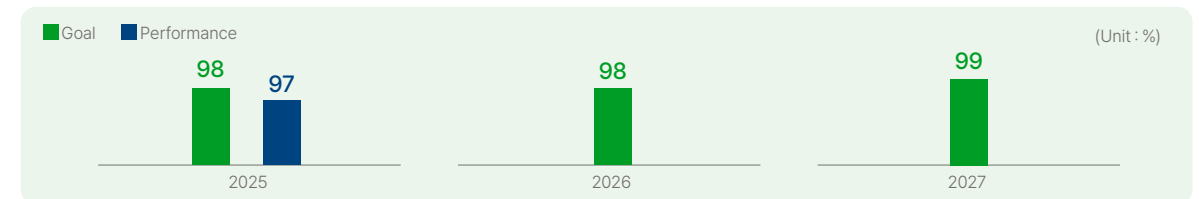
Air Pollutant (Dust) Emission Intensity



Expansion of Waste Recycling

LS ELECTRIC is continuously expanding the scope of recyclable materials to minimize the environmental impact of waste generated at its worksites. In accordance with the Waste Control Act and other relevant regulations, we have improved our waste segregation system to maximize recycling, excluding items restricted by law. In particular, for products subject to the EU WEEE (Waste Electrical and Electronic Equipment) Directive, we have established and implemented internal management standards—our in-house WEEE Compliance Guidelines—to ensure that recyclable and recoverable materials are collected and processed separately from general waste; thus strengthening our recycling practices. We are also applying alternative materials and improving processes to reduce the use of substances that are difficult to recycle. Through these comprehensive efforts, we aim to promote resource circularity, reduce environmental impacts, and advance sustainable management across our operations.

Waste Recycling Rate



* Waste generated within the worksites only

Creating Eco-Friendly Worksites

Activity

Reduction of Chemical Use

LS ELECTRIC is actively working to reduce the use of hazardous chemicals while strictly complying with all relevant regulations. We have successfully reduced the use of toxic substances by replacing processes that previously required materials such as cadmium oxide and nickel oxide. To ensure compliance with the Chemical Control Act, we continuously monitor updates to the Ministry of Environment’s designated hazardous chemical lists and regulatory trends. We completed all required legal actions for newly designated hazardous chemicals (sub 1 μm copper powder) in 2025, and we continue to conduct annual comprehensive reviews of our procurement records to monitor all chemicals handled at our worksites. In addition, we accurately and transparently fulfill all statutory reporting obligations such as emissions reporting and statistical submissions.

Environmental Management Activities

LS ELECTRIC organizes various environmental management activities to raise environmental awareness and strengthen the capabilities of its employees. In particular, the Cheonan worksite actively participated in the “One Company, One River” stewardship program; as a result, it was recognized as an Outstanding Workplace by the Cheonan City Government in 2025. We will continue to expand opportunities for employees to engage in environmental management activities voluntarily across the company.

Category	Detailed activities
<p>Afforestation</p>	The Cheongju Plant selected a site and carried out tree management activities in accordance with its “One Company, One Forest” agreement with the Geum River Basin Environmental Office.
<p>River cleanup</p>	<ul style="list-style-type: none"> We conduct voluntary river cleanup activities under the “One Company, One River” agreement with the local government. We removed invasive plant species around Cheongju Musimcheon Stream and Cheonan Wonseongcheon Stream.

Environmental Product Declaration (EPD) Certification

LS ELECTRIC conducts Life Cycle Assessments (LCA) to quantify the environmental impacts of its products across the entire life cycle from raw material sourcing and manufacturing to transportation, use, and end-of-life disposal, enabling proactive responses to tightening global environmental regulations and growing customer demands for environmental information. Environmental Product Declarations (EPD) disclose these LCA results in standardized format, providing verified and reliable environmental information through third-party certification to support customer purchasing and procurement decisions while ensuring regulatory compliance. We have performed LCA for our inverter products and sequentially acquired EPD certification for our ACB products. In 2025, we further strengthened our ability to meet the increasing environmental performance requirements in the European market by acquiring EPD certification for our molded distribution transformers. Looking ahead to 2026, we plan to expand EPD certification across additional major product lines; thus continuing to enhance transparency in product-level environmental information.

Category	Product family	Model name	Date of acquisition
EPD Certification	Molded transformer	LEAa 3P 1000kVA 22.9(S)kV/380V	2025.10
	ACB	DSU-DDV-16C	2024.09
LCA Conducted	Inverter	LSLV0015G100-4E0FN	2024.07

Recycling Rate Calculation Program

In response to growing global challenges such as resource depletion and environmental pollution, LS ELECTRIC has developed a recycling rate calculation program as part of its efforts to build a resource circulation system that maximizes resource efficiency through reducing hazardous substance use, designing for recyclability, and optimizing waste recycling.

We developed an in-house recycling rate management system to support these efforts. Using BOM data that includes component weights and material information, the system automatically calculates recycling rates in accordance with KS standards. We also enhanced accessibility by implementing a web-based dashboard that lets users easily view material information and recycling rates for each product.

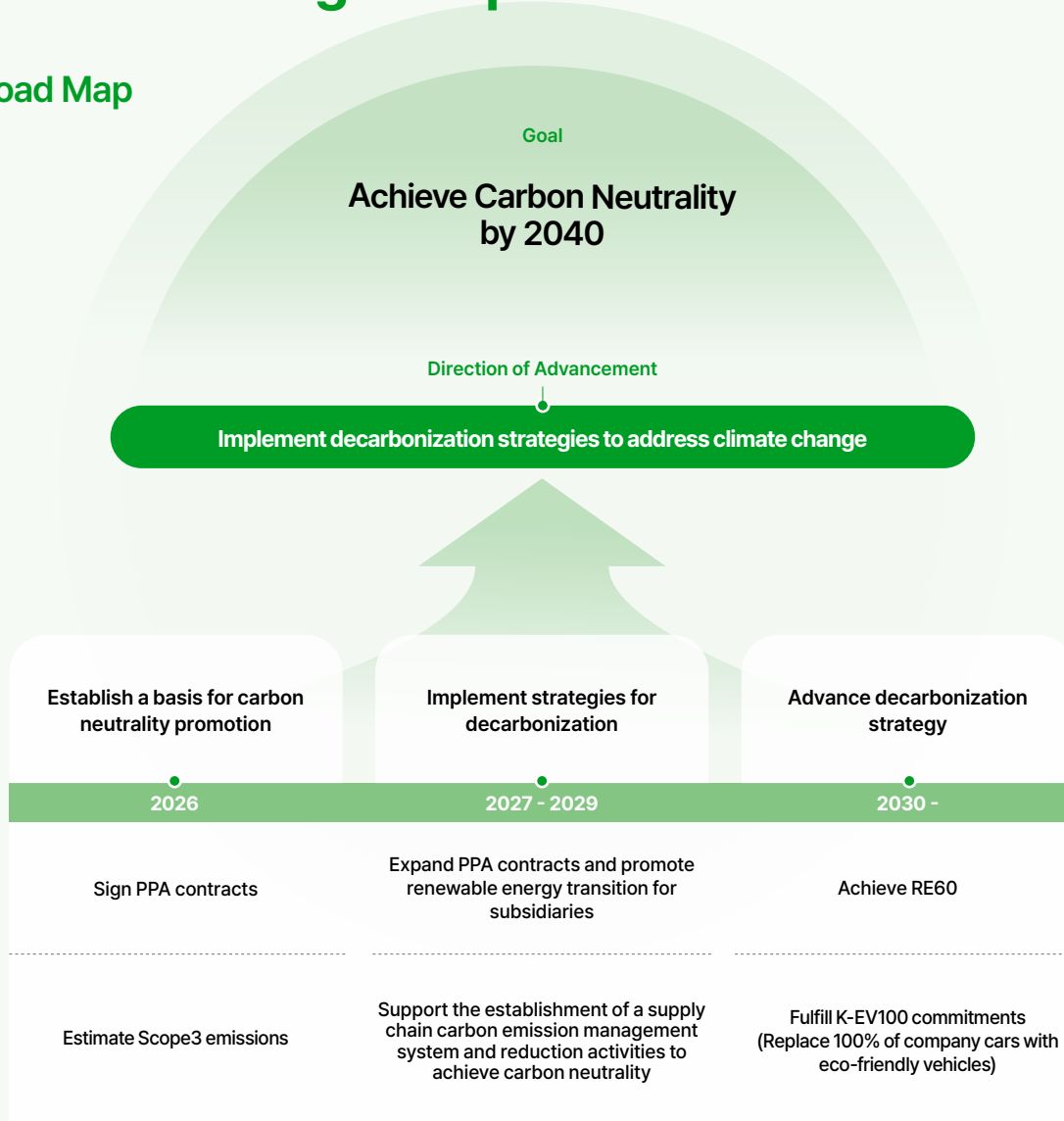
With this recycling rate management system, LS ELECTRIC aims to achieve product recycling rates on par with global leaders and strengthen its capabilities in developing environmentally friendly products.

Response to RoHS Regulations

To proactively address RoHS (Restriction of Hazardous Substances) regulations, we have introduced state-of-the-art analytical equipment that meets international analytical standards, while continuously strengthening our internal and external analytical capabilities. In addition to RoHS analysis of components and products used in our products, we also conduct accurate analysis of heavy metals (lead, mercury, cadmium, etc.), hexavalent chromium, plastics and other materials according to customers’ requirements in accordance with the international standard IEC 62321, and transparently disclose the analysis results. LS ELECTRIC has achieved more than 10 analyses with its own RoHS analysis system and continues to strive to ensure product safety and environmental compliance.

Climate Change Response

Road Map



As global efforts to reduce carbon emissions accelerate to maintain the 1.5°C target, the transition to renewable energy has become a core priority for corporate management. In particular, RE100 and similar initiatives encourage companies to promote the use of renewable energy for sustainable development.

To respond to this global trend effectively and address the associated risks, LS ELECTRIC has developed a long-term strategy and joined the global RE100 initiative in December 2023. Under this framework, we plan to achieve a transition to 60% renewable energy by 2030 and 100% by 2040. This will enable us to mitigate operational risks from climate change and achieve sustainable energy use. We are pursuing energy-efficiency initiatives at home and abroad to reduce direct emissions, and we are committed to developing innovative energy solutions to help customers make greener choices.

Governance

Board of Directors' Role

The Board of Directors and the ESG Committee serve as the highest decision-making bodies responsible for reviewing and approving major ESG strategies and issues including those related to climate change. The ESG Committee consists of one internal director and three outside directors and holds regular quarterly meetings (at least four times per year) to monitor the progress with regard to climate-related goals such as carbon emission reduction and expansion of renewable energy use. The ESG Management Team reports key climate-related issues and performance updates to the ESG Committee, whose deliberation outcomes are then submitted to the Board of Directors for final decision making, if necessary.

Organization	Purpose and function	Composition
ESG Committee	Oversight of key ESG strategies and issues, including climate change	Composed of one internal director and three outside directors

ESG Committee Meetings on Climate Change

Time	Agenda	Key Discussion
2023. 11	RE100 Membership	RE100 membership overview, mid- to long-term plans, etc.
2024. 11	RE100 Implementation Strategy	Corporate and regional renewable energy transition plans, etc.
2025. 11	Current status and plan of ESG implementation	RE100 implementation performance and future plans, etc.

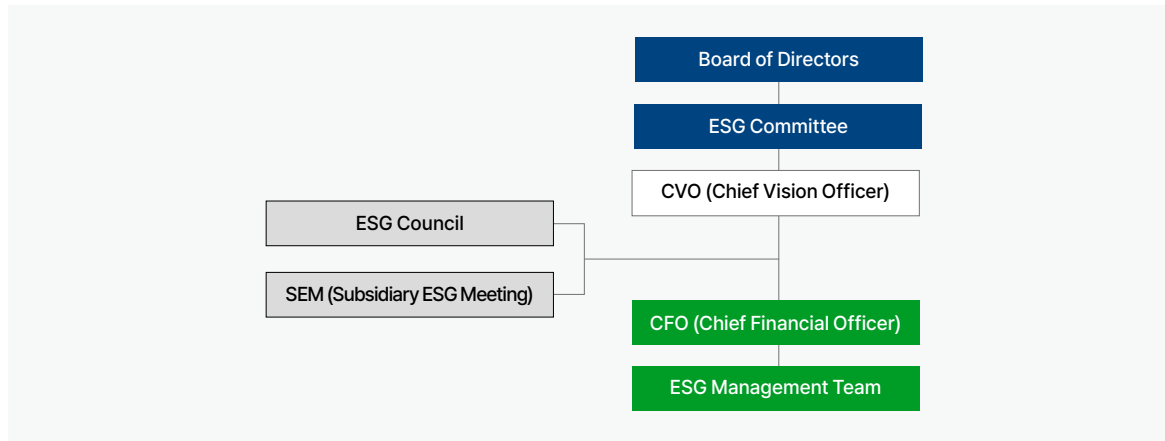
* All agenda items reviewed by the ESG Committee are disclosed in the annual business report.

Climate Change Response

Governance

Management Role

Management continuously reviews the risks and opportunities that climate change may pose to the overall business and oversees the implementation of the company's climate-related strategies. Executives of each business unit discuss climate-related risks and potential business impacts through the ESG Council and incorporate these insights into the company's climate risk management processes.

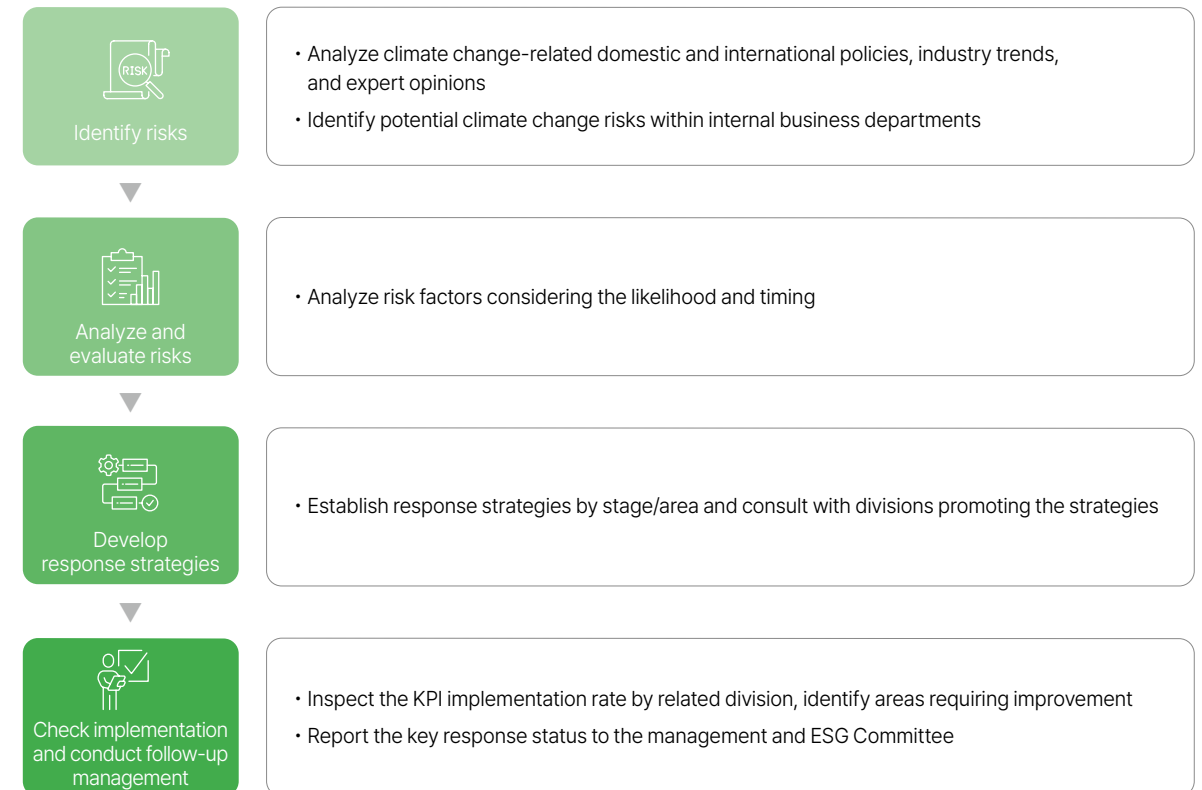


Climate Change-Related Executive Evaluation and Remuneration

We incorporate climate-related considerations into our management processes by integrating climate-related indicators into the KPIs of selected executives. Performance evaluation metrics include items such as reducing energy consumption to support the achievement of carbon neutrality, and these results are reflected in remuneration. Through this approach, executives are encouraged to treat climate change response as a core factor in business decision making.

Risk Management

LS ELECTRIC has established a framework to systematically manage climate change risks that may arise from its business activities. First, we identified potential climate change risks and analyzed their likelihood and financial impact. Based on these results, we have developed prevention and control strategies to address key risks. These response strategies are discussed with relevant departments to develop actionable plans and monitor progress on an ongoing basis. As part of the follow-up management process, key risks are reported to the CEO and material issues are reviewed and managed by the ESG Committee.



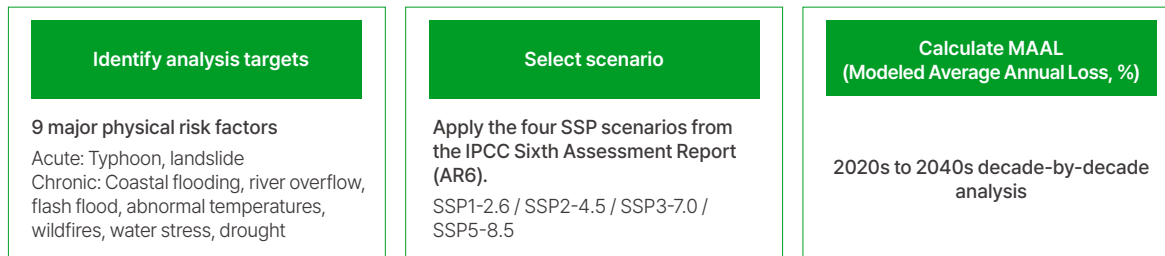
Climate Change Response

Strategy

Overview of Physical Risk Scenario Analysis

LS ELECTRIC analyzed climate-related scenarios to identify the potential financial impacts of acute and chronic physical risks from climate change on its facilities and operations, and to use these insights in developing mid- to long-term response strategies and enhancing organizational resilience. Using S&P Global's climate-modeling tool Climanomics®, we calculated the Modeled Average Annual Loss (MAAL) for 10 major domestic and overseas sites based on 9 categories of physical climate risks.

S&P Climanomics® Analysis Methodology



SSP Scenario

We determined that the SSPs (Shared Socioeconomic Pathways)—which represent future greenhouse gas emission trajectories presented in the IPCC Sixth Assessment Report—are an appropriate methodology for our assessment. The SSPs incorporate the latest scientific evidence and enable a clearer understanding of how physical climate risks may vary depending on the level of global climate change mitigation.

This report presents the analysis results based on two scenarios: SSP1-2.6 (low-carbon) and SSP5-8.5 (high-carbon).

Scenario	Temperature increase by 2100	Major assumptions
SSP1 – 2.6	1.8°C	Assumes minimal fossil fuel use and environmentally sustainable economic growth
SSP2 – 4.5	2.7°C	Assumes moderate progress in climate change mitigation and socio-economic development
SSP3 - 7.0	3.6°C	Assumes limited climate mitigation efforts and delayed technological advancement, resulting in a society that is highly vulnerable to climate risks
SSP5 – 8.5	4.4°C	Assumes rapid industrial and technological development with high fossil fuel consumption and extensive, unrestrained economic expansion

Result of Physical Risk Scenario Analysis

According to the analysis, extreme temperatures were identified as the primary physical climate risk factor with the highest potential loss rates across 10 domestic and overseas LS ELECTRIC worksites. Extreme heat can have multifaceted impacts on operations, including reduced HVAC system performance, lower worker productivity, and increased maintenance costs. As a result, loss rates at the Busan manufacturing worksite are projected to rise to as high as 5.5% by the 2040s.

The Cheonan, Busan, and Janghang worksites were also found to face elevated landslide risks due to their geographical characteristics, indicating a higher likelihood of direct physical damage and the need for proactive inspections. At the Bastrop Campus in the US, water stress-related loss rates were the highest among all sites; thus highlighting the need for differentiated response strategies tailored to regional climate conditions.

In addition, the value of assets exposed to physical climate risk factors is expected to increase from an annual average of approximately KRW 15.7 billion in the 2020s to about KRW 21.2 billion in the 2040s under the SSP1-2.6 scenario. Under the SSP5-8.5 scenario, exposure is projected to rise more sharply from roughly KRW 15.0 billion to KRW 28.2 billion over the same period.

Based on these findings, we will proactively assess vulnerable factors and strengthen site-specific adaptation and response capabilities to minimize potential losses from physical climate risks.



Climate Change Response

Strategy

Result of Physical Risk Scenario Analysis

Modeled Average Annual Loss of Major Worksites (MAAL, %)



Worksite	Disaster	2020 - 2029		2030 - 2039		2040 - 2049	
		SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5
Cheongju Worksite	Flash flood	0.22	0.21	0.27	0.29	0.31	0.41
	Extreme temperature	2.40	2.33	2.86	3.21	3.32	3.87
	Landslide	-	-	-	-	-	-
Cheonan Worksite	Flash flood	0.21	0.20	0.26	0.28	0.30	0.39
	Extreme temperature	2.36	2.29	2.83	3.14	3.27	3.83
	Landslide	0.99	0.98	1.11	1.17	1.21	1.41
Busan Worksite	Flash flood	0.18	0.18	0.23	0.24	0.26	0.34
	Extreme temperature	2.12	2.13	2.58	2.93	2.92	3.57
	Landslide	0.61	0.60	0.71	0.76	0.78	0.95
LS Metal Janghang Worksite	Flash flood	0.19	0.18	0.23	0.25	0.27	0.35
	Extreme temperature	2.23	2.14	2.72	3.02	3.09	3.68
	Landslide	0.97	0.96	1.09	1.15	1.19	1.40
LS ELECTRIC (Wuxi) China Jiangsu Province	Flash flood	0.12	0.12	0.15	0.16	0.17	0.22
	Extreme temperature	2.15	2.17	2.83	3.05	3.23	3.75
	Landslide	-	-	-	-	-	-

Worksite	Disaster	2020 - 2029		2030 - 2039		2040 - 2049	
		SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5	SSP1-2.6	SSP5-8.5
LS ELECTRIC (Lishui) China Zhejiang Province	Flash flood	0.11	0.11	0.13	0.14	0.15	0.20
	Extreme temperature	2.09	2.07	2.75	2.88	3.13	3.56
	Landslide	0.29	0.28	0.44	0.51	0.56	0.81
LS ELECTRIC Vietnam Vietnam Bac Ninh Province	Flash flood	0.12	0.12	0.14	0.16	0.17	0.21
	Extreme temperature	1.76	1.64	2.40	2.28	2.71	3.24
	Landslide	-	-	-	-	-	-
LS Energy Solutions USA North Carolina	Flash flood	0.11	0.10	0.13	0.14	0.15	0.19
	Extreme temperature	2.63	2.76	3.22	3.32	3.49	4.04
	Landslide	-	-	-	-	-	-
MCM Engineering II USA Utah	Flash flood	0.09	0.09	0.11	0.12	0.13	0.16
	Extreme temperature	3.33	3.33	3.65	4.15	4.08	4.98
	Landslide	-	-	-	-	-	-
Bastrop Campus USA Texas	Water stress	7.62	3.72	6.02	4.30	3.26	5.29
	Flash flood	0.06	0.06	0.08	0.08	0.09	0.11
	Extreme temperature	2.74	2.72	3.17	3.43	3.56	3.95

1) MAAL : Modeled Average Annual Loss, the ratio of projected loss to current asset value

Climate Change Response

Strategy

Transition Risk Scenario Analysis

LS ELECTRIC conducted a scenario-based analysis to assess the potential range of financial impacts associated with key transition risks identified through its climate-related risk and opportunity assessment. Fluctuations in electricity procurement costs and costs resulting from rising carbon emission allowance prices were selected as the subjects of analysis. Using scenarios published by leading global institutions, we estimated mid- to long-term cost impacts under varying policy and market conditions. However, electricity price and carbon price assumptions derived from these scenarios carry inherent uncertainties due to future policy developments and market dynamics. Likewise, the analysis is based on models that incorporate multiple assumptions, so actual outcomes may differ from the projected results.

Overview of Transition Risk Scenario Analysis¹⁾

Risk factor	Period range	Major assumptions
Changes in power procurement costs	2026 - 2040	<ul style="list-style-type: none"> Projected changes in domestic electricity tariffs from 2025 levels under NGFS scenarios Parallel analysis of BaU electricity consumption and renewable energy transition scenarios (BaP) based on the RE100 strategy
Rise in carbon emission allowance prices	2031 - 2050	<ul style="list-style-type: none"> Domestic carbon price outlook based on IEA scenarios Assumption that the carbon Emissions Trading Scheme (ETS) will newly apply starting from the 5th planning period (2031–2035) Gradual increase of the paid allocation ratio

1) The transition risk scenario analysis is based on the domestic parent company.

Rise in power procurement costs		
Particulars	Scenario	Description
NGFS ¹⁾	NDCs	A scenario assuming that countries implement their voluntarily determined greenhouse gas reduction targets.
	Below 2°C	A scenario that limits the temperature rise to below 2°C above pre-industrial levels by 2100 by gradually increasing the intensity of climate policies.
	NZE 2050	A scenario that limits the temperature rise to within 1.5°C by 2100 through stringent climate policies, aligned with achieving global Net Zero by 2050.

1) Network for Greening the Financial System

Rise in carbon emission allowance prices		
Particulars	Scenario	Description
IEA ²⁾	CPS ³⁾	A scenario based on the assumption that no additional climate policies are introduced beyond those that are currently in place.
	STEPS ⁴⁾	A scenario reflecting future strategies and officially proposed but not yet adopted policy measures.
	NZE ⁵⁾	A scenario presenting a pathway to achieve global Net Zero by 2050 and limit the increase in average global temperature to below 1.5°C.

2) International Energy Agency

3) Current Policies Scenario

4) Stated Policies Scenario

5) Net Zero carbon Emissions by 2050 Scenario

Result of Transition Risk Scenario Analysis

Rise in Power Procurement Costs (NDCs Scenario)

(Unit: KRW million)

Particulars	2026	2030	2035	2040
BaU ¹⁾ procurement costs (in case of RE100 noncompliance)	16,200	21,300	21,000	20,800
BaP ²⁾ procurement costs (in case of RE100 compliance)	24,400	18,600	18,300	18,000

- Under the RE100 implementation scenario (BaP), electricity procurement costs temporarily increase during the early phase of renewable energy transition (through 2028) but are expected to fall below BaU levels from 2029 onward due to reduced general power purchases.
- We plan to strengthen our ability to manage electricity price volatility by enhancing energy efficiency and expanding renewable energy procurement based on economic feasibility and supply stability.

1) BaU : Business as Usual

2) BaP : Business as Planned

Changes in Greenhouse Gas Emission Allowance Purchase Costs

(Unit: KRW million)

Scenario	2035	2040	2045	2050
CPS	429	606	724	784
STEPS	1,715	2,889	3,815	4,524
NZE	5,938	9,551	12,670	15,080

- Following the assumed inclusion in the carbon Emissions Trading Scheme starting from the 5th planning period (2031 onward), the volume of purchased allowances is expected to increase as free allocations are gradually reduced.
- In the long term, the structural cost burden is expected to increase as the share of paid allocations rises, with the cost escalation becoming significantly steeper under higher-ambition transition scenarios (e.g., NZE).
- We plan to mitigate carbon-price escalation risks proactively by implementing GHG reduction measures.

Climate Change Response

Metrics and targets

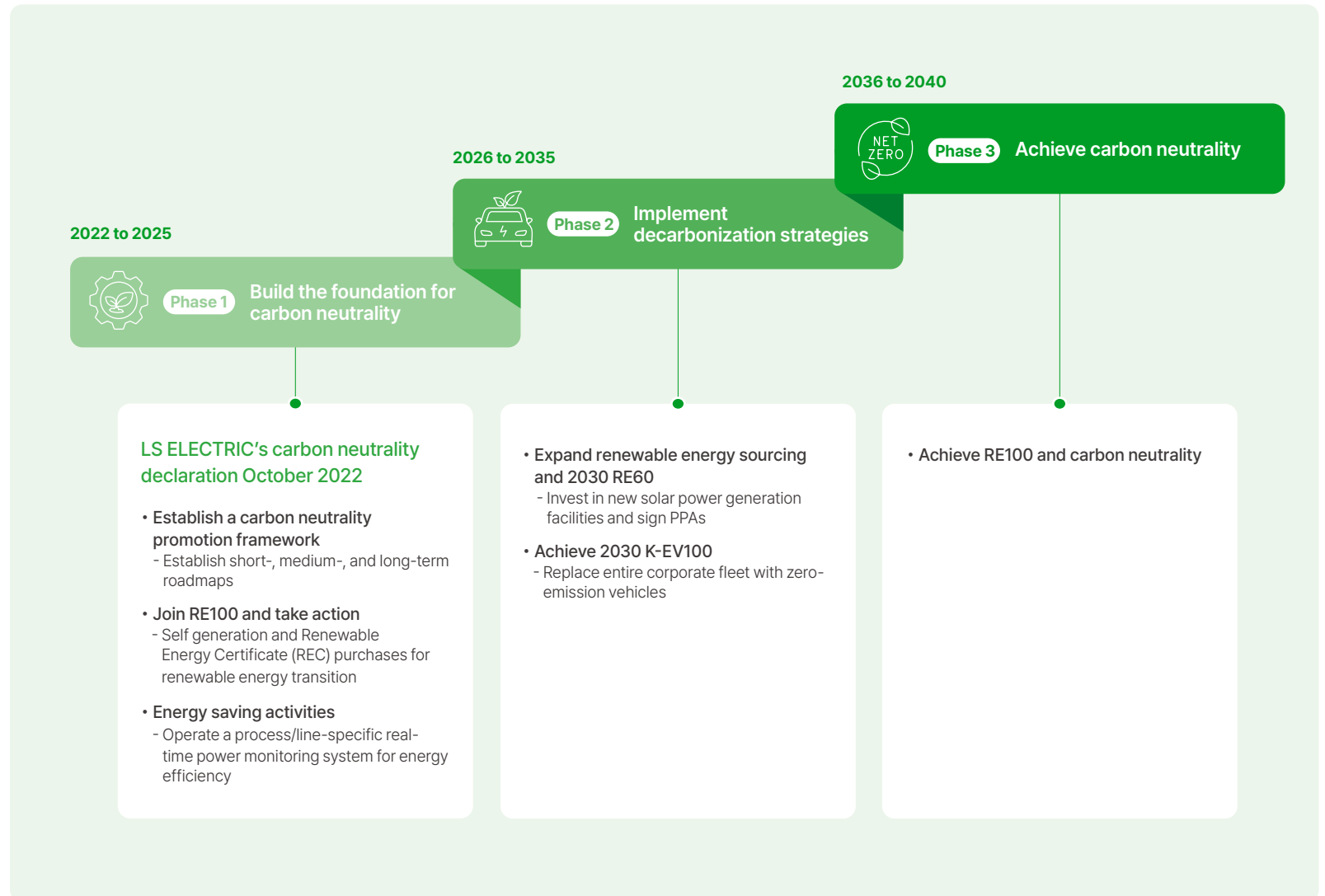
2040 Carbon Neutrality

To take part actively in the climate change response, LS ELECTRIC aims to achieve carbon neutrality in relation to Scope1 and Scope2 emissions by 2040. Recognizing that the risk caused by climate change is a material risk that affects not only the environment but also the society and economy, we conducted an analysis of BAU emissions and key emission sources, and have developed concrete plans for transitioning to eco-friendly vehicles and improving facility efficiency. As a result, according to our business's characteristic of having a higher rate of Scope2 emissions, we plan to strengthen our renewable energy sourcing capacity and continuously monitor the carbon neutrality promotion status. Furthermore, to manage carbon emissions across the entire value chain, we will conduct ongoing monitoring of Scope3 emissions and establish a mid-to-long-term roadmap going forward.

Global RE100

LS ELECTRIC led the heavy electrical industry in Korea by joining the global RE100 initiative in December 2023. RE100 is a global initiative that challenges companies to source 100% of their electricity from renewable sources. With its commitment to RE100, LS ELECTRIC aims to increase its use of renewable energy to 60% by 2030 and achieve 100% compliance by 2040. We are actively pursuing energy efficiency in our domestic and international operations to achieve this goal, and we plan to leverage solar power systems, Renewable Energy Certificates (RECs), and Power Purchase Agreements (PPAs).

Roadmap for Achieving Carbon Neutrality



Climate Change Response

Activity

Renewable Energy Procurement

LS ELECTRIC is actively advancing the transition to renewable energy across its domestic and overseas worksites to fulfill global RE100 commitments. The parent company expanded its renewable energy transition capacity by newly installing on-site generation facilities on unused land at the second production building of the Busan Plant, which was completed in December 2025. Going forward, we plan to diversify our procurement methods by not only expanding on-site generation but also entering into Power Purchase Agreements (PPAs). Overseas subsidiaries are making continuous progress in renewable energy transition as well. LS ELECTRIC (Wuxi) Co., Ltd. among overseas subsidiaries achieved 100% renewable energy use starting October 2024 by participating in the Green Tariff program and purchasing renewable energy use certificates. Likewise, the Bac Ninh Plant of the Vietnam subsidiary achieved 100% renewable energy use beginning 2025 by combining on-site generation with the purchase of renewable energy use certificates. As a result of these company-wide efforts, LS ELECTRIC achieved renewable energy conversion equivalent to approximately 4% of its total electricity consumption as of 2025. We will continue to expand investments in on-site generation on available land, secure PPAs, and increase the number of RE100-aligned sites, with the goal of transitioning 100% of company-wide electricity consumption to renewable energy by 2040.

2025 Renewable Energy Transition Performance

Category	Means of transition	Amount (MWh)
Parent Company	On-site generation	541
LS ELECTRIC (Wuxi)	Green Tariff ¹⁾	4,225
	Green Electricity Certificate(GEC ²⁾)	105
LS ELECTRIC Vietnam Bac Ninh Plant	On-site generation	209
	International Renewable Energy Certificate (I-REC ³⁾)	1,149
Total		6,229

* Electricity consumption in 2025: 156,683 MWh (including the parent company, overseas subsidiaries, and domestic affiliates)

- 1) Green Tariff: A method in which electricity suppliers procure renewable energy and associated certificates from power generators and provide them to renewable energy consumers in the form of a tariff program.
- 2) GEC (Green Electricity Certificate): A certificate that verifies the use of renewable electricity within China.
- 3) I-REC (International Renewable Energy Certificate): A globally recognized certificate that verifies the consumption of renewable electricity.

Energy Use Reduction

As part of its efforts to achieve carbon neutrality by 2040, LS ELECTRIC has established annual KPIs for reducing electricity and LNG consumption. Each worksite has identified and implemented various initiatives to meet these targets, including transitioning to high-efficiency equipment and replacing lighting systems. We completed the installation of additional inverters and air compressors as well as the adoption of high-efficiency chillers in 2025; thus effectively preventing energy losses and maximizing energy efficiency. We also carried out company-wide energy-saving campaigns across all worksites successfully and shared best practices throughout the company, contributing to continuous reductions in overall energy consumption.

2025 Key Energy-Saving Achievements

Category	Implementation details	Performance
Facility improvement	Installed double-swing doors and speed doors to minimize exposure to outside air temperature	• Saved approximately 80 MWh (Cheongju) annually
	Installed additional high-efficiency inverters	• Saved approximately 137 MWh (Cheonan) annually
	Installed high-efficiency air compressors	• Saved approximately 1,582 MWh (Cheongju) annually
	Replaced existing low-efficiency chillers with high-efficiency models	• Saved approximately 114 MWh (Cheonan) annually
Employee participation	Limited electricity use during peak hours	• Reduced power consumption during peak periods
	Operated boilers under a flexible load management system	• Improved boiler operation efficiency
	Maintained appropriate cooling and heating temperatures during summer and winter	• Strengthened employee awareness and engagement in energy-saving practices

Climate Tech Award

LS ELECTRIC received the Grand Prize in the large enterprise category at the "2025 Electronic Times Climate Tech Awards." The award, presented by the Minister of Climate, Energy and Environment, recognized the company's sustainability achievements in simultaneously reducing carbon emissions while expanding revenue.



Climate Change Response

Activity

K-EV100

K-EV100 is an initiative that encourages companies to reduce carbon emissions by converting all of their owned or leased fleet vehicles into electric vehicles. As an active supporter of the K-EV100 initiative, LS ELECTRIC plans to replace all 120 vehicles owned or leased by the company with electric vehicles by 2030. A total of 43 electric vehicles have been introduced as of 2025, representing a 36% conversion rate.

Category	2022	2023	2024	2025	2027	2029	2030
Target (Vehicles)	4	8	12	36	60	96	120
Actual (Vehicles)	21	31	37	43	-	-	-
Conversion rate ¹⁾	18%	26%	31%	36%	-	-	-
Total number to be converted (Vehicles)	120						

1) Conversion rate: Cumulative actual result/120 (Total number to be converted)

GHG Emissions¹⁾

Category	Unit	2023				2024				2025			
		Parent Company	Domestic Subsidiaries ²⁾	Overseas Subsidiaries ³⁾	Total	Parent Company	Domestic Subsidiaries ²⁾	Overseas Subsidiaries ³⁾	Total	Parent Company	Domestic Subsidiaries ²⁾	Overseas Subsidiaries ³⁾	Total
Scope1	tCO ₂ eq	4,525.0	2,651.1	266.2	7,442.4	4,180.9	2,929.6	368.4	7,478.9	4,500.5	2,837.6	313.7	7,651.9
Scope2 (market-based)		26,998.2	28,241.2	12,968.2	68,207.5	23,574.9	31,079.6	16,012.9	70,667.4	28,547.0	31,611.8	12,968.1	73,126.9
Total		31,523.2	30,892.3	13,234.4	75,649.9	27,755.7	34,009.2	16,381.3	78,146.2	33,047.5	34,449.4	13,281.8	80,778.7

1) Data scope covers approximately 80% of consolidated revenue as of 2025

2) Domestic subsidiaries: AC&T System Co., Ltd., LS e-Mobility Solutions Co., Ltd., LS ITC Co., Ltd., LS Mecapion Co., Ltd., LS Sauter Co., Ltd., LS Metal Co., Ltd. (2023-), CX Solution, LS Power Solution (2024-), LS E&M Co., Ltd., LS THIRA-UTECH Co., Ltd.(2025-)

3) Overseas subsidiaries: LS ELECTRIC China Co. Ltd., LS ELECTRIC Vietnam Co., Ltd, LS e-Mobility Solutions(Wuxi), LS Metal VINA LLC (2023-), LS e-Mobility Solutions(Mexico) (2024-), LS e-Mobility Solutions(America) (2025-)

CoREi

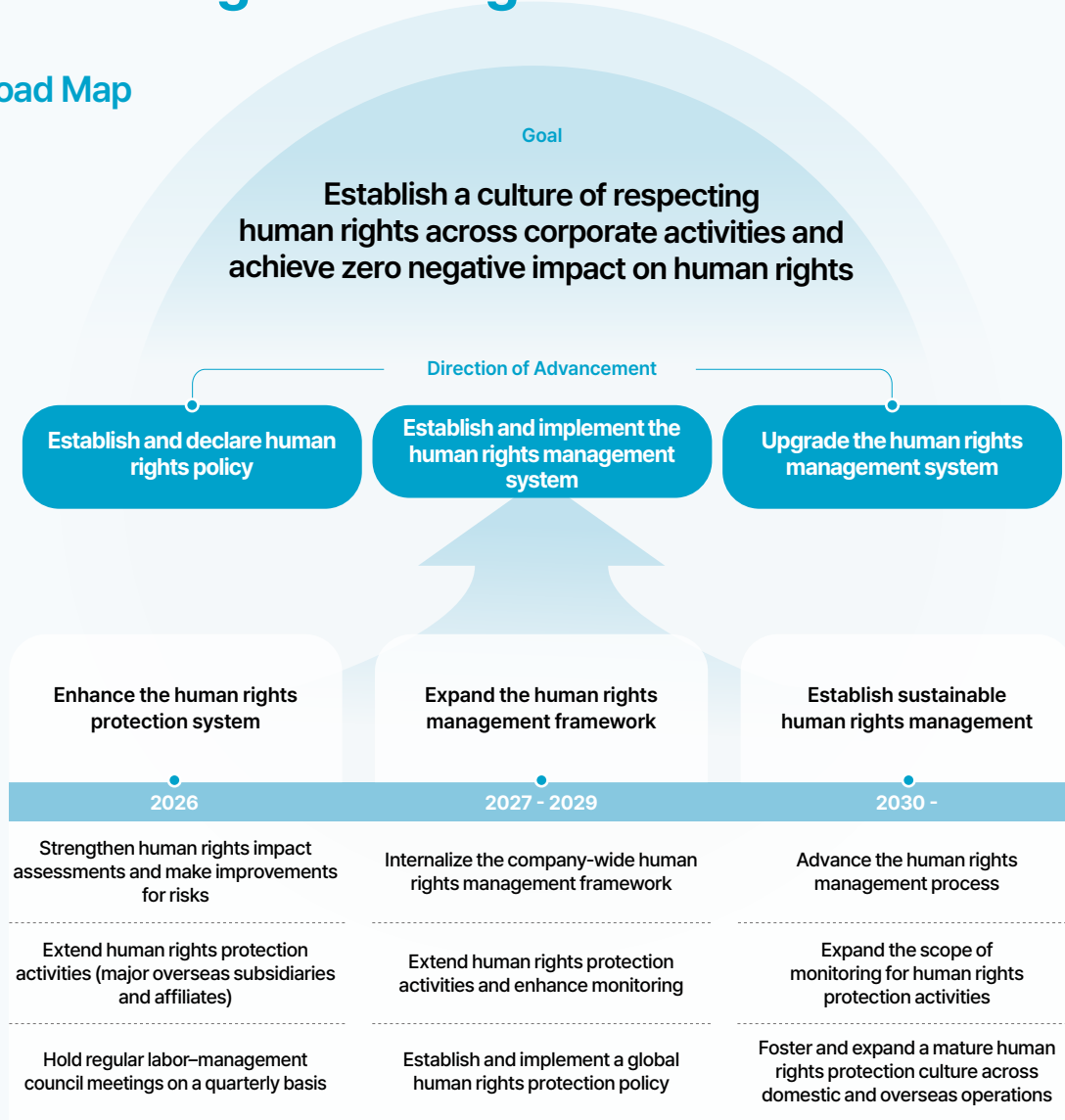
The Corporate Renewable Energy Initiative (CoREi) helps companies reduce carbon emissions and achieve sustainable operations through the use of renewable energy. LS ELECTRIC joined CoREi in 2023. Under this initiative, we have set renewable energy targets and are using various tools and data to achieve them. As part of our commitment to a greener future, we strive to play a leading role in policy improvements and market growth, fulfill our social responsibility by expanding the use of renewable energy, contribute to the development of sustainable energy systems, and focus on green technology development.

Principles of Participating in CoREi | Principles of CoREi

- ① We commit to actively participating in global efforts to achieve net-zero by focusing on the procurement and expansion of renewable energy.
- ② We promise to engage in actions that mitigate climate change and protect the environment, contributing to a sustainable future.
- ③ We vow to contribute to the development and refinement of policies needed to boost domestic renewable energy expansion.

Human Rights Management

Road Map



Policy

Human Rights Management Implementation System

LS ELECTRIC is committed to practicing human rights management to protect and respect the human rights of all stakeholders including employees, customers, and suppliers. We ban discrimination by reason of gender, race, religion, disability, place of birth, political inclination, etc., and prohibit child labor or forced labor. We have also established the LS ELECTRIC Human Rights Management Declaration based on the UN’s Universal Declaration of Human Rights and major domestic and international principles for human rights practice. Human rights management at LS ELECTRIC is overseen by the GHR/Management Support Department, which regularly provides employees with human rights management training to spread the culture of respecting human rights. We also established the Basic Principles of Human Rights Management to protect employees’ human rights, with related issues strictly handled through the Disciplinary Committee.

Stakeholders’ grievances are collected and handled in real time through the anonymous noticeboard on the website and whistleblowing channels. Currently, we are proactively identifying potential human rights risks that may affect employees and stakeholders through ongoing human rights impact assessments. We plan to strengthen our human rights risk management practices continuously based on these assessment results.

Anti-discrimination	Guaranteeing Occupational Safety	Humane Treatment	Guaranteeing Freedom of Association and Collective Bargaining
Do not tolerate discrimination in recruitment, employment, promotion, training, wage, and welfare and benefits by reason of employees’ gender, race, ethnicity, nationality, religion, disability, age, family status, social status, political inclination, etc., without any reasonable grounds, and strive to create an organizational culture that respects the diversity of employees.	Comply with the occupational health and safety laws of each country to ensure that all employees work in a safe environment, inspect facilities, equipment and tools, etc., in worksites on a regular basis, and prepare support plans for appropriate handling and follow-up management for the purpose of preventing employees’ physical and psychological risks.	Respect the privacy of all employees, thoroughly protects their personal information, and shun mental, verbal, and physical violence, abuse, or irrational treatment.	Respect the labor relations law in all countries where this Human Rights Policy applies and provide all employees with an opportunity for sufficient communication.
Banning Forced Labor and Child Labor	Complying with Working Conditions	Protecting the Human Rights of Local Residents	Protecting the Human Rights of Customers
LS ELECTRIC complies with the minimum age requirement for employment prescribed in each country and refrains from mentally or physically restraining employees such as through slavery or human trafficking or forcing labor by a person against his or her free will.	Comply with labor-related laws in countries where it does business. In addition, provide an appropriate working environment for job performance along with sufficient opportunities for training in order to assist in the capability development and quality of life improvement of all employees.	In performing operations, all employees should take care not to violate the human rights of local residents and protect local residents’ rights to health and safety and freedom of residence.	In providing products and services, all employees should place the highest priority on protecting customers’ life, health, and property and take the best actions to protect customers’ personal information collected through management activities.

Human Rights Management

Activity

Human Rights Impact Assessment

LS ELECTRIC conducts regular human rights impact assessments across all worksites to identify and prevent the potential negative impacts of its business activities on the rights of stakeholders and strengthen its human rights management. The human rights impact assessment is managed by a dedicated human rights management organization. It focuses on eight areas including working conditions, grievance handling, freedom of association, and occupational health and safety, with the aim of identifying areas for improvement in human rights management. The assessment indicators were developed based on the recommendations of the National Human Rights Commission of Korea as well as emerging human rights issues and evolving societal expectations. According to the 2025 human rights impact assessment, overall management performance improved across all areas compared to the previous year. In particular, the areas of prohibition of forced and child labor and employee health and safety maintained strong performance for the second consecutive year. Going forward, we plan to expand the scope of our human rights impact assessments further and refine our risk categories to enhance due-diligence processes for high-risk areas. We aim to foster a human rights management system that ensures that the rights of all employees and stakeholders are respected through these efforts.

Human Rights Training

LS ELECTRIC operates various human rights education programs to raise members' awareness of human rights and strengthen the foundation for human rights protection. To promote a healthy corporate culture and deepen understanding of disabilities, our employees receive mandatory annual online training on sexual harassment prevention and disability awareness. In 2025, 100% of employees completed the human rights training. LS ELECTRIC will continue to provide ongoing human rights training to build and cultivate a cooperative, respectful, and sustainable corporate culture.

Key Items for Human Rights Impact Assessment

Prohibition of workplace discrimination and harassment	Prohibition of forced and child labor	Compliance with minimum working conditions	Human rights management system	Grievance-handling procedures	Freedom of association and collective bargaining rights	Employees' health and safety	Human rights impacts related to business operations
<ul style="list-style-type: none"> • Employment and recruitment • Wages • Education, promotion, welfare • Employment type • Workplace harassment 	<ul style="list-style-type: none"> • Movement restrictions and document seizure • Freedom of employment and resignation • Prohibition of excessive working hours • Forced labor • Child labor 	<ul style="list-style-type: none"> • Unfair contract • Understanding of contract terms • Guarantee of rest breaks and leave • Guarantee of maternity and parental leave • Non-discrimination in leave and time-off 	<ul style="list-style-type: none"> • Human rights policies • Human rights training 	<ul style="list-style-type: none"> • Grievance counseling channels • Accessibility of grievance-handling procedures • Protection of anonymity • Transparency in grievance handling 	<ul style="list-style-type: none"> • Prohibition of discrimination against labor unions • Provision of information and facilities for labor unions • Prohibition of retaliation against labor unions 	<ul style="list-style-type: none"> • Safety and hygiene • Health protection • Protection of pregnant employees 	<ul style="list-style-type: none"> • Human rights management in the supply chain • Customer safety and information provision • Personal data protection

Human Rights Management

Activity

Diversity and Inclusiveness

LS ELECTRIC strives to create quality jobs for people with disabilities as part of its commitment to diversity in the workplace. In addition to hiring Health Keepers (massage therapists), we are also creating new job roles in the arts sector to expand employment opportunities with the goal of improving the quality and quantity of positions available to people with disabilities. We hired new artists with developmental disabilities in 2025, bringing the total number of employees participating in the “Green Canvas” art program to ten. Green Canvas continues to create positive impact both inside and outside the company through various artistic activities, including hosting its inaugural exhibition and producing the company’s New Year greeting cards. We will continue our efforts to expand the employment and social awareness of people with disabilities and strengthen our inclusive organizational culture.



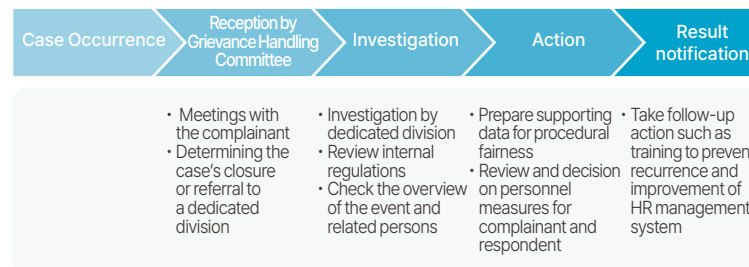
Green Canvas Activities

E-Bridge Initiative (Employee Communication Channel)

LS ELECTRIC has launched the E-Bridge initiative since 2022, branded with the slogan “Bridge to the Future,” to foster better communication among its members. Members of E-Bridge engage in continuous idea generation and suggestion related to business management through both online and offline meetings, with the goal of enhancing job productivity through efficient thinking. Moreover, they engage in social contribution activities quarterly (such as supporting marginalized groups, handing out food at elderly care facilities, and volunteering overseas) in fulfillment of LS ELECTRIC’s social duties and responsibilities. E-Bridge is committed to promoting a culture of open dialogue and persistently aims to contribute to societal value.

Human Rights Grievance Handling Channels

LS ELECTRIC operates a variety of human rights grievance-handling channels to ensure that all stakeholders, including employees, can freely raise concerns related to human rights. We support grievance resolution through official reporting mechanisms such as the cyber whistleblowing system and a dedicated sexual harassment-reporting channel, and all cases are handled fairly under a strict non-retaliation principle. Confidentiality standards are rigorously applied as well to protect the identity of whistleblowers. We have additionally implemented an Employee Assistance Program (EAP) since 2022, providing professional psychological assessments and counseling services to support the emotional and mental well-being of employees. We will continue to foster a human rights-centered organizational culture where anyone can safely voice concerns and receive appropriate protection.



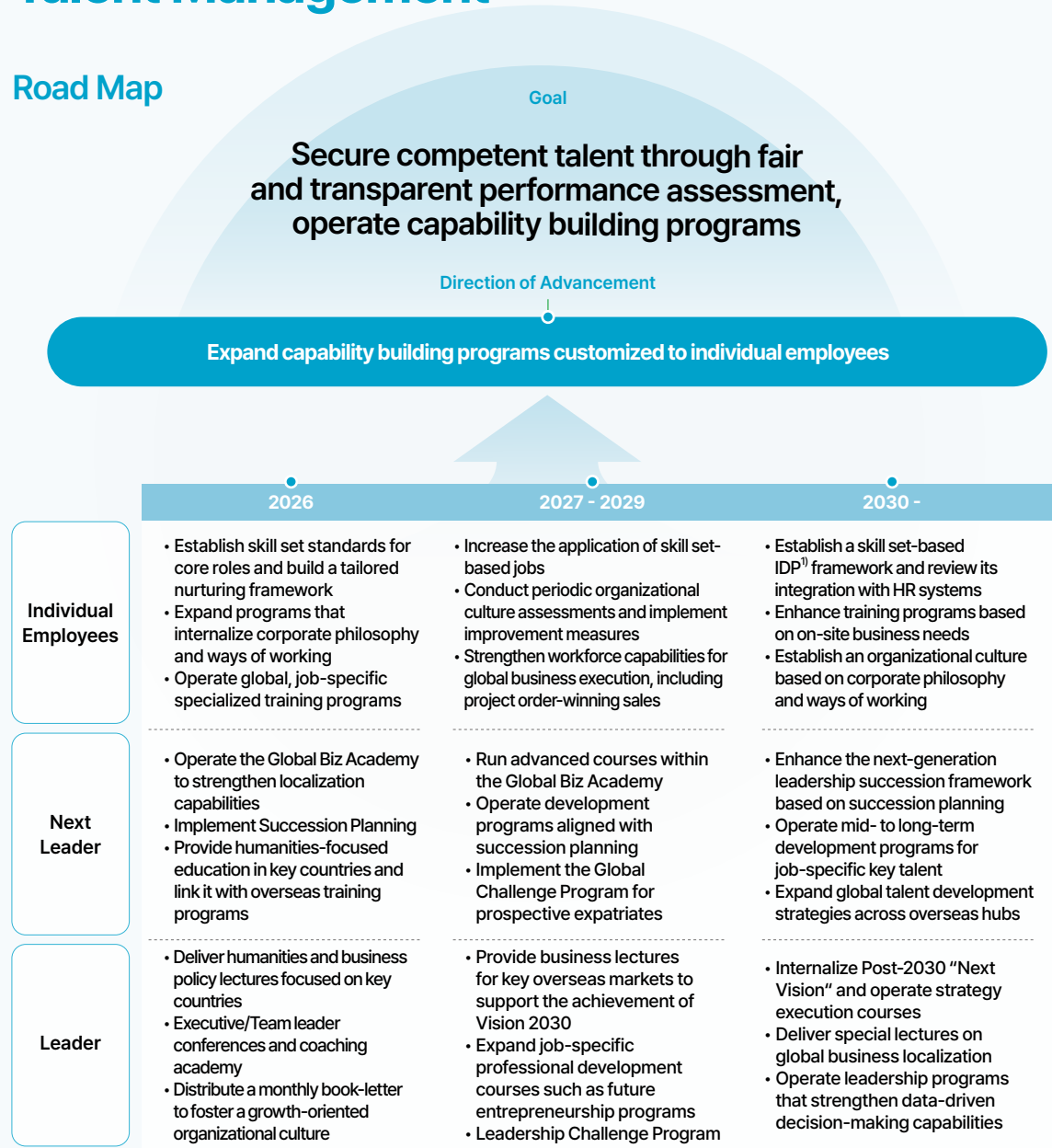
Labor-Management Partnership

LS ELECTRIC fosters a healthy organizational culture in which employees and the company grow together, grounded in a mutually beneficial labor-management partnership. By establishing a company-wide Labor-Management Council, we have strengthened the foundation for communication, participation, and collaboration. The Council operates with an equal number of management representatives and employee representatives, with the shared goal of promoting their common interests. Through quarterly regular meetings, the Council functions as an official communication channel for discussing key issues affecting employees — including working conditions, welfare and benefits, and organizational operations — as well as sharing business information. Through these efforts, LS ELECTRIC incorporates employee voices into its management activities and works to establish a rational labor-management culture built on mutual trust.

In addition, LS ELECTRIC is building a mutually beneficial labor-management culture in partnership with the representative labor union. In 2025, the conclusion of the “Labor-Management Mutual Prosperity Agreement” yielded a significant outcome: the delegation of wage and collective bargaining authority. Going forward, we remain committed to embedding a culture of dispute-free collective bargaining and delegation, thereby strengthening the foundation for sustainable growth based on mutual respect and consideration between labor and management.

Talent Management

Road Map

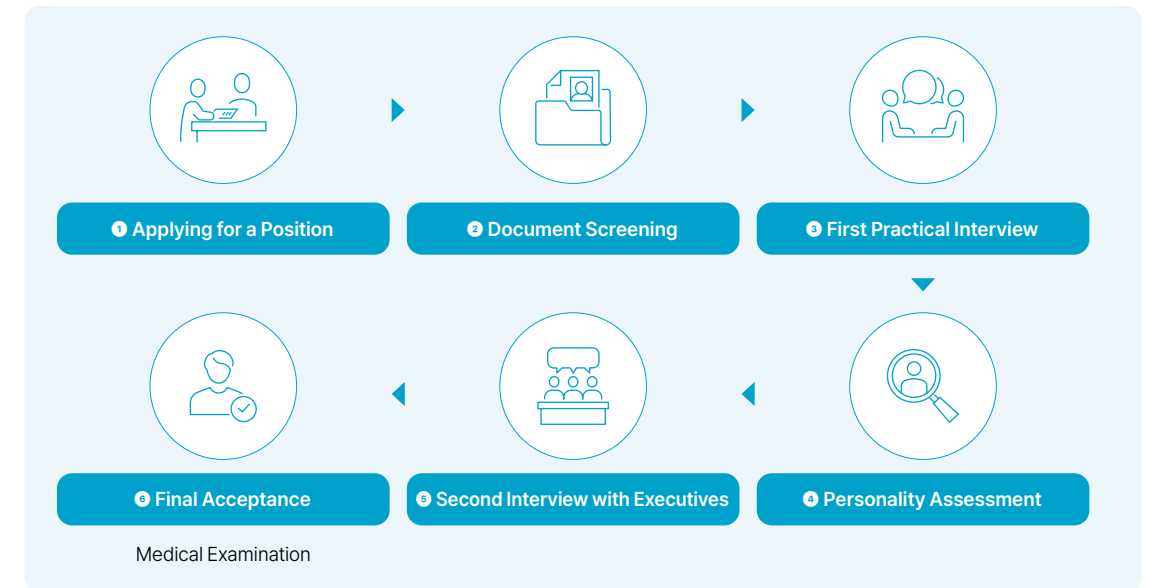


1) Individual Development Plan

Policy

Fair Talent Recruitment

LS ELECTRIC is committed to managing its recruitment process with transparency, honoring the diversity of its applicants, and ensuring every applicant is afforded equal opportunities. Recruitment at LS ELECTRIC is fundamentally open, guided by the Fair Hiring Procedure Act and job-specific recruitment evaluation criteria. The company transparently discloses recruitment criteria, including job functions, detailed eligibility requirements, and preferences, right from the job posting stage. Furthermore, document screening adheres to objective criteria to evaluate job-specific skills, and measures such as interviewer training and competency verification standards for each position are in place to mitigate any interviewer bias or discrimination during interviews.



Talent Management

Policy

Employee Training System

LS ELECTRIC enhances employee capabilities through a wide range of training and development programs covering level-specific training, global competencies, organizational development, and job-specific training, led by the Talent Development Team. We provide the “LS Learning Platform”—an internal learning system available to all employees—to improve accessibility and convenience. We also support the dissemination of the LS Group’s management philosophy (LSpartnership), employee capability development, and leadership excellence through the LS Group training institute LS Future Center.

In addition, we continuously develop and operate new training programs based on on-site needs to respond to the evolving business environment. Likewise, we provide high-potential employees with various development opportunities to nurture next-generation leaders who will drive change and innovation. Leadership candidates in management and R&D roles are selected through recommendations and evaluations aligned with key job competencies, and those selected are offered advanced development opportunities such as MBA programs and graduate-level education.

To strengthen global business capabilities, we operate the Global Biz Academy for prospective expatriates. Candidates assigned to overseas subsidiaries or branches receive structured pre-assignment training, language support, and family programs to ensure successful adaptation to international work environments. Returning expatriates also receive reintegration training to support smooth transition back into the organization.

Moreover, we provide retirement-planning programs for employees approaching retirement. Through career transition support, career exploration and planning consultations, and financial management training, we help employees prepare for a meaningful second career after retirement.

Assessment and Compensation

Based on the belief that fair evaluation and rational compensation are fundamental to corporate competitiveness, LS ELECTRIC supports both organizational and individual performance through a structured performance management system. Performance management begins with establishing detailed goals at the division, business unit, and department levels based on the company’s overall management objectives, which are then cascaded down to team and individual goals.

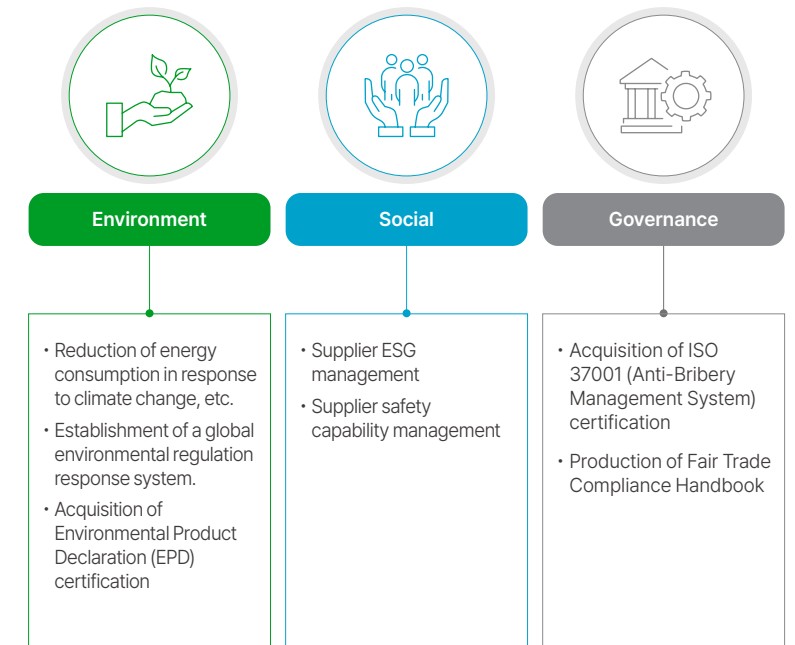
Organizational leaders set their goals through the Management Innovation Program (MIP), with employees establishing and executing individual work objectives through the continuous performance management system. Evaluators and employees regularly review task-level goals, schedules, and progress throughout the year to ensure alignment and objectivity, and quarterly feedback sessions are conducted to share performance outcomes and areas for improvement.

Final evaluations are conducted at year-end by linking organizational performance with individual performance, with an appeals process in place to reinforce fairness and transparency. The evaluation results are connected to various HR and compensation systems including performance bonuses, salary adjustments, promotions, and career development.

We also operate the “LS ELECTRIC Incentive Plan for Achieving Vision 2030” to ensure appropriate rewards for performance contributions, while strengthening employee motivation and fostering a performance-driven organizational culture.

ESG-Linked Assessment and Compensation

At LS ELECTRIC, climate change and other ESG aspects are included in the key performance indicators (KPIs) for organizational leaders and executives. KPI achievement is evaluated annually, with the results reflected in executive compensation. By incorporating various ESG indicators such as energy use reduction, establishment of environmental compliance systems, and ESG management of suppliers, we strengthen the ESG accountability and execution capabilities of our executives and leadership team.



Talent Management

Policy

Employee Welfare and Benefits

LS ELECTRIC operates a range of welfare and benefits systems and convenience facilities to help employees achieve better work-life balance.

Category	Classification	Description
Work and Family Balance	Childcare Center	LS ELECTRIC operates childcare centers for the children of employees aged 1-5 to help employees ease the burden of childcare, and focus on their work accordingly.
	Nursing Rooms	LS ELECTRIC promotes maternity protection by providing a nursing room inside the head office.
	Maternity Leave and Parental Leave	We offer maternity and childcare leave and reduced working hours for pregnant employees and those raising children. In 2024, we introduced a childbirth grant (KRW 7 million per child) and extended childbirth leave for spouses to 20 days. These demonstrate our leadership in providing support packages for childbirth and childcare.
	Family Leave	LS ELECTRIC provides a leave for up to 90 days and shortened working hours so that employees can spend more time with their families.
	Tuition	To ease employees' financial burden with regard to children's education, LS ELECTRIC supports scholarship for employees' children in middle school, high school, and university regardless of the number of children.
	Family Happiness Camp	In celebration of Family Month, the LS Future Center holds various events (bubble show, cotton candy making, magic show, face painting, etc.) to provide an opportunity for employees to bond with their children.
	Infertility Treatment Support	LS ELECTRIC provides a three-day paid leave for infertility treatment, along with infertility treatment expenses (including for spouses), in order to prevent career break for female workers suffering from infertility and address the social issue of low birth rate.
Work-life Balance	Flexible Work Arrangements	By introducing staggered commuting times and flexible working hours, support is provided for maintaining a healthy work-life balance.
	Leave	To promote employees' work-life balance, LS ELECTRIC actively recommends taking the last week of December off to employees by operating the year-end long-term leave system. We also support a flexible working environment by operating the quarter-day off (two-hour annual leave) system.
	Congratulatory and Condolatory Support	LS ELECTRIC provides a gift of money and wreath and a special leave to employees for family events, such as marriage, childbirth, 60th birthday, and death. The presentation of a ring on the first birthday of an employee's child, which was started in 2020, is receiving favorable responses. Starting in 2024, we also provide a childbirth congratulatory gift and financial support.
	Housing Support	LS ELECTRIC operates a housing fund support system to assist in employees' residential and living stabilization. While partially subsidizing the amounts of employees' housing purchase and rental expenses, we provide dormitory and company housing for employees in regional worksites to support residential stabilization.
	Health Checkup & Support for Medical Expenses	In addition to offering general health checkup for employees and their spouses, LS ELECTRIC subsidizes the medical expenses of employees and their families. Also, we have purchased group insurance to help employees focus on treatment when affected by accidents and diseases.
Support for Recreational Activities	In-house Club	LS ELECTRIC operates a number of in-house clubs to help employees enjoy their hobbies and promote self-development. Any employee can open a club, and subsidies for cultural activities are provided if the internal criteria are met. As of December 2025, 70 clubs including a sports club, a trekking club, and a volunteer work club are in operation.
	Condominium	To assist in employees' leisure life, LS ELECTRIC offers access to famous condominiums across the country to help employees enjoy quality time with their families. We also operate a summer vacation resort where our employees can enjoy camping with their families.
	Sports Events	LS ELECTRIC encourages employees to enjoy a cultural life by providing them with tickets to baseball, football, and other professional sports events.
	Welfare Points	To help in employees' living, LS ELECTRIC provides welfare points that employees can freely use according to their individual needs.
Working Environment Improvement	Convenience Facilities	LS ELECTRIC strives to improve employees' satisfaction with the working environment by providing a range of convenient facilities including cafeterias, fitness centers, and common rooms.

Talent Management

Policy

Education and Training System

Category	Level	Global	Organizational development	Job	Client/supplier
Executives/ Officers	Special lectures on humanities for executives	1:1 language training for executives	Assimilation for organization leadership	SW <ul style="list-style-type: none"> Intermediate C programming Clean code for software maintenance Software architecture (structure and use) 	Power <ul style="list-style-type: none"> Introduction to power systems Power system analysis and fault analysis Digital protection relay practice X-GIPAM practice Power devices Understanding and application of grounding systems Power system protection and coordination Understanding and protecting generators, transformers, and electric motors Digital protection relay practice Customized training for clients (power)
	Insight Forum		Assimilation W/S	CAE <ul style="list-style-type: none"> ANSYS Maxwell / AEDT loopok Altair_SimLab and OptiStruct structural analysis / SimSolid 	
	Executive seminars		Harmony day	CAD <ul style="list-style-type: none"> Introduction to CREO 3D for power/automation equipment development/drawings Sheet metal working / mechanism for power/automation equipment development AutoCAD Mechanical / Electrical PADS DxDesigner + AMS / Layout 	Automation <ul style="list-style-type: none"> Basic / advanced XGK Basic / advanced XGI XGK / XGI communication General XGR XGK network position control/servo XGI motion control HMI-XGT Panel HMI-XGT infoU Inverter basics Customized training for clients (automation)
	Training for new executives and officers		LSEmanship internalization activities	System users and apps <ul style="list-style-type: none"> DataPortal - Power BI user training ERP / PLM / RMS PL / Power Apps / Automate 	
Manager	Organization leader evaluation training	Skills training for production	PI workshops and training	Quality <ul style="list-style-type: none"> EMC technology / CDS development / FMEA / ISO 9001 practice Quality management / quality management engineer for managerial positions (written and practical tests) Introduction to nuclear quality assurance / ISO9001 certification auditor Fundamentals of RCA (Root Cause Analysis) / PL basics Product Reliability Design / Statistical Process Control (SPC) Charts & Process Capability Analysis Product environmental regulation response 	
	Basic coaching for team leaders	Skills training for overseas sales		Production technology/power <ul style="list-style-type: none"> Basic/intermediate injection molding Introduction to metal and electrical materials Cutting / pressing / fastening technology PCB & SMT / basic arc welding Power solution system, theory, products, basic electricity 	
	New team leader training	Skills training for R&D	DT Academy		
	Reemployment support services	Skills training for management	LS GPT course on the go		
	Next-generation leader development course	Regional expert program			
	Winning Growth	Overseas training for outstanding employees			
	Mentoring Program	Language support for expatriates	Domestic secondment		
	Career employee onboarding	Expatriate training course	KOITA Forum		
	New employee onboarding	Expatriate family support program			
	New employee training program	Expatriate capacity building	LS MBA		
	Global Challenge Program				
	External language training programs				
	Internal language test support				

Talent Management

Activity

Recognized as a Top Job Creation Company in Korea

LS ELECTRIC has been selected as a “2025 Korea Top Job Creation Company” by the Ministry of Employment and Labor, in recognition of its achievements in job creation and fostering a corporate culture that supports work-life balance. Going forward, LS ELECTRIC remains committed to creating a work environment in which employees can grow with stability, and to fulfilling its corporate social responsibility through the creation of quality jobs.

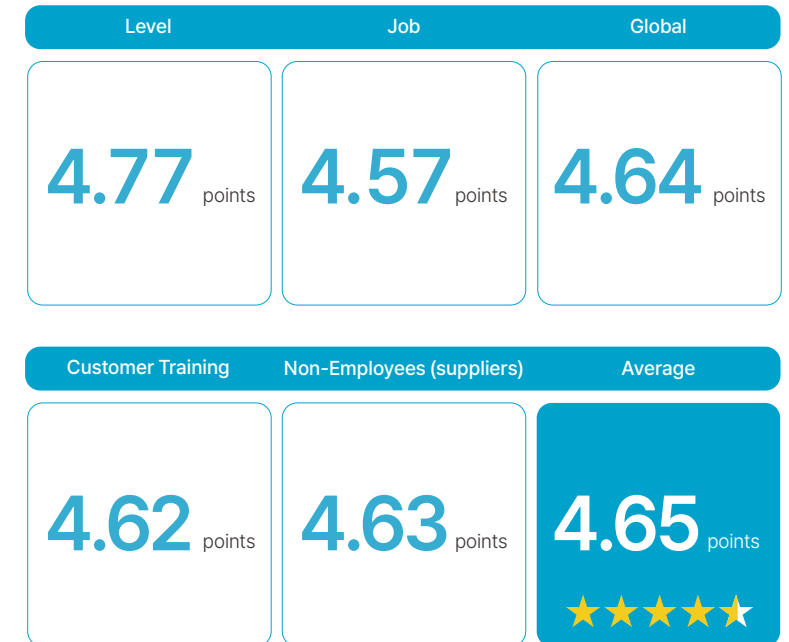


Selected as a 2025 Korea Top Job Creation Company

Employee Training Satisfaction Survey

LS ELECTRIC operates a wide range of training programs to support employees' capability development and growth. To enhance training quality and increase practical applicability, we conduct satisfaction surveys at the end of each course, analyze the results, and use the insights to improve training content and determine future program design. We also establish our annual training plan based on needs identified through satisfaction surveys and performance data, ensuring that career development programs are designed and managed in a more systematic, data-driven manner. We garnered an average training satisfaction score of 4.65 in 2025, and we aim to raise this to 4.70 in 2026 through continuous efforts to improve training quality.

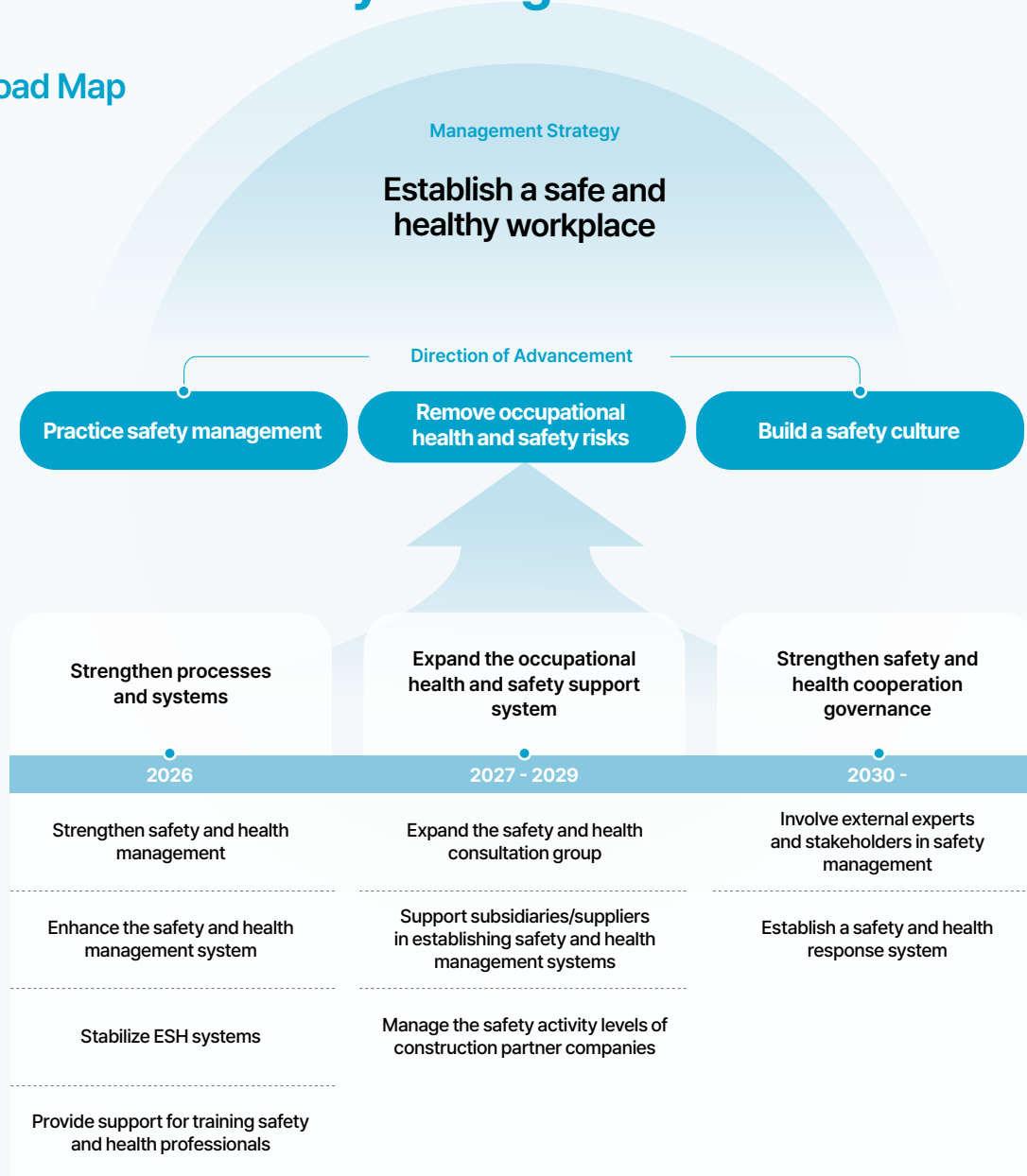
Results of the Training Satisfaction Survey



* Rated on a scale of 1 to 5

Health and Safety Management

Road Map



Policy

Health and Safety Management Promotion System

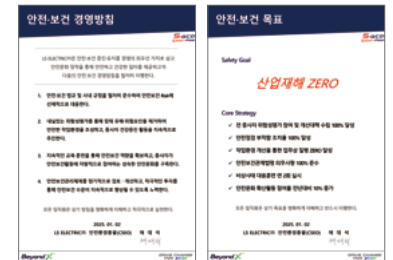
In its health and safety management practices, LS ELECTRIC prioritizes safety among its management values to ensure a safe, healthy work environment for each employee and stakeholder by continuously strengthening safety and health management. To this end, we have established a company-wide safety management foundation by defining our Safety and Health Management Policy along with five key strategies.

We also uphold S-QCD (“Safety, Quality, Cost, Delivery-emphasizing that quality, cost, and delivery are meaningless without safety”) as a core organizational culture principle, embedding safety as the top priority across all business operations. Based on such safety-oriented decision-making and execution capabilities, we are committed to mitigating safety and health risks proactively and promoting a sustainable safety management system.

1) S-QCD: Safety > Quality, Cost, Delivery

Five Health and Safety Management Strategies

- ① Preplanning for hazardous work and conducting risk assessments
- ② 100% improvement on nonconformities detected through safety inspections
- ③ ZERO job-related illnesses through improving the working environment
- ④ 100% compliance with health and safety regulations
- ⑤ 100% implementation of emergency response drills

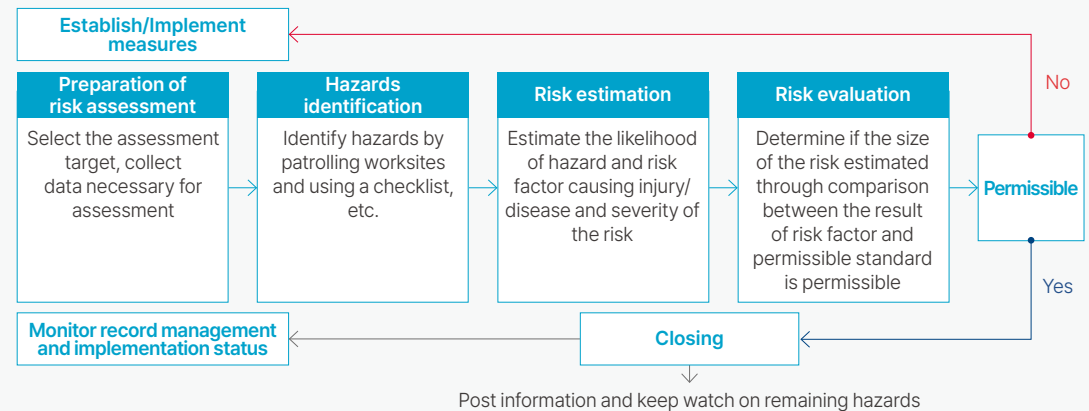


OH&S Policy and Goals

Risk Assessment Process

Risk Control Action

Following risk reduction measures, action is taken to reduce risks from a non-permissible level to a permissible level of low risk



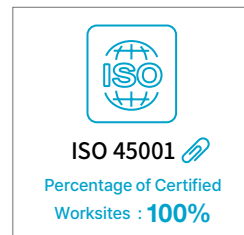
Health and Safety Management

Policy

Occupational Health and Safety Management System Certification

LS ELECTRIC has acquired ISO 45001 (Occupational Health and Safety Management System) certification for all domestic production worksites as well as selected overseas manufacturing subsidiaries in China and Vietnam in order to establish a globally aligned, safe working environment. Through this certification, we continuously maintain and foster a safety and health management system that meets international standards.

Each worksite conducts systematic safety and health activities based on the PDCA (Plan–Do–Check–Act) cycle, continuously improving the adequacy and effectiveness of its management system through goal setting and execution, performance evaluation, and management review. By operating this process, we proactively manage safety and health risks and continue to enhance company-wide safety.



* Based on domestic production worksites

Health and Safety Governance

LS ELECTRIC has strengthened its safety and health management system by appointing a Chief Safety & Environment Officer (CSEO) and establishing a company-wide safety and environment support organization under this leadership. This structure provides a systematic foundation for safety and health management across the entire organization. We have designated the Serious Accident Prevention Committee as the highest decision-making body for safety and health to enhance oversight and execution, operating it at least twice a year to review the status of safety and health management regularly. A dedicated safety and health organization is also assigned to each worksite to support the duties of the Safety and Health Management Officer, ensuring consistent, field-oriented safety and health practices. We continue to reinforce the effectiveness of our company-wide safety and health management system by conducting semiannual reviews of each site’s performance against our safety and health objectives, identifying areas for improvement, and implementing corrective actions. This governance is designed and operated to ensure the safety and health of not only all employees, but also all stakeholders, including business partners and customers.

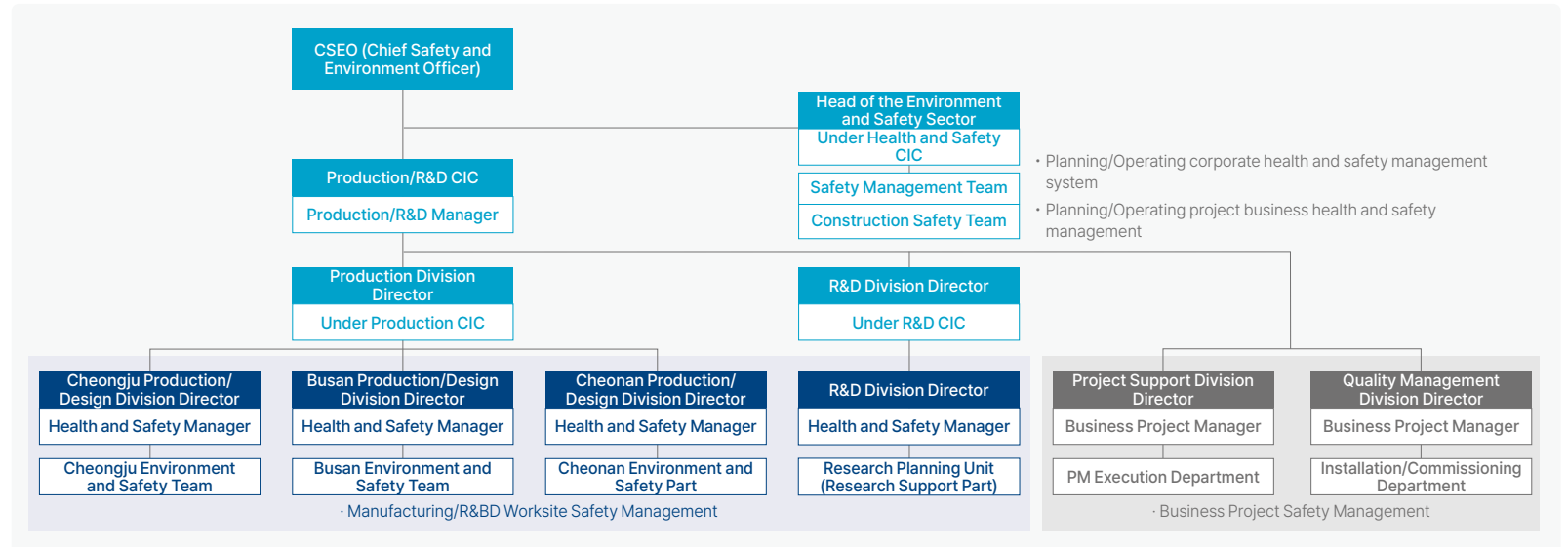
1) CSEO: Chief Safety & Environment Officer

Serious Accident Prevention Committee

LS ELECTRIC’s Serious Accident Prevention Committee is the highest health and safety-related decision-making body, created to execute the roles and duties assigned to the CEO according to the Serious Accident Punishment Act. This committee convenes biannually for regular meetings and may hold extraordinary sessions as required by the chairperson. Its functions include assessing the effectiveness of the safety and health management system, verifying its operation, and formulating accident prevention plans. In regular meetings, evaluations are reported on the current state of safety and health management, specifically focusing on compliance with regulations and accident risk, alongside comparisons of actual performance against plans, followed by a management review.

Occupational Health and Safety Committee

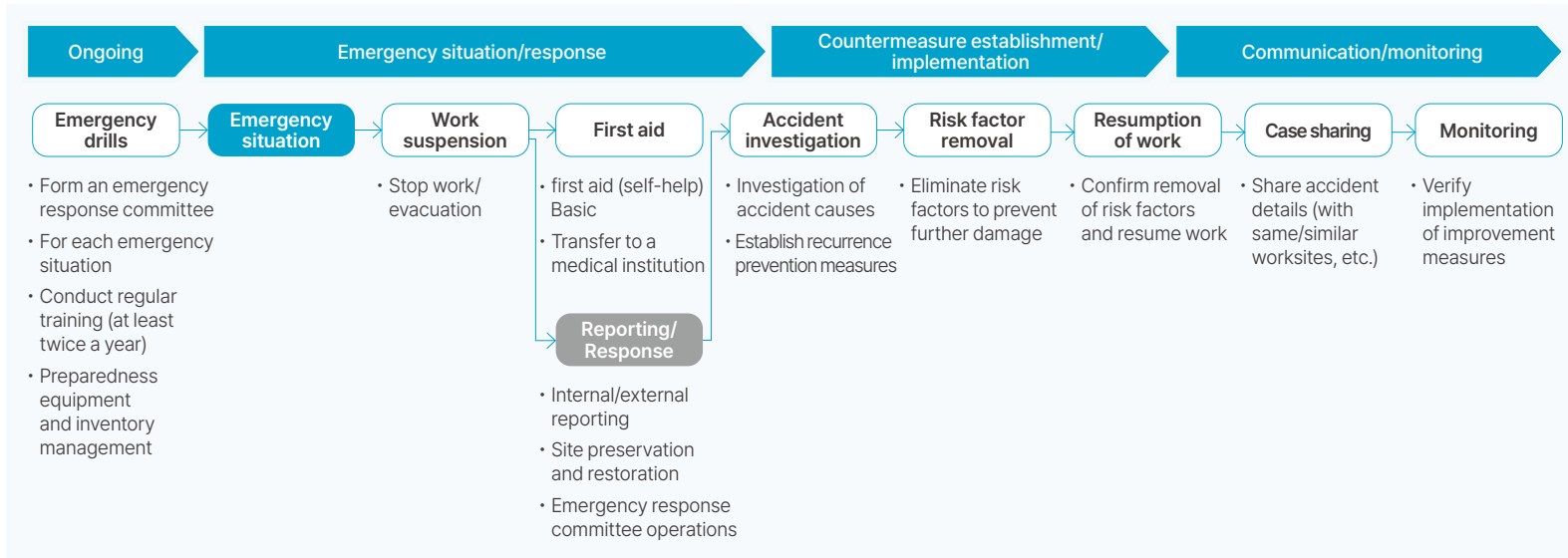
LS ELECTRIC manages the Occupational Safety and Health Committee as a communication body to guarantee the official participation of both employees and the company in identifying and addressing safety and health issues within the workplace across all processes. This committee convenes regular quarterly meetings and additional meetings as necessary, disclosing comprehensive safety and health management information and promoting a safety culture that encourages all members to freely express their opinions.



Health and Safety Management

Policy

Emergency Response System



Integrated ESH Management System

LS ELECTRIC is operating the integrated ESH (Environment, Safety, Health) management system it has established to ensure efficient safety and health management. This system enables standardized recording and management of safety and health activities across all worksites and provides functions such as risk assessments and work permits to identify hazardous and risky factors before work begins. It systematically tracks the implementation of corrective actions as well. Through this, we have achieved tangible results in accident prevention and reduction of safety risks.

We plan to continue advancing the ESH system to enhance user convenience and strengthen data-driven management capabilities, thereby further improving the reliability and efficiency of our company-wide safety and health management system.



Goal and Performance

Health and Safety KPI Operation

LS ELECTRIC is enhancing its health and safety management system and ensuring clear accountability within safety and health activities by establishing and managing specific safety and health KPIs for key position holders. These KPIs are evaluated by classifying them into outcome indicators such as accident occurrence indicators and process indicators focused on preventive activities. Additional points are granted for exemplary safety and health practices or for being selected as an outstanding performer in inspections or commendation programs; thus encouraging the active participation of employees. Through this performance management framework, we continue to foster a safety-oriented organizational culture and enhance our company-wide safety level.

Category	Detailed Description
Outcome Indicators	<ul style="list-style-type: none"> Number of incidents by accident grade
Process Indicators	<ul style="list-style-type: none"> Creating safety and health plans Creating risk assessment plans/verifying outcomes Creating safety and health training plans/verifying outcomes Engagement in consultative body operations Engagement in emergency response training
Additional Points	<ul style="list-style-type: none"> Receiving safety and health rewards within and outside the organization Safety inspections led by organizational leaders Other safety activities led by organizational leaders

Health and Safety Indicator Management

Having set the goal of zero accidents, LS ELECTRIC controls the occupational accident rate and the number of serious accidents as management indicators to achieve this goal. In 2025, we recorded an incident rate of 0.05% with zero serious accidents. Going forward, we will continue to identify and address harmful and hazardous factors and strengthen improvement activities to achieve a zero accident rate.

Category		Unit	2024	2025	2026
Accident rate	Target	%	0	0	0
	Actual		0.02	0.05	-
Number of serious accidents	Target	Incidents	0	0	0
	Actual		0	0	-

Health and Safety Management

Activity

Strengthening Safety Inspection at Worksites

LS ELECTRIC places the highest priority on preventing safety accidents and internalizing a strong safety culture throughout the organization. In addition to regular inspections, the safety and health department conducts unannounced spot inspections under the leadership of the Chief Safety & Environment Officer (CSEO) to assess closely the day-to-day safety management practices at each worksite. Nonconformities identified during these inspections are analyzed through review meetings involving the relevant managers and executives, after which corrective and preventive measures are established and implemented to enhance the effectiveness of safety management activities. We conducted a total of 676 inspections—340 inspections led by headquarters and 336 self-inspections by worksites—in 2025, identifying 1,750 areas for improvement and completing corrective measures. By continuously strengthening these inspection and improvement activities, we are systematically reducing safety and health risks and fostering a robust, company-wide safety culture.

Type of inspection	Number of inspections
CSEO - led executive inspection	2
Spot Check by Head of Environment and Safety	47
Spot Check by Construction Safety Team	263
HQ Safety Inspection	28
Worksite internal safety inspection	336
Total	676



On-site inspection by management

Safety Education and Training

Employees of LS ELECTRIC and workers of its suppliers are provided with health and safety training on a regular basis in order to improve their safety awareness. To enhance training effectiveness, we refine training topics and offer customized training tailored to job roles and risk levels; thus continuously improving the practical impact of our safety and health education.

	Category	Participants
Statutory training (Occupational Safety and Health Act)	Training upon recruitment	New employees
	Regular training	Field workers
	Supervisor training	Field supervisors
	Special training in task specifics	Workers subject to special training (39 categories)
	Training for workers undergoing changes in task specifics	Workers undergoing changes in task specifics
Specialized training	Training on accident prevention measures	Personnel involved in accidents (including suppliers)
	Construction safety role-specific training	Contracted PJT personnel (including suppliers)
Inhouse training	Joint fire drills	Worksites employees
	Cardiopulmonary resuscitation (CPR) training	Head office employees



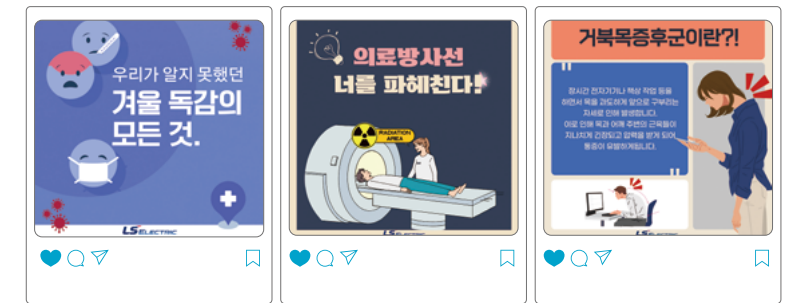
Employee Safety and Health Training

Healthcare Support

LS ELECTRIC operates on-site health centers staffed with healthcare professionals (nurses) at each worksite to protect employees' health and create a healthier working environment. These health centers not only provide prompt first aid in emergency situations but also support employees' everyday health through services such as health consultations and wellness programs. We also conduct regular job stress assessments and musculoskeletal burden surveys to prevent not only accidents and injuries but also musculoskeletal disorders and mental health issues. For employees exposed to hazardous factors, we provide special medical examinations in accordance with legal requirements; for those with abnormal findings, we facilitate consultations with medical specialists and offer the necessary follow-up measures such as medication, surgical or exercise therapy, lifestyle improvement guidance, and systematic post-management. We will continue to strengthen our preventive health management framework to support the well-being and healthy lives of our employees.

Healthcare Newsletter

To promote employee health and disease prevention, we distribute regular newsletters on a variety of topics, including health tips, seasonal illness prevention and epidemics.



Health and Safety Management

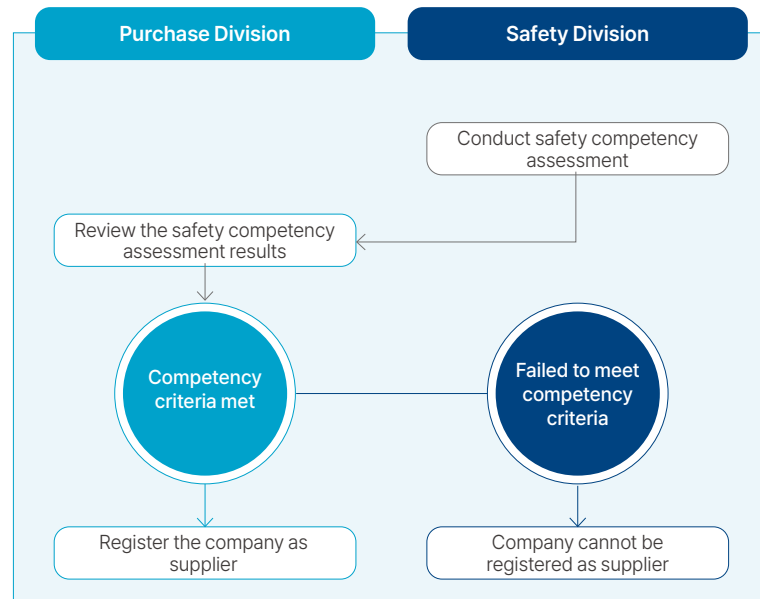
Activity

Supplier Health and Safety Competency Assessment

LS ELECTRIC systematically performs a safety and health competency assessment for suppliers to protect the safety of their employees and prevent industrial accidents. Existing suppliers undergo an annual evaluation to review their safety performance, with new suppliers or those experiencing significant operational changes subject to ad-hoc assessments to identify potential risks proactively.

Suppliers deemed to be noncompliant are given opportunities to raise objections and undergo reevaluation; thus enabling them to strengthen their safety capabilities. Through this partnership-based approach, we continue to enhance the overall level of supplier safety management.

Supplier Health and Safety Competency Assessment Process



Safety and Health Feedback from Suppliers

LS ELECTRIC establishes various communication and consultation mechanisms to incorporate actively the safety and health-related opinions of supplier employees. We operate a monthly safety and health council to discuss key on-site issues such as working hours, communication protocols, and risk assessments. A joint inspection is also conducted each quarter with the participation of the Chief Safety & Environment Officer (CSEO), subcontractor employers, and workers for the comprehensive review of safety conditions at worksites.

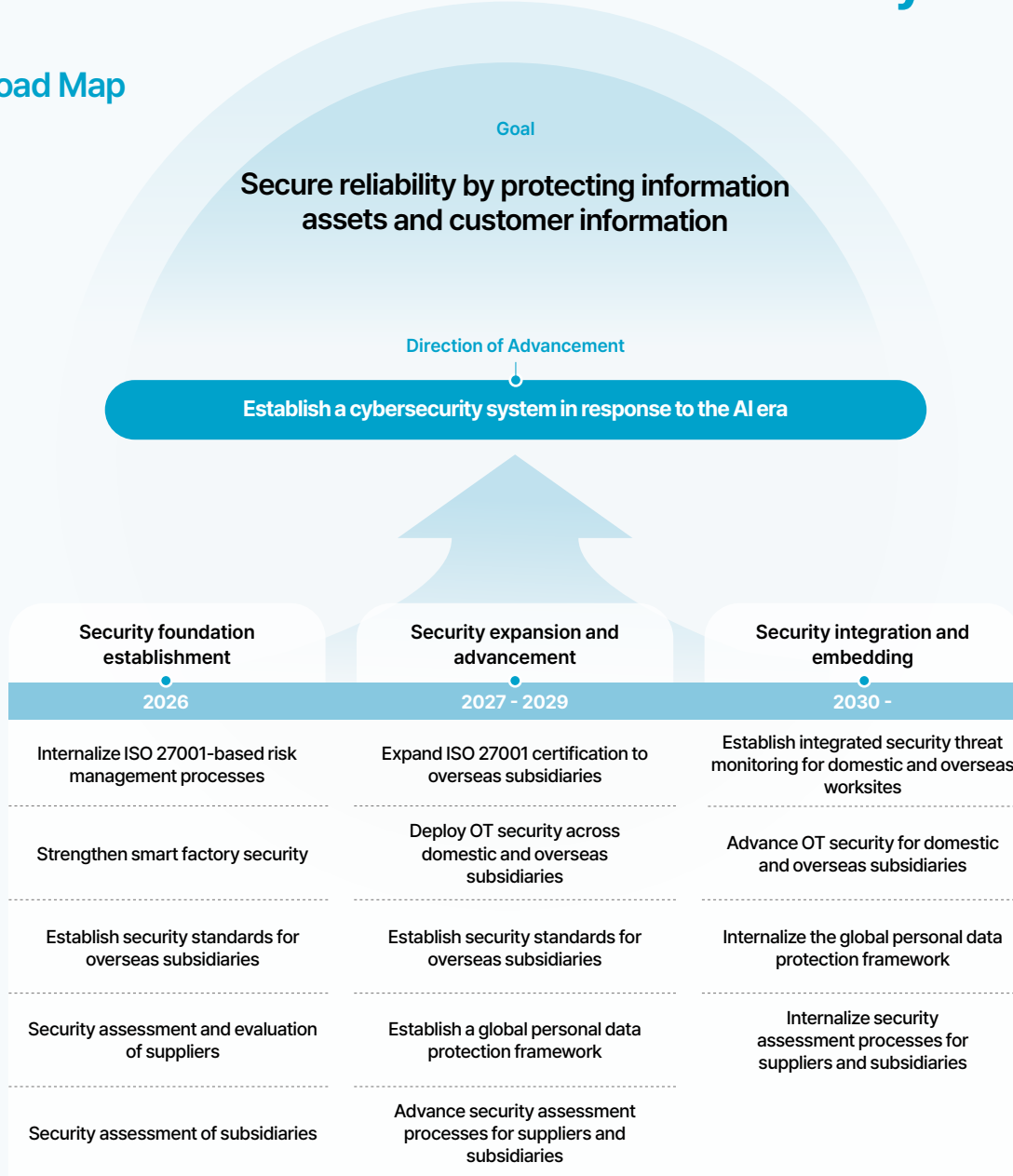
An annual safety council is operated at manufacturing sites for major suppliers, with the Construction Safety Team operating a separate semiannual council for 43 construction-related suppliers to share and strengthen safety management practices. By operating these councils, we actively gather feedback from suppliers. All matters discussed are systematically managed by the responsible departments so that the relevant departments can develop improvement plans and take action.

Suppliers' Health and Safety Grievance Handling in 2025



Data Protection and Information Security

Road Map



Policy

Information Security Management System

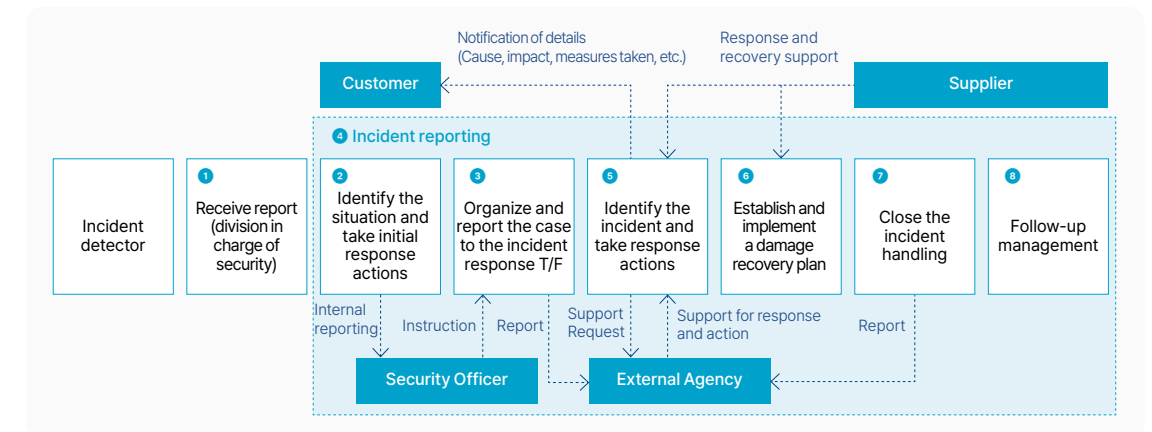
LS ELECTRIC is strengthening our information protection and cybersecurity framework to meet increasingly demanding global security requirements. A dedicated security organization responds to internal and external threats, establishes procedures to prevent malware infiltration and confidential information leakage, and assigns responsible security officers to oversee these activities. Based on the LS Group's security governance, we also conduct regular internal assessments to continuously improve our security posture. In response to evolving global security environments and certification requirements, we first obtained ISO/IEC 27001(Information Security Management System) certification in 2022 and successfully transitioned to ISO/IEC 27001:2022 in 2024. In 2025, the Cheongju and Busan plants, along with the U.S. subsidiary, achieved expanded certification, broadening the scope of compliance. Regular external surveillance audits further reinforce activities aimed at preventing security violations. To address cyber threats targeting industrial control systems, we are also advancing OT¹⁾ security initiatives. We have built our IACS²⁾ and OT security framework based on the international IEC 62443 standard. In 2022, the R&D Campus obtained IEC 62443-4-1³⁾ Full ML2 (Maturity Level 2) certification, and in 2024 the certification scope was extended to the Power Research Center. In November 2025, we completed the renewal audit, establishing a foundation for continuous enhancement of product development and security management systems, with plans to expand certified product lines in the future. To prevent information security incidents and protect critical assets, we have set a target of zero major security incidents annually and conduct internal security assessments at least once a year to elevate our overall security maturity.

- 1) OT: Operational Technology
- 2) IACS: Industrial Automation and Control Systems
- 3) IEC 62443-4-1: An international standard that defines security development process requirements for manufacturers of industrial control system products to ensure their safe development

ISO 27001
 Percentage of Certified Worksites : **100%**

Information Security Incident Response Procedure

* Based on domestic production worksites

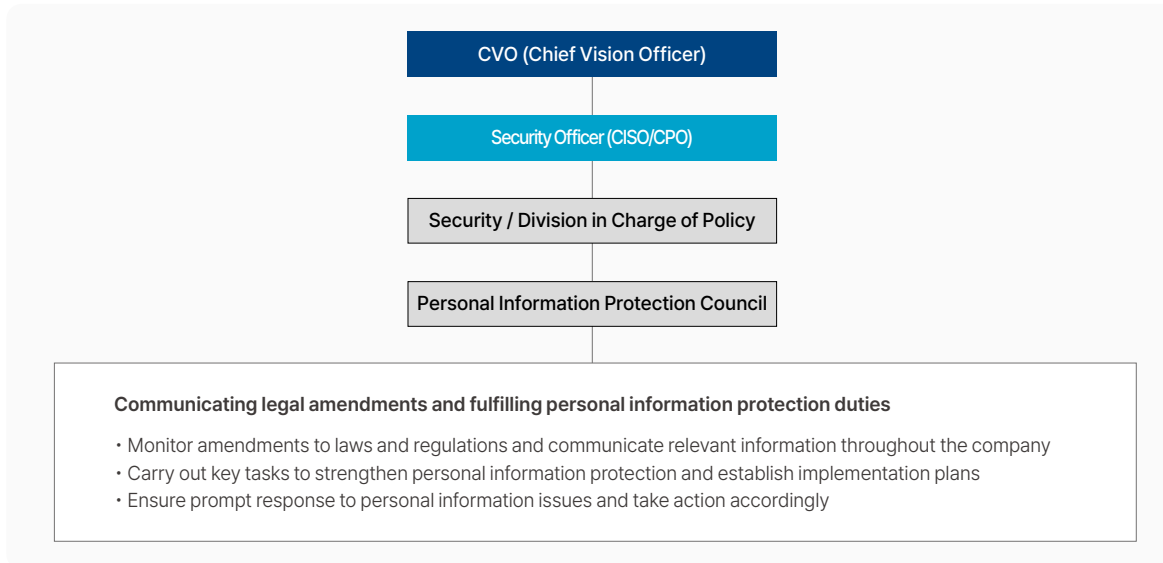


Data Protection and Information Security

Policy

Information Security and Personal Information Protection Governance

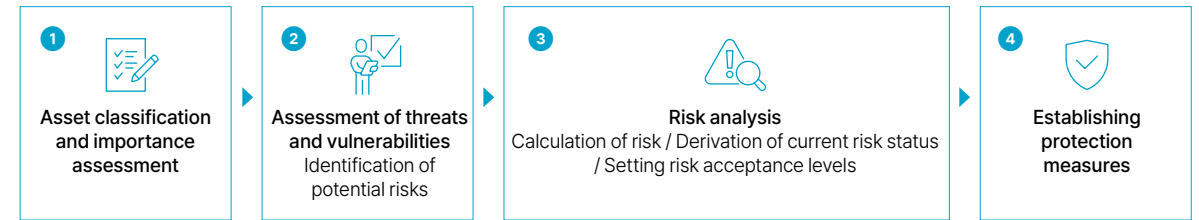
LS ELECTRIC continuously strengthens our information security and personal data protection framework to systematically respond to internal and external security threats and to safeguard the personal information of customers, suppliers, and employees. We designate a Chief Information Security Officer (CISO) as the overall security leader and operate a dedicated information protection organization to clearly define security responsibilities and roles. In addition, we appoint a company-wide Chief Privacy Officer (CPO) to oversee the personal data protection program and ensures a robust management system that complies with legal and regulatory requirements. The security governance department detects threats in real time and monitors malicious traffic through an intelligent incident monitoring system. The personal data protection department continuously tracks newly enacted or revised laws and regulations and promptly incorporates relevant updates into company-wide privacy policies. To further enhance collaboration among departments handling personal data, we operate a privacy council on a regular basis that strengthens cross-organizational information sharing and policy execution capabilities. When abnormal security activity is detected, we immediately share the situation, activate our response system, and, when necessary, work with the Security Office to establish tailored mitigation measures based on the assessed risk level. Major security issues are reviewed in depth by the Security Committee, which drives proactive prevention efforts and continuous reinforcement of security governance to prevent recurrence.



Information Security Risk Assessment

LS ELECTRIC conducts an annual information security risk assessment in accordance with ISO 27001 to proactively address digital security threats. This process systematically identifies and manages potential security risks across the company and includes periodic risk reviews and the establishment of improvement action plans. To ensure the reliability of the assessment, we utilize objective evidence such as standard operating procedures, evaluation results from external professional organizations, and internal system monitoring data. Based on the assessment outcomes, we analyze key risk factors, establish prioritized response strategies and corrective action plans, and implement them to strengthen a preventive, risk-based security management framework.

Risk Assessment Methodology



Privacy Policy

LS ELECTRIC places the highest priority on protecting the personal information and rights of all stakeholders, including customers, in full compliance with the Personal Information Protection Act. To ensure prompt and transparent handling of privacy-related inquiries or concerns, we have established a privacy policy and made it publicly available on our website so that stakeholders can review it at any time. The policy clearly outlines key aspects of personal data management, including the purpose of data processing, retention and use periods, criteria for third-party provision, outsourcing arrangements, and destruction procedures. In accordance with this policy, we manage personal information transparently and responsibly and do not use collected data for any purpose other than what was disclosed at the time of collection. Collected personal information is securely stored until the intended purpose is fulfilled and is retained only for the period required by law and internal policies. Once the purpose has been achieved, the information is promptly and safely destroyed to minimize the risk of misuse of personal information.

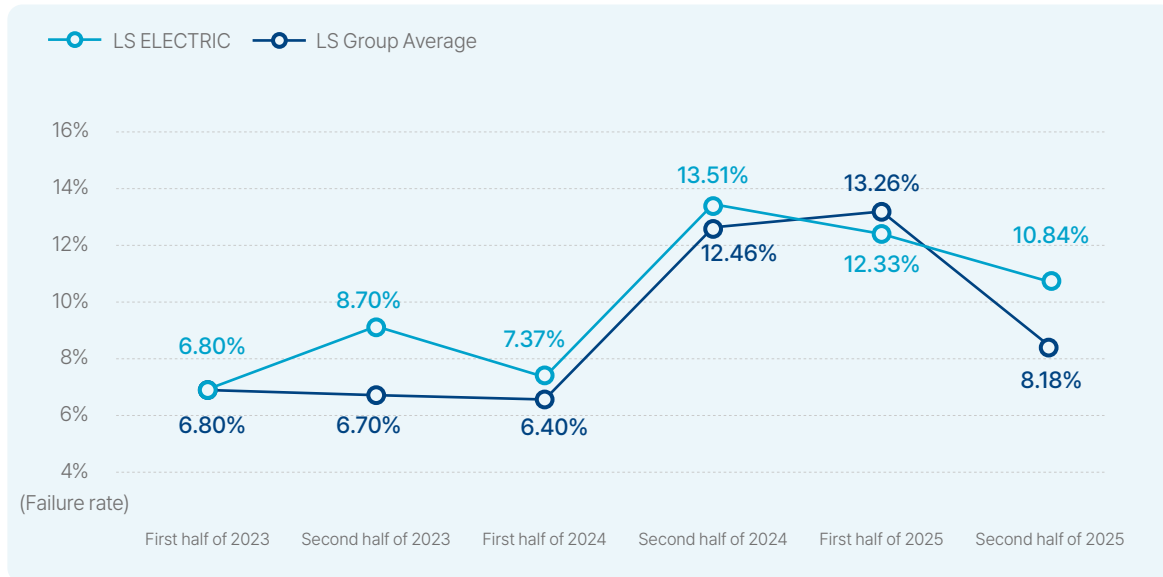
Data Protection and Information Security

Activity

Information Security Awareness Improvement and Training Activities

LS ELECTRIC regularly conducts a wide range of information security campaigns and training programs to strengthen employees' security awareness and improve the overall level of information asset protection. All employees are required to submit a security pledge, reinforcing their sense of responsibility for complying with security policies. In addition, the first Wednesday of every month is designated as "PC Security Inspection Day," encouraging company-wide PC security checks and vulnerability remediation activities. Each department appoints a person in charge of personal data management to clearly define security management responsibilities at the organizational level, and regular training and on-site inspections are carried out to ensure that practical personal data protection activities are effectively implemented. Furthermore, to enhance employees' security awareness, we provide company-wide online training using internally developed security education content. Tailored information security training programs are also offered based on job level and role characteristics to increase practical applicability. We also promote regular information security campaigns through various internal communication channels, including email, groupware, and the company intranet, to help employees incorporate security practices into their daily work routines.

Results of the Phishing Email Simulation Training (Failure Rate)



Data Protection and Information Security Training

Program	Description	Target	Frequency
Training for malicious mail response	Sending simulated phishing emails and measuring the click-through rate	All employees	Twice a year
Web system penetration test training	Inspection on data exfiltration and hacking response level for external systems	Web application manager	Once a year
Employee data protection training	Information on security compliance	All employees	Once a year
Training on software copyright	Plans for checking and managing software copyright	All employees	Once a year
Data protection training for new/experienced hires	Internal security regulations and processes	New/experienced hires	Once a year
Security training for suppliers	Information on data protection compliance by suppliers	Employees of suppliers	Once a year
Web system secure coding training	Security programming for addressing web system vulnerabilities	Developers	Once a year
Security expert training	Securing ISO 27001 (Information Security Management System) certification capability.	Security managers	Once a year
Security compliance training for suppliers	Basic training on key security compliance requirements	Supplier employees	Once a year
Pre-assignment training for expatriates	Basic training on security requirements for overseas entities	Newly assigned expatriates	Once a year
SASE ¹⁾ transition training for a secure external access environment	Security training for employees in line with the transition to SASE-based external access.	All employees	One-off

1) SASE (Secure Access Service Edge): A cloud-based security architecture that integrates networking and security into a single framework to enable safe external access

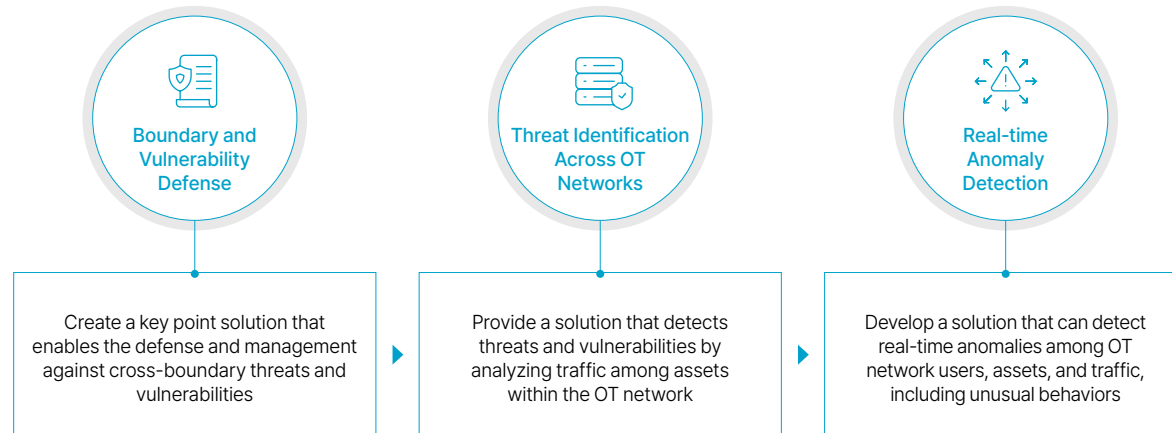
Data Protection and Information Security

Activity

Smart Factory Security Strengthening Activities

LS ELECTRIC is continuously deploying antivirus solutions for equipment PCs and expanding integrated security systems that detect abnormal network behavior in real time to meet the security requirements of smart factory environments. Through these efforts, we are further reinforcing network segmentation between critical systems and enhancing protection capabilities to proactively block various security threats that may arise at network boundaries. In addition, we plan to gradually expand our security framework across the entire smart factory environment and establish an advanced security infrastructure capable of intelligent, real-time response. Based on these initiatives, we will continue to strengthen the stability and reliability of our smart manufacturing environment.

Phased OT Security Framework



Information Security Investment

(Unit : %)

Category	2023	2024	2025
Investment ratio in the information security sector ¹⁾	4.7	5.2	7.8

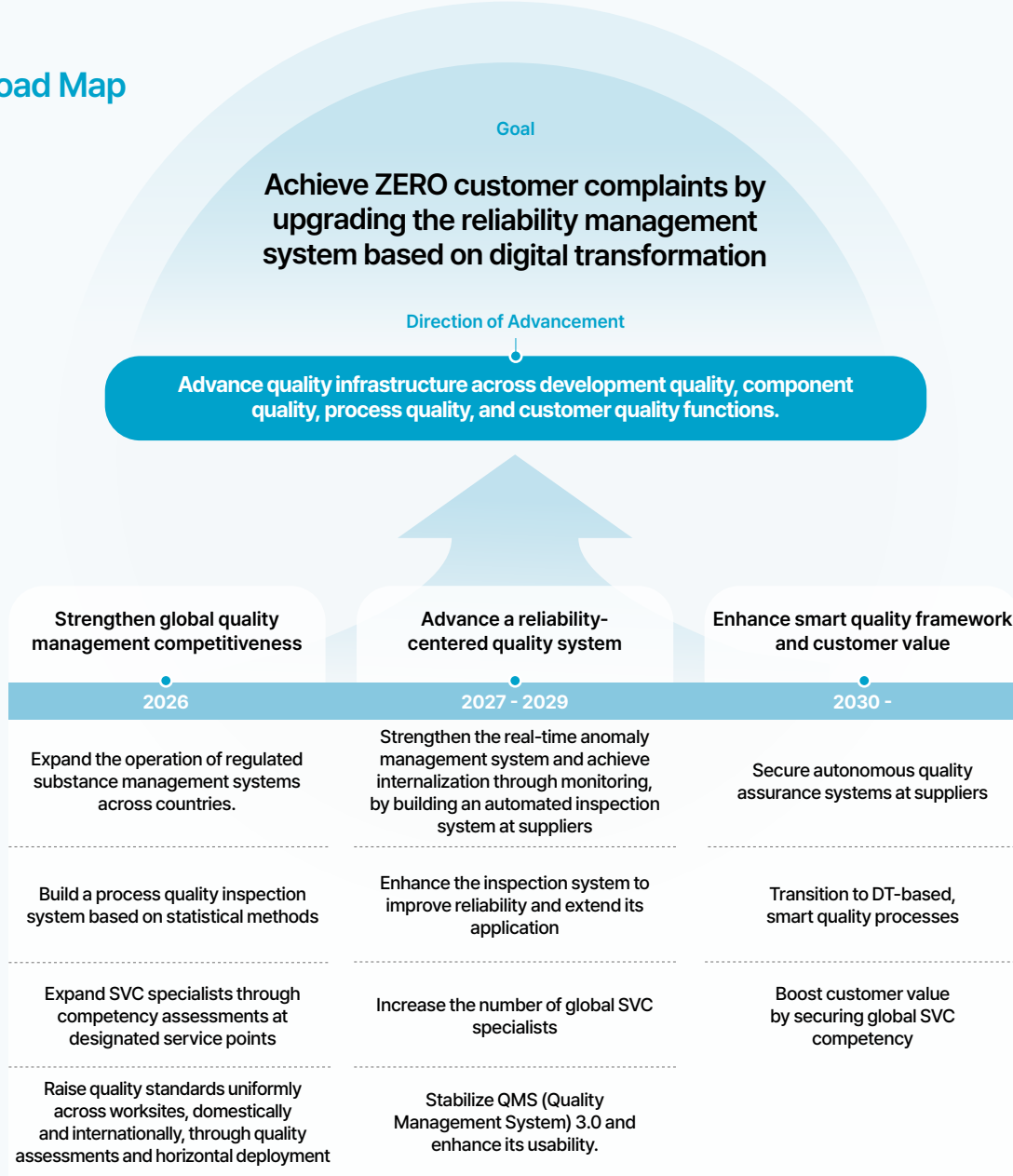
1) The proportion of information security investments within the total IT budget

Information Security-Related Laws, Regulations, and Incidents

Category	2023	2024	2025
Number of incidents affected by violations related to personal data protection	0	0	0
Number of incidents affected by information security breaches	0	0	0
Total	0	0	0

Customer Value Creation

Road Map



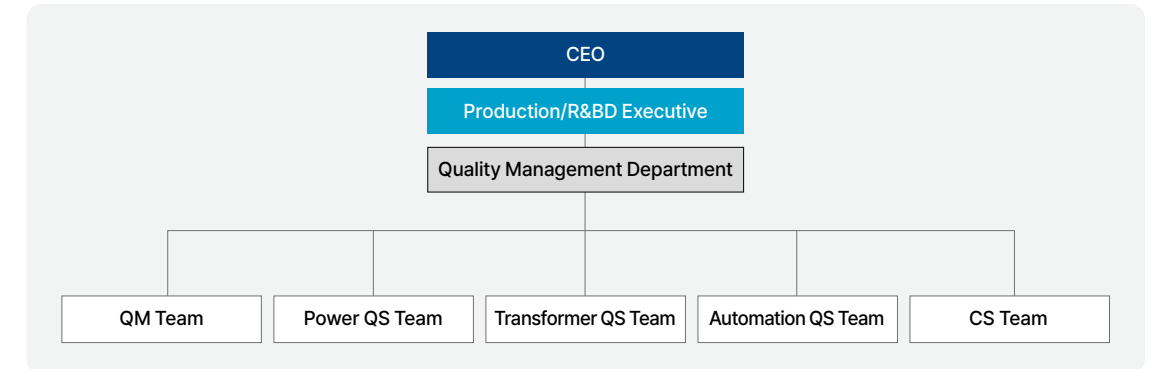
Policy

Customer-Centered Quality Management

LS ELECTRIC has established customer value innovation as our top priority and defined our quality mission as “Achieving zero customer complaints by advancing our reliability-driven management system based on digital transformation.” To realize this mission, we have built an integrated quality management framework that spans the entire product lifecycle, from design and production to delivery and after-sales service and continue to drive quality improvement initiatives grounded in this system.

To ensure the establishment of a standardized quality operating model, we operate a Quality Management System (QMS) and apply the PDCA (Plan–Do–Check–Act) methodology to all quality-related issues, enabling systematic and continuous improvement. Furthermore, to maintain a quality management system aligned with global standards, all domestic worksites have obtained ISO 9001:2015 certification and undergo periodic renewals, thereby continuously strengthening our quality competitiveness at an international level.

Quality Management Governance



ISO 9001
 Percentage of Certified Worksites : **100%**

* Based on domestic production worksites

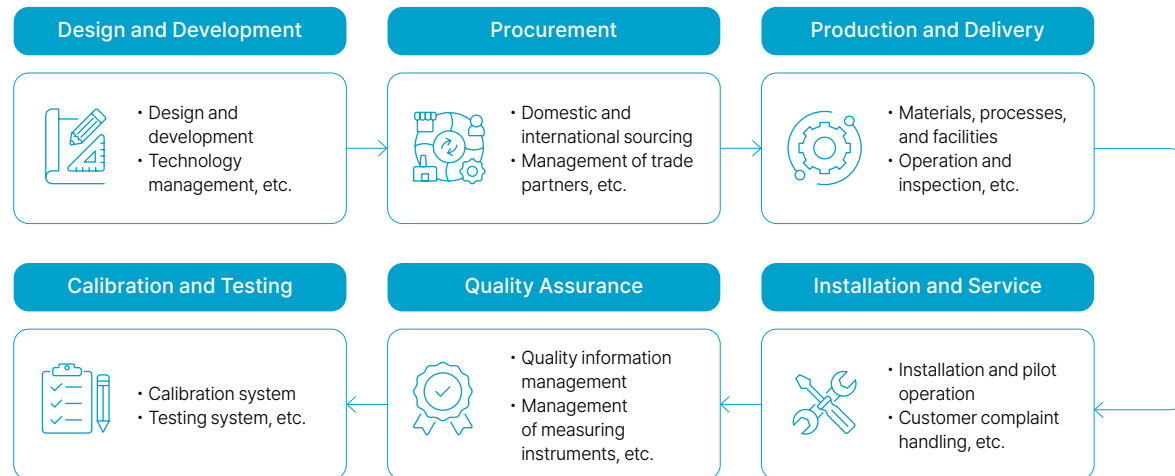
Customer Value Creation

Policy

Internal Quality Audit and Assessment System

LS ELECTRIC conducts annual internal audits and quantitative quality evaluations across the entire product lifecycle, from design to calibration and testing, to ensure a stable and consistent level of quality. Through these activities, we periodically review compliance with ISO 9001:2015 requirements and our own internal standards, proactively verifying whether all requirements are effectively implemented and maintained to drive uniform quality improvement across the company. In 2024, we strengthened our data-driven quality management capabilities by introducing QMS 3.0, an upgraded system built upon the previous Quality Information System (QIS). We also conduct annual QMS evaluations for overseas worksites, including those in the U.S., Vietnam, Indonesia, and China, enabling early identification and improvement of potential quality risks. Based on these efforts, we apply the same quality standards and management levels to products manufactured both domestically and abroad, reducing quality capability gaps between worksites, enhancing global quality competitiveness, and reinforcing the foundation for business growth.

QMS (Quality Management System) Assessment Process



Recall Process

LS ELECTRIC has established a voluntary recall process to continuously monitor customer complaints and quality issues and to respond promptly when quality or safety risks are identified.



Product Recall

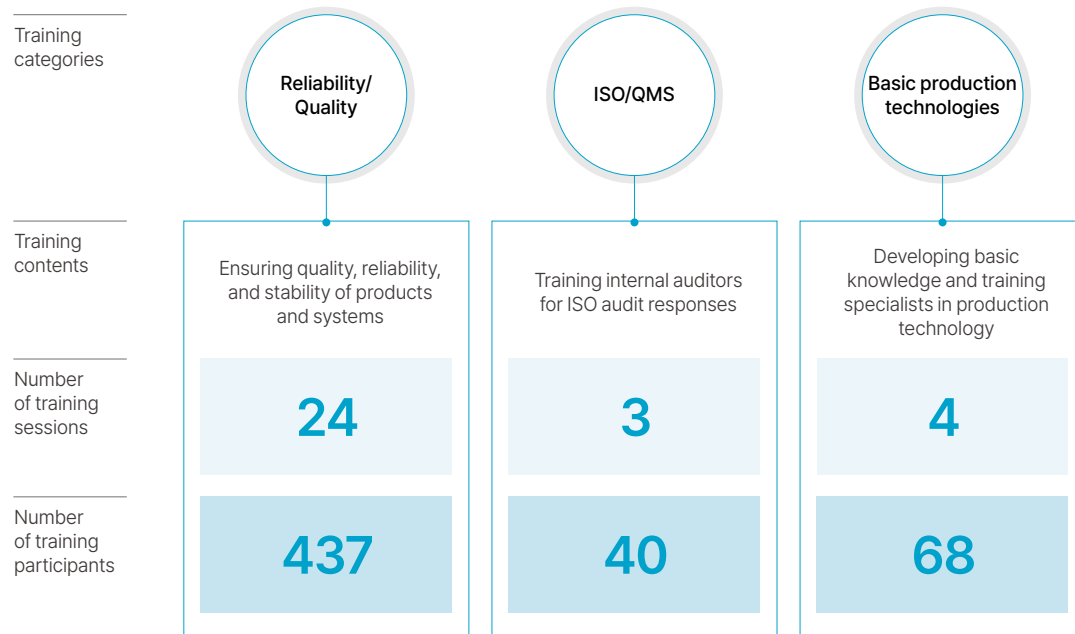
Category	2023	2024	2025	2026 (target)
Number of product recalls (cases)	0	0	0	0
Quality costs incurred due to recall (KRW)	0	0	0	0

Customer Value Creation

Activity

Quality Training

LS ELECTRIC provides regular quality-related training for office and administrative employees to strengthen overall awareness of quality management. To enhance professional capabilities in quality management, we also offer annual specialized training programs, covering QMS (Quality Management System), reliability, and production infrastructure technologies, to employees engaged in related functions, thereby continuously improving organizational quality competitiveness.



Customer Satisfaction Survey

LS ELECTRIC conducts annual customer satisfaction surveys to understand customer perceptions and requirements for major power products and to improve service quality. In 2025, we surveyed approximately 180 customers across 15 evaluation categories, achieving an average score of 74.9 points, maintaining a level of satisfaction that remains superior compared to industry peers.

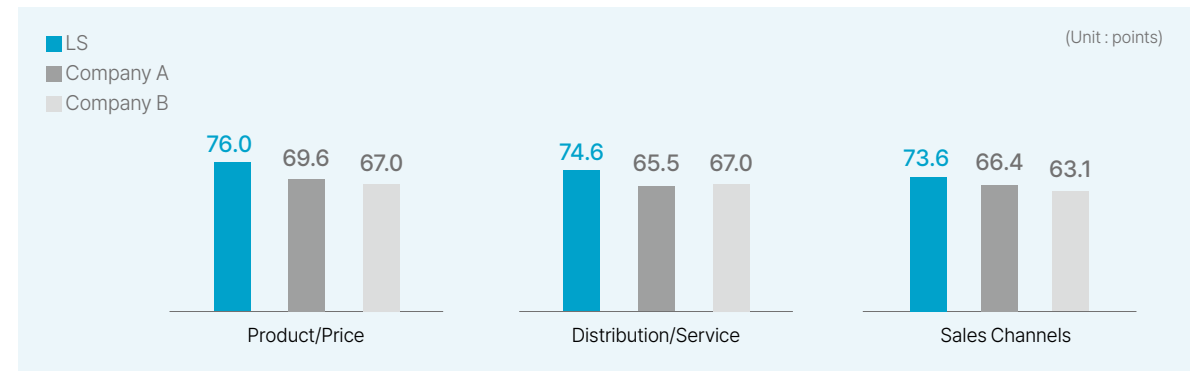
Customer Satisfaction Survey Results for the Past Three Years

(Unit : points)

구분	2023	2024	2025
Product/Price	78.7	77.6	76.0
Distribution/Service	77.2	76.8	74.6
Sales channels	77.4	76.5	73.6

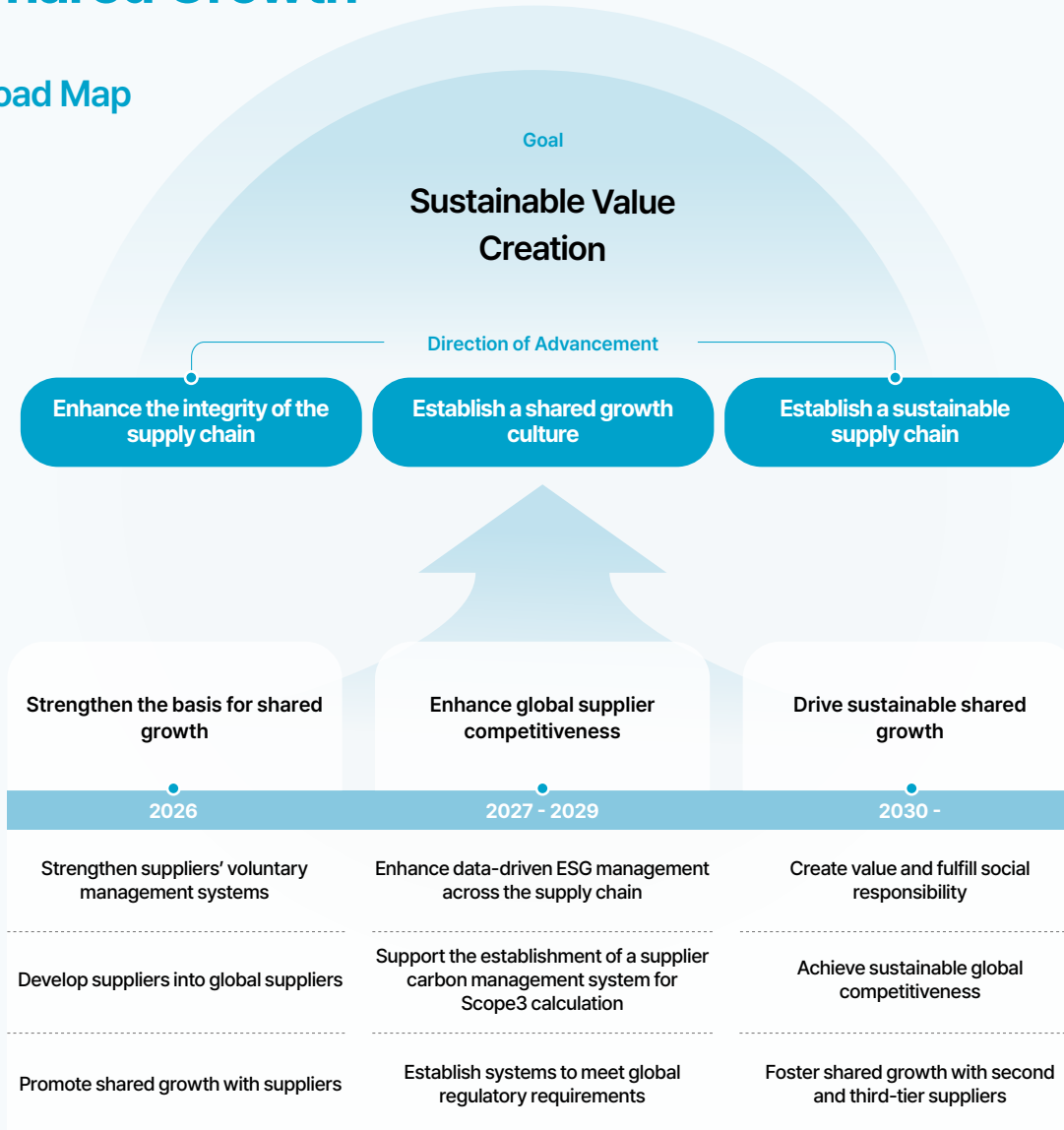
Customer Satisfaction Survey Results in 2025

(Unit : points)



Shared Growth

Road Map



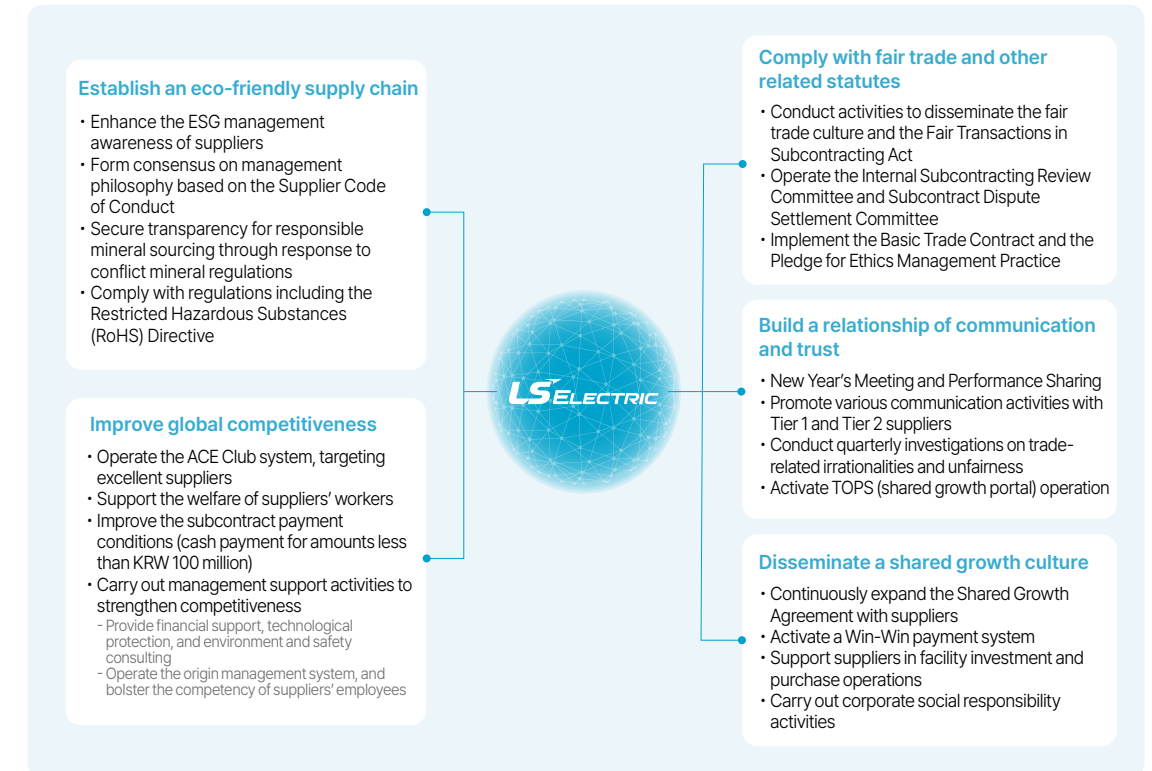
Policy

Shared Growth Management System

LS ELECTRIC has established five key policies for mutual growth to ensure sustainable development with our business partners. We promote a wide range of initiatives based on the core values of establishing fair trade practices, strengthening global competitiveness, building communication-based trust, creating an eco-friendly supply chain, and enhancing ESG awareness through the expansion of a shared-growth culture. We support our suppliers in strengthening their capabilities in fair trade and regulatory compliance, thereby contributing to the creation of a healthy and transparent industrial ecosystem. Tailored programs are also provided to enhance the global competitiveness of suppliers. In addition, we are expanding two-way communication channels to build a solid cooperation framework grounded in mutual trust and actively support the spread of a shared-growth culture. Furthermore, in 2025, we established a supply chain management policy and a sustainable raw materials sourcing policy to reinforce sustainability across the entire supply chain, thereby providing continuous support for the long-term sustainable growth of our suppliers.

- [Supply Chain ESG Management Policy](#)
- [Sustainable Purchasing Policy](#)

Five Strategic Initiatives for Shared Growth



Shared Growth

Policy

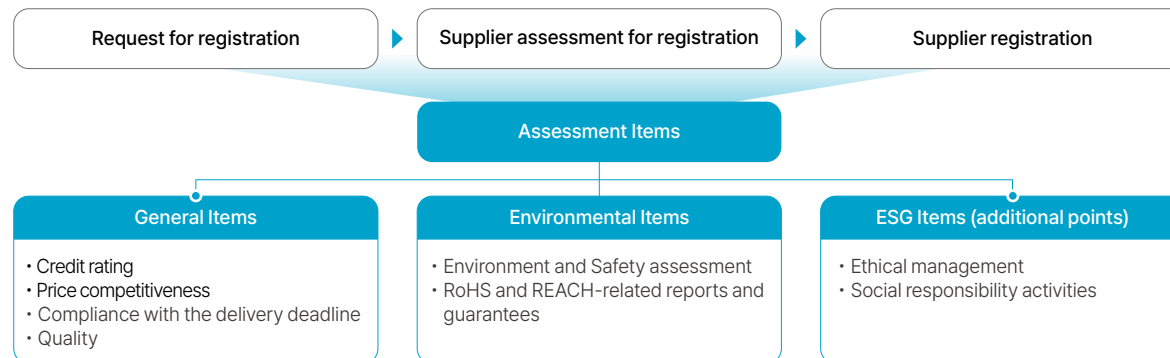
Shared Growth Governance

LS ELECTRIC manages suppliers through the procurement division at each worksite by considering the characteristics of supply chains for individual businesses. To ensure successful shared growth activities, we also operate the Win-Win Growth Team to establish related systems, provide training to suppliers, operate the ACE Club, and manage support programs. In addition, the Win-Win Growth Team and Legal Affairs Division work in collaboration for compliance with fair trade-related statutes and establishment of fair trade culture.

Fair Supplier Selection and Assessment

When registering a new supplier, LS ELECTRIC conducts a comprehensive evaluation, and an auditor visits the supplier site to assess their design, production, procurement, and quality capabilities. A supplier is selected only when the evaluation results meet the required standards. We also perform annual evaluations of suppliers' QCD (quality, cost, and delivery) performance and capabilities to ensure product quality, on-time delivery, and strengthened supply chain competitiveness. Based on these evaluation results, we select outstanding suppliers as ACE Club members by comprehensively considering quality performance, delivery reliability, cost competitiveness, and shared-growth engagement. We then strengthen our partnership with selected suppliers by sharing expertise across quality, production, and management. To reduce greenhouse gas emissions and environmental impacts generated within the supply chain, we have adopted environmental assessment as a mandatory component of supplier evaluations. In particular, when evaluating new partner companies, we apply stricter environmental and safety criteria to processes and product groups where hazardous substance management is critical, such as plating, and heat treatment, in accordance with product environmental regulatory requirements. To ensure systematic management of hazardous substances, we have operated an integrated material information management system since 2020, requiring suppliers to submit RoHS and REACH-related test reports and certificates. We also encourage voluntary supplier participation in ESG initiatives by applying additional points for activities related to ethical management and corporate social responsibility.

New Supplier Selection and Assessment Process

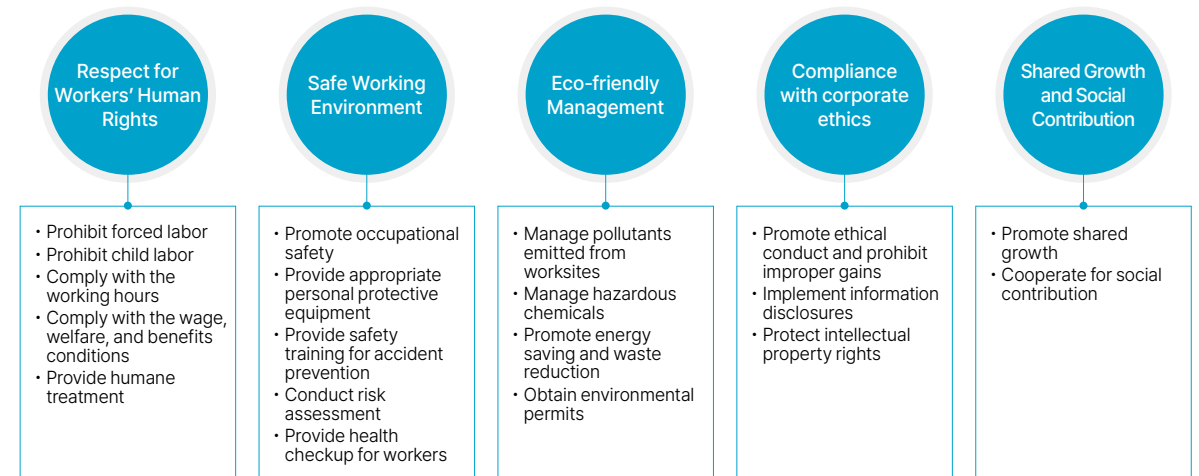


Supplier Code of Conduct

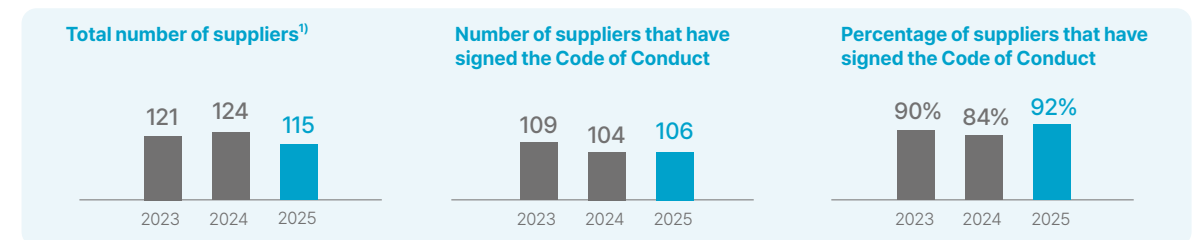
LS ELECTRIC has established and operates a Supplier Code of Conduct to support the sustainable growth of our partner companies and to promote the adoption of ESG management across the supply chain. The Code reflects relevant local regulations as well as international standards such as the Responsible Business Alliance (RBA) Code of Conduct and the OECD Guidelines for Multinational Enterprises, covering areas including human rights, environment, safety and health, and ethics. Comprising a total of 42 requirements, the Code is communicated to all partner companies to ensure compliance, and we continue our efforts to build a responsible and sustainable supply chain.

[Supplier Code of Conduct](#)

Key Items of the Supplier Code of Conduct



Suppliers Committed to the Code of Conduct



¹⁾ The total number of suppliers represents key suppliers selected based on their purchasing volume.

Shared Growth

Policy

Suppliers' Fair Trade Management

LS ELECTRIC operates a risk assessment and prior consultation system to prevent potential legal violations in advance and to maintain fair trading relationships with our suppliers. To support risk assessment, the Shared Growth Team convenes a monthly internal Subcontracting Deliberation Committee to review risks such as delays in supplier payment, the appropriateness of new supplier registration, and the validity of supplier transaction cancellation procedures, thereby preventing potential violations of subcontracting regulations. We also conduct quarterly self-monitoring of the overall procurement process to regularly assess compliance with subcontracting laws during contract execution and to identify any potential unfair practices in the transaction process. In addition, the Management Diagnosis Office conducts ethical management surveys and operates the Cyber Whistleblowing Center for suppliers to continuously monitor potential violations of fair-trade regulations.

We have also introduced a "prior consultation system with the compliance officer," which allows employees to seek advice or legal consultation in advance when performing tasks that involve a high risk of violating fair-trade laws or when legal interpretations are unclear. Through these efforts, we strengthen a transparent and sound trading culture based on strict legal compliance.

Conflict Minerals Regulation Response System

LS ELECTRIC operates a systematic management framework to proactively respond to conflict minerals regulations, which originated in the U.S. and have since expanded to Europe and other advanced economies. This framework is designed to prevent potential risks that may arise within the supply chain. To support this effort, we use the Conflict Minerals Reporting Template (CMRT) provided by the Responsible Minerals Initiative (RMI) to centrally manage all suppliers' conflict mineral usage status and smelter information through our conflict minerals management system.

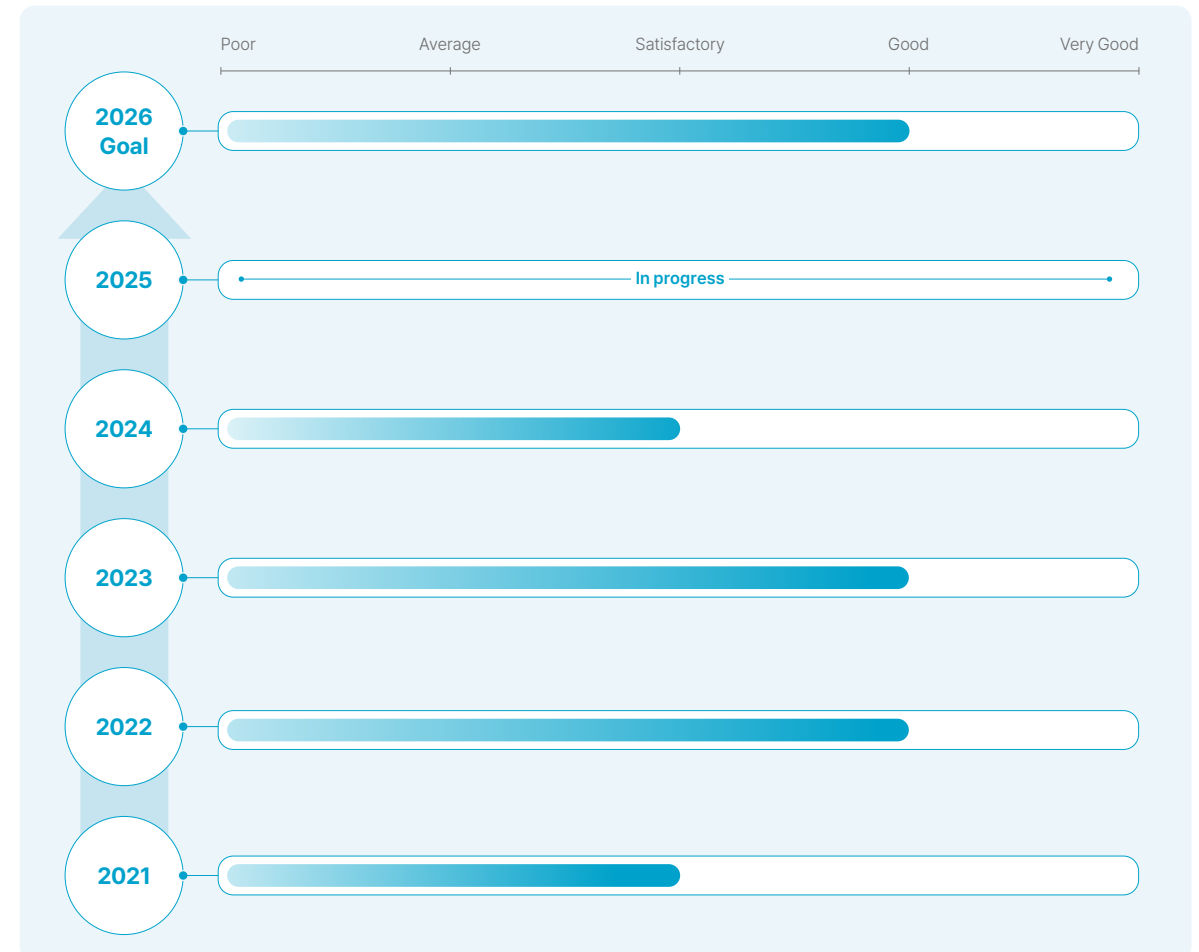
We also provide regular briefings and training sessions for suppliers to ensure the accuracy and reliability of submitted data, including procedures for verifying the presence and origin of conflict minerals in parts and raw materials. Furthermore, we require all suppliers to comply with the prohibition of conflict minerals from high-risk regions by explicitly including this obligation in the Basic Transaction Agreement, thereby preventing the use of conflict minerals across the entire supply chain.

[Conflict Minerals Policy](#) 

Goal and Performance

Shared Growth Index Results and Target

LS ELECTRIC promotes mutually beneficial partnerships with its suppliers and manages its performance annually based on the results of the Fair Trade Agreement Implementation Assessment conducted by the Fair Trade Commission and the Shared Growth Comprehensive Assessment conducted by the Korea Commission for Corporate Partnership.



Shared Growth

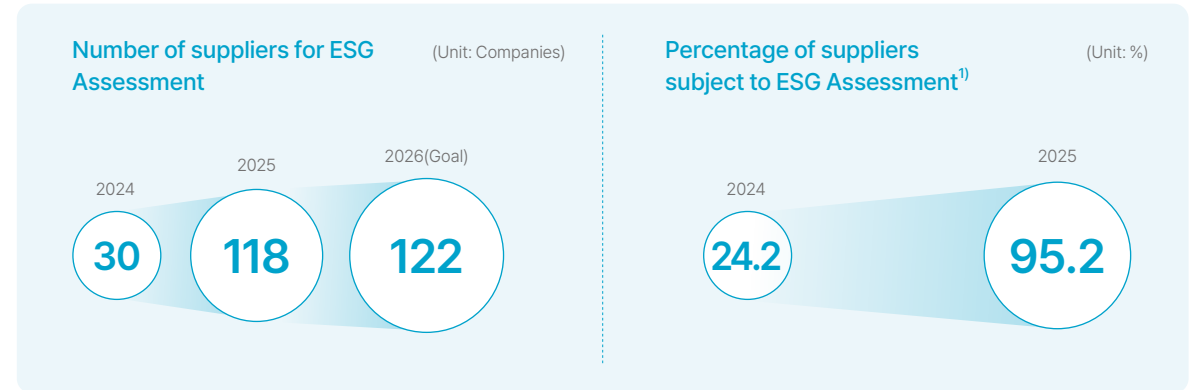
Goal and Performance

Supplier ESG Assessment

LS ELECTRIC operates an ESG evaluation system to systematically assess supplier ESG risks and support improvement activities. The key evaluation areas cover the full spectrum of environmental, social, and governance factors, and improvement actions are identified based on the results. The person in charge of purchase then conducts follow-up activities, including on-site inspections, to continuously verify the implementation of corrective measures and ensure that the evaluation leads to tangible improvements.

In 2025, we expanded the evaluation scope to a total of 118 suppliers, strengthening ESG assessments and improvement efforts across major suppliers. We also participated in the ESG integrated solution development project led by the Korea SMEs and Startups Agency, enhancing the evaluation items and criteria. The upgraded supplier ESG evaluation framework will be fully implemented starting in 2026.

Supplier ESG Assessment Areas



1) Among suppliers that account for 80% of total purchases

Supply Chain Environmental and Safety Due Diligence

LS ELECTRIC conducts annual environmental and safety on-site audits for key suppliers and provides structured support to ensure effective implementation of improvement actions based on audit results. The risk audit process consists of four stages: selecting target suppliers, conducting on-site audits, identifying improvement areas and establishing action plans, and verifying the implementation of corrective measures. In 2025, we conducted risk audits for a total of 29 suppliers and identified 173 improvement items, of which 86% were confirmed as completed. By actively supporting the implementation of these improvement actions, we continue to strengthen suppliers' environmental and safety management capabilities and work toward building a stable and reliable supply chain.

Supply Chain Environmental and Safety Risk Assessment Process



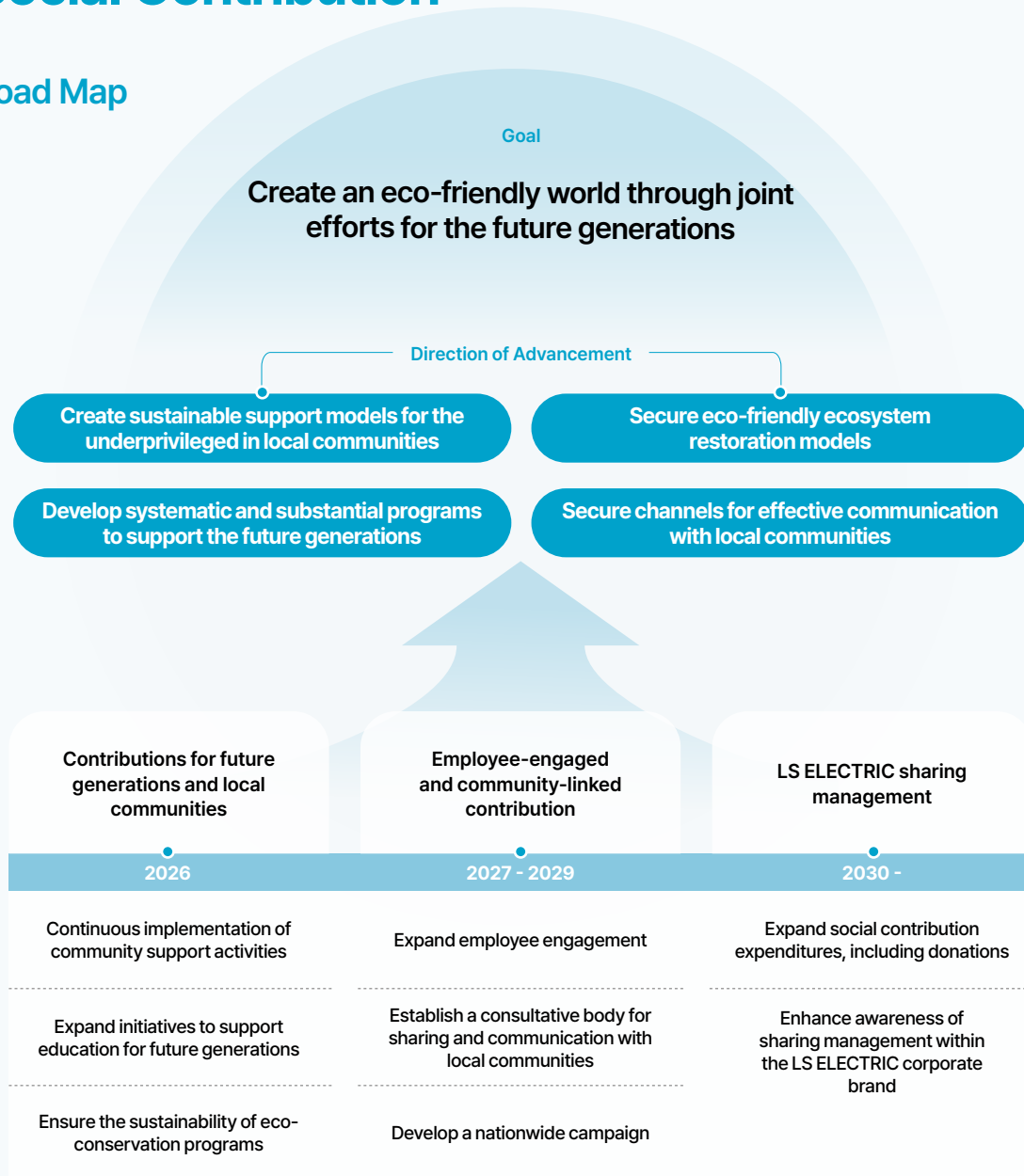
Shared Growth

Activity

Category	Program	Support details	Performance
Support for Shared Growth	『ACE Club』	Conduct CSR activities, CEO Forum, and Reflection sessions for key suppliers	KRW 2.5 million donations to the Korean Red Cross
	Financial Support	Provide interest-free or low-interest loans to improve supplier productivity	Provided financial support worth KRW 8.5 billion to 55 suppliers
	Win-Win Payment System	Operate a Win-Win payment system for better payment conditions	Paid KRW 1.6174 trillion to 980 suppliers under the Win-Win payment system
	FTA Country of Origin Management System	Support supplier system establishment and management operation to secure the consistency of certificates of origin	Provided system development and consulting to 41 suppliers
	Technology Protection	Support the Certification of Original Document of Trade Secrets to protect suppliers' technologies and trade secrets	Assisted 2 suppliers in dealing with 5 Certification of Original Document of Trade Secrets cases
	Education and Training Support	Support specialized training customized to SMEs Strengthen the ESG management competency of SMEs	Provided training support for 182 employees of 87 suppliers Provided training support for 37 employees of 33 suppliers
Communication and Dissemination of Shared Growth	Operations of Welfare and Benefits Fund for Suppliers	Provide support for family events, tuition, and funeral expenses to employees of major suppliers	Provided support to 3,520 people from 39 suppliers (worth KRW 800 million)
	New Year's Meeting and Performance Sharing Session	Promote online and offline communication to share LS ELECTRIC's business direction and procurement policy	127 primary suppliers and 110 secondary suppliers participated (annually)
	ESG Partnership Meeting	Share best practices and improvement activities to enhance ESG management	Held 4 offline meetings with 118 key suppliers annually
	Handling Supplier Complaints	Receive issues in trade relationships through the shared growth portal site (TOPS)	Received 28 issues concerning suppliers' pain points and quality deterioration (mold, facility maintenance, etc.) in 2025. - 23 completed, 2 in progress, 3 rejected
Compliance with the Fair Trade and Subcontracting Act	Internal Subcontracting Audit Committee	Conduct pre/post-reviews on fairness and legitimacy in the process of contract conclusion and termination, etc., in relation to the Fair Transactions in Subcontracting Act	Held monthly meetings (12 times)
	Post-verification on the Legality of Subcontract Transactions	Regularly check for violations against the compliances and prohibitions for large enterprises specified in the Fair Trade and Subcontracting Act	Performed semiannual verifications (twice)
	Subcontract Dispute Settlement Committee	Prepare procedures for swift dispute mediation between LS ELECTRIC and suppliers	-

Social Contribution

Road Map

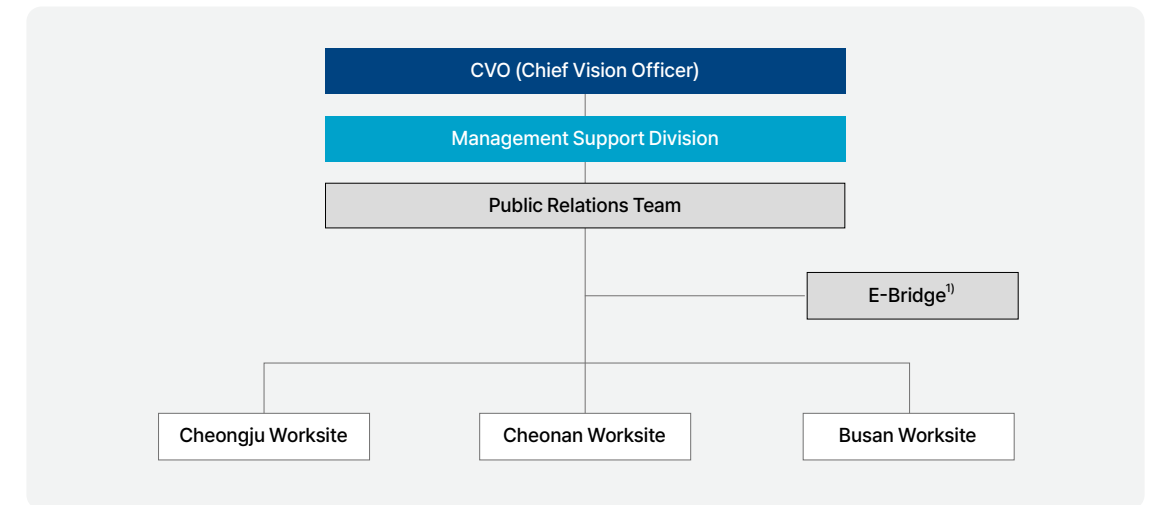


Policy

Social Contribution Strategy

LS ELECTRIC establishes our social contribution strategy by aligning the core values of ESG management with the business characteristics of the company, based on the LS Group’s management philosophy, “LS Partnership.” Under the social contribution vision of “Building an eco-friendly world together for future generations,” we carry out a wide range of initiatives aimed at building a sustainable society. To fulfill our corporate social responsibility, we design and implement social contribution programs that leverage our accumulated experience and capabilities in the power, automation, and eco-friendly energy sectors, ensuring strong alignment with our business strategy. We place particular emphasis on creating greater value through collaboration between beneficiaries and employee volunteers, and we operate our programs based on three key principles: Partnership, Initiative, and Sustainability. To this end, we have identified five strategic focus areas: ▲ Creating eco-friendly ecosystem ▲ Support for senior citizens ▲ Support for children and youth ▲ Support for persons with disabilities ▲ Community engagement and participation. Across these five areas, we operate tailored social contribution programs both domestically and internationally in a systematic and structured manner. In 2026, we plan to further expand diverse and sustainable programs centered on these five focus areas and continue promoting high-impact social contribution activities in which all employees can participate.

Social Contribution Governance



1) E-Bridge : A communication body committed to creating an outstanding workplace, embedding an open culture, and spearheading social contribution activities

Social Contribution

Activity

2025 Key Social Contributions

Related UN SDGs	Category	Activity details	Key achievements in 2025
	Donation to help neighbors in need	<ul style="list-style-type: none"> Donation to the Community Chest of Korea Support to protect the socially vulnerable group 	<ul style="list-style-type: none"> Contributed KRW 2 billion through the LS Group joint fund to support underserved communities in Anyang and Anseong Donated KRW 114 million for wildfire recovery efforts in the Yeongnam region Support for the "ALL-LIVE" comprehensive health check-up program (KRW 100 million) to promote the well-being of residents participating in self-sufficiency programs in the Busan area
	Support for children	<ul style="list-style-type: none"> Learning kits for new semester to local elementary school students from low-income families (Let's Start with LS ELECTRIC campaign) 	<ul style="list-style-type: none"> Donated school bags and other school supplies to 250 elementary school students in Anyang and Cheonan Provided green renewable energy education to 900 elementary school students in southern Gyeonggi Province
	Support for senior citizens	<ul style="list-style-type: none"> Donation of winter goods such as winter clothes to the Anyang-si Welfare Center for Senior Citizens Volunteer activity of employee volunteer team to visit and provide companionship to elderly people living alone 	<ul style="list-style-type: none"> Donated winter goods such as winter clothes to 150 elderly people in Anyang City Sponsored a community event for elderly people in Gangseo-gu, Busan
	Support for people with disabilities	<ul style="list-style-type: none"> Support for residential environment improvement for local welfare center for people with disabilities Provided living support to residents using the local welfare center for people with disabilities 	<ul style="list-style-type: none"> Provided KRW 9 million in support to the Chungbuk Rehabilitation Center, a residential facility for people with severe disabilities Conducted volunteer activities at Yesim House, a welfare facility for people with disabilities in Cheongju Barrier-free culture and safety awareness improvement integrated project for workers with work-related disabilities "Again, Together"
	Environmental clean-up	<ul style="list-style-type: none"> Environmental clean-up on Green Day in areas where worksites are based 	<ul style="list-style-type: none"> Cheongju and Cheonan worksites participated in the "One Company, One River" cleanup initiative Conducted environmental improvement activities around plants in Cheongju, Cheonan, Busan, and others

Impact on Local Communities

LS ELECTRIC recognizes the environmental and social impacts that may arise throughout our business operations as key management issues and operates an internal management system to address them systematically. We conduct pre-emptive reviews of environmental risks across all worksites and pursue continuous management and improvement based on applicable legal requirements.

To minimize potential factors that could lead to environmental incidents or community complaints, we perform regular inspections and monitoring activities, while maintaining an inter-departmental response system that enables swift action in the event of an abnormal situation. We also strengthen our preventive environmental management capabilities through employee training and on-site inspections.

For major environmental management areas, such as waste, wastewater, and air pollutants, we strictly comply with relevant regulations and apply internal management standards to ensure more detailed and rigorous oversight. In addition, we continue to carry out initiatives aimed at preserving the environment and improving living conditions in surrounding communities, reinforcing our commitment to mutual growth with the local community.

Negative impact	Causes of occurrence	Easing measures
Disruptions to the local living environment (noise, vibration, traffic congestion)	Facility expansion, equipment replacement and transportation of large machinery	<ul style="list-style-type: none"> Minimized nighttime operations for key processes and applied noise-reduction equipment Shared construction schedules in advance and established plans to minimize local traffic impact Operated an immediate response process for community complaints
Environmental pollution and safety risks	Use of chemicals and energy during power equipment manufacturing and testing	<ul style="list-style-type: none"> Operated environmental management system based on ISO 14001 and conducting regular internal audits Conducted joint safety inspections and emergency response drills with local fire departments and municipalities Reduced the use of hazardous substances and expanded the adoption of alternative materials
Increased waste generation and resource consumption	Industrial waste from production processes and R&D activities	<ul style="list-style-type: none"> Applied eco-design principles that consider recyclability from the product design stage Set waste-reduction targets for suppliers and monitored performance Strengthened waste-segregation standards to improve recycling rates
Increased burden on local infrastructure (electricity, transportation, environment)	Higher regional electricity demand and infrastructure usage due to business expansion	<ul style="list-style-type: none"> Improved energy efficiency at worksites and operated an in-house Energy Management System (EMS)
Potential decline in community trust	Insufficient understanding and communication regarding business activities	<ul style="list-style-type: none"> Implemented community-tailored initiatives rather than one-time social contribution activities Reflected local stakeholder feedback on ESG issues in management decisions

Establishing Sound Governance

Road Map



Policy

Expertise, Independence, and Diversity of the Board of Directors

LS ELECTRIC’s outside directors are composed of professionals with expertise across finance, accounting, law, management, and research and development. The board maintains full independence from major shareholders and executive management, and its three outside directors meet the legal requirement of representing more than half of all board members. The appointment process prioritizes fairness and independence, with candidates undergoing a rigorous review by the Outside director Recommendation Committee before being formally elected at the general meeting of shareholders.

CEO Succession Policy

The chief executive officer is expected to lead the company in a manner that aligns with the interests of both the company and its shareholders, while possessing the capabilities necessary to effectively execute the company’s core values and vision. To support this, the GHR division operates a structured talent-development framework with clearly defined mid-to-long term development goals for key leadership roles. The CEO and senior management regularly review candidate pools for critical positions through the Talent Development Committee and actively consider external recruitment when needed. Selected candidates are assigned to diverse roles, receive coaching, and systematically build their competencies through programs such as executive-level courses offered in partnership with leading universities. The CEO Candidate Recommendation Committee identifies the most suitable internal candidates developed through this system and recommends them as inside director nominees, who are then elected at the general meeting of shareholders. In accordance with Article 30 of the company’s Articles of Incorporation, the board of directors subsequently makes the final decision on the appointment of the CEO. If the CEO becomes unable to perform the duties, the CEO Candidate Recommendation Committee is convened, and the board selects a single candidate to be newly appointed as CEO. In the event that all CEOs are unable to serve, the most senior inside director assumes the role until a new CEO is appointed. If both the CEO and all inside directors are unable to fulfill their duties, the highest ranking non-registered executive temporarily carries out the responsibilities until the appointment of a new CEO.

Director Appointment Process

A pool of candidates for outside directors is selected through a fair and comprehensive review process conducted by the Outside director Recommendation Committee, which is established in accordance with Article 542-8 of the Commercial Act. To enhance the committee’s independence, a majority of its members are appointed from among the outside directors. In line with operating regulations and relevant laws, the committee considers independence, professional expertise, and representation of diverse stakeholders when recommending candidates. Candidates recommended by the committee are ultimately appointed through a resolution at the general meeting of shareholders. In accordance with legal requirements, we also ensure that outside directors do not serve more than six years at the same company.

Mid to Long-Term Shareholder Return Policy

LS ELECTRIC establishes our shareholder return policy from a mid-to-long-term perspective to continuously enhance shareholder value. Dividend resources are determined by comprehensively considering business performance, financial soundness and future outlook. Dividends are executed following a resolution of the board of directors and approval at the general meeting of shareholders. To improve predictability for shareholders, the dividend record date is announced at least two weeks in advance of the board’s decision. For the 52nd fiscal year (2025), we declared a dividend of KRW 3,000 per share, distributing a total of KRW 89,215 million. LS ELECTRIC will continue to maintain an appropriate level of shareholder returns, uphold shareholder rights and pursue a responsible dividend policy aimed at enhancing long-term shareholder value.

Establishing Sound Governance

Policy

Board Composition and BSM (Board Skills Matrix)

As of March 26, 2026, the Board of Directors comprises five members: two executive directors (Ja-Kyun Koo and Dae-Seok Chae) and three outside directors (Won-Ja Song, Gil-Soo Jang, and Jeung-Hyun Yoon). The Board Chairman position is held by Ja-Kyun Koo, appointed in consideration of accountability in management and professional expertise, and he concurrently serves as the Chief Executive Officer.

Category	Name	Core Competencies ¹⁾	Directors' Term of Office	Career Highlights	Board of Directors	Audit Committee	ESG Committee	Remuneration Committee	Outside director Recommendation Committee	Gender
Executive Directors	Ja-Kyun Koo	Management & leadership, industry & technology, global	March 26, 2026 – March 26, 2029	Former) Professor, Korea University Graduate School of International and Public Affairs Current) Chairman, Korea Smart Grid Association Current) Chairman & CEO, LS ELECTRIC	●					Male
	Dae-Seok Chae	Business and general management, legal and risk management, global	March 25, 2025 – March 25, 2028	Current) Senior Executive Vice President, LS ELECTRIC	●		●	●	●	Male
Outside directors	Won-Ja Song	Accounting/taxation/M&A legal/risk management, policy/administration	March 25, 2025 – March 25, 2028	Former) Member of the Ethics Investigation Deliberative Committee, Korean Institute of Certified Public Accountants Former) Member of the Compensation Deliberative Committee, Anti-Corruption & Civil Rights Commission Current) Associate Professor, School of Business, Sungkyunkwan University	●	●	●	●	●	Female
	Gil-Su Jang	Industry and technology, policy and public administration, global, legal and risk management	March 26, 2026 – March 26, 2029	Former) President, Korea University Power System Research Institute Current) Director, Dept. of Planning and Budget, Korea University Current) Professor of electrical and electronic engineering, Korea University Current) Director, American Korean Foundation	●	●	●	●	●	Male
	Jeung-Hyun Yoon	Policy and public administration, accounting, taxation and M&A, legal and risk management	March 21, 2024 – March 21, 2027	Former) Governor of the Financial Supervisory Service Former) Minister of Strategy and Finance Former) Acting Prime Minister Current) Director, Yoon Economic Research Institute	●	●	●	●		Male

1) Definition of Core Competencies

- Management and leadership: Expertise in operating large-scale organizations
- Business and general management: Expertise in B2B and B2C business strategy and operations
- Accounting, taxation and M&A: Expertise in financial accounting and investment activities such as M&A for corporate management and oversight
- Legal and risk management: Expertise in analyzing and responding to risks associated with corporate management
- Policy and public administration: Expertise in analyzing the impact of policy and regulatory changes and applying insights to decision-making
- Industry and technology: Deep understanding and expertise in industry structures, value chains and technological trends
- Global: Expertise in assessing global market environments and formulating international expansion strategies

● : Chairperson

Establishing Sound Governance

Activity

Activities of the BOD and Subcommittees

At LS ELECTRIC, four subcommittees facilitate timely and efficient decision-making by the Board of Directors. Each subcommittee operates in accordance with its own regulations.

	Board of Directors	Audit Committee	ESG Committee	Outside director Recommendation Committee	Remuneration Committee
Role	<ul style="list-style-type: none"> Decide key management goals and basic management strategies for the company and shareholder benefits, and oversee the management activities 	<ul style="list-style-type: none"> Audit the company's accounting and business operations 	<ul style="list-style-type: none"> Achieve sustainable growth through structured and strategic ESG management 	<ul style="list-style-type: none"> Recommend candidates for outside director to be appointed at the general shareholders' meeting 	<ul style="list-style-type: none"> Deliberate and resolve matters on executive compensation
Function	<ul style="list-style-type: none"> Establish management goals and key management strategies Appoint and dismiss, supervise, and assess the management and decide the compensation Handle other matters prescribed by the statutes, Articles of Association, and BOD Regulations 	<ul style="list-style-type: none"> Handle matters related to accounting and outside auditors, etc. Handle matters related to audit Handle matters related to the status assessment of internal accounting management system operation Handle other matters prescribed by the statutes and Articles of Association, or entrusted by the BOD 	<ul style="list-style-type: none"> Establish ESG strategies and plans Analyze ESG policies and trends Deliberate on internal transactions in advance 	<ul style="list-style-type: none"> Recommend outside director candidates Handle other matters necessary for outside director candidate recommendation 	<ul style="list-style-type: none"> Issues related to executive's remuneration as determined necessary by the BOD or its committees
Meetings held	6	8	5	1	1
Attendance	94%	93%	93%	100%	100%
Matters for resolution	26	6	8	1	2
Matters for report	12	18	4	-	-

BOD Assessment and Compensation

LS ELECTRIC conducts an annual Board assessment to evaluate whether the Board of Directors is appropriately fulfilling the roles and responsibilities required by applicable laws and internal regulations, with the aim of continuously enhancing the rationality, transparency, and efficiency of Board operations. In 2025, a self-assessment covering the Board's overall activities for the year was conducted following the conclusion of the fourth-quarter Board meeting. The assessment was structured around four categories: ▲ the Board's roles, ▲ responsibilities, ▲ structure, and ▲ operations. The evaluation also encompassed assessments of individual outside directors, as well as subcommittees including the ESG Committee, the Outside director Recommendation Committee, the Audit Committee, and the Remuneration Committee. Meanwhile, individual director compensation is disclosed in the annual business report, including total remuneration and the average remuneration per director.

2025 Annual Assessment

	Category	Score
BOD assessment	Role	4.81
	Responsibilities	4.88
	Structure	4.83
	Operations	4.75
Individual outside director assessment	Self-assessment of activities	4.75
Subcommittee assessment	ESG Committee	4.83
	Outside director Recommendation Committee	4.83
	Remuneration Committee	4.71
	Audit Committee	4.81
Overall average		4.80

* Rated on a scale of 1 to 5

Establishing Sound Governance

Activity

Training of Outside Directors

LS ELECTRIC operates an outside director training program through professional institutions to ensure that outside directors fully understand their roles on the board and contribute to the company's sustainable management. In 2025, board members participated in an outside director training course organized by Samjong KPMG, strengthening their professional expertise and capabilities in performing board duties.

Date	Key Topics	Directors Attended	Provider
September 8, 2025 to November 30, 2025 (ongoing)	<ul style="list-style-type: none"> • Basic program <ul style="list-style-type: none"> - Introduction to accounting - Corporate governance and the role of outside directors - Legal duties and responsibilities of directors - Board governance and compliance - AI governance and cyber security • Advanced program <ul style="list-style-type: none"> - Specialized training for board committees (Corporate Governance Committee, Internal Transactions Committee, Compensation Committee, Recommendation Committee, Audit Committee, ESG Committee) 	<ul style="list-style-type: none"> • Basic program <ul style="list-style-type: none"> - Jong-Won Choi, Gil-Su Jang, Jae-Hong Kim, Jeung-Hyun Yoon • Advanced program <ul style="list-style-type: none"> - Won-Ja Song 	Samjong KPMG

Audit Committee Member Training

Date	Key Topics	Directors Attended	Provider
June 19, 2025	Impact of the Introduction of K-IFRS No. 1118	Won-Ja Song, Jeung-Hyun Yoon, Jong-Won Choi, Jae-Hong Kim, Gil-Su Jang	Samjong KPMG
September 25, 2025	Overview of IFRS 18 and its implications		

Shareholder Status

LS ELECTRIC is a listed company on the Korea Exchange (KRX), and as of the end of 2025, the total number of issued shares is 30,000,000. The largest shareholder is LS Corp., which holds 48.46% of the shares (14,539,000 shares). The second-largest shareholder, the National Pension Service (NPS), holds 9.38% of the shares as of December 2025.

Expanding Communication with Shareholders and Investors

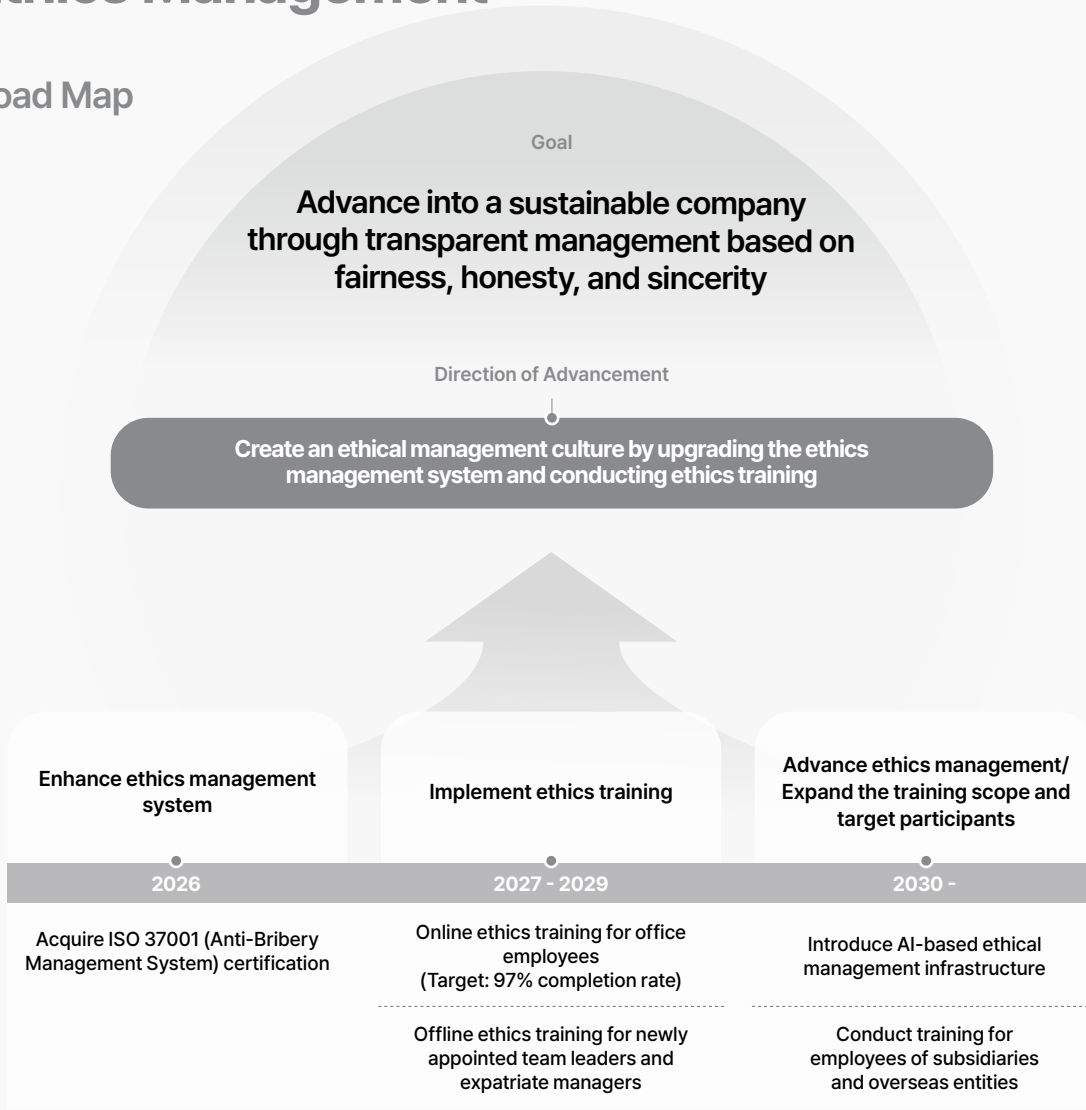
LS ELECTRIC has adopted both the electronic voting system and the proxy solicitation system to enhance convenience for shareholders when exercising their voting rights. We also disclose key information, such as the date, venue, agenda items and voting procedures for the general meeting of shareholders, through the Financial Supervisory Service's electronic disclosure system to ensure transparency. The resolution to convene the general meeting of shareholders is made 49 days in advance, and the meeting notice is issued four weeks prior to the meeting, allowing shareholders sufficient time to review the agenda items before exercising their voting rights.

Following earnings announcements, we conduct quarterly Non-Deal Roadshows (NDRs) for major domestic institutional investors and holds additional meetings upon request. For overseas investors, we offer a variety of IR programs, including NDRs, group conference calls and Corporate Day events, and actively arranges one-on-one IR meetings for institutions requesting in-person visits.

Through these communication activities, we transparently share our business performance and strategic direction with investors, listen to diverse shareholder perspectives and continue to strengthen trust-based relationships with our shareholders.

Ethics Management

Road Map



Policy

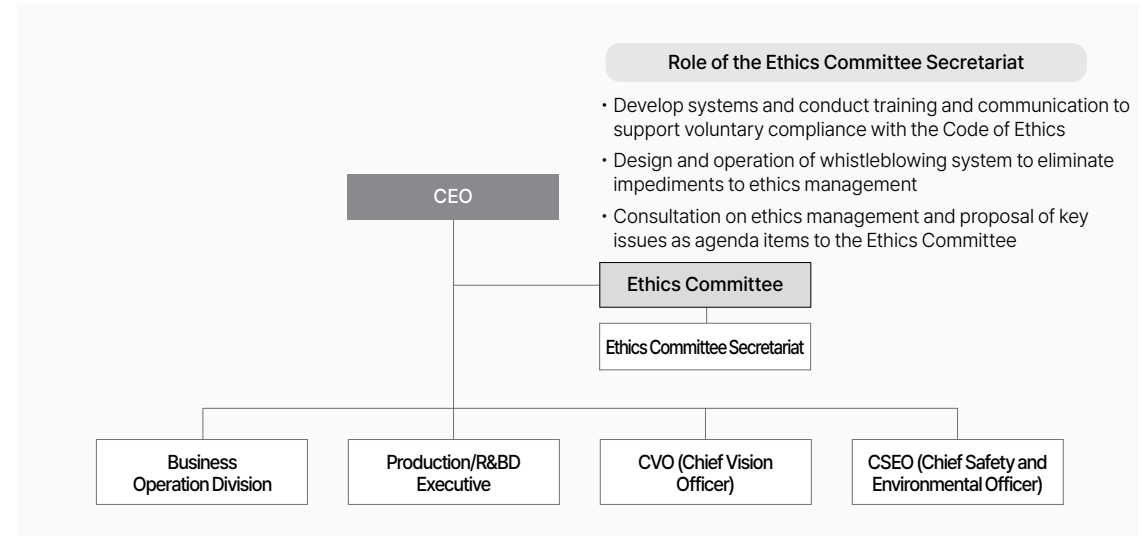
Ethics Management Operation System

LS ELECTRIC is committed to fulfilling its social responsibilities to all stakeholders—including customers, suppliers, shareholders and local communities, based on the LS Partnership management philosophy. To put these values into practice, we operate the Ethics Committee, the highest decision-making body for ethical management, along with the Ethics Committee Secretariat, a dedicated organization responsible for managing day-to-day ethical management activities in a systematic manner.

To ensure that all employees have clear standards for sound judgment in the course of their work, we have established a Code of Ethics and detailed implementation guidelines. In addition, all employees are required to submit an annual Ethical Management Compliance Pledge, reinforcing voluntary adherence to ethical standards and encouraging responsible behavior across the company. Furthermore, as part of our efforts to advance the ethical management system, we plan to obtain ISO 37001 (Anti-Bribery Management System) certification within 2026.

[Code of Ethics and Practice Guidelines](#)

Ethics Management Governance



Ethics Management

Policy

Whistleblowing System and Whistleblower Protection

LS ELECTRIC operates the Cyber Whistleblowing Center that allows stakeholders to freely report any concerns, with the aim of fostering a transparent management environment and eliminating corruption and human rights violations. Reports submitted through this center are reviewed and processed promptly in accordance with fair and objective internal procedures, and the rights and protection of whistleblowers are prioritized throughout the entire investigation process. The Cyber Whistleblowing Center is operated under a strict security system, ensuring that the personal information of whistleblowers and the details of their reports are rigorously protected and not disclosed externally without explicit consent. In addition, if any violation of these protection principles results in disadvantages or harm to a whistleblower, we provide appropriate remedies or equivalent compensation, thereby ensuring institutional protection for whistleblowers.

Whistleblower Reward System

LS ELECTRIC operates an effective Whistleblowing Reward Program to eradicate unethical behavior and foster a sound organizational culture. Eligible cases for rewards include reports of improper transactions that violate ethical management principles and cause financial loss to the company, acceptance of money or entertainment from stakeholders with job-related interests, and violations of the company's Ethical Management Guidelines. Based on the financial impact of the reported misconduct, such as increased gains or reduced losses, we provide rewards ranging from KRW 1 million to KRW 10 million. When the financial impact occurs over an extended period, the reward is calculated using the estimated loss amount for one year. In addition, for cases unrelated to direct financial impact, such as the acceptance of money, gifts or entertainment, we grant a reward of KRW 500,000. For cases involving data manipulation or false reporting, a reward of KRW 300,000 is provided. Through these measures, we reinforce our commitment to ethical management and encourage active participation in maintaining integrity across the company.

Goal of Ethics Management



Goal and Performance

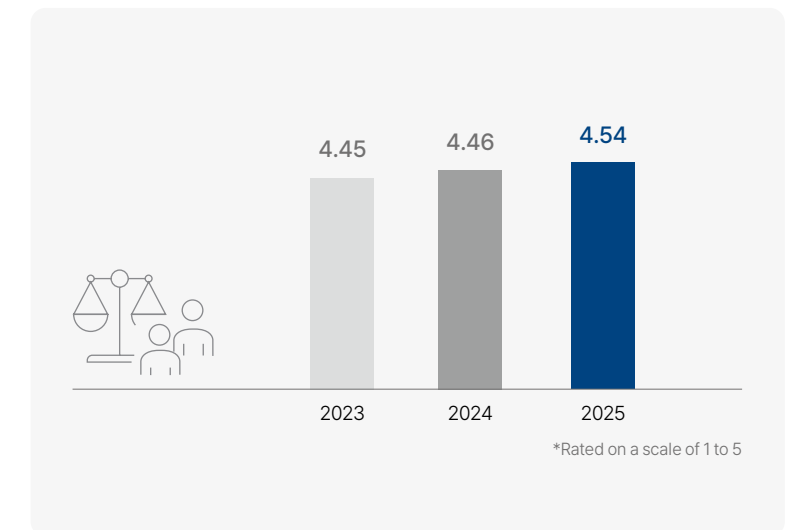
Ethics Management Survey

LS ELECTRIC conducts an annual Ethical Management Survey to assess the level of compliance with our Code of Ethics and Implementation Guidelines, as well as to evaluate the overall ethical awareness.

Surveys targeting employees are carried out every two years to measure the internalization of ethical management and to assess the ethical culture within the organization. Surveys targeting suppliers are conducted annually to closely monitor transparency in business transactions and identify potential risks related to misconduct or corruption. In the 2025 Ethical Management Survey conducted among suppliers, the satisfaction level reached 4.54 points, reflecting a positive evaluation between "satisfied" and "very satisfied," and marking the third consecutive year of improvement.

Feedback collected through these surveys serves as an important resource for enhancing our ethical management framework. Based on these insights, we continue to implement institutional improvements and practical, action-oriented initiatives to strengthen ethical practices across the company.

Satisfaction with Ethics Management



Ethics Management

Goal and Performance

Promoting an Ethics Management Culture

LS ELECTRIC operates a variety of ethical management programs to promote the widespread adoption and practice of ethical values among all employees. We continuously update our internal ethics bulletin board with the latest ethical issues and training materials. During periods that are particularly vulnerable to corruption, such as national holidays, we issue official notices prohibiting the exchange of gifts or entertainment to reinforce employee awareness.

In terms of training, LS ELECTRIC delivers online ethics training to all employees, complemented by tailored offline sessions designed for newly appointed team leaders and expatriates. The training curriculum covers core ethics and compliance areas, including prevention of fraud and corruption, conflict of interest management, fair trade compliance, and anti-money laundering and fraud prevention.

LS ELECTRIC will continue to expand practical, field-oriented ethical guidelines to further strengthen the effectiveness and on-site applicability of our ethical management practices.

Ethics Management Training Completion Rate

2024	2025	2026 (Goal)	2030 (Goal)
97%	94%	95%	97%

* Completion rate for office employees

Activity

Unethical Conduct Reporting and Fair Response

LS ELECTRIC operates year-round reporting channels that allow all stakeholders, including employees, suppliers and customers, to report unethical behavior or misconduct. In addition to phone, email and postal reporting, we provide the Cyber Whistleblowing Center that ensures anonymity, enhancing both accessibility and security for whistleblowers. All reports received are handled fairly and rigorously in accordance with strict internal procedures.

In 2025, a total of 20 reports were received, and the Ethics Committee Secretariat successfully processed 100% of the cases. As a result of these ongoing ethical management efforts, the number of unethical conduct reports decreased by approximately 17% compared to the previous year (24 cases).

We will continue strengthening communication with stakeholders and advancing institutional measures to prevent and eliminate misconduct, thereby fostering a transparent and responsible management environment.

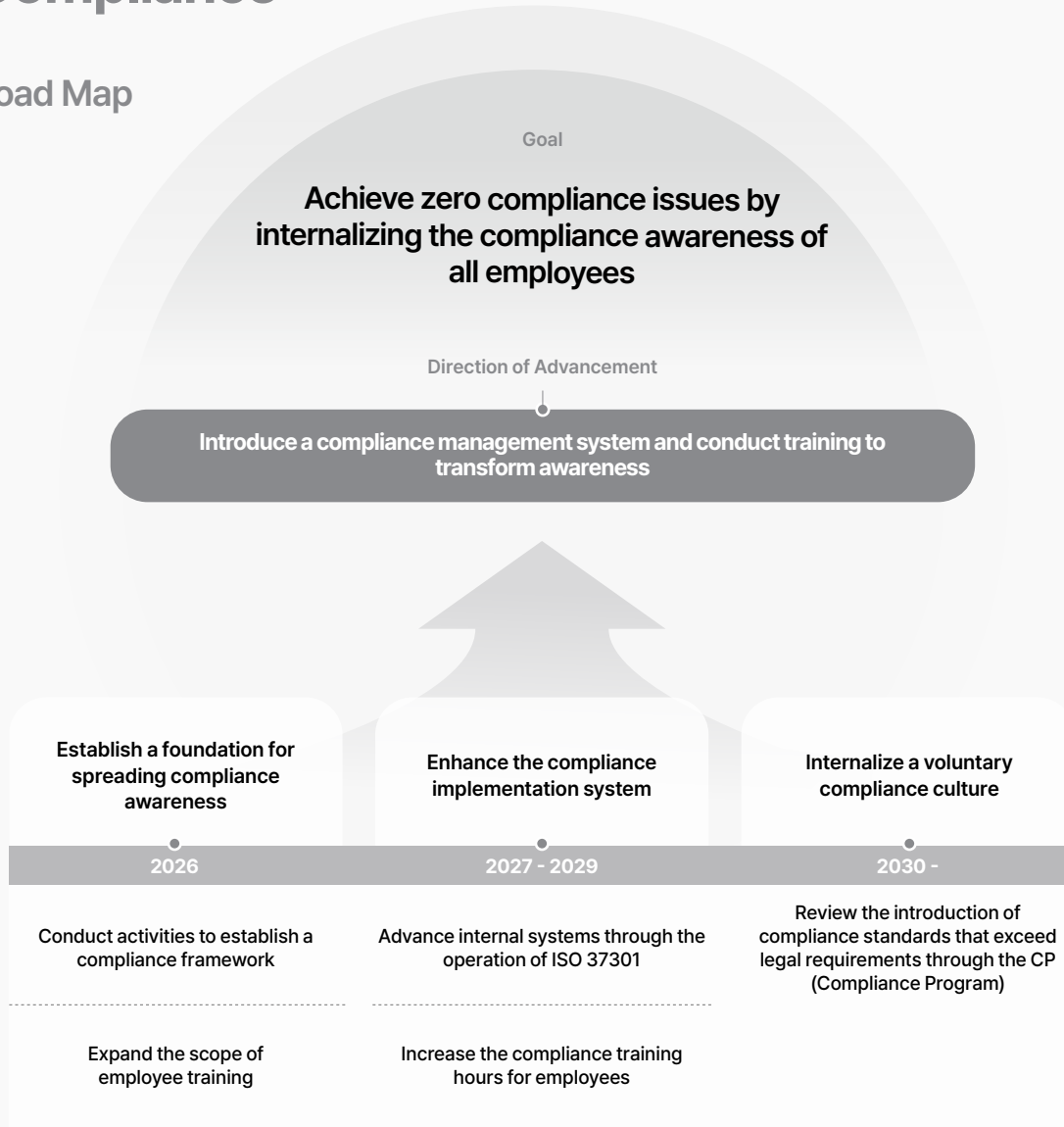
Unethical Behavior Reporting and Processing Status

(Unit : case)

Category	2023		2024		2025	
	Reports Received	Reports Handled	Reports Received	Reports Handled	Reports Received	Reports Handled
Illegal/corrupt practices	10	10	6	6	3	3
Human rights	4	4	1	1	1	1
Unfair operation handling	10	10	7	7	3	3
Claims	6	6	6	6	8	8
Others	3	3	4	4	5	5
Total	33	33	24	24	20	20

Compliance

Road Map

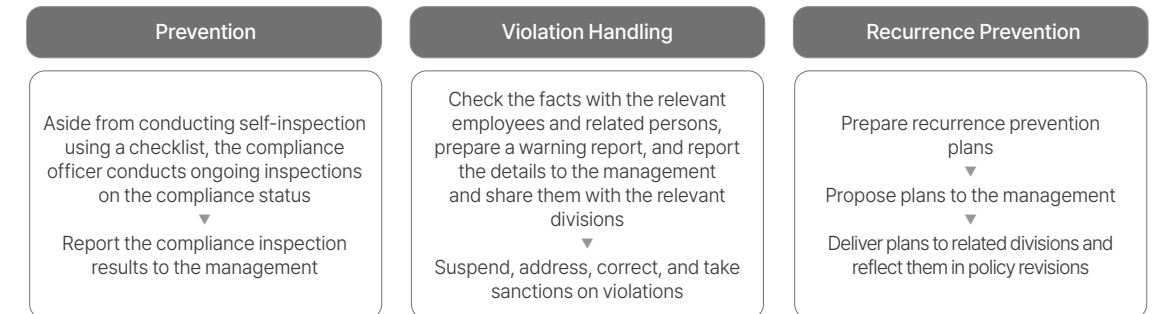


Policy

Compliance Management Structure

LS ELECTRIC established the foundation for compliance management by introducing the Compliance Officer system in 2012, followed by a company-wide Compliance Declaration Ceremony and the adoption of the Authorized Economic Operator (AEO) program in 2014, thereby expanding our structured compliance initiatives. We also conduct continuous self-assessment activities to ensure that all employees practice compliance in their daily work, strengthening our overall internal control environment. In 2023, the Board of Directors appointed the manager of the Legal Affairs Team as the new Compliance Officer. In 2025, we obtained ISO 37301 certification for our Compliance Management System, externally validating that our compliance framework meets international standards. In addition, the director of the Legal Division was appointed as the Chief Compliance Officer (CCO), further reinforcing accountability and governance within the compliance management structure. Compliance activities are reported to the Board of Directors on an annual basis, enabling the Board to thoroughly assess our legal compliance and risk-management performance while securing the insights necessary for strategic decision-making. Based on the continuous operation and maintenance of our compliance management system, we regularly review and improve internal processes to further advance our level of compliance risk-management capabilities. In cases where violations occur, we verify the facts, prepare a Warning Report, submit it to management, and share it with relevant departments. Immediate actions, such as suspension, correction or sanctions, are taken to address the violation, followed by the development of recurrence-prevention measures, which are then recommended to management. These measures are communicated to the relevant departments and, when necessary, are incorporated into policy or system revisions to ensure continuous improvement across the organization. Through these procedures, we operate a strong and systematic post-management system and remain committed to building a sustainable and robust compliance management environment.

ISO 37301 (Compliance Management System Certification)



Compliance

Goal and Performance

Compliance Management Training

LS ELECTRIC provides a wide range of compliance training programs to help employees identify and respond to legal risks in advance. Each year, we establish an annual compliance training plan that reflects organizational changes and the evolving business environment. In 2025, a total of 39 compliance training sessions were conducted.

The training curriculum is tailored to the characteristics of each job function and includes practical content focused on essential legal requirements and real-world case studies, thereby strengthening employees' compliance awareness. To further promote a culture of compliance across the entire group, we also extended compliance training to our subsidiaries. Going forward, we plan to gradually expand the training audience to proactively prevent various legal risks that may arise during business operations.

Employee Training in 2025

Targets	Description	Number of sessions
Procurement	Advanced training on subcontracting laws	13
Worksites including design, research labs and others	General subcontracting laws	15
Sales	Fair Trade Act (collusion, unfair transactions, etc.), Subcontracting laws	9
	Strategic goods control trends and general guidance	2
Total		39

Employee Training Goals

Year	Number of sessions
2026	40
2027	41

Activity

Compliance Management System Operations

LS ELECTRIC strengthened the foundation of our compliance management system in 2025 by obtaining ISO 37301 certification for the first time, demonstrating the adequacy and robustness of our compliance framework. Through systematic operations and continuous improvement activities aligned with ISO standards, we are fostering a proactive culture of compliance.

As part of our Compliance Management System operations in 2025, the Compliance Support Department conducted focused compliance reviews across 13 departments, assessing adherence to relevant laws and regulations. Based on the review results, we actively carried out preventive activities by explaining the intent and application criteria of applicable laws and sharing relevant case examples with each department. Through ongoing monitoring, training, and communication efforts, we continue to enhance our overall compliance maturity and strengthen our ability to proactively manage legal risks across the organization.

Self-assessment Activities

LS ELECTRIC categorizes and manages the legal risks that may arise during business operations and provides department-specific checklists to enable frontline teams to autonomously assess their compliance risks. The Compliance Support Department conducts an annual review of legal risk categories and updates the checklists to reflect the latest regulatory changes and shifts in the operating environment. By supporting autonomous compliance assessments within each department, we continue to strengthen our framework for enhancing company-wide compliance levels and proactively preventing legal risks.

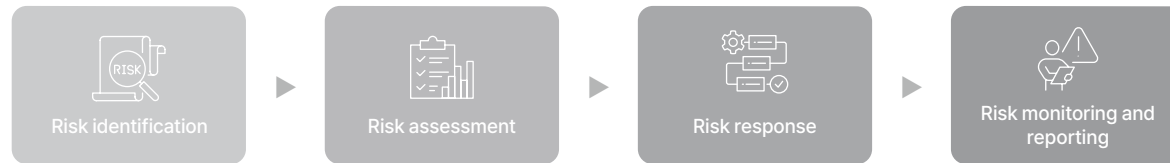
Risk Management

Policy

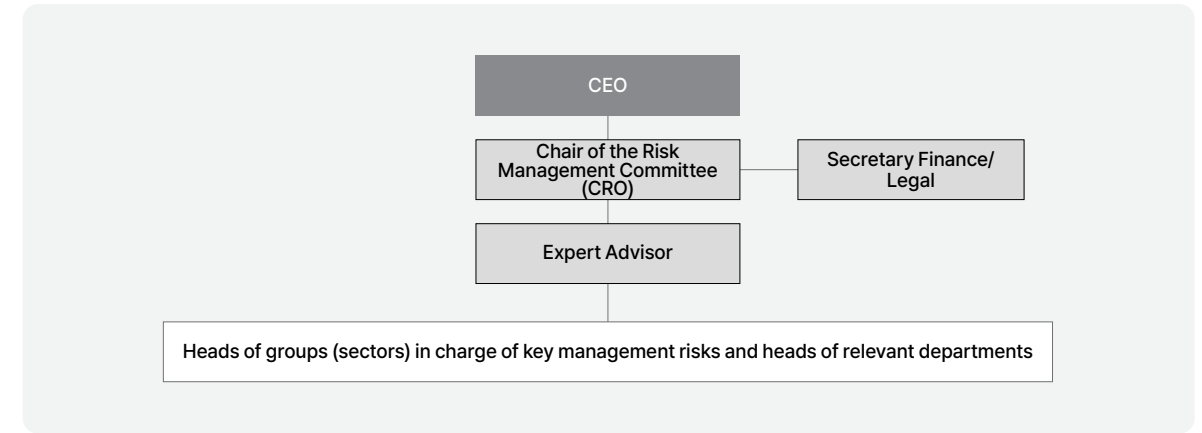
Risk Management Structure

LS ELECTRIC is committed to structured risk management by identifying potential risk factors that may arise in its business operations and taking proactive measures to minimize risk and ensure business stability. For systemic management, risks are classified into five areas: external environment, strategy, operations, finance, and compliance. The risk management department establishes risk control and response policies and monitors company-wide risk management through quarterly quantitative assessments of risk levels. The CRO (Chief Risk Officer) convenes the Risk Management Committee when the risk level reaches a certain threshold to decide on response actions, and significant risks are reported to management for incorporation into management strategies. These activities are followed by analysis to understand their effectiveness and to identify areas for further improvement, which are then incorporated into the relevant manuals and standards. We are committed to improving our risk management framework continuously to ensure proactive, forward-looking risk management.

Risk Management Process



Risk Management Committee Governance



Risk Classification

External Environment	Strategy	Operations	Finance	Compliance
Natural disasters caused by climate change	New business development and investment	R&D	Foreign exchange risk	Fair trade
Supply chain disruptions	Business portfolio	Sales and marketing	Interest rate risk	Environmental and safety regulations
Decline in corporate market value	Brand and reputation	Procurement and sourcing	Credit risk	Labor standards and labor laws
Excessive competition	Business planning	Project management	Tax risk	Ethical management
		IT equipment operations	Internal accounting risk	

Risk Management

Policy

Financial Risk Management

Classification of Risks	Management Plan
Foreign Exchange Risk Risk of exchange rate fluctuation arising from foreign currency transactions	<ul style="list-style-type: none"> Regularly measure the exchange risk in relation to Korean won exchange rate fluctuations Use financial derivatives Enter into a currency forward contract to avoid exchange risk for foreign currency debts and bonds Enter into a currency forward contract to manage exchange risk for expected sales and purchase transactions
Interest Rate and Price Risk	<ul style="list-style-type: none"> Regularly measure the interest rate risk caused by borrowings at variable rates Measure the marketable fair value, regularly measure the price fluctuation risk occurring in equity instruments
Credit Risk Risk of a counterpart in a contract causing financial loss by failing to fulfill the obligations specified in the contract	<ul style="list-style-type: none"> In addition to credit risk for accounts including amortized cost of financial assets, LS ELECTRIC's credit risk is also caused by payment guarantee limits Assess credit by considering other elements such as past experiences and financial conditions of general accounts, and identify possible risks in advance by credit rating
Liquidity Risk	<ul style="list-style-type: none"> Establish short-, mid-, and long-term fund management plans Respond to the maturity of financial assets and liabilities by analyzing cash outflow budget and actual cash outflow

Capital Risk Management

At LS ELECTRIC, the purpose of capital management is to maintain an optimal capital structure to provide sustainable returns to shareholders and stakeholders and to reduce capital costs as a going concern. Measures used to maintain or adjust the capital structure include adjusting dividends, returning capital to shareholders, issuing new shares and selling assets to reduce debt.

Tax Risk Management

To meet the deadline for tax return and manage other tax risks, LS ELECTRIC constantly monitors the amended statutes and established rules. We also closely monitor changes in the international tax environment and laws and actively manage risks related to the transfer price through BEPS (Base Erosion and Profit Shifting). Likewise, we conduct professional reviews of domestic and international tax policies and regulatory changes by cooperating with a global accounting firm. We strengthen our preemptive response framework based on these insights to minimize potential tax risks. Through these comprehensive tax management activities, we strive to enhance tax transparency and fulfill our role as a responsible corporate citizen.

Internal Accounting Risk Management

LS ELECTRIC has established Internal Accounting Management Regulations and detailed operating guidelines to systematically manage our internal accounting control system. In 2023, we further advanced our risk management practices to a global level by developing a new integrated consolidated internal accounting management system at the LS Group level. Through this initiative, we have expanded the internal accounting control framework across our subsidiaries, redefined evaluation and certification procedures, and designed and implemented customized risk management processes that reflect the size and business characteristics of each subsidiary. The CEO reviews the operational status of both the separate and consolidated internal accounting control systems and reports the results to the General Meeting of Shareholders, the Board of Directors, and the Audit Committee. In addition, the Audit Committee reports its assessment of the separate and consolidated internal accounting control systems to the Board of Directors, thereby strengthening the reliability and transparency of our internal accounting management framework.

Non-Financial Risk Management

Classification of Risks	Management Plan
Environment and Climate Change	<ul style="list-style-type: none"> Advance renewable energy transition plans for RE100 implementation Strengthen environmental regulation monitoring and response processes Expand investments to reduce energy consumption
Safety	<ul style="list-style-type: none"> Strengthen safety inspections across all worksites and suppliers Implement internal safety and health KPIs Training for employees and suppliers
Information Security	<ul style="list-style-type: none"> Establish a digital innovation system using DT Strengthen security activities for OT (Operational Technology) Training for employees
Ethics and Compliance	<ul style="list-style-type: none"> Maintain continuous monitoring and a whistleblowing system Training for employees



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ESG Data

Financial Statements (Consolidated)

Summarized Statement of Financial Position

Category	Unit	2023	2024	2025
Assets	KRW million	3,732,892	4,485,197	4,956,680
Current assets	KRW million	2,605,193	3,052,192	3,356,846
Non-current assets	KRW million	1,127,699	1,433,006	1,599,834
Liabilities	KRW million	2,008,850	2,595,105	2,815,381
Current liabilities	KRW million	1,448,677	1,846,350	1,864,660
Non-current liabilities	KRW million	560,173	748,755	950,721
Equity	KRW million	1,724,042	1,890,092	2,141,299
Total equity attributable to the company's shareholders	KRW million	1,712,770	1,838,756	2,069,766
Non-controlling interests	KRW million	11,272	51,336	71,533
Total liabilities and equity	KRW million	3,732,892	4,485,197	4,956,680

Summarized Statement of Comprehensive Income

Category	Unit	2023	2024	2025
Sales	KRW million	4,230,483	4,551,837	4,965,799
Operating income	KRW million	324,878	389,717	426,407
Income from continuing operations before tax	KRW million	264,096	333,367	410,070
Net income	KRW million	207,673	242,238	284,257
Total comprehensive income for the current term	KRW million	197,563	212,792	322,030

Summarized Statement of Cash Flow

Category	Unit	2023	2024	2025
Cash flow from operating activities	KRW million	214,646	230,147	299,948
Cash flow from investing activities	KRW million	(193,360)	(255,797)	(249,739)
Cash flow from financing activities	KRW million	2,612	82,042	59,013
Change in cash and cash equivalents	KRW million	23,898	56,392	109,222
Cash and cash equivalents at the beginning of the year	KRW million	556,086	583,925	660,104
Effects of exchange rate changes on cash and cash equivalents	KRW million	3,941	19,787	(6,610)
Cash and cash equivalents at the end of the year	KRW million	583,925	660,104	762,717

Balance in Government Subsidies

Category	Unit	2023	2024	2025
Buildings	KRW million	156	152	443
Machinery	KRW million	258	245	523
Tools and equipment	KRW million	15	8	80
Office equipment	KRW million	171	223	326
Development expenses	KRW million	80	45	11
Other non-tangible assets	KRW million	10	90	118
Structures	KRW million	0	2	122
Industrial property rights	KRW million	0	13	11

ESG Data

LS ELECTRIC's Environmental Performance

Pollutants and Water¹⁾

Category		Unit	2023	2024	2025		
Pollutants	Air pollutants emissions	Dust	kg	0	713	668	
		Nitrogen oxides (NOx)	kg	0	2,749	4,279	
		Sulfur oxides (SOx)	kg	0	0	0	
		Volatile Organic Compounds (VOCs)	kg	0	1,468	908	
	Water pollutants emissions	Biological Oxygen Demand (BOD)	kg	0	0	0	
		Total Organic Carbon (TOC)	kg	43.2	44.2	2.0	
		Suspended Solids (SS)	kg	12	12	0	
		Total Nitrogen (T-N)	kg	14.4	16.1	1.0	
		Total Phosphorus (T-P)	kg	6.1	6.2	0	
	Others	kg	-	-	-		
Chemical substances	Hazardous chemical usage	ton	5.67	2.15	10.29		
Water	Water use by water source	Cheongju Worksite ²⁾	Service water	m ³	36,790	36,255	39,408
			Industrial water	m ³	51,215	44,860	40,420
		Cheonan Worksite	Service water	m ³	28,658	23,099	12,156
			Industrial water	m ³	18,853	16,855	22,993
		Busan Worksite	Service water	m ³	10,960	10,063	13,020
			Industrial water	m ³	78,457	55,352	14,210
		Total	m³	224,933	186,484	142,207	
		Wastewater discharged ³⁾	m ³	209.5	211.3	304.8	
		Reuse	m ³	0	0	0	

1) Data scope : Cheongju, Cheonan, and Busan worksites

2) Performance includes LS e-Mobility Solutions

3) Based on outsourced wastewater treatment

Energy and GHG¹⁾

Category		Unit	2023	2024	2025		
Energy	Total energy	Power consumption	TJ	564.2	566.7	598.3	
		Fuel consumption	TJ	86.2	80.3	86.6	
		Total	TJ	650.4	647.0	684.9	
		Energy intensity ²⁾	TJ/ KRW 100 million	0.02	0.02	0.02	
	Renewable energy	Purchase REC	TJ	-	66.2	0	
		Self-generation (PV)	TJ	-	0.45	1.95	
		Total	TJ	-	66.6	2.0	
	GHG	Scope1		tCO ₂ eq	4,525.0	4,180.8	4,500.5
		Scope2	Location-based	tCO ₂ eq	26,998.2	26,742.2	28,547.0
Market-based			tCO ₂ eq		23,574.9		
Total (Scope1+2)		Location-based Market-based	tCO₂eq	31,523.2	30,923.0 27,755.7	33,047.5	
GHG Intensity (location-based) ³⁾		tCO ₂ eq/ KRW 100 million	1.05	0.99	0.95		
GHG emissions		Scope3 ⁴⁾	Category 1. Purchased goods and services	tCO ₂ eq	-	-	215,410
			Category 2. Capital goods	tCO ₂ eq	-	-	8,561
			Category 3. Fuel and energy-related activities	tCO ₂ eq	2,038	2,017	4,831
			Category 4. Upstream transportation and distribution	tCO ₂ eq	-	-	26,766
	Category 5. Waste generated from worksites		tCO ₂ eq	108	101	374	
	Category 6. Employee business trip		tCO ₂ eq	9,130	5,001	4,533	
	Category 7. Employee commuting		tCO ₂ eq	3,667	3,725	1,658	
	Category 8. Upstream leased assets		tCO ₂ eq	-	-	8	
	Category 9. Downstream transportation and distribution		tCO ₂ eq	-	-	5,426	
	Category 11. Use of sold products		tCO ₂ eq	-	-	118,683,059	
	Category 12. Disposal of sold products		tCO ₂ eq	-	-	129,707	
	Category 13. Downstream leased assets		tCO ₂ eq	11,462	13,219	6,253	
	Category 15. Investment		tCO ₂ eq	-	-	119,712	
	Total		tCO₂eq	26,405	24,063	119,206,297	

1) Data Scope : Head Office, LS Yongsan Tower, R&D Campus, 3 Worksites (Cheongju, Cheonan, Busan), 8 Sales Offices (Daejeon, Daegu, Busan, Ulsan, Naju, Gwangyang, Gunsan, Uiwang)

2) Based on separate sales revenue

3) Scope : Scope1+2, based on separate sales revenue

4) New calculation for Category 1, 2, 4, 8, 9, 11, 12, and 15 beginning 2025

ESG Data

LS ELECTRIC's Environmental Performance

Waste¹⁾

Category	Unit	2023	2024	2025		
Waste	Designated waste	Landfill	ton	1.03	8.97	0
		Incineration	ton	43.79	37.37	67.08
		Recycling	ton	58.13	47.62	114.48
		Others	ton	0	0	0
		Subtotal	ton	102.95	93.96	181.56
	General waste	Landfill	ton	0	2.87	0
		Incineration	ton	37.59	0	0
		Recycling	ton	3,575.30	3,130.67	2,341.55
		Others	ton	0	0	0
	Subtotal	ton	3,612.89	3,133.54	2,341.55	
Total	ton	3,715.84	3,227.5	2,523.11		
Recycling rate	%	97.8	98.5	97.3		

1) Data scope : Cheongju, Cheonan, Busan Worksites

General Environment

Category	Unit	2023	2024	2025	
Investment in environment and safety ¹⁾	KRW million	6,383	545	2,080	
Green procurement ²⁾	KRW million	615	778	903	
Eco-friendly product development	KRW million	14,588	1,770	1,496	
Sales from eco-friendly products and services ³⁾	KRW 100 million	4,385	1,967	2,172	
Raw materials ⁴⁾	Iron	ton	39,017	34,085	44,100
	Non-ferrous metals	ton	13,719	11,804	13,360
	Resin	ton	3,242	3,328	3,400

1) Changes in data for the past three years following changes in management standards

2) Green product standards are calculated as environmental labeling products, excellent recycling (GR) products, and certified low-carbon products in accordance with the Framework Act on Carbon Neutrality and Green Growth in Response to Climate Crisis

3) The eco-friendly sales standard is internal self-standard (SF6 reduction, renewable energy generation, energy-efficiency product line, etc.). Changes in data for the past three years following changes in management standards

4) Data scope : Cheongju/Cheonan/Busan Worksites

LS ELECTRIC's Social Performance

Employees

Category	Unit	2023	2024	2025		
Employee count by employment type	Permanent employees	Males	Persons	2,675	2,717	2,787
		Females	Persons	355	408	499
	Temporary employees	Males	Persons	128	154	159
		Females	Persons	46	93	41
	Total	Persons	3,204	3,372	3,486	
Employee count by age group	20s	Males	Persons	228	302	368
		Females	Persons	82	169	170
	30s	Males	Persons	618	616	627
		Females	Persons	104	112	137
	40s	Males	Persons	887	875	895
		Females	Persons	160	131	110
	50 and older	Males	Persons	1,070	1,078	1,056
		Females	Persons	55	89	123
	Total	Persons	3,204	3,372	3,486	
	Employee count by work location	Korea	Persons	3,152	3,317	3,428
Asia-Pacific (excl. Korea)		Persons	35	32	32	
North America		Persons	11	17	20	
Europe		Persons	6	6	6	
Others		Persons	0	0	0	
Total		Persons	3,204	3,372	3,486	
Number of new recruits	Males	Persons	221	225	260	
	Females	Persons	64	152	125	
	Total	Persons	285	377	385	
Employee turnover	Total employee turnover count	Persons	258	243	313	
	Overall turnover rate	%	8.1	7.2	9.0	
	Voluntary employee turnover count	Persons	123	105	101	
	Voluntary turnover rate	%	3.8	3.1	2.9	

ESG Data

LS ELECTRIC's Social Performance

Employees

Category	Unit	2023	2024	2025	
Performance evaluation	Number of employees evaluated	Persons	1,781	2,098	2,222
	Performance evaluation review rate	%	55.6	62.2	63.7
Years of service	Males	Years	17.5	17.2	16.6
	Females	Years	16.1	13.6	13.3
Workforce diversity	Number of female employees	Persons	401	501	540
	Percentage of female employees	%	12.5	14.9	15.5
	Number of female managers ¹⁾	Persons	79	87	90
	Percentage of female managers	%	5.1	5.7	5.8
	Number of female junior managers	Persons	72	81	86
	Percentage of female junior managers	%	5.9	7.1	6.9
	Number of female executives	Persons	1	2	2
	Percentage of female executives	%	4.0	7.1	7.7
	Number of women in revenue-generating departments	Persons	71	101	110
	Percentage of women in revenue-generating departments	%	9.9	14.6	14.6
	Number of women in STEM positions	Persons	72	107	111
	Percentage of women in STEM positions	%	8.5	11.3	11.3
	Number of employees with disabilities ²⁾	Persons	41	44	42
	Percentage of employees with disabilities	%	1.6	1.3	1.2
	Number of veterans	Persons	55	52	55
	Percentage of veterans	%	1.7	1.5	1.6
Equal pay	All employees	Times	0.80	0.75	0.72
	Managers	Times	0.86	0.85	0.89
	Non-managers	Times	1.01	0.94	0.87
Pay gap between the CEO and other employees	Times	40.98	84.02	74.52	
Training expenses	KRW 1,000/person	1,949	1,723	1,545	
Training hours	hour/person	60.8	78.8	51.0	

Category	Unit	2023	2024	2025	
Welfare expenses	KRW million/person	17.9	19.3	19.1	
Welfare expense as a percentage of sales	%	1.9	2.1	1.9	
Employees taking maternity leave	Males ³⁾	Persons	67	59	75
	Females	Persons	4	9	6
Employees taking parental leave ⁴⁾	Males	Persons	18	26	54
	Females	Persons	8	8	15
Percentage of employees on parental leave ⁵⁾	Males	%	4.8	12.5	15.2
	Females	%	100	33.3	100
Number of employees anticipated to return from parental leave	Males	Persons	8	14	27
	Females	Persons	7	1	9
Number of employees who have returned from parental leave	Males	Persons	10	14	27
	Females	Persons	1	1	9
Percentage of employees who have returned from parental leave	Males	%	100	100	100
	Females	%	100	100	100
Percentage of employees who stay for more than 1 year after returning from parental leave	Males	%	100	100	91
	Females	%	100	100	100
Labor Union	Number of employees eligible for union membership	Persons	3,045	3,119	3,281
	Number of employees who have joined the union	Persons	910	880	842
	Union membership rate	%	30	28	26

1) Manager-level and above

2) Reporting standards of the Korea Employment Agency for the disabled

3) Paternity leave

4) Employees who took parental leave during the reporting year

5) Percentage of employees who took parental leave among those with a child born during the reporting year

ESG Data

LS ELECTRIC's Social Performance

Health and Safety

Category	Unit	2023	2024	2025	
Safety	Hours completed	Hours	52,760	53,350	51,742
	Participants	Persons	26,710	27,005	25,871
	Total training expenses	KRW million	24	64	98
Health	Checkup expenses	KRW million	589	666	675
	Support for medical expenses	KRW million	1,111	1,235	1,426
Employee industrial accidents ¹⁾	Industrial accident rate	%	0.03	0.02	0.05
	Number of fatalities	Persons	0	0	0
	Lost work days	Days	0	16	15
	Number of lost time injuries (LTI)	Cases	0	1	2
	LTIFR (Lost Time Injuries Frequency Rate)	Incidents per million working hours	0	0.144	0.276
Industrial accidents at suppliers ²⁾	Industrial accident rate	%	0	0	0
	Number of fatalities	Persons	0	0	0

1) Based on approval by the Korea Workers' Compensation and Welfare Service

2) Based on in-house contractors

Purchase by Region¹⁾

Category	Unit	2023	2024	2025
Asia (excluding Middle East)	%	62.1	62.0	48.0
Europe	%	20.4	27.8	39.0
Americas	%	14.5	9.5	12.0
Middle East	%	0.0	0.3	0.0
Others (Oceania, Africa)	%	3.0	0.4	1.0
Total	%	100	100	100

1) Share of overseas procurement amount by region

Shared Growth

Category	Unit	2023	2024	2025		
Number of shared growth agreements signed	Cases	325	312	314		
Financial support for suppliers	Support amount	KRW 100 million	72	81	85	
	Supported suppliers	Companies	41	44	55	
Training support for suppliers	Number of participants	Persons	137	229	219	
	Number of sessions held	Cases	8	12	12	
Technical support for suppliers	Number of suppliers benefiting from technology sharing	Companies	30	0	0	
	Number of technology protection support cases	Cases	14	8	5	
	Technology development	Technology cooperation projects	Cases	16	41	35
	Support amount	KRW 100 million	18	33	44	
ACE Club (suppliers' association) member companies	Companies	20	25	25		
Supplier performance sharing participating suppliers	Companies	105	147	110		
Percentage of suppliers that have signed the Sustainable Procurement Charter or Suppliers' Code of Conduct	%	90.1	83.9	92.2		
Percentage of suppliers with contracts that include clauses on environmental, labor, human rights, and ethical requirements	%	90.1	83.9	92.2		
Percentage of suppliers subject to sustainability assessments	%	14.0	21.0	43.5		
Percentage of suppliers subject to on-site sustainability audits	%	7.0	15.0	25.0		
Percentage of supplier procurement staff trained on sustainable procurement	%	4.1	7.3	35.7		
Percentage of suppliers engaged in corrective action plans or capacity-building programs	%	14.0	21.0	43.5		

Social Contribution

Category	Unit	2023	2024	2025	
Donations ¹⁾	KRW million	815	828	9,628	
Social contribution	Expenses	KRW million	185	56	19
	Number of activities	Cases	62	69	103
	Participants	Persons	3,167	3,167	3,770
	Beneficiaries	Persons	2,189	2,189	335

1) Consolidated basis

ESG Data

Environmental Performance by Subsidiary (2025)

Environment and Safety

Category	Unit	LS Metal	AC&T	LS ITC	LS Power Solution	LS Mecapion	LS e-Mobility Solutions ¹⁾	LS Sauter	LS E&M	LS ThiraUtech	CX Solution	LS ELECTRIC Investment (China)	LS ELECTRIC (Wuxi)	LS ELECTRIC (Dalian)	LS ELECTRIC (Lishui)	LS ELECTRIC Vietnam			
Investment in environment and safety	KRW million	373.1	7.4	-	294.2	35.2	39.4	-	241.7	7.4	-	-	0	31.7	0.9	4.6			
Air pollutant emissions	Dust	kg	801.2	-	-	273.8	34.3	70.7	-	-	-	-	-	-	-	-			
	Nitrogen oxides (NOx)	kg	0	-	-	0	0	0	-	-	-	-	-	-	-	-			
	Sulfur oxides (SOx)	kg	17.6	-	-	0	0	0	-	-	-	-	-	-	-	-			
	Volatile organic compounds (VOCs)	kg	30.5	-	-	926.4	0	0	-	-	-	-	-	-	-	-			
Water pollutant emissions	Biological oxygen demand (BOD)	kg	34.2	-	-	0	0	-	-	-	-	-	-	-	87.2	47.8			
	Chemical oxygen demand (COD)	kg	85.4	-	-	0	0	-	-	-	-	-	2,120.9	191.6	320.4	143.5			
	Suspended solids (SS)	kg	63.4	-	-	0	0	-	-	-	-	-	2,258.6	18.0	47.1	39.9			
	Total nitrogen (T-N)	kg	62.9	-	-	0	0	-	-	-	-	-	395.3	77.3	28.7	95.7			
	Total phosphorus (T-P)	kg	0	-	-	0	0	-	-	-	-	-	24.7	8.0	0.2	9.2			
	Others	kg	-	-	-	0	0	-	-	-	-	-	-	-	10.0	-			
Water	Water use by water source	Service water	m ³	15,288	1,223	-	8,256	1,165	0	-	435	2,042	-	-	13,772	0	14,722	10,051	
		Industrial water	m ³	55,258	0	-	0	0	0	-	0	-	-	-	0	2,503	0	0	
	Wastewater discharged	m ³	27,154	0	-	8,256	0	0	-	-	-	-	-	11,706	2,002	11,778	7,973		
	Reuse	m ³	0	0	-	0	0	0	-	-	-	-	-	0	0	0	0		
GHG	Amount discharged	Scope1	tCO ₂ eq	1,963.0	38.5	48.8	425.3	69.9	135.6	41.7	42.0	26.7	113.6	14.9	38.3	111.7	38.3	42.9	
		Scope2 (Location-based)	tCO ₂ eq	-	-	-	-	-	3,436.8	-	-	-	-	-	-	537.9	-	-	763.7
		Scope2 (Market-based)	tCO ₂ eq	35,134.2	155.6	207.0	3,828.0	322.0	-	59.0	88.1	123.4	42.7	11.7	-	283.2	398.3	-	16.9
	Total emissions	Location-based	tCO ₂ eq	-	-	-	-	-	-	-	-	-	-	-	576.2	-	-	806.5	
		Market-based	tCO ₂ eq	37,097.2	194.1	255.8	4,253.4	391.9	-	100.8	130.2	150.1	156.3	26.6	538.9	394.9	436.6	59.8	
	GHG intensity	Location-based	tCO ₂ eq/ KRW 100 million	5.765	0.030	0.040	0.661	0.061	0.555	0.016	0.020	0.023	1.395	0.031	0.090	0.061	0.068	0.125	
Chemical substances	Hazardous chemicals used	kg	62,430	-	-	0	25	2,641	0	0	0	0	-	5	900	680	0		

1) Water and waste data from LS e-Mobility Solutions Cheongju Worksite are included in LS ELECTRIC's environmental performance

ESG Data

Environmental Performance by Subsidiary (2025)

Environment and Safety

Category	Unit	LS Metal	AC&T	LS ITC	LS Power Solution	LS Mecapion	LS e-Mobility Solutions ¹⁾	LS Sauter	LS E&M	LS ThiraUtech	CX Solution	LS ELECTRIC Investment (China)	LS ELECTRIC (Wuxi)	LS ELECTRIC (Dalian)	LS ELECTRIC (Lishui)	LS ELECTRIC Vietnam	
Raw materials	Iron	ton	0	0	0	-	77.3	215.5	0	138.9	0	0	-	10.1	0	-	1,593.2
	Non-ferrous metals	ton	37,481.0	0	0	941.0	27.7	251.5	0	0	0	0	-	87.4	86.1	-	403.1
	Resin	ton	0	0	0	293.0	6.5	136.1	0	0	0	0	-	0	0	-	14.0
Waste	Designated waste	Landfill	ton	0	0	-	0	0	-	-	-	-	-	-	2.02	-	0.19
		Incineration	ton	36.88	0	-	3.05	0	-	-	-	-	-	-	-	-	0
		Recycling	ton	1,059.44	0	-	0	0	-	-	-	-	-	-	-	-	0
		Others	ton	0	0	-	0	0	-	-	-	-	-	0.72	-	-	0
	Subtotal	ton	1,096.32	0	-	3.05	0	-	-	-	-	-	-	0.72	2.02	-	0.19
Waste	General waste	Landfill	ton	319.46	0	-	0	0	-	-	-	-	-	-	-	-	83.03
		Incineration	ton	85.29	0	-	138.78	0	-	-	-	-	-	-	-	-	0
		Recycling	ton	62.22	0	-	0	0	-	-	-	-	-	-	-	-	0
		Others	ton	0	0.88	-	0	6.68	-	-	-	-	-	52.06	-	12.16	0
	Subtotal	ton	466.97	0.88	-	138.78	6.68	-	-	-	-	-	52.06	-	12.16	83.03	
Total	ton	1,563.29	0.88	-	141.83	6.68	-	-	-	-	-	52.78	2.02	12.16	83.22		
Recycling rate	%	71.7	0	-	0	0	-	-	-	-	-	-	0	0	-	0	

1) Water and waste data from LS e-Mobility Solutions Cheongju Worksite are included in LS ELECTRIC's environmental performance

ESG Data

Social Performance by Subsidiary (2025)

Employees

Category	Unit	LS Metal	AC&T	LS ITC	LS Power Solution	LS Mecapion	LS e-Mobility Solutions	LS Sauter	LSE&M	LS ThiraUtech	CX Solution	LSELECTRIC Investment (China)	LSELECTRIC (Wuxi)	LSELECTRIC (Dalian)	LSELECTRIC (Lishui)	LSELECTRIC Vietnam		
Employee count by employment type	Permanent employees	Males	Persons	238	65	170	213	145	126	47	31	198	42	86	170	117	68	296
		Females	Persons	19	11	63	38	16	29	8	6	39	5	45	145	19	114	120
	Temporary employees	Males	Persons	19	7	9	34	13	7	3	12	14	3	0	0	0	9	9
		Females	Persons	6	1	2	0	4	1	0	2	2	0	1	0	0	16	2
Total	Persons	282	84	244	285	178	163	58	51	253	50	132	315	136	207	427		
Number of employees by age	Below 20s	Males	Persons	39	11	15	51	17	11	4	1	13	15	4	8	3	46	137
		Females	Persons	5	2	25	9	5	9	4	4	16	1	3	7	4	47	46
	30s	Males	Persons	62	26	68	65	55	44	19	14	82	16	33	55	21	18	113
		Females	Persons	12	5	33	19	7	9	2	2	18	4	21	46	6	31	51
	40s	Males	Persons	83	27	63	66	64	48	19	6	50	4	38	87	37	6	49
		Females	Persons	7	1	6	3	5	4	1	2	6	0	21	84	7	39	23
	50 and older	Males	Persons	73	8	33	65	22	30	8	22	67	10	11	20	56	7	6
		Females	Persons	1	4	1	7	3	8	1	0	1	0	1	8	2	13	2
Total	Persons	282	84	244	285	178	163	58	51	253	50	132	315	136	207	427		
Employee count by work location	Korea	Persons	280	84	243	285	178	154	58	51	253	50	0	0	0	0	0	
	Asia-Pacific (excl. Korea)	Persons	2	0	0	0	0	2	0	0	0	0	132	315	136	207	427	
	North America	Persons	0	0	1	0	0	7	0	0	0	0	0	0	0	0	0	
	Europe	Persons	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Others	Persons	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total	Persons	282	84	244	285	178	163	58	51	253	50	132	315	136	207	427	
New recruits	Males	Persons	16	9	17	60	16	15	3	19	21	7	5	6	1	51	95	
	Females	Persons	5	0	16	8	3	3	0	3	6	2	4	5	1	74	43	
	Total	Persons	21	9	33	68	19	18	3	22	27	9	9	11	2	125	138	
Employee turnover	Total employee turnover count	Persons	21	12	33	20	21	14	6	9	26	0	25	26	2	237	80	
	Overall turnover rate	%	7.4	14.3	13.5	7.0	11.8	8.6	10.3	17.6	10.3	0	18.9	8.3	1.5	114.5 ¹⁾	18.7	
	Voluntary employee turnover count	Persons	12	11	15	15	13	14	5	7	17	0	9	10	2	237	58	
	Voluntary turnover rate	%	4.3	13.1	6.1	5.3	7.3	8.6	8.6	13.7	6.7	0	6.8	3.2	1.5	114.5	13.6	

1) The high turnover rate at LS ELECTRIC (Lishui) is attributable to local workforce management practices characterized by variable workloads and a focus on short-term employment

ESG Data

Social Performance by Subsidiary (2025)

Employees

Category	Unit	LS Metal	AC&T	LS ITC	LS Power Solution	LS Mecapion	LS e-Mobility Solutions	LS Sauter	LS E&M	LS ThiraUtech	CX Solution	LS ELECTRIC Investment (China)	LS ELECTRIC (Wuxi)	LS ELECTRIC (Dalian)	LS ELECTRIC (Lishui)	LS ELECTRIC Vietnam		
Performance evaluation	Number of employees evaluated	Persons	255	74	238	239	117	112	54	0	29	0	132	309	136	0	179	
	Performance evaluation review rate	%	90.4	88.1	97.5	84.0	66.0	69.0	93.1	0	11.5	0	100	98.1	100	0	41.9	
Union membership rate	%	51.1	-	-	-	-	-	-	-	-	-	-	75.9	88.2	-	-	94.6	
Years of service	Males	Years	13.3	7.9	5.5	6.1	10.6	10.3	4.9	5.9	5.2	2.6	10.9	10.8	19.5	0.44	5.4	
	Females	Years	8.0	8.2	3.8	6.1	9.7	13.7	6.8	5.5	4.4	1.7	9.6	11.4	12.6	0.62	5.8	
Workforce diversity	Number of female employees	Persons	25	12	65	38	20	30	8	8	41	5	46	145	19	130	122	
	Percentage of female employees	%	8.9	14.3	26.6	13.3	11.2	18.4	13.8	15.7	16.2	10.0	34.8	46.0	14.0	62.8	28.6	
	Number of female managers	Persons	4	5	17	8	5	1	3	4	29	0	11	18	4	1	17	
	Percentage of female managers	%	6.1	10.4	12.0	5.8	5.7	1.4	10.0	11.4	13.3	0	19.6	20.2	11.4	11.1	32.7	
	Number of female junior managers	Persons	4	3	14	7	5	1	1	4	20	0	0	9	0	1	5	
	Percentage of female junior managers	%	10.3	30.0	14.0	7.8	9.3	1.9	5.9	11.4	25.3	0	0	56.3	0	25.0	26.3	
	Number of female executives	Persons	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	
	Percentage of female executives	%	0	0	0	0	0	0	0	0	11.1	0	0	0	0	0	0	
	Number of women in revenue-generating departments	Persons	7	1	0	5	7	0	3	1	0	0	0	24	31	3	0	28
	Percentage of women in revenue-generating departments	%	25.0	3.2	0	33.3	20.0	0	9.1	14.3	0	0	0	26.4	35.6	15.8	0	25.2
	Number of women in STEM positions	Persons	0	5	55	13	4	6	2	3	23	0	2	41	0	1	6	
	Percentage of women in STEM positions	%	0	18.5	25.8	15.9	9.1	11.3	50.0	8.6	11.0	0	11.1	41.8	0	14.3	9.5	
	Number of employees with disabilities	Persons	5	0	2	1	2	2	0	2	3	0	0	1	0	1	0	
	Percentage of employees with disabilities	%	1.77	0	0.82	0.35	1.12	1.23	0	3.92	1.19	0	0	0.32	0	0.48	0	
	Number of veterans	Persons	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Percentage of veterans	%	0.35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Equal pay	All employees	Times	0.75	0.83	0.58	0.95	0.72	0.89	0.78	0.62	0.70	0.66	0.68	0.65	0.80	-	0.98	
	Managers	Times	0.86	0.98	0.77	0.77	0.78	0.74	0.88	0.48	0.66	-	0.73	0.79	0.77	-	0.92	
	Non-managers	Times	0.88	0.88	1.04	1.00	0.95	1.04	0.81	0.76	0.74	0.74	0.86	0.85	0.89	-	0.97	
Pay gap between the CEO and other employees	Times	5.68	3.21	6.04	4.51	2.15	5.39	-	2.99	2.83	3.60	11.29	-	11.13	-	-		
Training expenses	KRW 1,000/person	1,347	145	1,375	40	90	762	111	177	-	126	0	23	77	0	0		
Training hours	Hours/Person	32.3	24.2	19.0	15.7	44.2	36.2	24.1	-	6.5	12.0	0	4.0	1.2	3.1	16.7		

ESG Data

Social Performance by Subsidiary (2025)

Employees

Category	Unit	LS Metal	AC&T	LS ITC	LS Power Solution	LS Mecapion	LS e-Mobility Solutions	LS Sauter	LS E&M	LS ThiraUtech	CX Solution	LSELECTRIC Investment (China)	LSELECTRIC (Wuxi)	LSELECTRIC (Dalian)	LSELECTRIC (Lishui)	LSELECTRIC Vietnam	
Welfare expenses	KRW million/person	16.5	7.1	12.9	5.4	9.2	16.4	11.5	7.1	2.2	4.4	10.0	3.2	11.5	1.2	0.57	
Welfare expense as a percentage of sales	%	0.85	2.90	2.31	1.03	4.92	4.10	1.45	1.78	1.22	1.94	1.55	1.30	4.81	1.12	0.12	
Employees taking a maternity leave	Males	Persons	5	2	3	2	7	4	1	2	4	1	0	1	0	0	20
	Females	Persons	1	0	3	0	2	1	0	0	2	0	1	5	0	0	7
Employees taking a parental leave	Males	Persons	6	1	0	1	1	1	0	0	2	1	3	0	0	0	
	Females	Persons	1	1	4	0	4	1	0	0	1	0	6	0	0	0	
Percentage of return after parental leave	Males	%	100	100	-	100	100	100	-	-	100	100	100	-	-	-	
	Females	%	100	0	100	-	100	-	-	100	-	-	100	-	-	-	
Percentage of employees who stay for more than 1 year after returning from parental leave	Males	%	-	-	100	0	0	50	-	-	100	-	100	-	-	-	
	Females	%	-	0	50	-	100	0	-	-	100	-	100	-	-	-	

Health and Safety

Category	Unit	LS Metal	AC&T	LS ITC	LS Power Solution	LS Mecapion	LS e-Mobility Solutions	LS Sauter	LS E&M	LS ThiraUtech	CX Solution	LSELECTRIC Investment (China)	LSELECTRIC (Wuxi)	LSELECTRIC (Dalian)	LSELECTRIC (Lishui)	LSELECTRIC Vietnam		
Employee industrial accidents	Industrial accident rate	%	0.36	0	0	1.7	0	0	0.54	0	0	0	0	0	0	0		
	Number of fatalities	Persons	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Lost work days	Days	2	0	0	671	0	0	10	0	0	0	0	0	0	0		
	LTI (Lost Time Injuries)	Cases	1	0	0	5	0	0	2	0	0	0	0	0	0	0		
	LTIFR (Lost Time Injuries Frequency Rate)	Incidents per million working hours	1.75	0	0	9.75	0	0	16.58	0	0	0	0	0	0	0		
Certification	Health and Safety Management System (ISO 45001, OHSAS 18001, etc.)	Worksites subject to acquisition	3	1	0	2	1	1	1	2	-	1	-	1	1	1		
	Acquired worksites	Worksites	3	1	0	2	1	1	1	2	-	1	-	1	1	1		
	Introduction rate	%	100	100	0	100	100	100	100	100	-	100	-	100	100	100		
Safety	Education	Hours completed	Hours	6,020	2,033	0	4,322	846	2,884	1,359	1,098	8	600	-	88	349	448	11,789
		Participants	Persons	2,431	173	0	1,702	282	1,310	120	549	1	50	-	6	199	895	1,212
		Total training expenses	KRW million	5.8	2.2	0	7.9	2.3	1.1	2.0	3.0	0.1	-	-	0.6	0.2	-	10.6
Health	Checkup expenses	KRW million	92.0	17.1	64.0	4.9	45.4	47.0	23.7	0	36.9	6.9	-	14.2	6.0	0.5	8.6	
	Support for medical expenses	KRW million	203.8	0.8	201.0	0	172.7	76.0	0.3	0	0	0	-	0	0	0	1.0	

GRI Standards Index

Statement of Use LS ELECTRIC reports sustainability information for the period from January 1, 2025 to December 31, 2025 in accordance with the GRI Standards 2021 and its reporting principles.

GRI 1 used GRI 1: Foundation 2021

Applicable GRI Sector Standards GRI Sector Standards applicable to LS ELECTRIC based on its GICS and industry classification had not been issued as of the publication date of this report; therefore, they were not applied.

Indicator	Description	Page	Remarks
GRI 2	General Disclosure 2021		
2-1	Name of organization	6	
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	Annotated in footnotes	
2-5	External assurance	93–96	
2-6	Activities, value chain, and other business relationships	7, 9–11	
2-7	Employees	79	
2-8	Workers who are not employees	-	Refer to the 52nd Annual Business Report
2-9	Governance structure and composition	66	
2-10	Nomination and selection of the highest governance body	65	
2-11	Chair of the highest governance body	66	
2-12	Role of the highest governance body in overseeing the management of impacts	65–68	
2-13	Delegation of responsibility for managing impacts	17, 67	
2-14	Role of the highest governance body in sustainability reporting	17–18	
2-15	Conflicts of interest	65–68	
2-16	Communication of critical concerns	30, 65–68	
2-17	Collective knowledge of the highest governance body	65–68	
2-18	Evaluation of performance of the highest governance body	67	
2-19	Remuneration policies	67	Refer to the 52nd Annual Business Report
2-20	Process for determining remuneration	67	
2-21	Annual total compensation ratio	80	
2-22	Statement on sustainable development strategy	5	
2-23	Commitment to policies	38–40	
2-24	Embedding policy commitments	38–40	
2-25	Processes to remediate negative impacts	74–75	
2-26	Mechanisms for seeking advice and raising concerns	40, 70	
2-27	Compliance with laws and regulations	-	Refer to the 52nd Annual Business Report
2-28	Memberships in associations	92	
2-29	Approach to stakeholder engagement	20	
2-30	Collective bargaining agreements	80	

Material issue	Indicator	Description	Page	Remarks
Climate change	GRI 3	Material Topics 2021		
	3-1	Process to determine material topics	17–18	
	3-2	List of material topics	18	
	GRI 3	Material Topics 2021	-	
	3-3	Management of material topics	30	
	GRI 201	Economic Performance 2016		
	201-2	Financial implications and other risks and opportunities due to climate change	32–34	
Eco-friendly transition of business	GRI 3	Material Topics 2021		
	3-3	Management of material topics	12	
	GRI 302	Energy 2016		
	302-1	Energy consumption within the organization	78	
	302-2	Energy consumption outside the organization	78	
	302-3	Energy intensity	78	
	302-4	Reduction of energy consumption	36	
	GRI 303	Water and Effluents 2018		
	303-3	Water withdrawal	78	
	303-4	Water discharge	78	
303-5	Water consumption	-	No water consumption as a non-water-consuming industry	
GRI 306	Waste 2020			
306-1	Waste generation and significant waste-related impacts	27–28		
306-2	Management of significant waste-related impacts	27–28		
306-3	Waste generation	79		
306-4	Waste diverted from disposal	79		
306-5	Waste directed to disposal	79		

GRI Standards Index

Material issue	Indicator	Description	Page	Remarks
Occupational safety	GRI 3	Material Topics 2021		
	3-3	Management of material topics	46	
	GRI 403	Occupational Health and Safety 2018		
	403-1	Occupational health and safety management system	46	
	403-2	Hazard identification, risk assessment, and incident investigation	46	
	403-3	Occupational health services	49	
	403-4	Worker participation, consultation, and communication on occupational health and safety	49–50	
	403-5	Worker training on occupational health and safety	81	
	403-6	Promotion of worker health	49	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	46–50	
	403-8	Workers covered by an occupational health and safety management system	47	
403-9	Work-related injuries	81		
403-10	Work-related ill health	81		
Product safety/Quality	GRI 3	Material Topics 2021		
	3-3	Management of material topics	55	
	GRI 416	Customer Health and Safety 2016		
	416-1	Assessment of health and safety impacts of product and service categories	56	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	56	
Recruitment/Talent development	GRI 3	Material Topics 2021		
	3-3	Management of material topics	41	
	GRI 401	Employment 2016		
	401-1	New employee hires and employee turnover	79	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	43	
	401-3	Parental leave	80	
	GRI 404	Training and Education 2016		
	404-1	Average hours of training per year per employee	80	
404-2	Programs for upgrading employee skills and transition assistance programs	44		
404-3	Percentage of employees receiving regular performance and career development reviews	80		

Material issue	Indicator	Description	Page	Remarks
Win-win management with suppliers	GRI 3	Material Topics 2021		
	3-3	Management of material topics	58	
	GRI 308	Supplier Environmental Assessment 2016		
	308-1	New suppliers that were screened using environmental criteria	59	
	308-2	Negative environmental impacts in the supply chain and actions taken	61	
	GRI 414	Supplier Social Assessment 2016		
	414-1	New suppliers that were screened using social criteria	59	
	414-2	Negative social impacts in the supply chain and actions taken	61	
Information security and personal information protection	GRI 3	Material Topics 2021		
	3-3	Management of material topics	51	
	GRI 418	Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	54		
Ethical/Compliance management	GRI 3	Material Topics 2021		
	3-3	Management of material topics	69, 72	
	GRI 205	Anti-corruption 2016		
	205-2	Communication and training on anti-corruption policies and procedures	71	
	205-3	Confirmed incidents of corruption and actions taken	71	
	GRI 206	Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	Refer to the 52nd Annual Business Report	

SASB Index

Category	Code	Index	Unit	2025 Status
Energy management	RT-EE-130a.1	Total energy consumed	GJ	684,900
		Percentage of grid electricity	%	99.7%
		Percentage of renewable energy	%	0.3%
Hazardous waste management	RT-EE-150a.1	Amount of hazardous waste generated, percentage recycled	Ton, %	182,63%
	RT-EE-150a.2	Number of reportable spills, aggregate quantity of reportable spills	ea., kg	No hazardous substance spills
Product safety	RT-EE-250a.1	Number of recalls issued; total units recalled	ea.	-
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety	Won	-
Product lifecycle management	RT-EE-410a.1	Percentage of products containing IEC 62474 declarable substances by revenue	%	-
	RT-EE-410a.2	Percentage of eligible products meeting the ENERGY STAR® criteria by revenue	%	-
	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	KRW million	217,235
Material procurement	RT-EE-440a.1	Description of management of risks associated with the use of critical materials	-	p.60
Business ethics	RT-EE-510a.1	Description of policies and practices for the prevention of: (1) corruption and bribery; and (2) anti-competitive behavior	-	p.69
	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Won	Refer to the 52nd Annual Business Report
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Won	Refer to the 52nd Annual Business Report
Activity metrics	RT-EE-000.A	Number of units produced by product category	KRW million	Power : 3,312,761 Automation : 441,628
	RT-EE-000.B	Number of employees	Persons	3,486

IFRS S2 Index

Category	Description	Page
Governance	(Governance body) The governance body or individual responsible for oversight of climate-related risks and opportunities	30
	(Management's role) Management's role in the governance processes, controls, and procedures used to monitor, manage, and oversee climate-related risks and opportunities	31
Strategy	(Risks and opportunities) Climate-related risks and opportunities that could be reasonably expected to affect the entity's prospects	32–34
	(Impact on business model and value chain) The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain	32–34
	(Impact on strategy and decision making) The impact of climate-related risks and opportunities on the entity's strategy and decision making, including transition plans	32–34
	(Current and anticipated financial impact) The effects of climate-related risks and opportunities on the entity's financial position, financial performance, and cash flows for the reporting period and over the short, medium, and long terms	32–34
Risk management	(Climate resilience) The resilience of the entity's strategy and business model to climate-related changes, developments, or uncertainties	32–34
	(Risk processes and policies) The processes and policies used to identify, assess, prioritize, and monitor climate-related risks	31
	(Opportunity processes) The processes used to identify, assess, prioritize, and monitor climate-related opportunities	31
Metrics and targets	(Integration into overall risk management) The extent to which and how the processes for identifying, assessing, and prioritizing climate-related risks and opportunities are integrated into the entity's overall risk management process	31
	(Industry-wide metrics) Disclose the following seven metrics regardless of the industry where the entity belongs:	
	(1)(GHG emissions) Separately disclose Scope1, 2, and 3 GHG emissions expressed as CO ₂ equivalent	78
	(2)(Transition risks) Proportion of assets or business activities vulnerable to climate-related transition risks	34
	(3)(Physical risks) Amount and proportion of assets or business activities vulnerable to climate-related physical risks	32
	(4)(Opportunities) Amount and proportion of assets or business activities aligned with climate-related opportunities	-
	(5)(Capital allocation) Capital expenditures, financing, and investment amounts related to climate-related risks and opportunities	-
	(6)(Internal carbon price) Whether and how the entity uses an internal carbon price in decision making, and the price per metric ton of GHG emissions used to assess the costs of GHG emissions	-
	(7)(Remuneration) Whether and how climate-related considerations are factored into executive remuneration, and the proportion of executive remuneration linked to climate-related considerations	31, 42
	(Climate-related targets) Disclose the entity's climate-related targets and the review of those targets	
(Targets) Quantitative and qualitative targets set by the entity, targets required to meet legal or regulatory requirements, and timeframes and scope applicable to the targets	35	
(Review of targets) Approach to setting and reviewing targets, whether the targets have been validated by a third party, how progress against the targets is monitored, and the metrics used to monitor progress	35	
(GHG emissions targets) Types of greenhouse gases included and targets for absolute emissions; for net emissions targets, the intended use of carbon credits	35	










UN Global Compact

LS ELECTRIC joined the UN Global Compact (UNGC)—a voluntary initiative to promote the fulfillment of corporate social responsibilities—in 2015, and supported and applied the Ten Principles of the UNGC for human rights, labor, environment, and anti-corruption activities across corporate activities.

Category	Principles	LS ELECTRIC activity	Page
Human rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	<ul style="list-style-type: none"> • Enact a human rights management declaration • Conduct human rights impact assessments 	38–39
	2. make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> • Operate a grievance-handling system • Operate a grievance-handling committee • Conduct human rights training for employees 	39–40
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> • Operate a labor-management council • Operate E-bridge, an employee communication channel • Identify and improve human rights impact assessment issues 	39–40
	4. the elimination of all forms of forced and compulsory labor;		
	5. the effective abolition of child labor; and		
	6. the elimination of discrimination in respect of employment and occupation.		
Environment	7. Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> • Establish environmental management policies • Develop carbon neutrality and RE100 strategies • Execute environmental impact assessments • Acquire and maintain ISO 14001 and ISO 50001 certifications 	22–23, 35
	8. undertake initiatives to promote greater environmental responsibility; and	<ul style="list-style-type: none"> • Expand eco-friendly investments • Biodiversity management activities • Climate scenario analysis • Perform product lifecycle assessments 	24–26, 29, 32–33
	9. encourage the development and diffusion of environment-friendly technologies.	<ul style="list-style-type: none"> • Recycle waste plastics • Develop eco-friendly materials 	27–28
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> • Establish the Code of Ethics and Practice Guidelines • Ethics management and anti-corruption training • Operate a cyber whistleblower system • Implement ethics management commitment pledges • Fair trade compliance activities 	69–71

UN SDGs

The UN has defined 17 goals and 169 targets across economic, environmental, and social sectors, formulating the Sustainable Development Goals (SDGs) to advance the sustainable development of humanity. LS ELECTRIC is carrying out the following balanced sustainable development activities to contribute to achieving the UN SDGs:

UN SDGs	LS ELECTRIC activity	Page
 1 NO POVERTY End poverty in all its forms everywhere	<ul style="list-style-type: none"> • Contributed KRW 2 billion through the LS Group joint fund to support underserved communities in Anyang and Anseong • Donated KRW 114 million for wildfire recovery efforts in the Yeongnam region • Supported the “ALL-LIVE” comprehensive health check-up program (KRW 100 million) to promote the well-being of residents participating in self-sufficiency programs in the Busan area 	64
 3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> • Regular health checkups for employees and medical expense support • Implement programs to prevent musculoskeletal disorders and conduct job-related stress screenings • Operate maternity protection programs (parental leave, nursing rooms, and infertility treatment support) 	49
 4 QUALITY EDUCATION Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> • Donated school bags and other school supplies to 250 elementary school students in Anyang and Cheonan • Provided green renewable energy education to 900 elementary school students in Southern Gyeonggi Province 	64
 7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable, and modern energy for all	<ul style="list-style-type: none"> • Procure 100% of power consumption from renewable energy by 2040 • Expand the Factory Energy Management System (FEMS) and the photovoltaic energy businesses 	35
 8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	<ul style="list-style-type: none"> • Create jobs for vulnerable populations through the employment of people with disabilities • Implement various training programs to strengthen employee competency • Operate a fair, reasonable system for employee evaluation and compensation 	41–45
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> • Achieved a 97% waste recycling rate in 2025 • Established an eco-friendly R&D strategy, including the use of eco-friendly insulating media and materials, process development, and expanded recycling • Expanded the Environmental Product Declaration (EPD) certifications 	27–29
 13 CLIMATE ACTION Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> • Contributed to national GHG reduction targets by expanding the DX-based high-efficiency low-carbon energy solution business • Self-generating solar power on idle company land • Declared carbon neutrality by 2040 and joined RE100 • Managed GHG emissions from subsidiaries and foreign entities, Scope 3 GHG emissions 	35, 78
 15 LIFE ON LAND Protect, restore, and promote the sustainable use of terrestrial ecosystems, manage forests sustainably, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> • Analyzed and managed biodiversity risks at domestic worksites • Conducted river cleanup and removal of invasive plants around worksites (One Company, One Stream activities) 	25–26
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels	<ul style="list-style-type: none"> • Practiced transparent and responsible management through compliance and ethical management • Maintained the independence and balance of governance by ensuring that outside directors constitute a majority of the Board • Strengthened transparency by operating an independent audit committee • Pursued inclusive management activities by engaging with diverse stakeholders, including the Labor-Management Council 	67, 69, 72

Memberships and Awards

Memberships in Associations

Domestic	Korea Chamber of Commerce and Industry, Korea International Trade Association, Federation of Korean Industries, Korea Electrical Manufacturers' Association, Korea Smart Grid Association, Korean Standards Association, Korea-Japan Economic Association, Korea Electric Association, Korea Electrical Contractors' Association, International Contractors' Association of Korea, Korea Listed Companies' Association, Korea Engineering & Consulting Association, Korea New & Renewable Energy Association, Korea Photovoltaic Industry Association, Korea Fire Safety Institute, Construction Association of Korea, Korea Customs Brokers' Association, Korea Industrial Technology Association, Korea Information & Communication Contractors' Association, Korea Railway Association, Korea Railway Signal Engineering Association, Korea Mechanical Construction Contractors Association, Korea Fire Facility Association, Korea Products Safety Association, Korean Institute of Power Electronics, Korean Institute of Electrical and Electronic Material Engineers, Korea Software Industry Association, Korea Software Technology Association, Korean Association for Intellectual Property Services, Korea Industrial Safety Association, Korea Association of Standards and Testing Organizations, Green Company Council, Environmental Preservation Association etc.
Overseas	UN Global Compact, Mechatro Link, ETG (EtherCAT Technology Group), IERE, CIGRE, CAN in Automation, OCA (Open Direct Current Alliance)

Awards

Date (Year/Month)	Award	Hosting organization	Award description
2025.02	2025 Korea Job Awards	Newsis	Grand Prize (Minister of Employment and Labor Award)
2025.12	Climate Tech Grand Prize	Electronic Times	Grand Prize (Minister of Climate, Energy and Environment Award)

GHG Verification Statement

LS ELECTRIC Co., Ltd.

The Korea Management Registrar Inc. (hereinafter “KMR”) has conducted the verification on the greenhouse gas (here in after “GHG”) emission (Scope1, 2, 3) in 2025 of LS ELECTRIC Co., Ltd.

PURPOSE & SCOPE

The purpose of this verification is to present an independent verification opinion on the greenhouse gas emissions inventory and the scope of the verification is as follows.

- Verification of places of business and emissions facilities under the control of LS ELECTRIC Co., Ltd.

STANDARDS

- ISO 14064-3:2019
- ISO 14064-1:2018
- WRI/WBCSD GHG Protocol
- IPCC Guidelines for National Greenhouse Gas Inventories (2006)
- Guidelines on Emission Reporting and Certification under the Greenhouse Gas Emissions Trading Scheme (Ministry of Environment, 2025-64)

PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation. The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

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 the every aspect of the verification we performed throughout the entire verification process through internal review.

LIMITATION

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.

OPINION

- The assurance engagement was performed to satisfy a limited assurance level, and no significant distortions were found in the verification results.
- According to KMR's approach, nothing was found that would lead to a finding that LS ELECTRIC Co., Ltd. failed to disclose data and information that was accurate and reliable in all material respects.
- Criticality : meets the criterion, which is less than 5%

GHG Emissions & Energy Consumption

2025	Direct emissions (Scope1)	Indirect emissions (Scope2)	Total (tCO ₂ eq)	Fuel (TJ)	Electricity (TJ)	Total (TJ)
	4,500.548	28,547.001	33,047.549	86.631	598.264	684.895

Scope 3 GHG Emissions

Category	Scope3	Emissions(tCO ₂ eq)
CAT 1	Purchased goods and services	215,410
CAT 2	Capital goods	8,561
CAT 3	Fuel and energy-related activities (not included in scope1 or scope2)	4,831
CAT 4	Upstream transportation and distribution	26,766
CAT 5	Waste generated in operations	374
CAT 6	Business travel	4,533
CAT 7	Employee commuting	1,658
CAT 8	Upstream leased assets	8
CAT 9	Downstream transportation and distribution	5,426
CAT 11	Use of sold products	118,683,059
CAT 12	End-of-life treatment of sold products	129,707
CAT 13	Downstream leased assets	6,253
CAT 15	Investments	119,712
Total		119,206,297

RESULTS

Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities. As a result, we express “unmodified” opinion.

April 29, 2026

CEO

Korea Management Registrar

GHG Verification Statement

LS ELECTRIC Co., Ltd.

The Korea Management Registrar Inc. (hereinafter “KMR”) has conducted the verification on the greenhouse gas(here in after “GHG”) emission(Scope1,2) in 2025 of LS ELECTRIC Co., Ltd.

PURPOSE & SCOPE

The purpose of this verification is to present an independent verification opinion on the greenhouse gas emissions inventory and the scope of the verification is as follows.

- Verification of places of business and emissions facilities under the control of LS ELECTRIC Co., Ltd.

STANDARDS

- ISO 14064-3:2019
- ISO 14064-1:2018
- IPCC Guidelines for National Greenhouse Gas Inventories(2006)
- Guidelines on Emission Reporting and Certification under the Greenhouse Gas Emissions Trading Scheme (Ministry of Environment, 2025-64).

PROCEDURE

The assurance was conducted by the KMR based on a risk analysis approach and data evaluation. The data and factors applied to the calculation of GHG emissions were determined to be appropriate based on objective evidence.

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 the every aspect of the verification we performed throughout the entire verification process through internal review.

LIMITATION

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.

OPINION

- The assurance engagement was performed to satisfy a limited assurance level, and no significant distortions were found in the verification results.
- According to KMR's approach, nothing was found that would lead to a finding that LS ELECTRIC Co., Ltd failed to disclose data and information that was accurate and reliable in all material respects.
- Criticality : meets the criterion, which is less than 5%.

GHG Emissions

	Location-Based			Market-Based		
	Direct emissions (Scope1)	Indirect emissions (Scope2)	Total (tCO ₂ eq)	Direct emissions (Scope1)	Indirect emissions (Scope2)	Total (tCO ₂ eq)
2025	7,651.852	73,938.727	81,590.579	7,651.852	73,126.893	80,778.745

RESULTS

Based on the above assurance criteria, we did not identify any inappropriate calculations or errors for the emissions of major emitting facilities. As a result, we express “unmodified” opinion.

April 29, 2026
CEO

GHG Verification Statement

GHG Emissions by Business Sites

NO.	Sites	Location-Based			Market-Based		
		Direct emissions (Scope1)	Indirect emissions (Scope2)	Total	Direct emissions (Scope1)	Indirect emissions (Scope2)	Total
1	LS ELECTRIC Co., Ltd	4,500.548	28,547.001	33,047.549	4,500.548	28,547.001	33,047.549
2	LS ELECTRIC (Dalian) Co., Ltd	111.712	283.210	394.922	111.712	283.210	394.922
3	LS ELECTRIC (Wuxi) Co., Ltd	38.264	537.909	576.173	38.264	500.665	538.929
4	LS ELECTRIC (Lishui) Co., Ltd	38.349	398.261	436.610	38.349	398.261	436.610
5	LS ELECTRIC Shanghai office	14.906	11.726	26.632	14.906	11.726	26.632
6	LS ELECTRIC Vietnam Co., Ltd	42.822	763.664	806.486	42.822	16.939	59.761
7	AC&T System Co., LTD.	38.517	155.580	194.097	38.517	155.580	194.097
8	LS e-Mobility Solutions	85.784	3,160.898	3,246.682	85.784	3,160.898	3,246.682
9	LS e-Mobility Solutions(Wuxi)	10.771	27.865	38.636	10.771	-	10.771
10	LS e-Mobility Solutions(Mexico)	29.333	232.811	262.144	29.333	232.811	262.144
11	LS e-Mobility Solutions(America)	9.759	15.221	24.980	9.759	15.221	24.980
12	LS ITC Co., Ltd.	48.805	206.994	255.799	48.805	206.994	255.799
13	LS MECAPION	69.859	322.036	391.895	69.859	322.036	391.895
14	LS-Sauter Co., Ltd.	41.724	59.032	100.756	41.724	59.032	100.756
15	LS Metal Co., Ltd.	1,945.215	23,624.998	25,570.213	1,945.215	23,624.998	25,570.213
16	LS Metal VINA LLC.	17.806	11,509.227	11,527.033	17.806	11,509.227	11,527.033
17	CX SOLUTION Co., Ltd.	113.593	42.698	156.291	113.593	42.698	156.291
18	LS Power Solution Co., Ltd.	425.322	3,828.032	4,253.354	425.322	3,828.032	4,253.354
19	LS E&M Co., Ltd.	42.039	88.146	130.185	42.039	88.146	130.185
20	LS THIRA-UTECH Co., Ltd.	26.724	123.418	150.142	26.724	123.418	150.142
Total		7,651.852	73,938.727	81,590.579	7,651.852	73,126.893	80,778.745

Independent Assurance Statement

To: The Stakeholders LS ELECTRIC Co., Ltd.

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the “Assurer”) was requested to verify the 2025-2026 LS ELECTRIC Sustainability Report (hereinafter referred to as the “Report”). The Assurer is independent of the LS ELECTRIC and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the LS ELECTRIC report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the LS ELECTRIC and the assurance was carried out under the assumption that presented information and data were complete and accurate. LS ELECTRIC 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 LS ELECTRIC only. The Assurer is responsible for providing LS ELECTRIC management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and providing the information to all stakeholders of LS ELECTRIC. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than LS ELECTRIC in providing the assurance opinion and shall not be liable to any other purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with LS ELECTRIC includes the following:

- Reporting contents during the period from January 1st to December 31st 2025 included in the report, some data included the first quarter of 2026.
- 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.
- In Accordance with the four principles of AA1000 AccountAbility in the report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the report.

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 and business annual report.

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

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 LS ELECTRIC.

[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]

201-2, 205-2~3, 206-1, 302-1~4, 303-3~5, 305-1~5, 305-7, 306-1~5, 308-1-2, 401-1-3, 404-1-3, 403-1~10, 414-1~2, 416-1-2, 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;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staff on organization’s approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the departments responsible.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company’s reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles S
- Visit of the LS ELECTRIC HQ 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 the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

BSI (British Standards Institution) 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 almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with LS ELECTRIC. 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 indepth understanding of the BSI Group’s assurance standard methodology.

Independent Assurance Statement

Opinion Statement

The assurer was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that LS ELECTRIC's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated. 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 environmental 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). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

Inclusivity: Stakeholder Engagement and Opinion

LS ELECTRIC defined employees, local communities, suppliers, customers and shareholders/investors as a Key Stakeholder Groups. In order to collect opinions by each stakeholder group in the context of sustainability, operated the stakeholder engagement process. LS ELECTRIC conducted a review of the stakeholder engagement process at the Steering Committee in order to reflect on the major issues derived through the stakeholder engagement process in sustainability strategy and goals. LS ELECTRIC disclosed the results related to the process in the Report.

Materiality: Identification and reporting of material sustainability topics

LS ELECTRIC implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. In the materiality assessment, LS ELECTRIC conducted the analysis of global sustainability disclosure and evaluation standards and conducted the analysis of impact (environmental/social and financial) to derive the impact and financial materiality. LS ELECTRIC derived 8 material issues through the process, and disclosed GRI topic standards disclosures related to material issues in the Report.

Responsiveness: Responding to material sustainability topics and related impacts

LS ELECTRIC operated a management process for material issues in the context of sustainability derived from the materiality assessment. LS ELECTRIC established mid- to long-term sustainability plans and goals according to the management methodology established to effectively reflect the expectations of key stakeholders. LS ELECTRIC disclosed the process including policy, indicator, activity and response performance on material issues in the Report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

LS ELECTRIC identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. LS ELECTRIC established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material issues at the governance level, disclosed mid- to long-term plans and strategic system in the Report.

Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, the following disclosure related Economic, Social and Environmental were carried out in a assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the report were not found through assurance processes. The reporting organization manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

- GRI Topic standards : 201-2, 205-2-3, 206-1, 302-1-4, 303-3-5, 305-1-5, 305-7, 306-1-5, 308-1-2, 401-1-3, 404-1-3, 403-1-10, 414-1-2, 416-1-2, 418-1

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- LS ELECTRIC has established a sustainability performance indicator management system, including companies subject to domestic and overseas subsidiary. It may be effective to expand the reporting scope, taking into account the business characteristics and sustainability impact of each subsidiary.
- LS ELECTRIC effectively operates sustainability-related procedures and processes, including stakeholder engagement and materiality assessment. Considering the characteristics of its overseas subsidiaries, it may be effective to advance those procedures and processes.

GRI-reporting

LS ELECTRIC provided us with their self declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by LS ELECTRIC. The sector standard was not applied.

Issue Date: 20/05/2026

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

BSI representative



Jungwoo Lee, Lead Assurer, LCSAPSustainability
Sustainability Framework and KPIs related to
Governance and Economy



Yeonwoo Jo, Assurer
Sustainability KPIs related to
Environmental and Social/People



Seonghwan Lim,
Managing Director of BSI Korea



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Date Issued May 2026

Issued by LS ELECTRIC Co., Ltd.

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Finance Team	Phil Kyu Jang
HR Operation Team(Recruiting Part)	Jae Eun Lee
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Corporate Planning Team	Jee Hyun Lee
Intellectual Property Team	Jong Hoon Sung
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