

2025
LS Cable & System
Compliance
Performance
Report

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This report summarizes the key compliance activities undertaken by LS Cable & System over the past year. It shares the various efforts toward establishing compliance management and expanding a culture of voluntary compliance, outlining the direction for embodying the company's role as a 'Fair Corporate Citizen.'



Dear Employees,

As all of you may be aware, global corporations are becoming more and more accountable for their social and ethical responsibility, and this Corporate social responsibility along with commitment to fair trade and competition are becoming foundational elements to ensure corporate survival.

LS Cable & System can only secure market competitiveness and achieve long-term success when all of the employees follow social and ethical responsibilities and fully commit themselves to engage in fair trade and competition.

As an instrument to ensure transparent and fair trade and to internalize compliance culture within the Company, LS Cable & System implemented the 'Compliance Management Program' in 2012.

As part of these activities, we ask our employees to implement the following principles to establish a culture of compliance within our LS Cable & System.

- 1) Compliance with domestic and international fair trade laws, international standards and best practices, etc.
- 2) Actively participate in educational programs to maintain and strengthen the level of awareness of fair trade culture and consultation procedures for related laws and regulations.
- 3) Embrace a culture of compliance and work with compliance responsibilities in your field of work.

All employees, please comply with LS Compliance Management Code of Conduct and Commitment to Stakeholders, company regulations, and related laws to secure customer trust and sustainable growth of LS Cable & System.

Yours sincerely.



Organizational Structure

CEO

Chief Compliance Officer oversees the Compliance Program (hereinafter referred to as CP).

Chief Compliance Officer

The Compliance Office conducts various company-wide CP activities such as compliance training and risk assessments, supporting the Chief Compliance Officer

Compliance Office

in the promotion, establishment and reinforcement of an effective compliance culture throughout the company.

Chief Compliance Officer

Chief Compliance Officer establishes a compliance management system focused on proactive prevention, playing a central role in ingraining a culture of voluntary compliance throughout the organization. Key responsibilities include:

- 1) Enhancing the culture of compliance management through education and campaigns.
- 2) Conducting company-wide fair trade risk assessments and evaluations.

Compliance Office

The Compliance Office implements the policy decisions of the Chief Compliance Officer, and functions as a core unit for ensuring stable compliance management within the company. It identifies and addresses risks or improvement areas arising during CP operation, and leads key initiatives - such as system operation and communication - to embed compliance management as a sustainable practice.



LS C&S Compliance Code of Conduct & Commitment

'LS Compliance Code of Conduct' provides the fundamental framework for compliance management, while the 'LS Compliance Commitment' conveys specific implementation measures.

The key elements of the LS Compliance Code of Conduct are as follows:

- 1) Employees' compliance management responsibilities and duties
- 2) Fair competition
- 3) Collaborative growth with partners
- 4) The company's compliance management responsibilities and duties

The LS Compliance Commitment sets forth detailed guidelines for implementing the above principles. It establishes standards to prevent unfair practices - such as bid collusion and improper information exchange - to ensure fair competition, and prohibits unfair trade activities in dealing with partners to uphold the value of mutual growth.

Employee Pledge Activities

LS Cable & System operates an employee pledge program to ensure all employees recognize and uphold their responsibilities as stakeholders in compliance management.

Each year, employees pledge to adhere to the Compliance Management Code of Conduct & Commitment. Reinforcing their awareness of compliance obligations and fostering a company-wide culture of voluntary compliance.



Educational Objectives

LS C&S approaches compliance education not merely as a means of knowledge transfer but as a process for employees to internalize a culture of compliance management. Compliance education targets actionable behavioral changes and the establishment of organizational culture, guided by its core principles: tailored programs reflecting job characteristics and a continuous feedback and improvement framework.

2025 Progress Report

In 2025, LS C&S delivered a wide range of compliance education programs, including regular, specialized, team-based, company-wide, and domestic and overseas affiliate training. Diverse learning formats - such as cohort training, live seminars, and LS-Tube content- were utilized to strengthen employees' compliance awareness.

Category	Description
Regular Training	Shares core compliance principles and company standards to establish uniform compliance awareness. - New employees, expatriates returning, executive training, etc.
Specialized Training	Provides specialized training tailored to job-specific risks, enhancing understanding with practical examples. - R&D, sales, procurement, online training (sales, procurement, construction), etc.
Company-wide Training	Expands compliance awareness through diverse channels for all employees. - Live seminars, company-wide Vision E-eum, etc.
Affiliate Training	Promotes unified compliance culture, aligned with HQ standards. - Domestic affiliates, international affiliates.



Purchasing and Logistics Training

LS C&S provides annual compliance training for purchasing and logistics personnel, who play a key role in partner engagement. In 2025, the program focused on subcontracting, collaborative growth with partners, and fair trade regulations, incorporating practical case studies to strengthen fair trading practices and compliance management.

Post-training surveys and assessments were conducted to evaluate understanding and effectiveness, and the results were used to improve future programs.

These initiatives have enhanced employees' legal knowledge and fair trade awareness, reinforcing responsible purchasing practices as fair and trusted corporate citizens.

Company-wide Live Seminars

LS C&S launched company-wide live seminars to strengthen compliance awareness and further embed CP culture. The seminars are streamed online, enabling real-time participation from all employees.

The second seminar, held in April, covered newly established guidelines such as the Principles for Protecting Trade Secrets and the Principles for Collaborating with Partners, enhancing employees' understanding of their practical workplace applications and fostering a stronger compliance culture. Supported by broad participation, the live seminars serve as an effective communication channel, allowing timely dissemination of CP information without time or location constraints.



Effectiveness Assessment

LS C&S evaluates the effectiveness of its training programs by reviewing participation levels and comprehension results after each session.

[Effectiveness Criteria]

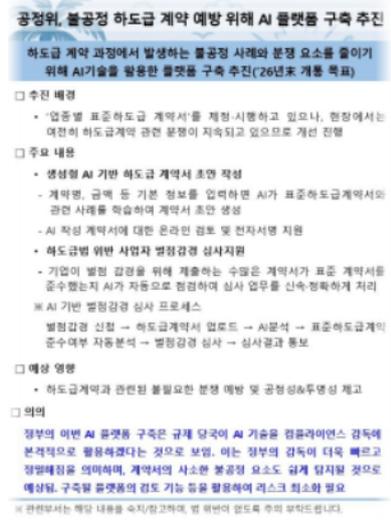
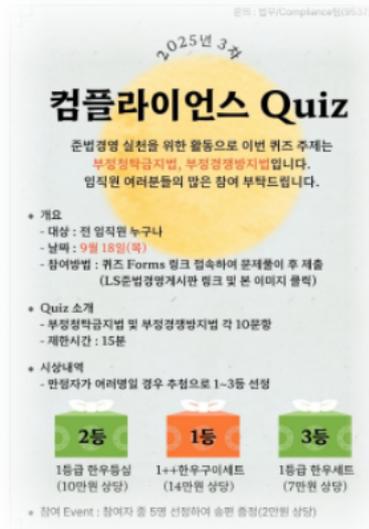
- 1) Attendance: Completion is recognized when the attendance rate exceeds 70%.
- 2) Comprehension: Completion is acknowledged when the average score on post-training tests exceeds 70.

Post-training surveys also collect feedback on training relevance, lecture satisfaction, preferred future training formats, and improvement needs, and the results are incorporated into subsequent program enhancements.

2025 Key Employee VOC and Feedback Implementation Cases

Feedback from the 2025 compliance training identified “diversification of training methods” and “improved access to educational materials” as key areas for enhancement.

- 1) Diversification of Training Methods: Training shifted from theory-based lectures to case-based and video-driven formats, with more than 15% of content delivered through cases and video materials. This approach increased employee comprehension and engagement.
- 2) Access to Educational Materials: To strengthen the continuity and effectiveness of compliance learning, post-training resources were made available on the internal platform LS-Tube, enabling employees to review materials at their own pace.



Employee Engagement Initiatives

Starting in 2025, LS C&S introduced the “Employee Participation Event,” enabling employees to engage in compliance management in a more accessible and enjoyable manner. Moving beyond one-way information delivery, the program incorporates voluntary participation and interactive elements to help embed a compliance-driven culture within the organization.

The “Compliance Quiz Event,” held over four sessions, focused on strengthening understanding of key regulations such as subcontracting and fair trade laws. Participants were entered into a prize draw, and top performers (1st to 3rd place) received additional awards. The program encouraged employees to naturally develop interest in legal concepts, and post-event inquiries regarding legal interpretation and application increased—demonstrating a positive and voluntary expansion of the compliance culture across the company.

Enhancing Internal Communication

LS C&S operates a “Compliance Management Board” on its intranet homepage (WeLS) to ensure employees remain informed of the latest laws, regulations, and systems. Published bi-monthly, the board provides key compliance updates, including legislative changes, major rulings, and fair trade trends. The company is committed to consistently sharing compliance information to strengthen adherence and reinforce a culture of compliance. LS C&S will continue to actively manage the board to encourage autonomous learning and facilitate information sharing across the organization.

'25년 1차 CP Risk Self Check 실시 및 협조요청 안내

'25년 1차 Compliance(CP) Risk Self Check를 아래와 같이 진행하고자 하오니 적극적인 참여 부탁드립니다.
본 진단은 MS Forms 응답 방식(익명성 보장)으로 진행 될 예정입니다

--- 아래 ---

- 진단 목적: 당사 컴플라이언스 현황 및 법적 Risk 진단
- 진단 대상: 전사 일반직
- 진단 기간: 3월 24일(월) ~ 4/2일(수), 총 10일간
- 진단 방법: MS Forms에서 응답 진행(개별 메일 발송(3/24)과 링크 첨부)
- 진단 항목(총 45문항, 약 10분 소요)

공정 거래법	불공정 거래행위	부당한 공동행위	부당 지원	시장지배적 지위 남용
	기업결합	상호출자 등	공시	보복행위

Compliance Risk Self Check(RSC)

LS C&S operates the “Compliance Risk Self Check (RSC)” system, which enables employees to proactively identify and prevent fair trade–related risks within their tasks. The self-assessment program allows employees to review their work against key laws—including the Fair Trade Act, Subcontracting Act, Anti-Corruption Act, and Unfair Competition Prevention Act—helping them recognize potential risk factors and establish improvement measures to minimize legal violations.

Conducted annually, the program provides approximately one week for online participation and includes diagnostics aligned with major laws. The Compliance Office consolidates individual results to generate company-wide statistics and risk analyses. These insights form core data for customized training and targeted improvement initiatives, contributing significantly to risk prevention and strengthening compliance throughout the organization.

2025 Progress

In 2025, LS C&S conducted two rounds of the Compliance Risk Self Check (RSC). The first RSC, carried out in March, focused on the Fair Trade Act and assessed key risk areas such as abuse of market dominance, collusion, and disclosure obligations. The second RSC, conducted in August, centered on the Subcontracting Act, Anti-Corruption Act, and Unfair Competition Prevention Act, guiding employees through targeted self-diagnosis. These assessments strengthened employees’ understanding of relevant legal requirements, increased their awareness of potential risks, and helped identify areas requiring improvement.



Routine Compliance Review

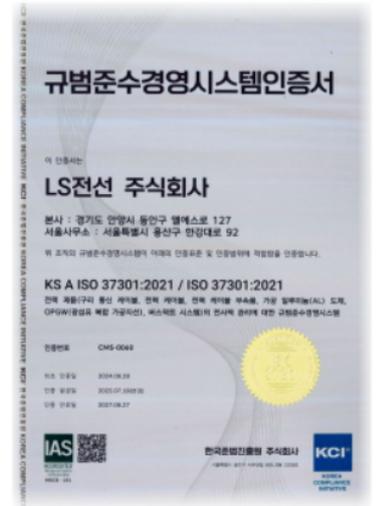
Since 2025, LS C&S has implemented the Routine Compliance Review to systematically assess compliance levels across the organization and proactively identify department-specific risks. Designed with a preventive focus, the program promotes tailored improvement strategies rather than relying solely on traditional audit methods.

The review covers all departments on a planned three-year cycle. It begins by identifying relevant regulations and distributing surveys to evaluate current compliance status and potential risk areas. This is followed by in-depth interviews, enabling substantive discussions between department heads and the Compliance Office on real-world risk scenarios and opportunities for enhancement.

Findings from the interviews and reviews are promptly analyzed. Issues that can be resolved immediately are addressed by the Compliance Office, while matters requiring broader collaboration or systemic improvement are coordinated with the appropriate departments.

2025 Progress

2025 marked the first year of the Routine Compliance Review system, with audits conducted across key organizational sectors. The reviews focused on major technical and operational departments—including Quality, Production & Development, Construction, and Engineering—examining the applicability of fair trade regulations and the effectiveness of department-specific risk management systems. To reinforce compliance practices, tailored guidelines and training were provided to address identified improvement areas.



ISO 37301 Certification

LS Cable & System obtained ISO 37301 (Compliance Management System) certification in August 2024, covering key management areas such as fair trade, anti-corruption, HR and labor, safety and environment, and security.

ISO 37301 is an international standard for the effective management and operation of compliance programs, requiring systematic processes spanning policy development, implementation, monitoring, and continuous improvement. The company is upgrading its internal controls to align with international compliance standards.

CMS Operation

The Compliance Office oversees risks across the organization, supports departments in setting compliance objectives, monitors implementation, and drives improvement initiatives.

Annual internal audits and management reviews are conducted to evaluate the adequacy and effectiveness of operational procedures, with corrective actions taken promptly when required. In 2025, LS Cable & System successfully completed its first ISO 37301 surveillance audit, formally confirming the adequacy and effectiveness of its Compliance Management System (CMS).

2026 Operational Plan

Building on the compliance foundation established in 2025, LS C&S will focus in 2026 on strengthening institutional systems and further embedding a participatory compliance culture among employees.

- 1) Education and Training: Training will be tailored to address inquiries raised by departments, providing practical learning that employees can readily apply to their daily responsibilities.
- 2) Compliance Risk Self Check (RSC): Diagnostic items will be distributed as internal guidelines for teams, serving as compliance references to enhance the effectiveness of the RSC and further raise employee compliance awareness.
- 3) Routine Compliance Review: Interview questions will be refined to more accurately identify and address department-specific risks.
- 4) ISO 37301 Operation: Based on findings from the initial follow-up audit, LS C&S will enhance its CMS to ensure the suitability of system operations ahead of the second follow-up audit in 2026.

LS Cable & System will continue to support initiatives that empower employees to autonomously practice compliance management, positioning compliance as a core competitive strength. The company strives to grow as a trusted compliance leader among stakeholders, embodying the principles of a "Fair Corporate Citizen".



LS C&S regards compliance management as a core component of its corporate social responsibility and is committed to transparent and trustworthy management through a compliance system aligned with international standards.

The company will continue to promote initiatives that empower all employees to voluntarily practice compliance and will work to be recognized as a trusted leader in compliance.

Going forward, we will uphold our mission as a “fair corporate citizen” and advance as a global company that creates sustainable future value through robust compliance management.

