

LEADING A SUSTAINABLE FUTURE WITH 'GREEN' CABLE SOLUTIONS

2022 - 2023 Sustainability report + Annual report



ABOUT THIS REPORT

Interactive PDF user guide

This report is in an interactive PDF format with hypertext and hyperlinks directing users to the table of contents, previous and next pages, and relevant websites.

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The 2023 Sustainability Report discloses key achievements from our efforts on behalf of the environment, society, and governance. To this end, materiality assessment has been conducted in line with global guidelines, leading cable solutions companies at home and abroad have been benchmarked, and the opinions of internal and external stakeholders have been reflected. We have been issuing an annual sustainability report since 2010. This is the thirteenth report, and it follows the previous iteration published in June 2022.

Reporting guidelines

This report has been prepared in accordance with the GRI Universal Standards 2021. No material changes have been made from the previous year in reporting boundaries, scope, or measurements. For any changes in a data collection method, adjustment has been made using the 2022 method and details are specified in the report.

Reporting period

From January 1 to December 31, 2022
(The 2023 performance up to the first quarter is included.)

Reporting scope

The head office in Anyang, Central Research Lab, and plants in Gumi, Indong, and Donghae
(This report includes specific activities and performance data from our overseas subsidiaries.)

Reliability of this report

For the accuracy, objectivity, and reliability of this report, a review was conducted by the independent verification agency KMR. In addition, financial data in the report has been audited by an independent auditor. For the review results, please refer to pages 82 and 83.

Reporting cycle

Annually (publication date of the latest report: June 2022)

Web-based information on business status

We have been transparently disclosing our business status on the LS C&S website on an annual basis. For additional information related to this report, please refer to our website, business and audit reports, and the Repository of Korean Corporate Filings (DART).

Contact

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- ➔ [LS C&S website](#)
- ➔ [LS C&S YouTube channel](#)
- ➔ [LS C&S LinkedIn](#)
- ➔ [2022 LS C&S Business Report](#)
- ➔ [2022 LS C&S Audit Report \(consolidated\)](#)

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LIGHTING UP THE WORLD



Cables connect people and bring the world closer together,
create green energy for a sustainable future,
and light up the world.

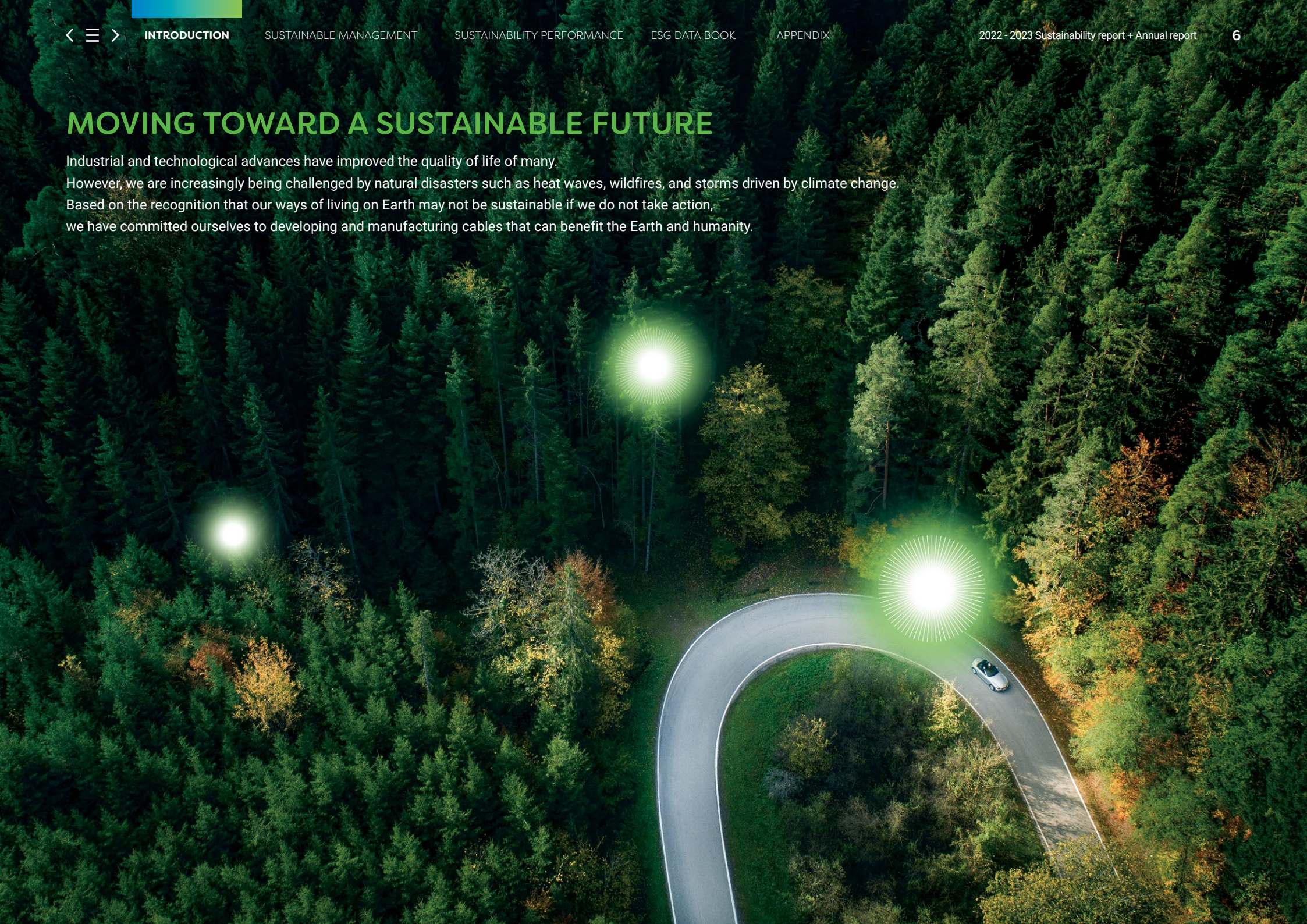
CONNECTING OUR LIVES TO THE WORLD

The mission of LS C&S is connecting the world through cable solutions that allow people to access energy and information without any constraints from location or time. We will continue our efforts at innovating solutions that connect people, bring us all closer together, and light up the world.



MOVING TOWARD A SUSTAINABLE FUTURE

Industrial and technological advances have improved the quality of life of many. However, we are increasingly being challenged by natural disasters such as heat waves, wildfires, and storms driven by climate change. Based on the recognition that our ways of living on Earth may not be sustainable if we do not take action, we have committed ourselves to developing and manufacturing cables that can benefit the Earth and humanity.



CREATING HIGHER VALUE BEYOND CABLES

LS C&S will strive to meet the primary goal of our business activities, which is creating economic value. At the same time, we will consider the needs of a sustainable future for all society and work together with our stakeholders to pursue social value while utilizing the technologies and assets we have accumulated over the last six decades.



CEO's Message



Distinguished stakeholders, My name is Koo Bon-Kyu, and I am the CEO of LS C&S.

First of all, I would like to express my sincere gratitude for your unwavering trust and support despite the challenging business environment created by the lingering effects of this lasting pandemic and uncertainties in the global landscape.

LS C&S is emerging as a global leader through its continued growth and competitive cable solutions. We won a two-trillion KRW project in April 2023 to connect North Sea offshore wind farms to Germany and the Netherlands using HVDC cables. In addition, we completed the construction of Submarine Plant 4, the largest HVDC cable production facility in Asia, and a 172-meter-tall VCV (vertical continuous vulcanizing) tower. They leave us fully prepared to win market leadership.

Only a select number of companies possess HVDC cable technology for bringing renewable energy from offshore wind farms to land. This technology is key for the global effort at climate change response.

As the world is currently undergoing a significant transition to green energy, we will dedicate ourselves to delivering cable solutions that prioritize carbon neutrality and contribute to a sustainable future for all humanity.

To this end, we have set the mid- and long-term goals of promoting horizontal communication within our organization and establishing an unbiased performance management system that allows our employees to unleash their full potential in their work. Moreover, digital working environments have been created that enable them to work without restrictions on geography or time. We are fully supporting our employees in promoting sustainability and social value.

This year's report features the ESG Data Book to share with our stakeholders the progress and results of our sustainability efforts and implementation of ESG management practices. It includes environmental data regarding our CDP (Carbon Disclosure Project), LCA (Life Cycle Assessment), and EPR (Extended Producer Responsibility) programs while transparently disclosing both our achievements and areas for improvement in fields including human rights, safety, anti-corruption, and social contribution.

Bearing in mind that achieving sustainability in terms of the environment and society lead to a path for us to secure competitiveness and growth, all of our employees will unite and progress together towards a brighter future.

We look forward to your ongoing support throughout this journey.

Thank you.

May 2023

Koo Bon-Kyu, the CEO of LS C&S

About LS C&S

Company Overview

Since its foundation in 1962, LS C&S has developed, produced and provided cable solutions, contributing to industrial development by establishing power grids and communications networks at home and abroad. We have been developing state-of-the-art products, including submarine and superconducting cables, to lead a global market while pursuing sustainable growth. Going forward, we will continue our efforts at becoming a global cable solution leader through customer-oriented and green businesses that meet customer requirements.

Company name	LS Cable & System
Head office	13th-17th Fl. LS Tower, 127 LS-ro, Dongan-gu, Anyang-si, Gyeonggi-do, South Korea
Domestic worksites	Seoul office, plants in Gumi, Indong and Donghae, and Central Research Lab
CEO	Koo Bon-Kyu
Date of establishment	May 1962
Primary products	Power/Communications/Industrial cables and materials
Subsidiaries	15 domestic and 21 overseas subsidiaries
Website	www.lscns.co.kr



Company information



Capital
1.6441 trillion KRW
(consolidated)



Sales
6.6215 trillion KRW
(consolidated)



Employees
2,122



Subsidiaries subject to consolidation
39



Corporate tax expenses
22.7 billion KRW
(consolidated)



Overseas presence
20 countries



Suppliers
462
(providing products and raw materials)

Vision and Management Philosophy

Vision 2030

In 2020, LS C&S declared its Vision 2030: The World's Best Cable Solution Leader. We have been setting strategic directions based on this vision to further promote our global business, reimagine our business model through innovation, motivate our employees based on autonomous management, and establish an advanced system for business operations. We will concentrate our efforts on successfully implementing these strategies and realize the vision so that all of our stakeholders can benefit from the new value created by our cable solutions.



Management philosophy

LSpartnership

LSpartnership® is LS Group's management philosophy of Greater Value Together. LSpairtnership means employees achieve superior performance through mutual respect, care, and trust. They cooperate based on open-mindedness and grow together with our stakeholders. LSpairtnership was created with the participation of all members of LS Group and provides the philosophy upon which employees should act. It serves as a driving force that will bring about a new future.



Global Network

Overseas business sites

We have increased production efficiency, opened strategic businesses, and signed global partnerships at our overseas worksites to enhance the value of our core businesses in line with changing markets and customer needs. As of the end of December 2022, we operate 28 manufacturing subsidiaries, 14 sales subsidiaries/offices, and four R&D centers.

- Manufacturing subsidiary
- Sales subsidiary
- Sales branch office
- R&D center



Poland ● LSEVP, LSCP



Vietnam ● LS-VINA



Indonesia ● LSCV



Indonesia ● LSAGI



USA ● LSCUS



Overseas presence
20 countries



Manufacturing subsidiaries
28



Sales subsidiaries/offices
14

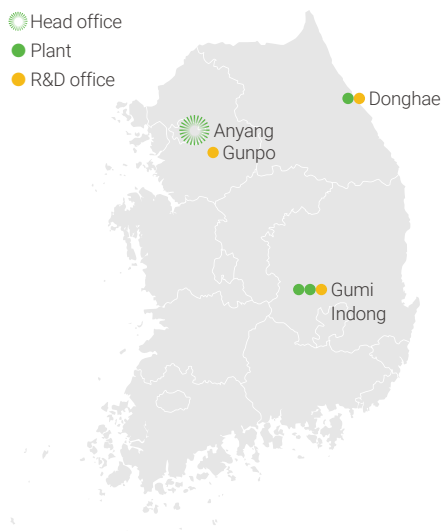


R&D centers
4

Global Network

Domestics business sites

Headquartered in Anyang, LS C&S operates large-scale production facilities at our Gumi, Indong, and Donghae worksites located within major industrial complexes in South Korea. We will continue our efforts at maximizing stakeholder interests through the expansion of production facilities and R&D infrastructure.



Domestic subsidiaries

Gaon Cable
G&P
LS Buildwin

LS EV Korea
LS Materials

LS Alsco
LS EVC
Sejong Cable

Mobo
EZ Cable
DKC

LS Cable & System Asia
G&P Wood
GMT

GL Marine
kt submarine



Head office

127 LS-ro, Dongan-gu, Anyang-si, Gyeonggi-do, South Korea



Gumi Plant

228, Suchul-daero, Gumi-si, Gyeongsangbuk-do, South Korea

Primary products

HV/EHV cables and connection materials, MV/LV cables, overhead transmission line, busduct, SCR, and magnet wire



Indong Plant

238, 3gongdan 2-ro, Gumi-si, Gyeongsangbuk-do, South Korea

Primary products

Optical fiber, optical industrial cable assemblies, automotive cables, tubes



Donghae Plant

215, Daedong-ro, Donghae-si, Gangwon-do, South Korea

Primary products

Submarine cables, and industrial specialty cables



Central Research Lab

27, Gongdan-ro 140beon-gil, Gunpo-si, Gyeonggi-do, South Korea

Research areas

Polymer and metal material processing technology, CAE, AC/CD cable system installation and engineering, and modular products



LS EV Korea

27, Gongdan-ro 140beon-gil, Gunpo-si, Gyeonggi-do, Gunpo-si, Gyeonggi-do, South Korea

Primary products

Motor vehicle electrical equipment, energy storage systems, and connectors



LS Materials

39, LS-ro 116-gil, Dongan-gu, Anyang-si, Gyeonggi-do, South Korea

Primary products

Capacitors

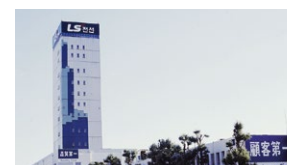


LS Alsco

257, 3gongdan 3-ro, Gumi-si, Gyeongsangbuk-do, South Korea

Primary products

Aluminum rods/billets
Aluminum landscape materials



LS EVC

228, Suchul-daero, Gumi-si, Gyeongsangbuk-do, South Korea (located within the Gumi Plant)

Primary products

Magnet wire



G&P

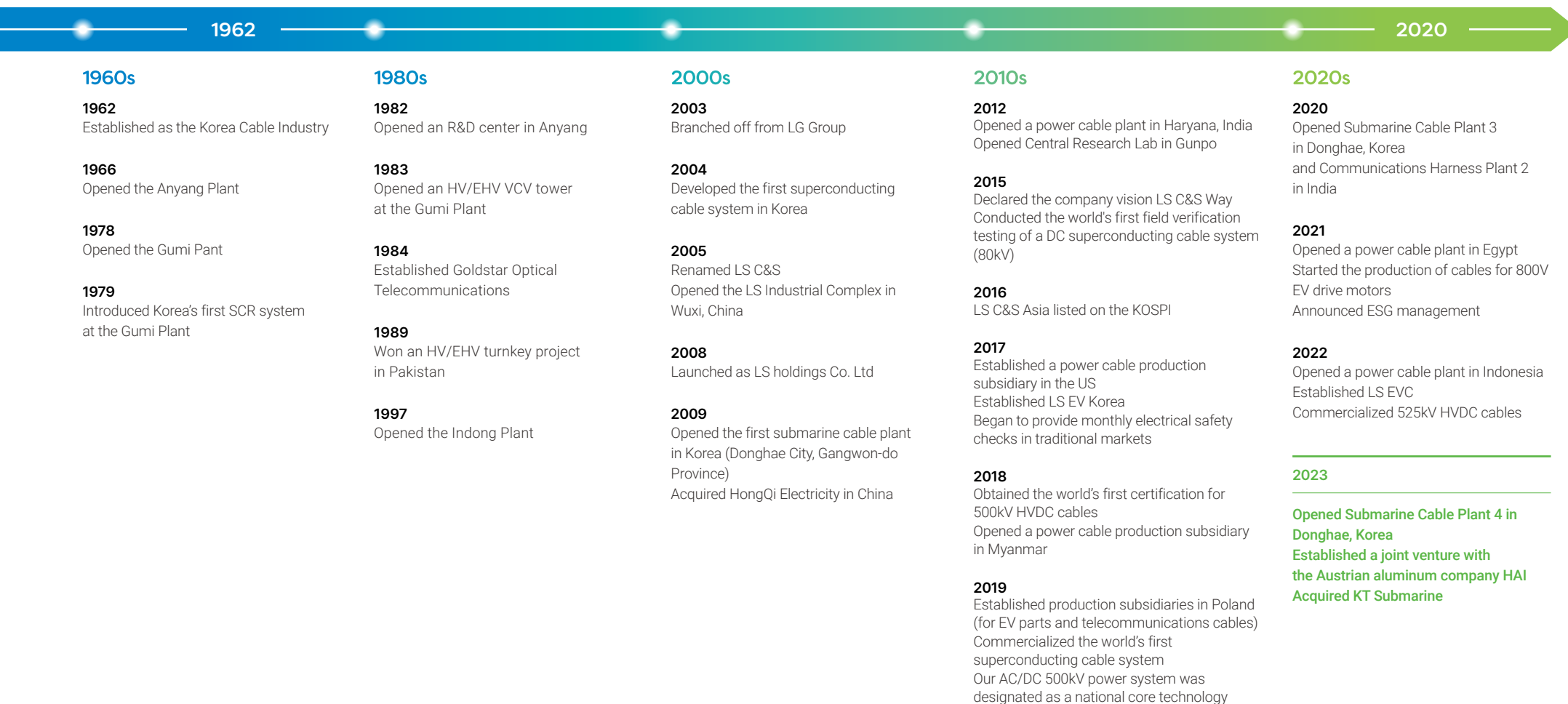
448, Gugwon-daero, Chungju-si, Chungcheongbuk-do, South Korea
34, Chungjusandan 2-ro, Chungju-si, Chungcheongbuk-do, South Korea

Primary products

Automotive cables, Low-voltage cable compound, and photovoltaic wire

History

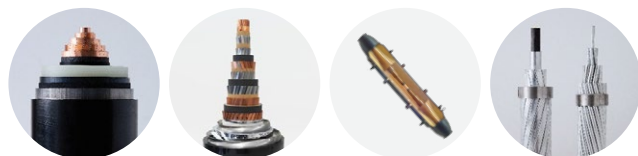
LS C&S has grown together with the nation's economic and industrial development by constantly challenging itself to innovate and by building on its successes. We will continue to promote sustainable cable solutions and fulfil corporate social responsibility in order to take a leap towards a brighter future and enable a cabled world.



Our Businesses and Products

Our products are developed based on our technological prowess and are widely recognized in the global market. They range from energy cables allowing the convenient use of electricity in everyday life, to industrial cables bringing value to companies, communications cables used for IT infrastructure providing fast and stable data transmission, and materials serving as the basis for a range of industries.

Underground and overhead cables and systems



Underground cables

- HV/EHV underground cables (XLPE, OF and superconducting cables)
- Power IT solutions (partial discharge diagnosis systems; and power transmission operating systems)

Overhead cables

- High-capacity conductors, OPGW, catenary, and messenger wire

Premium products

Underground cables

- 23kV AC superconducting cables
- HVDC terrestrial cables

Submarine cables and systems



HVDC

- Offshore wind farms: Export and inter-array cables

HVAC

- Cross-boarder connectivity: Interconnection cables

Premium products

- HVAC inter-array cables
- HVDC/HVAC export cables
- HVDC interconnection cables (525kV VSC-type; and terrestrial/submarine)

Power distribution cables and busducts



Power distribution cables

- MV/LV cables
- Control and instrument cables
- Insulation cables

Busducts

- For data centers
- For large-sized buildings and plants
- For temperature monitoring systems

Premium products

Power distribution cables

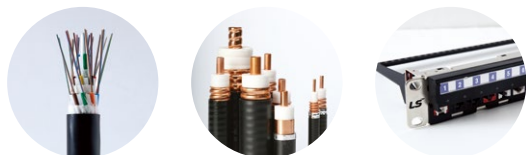
- LSCC (Low Sag Composite core Conductor)
- Flame-retardant and water-resistant (highly fire-resistant) cables
- PP (polypropylene) cables

Busducts

- Busway (Data-way) for data center servers

Our Businesses and Products

Communications cable solutions



- Optical fiber
- Optical cables (overhead, terrestrial, indoor, and vessel/marine)
- UTP, FTP and STP cables
- Wireless coaxial cables
- Connection materials and accessories

Premium products

- Rollable ribbon optical cables
- PP tube and PFM jelly cables
- Micro-unit optical cables

Industrial cables and harnesses



- Specialty cables for factory automation, robotics, solar power, railways, and the defense industry
- Cables used for internal wiring and heated seats in cars
- High-voltage cables for EVs
- Cables used for vessels, mines, wind farms and offshore installations

Premium products

- Anti-hacking optical cable
- e-Flatek
- AMP cables
- MV cables for wind turbine towers
- Underwater photovoltaic cables (DC 1.5kV)
- High-speed/high-capacity Ethernet cables for automobiles
- High-voltage aluminum cables for EVs and HEVs

Industrial materials



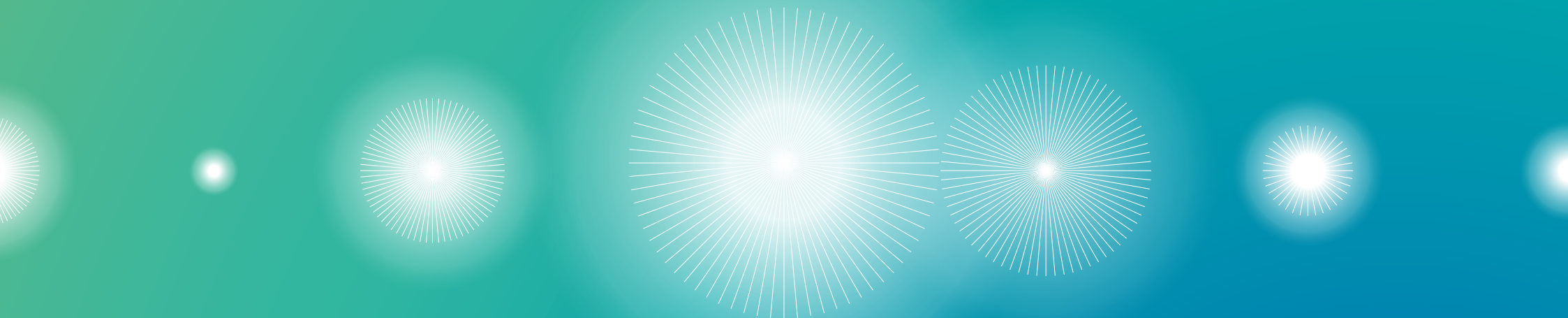
- Copper rods (SCR)
- Oxygen-free copper (OFC)
- Copper alloy (Cu-Sn, Cu-Ag, Cu-Mg)

Premium products

- 800V flat wire

SUSTAINABLE MANAGEMENT

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- 20 Stakeholder Engagement
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Sustainable Management System – ESG

ESG implementation strategy

As part of the efforts at becoming an ESG leader, in June 2021, we formulated strategy to implement sustainable management and announced our ESG vision: Leading a Sustainable Future with Green Cable Solutions. An integrated approach was taken to conduct activities encompassing various aspects of the environment, society and governance. To achieve our strategic goals, we identified tasks, developed a mid- to long-term roadmap, and aligned them with key performance indicators (KPIs) for each business group. This strategy will help us have a positive impact on society and the environment while strengthening our competitiveness in the business field.

ESG management strategy system at LS C&S

Our business management mission and vision

Mission
Enable the Cabled World

Vision
The World Best Cable Solution Leader

ESG Vision

Leading a sustainable future with 'Green' cable solutions

ESG strategy (value-driven objectives for each issue area)

Responding to climate change through innovative green infrastructure solutions

Embedding sustainability as a core competency

Promoting energy efficiency

Creating a virtuous resource cycle

Making safety the top priority at our worksites

Implementing ESG-friendly practices at our worksites

Enhancing our external ESG influence

Implementing ESG management in an unbiased and transparent manner

Strengthening supply chain responsibility

Establishing an ESG management system

ESG strategic goals

Our core values



Customer First



One LS C&S



Rule & Responsibility



Expertise

Basis for ESG management

We are always striving for ways to enhance corporate value from an ESG perspective. In particular, short- and mid-to-long-term ESG strategies are being systematically implemented under the ESG leadership of our top management to help create sustainable value.

ESG governance

We have been operating the ESG Management Committee under the CEO for its enterprise-wide implementation in an efficient and transparent manner. In 2023, the committee reviewed and reported four ESG agenda items, including the measures to achieve carbon neutrality by 2050. A working-level group has been established to provide support for committee activities, enabling all business groups to participate organizationally in the tasks identified in alignment with our ESG vision.

Process

- Identifying improvement tasks by diagnosing the company's ESG efforts and conducting environmental analysis.
- Developing a company-wide roadmap for ESG improvement tasks
- Checking the progress of task implementation through an ESG consultative body

Organization

- Enhancing the operational efficiency of a dedicated ESG team
- Operating the ESG Management Committee under the CEO
- Defining and managing KPIs by business group

Communication

- Enhancing the operation of ESG information disclosing channels, including sustainability reports and the company website
- Becoming a part of LS Group's sustainable management consultative body
- Participating in the activities of environment-related associations

Governance for ESG risk management

A variety of committees are being operated to strengthen the system for supporting ESG and sustainable management at the company level.



ESG Management Committee

Discussing ESG implementation tasks, making decisions, and monitoring related policies



Critical Accident Prevention Committee

Discussing policies and strategies related to the Serious Accidents Punishment Act and reviewing and implementing programs on safety culture



Industrial Health and Safety Committee

Reviewing and making decisions on key employee health and safety issues by representatives of labor and management



Information Security Committee

Discussing the corporate policy direction on information security and making decisions



Fair Business Transactions Review Committee

Reviewing business transactions to promote fairness and transparency



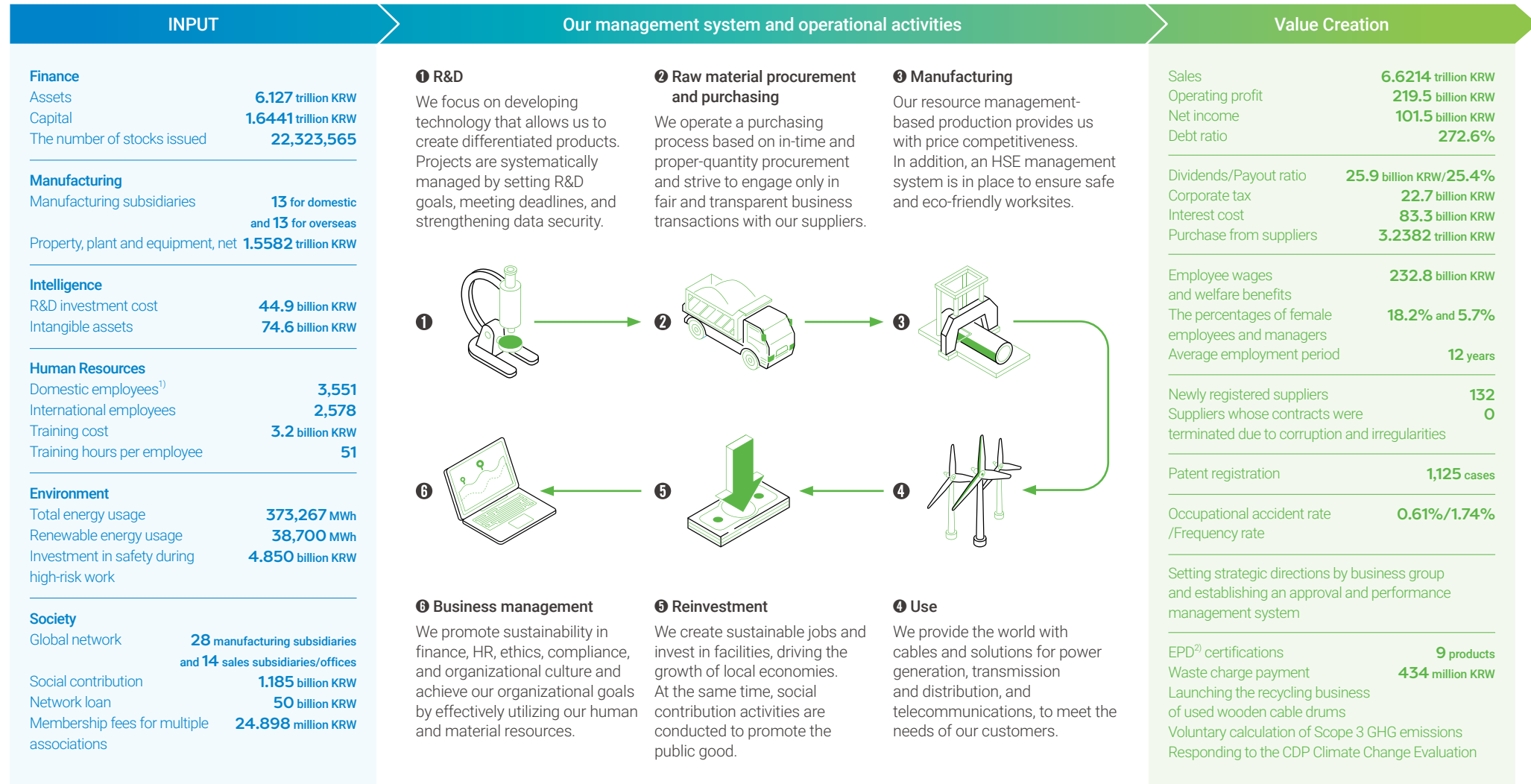
HR Development Committee

Discussing key organizational and HR management issues and making decisions

ESG operation management at LS C&S



Creating Shared Value (2022)










1) LS C&S (2,122) + Domestic subsidiaries (1,429)

2) Environmental Product Declaration

Stakeholder Engagement

We have defined our stakeholders as seven main groups: customers, employees, government, shareholders and investors, local communities, suppliers, and the press. Based on this categorization, a range of communication channels are being operated to meet the specific needs of each group. Ideas and opinions communicated through these channels are reflected in our ESG management activities. Our key activities and performance are disclosed in the sustainability report.

Stakeholders	Matters of interest	Communication channels	Key activities at LS C&S
 Customers	<ul style="list-style-type: none"> • Product quality • Customer satisfaction • Strengthening technological competitiveness 	<ul style="list-style-type: none"> • Customer satisfaction survey • Participation in international exhibitions such as CIGRE and BIXPO 	<ul style="list-style-type: none"> • Identifying improvement points through periodic customer satisfaction surveys • Conducting R&D to enhance product quality and technological competitiveness
 Employees	<ul style="list-style-type: none"> • Protecting the rights of employees • Fostering talent and capacity building • Work-life balance 	<ul style="list-style-type: none"> • Labor union and labor-management meetings • In-house broadcasting (Newspresso) and a newsletter (OpenMind) • An online bulletin board for open communication (an anonymous forum for employees) 	<ul style="list-style-type: none"> • Developing and providing capacity-building programs for each job category • Establishing a transparent and unbiased performance evaluation system
 Government	<ul style="list-style-type: none"> • Anti-corruption and compliance • Creating economic value • Disclosing tax payments and corporate information in a transparent manner • Cooperation between private and public sectors 	<ul style="list-style-type: none"> • Operating a fair transaction reporting center • Participating in national projects • Joining association memberships 	<ul style="list-style-type: none"> • Transparent financial disclosure and tax payment • All employees signing a pledge for compliance with laws and regulations; and on-/off-line compliance training • Developing projects through public-private cooperation; and signing MOUs
 Shareholders and investors	<ul style="list-style-type: none"> • Financial performance • Economic performance and stock prices • Sound governance 	<ul style="list-style-type: none"> • Shareholders' and BOD meetings • Disclosure of information and Investor Relations (IR) • Company website 	<ul style="list-style-type: none"> • Capacity building, including diversifying business areas • Examining and implementing measure to secure stable profit • Diversifying channels for information disclosure
 Local communities	<ul style="list-style-type: none"> • Social contribution activities • Stimulating the economies of local communities • Minimizing the negative impact on areas where our plants are located 	<ul style="list-style-type: none"> • Employee volunteer groups (Chamsarang Society and Jeongnangum Society) • Meetings held at installation and construction sites to address civil complaints • Protecting the environment of areas neighboring our worksites 	<ul style="list-style-type: none"> • Social contribution and sharing activities carried out by employees • Business-related contribution activities (including conducting electrical safety checks in traditional markets and participating in ocean clean-up activities) • Compliance with laws and regulations pertaining to air and water pollutants and harmful materials
 Suppliers	<ul style="list-style-type: none"> • Win-Win growth • Fair and unbiased transactions and treatment • Addressing the difficulties faced by our suppliers 	<ul style="list-style-type: none"> • Periodic supplier evaluation • Supplier CEO Forum • Procurement portal site (e-procurement) 	<ul style="list-style-type: none"> • Implementing and complying with regulations on fair transactions • Providing financial and technological support for win-win growth • Conducting a pilot project to evaluate ESG performance among key suppliers
 The press	<ul style="list-style-type: none"> • Disclosing information transparently and promptly • Business performance and management results 	<ul style="list-style-type: none"> • Press reports • Company website and social media (Newsroom and YouTube) 	<ul style="list-style-type: none"> • Supporting the press in their news coverage activities • Developing and disseminating content

Selecting Reporting Themes

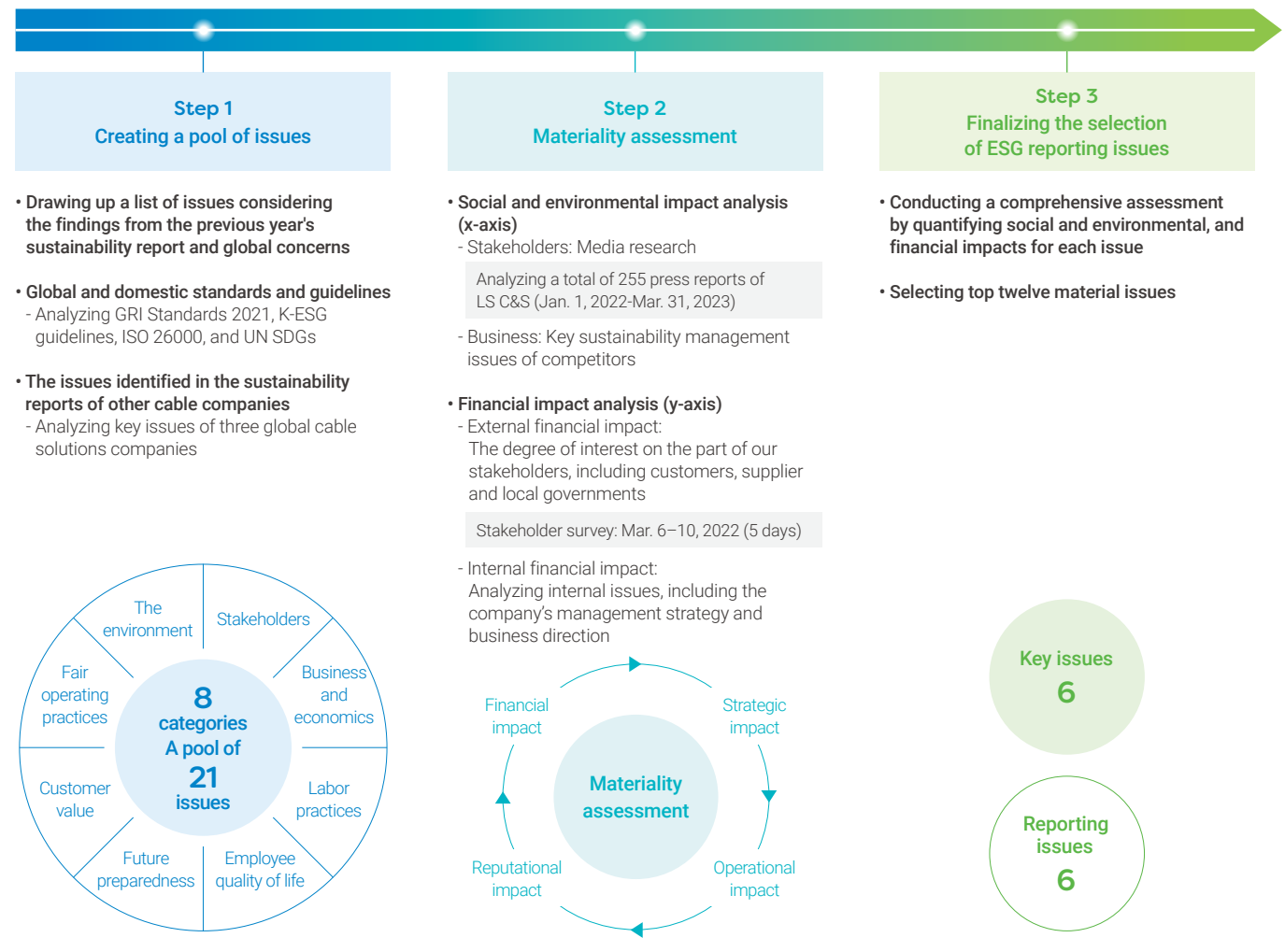
Concept of double materiality

The concept of double materiality is promoted through CSRD,¹⁾ the revised NFRD (Non-Financial Reporting Directive) published by the European Commission. The practice takes a comprehensive approach by considering both the social and environmental impacts that companies may have, as well as the financial implications that external environments can have on companies.



Materiality assessment is the process of identifying and evaluating ESG issues that may impact a business or stakeholders. The results of this assessment are reflected in the company's strategies, goals, and reporting. We identify key issues by considering stakeholder interests and business value. Based on these identified issues, we select reporting themes and provide updates on management status and performance related to the relevant issues.

Assessment process



1) Corporate Sustainability Reporting Directive

Material assessment result

Twelve material issues have been selected from a pool of issues by quantifying the degree of interest on the part of our stakeholders and the potential business impact.

2022 material issues

Type	Area	ESG issues	Those affected	Degree of impact	GRI index	Reporting pages
Key issues	1 Environment	Reducing GHG emissions to address climate change	Customers	●●●●	305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	26-27
	2 Society and Our Stakeholders	Preventing safety-related accidents at our worksites and promoting a culture of safety	Employees and suppliers	●●●●	403-1, 403-5, 403-6	31-35
	3 Environment	Making efforts at waste reduction and recycling	Local communities	○●●●	306-1, 306-2, 306-3, 306-4, 306-5	28-29
	4 Society and Our Stakeholders	Unbiased performance evaluation and compensation	Employees	○●●●	404-1, 404-2, 404-3	36-37
	5 Business and Economy	Compliance Management	Government, local communities, and customers	●●●●	206-1	58-59
	6 Environment	Conducting product life-cycle assessment (LCA)	Customers	○●●●	Non GRI	27
Reporting issues	7 Business and Economy	Managing risks at the enterprise level	Customers and investors	○○○●	Non GRI	56-57
	8 Society and Our Stakeholders	Managing the quality and safety of products and services	Customers and suppliers	○○●●	416	48-51
	9 Society and Our Stakeholders	Strengthening partnerships with suppliers	Suppliers	○○●●	414-1, 414-2	44-47
	10 Business and Economy	Ethical management and anti-corruption	Employees and suppliers	○○○●	205-2, 205-3	60-61
	11 Environment	Managing harmful chemicals	Local communities and employees	○○○●	Non GRI	29
	12 Society and Our Stakeholders	Expanding efforts at contributing to local communities	Local communities, government and related organizations	○●●●	413-1, 413-2	52-53

Misc.

Environment	Society	Business and Economy
<p>15 Improving energy efficiency</p> <p>20 Utilizing renewable energy such as wind and solar power</p> <p>16 Minimizing the environmental impact of our worksites</p> <p>22 Utilizing by-products as resource</p>	<p>19 Managing sustainability in the supply network</p> <p>14 Employee engagement and welfare benefits</p> <p>23 Recruiting and managing talented employees</p> <p>25 Promoting and safeguarding human rights</p> <p>17 Creating a positive work environment for employees</p>	<p>13 Collaborating in global ESG initiatives</p> <p>24 Corporate governance</p> <p>18 Creating and distributing economic value</p> <p>21 Expanding business diversification and improving global competitiveness</p>

Degree of impact

●●●● Very High
 ○●●● High
 ○○●● Medium
 ○○○● Low

SUSTAINABILITY PERFORMANCE

- 24 **E** Environment
- 29 **S** Society
- 53 **G** Governance

Environment

We would like to accomplish our mission of enabling a cabled world in a way that lessens the burden on the Earth. To this end, we will continue to do our utmost to minimize the environmental impact of our products and worksites.

Strengthening Environmental Management

[Link to SDGs](#)



2022 Progress



Renewable energy procurement
54% at the Donghae Plant
31% at the Indong Plant



EPD certifications
9 product groups



Launching a new business
**Recycling of used
wooden cable drums**

Strengthening Environmental Management

Environmental management system

Environmental management policies

We are steadily promoting green management programs based on our policy of becoming a leading HSE company by caring about people and the environment. All of our worksites are proactively managing HSE by making efforts to minimize environmental impacts throughout the product lifecycle and applying pollutant management standards that surpass the legal requirements.

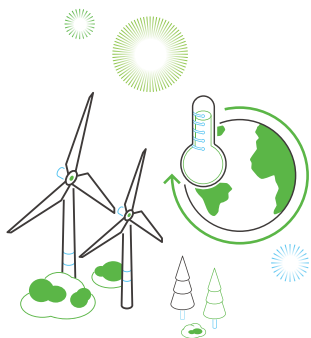
Governance for environmental management

In order to fulfill our environmental management responsibilities, we ensure that environmental performance is integrated into our management goals. This enables us to conduct enterprise-wide activities aimed at addressing climate change. The business groups will proactively formulate and implement strategies to respond to this issue, and the ESG Management Committee will continue to provide necessary support for their efforts.

Environmental management system (ISO 14001)

We have been maintaining the ISO 14001 certification for all of our production worksites. LS C&S operates an enterprise-wide environmental management system to meet international standards by complying with related laws and regulations, managing performance, and reducing pollution. In 2021, we obtained certification in the construction sector.

* Our domestic and overseas subsidiaries have been maintaining their own environmental management system certifications (ISO 14001).



Response to climate change issues

Energy use and GHG emissions

Scope 1 and 2 emissions management

At LS C&S, Scope 1 and 2 GHG emissions are calculated, verified by a third party, and reported to the government on an annual basis. Emission sources include the energy consumed by the head office, R&D centers, the Seoul office, sales agencies, and worksites in Gumi, Indong, and Donghae, and some processes. The reported emissions data is publicly disclosed at ngms.gir.go.kr (the National Greenhouse Gas Management System). Upon the request of customers, we also provide information on our responses to climate change through the CDP (Carbon Disclosure Project) Supply Chain.

Scope 3 emissions management

Among the fifteen Scope 3 categories, key areas include purchased products and services, waste disposal, and fuel- and energy-related activities. As we have expanded the scope of data collection to increase the accuracy of emissions calculations, additional categories have been included. As a result, our Scope 3 emissions rose year on year. Moving forward, we will set targets to reduce emissions and manage them in a steady manner.

Transition to renewable energy

We are engaged in a transition to renewable energy at our worksites as part of our pursuit of carbon neutrality. To this end, we have been drawing up a detailed implementation plan to achieve 100% renewable energy by 2050 at all of our domestic and overseas worksites. In particular, a goal was set for 100% renewable energy use at the Donghae Plant in 2024. In 2022, we purchased 38.7 GWh of renewable energy through KEPCO's Green Premium program, allowing the Donghae Plant and the Indong Plant to respectively secure 54% and 31% of their electric power as renewable energy.

LCA certifications
for 9 cable products



Power cables

4



Communications cables

5

Environmental impact management of products

Life-cycle assessment (LCA) is a means to identify the environmental load, such as GHG emissions, over an entire product lifecycle from raw material collection to use and disposal and to analyze the impact. We have been utilizing LCA results to formulate measures for reducing environmental impacts and are working on the establishment of an LCA process to respond to the EU's Carbon Border Adjustment Mechanism (CBAM)*)

In addition, we have been expanding the scope of our carbon-footprint-certified products from the perspective of improving eco-friendliness. Moving forward, we will continue to proactively reduce our environmental impact by strengthening our capacity to measure the carbon footprints of products, conduct life-cycle assessments (LCAs), and analyze the results. These efforts will enable us to promote sustainability by meeting the environmental requirements of our customers and proactively responding to the CBAM.

*) CBAM, Carbon Border Adjustment Mechanism

LCA process



G-SEED certification of LS Knowledge Industry Center

Located within our Central Research Lab in Gunpo-si, Gyeonggi-do Province, the LS Knowledge Industry Center, has been G-SEED-certified by the Korea Real Estate Board in recognition of the environmental pollution reduction over the entire building lifecycle from design to construction and maintenance. The construction of this center was managed to minimize its negative environmental impacts by using electricity generated by solar power, reducing GHG emissions, and installing energy-saving lighting sensors. Photovoltaic panels installed on the roof generate 136MWh of power, allowing us to eliminate about 70 tons of GHG emissions per year.

CASE

Resource circulation

Recycling of plastic used in products and packaging

We are recycling the domestic plastic waste from our products and packaging after they are sold and used. As the synthetic resins in waste power and communications cables have been included among the items subject to EPR (Extended Producer Responsibility), we joined the Korea Electric Wire Recycling Cooperative to fulfill our obligations as a producer.

CASE

Waste plastic recycling business

We have been conducting research and development on resource circulation to help establish a circular economy, a key task for achieving carbon neutrality. In 2022, our proposal for a waste plastic recycling business was selected as the top project at the First LS Future Day organized by LS Group, a competition for new future-oriented project proposals.

Incinerated or landfilled plastic waste from cables becomes a source of environmental pollution. In this regard, we came up with a plan for the 100% utilization of the plastic in waste cables.

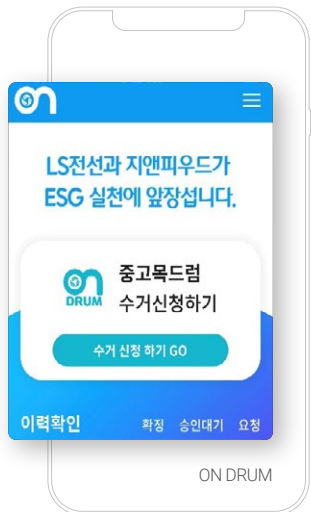


Waste management

To minimize wastes and protect the environment in local communities, we keep in place a waste disposal process from product development to final disposal and continue our efforts at increasing our waste recycling rate. Wastes generated during our HV/EHV and optical communication cable manufacturing processes are made of plastic such as HDPE and PVC, and they are categorized into general wastes. In 2022, wastes totaled 13,446 tons, an increase of 140 tons from the previous year. Recycled wastes rose by 538 tons year-on-year to reach 11,868 tons. We have optimized our manufacturing process to reduce the waste generation rate. Our recycling rate improved from 85.2% in the previous year to 89.4% due to the increased use of recyclable materials.

Waste disposal process





※ The ON DRUM app can be downloaded from Google Play and the Apple App Store.

A recycling business for used wooden cable drums

We have launched a recycling business for used wooden cable drums as part of our efforts at contributing to sustainable value creation through the utilization of waste. Wooden cable drums used for cable transport and storage are often discarded after a single use. LS C&S has been operating ON DRUM, an online platform for exchanging used wooden cable drums in partnership with the wooden cable drum manufacturer G&P Wood. When companies or organizations post information on used drums at ON DRUM, they can be collected, repaired, re-packaged, and resupplied to cable manufacturers by recycling companies. In 2022, 76% of collected used drums were recycled. We plan to expand our cooperation with companies using wooden cable drums to increase the collection of drums.

Minimizing environmental impact

Air pollutants management

We have conducted air measurement and raw materials and process analyses, upgraded outdated facilities, and invested in advanced air pollution control facilities. The air pollutants we produce are mainly dust, NOx, HCl, and HF. In 2022, air pollutants decreased by 10% year on year due to the investment in the upgrade of facilities to prevent air pollution.

Water resource and pollutants management

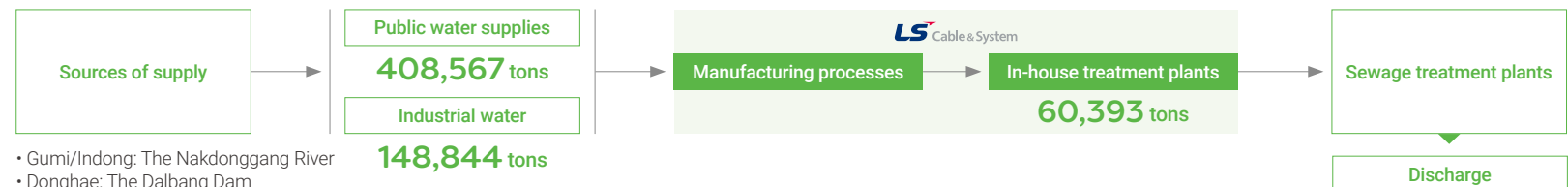
Water resources are used as cooling water for the cable extrusion process or in the electrolytic copper smelting furnaces at our plants. It is also required

for human uses such as drinking and sanitation. Used water is re-used for a period and then discharged as waste in consideration of its impact on product quality and whether it can be internally treated. We discharge wastewater generated in the cable manufacturing process by applying in-house limits on water contaminants that are stricter than the legal limits. The contamination level in our discharged wastewater was less than 10% of the legal limit. An increase in pollutants is inevitable due to business diversification and expanding production facilities. However, as none of our worksites are located in or near water source protection areas, restricted zones, special management zones, or biodiversity protection areas, their environmental impact on public waters and the ecosystem is minimal. We will continue to do our utmost to reduce water contamination by effectively operating wastewater treatment plants.

Chemicals management

Purchasing chemicals requires an examination of the legal requirements and obtaining approval. Starting at the product development stage, we identify customer needs and legal guidelines on the use of harmful materials. In this regard, CMS (chemical monitoring system) has been introduced to systemically manage the entire cycle from chemical use to disposal at our Gumi, Indong, and Donghae worksites. In 2022, our use of harmful chemicals rose 17% over the previous year due to the expansion of manufacturing facilities (completion of Plant 3) and increased production capacity. In response, activities were carried out to minimize the use of hazardous chemicals, including stabilizing the related processes, conducting off-site risk assessment, and providing relevant training to all employees handling chemicals. We are also maintaining an emergency response system for any possible chemical-related accidents.

Water resources flowchart



Society

LS C&S is striving to contribute to a brighter future and the achievement of sustainable growth together with our stakeholders based on a culture of respecting people and society.

Worksite Health and Safety

Employees

Suppliers

Quality and Product Responsibility

Social contribution

[Link to SDGs](#)



2022 Progress



Participation of 359 employees
CEO Sol-Talk



HR roadmap development
Performance
management system
restructuring



66 improvement cases and
4.9 billion KRW of investment
High-risk work
processes



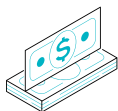
Quality Academy
Fostering quality
management
professionals and masters



Worksite Health and Safety

All of our employees willingly participate in cultivating a culture of safety and fulfill their responsibilities toward the achievement of health and safety related objectives. LS C&S strives to foster an advanced safety culture by engaging in open communication with our stakeholders and local communities, emphasizing coexistence and cooperation.

2022 Progress



Investment in high-risk work categories

4.9 billion KRW (in 2022)

14.3 billion KRW (the three-year cumulative)



Expanding the dedicated team for construction management

For 119 construction sites

Addressing a total of 203 safety issues (in 2022)

Link to SDGs



Health and safety management system

Governance for health and safety

Critical Accident Prevention Committee

We established an internal committee to proactively respond to the strengthening of punitive actions leveled against companies in the Act on the Penalty of Fatal Accidents. The critical accident prevention committee comprised of a chair and eleven standing members holds monthly meetings to review and make decisions on health and safety activities, including establishing a management system, taking accident re-occurrence prevention measures, and fulfilling legal obligations.

HSE¹⁾ implementation meetings at worksites

Monthly meetings are being held at each worksite (Gumi, Indong, and Donghae). Short- and mid-/long-term plans to address HSE-related issues are drawn up and implemented based on the decisions made by the critical accident prevention committee.

1) Health, Safety, Environment

Occupational Safety and Health Committee

An occupational safety and health committee is operated at each worksite²⁾. Key health and safety issues are jointly reviewed and decided by representatives of labor and management through this committee. It is composed of 14 members from management, including a person responsible for safety management, and 13 labor representatives and the head of the labor union. Key considerations include: making a plan to prevent industrial accidents; establishing and revising pertinent

	Frequency	Participants
Critical Accident Prevention Committee	Monthly	A chair (CHSEO) and eleven standing members
Occupational Safety and Health Committee	Quarterly	An employee responsible for safety management and 13 members from management The head of the labor union and 13 labor representatives
HSE implementation meetings at worksites	Monthly	An HSE team at each worksite

regulations; providing training to workers; checking and improving the working environment; managing employee health; and collecting statistics on industrial accidents.

2) Central Research Lab and plants in Gumi, Indong, and Donghae

Global standard certifications

Health and safety management system (ISO 45001)

All of our worksites in Gumi, Indong and Donghae and construction sites at home and abroad are being operated based on the health and safety management system. Activities are conducted to maintain the certification. At the same time, each team internally establishes, implements, monitors and evaluates targets and plans in details, and conducts independent improvement activities. Our compliance status is evaluated by the certification organization DQS-UL on an annual basis to ensure we are meeting global standards for safety and health management.

Safety Culture Ladder

The SCL (Safety Culture Ladder) certification was co-developed by TenneT, a Dutch state-run power company and the Royal Netherlands Standardization Institute. Our domestic worksites and terrestrial and offshore construction sites are SCL-certified. This certification gives us a competitive edge in safety management and ensures the reliability of our occupational safety and health management.



ISO 45001 certification



Safety Culture Ladder certification

Programs for promoting a safety culture

Safety Check Day

Since January 2022, we have been holding Safety Check Day on the first Wednesday of every month as part of our joint labor-management campaign to raise awareness of safety and achieve the goal of zero industrial accidents at our production and construction sites. All of our employees participate in this monthly event to proactively identify any potential risks at worksites and conduct improvement activities.

Safety check criteria and responsible teams

Safety check criteria

Categories	Safety check details
Cranes	Checking lifting devices on cranes
Forklifts	Checking the alarm devices on forklifts
Rotating equipment	Checking the installation of protection devices on rotating equipment
Fall	Checking fall danger zones
Fires and explosions	Checking the operation of fire extinguishers

Responsible teams

Worksite inspection teams	Joint inspection teams
Led by team leaders Managers (engineers) Work group leaders	Led by the head of a business group The head of a business division HSE Teams
Conducting worksite inspections using checklists Identifying potential risks and implementing improvement measures	Conducting monthly patrol inspections on a randomly selected worksite Carrying out individual follow-up activities by each team



Safety Check Day

Zero-Accident Rally

We hold an annual Zero-Accident Rally to recommit ourselves to preventing critical accidents and establishing a culture supporting health and safety. The management and employees share their dedication to safety management and pledge to comply with safety rules. We will continue to proactively participate in related activities to achieve zero accidents and create a safer workplace.



Zero-Accident Rally

Safety Moment

As part of the efforts to establish a culture of safety, we are offering Safety Moment educational videos. Employees watch ten-minute videos and then meet to freely discuss safety and health issues. In addition, the videos are being played on TVs in company cafeterias to ensure that all employees can watch them.

Safety Moment in 2023

A roadmap for reducing critical accidents	Interlock systems for preventing caught-in accidents
Safety Stand-Down	Educational videos reproducing electrical accident cases

Integrated HSE¹⁾ management system

We are operating an HSE System as an information-sharing platform among the head office, worksites, and suppliers by integrating data into business administration, safety, health, chemicals, and common areas. The system allows employees to improve work efficiency, implement systemic safety management in line with the ongoing strengthening of HSE-related regulations, and monitor work progress in real-time through inquiry into data such as safety work permissions and MSDS (Material Safety Data Sheets). Employees can also identify harmful risks and quickly collect data at worksites via mobile phone using the system.

1) Health, Safety, Environment

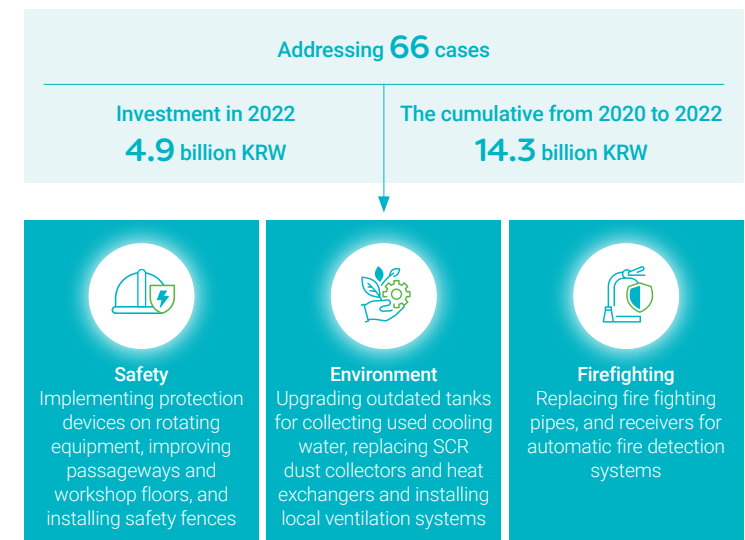


Integrated HSE management system

Critical accident risk management

Safety diagnosis on five high-risk work processes

We have been conducting intensive monthly safety checks and diagnoses by analyzing corrective measures on issues identified during daily safety checks by type and by cause. High-risk work and manufacturing processes are then selected. Responsible safety diagnosis teams check whether production activities at each workplace are conducted in line with safety work plans and work safety procedures and based on the results, improvement tasks are identified and implemented to prevent critical accident risks.



Safety diagnoses of worksites (by external agencies)

To ensure objectivity in safety management, diagnoses of our domestic worksites in Gumi, Indong and Donghae were conducted by the Korea Industrial Safety Association and the Korea Electrical Contractors Association. We have established comprehensive safety and health measures outlining system improvement and supplier capacity-building. The results of the diagnoses will be reflected in our safety management system.





Health and safety management activities at construction sites

The construction safety management team has expanded its scope to encompass enterprise-level HSE-related support, inspections, and diagnoses at both domestic and overseas construction sites. We identify and select high-risk construction sites on a monthly basis and conduct regular and special safety inspections to proactively prevent critical accidents and enhance safety management.

Health and safety management at construction sites

2021	2022
The establishment of the dedicated team for construction site management (within the construction business sector)	The expansion of the construction safety management team within the HSE organization
19 construction sites Addressing a total of 93 safety issues	119 construction sites Addressing a total of 203 safety issues

Accident prevention process

 Identifying potential risk factors	<ul style="list-style-type: none"> • Outdated facilities • Insufficient worksite management • Non-compliance with safety rules
 Formulating response measures	<ul style="list-style-type: none"> • Forecasting equipment life • Establishing a worksite management system • Developing measures for compliance with safety rules
 Conducting improvement activities	<ul style="list-style-type: none"> • Monitoring equipment • Performing worksite inspections • Providing safety training
 Monitoring	<ul style="list-style-type: none"> • Performance management • Process refinement

Accident statistics

	2020	2021	2022
The number of accidents (cases)	Gumi plant	0	0
	Indong plant	0	2
	Donghae plant	2	0
	Construction sites	0	0
	Central Research Lab ¹⁾	-	-
	Total	2	2
Enterprise-wide occupational accident rate (%)	0.15	0.14	0.61
Occupational accident rate in the cable industry (%)	0.72	0.80	0.79

	2020	2021	2022
Frequency rate of accidents ²⁾ (%)	Gumi plant	0	0
	Indong plant	0	3.01
	Donghae plant	4.45	0
	Construction sites	0	0
	Central Research Lab ¹⁾	-	-
	Enterprise-wide frequency rate of accidents	0.78	0.71
			1.74

1) Newly added as of Jan. 1, 2022

2) (The number of accidents / Annual work hours) x 1,000,000

In-house clinic program

Learning about the numerical values associated with my blood vessels



Normal blood pressure numbers

Systolic: Less than 120 mmHg
Diastolic: Less than 80 mmHg

Euglycemia

Less than 100mg
/dl in the fasting state

Normal total cholesterol levels

Below 200 mg/dL

Cardiovascular disease prevention program

Understanding cardiovascular diseases



Learn about health and receive a complimentary gift through this O/X quiz!

Employment health management

Health management system

We have been operating a health management system to promote the well-being of our employees and create a more pleasant work environment with a focus on preventing industrial accidents. In order to eliminate harmful factors in our work environments, regular inspections are conducted at least once every six months and measures are taken to address any identified issues. Regular health checkups are provided to all employees. Follow-up management is offered to employees with abnormal findings in their health checkups. Meanwhile, we make every effort at protecting our employees from contagious diseases by conducting monitoring, informing them of prevention guidelines, and providing them with vaccinations.

Health check-ups	Measuring work environments	Disease prevention
<ul style="list-style-type: none"> • General/Special health check-ups • Health check-ups before/after job assignment • Occasional/Temporary health examinations • Comprehensive health check-ups 	<ul style="list-style-type: none"> • Investigating harmful factors to work environments • Analyzing harmful factors to work environments • Addressing harmful factors to work environments 	<ul style="list-style-type: none"> • Conducting monitoring and informing employees of prevention rules • Providing employees with vaccinations • Follow-up management for employees with abnormal findings in their health checkups • Health management of employees on business trips

Health management programs

We are operating in-house clinics and fitness centers for all employees to help them stay fit. In addition, a variety of health management programs are provided, including on smoking cessation and cardiovascular disease prevention

Strengthening supplier management in industrial accident prevention efforts

Safety and health consultative body and joint safety checks

Knowing that safety at our suppliers directly impacts our safety, we strive to strengthen our partnerships to lay a foundation for promoting an overall culture of workplace safety. Safety management meetings with on-site suppliers are held on a monthly basis and quarterly safety diagnoses are conducted to identify risks and take improvement measures.

Win-Win cooperation programs

We conduct win-win cooperation programs with our in-house and external suppliers to help them strengthen their health and safety management and establish a cooperative system for the prevention of industrial accidents. As part of our efforts at narrowing the safety-related gap between the clients and the contractors, personnel and material support is provided to ensure our suppliers enjoy the same level of safety when they conduct tasks similar to ours.

Employees

LS C&S strives to create a corporate culture in which the growth and satisfaction of its employees is promoted. We will continue our efforts at communicating with our employees and creating an efficient work environment utilizing digital technology.

2022 Progress



Restructuring the performance evaluation system to foster employee growth



Average training hours per employee:

51 hours

Total training cost: **3.2 billion KRW**



Worksites with no labor disputes

No labor disputes over **34 years**

Link to SDGs



Performance evaluation and compensation systems

Restructuring the performance evaluation system to foster employee growth

An ongoing review system for fair and unbiased performance evaluation

To complement the existing system of setting targets at the beginning of the year and evaluating performance at the end, we have established an ongoing evaluation system in which the work process can be managed by registering tasks and feedback as needed. The system is designed to prioritize performance improvements and nurture employees with the ability to reflect on their successes and failures as needed. As employees have the flexibility to set individual goals based on varying levels of difficulty and importance, the system is expected to provide a foundation for enhancing employee capacity and development. Moreover, feedback history is being utilized as foundational data for year-end evaluations in order to ensure fair and unbiased assessments.

Promoting our core values through the diagnosis of the way employees work

The way employees act and behave when conducting their work and cooperating with others is assessed based on our core values (C.O.R.E.)¹⁾, focusing on four key aspects of professionalism, leadership, teamwork, and responsibility. To incorporate diverse perspectives, multi-faceted feedback is solicited from superiors, colleagues, and junior staff.

1) C for Customer First, O for One LS C&S, R for Rule & Responsibility, and E for Expertise

Increasing employee experience through an enhanced evaluation system

Performance Plus is the new name proposed and selected by our employees for our enhanced evaluation system. The improved convenience and user interface (UI) of Performance Plus have significantly enhanced the employee experience. Furthermore, employees can now access the system through their mobile devices, enabling them to provide feedback anytime and anywhere.

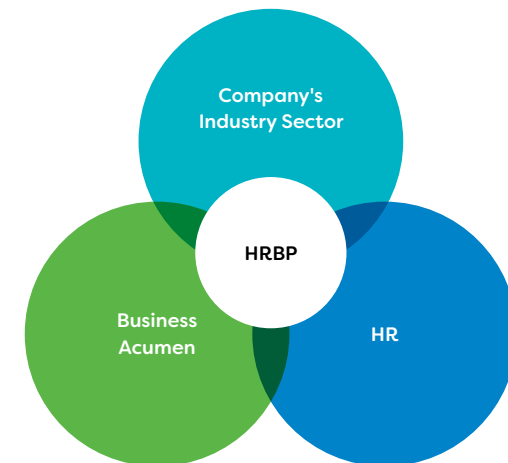
Employee-friendly HRBP

Our HR Team is conducting HR Business Partner programs to provide support to business groups from an HR perspective by helping them address issues and achieve goals. HR Business Partners engage in the business processes of each group as they address HR-related issues. In addition, the HR Team is operating a channel through which employees can freely ask questions about evaluations, compensation, and benefits.

HR Business Partner's Expertise

Understanding the business

Business types, products or services offered, and the composition of personnel



Business insights

Business strategy, financial performance and leadership

Understanding the function of HR

HR processes that cover areas including employment, evaluation, compensation, promotion, and organizational development

Compensation system

Our employee compensation system includes both a basic salary and incentives, with the aim of aligning organizational and individual performance and fostering employee motivation. In addition, performance incentives are granted to employees upon group and individual accomplishments in projects.

Fixed pay	<ul style="list-style-type: none"> Basic salary: Annual base salary (monthly paid salary and holiday bonuses in Lunar New Year and Chuseok)
Variable pay	<ul style="list-style-type: none"> Financial performance incentives: Incentives paid based on the financial performance of a company Goal-base and performance-based incentives: Incentives paid based on the achievement of business goals of a company and individual performance

	Unit	2020	2021	2022
The ratio of new employee wage to minimum wage	Production employees	124.9	126.7	126.6
	Office employees	154.7	165.1	167.4

* LS C&S strictly prohibits any discrimination against employees in relation to employment, promotion, and compensation.

Compensation system

The LS C&S Way and Excellence in R&D Awards are granted by the CEO, and C.O.R.E. Awards and Talented Rewards can be provided by the head of each business group. These awards are given to employees based on their achievements, providing them with a sense of accomplishment and satisfaction. Additionally, they encourage a culture of performance at the company level.

Retirement pension system

Since 2011, a retirement pension system has been operated for all employees. They can choose between DB (defined benefit) and DC (defined contribution) plans.

Work-life balance and employee welfare benefits

Securing work-life balance

Enhancing flexibility at work

We have been operating a flexible work system to help maximize the performance of our employees. They are allowed to select their arrival and departure times at work, determine their working hours, and choose whether to work at the head office or a base office. A system for staggering arrival and departure times and a flexible working-hour system have been introduced. For their working location, employees can utilize a base office in Seoul, which offers them the advantage of reducing their daily commute and travel times for business trips. In addition, we provide a variety of spaces for particular purposes, such as the Focus Zone and the Open Lounge, and allow employees to use them as workspaces as needed.



Open Lounge in the head office in Anyang



Awardees of the 2022 LS C&S Way and Excellence in R&D

Advancing the business structure

Entering new markets

Increasing production volume through process improvement

Winning large-scale projects



Welfare benefits paid to employees

67.6 billion KRW in 2022

The three-year cumulative:

157.1 billion KRW

Employee welfare benefits

Encouraging employees to use paid vacation

We maintain an annual paid vacation calendar to encourage employees to plan their vacation days either over two weeks or by taking advantage of sandwich days so that they can fully refresh themselves and concentrate their working efforts.

Welfare benefits

We provide our employees with a range of benefits that consider different aspects of life in order to support them and allow them to concentrate on their work.



Living and life

- Dormitories and employee apartments
- Housing loan support
- Group life and health insurances for employees
- Family occasion support
- Money gift for birthdays
- Cash gifts for long-term employees with 5, 10, 20, 25, and 30 years of service



Health

- Comprehensive health check-ups
- A counseling center
- Health clinics
- Medical expense reimbursement for employees



Family

- Financial aid of school tuitions for the children of employees
- Medical expense reimbursement for family members of employees and free medical checkups for the spouses of employees
- LS daycare center
- Golden baby ring gifted to the children of employees on their first birthday
- Nursing rooms



Leisure

- Free recreational facilities such as condominiums and a Baekam training center
- Annual company outing
- In-house clubs

Employee capacity-building

Capacity-building programs for team leaders

We have been conducting business based on the concepts of self-management and responsible management since 2022 and are pursuing changes in the way we work and perform HR. Since team leaders stand at the center of implementing these changes, they are provided programs on performance, people, change, and self-management. These programs include: ① Special lectures on awareness-raising and motivation for team leaders; ② Job-based strategic team capacity-building; ③ Interview, evaluation, and feedback skills for performance management; ④ A team leader conference for developing insights; ⑤ Leadership school; and ⑥ A healing camp for mental health management. Team leader training costs and per-capita training hours in 2022 rose 2.8 and 1.8 times, respectively, year-on-year. We will continue to emphasize the role of team leaders and support them so that they can be the main drivers of change.

Capacity-building programs for the submarine cable business

We are actively recruiting production employees due to the increase in submarine cable projects, the opening of Submarine Cable Plant 4, and our entrance into global markets. We provided customized training for new hires in 2022 to help them swiftly adapt to the organization.

Trainees (The number of employees)	Period	Programs
Employees serving less than three years (26)	Two months (10/19-12/22)	Submarine cables, electricity, design, construction, facilities, materials, and processing
Newly-hired production employees (34)	Three months (7/1-9/30)	Required submarine business introductory course and OJT



LS-Tube content



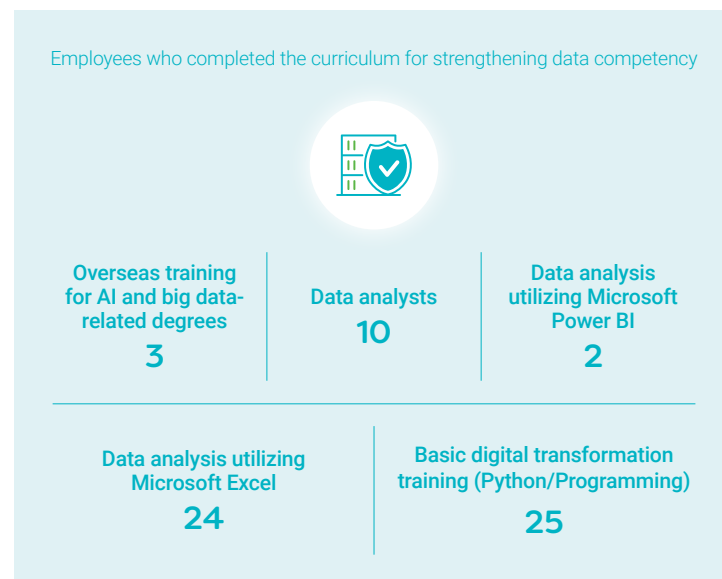
Strengthening data competencies



Metaverse training center

Strengthening digital competency

We put great effort into establishing a big data platform and developing data analysis skills. As part of these efforts, we offer three types of customized courses: ① Data scientists and AI experts; ② Data analysts; and ③ Data Citizens. These programs are designed to strengthen the digital competencies of our employees, offering a range of options from degree courses in AI and big data to practical courses applicable to daily work.



* We also offer a variety of programs aimed at building employee capacity in leadership (based on job position), job roles, core talent, newly-hired non-career/career employees, employees assigned to overseas subsidiaries, and organizational vitality.

Educational infrastructure system

Refinement of the educational platform

We have refined the UI and menu of our educational platform and created 'LS-Tube' videos to allow employees to study according to their individual needs. The platform previously provided monthly e-learning courses, but it has been revamped to offer content with a ten-minute running time. This allows employees to more efficiently develop essential knowledge and core skills. Content ranges from how to use the in-house intranet to training on businesses and products and programs utilizing Microsoft Teams. We are currently preparing job-related content. We will continue our efforts at promoting a digital learning environment that allows learning from anywhere.

Metaverse training center

We have established a metaverse training center as an alternative form of group training with a lower risk of COVID infection that is tailored to members of Gen Z who might be more accustomed to non-contact communication and digital technology. Employees can learn in a virtual space about topics ranging from our management philosophy to ESG management, our worksites, the latest news, our businesses and products, HSE, compliance and ethical management, and corporate information security. These learning programs are designed to resemble online games in an effort to generate interest and engagement among users. The center is operating in conjunction with a website using Microsoft Teams to support the on-boarding process of newly-hired career and non-career employees.

The three-year training status

	Unit	2020	2021	2022
Per-capita training cost	10,000 KRW	125	129	145
Total training cost	100 million KRW	25	27	32
Per-capita training hours	Hours	58	54	51
Total training hours	1,000 hours	117	111	112

LS C&S educational system chart

● Miraewon ● LS C&S ● C&S/LS Group ● LS C&S/External

Position	Value	Business management and leadership		Job		Global	Misc.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
		Newly-promoted employees and leadership	Key talent	Common	Specialized																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
Executives	Vision and core values (for all employees)	LS partnership	NewEntry (for newly-hired career employees)	<div>Future innovation course for executives</div> <div>Programs for newly-appointed executives</div>	AMP (Advanced Management Program)	Business management and leadership seminars																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									



CEO Sol-Talk

The number of occurrences: **34** times

Participants: **359**

Resolved tasks: **29** cases
(Jan-Dec 2022)

Comments from participating employees (Excerpts from the LS C&S company magazine Openmind)

- I think we are in the process of transitioning to an organization that is fully engaged in addressing even the minor concerns of employees together. I am looking forward to seeing the future growth of our organization.
- I have noticed that our organizational culture has been evolving to become more rational and reciprocal.
- This event provided us with an opportunity to share the challenges faced by career employees and discuss potential solutions to address them.

Organizational culture

Communication with management

LS C&S is promoting bottom-up open communication between employees and executives. The CEO Sol-Talk program encourages open communication between the CEO and employees, and it is being operated by the CEO. To foster free and horizontal communication among all employees, the CEO visits worksites every week and meets with employees to encourage them and listen to their ideas and proposals. In addition, executives from each business group also hold informal meetings or utilize lunchtime to communicate with employees.



Platform Technology Research Center '6080 reverse mentoring

Implementing digital work environments

We have adopted Microsoft Teams to allow our employees to work together without restrictions on time or location. We are continuously improving our non-contact work environment to innovate the ways in which we work and accelerate the transition to a digital-based workflow.

Campaign on organizational culture

We have been operating a series of 'Work life Sohwakhaeng' (meaning small but certain happiness) programs. Employees are encouraged to propose ideas that promote a happy and healthy work life. Support is provided to launch ideas adopted by the company as enterprise-wide campaigns. These programs are designed to enhance the work environment, facilitate communication, and improve the organizational culture, helping employees create a positive and happy work environment.

Mind health management

We are operating an in-house counseling center to support our employees in maintaining their wellbeing at work and in their personal lives. A full-time mental health counselor helps employees alleviate their concerns and manage stress. In order to enhance awareness of mental health and improve access to the counseling center, newsletters focusing on topics related to mental wellbeing are regularly posted on the company's online bulletin board.

Work life Sohwakhaeng series

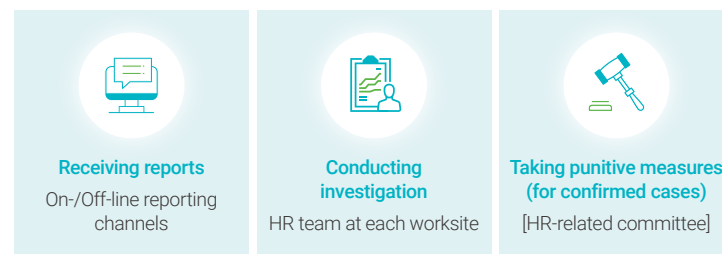
Inhouse bulletin board for anonymous postings	EV rentals	Day without our leaders	Providing taxi fare to new hires on their first day of work	Let's have lunch together	Wearing casual clothes to work
Allowing employees to freely express their thoughts and ideas on the organization	Providing employees with opportunities to experience eco-friendly electric vehicles	Giving team leaders a chance to refresh themselves and letting team members take the initiative in doing their work	Helping new hires' commutes feel comfortable and special on their first day of work	Groups of employees, such as a team or company club, have lunch together at the in-house VIP restaurant.	Improving work efficiency and creating a flexible organizational culture

Diversity and inclusion

No discrimination at work

According to the Article 6 (Equal Treatment) of the Labor Standards Acts, no employer should not discriminate against workers on the basis of gender, or give discriminatory treatment in relation to employment, promotion, compensation, training and retirement on the basis of nationality, religion or social status. All employees are given equal opportunities, and reward is made based on their performance. To prevent any unfair act, we operate support systems, such as the help center, grievance channel, cyber reporting channel and appeal against employee performance evaluation results.

Workplace harassment and discrimination management process



Preventing gender discrimination and workplace bullying

We offer programs aimed at preventing workplace harassment and discrimination. With the enforcement in 2020 of Article 76-2 of the Labor Standards Act regarding the prohibition of workplace bullying and harassment, we have strengthened related rules, shared with our employees. In addition, the Article 76-2 on Prohibition against Workplace Harassment enforced in July 2019 was reflected in our Rules of Employment.

Respecting gender diversity

Due to the characteristics of the cable manufacturing industry, female employees are a minority at the company, accounting for 18.2% of all employees and female managers for 5.7% of all managerial positions.

We are making continued efforts at increasing the percentage of female workforce. There is no gender pay gap and leadership training programs and child-care support for female employees are provided.

Providing support for work-life balance

We provide support for maternity protection, including pregnancy checkups, working hour reduction, and pre- and post-maternity leave to reduce the burden of childbirth and child care on our employees and to help them balance work with family life. As our employees are strongly encouraged to take parental leave, the number of male employees using this benefit has been rising every year. In 2022, a total of 25 employees took the leave and 34 employees took pre- or post-maternity leaves.

LS daycare center

An LS daycare center that was established in Anyang at the end of 2014 helps employees reduce the burden of childcare and concentrate on their work. Currently, a total of 70 employees from LS Group subsidiaries are utilizing this daycare center.

Space for female employees

There are nursing rooms and lounges for female employees at our worksites. The female employee club Arom Society has been operated since 1975 to provide counseling and promote good fellowship among female employees.

Female employee status

	2020	2021	2022
Female employees (%)	158 (15.4%)	167 (16.1%)	174 (18.2%)
Female managers (%)	35 (5.2%)	36 (5.2%)	42 (5.7%)

· Female employees: Regular workers, office assistants, and re-employed retirees (office workers only)

· Female managers: The number of female managers out of the total number of managers (%)



Expanding the employment of people with disabilities

As employees in the cable manufacturing industry are required to be more careful about their safety and health, the proportion of our employees with physical disabilities is relatively low. However, in accordance with the Act on Employment Promotion and Vocational Rehabilitation for Disabled Persons, we hire those who with physical disabilities at our plants.

Increasing the number of employees with disabilities through indirect employment

We have been contributing to supporting people with disabilities through indirect employment in cooperation with Butyi since April 2017. The company was established to provide stable jobs to the socially vulnerable, including the disabled, according to the 'subsidiary-type standard business system' of the Korea Employment Agency for the Disabled and the Act on Employment Promotion and Vocational Rehabilitation for Disabled Persons.

The employment status of people with disabilities at LS C&S

		2020	2021	2022
The employment of people with disabilities	Direct employment	26	27	24
	Indirect employment in cooperation with Butyi	12	12	12
	Total	38 (1.9%)	39 (1.8%)	36 (1.7%)

Labor-management relations for coexistence

Labor union

LS C&S guarantees the right to organize and form workers' organizations and respects employees' right to join a labor union stipulated in the ILO Conventions and the Labor Standards Act. As of the end of 2022, all 923 eligible employees at our worksites are members of the labor union.

Union participation rate		Union members 923	Participation rate 100%
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Labor-management communication based on mutual respect

At the annual collective bargaining meeting, we discuss a variety of items ranging from working conditions, such as salary and incentives, to system improvement, industrial safety, and social contribution. In addition, we share information on the conditions in the business environment and strategic directions to foster consensus and help us work towards a better future. Labor and management, the two integral pillars of business operation, have developed mutual understanding and trust. There have been no labor disputes over the 34 years since 1989.

	Participants	Frequency	Activities
Monthly morning assembly	All employees	Monthly	Sharing information on business status, financial performance and pending issues
Participation and Cooperation Promotion Council meetings	Management with six persons including the CEO Labor with six persons including the head of the union	Quarterly	Sharing information on business status and performance, and negotiating over systems working conditions
Labor-Management working-level meetings	Management led by the head in charge of labor-management affairs Labor led by a member dedicated to the union	Monthly/As needed	Discussing how to improve working conditions and employee benefits

Worksite satisfaction survey

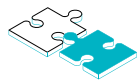
An annual worksite satisfaction survey is jointly conducted by labor and management to diagnose and improve a working environment and organizational culture at our plants. Based on the survey results, we develop improvement measures to address any identified issues and enhance employee satisfaction at work. The details regarding the results are provided in the ESG Data Book of this report.

Worksite satisfaction survey items	① Views on managers	⑦ Working environment and safety
	② Views on supervisors	⑧ Job management
	③ Communication	⑨ Employee benefits and compensation
	④ Organizational culture	
	⑤ Labor-management relations	
	⑥ Organizational culture	

Suppliers

We consider our suppliers as important business partners based on the belief that their competitiveness is one of our core strengths. We will continue our efforts at promoting win-win cooperation to firmly establish a culture of shared growth.

2022 Progress



Companies selected as key suppliers under the AVL system

413 (a year-on-year increase of 43 suppliers)



Primary suppliers

A network loan of **50** billion KRW

Secondary and tertiary suppliers

Shared-growth loan¹⁾

1) A bill discounting system

Link to SDGs



Fair and unbiased transactions

Supplier selection

Procurement policy

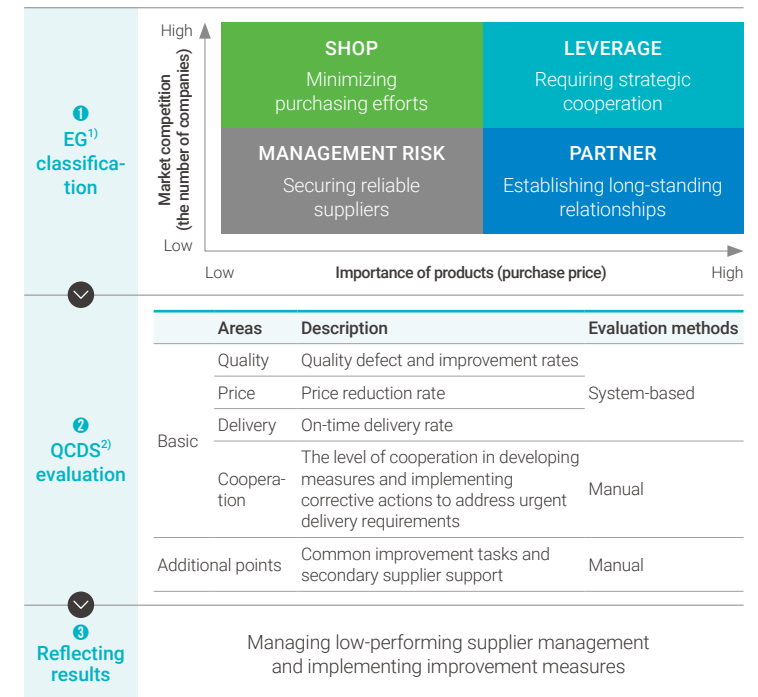
In order to select suppliers in a fair manner, the entire process from registration to final selection is managed through our e-Procurement system. In principle, competitive bidding is always conducted except in special cases such as the application of new technologies or customer requests. Applicants are evaluated through both paper screening and on-site inspections based on production capability, quality, price, environment (worksite safety), labor management and other evaluation criteria.

The competitiveness of applicants is evaluated based on their technology, quality, overall business management, compliance, and environmental management. In addition, sustainability evaluation items are utilized to assess their condition. Those who fail to meet the requirements are excluded from the selection process. Before those who are selected as suppliers can be registered, they are required to sign a basic transaction contract, a global purchasing policy statement, and a pledge to implement ethical management.



Regular evaluation

We conduct evaluations of those suppliers making more than 10 annual transactions worth 500 million KRW. Suppliers are grouped into four categories (simple purchase, strategic cooperation, reliability, and continued relationships) considering market competition and the importance of products. Then, evaluations are conducted in the areas of process, quality, labor, and financial management in accordance with detailed supplier evaluation and management rules. Feedback is provided to encourage suppliers to work on areas for improvement. Based on the result of the annual evaluation, 'AVL suppliers' are selected.



1) EG (Evaluation Group) classification based on business and material characteristics

2) QCDS: quality, cost, delivery, and service

LS C&S Guidelines for Contract Signing

Purpose

The purpose of the guidelines is to establish business transaction practices in which contracts between LS C&S and its supplier are concluded in a reasonable and fair manner. In the guidelines, contract signing includes a standard form of a contract with suppliers as well as contracts on supplier selection for individual items and on pricing.

Laying a foundation for contract signing

- 1) Contract options: available options for suppliers are specified.
- 2) Operation of a means for companies to propose their registration as one of our suppliers

Introducing a contract signing process

Specifying matters to be observed and prohibited

LS C&S Guidelines for Supplier Selection and Management

Purpose

The purpose of the guidelines is to secure transparency and fairness in supplier selection and management so that fair business transactions can be ensured.

Evaluation criteria

- 1) Evaluation in five areas, including general business administration, and process, quality, environment and labor, and finance management
- 2) Pass (70 points or higher), Temporary Pass (60 to less than 70), Fail (less than 60)

Equal opportunities for initiating business transactions

Companies selected and registered as suppliers of LS C&S are not prevented from or discriminated against being given opportunities to join a bid for business transactions.

Payment criteria

Payment criteria set according to transaction type and payment amount are available through the e-Procurement system (<http://epro.lscable.com>) allowing suppliers to make a predictable plan for bill collection.

Payment criteria

Supplier type	Amount criteria	Payment criteria
Subcontracting	300 million KRW or less	Cash (paid on 15th of the following month)
	More than 300 million KRW	Cash paid in 45 days from the delivery date or the end of the delivery month
Win-Win cooperation	5 million KRW or less	Cash (paid on 24th of the following month)
	More than 5 million KRW	Cash paid in 60 days from the delivery date or the end of the delivery month
Non-subcontracting SMEs	5 million KRW or less	Cash (paid on 24th of the following month)
	More than 5 million and KRW up to 20 million KRW or less	Cash paid in 60 days from the delivery date or the end of the delivery month
	More than 20 million KRW	Cash paid in 90 days from the delivery date or the end of the delivery month
Large-sized companies	5 million KRW or less	Cash (paid on 24th of the following month)
	More than 5 million KRW	Cash paid in 90 days from the delivery date or the end of the delivery month

Strengthening internal regulations to prevent unfair business transactions

Our internal regulations have been tightened to prevent unfair business transactions. Firstly, our Guidelines for Contract Signing were introduced to promote fairness and discourage any potential standards violations among our employees and suppliers. Secondly, regulations on supplier registration were strengthened to ensure that our employees responsible for purchasing select suppliers in a fair and transparent manner based on a clear understanding of the selection criteria.

Operating a subcontracting review committee

A subcontracting review committee is in place to ensure a culture of fair and transparent business transactions and to see that there is no violation of any related laws or regulations. The committee is chaired by the head of the Purchasing Division and consists of two other members, the heads of the Legal Division and the Purchasing Planning Team. The risks of unfair business transactions are reviewed in monthly committee meetings.

Committee members	The heads of the Purchasing Division (chairperson), the Legal Division and the Purchasing Planning Team		
Topic	Deliberation on subcontracting issues	Listening to subcontractors' opinions and assessing the implementation status of measures taken	Reviewing issues related to win-win cooperation
Details	<p>Conducting preliminary reviews of subcontracting transactions worth 1 billion KRW or more, focusing on contract signing, pricing, and related laws and regulations</p> <p>Preliminary review items</p> <ul style="list-style-type: none"> • Issuance of written contracts • Checking for unfair pricing • Creation of local credit and the obligation of payment guarantees • Violations of forced purchase of goods • Proper revocation criteria and procedures for supplier registration • Request for an objection related to supplier selection or cancellation 		

Operating a system for win-win cooperation

Supporting suppliers to build business stability

To help suppliers minimize cash flow related risks, we operate financial support systems. In addition, to help subcontractors secure cash flow, payment is made within 45 days, 15 days shorter than 60 days specified in the Subcontracting Act.

Network loan

We and the IBK (Industrial Bank of Korea) have operated a network loan worth 50 billion KRW that allows suppliers to secure loans using the credit of LS C&S. We plan to expand support by promoting this program to suppliers.

Shinhan shared-growth loan

We signed a shared-growth loan agreement with Shinhan Bank that allows our secondary and tertiary suppliers to access secured loans for credit sales using the credit of LS C&S. This helps them to secure cash flow at a low interest rate and improve their financial soundness.

Joint technology development

We have been conducting technology exchanges and joint R&D activities with our suppliers in order to help them secure competitiveness. These efforts have allowed us to develop parts and key components that used to be heavily dependent on imports, contributing to increased sales by our suppliers and cost savings through productivity and quality innovation.

	Support details	Related teams	Cases
Technology support	Long-term product life evaluation of composite-core overhead transmission lines	Industrial Material Research Team (1)	1
jointly filed patent application	<ul style="list-style-type: none"> - The development of DC-insulator-integrated brackets and slope-regulation brackets - Manufacturing thin machine vision cables with a double insulation structure - CNT (carbon nanotube) IR film for indoor heating of a motored transport platform 	Telecommunication/Industrial Solution Business (2) Industrial Cable & Module Development/Production Team (3) Platform Technology Research Center (1)	5
Joint technology development	Joint development and commercialization of audio products	Global LV/MV Research Center (1)	1

Support of suppliers in expanding their overseas sales

Not only do we help our suppliers operate their businesses in a stable manner through financial and technological support, but we also provide opportunities for them to achieve growth by supporting them in expanding their overseas sales. As part of these efforts, we share information with domestic suppliers on demand for raw and subsidiary materials by our overseas subsidiaries in China, Vietnam, and India. Moreover, selected suppliers with superior performance are given an opportunity to supply products to our overseas subsidiaries and increase their overseas sales.

Supplier communication

We communicate with our suppliers through channels including the company website and the procurement portal system (e-pro). A grievance channel is operated by the Internal Audit & Consulting Team and the Compliance Team to receive and address any concerns or difficulties experienced by suppliers. LS Group organized a communication meeting with the CEOs of the suppliers of the group's affiliates, including LS C&S. It provided an opportunity to listen to concerns, ideas, and proposals and develop consensus among the participants. We will continue our efforts at facilitating communication with suppliers as we aim to increase their satisfaction and strengthen the foundation for achieving shared growth.



The 2022 CEO forum for LS suppliers

Company website



e-Procurement system



Cyber reporting channel



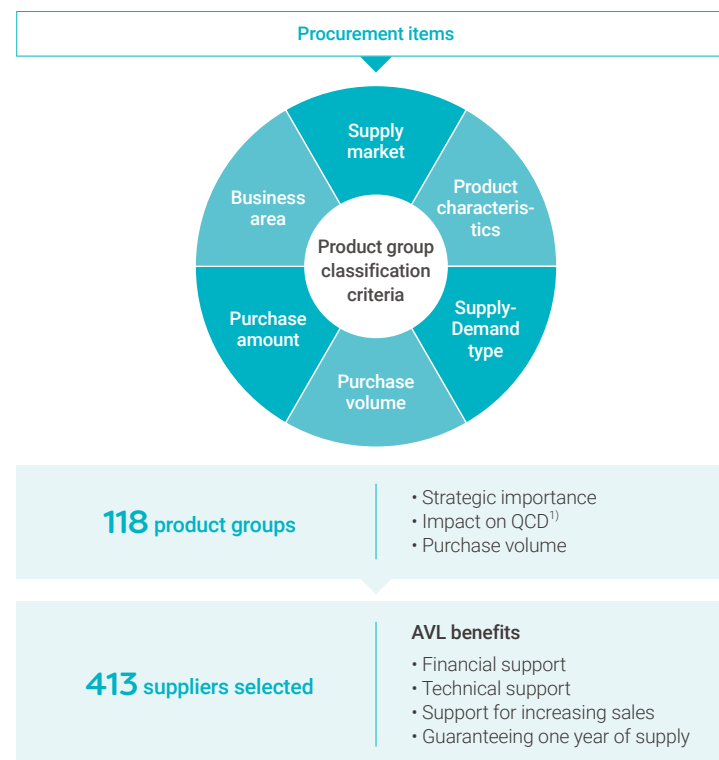
Email



Operating a supplier management system

AVL (Approved Vendor List) system

We have been operating the AVL system to identify key suppliers and enhance their competitiveness. Companies selected as key suppliers under the AVL system are guaranteed one year of supply to LS C&S, allowing them to minimize uncertainties in sales. In addition, along with financial benefits, they receive support for conducting improvement activities that are identified together with LS C&S. In 2022, 413 companies were selected as AVL suppliers for a total of 118 product groups. We will continue our efforts to strengthen the foundation for achieving shared growth with suppliers.

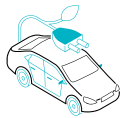


1) Quality, cost and delivery

Quality and Product Responsibility

Considering the impact of our products has on local communities and the country, we are striving to secure the best possible product quality and meet the needs of our customers and stakeholders by establishing a risk management system across the entire process.

2022 Progress



Automotive cables Establishing a product quality management system

(VDA¹⁾ 6.3)

1) Verband Der Automobilindustrie (VDA)



Quality Academy

Quality professional course passed:

20 employees

Quality Master course passed: **8** employees

Link to SDGs



Quality management policy

Formulating a global quality management policy

We have established a proactive quality management policy that is based on the development and implementation of cable solutions at the global level and on ensuring stable production. Our quality management policy is designed to meet customer and market requirements while ensuring global competitiveness.

2023 global quality management policy



Adherence to basics

Complying with principles, such as promptly reporting any quality issues, and ensuring quality competitiveness to foster a culture of adherence to fundamentals at our worksites.



Proactive quality management

Prioritizing preventive measures before any quality issues arise



Meticulous management

Conducting through analysis of issues and implementing improvement measures

Global quality standard certifications

Obtaining global certifications across a range of business areas

We have acquired global quality standard certifications and actively incorporated the latest updates to ensure that we promptly meet customer requirements and market needs. Voice of the customer (VoC), related laws and regulations, and process improvements are reflected in the operation of the system to ensure that it is optimized for customer requirements and the characteristics of the product in question.

Global certifications in a range of business areas

ISO 9001

- Power transmission/distribution and submarine cables and connection materials
- Industrial and telecommunications cables and power distribution materials
- Busducts, materials, and cables for industrial equipment
- HV/EHV underground and overhead systems, submarine cable systems, and nuclear power cable systems

IATF 16949

- Automobile (power lines and tubes for automobiles)

TL 9000

- Telecommunications (optical communications)

KEPIC

- Nuclear power (industrial specialty cables)

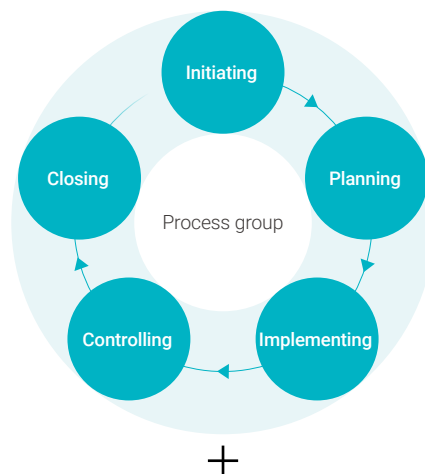
Product certifications

- Globally certified by respective industries, including CPR¹⁾, railways, blast protection, structures, and shipbuilding

1) Construction Products Regulation

Establishing a project management system

LS C&S not only offers underground and submarine cables, but can also manage the entire project process from planning to design and construction by setting rules on project management principles and procedures in accordance with ISO 21500.



+

Ten themed groups				
Integrated management	Timeline management	Scope management	Cost management	Communication management
Quality Management	Risk Management	Resource Management	Procurement Management	Stakeholders

Establishing a system for automotive cables in line with VDA 6.3

VDA 6.3 is a set of quality management system requirements determined by the German Association of the Automotive Industry, or Verband Der Automobilindustrie. The requirements outlined in VDA 6.3 are applied to automotive parts and manufacturers with the goal of evaluating and improving the efficiency of the system, encompassing product development, manufacturing, and quality assurance. In April 2022, we received verification of conformity with its requirements through an audit by a client.

VDA

The German Association of the Automotive Industry (Verband Der Automobilindustrie) (a German interest group of the German automobile industry, both automobile manufactures and automobile component suppliers)

VDA 6.3

VDA 6.3 is a standard for auditing the requirements for quality management in the automotive industry. It is one of the major requirements used to evaluate suppliers in the German automotive industry.

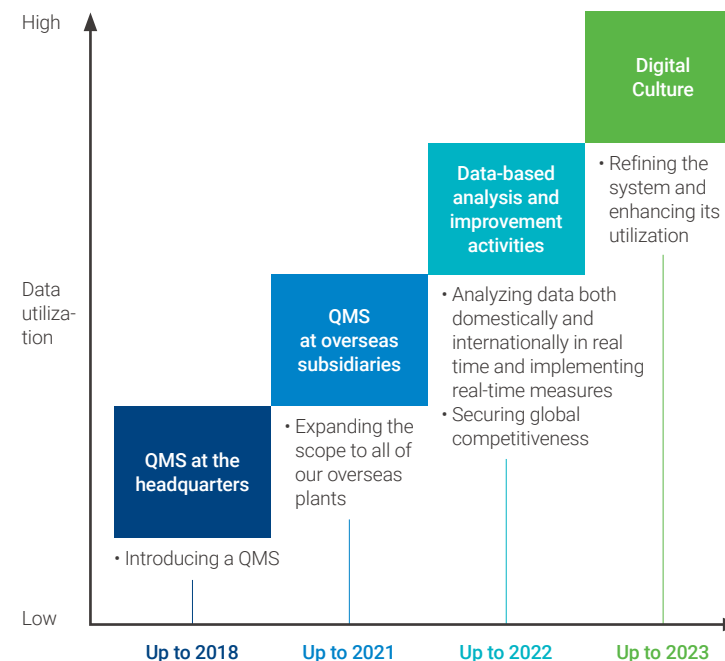
Strengthening capacity for quality differentiation

Quality management IT system

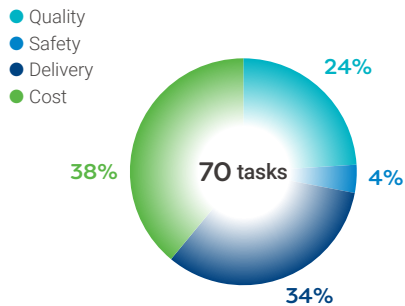
GQMS advancement and data utilization at home and abroad

We have advanced our GQMS (Global Quality Management System), which is aligned with the integrated global quality information management roadmap. Furthermore, we have implemented measures to prevent the re-occurrence of quality failures by integrating quality information at home and abroad and accumulating expertise. The system also provides real-time data analysis and utilization for proactive quality management. We will continue our efforts at refining this integrated quality management system in order to ensure global competitiveness.

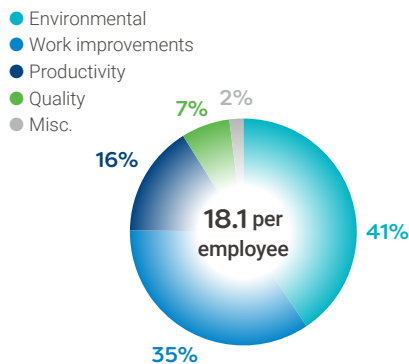
The roadmap for integrated global quality information management



Themed quality circle tasks



Quality improvement proposals



Innovation activities at our worksites

Themed tasks conducted by quality circles

The innovation activities consist of themed tasks and proposals related to all processes and involve the participation of employees at our domestic sites. A total of 70 quality circles select themes, including quality, cost, delivery, and safety, to share best practices for enhancing competitiveness at their respective worksites. Quality circles with outstanding performance are awarded a prize and given the opportunity to present their results at the annual enterprise-wide achievement-sharing meeting. Quality circle improvement cases are put into a database so that they can be used as a reference for resolving issues.



The annual achievement-sharing meeting



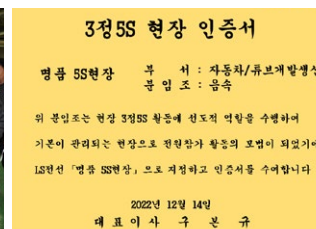
Presentation by the 'Poseidon' quality circle

3R5S certification system

We abide by the 3R principle, which stands for right location, right product, and right quantity. In addition, 5S activities of sorting, setting in order, shining, standardizing, and sustaining are being conducted at the Gumi, Indong, and Donghae Plants. They are designed to encourage quality circles to compete, eliminating unnecessary waste, secure safety, and identify and award worksites with outstanding performance.



3R5S signboard hanging ceremony



3R5S certification as an exemplary worksite

Securing product quality evaluation technologies

We are developing product performance evaluation technologies to guarantee that defects do not impact industrial sites or people's daily life. We have established evaluation technologies for long-term reliability and electrical and physical property tests to ensure product quality and enhance customer trust.

The status of evaluation technologies secured

(Unit: cases)

● 2020 ● 2021 ● 2022

Energy ¹⁾	13	10	12	35
Power distribution /Busducts	5	5	5	15
Communications /Industrial solutions	7	9	6	22
Materials	11	1	3	

1) HV/EHV cables, electric power equipment, submarine cables, and overhead transmission lines

Operating a Quality Academy

We have been operating a Quality Academy in alignment with our quality training roadmap since 2022 to strengthen the quality capacity of our engineers. In the first year of the Quality Academy, 20 candidates passed the 'Quality Pro' course and a further eight passed the 'Quality Master' course. Quality professionals serve as internal examiners to identify quality issues at the company, while quality masters are in charge of leading activities addressing quality issues.



The completion ceremony of the first-year graduates of the Quality Academy



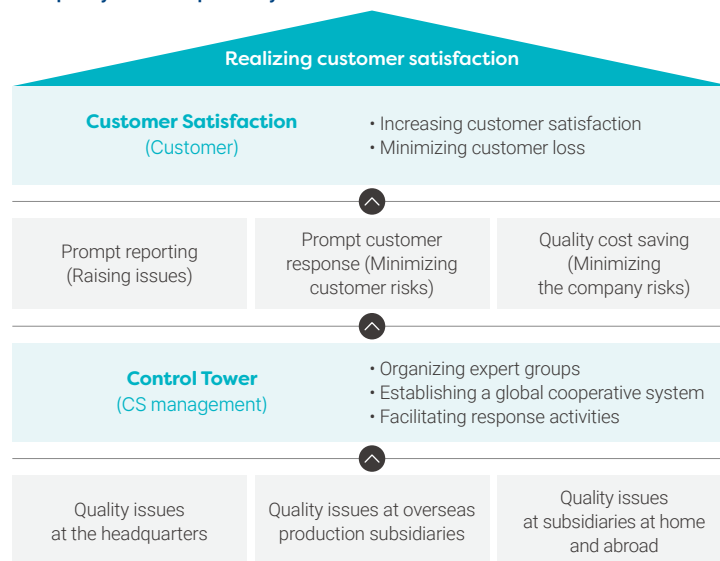
Employees participating in a course at the Quality Academy

Operating the Quality Control Tower

Prompt response to quality risks

We have redefined our quality issue reporting system to allow us to promptly respond to any potential issues arising in the global market. Expert groups and related teams have been engaged to systematically respond to customers. With the aim of minimizing quality risks, we will continue our efforts at increasing customer satisfaction based on our 'customer first' core value.

Our quality issue response system



Quality management capacity evaluation system for subsidiaries

We have been gradually implementing a quality management capacity evaluation system since 2020 to prevent any possible quality risks at our subsidiaries and to ensure market competitiveness. The system aims to utilize global standard requirements as evaluation criteria and to address improvement tasks identified as part of the evaluation results.

Quality management capacity evaluation system for subsidiaries

Evaluation items

8 items and 67 questions

Design management	Education/Training
Equipment management (3R5S)	Process management
Procurement management	Document management
Quality control	Quality management



Evaluation subjects

5 domestic and 8 overseas subsidiaries

Supplier capacity raising

In order to strengthen quality management of the materials and products received from suppliers, we cooperate closely with them by examining the inspection process, supporting them in formulating process-management measures, improving processes with potential quality risks, providing certification evaluation technology-related support, and standardizing jigs and fixtures. We organize quality exchange meetings to enhance suppliers' awareness of quality and facilitate capacity-building. In addition, our QA engineers visit suppliers to check their processes and discuss any needed points for improvement to ensure quality.

Supply support history in 2022

Suppliers	Products/Process examined	Details	Date
L company	Aluminum flat wire	- Examining and improving work standards and conditions - Providing support for dividing and managing worksite sections	Mar. 2022
M company	Amor and aluminum wire drawing	- Improving lot number tracking management - Eliminating process risks	May 2022
D and L companies	Amor	- Examining quality management issues and providing guidance for improvement	May 2022
Y, W, and S companies	Factory-joint (FJ) conductor shield unit	- Inspecting and improving the processes with potential issues of mixing with foreign matters - Strengthening the examination process before and after work, and the documentation process	Jun. 2022
L and M companies	Aluminum wire through the drawing process	- Formulating measures to apply and manage wire drawing oil	Jun.-Sep. 2022
C and B companies	PP yarn	- Lot number tracking management of raw material and semi-finished goods	Sep. 2022

Social Contribution

LS C&S is striving to fulfill its corporate social responsibility and achieve shared growth with local communities by conducting ocean cleanup activities that reflect our business characteristics, hosing events in partnership with local communities, and performing talent donation in the form of electrical safety checks at traditional markets.

2022 Progress



Social contribution activities in 2022

A donation of **1.185** billion KRW

The participation of **491** employees



Launching eco-friendly social contribution activities

Ocean cleanup activities

Link to SDGs



Direction for our CSR activities

We conduct CSR activities based on the belief that corporate sustainability can be ensured along with the ongoing development of local communities and wellbeing of their members. Our efforts aimed at creating social value are mainly concentrated around the locations of our plants in Gumi, Indong, and Donghae.

Our CSR activities



Coexistence with local communities

Conducting social contribution activities around the locations of our plants, such as environmental cleanup, sharing events and volunteering, to promote social welfare for local communities

- Protecting the ocean environment
- Creating jobs in local communities



Fostering talent for future generations

Providing quality science educational programs for elementary schoolchildren to increase their access to basic science education

- LS Dream Science Class for children
- LS overseas volunteer group LS Dream School



Employee talent donation and sharing

Protecting the citizen's livelihoods through visits to traditional market stores and advanced cable diagnostic technology

- Electrical safety checks and education in traditional markets
- Employee volunteer groups
- Donation from monthly salary

Coexistence with local communities

Based on special bonds formed between LS C&S and the local communities where our plants are located, we are striving to fulfill our social responsibility through a variety of social contribution activities.

Cleaning up the ocean environment

Since submarine cable production and construction is one of our main businesses, we have recently taken on the cleanup of the ocean environment as part of our social contribution activities. Among these efforts, we launched a large-scale event to clean up the sea environment with participation from the local government, related organizations, and local communities. Moving forward, we will remain in communication with local communities and conduct activities for protecting the ocean environment, including ocean waste recycling and reduction campaigns.



Ocean cleanup activities on the occasion of the 27th anniversary of South Korea's Maritime Day

Job creation model for shared growth in Donghae

We are cooperating with Donghae City and the Headquarters of the Republic of Korea Navy First Fleet to create jobs and promote the inflow of population to Donghae. To this end, LS C&S offers employment programs at its Donghae worksite for people discharged from military service, and Donghae City operates a system to support their settlement. We will continue our efforts at boosting the local Donghae economy by expanding our submarine cable business as well as creating social value for area communities.



LS Dream Science Class



LS Dream School Building No. 17



Electrical safety checks in traditional markets



Employee volunteer groups at our worksites

Fostering talent for future generations

LS Group has been supporting educational projects for children at home and abroad since its foundation based on a philosophy of becoming a trusted partner supporting the dreams of our future generations. LS C&S is taking part in the Group's social contribution activities and contributing to the creation of new social value.

LS Dream Science Class for children

LS C&S is participating in the LS Dream Science Class program for fourth to sixth graders that has been designed to improve children's access to basic science education. A variety of programs are offered to help them satisfy their curiosity about science- and energy-related topics as well as to explore the possibilities to be found in their future. Four-week programs, including an online Vision Camp and offline special lectures on scientific principles, were held in January 2022, garnering a positive response from participants.

Improvement of educational environment

Since 2007, we have been consistently building LS Dream Schools in the Hai Phong, Hai Duong, Ho Chi Minh, and Dong Nai regions of Vietnam with the aim of improving the educational environment in developing countries. Following the completion of LS Dream School No. 18, we plan to build LS Dream Schools No. 1 to 21 in Hai Phong and Ho Chi Minh City until 2023. In addition, the construction of LS Dream School Buildings No. 19 to 21 is planned by 2023. As a response to the great interest in IT education among Vietnamese students and parents and the poor IT infrastructure at many of the country's schools, the classrooms in LS Dream School Buildings No. 9 and 11 will be renovated for use in IT education and programs for robot coding and certificate acquisition.

As social issues such as the blind spot in childcare and the widening educational gap between regions have emerged with the prolonged Covid 19 pandemic, we will do our utmost at fostering future generations so that no children are left behind.

Employee talent donation and sharing

Our employees also participate in volunteering and sharing. In particular, talent donation activities utilizing the characteristics of individual jobs at work not only provide practical assistance to local communities, they help our employees feel rewarded and fulfilled.

Electrical safety checks in traditional markets

We have been providing monthly electrical safety checks in traditional markets since 2017. Employees with cable inspection expertise visit shops to check the aging of cables, and possible short-circuits and provide repair or exchange services. They offer education on the risks posed by cable misuse. As many of the activities suspended due to the Covid19 have recently resumed, we have introduced a new cable remote monitoring and diagnosis system called i-check as part of our efforts at digital-based safety accident prevention.

Employee volunteer groups at our worksites

Chamsarang Society and Jeongnang Society are volunteer groups at the Gumi and Indong plants, and the Donghae worksite. A total of 800 employees are participating in the groups to conduct social contribution activities. In 2022, they supported the vulnerable, including children, the elderly and people with disabilities from low-income families. Since our submarine cable worksite was built in the city in 2009, we are striving to sustain our efforts to contribute to local communities through designated donation, scholarships and sharing activities by employees. LS C&S has been making an annual donation of 100 million KRW to social welfare centers in Donghae since 2018 to support the vulnerable.

Donation from monthly salary

All employees of LS C&S have voluntarily donated up to 1,000 KRW from their monthly salary, and the company matches its employees' charitable contributions. In 2022, we donated 39.29 million KRW to the vulnerable in Anyang, Gumi and Donghae where our worksites are located.

Governance

LS C&S strives to create ESG value grounded in sound and transparent governance based on the perspectives of different stakeholders in order to win their trust.

Governance

Risk management

Compliance management

Ethical management

[Link to SDGs](#)



2022 Progress



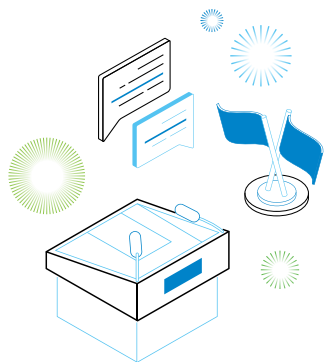
Dividend payment
for 9 consecutive
years



Strengthening compliance
programs (CP)
Introducing RSC
(Risk Self-check)

Governance

A board of directors is in place at LS C&S and BOD meetings are convened to review items regarding company policy and businesses. The company is doing its utmost to ensure that decisions are made in consideration of the interests of stakeholders.



Shareholder status

We listen to all of our shareholders to maximize their value. All of our shareholders exercise their rights in accordance with laws and regulations. Our major shareholder is LS Corp.

Shareholders	The number of stocks held	Percentage of shareholding (%)
LS Corp.	20,536,018	91.99
Minority shareholders	1,036,627	4.64
Affiliated persons	73,716	0.33

* Treasury Stock: 3.03% (677,204shares)

Enhancing shareholder value

Dividends are paid by the resolution of the board of directors and the general meeting of shareholders. The amount is determined within the profit available for dividends considering investment in the company's sustainable growth, enhancement of shareholder value, and the current business environment.

	2020	2021	2022
Cash dividends total (in million KRW)	12,862	32,470	25,976
Cash payout ratio (on a consolidated basis) (%)	12.96	32.41	25.40

Composition of BOD

The BOD features five inside directors. Directors make decisions in accordance with commercial laws and articles of association and promote the rights and interests of stakeholder, including shareholders. Chairman Koo Cha-Yub was appointed as a chair considering his expertise and responsibility. CEO Koo Bon-Kyu is serving as a director.

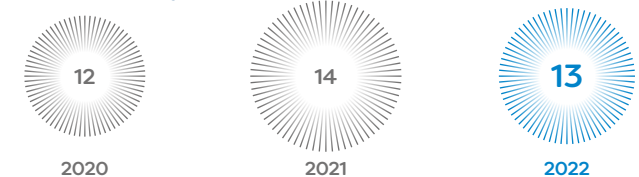
(As of Dec. 31, 2022)

Name	Position	Full-time (Y/N)	Responsibility	Relations with the largest shareholder
Koo Cha-Yub	Inside director	Y	Chairman/BOD chairperson	
Koo Bon-Kyu	CEO	Y	CEO	
Kim Hyung-Won	Inside director	Y	Head of the Energy & Cable Installation Business Group/CHSEO	Executives of the affiliate of LS
Lee Sang-Ho	Inside director	Y	Head of the Management Support Group/CFO	
Kim Byeong-Ok	Inside director	Y	Head of the Finance & Purchase Group/CSO/CDO	

Board Meetings

The Board Meetings are held on a regular basis according to the Commercial Act and the pre-established annual plan. Special meetings are convened for prompt decision-making on major agenda items. In 2022, 13 board meetings were held at which a total of 41 items were resolved and six reporting items were submitted and reviewed. For further details, please refer to 'about the board of directors (key resolved items)' in our annual report.

The number of meetings held



	2020	2021	2022
The number of items	31	46	41
The number of meetings held	12	14	13
Attendance (%)	96	91	98

* Attendance calculation criteria: the average of the attendance rate of all of the directors in office during the year.

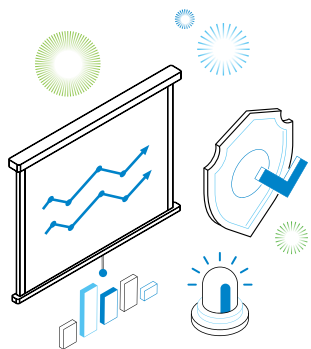
Remuneration

Directors' activities and performance are regularly evaluated at the end of their terms, and the results are taken into account in decisions on their re-appointment. Remuneration is provided within the amounts approved at the general shareholders' meeting. Basic annual salary is determined by reflecting the job level as defined by the company, and incentives are paid by considering financial performance along with non-financial results, including their contribution to sustainable management and compliance management. In 2022, the remuneration limit at 14.1 billion KRW was approved in the meeting. In addition, if a director or auditor's remuneration is 500 million KRW or more, this information is disclosed in the annual business report in accordance with related laws.

	The number of people	Total remuneration (in thousand KRW)	Average remuneration per person (in thousand KRW)	Note
Registered directors	7	7,880,735	1,125,819	-
Auditors	1	60,000	60,000	-

Risk Management

We will do our utmost to identify risks connected to uncertainties and potential losses so that an efficient response can be ensured in crisis situations and a stable business operation environment can be sustained. To this end, risk management procedures and a related system have been put in place to allow a proactive response.



Risk management system

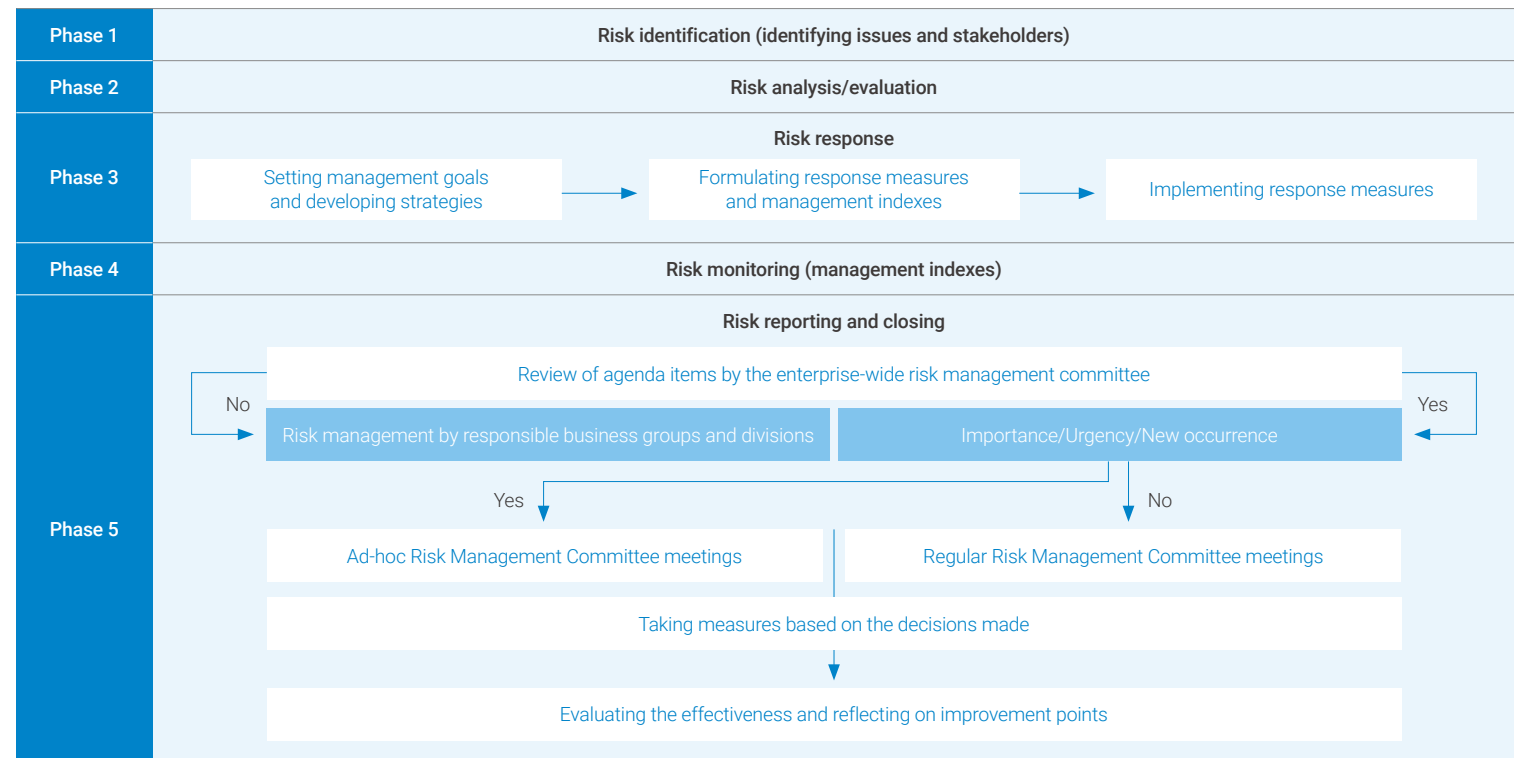
Risk management process

We have conducted enterprise-wide risk management to effectively respond to changes in the internal and external business environment. We set appropriate risk levels in line with the company's business goals and strategies to maintain sustainable growth. The risk management process consists of risk identification, analysis, response, monitoring, and reporting. We prioritize the identified risks and formulate response measures considering their characteristics.

Refining the risk management system

We have revised the company's risk management rules on an annual basis to allow more sophisticated risk management. The rules cover overall risk management from the organization in charge to principles, procedures, and methods to stabilize business and protect assets through the systematic and efficient management of potential risks.

Risk management process



Building risk portfolios

We have created risk portfolios for four areas: disaster, financial, operational, and potential risks. Risks are evaluated based on the company's specific criteria, and risks categorized by area are managed in a proactive and continuous manner.

Financial risks

We strictly prohibit currency and derivatives trading for speculative purposes beyond essential risk management. Since price fluctuations in raw materials heavily affect our profit structure, such risks are mitigated through futures trading. In particular, the Copper Futures Committee regularly reviews related risks by sharing information, including copper commodity and futures related issues, operational performance, and market conditions by period. In addition, to minimize risks stemming from to fluctuations in foreign exchange rates, we implement a 100-percent foreign currency hedge policy when bidding on international projects. Our debt-to-capital ratio is reviewed on a monthly basis and improvement measures are taken as necessary to maintain capital-structure soundness.

Operational risks

IT system stability and data security | In order to maintain the stability of the IT system, daily data backup for the entire system is conducted and the backup systems and data are stored in a vault to prepare for disasters or accidents. Measures in place to prevent the leakage of corporate and personal information include document encryption, authentication of external storage media, an approval process for exporting PCs, encryption systems, and firewalls. We have been implementing policy and taking technical protection measures to comply with domestic and international laws, including the Personal Information Protection Act, and the General Data Protection Regulation (GDPR). In particular, as part of the efforts at improving our security management, we became the first in the domestic cable industry in obtaining ISO 27001 for business stability and information security operation.

Ensuring stable equipment operation | In regards to production, regular equipment inspections are being conducted and a response manual has been established for any case of the disruption of equipment operation.

Disaster risks

For accident prevention at plants and construction sites, safety inspections are carried out on a regular basis. At the same time, we have established a management system and are maintaining a dedicated organization to prevent and respond to emergency situations to prevent unexpected accidents such as natural disasters and fire from negatively impacting our efforts to provide value to employees and customers.

Classification of disaster risk items

Category	Items	Impact	Related teams
Natural disasters	Natural disasters such as typhoons, floods, earthquakes, snowstorms, and thunderstrokes	Suspension of production and sales	All
	Fires and explosions	Loss due to fires, suspension of production, casualties, and disruption of process operations	Production
Accidents	Leaking of chemicals (toxic materials)	Casualties and tarnished corporate images	Production
	Serious accidents (including inhouse suppliers)	Disaster victims and disruption of process operations	All
Misc.	Wars and coups	Disruption of process operations	All

Other risks

Strategic risks | The possibility that business uncertainty may lead to changes in the competitive environment and in strategic partners and a company's strategy may fail due to reputational damage are all managed as strategic risks.

Policy and regulatory risks | We also manage the risks of violating HSE laws and regulations. In particular, close attention is paid to legal compliance considering the elevated awareness of hazardous materials and the serious impact that any related violations could have on our business operations, such as restrictions on sales activities and worksite closure orders.

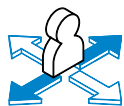
Compliance Management

Our goal is to promote compliance to employees through the programs so that internal risks of violating laws and regulations can be eliminated and fair market competition can be promoted. We will continue to proactively implement compliance management to heighten our business sustainability and create a sound social environment.

2022 Progress



Introducing an RSC (Risk Self-check) tool



Appointing managers responsible for fair transaction self-compliance

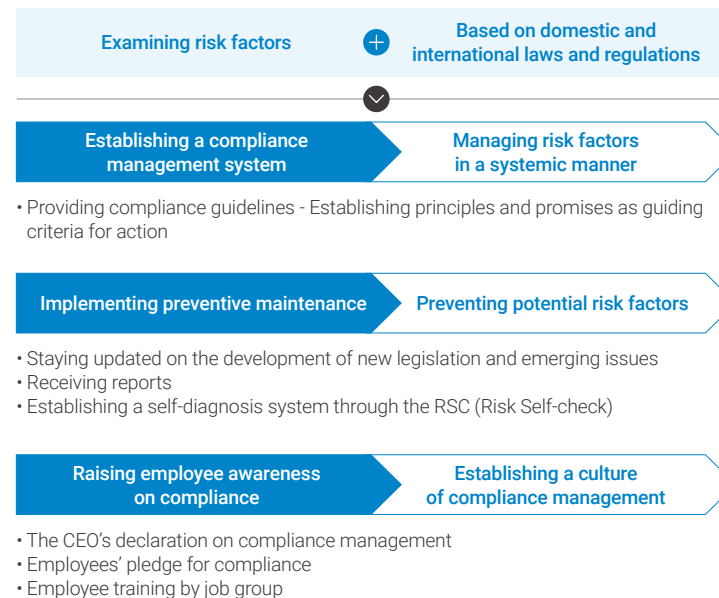
Link to SDGs



Our direction for compliance management

We strive to establish a culture of valuing compliance based on a strong commitment from management. Our compliance programs are designed to establish a compliance management system, prevent potential risks, and raise awareness.

Our direction for compliance management



Areas for compliance

Fair trade and subcontracting	Anti-corruption
Information security and intellectual property	Finance (compliance with taxation and disclosure regulations)
Environmental safety	Industrial accidents

Strengthening compliance programs (CP)

Risk Self-check

Risk Self-check (RSC) is a self-assessment tool for inputting risk control measures that allows employees to examine and prevent the potential impact of legal risks at work related to the Fair Trade Act, the Subcontracting Act, or the Act on the Promotion of Collaborative Cooperation between Large Enterprises and Small-Medium Enterprises. Since they take measures to control risks categorized as high, medium, or low by the RSC, violation risks for laws and regulations are expected to be effectively managed. In 2022, we have implemented the RSC tool at the company level and conducted a pilot test in the Purchasing Division. Starting in 2023, we are dividing employees into four groups based on their job roles and conducting quarterly self-checks to identify any violation risks related to laws and regulations.

Appointing managers responsible for fair transaction self-compliance

We appoint managers responsible for fair transaction self-compliance to conduct systematic CP activities and promote a culture of compliance management. They are in overall charge of a variety of CP activities, including examining enterprise-wide compliance status, preventing potential risks related to unfair transactions, conducting compliance training, and reporting the results.

Refining the fair transaction self-compliance rules

We have revised our fair transaction self-compliance rules on an annual basis since their enactment in 2010 to support effective CP activities. The 2022 revision includes the specification of roles and responsibilities based on job positions and the creation of new articles aimed at strengthening CP activities. In addition, in-house rules have been incorporated to complement the fair transaction self-compliance rules for organizing enterprise-wide CP activities in a systemic manner.



Compliance management

Principles and promises
as guiding criteria for action

All of our employees signing
a pledge for implementation



Employee training

A total of **21** sessions conducted

Establishing a culture of compliance

The CEO's declaration on compliance management

The CEO delivered a message on compliance to express the company's dedication to compliance management at all levels. During the address, the CEO emphasized the significance of being a fair corporate citizen, which is one of our core values. In addition, all employees have signed a pledge committing themselves to compliance as a means to raise awareness and serve as a reminder of the associated fundamental principles.

Excerpts from the CEO's declaration on compliance management



- ① Abiding by domestic and international laws and regulations, as well as adhering to global standards and best practices
- ② Actively participating in programs aimed at raising awareness of fair and unbiased transactions, as well as engaging in consultative processes of related laws and regulations
- ③ Promoting a culture of compliance and taking responsibility for compliance in conducting work

Establishment of principles and promises as guiding criteria for action

As part of our compliance with laws and regulations and commitment to corporate social responsibility, we have established principles and promises for action as guiding criteria for employees' decision-making in their work. They are posted on the company website to publicly make clear our commitment to compliance.

Principles and promises as guiding criteria for action



Prohibition of meetings and exchanging information with competitors	Prohibition of bid rigging
Prohibition of unfair acts against suppliers	Prohibition of misappropriation and request of technical data
Prohibition of the abuse of dominant market position	Responding to investigations by the Fair Trade Commission and other competition authorities
Sanctions in cases of violation of promises or behaviors	

Employee training

We provide our employees with fair transaction training on a regular basis. Training organized by the head office is provided in parallel both on- and offline for the employees at worksites, sales agencies, and domestic subsidiaries. In addition, we have enterprise-wide online training, fair transaction programs for new hires, and self-compliance training for employees whose work is highly related to laws and regulations. Moreover, we share policy and legislative trends and the latest precedents and cases from other companies with our employees to promote awareness at the company level.

Employee training programs

In-depth training by job group

- Purchasing and logistics of non-ferrous materials, legal affairs, sales, production, quality, and product development

In-depth training by job position

- (Existing programs) For newly appointed team leaders and new hires (career and non-career)
- (New programs) Regular programs for executives

Training for overseas sales job group

- Basic and in-depth programs on international project bidding and contracts

Training for domestic subsidiaries

- Annual training provided to seven subsidiaries

Unfair transaction reporting center

We are operating a channel that allows employees and third parties to seek advice or report any actual or potential violations of fair transaction-related laws, including the Fair Trade Act, the Subcontracting Act and the Act on the Promotion of Collaborative Cooperation between Large Enterprises and Small-Medium Enterprises. This reporting channel is accessible through our company website. Reports can be submitted anonymously through the channel or using an alias via email, phone, or in writing. We strictly protect the personal information of individuals making reports and the details of the reported incidents.

Reporting center



Ethical Management

We strive to fulfill our economic and legal responsibility to our stakeholders through ethical management. To this end, we are operating a 3C system for ethical management to establish a culture of transparency and ethics and promote employee awareness.

2022 Progress



Employees who completed ethical training
125

* Employees dispatched to overseas subsidiaries and new hires



Reports received through the cyber reporting channel

100% cases processed

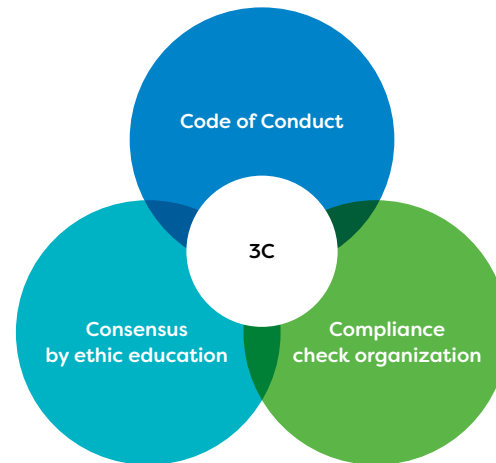
Link to SDGs



Ethical management

Ethical management is not only a global standard that companies should implement, but also a strategy for and source of competitiveness for sustainable growth. For LS C&S, this means fulfilling its economic and legal responsibilities while promoting business ethics and taking into consideration the conventional ethical responsibilities that are commonly considered obligatory. We have established compliance with corporate ethics as a guiding principle for action to realize our management vision of being 'Your No. 1 Creative Partner'.

Ethical management system



Code of Conduct

- Code of Ethics
- Implementation Guidelines
- FAQ

Consensus through ethics education

- Counseling center
- Cyber reporting channel
- Clean Company
- Reporter protection programs
- Rewards for reporting

Compliance check organization

- Training programs and promotional activities
- Sending an official document asking suppliers for cooperation
- Ethics evaluation

Code of Conduct

We established our Code of Conduct as criteria for our employees to make decisions and take actions in ethically challenging situations at work. The Code of Conduct consists of six categories: responsibilities and obligations toward customers; basic ethics for employees; fair competition; fair business transactions; corporate responsibilities for employees; and responsibilities toward the country and society. In addition, implementation guidelines help our employees understand and act upon our Code of Conduct. All of our employees strictly comply with the pertinent guidelines while doing their work.

LS C&S Code of Conduct



In-house ethical management promotion

Postings on the company intranet WeLS

- A total of twelve postings (monthly) in 2022

- Safety threatened by covering up product defects
- Corporate transparency, a starting point for risk management
- Memories of misappropriation
- Workplace harassment
- Breaking the enforced silence

•
•
•

Our reporting channels



Cyber Reporting Channel

Click here to report →



Report by phone

+82-2-2189-9108



Report in writing

LS C&S Ethical Management Secretariat →

Consensus through ethics education

Ethical management education

To prevent any possible violation cases of the Code of Conduct, ethics training is provided to new hires and employees to be dispatched overseas before leaving. The training programs, including the concept of ethical management and violation cases, are provided to employees at overseas branches, sales manufacturing subsidiaries, and construction sites. We present our Code of Conduct, implementation guidelines, and internal ethical management programs to new hires.

Promotional activities

To enhance employee awareness, we have been posting articles on ethical management, including the Code of Conduct, implementation guidelines and violation cases on the company intranet WeLS.

Sending an official document asking suppliers for cooperation

Before the Chuseok and Lunar New Year's holidays, we send an official document asking suppliers for cooperation in eradicating practices of giving and receiving gifts, entertainment, and money and informing them of our Code of Conduct and reporting channels. After the document is sent, it is also posted on the company purchasing intranet so that all of suppliers can check the information.

Ethics evaluation

An ethics evaluation has been conducted for all employees on an annual basis to identify improvement areas for our ethical management activities. We operate an online survey for all employees. The evaluation survey consists of 33 questions in three categories: the basis of ethical management, implementation of corporate ethics, and ethics being practiced in our workplaces. The results are used for strengthening ethical management training and for promotional activities and programs supporting its implementation.

Compliance check organization and systems

Counseling center

A counseling center is being operated for employees who face ethical issues or want to know about ethical management. They can not only have counseling on ethical conflicts at work but also get advice on how to interpret and apply the Code through the Cyber Reporting Channel, phones or emails. Reports are received and handled confidentially, and the center does not disclose the personal information of anyone reporting and the reported details without their consent.

Cyber Reporting Channel

The Cyber Reporting Channel allows employees as well as stakeholders, including customers and suppliers, to make suggestions and report any unethical activities they witness or disadvantages they suffer. Even when reports are made anonymously, we investigate the case and provide a response as quickly as possible.

Reporter protection programs

- We strictly maintain the confidentiality of reporters, or any other information that could identify them
- Those who report violations are protected against any form of disadvantage or discrimination as a result of their reporting, providing testimony, or submitting evidence.

Rewards for reporting

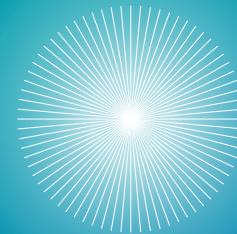
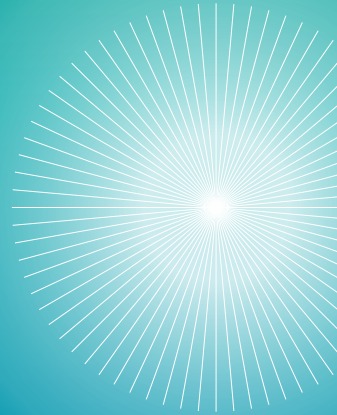
- Cases of bribery are offered a reward of up to five times of the amount of the bribe (5 million KRW in maximum).
- Those who voluntarily report unethical acts are exempted from responsibility and the money they received is donated.

Clean Company

The Clean Company helps employees voluntarily report any past acceptance of money or gifts based on the criteria for our employees to make decisions and take actions. Once they fill out a report form and submit it to the Ethical Management Secretariat, any money or gifts received are returned to the givers with an explanation regarding our ethical management policies. If there is a situation in which the received items are difficult to return, they are donated to social welfare facilities or to religious groups under the name of the giver.

ESG DATA BOOK

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Economy

Consolidated Statements of Financial Position

	Unit	2020	2021	2022
Assets				
Total current assets		3,163,910	3,562,644	4,092,252
Cash and cash equivalents		490,372	329,948	559,769
Financial deposits		43,831	42,386	55,214
Trade receivables		1,245,867	1,552,214	1,524,223
Other receivables		58,837	76,150	150,619
Financial assets at fair value through profit or loss		15,234	13,571	14,136
Derivative financial assets		117,503	116,510	85,554
Firm commitment assets		64,508	60,909	160,785
Inventories		882,573	1,154,687	1,287,359
Other assets		245,185	216,269	254,593
Non-current assets held for sale		43,831	32,385	2,080
Total non-current assets		1,506,797	1,731,218	2,032,676
Property, plant and equipment, net		1,157,283	1,374,151	1,558,208
Intangible assets, net		107,914	71,239	74,635
Investment properties, net	KRW 1 million	8,722	54	1,790
Right-of-use assets, net		43,127	40,865	40,480
Financial deposits		1,107	1,021	285
Trade receivables		82,056	48,928	45,623
Other receivables		17,766	17,465	15,312
Investments in joint ventures		48,628	153,805	238,334
Financial assets at fair value through profit or loss		1,225	898	4,422
Financial assets at fair value through other comprehensive income		1,763	3,903	2,715
Derivative financial assets		27,717	7,787	3,553
Firm commitment assets		188	280	13,628
Deferred tax assets		8,689	3,067	4,387
Net defined benefit assets		-	7,226	27,978
Other assets		612	529	1,326
Total assets		4,714,538	5,326,247	6,127,008

	Unit	2020	2021	2022
Liabilities				
Total current liabilities		2,423,182	2,722,565	3,343,897
Trade payables		854,716	934,822	919,688
Borrowings		974,090	1,180,668	1,665,567
Derivative financial liabilities		33,141	31,087	77,582
Firm commitment liabilities		146,581	142,523	122,672
Other payables		153,056	164,014	307,069
Current income tax liabilities		27,373	18,889	6,386
Provisions		11,364	3,803	4,256
Lease liabilities		10,346	10,529	10,481
Other liabilities		212,515	236,230	230,196
Total non-current liabilities	KRW 1 million	1,017,711	968,959	1,138,979
Borrowings		893,459	843,946	982,136
Derivative financial liabilities		20,291	16,752	48,537
Firm commitment liabilities		25,467	5,022	1,489
Other payables		179	1,051	406
Net defined benefit liability		1,396	-	-
Deferred income tax liabilities		53,092	82,575	83,264
Provisions		4,869	5,257	8,717
Lease liabilities		18,958	14,356	14,430
Total liabilities		3,440,893	3,691,524	4,482,876
Equity				
Equity attributable to owners of the Parent Company		948,510	1,325,810	1,379,871
Share capital		93,752	111,618	111,618
Share premium		542,579	744,620	744,620
Accumulated other comprehensive income		(30,384)	76,305	75,862
Other components of equity	KRW 1 million	359,384	324,416	310,528
Accumulated deficit		(16,821)	68,851	137,243
Non-controlling interests		325,135	308,913	264,261
Total equity		1,273,645	1,634,723	1,644,132
Total liabilities and equity		4,714,538	5,326,247	6,127,008

Consolidated Statements of Comprehensive Income

	Unit	2020	2021	2022
Revenue		4,660,435	5,851,539	6,621,475
Cost of sales		4,189,371	5,249,033	6,004,592
Gross profit		471,064	602,506	616,883
Selling and administrative expenses		304,027	369,987	389,026
Impairment loss		3,293	10,504	8,298
Operating profit		163,744	222,015	219,559
Other income		518,122	522,406	736,930
Other expenses		533,542	558,663	788,141
Finance income	KRW 1 million	4,496	3,182	4,941
Finance costs		55,814	49,875	83,269
Share of profit of equity method investment, net		760	(3,179)	(5,890)
Other non-operating income		45,936	12,774	42,345
Profit before income tax expense		143,702	148,660	126,475
Income tax expense		30,780	41,376	22,723
Profit from continuing operations		112,922	107,283	103,752
Profit from discontinued operations		1,161	8,341	(2,211)
Profit for the year		114,083	115,624	101,541
Attribution of net income				
Owner's equity of the Parent Company		99,264	100,200	102,282
Profit from continuing operations		98,103	91,859	104,493
Profit from discontinued operations	KRW 1 million	1,161	8,341	(2,211)
Non-controlling interests		14,819	15,424	(740)
Profit from continuing operations		14,819	15,424	(740)
Profit from discontinued operations		-	-	-

	Unit	2020	2021	2022
Other comprehensive income				
Items that will not be reclassified to profit or loss		2,184	98,925	7,343
Remeasurement of postemployment benefit obligation		2,137	(2,016)	(626)
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net		47	865	(1,466)
Revaluation surplus		-	100,076	9,435
Items that may be subsequently reclassified to profit or loss	KRW 1 million	(9,137)	16,372	(13,924)
Cash flow hedges		(745)	(1,028)	1,029
Changes from equity method		(309)	2,206	(2,338)
Exchange differences		(8,082)	15,194	(12,615)
Other comprehensive income (loss) for the year, net of tax		(6,953)	115,297	(6,581)
Total comprehensive income for the year		107,128	230,921	94,961
Total comprehensive income for the year attributable to				
Owners of the Parent Company	KRW 1 million	87,929	205,226	100,362
Non-controlling interests		19,199	25,695	(5,401)
Basic earnings per share		5,233	5,099	4,726
Earnings per share from continuing operations	KRW	5,171	4,675	4,828
Earnings per share from discontinued operations		62	424	(102)

Financial information and others

Shares and dividends

	Unit	2020	2021	2022
Total cash dividends	KRW 1 million	12,862	32,470	25,976
Cash dividend ratio	%	12.96	32.41	25.40
Cash dividend per share	KRW	1,000	1,500	1,200

Economic value distribution

		Unit	2020	2021	2022
Shareholders/ investors	Dividend		12,862	32,470	25,976
	Interest		55,814	49,875	83,269
Employees	Wage		138,910	143,401	163,227
	Employee benefits		37,738	51,749	67,566
Suppliers ¹⁾	Purchase costs	KRW 1 million	2,493,315	3,010,930	3,238,168
Local communities	Social contribution activity expenses (donation)		780	1,860	1,185
Government	Corporate tax		30,780	41,376	22,723
	Taxes and dues		33,958	38,332	25,044

1) Non-ferrous/raw material/commodity procurement, investment/repair service suppliers included

Credit rating

	2020	2021	2022
Commercial paper	A1	A1	A1
Corporate bonds	A+	A+	A+

* Commercial paper: Classified into a total of 6 grades from highest (A1) to lowest (D)

Corporate bonds: Classified into a total of 10 grades from highest (AAA) to lowest (D)

Business Site

		Unit	2020	2021	2022
Subsidiaries	Manufacturing subsidiary	EA	23	26	28
	Sales subsidiary & office		15	16	14

Environment

Environmental Management

Scope 1-2 GHG emissions and intensity

	Unit	2020	2021	2022
Total GHG emission ¹⁾		121,907	126,625/110,224	132,367/114,588
Scope 1		29,530	29,551	27,437
Scope 2 Location-based/ market-based	tCO ₂ eq	92,376	97,078/80,677	104,931/87,152
Scope 3		907,025	828,869	870,980
Intensity (Total GHG emissions/Sales)	tCO ₂ eq /KRW 100 million	0.037	0.031/0.027	0.031/0.237

1) Scope 1: direct emissions (fuel combustion, process emissions, and mobile combustion)

Scope 2: indirect emissions (electricity, and steam)

The amount of SF₆ consumption is reported (excluded in total GHG emissions)

Scope 3 GHG emissions

	Unit	2020	2021	2022
Purchased goods and service		888,704	808,213	862,088
Waste disposal		2,107	2,540	1,498
Business travel		-	-	1,151
Employee commuting	tCO ₂ eq	-	1,026	1,026
Fuel/energy production		4,317	4,311	3,985
Leased assets		11,897	12,779	1,232

* Calculation is internally made based on domestic and international criteria

Energy Consumption

	Unit	2020	2021	2022
Energy consumption (domestic)				
Total energy consumption		2,416	2,534	2,544
Electricity		1,772	1,882	1,929
LNG	TJ	525	519	482
Steam		119	133	133
Total renewable energy consumption		0	343	372
Total non-renewable energy consumption		2,416	2,191	2,172
Consumption of renewable energy procured				
Gumi plant		0	0	0
By production plant Indong plant	MWh	0	16,400	18,100
Donghae plant		0	19,300	20,600

Extended Producer Responsibility

	Unit	2020	2021	2022
Voluntary collection and recycling of plastic from power/communication cable wastes in Korea				
Plastic used in power/communications cables	Ton	24,961	20,600	24,126
Plastic collected and recycled		5,409	5,117	6,309
Plastic collected and recycled	%	21.67	24.84	26.15

* The 2022 recycling volume will be aggregated in the second half of 2023

	Unit	2020	2021	2022
Voluntary collection and recycling of plastic packaging in Korea				
Plastic packaging delivery volume		242	284	347
Required recycling volume	%	201	237	298
Recycling volume		216	284	347

* The 2022 recycling volume will be aggregated in the second half of 2023

Environmental Management

Waste management

	Unit	2020	2021	2022
Waste volume and intensity				
Total waste generated (Designated+General)		11,767	13,306	13,445
By type	Designated wastes ¹⁾	Ton	1,947	2,322
	General wastes ²⁾		9,820	10,984
Intensity ³⁾	Ton/Ton	2.22	2.49	2.53
Recycling				
Amount Recycled	Ton	11,018	11,330	11,868
Recycling Rate	%	93.6	85.2	89.4
Treatment				
Waste Treated		1,706	2,018	1,576
By type	Incineration		1,362	1,675
	Landfill	Ton	344	343
	Others		0	0
Intensity ⁴⁾	Ton/Ton	0.32	0.38	0.30

1) Waste oil, waste organic solvent, paint waste, and waste acid

2) Cable scrap, waste synthetic resins, rubber wastes, and residential wastes

3), 4) The intensity data were calculated based on on total output

Air and water Pollutants Discharged

	Unit	2020	2021	2022
Air pollutants emissions and intensity				
Emissions		15,223	21,158	19,152
Dust NOx HCl HF		960	2,342	2,071
	kg	13,491	17,032	15,485
		722	1,748	1,568
		50	36	28
Intensity	kg/thousand tons	2.87	3.97	3.60
Water pollutants				
Discharges		976	1,690	974
BOD COD SS T-N		60	160	213
	kg	497	984	338
		105	124	77
		314	422	346
Intensity	kg/thousand tons	0.16	0.30	0.14

* The intensity data were calculated based on total output

Environmental Management

Water resource management

	Unit	2020	2021	2022
Water consumption and intensity				
Water consumption		462,646	575,842	557,411
For human uses	Ton	439,760	550,272	408,567
For industrial uses		22,886	25,570	148,844
Underground water		0	0	0
Intensity	Ton/Ton	1.31	1.57	1.54

* The intensity data were calculated based on total output

Chemicals management

	Unit	2020	2021	2022
Hazardous chemical consumption	Ton	11,542	10,153	12,222

LCA performance

	Unit	2020	2021	2022
Products that applied LCA	EA	-	-	9

* Published LCA reports for 9 products, and UL verification for EPD certification is in progress

Society

Safety and Health

Occupational Safety and Health Indicators

	Unit	2020	2021	2022
No. of accidents	Gumi plant	0	0	7
	Indong plant	0	2	1
	Donghae plant	2	0	2
	Construction sites	0	0	0
	R&D center ¹⁾	-	-	0
	Total	2	2	10
Enterprise-wide occupational accident rate ²⁾		0.15	0.14	0.61
Occupational accident rate in the cable industry		0.72	0.80	0.79
Frequency rate of accidents ³⁾	Gumi plant	0	0	5.98
	Indong plant	0	3.01	1.43
	Donghae plant	4.45	0	2.40
	Construction sites	0	0	0
	R&D center ¹⁾	-	-	0
Enterprise-wide frequency rate of accidents		0.78	0.71	1.74

1) Newly added from January 1st, 2022

2) $[(\text{The number of deaths} + \text{the number of injured} + \text{the number of workers with work-related diseases}) / \text{full-time workers}] \times 100$

3) $(\text{Number of accidents} / \text{Annual work hours}) \times 1,000,000$

ISO 45001 Certification Achieved⁴⁾

	Unit	2020	2021	2022
Worksites to be certified against ISO 45001	EA	3	3	3
Worksites certified against ISO 45001		3	3	3
Ratio of worksites certified against ISO 45001	%	100	100	100

4) Based on domestic production plants

Safety training

	Unit	2020	2021	2022
Employee safety training	Total training time	Hour	30,235	35,554
	No. of participants	Employee	1,334	1,560

Industrial Health and Safety Committee

	Unit	2020	2021	2022
No. of committee member	Employee	30	30	26

Investment in safety (high-risk work)

	Unit	2020	2021	2022
Investment expenses in safety field	KRW 1 million	2,800	6,600	4,850
No. of cases in safety facility improvement	Case	23	40	66

Executives and Employees

Status of executives and employees

	Unit	2020	2021	2022
Total number of Employees ¹⁾		1,933	2,010	2,122
By employment type	Executive	19	21	23
	Permanent	1,820	1,838	1,902
	Temporary	94	151	197
By job group	Production	886	929	990
	Administrative	1,047	1,081	1,132
By region	Seoul office	192	196	198
	Anyang head quarter+R&D center	481	491	517
	Gumi plant	680	636	631
	Indong plant	327	327	351
	Donghae plant	253	360	425
Registered executive officer		5	4	6
Overseas resident employees		28	40	37
Average years of service	Year	15	13	12
No. of employees eligible to join the retirement pension system	Employee	1,869	1,858	1,878
Retirement pension enrollment rate	%	99	95	91
No. of retirement	Employee	182	301	309
Retirement rate		9.3	14.7	16.5

1) Executives, regular workers, temporary workers

Remuneration of employees

	Unit	2020	2021	2022
Total amount of employee salaries	KRW 1,000	138,910,353	143,401,184	163,227,196
Employee welfare expenses	Medical expenses of family members of employees	No. of applicants	375	368
		Employee	500	463
				434
				567
	The amount paid	KRW 1,000	679,014	675,072
				818,232
School expenses	No. of applicants		316	258
	No. of beneficiaries	Employee	604	525
				511
	The amount paid	KRW 1,000	1,614,187	1,748,225
				1,608,978

* Total welfare benefits can be found on page 65

Employee Diversity

	Unit	2020	2021	2022
New hires	Male	125	286	334
	Female	44	55	61
By gender	Male	1,775	1,843	1,948
	Female ²⁾	158	167	174
	Percentage of female employees	%	15.4	16.1
				18.2
Female managers ³⁾	No. of female managers	Employee	35	39
				42
	Percentage of female managers	%	5.1	5.5
				5.7

2) Regular workers (administrative positions, excluding production positions), temporary workers

3) The percentage figures for the year 2021 differ from the previous published report (due to input error)

Executives and Employees

Performance Appraisal

	Unit	2020	2021	2022
Employees who set MBO goals agreed upon with their superior	Employee	931	948	995
Ratio of employees who set MBO goals with their superior's approval	%	100	100	100

Employees Who Set Their CDP (Career Development Plan)

	Unit	2020	2021	2022
Employees who set their individual career development plans	Employee	931	948	995
Ratio of employees who set their individual career development plans	%	100	100	100

Vulnerable Employees

	Unit	2020	2021	2022
No. of employees of national merit		14	14	14
(No. employees with disabilities) Direct employment	Employee	25	26	24
(No. employees with disabilities) Indirect employment (Butyi)		12	12	12
Total no. of employees with disabilities		37	38	36

Salaries and wages

	Unit	2020	2021	2022
The ratio of entry level wage to legal minimum wage	Production	124.9	126.7	126.6
	Administrative	154.7	165.1	167.4

Usage of maternity leave

	Unit	2020	2021	2022
No. of employees who use the maternity leave	Female	4	7	8
	Male	28	30	26
	Total	32	37	34

Usage of parental leave

		2020	2021	2022
	Unit	Parental leave (Returning to work)	Parental leave (Returning to work)	Parental leave (Returning to work)
No. of employees Who use the parental leave (Rate of employees returning to work after parental leave)	Female	8(87.5%)	8(100.0%)	13(38.5%)
	Male	7(100.0%)	4(50.0%)	12(75.0%)
	Total	15	12	25

* Male and female parental leave can be used for up to one year (per child)

Talent development

Training expenses and hours

	Unit	2020	2021	2022
Training investment expenses per person	KRW 10,000	125	129	145
Training investment expenses	KRW 100 million	25	27	32
Training hours per person	Hour	58	54	51
Total training hours	Thousand hours	117	111	112

Employee Diversity

Labor union membership status

	Unit	2020	2021	2022
Union member	Employee	859	910	923
Union participation rate	%	100	100	100
Negotiation with labor unions on operational changes ¹⁾	Case	0	0	1
Labor dispute	Case	0	0	0

1) Magnet Wire Division spin-off

Labor union membership by worksite

	Unit	2020	2021	2022
Gumi plant	Employee	442	428	403
Indong plant		238	239	242
Donghae plant		179	243	278

Worksite satisfaction survey results

	Unit	2020	2021	2022
Worksite satisfaction	Gumi plant	72	71	69
	Indong plant	75	75	73
	Donghae plant	78	75	73

Human rights awareness

	Unit	2020	2021	2022
No. of trainees ²⁾	Sexual Harassment Education	Employee	1,903	1,906
	Disability Awareness Education			
	Workplace harassment prevention training			
Ratio of trainees to total	%	98.4	94.8	96.1

2) Excluding overseas workers and persons on leave

Protecting employee rights

	Unit	2020	2021	2022
Employment of the minor (below 18)	Case	0	0	0
Correction requests for cases of discrimination		0	0	0

Quality and Product Safety

Innovation activities by quality circles

	Unit	2020	2021	2022
Themed quality circle tasks		67	68	70
Proposals per person	Case	17	17	18
Total		84	85	88

Product quality evaluation technologies

	Unit	2020	2021	2022
Energy ¹⁾		13	10	12
Power distribution/Busduct		5	5	5
Telecommunications/Industrial cables	Case	7	9	6
Materials			1	1
Total		26	25	24

1) HV/EHV cable, Electric power equipment, Submarine cable, Overhead transmission cable

Supply Chain Management

Transactions made with business suppliers

	Unit	2020	2021	2022
Total number of suppliers (tier-1) ²⁾		1,199	1,246	1,295
Total number of suppliers (tier-1) ³⁾	EA	504	508	462
Number of major suppliers ⁴⁾		239	249	259
Total amount of supplier transactions	KRW 100 million	24,933	30,109	32,382

2) Non-ferrous/raw material/commodity procurement, investment/repair service suppliers

3) Raw material/commodity procurement suppliers

4) Top 20% based on purchase

Evaluation of Suppliers

	Unit	2020	2021	2022
No. of suppliers evaluated and receiving on-site inspection ⁵⁾	EA	388	460	591
	%	32	37	46
No. of suppliers found to have substantial or potential negative impact on society	EA	0	0	0
Proportion of suppliers expelled based on social impact assessment results	%	0	0	0

5) Evaluation target: transaction amount of KRW 500 million or more, number of deliveries of KRW 1 billion or more within the evaluation period

Sustainable procurement

	Unit	2020	2021	2022
Suppliers who signed contracts containing the LSCNS's Global Purchasing Policy	EA	353	341	355

Supply Chain Management

Mutual growth with suppliers

	Unit	2020	2021	2022
Grade in the mutual growth index ¹⁾	Grade	Good	Good	-
Total amount of support provided for mutual growth	Loans	7,336	6,496	9,440
	Mutual cooperation funds	4,931	32	28
	Total	12,267	6,528	9,468

1) The mutual growth index grade consists of Best, Excellent, Good, Fair, Insufficient, and Publication Deferred
The grade for 2022 is scheduled to be announced in the second half of 2023

Handling of suppliers' grievances

	Unit	2020	2021	2022
Number of grievances submitted	Case	0	0	0

Social Contribution

Social contribution outcomes

	Unit	2020	2021	2022
Total social contribution spending	KRW 1 million	780	1,860	1,185
Annual number of persons who took part in volunteering ¹⁾	Employee	62	289	491

1) 2020: Reduced number of direct participants (employees) due to social distancing due to COVID-19

2022: Excluding external participating organizations (Donghae Maritime Police, Donghae Maritime Special Rescue Team, and Korea Marine Environment Management Corporation Donghae Branch; and military: Republic of Korea Navy First Fleet)

Social contribution program

	Unit	2020	2021	2022
Programs	Organized by LS Cable&System ²⁾	5	5	6
	Organized by LS Corp. ³⁾	2	2	2

2) Employee volunteer groups, Electrical safety checks in traditional markets, Donation from monthly salary, Designated donation, Ocean Cleanup Activities

3) Organized by LS Corp and participated by LS C&S employees (LS Dream Science Class, LS Dream School)

Customers

Technology Innovation

R&D Investment

	Unit	2020	2021	2022
R&D personnel	Employee	293	296	313
Percentage of total personnel	%	29.0	29.0	28.0
R&D investment costs	KRW 1 million	45,207	48,881	44,396
Government subsidies		130	604	479
R&D investment to sales ratio	%	0.9	0.8	0.7

Intellectual property

	Unit	2020	2021	2022
Domestic	Registration	691	764	805
	Application	307	404	510
Overseas	Registration	278	324	320
	Application	70	106	150

National project undertakings

	Unit	2020	2021	2022
Government investment	KRW 1 million	1,705	2,053	1,299

Information Security

Customer privacy protection

		Unit	2020	2021	2022
Security breaches/accidents related to customers' personal information		Case	0	0	0
Customers suffered damage from data leakage			0	0	0
Information security training	Participants (executives/employees)	Employee	239	231	1,044
	Training hours	Hour/person	478	462	1,044

* Conducting online and offline training for team leaders and team security officers, while other members underwent dissemination and sign-off until 2021

** Implementing company-wide online education in 2022

Governance

Compliance and Ethical Management

Compliance training

	Unit	2020	2021	2022
Employees Participated in Training	On-line training	0	0	1,044
	Off-line training	223	248	395

* Due to COVID-19, off-line education is conducted with a minimum number of employees

Contract and legal reviews

	Unit	2020	2021	2022
Domestic	Contract review	181	192	207
	Legal review	2,319	2,498	2,501
International	Contract review	273	288	290
	Legal review	4,417	4,623	4,794

* Contract review: The number of inquiries in the legal review system within the company website

** Legal review: The number of emails sent

Training/support for auditor

	Unit	2020	2021	2022
Internal organization to support auditor	Employee	5	25	27

Dissemination of ethical management

	Unit	2020	2021	2022
Sending a letter of cooperation to suppliers	Time	2	2	2

Ethic evaluation

	Unit	2020	2021	2022
No. of times for online survey	Time	1	1	1

Cyber reporting channel

	Unit	2020	2021	2022
Receipt of reports on unethical conduct	Case	15	11	4
Ratio of actions/measures taken against unethical conduct	%	100	100	100

Board of Directors

Board of Directors operation status

		Unit	2020	2021	2022
Members	Internal directors	Person	4	4	5
	Auditor		1	1	1
Board meetings	Meetings	Time	12	14	13
	Internal director attendance	%	96	91	100
Board of Directors' agendas	Approval	Case	25	41	37
	Report		6	5	4

Board of Directors remunerations

	Unit	2020	2021	2022
CEO remunerations	CEO's total remunerations	1,822,502	1,411,840	983,590
	Total remunerations	9,260,185	6,609,135	7,940,735
Internal directors and auditor's remuneration	Average remunerations per person	1,852,037	1,101,523	992,592

Others

Membership status

Korea Wind Energy Industry Association	Korea Engineering & Consulting Association (KENCA)	Korean Institute of Electrical Engineers (KIEE)
Korea Electric Association	Korea Electrical Manufacturers Association	Korea Electric Wire Industry Cooperative (KEWIC)
CIRED KOREA	International Contractors Association of Korea	Korea Electrical Contractors Association
Korea Information and Communication Contractors Association (KICA)	FTTH Council Asian Pacific	Korea Rolling Stock Industries Association
Korea Railway Association	Korea PROFIBUS Association	CLPA (CC-Link Association)
ODVA	FTTH Council Europe	BICSI Korea
Korea Data Center Council	ICF	Fair Competition Federation
Korea Personnel Improvement Association	Korea HRD association	Korea Listed Companies Association
Anyang Reserve Commander Association	Korea Emergency Planning Council	Korea Enterprises Federation (KEF)
Anyang Chamber of Commerce	Korea International Trade Association (KITA)	

Membership fees

	Unit	2020	2021	2022
Membership fees	KRW 10,000	28,763	36,821	24,898

Beneficiaries of donations

Anyang regional association of legal committee	Donghae Logistics & Industry Foundation	Social Welfare Corp Aehyang
Gumi City Social Welfare Center	Korean Red Cross Kyeongsangbuk District Office	Community Chest Of Korea
Hwangsang Child Care Center	Sungshim Nursing Center	Ansa Regional Community
Donghae City Hall	Donghae City Social Welfare Council	Donghae Culture and Tourism Foundation
Donghae Sports Council	Nuclear Safety And Security Commission	

International certifications

Environment

Environmental Management System ISO 14001

Certification of environmental management system based on fulfillment of requirements for effective environmental management execution and improvement of environmental performances

Society

Quality Management System ISO 9001, IATF 16949, TL 9000

Certification of quality management system based on fulfillment of requirements throughout the process of products and services

Health and Safety Management System ISO 45001

Certification based on fulfillment of requirements for the systematic health and safety management of an organization through prediction and prevention of various risks that can occur in worksites

Information Security Management ISO 27001










Certification of information protection management system based on fulfillment of requirements to establish, maintain, and improve the system continuously

APPENDIX

78	LS C&S and the UN SDGs
79	GRI Standards 2021 Index
82	Independent Assurance Statement

LS C&S and the UN SDGs

To participate in the UN Sustainable Development Goals (UN SDGs) initiative, LS C&S is engaging in nine goals out of a total of 17 sustainable development goals. We will continue to undertake additional activities to achieve more goals.

UN SDGs	Activities at LS C&S	Reporting page
 Good Health and Well-Being	<ul style="list-style-type: none"> • Disclosing a list of restricted substances • Offering medical checkups and operating health facilities, including an in-house fitness center and counseling center 	28, 34
 Quality Education	<ul style="list-style-type: none"> • Providing employees with educational programs and training courses to strengthen their expertise in their respective work areas • Operating the LS Dream Science Class program to encourage children's interest in basic science • Establishing LS Dream School buildings in developing countries to improve the educational environment 	39, 52
 Gender Equality	<ul style="list-style-type: none"> • Supporting childbirth and childcare among our employees (parental leave and the LS Daycare Center) • Prohibiting discriminatory treatment in employment, evaluation, compensation, and promotion on the basis of gender 	36, 41
 Affordable and Clean Energy	<ul style="list-style-type: none"> • Contributing to the global new and renewable energy sector by producing and supplying offshore wind power and photovoltaic cables • Reviewing a variety of measures to introduce various renewable energy options, starting with the adoption of renewable energy in Donghae and Indong Facilities for Production/Operations 	14-15, 25
 Decent work and Economic Growth	<ul style="list-style-type: none"> • Supporting the capacity-building of suppliers through joint technology development, technology support, and joint patent application • Upgrading a web portal site (e-pro) for operational convenience and communication with suppliers 	45
 Reduced Inequalities	<ul style="list-style-type: none"> • Increasing the number of employees with disabilities through indirect employment in cooperation with Butyi 	42
 Sustainable Cities and Communities	<ul style="list-style-type: none"> • Operating air pollution control facilities at our worksites • Conducting activities to reduce defect rates in the manufacturing process and minimize waste • Conducting social contribution activities to promote community development in Gumi, Indong, and Donghae where our production plants are located 	27-28, 51-52
 Responsible Consumption and Production	<ul style="list-style-type: none"> • Perform the Life Cycle Assessments (LCA) from manufacturing to disposal to analyze environmental impact and reduce loads throughout the entire process • Establishing an integrated HSE management system to address issues related to safety, health, the environment, and disaster prevention 	26-27, 32
 Peace, Justice and Strong Institutions	<ul style="list-style-type: none"> • Strengthening compliance programs (CP): Risk Self-check, appointing managers responsible for fair transaction self-compliance • Internalizing a compliance culture through educating the employees and In-house promotion 	57-58, 59-60

GRI Standards 2021 Index

GRI Standards	Disclosure No.	Disclosure Name	Page	Note
Universal Standards				
GRI 2: The organization and its reporting practices	2-1	Organizational details	9	
	2-2	Entities included in the organization's sustainability reporting	ABOUT THIS REPORT	
	2-3	Reporting period, frequency and contact point	ABOUT THIS REPORT	
	2-4	Restatements of information	-	N/A (not applicable)
	2-5	External assurance	82-83	
GRI 2: Activities and workers	2-6	Activities, value chain and other business relationships	9, 11-12	
	2-7	Employees	69	
	2-8	Workers who are not employees	69	
GRI 2: Governance	2-9	Governance structure and composition	54	
	2-10	Nomination and selection of the highest governance body	54	
	2-11	Chair of the highest governance body	54	
	2-12	Role of the highest governance body in overseeing the management of impacts	54	
	2-14	Role of the highest governance body in sustainability reporting	18	
	2-15	Conflicts of interest	54	
	2-16	Communication of critical concerns	54	
	2-17	Collective knowledge of the highest governance body	54	
	2-18	Evaluation of the performance of the highest governance body	54	
	2-19	Remuneration policies	54	
	2-20	Process to determine remuneration	54	
	2-21	Annual total compensation ratio	54	
GRI 2: Strategy, policies and practices	2-22	Statement on sustainable development strategy	8, 17	
	2-23	Policy commitments	17, 58	
	2-24	Embedding policy commitments	18, 71	
	2-25	Processes to remediate negative impacts	55-56	
	2-26	Mechanisms for seeking advice and raising concerns	41, 58, 60	
	2-27	Compliance with laws and regulations	57-58	
	2-28	Membership associations	76	
GRI 2: Stakeholder engagement	2-29	Approach to stakeholder engagement	20	
	2-30	Collective bargaining agreements	42	

GRI Standards	Disclosure No.	Disclosure Name	Page	Note
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	21	
	3-2	List of material topics	22	
	3-3	Management of material topics	22	
Economic				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	64	
	201-3	Financial implications and other risks and opportunities due to climate change	36	
	201-4	Defined benefit plan obligations and other retirement plans	74	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	36	We strictly prohibit illegal discrimination throughout the entire employment practices, from the hiring process to compensation, promotion, and beyond
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	14-15, 51-52	
	203-2	Significant indirect economic impacts	45, 73	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	45	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	57-60	
	205-2	Communication and training about anti-corruption policies and procedures	58, 60	
	205-3	Confirmed incidents of corruption and actions taken	-	Refer to the business report: XI. Other matters necessary for investor protection
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	Refer to the business report: XI. Other matters necessary for investor protection
Environmental				
GRI 302: Energy 2016	302-1	Energy consumption within the organization	65	
	302-2	Energy consumption outside of the organization	65	
	302-3	Energy intensity	65	
	302-5	Reductions in energy requirements of products and services	26	
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	28	
	303-3	Water withdrawal	28	
	303-4	Water discharge	67	
	303-5	Water consumption	67	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	65	
	305-2	Energy indirect (Scope 2) GHG emissions	65	
	305-3	Other indirect (Scope 3) GHG emissions	65	
	305-4	GHG emissions intensity	65	
	305-5	Reduction of GHG emissions	65	
	305-6	Emissions of ozone-depleting substances (ODS)	65	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	66	

GRI Standards	Disclosure No.	Disclosure Name	Page	Note
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	27	
	306-2	Management of significant waste-related impacts	27	
	306-3	Waste generated	66	
	306-4	Waste diverted from disposal	66	
	306-5	Waste directed to disposal	66	
Social				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	69	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	37	
	401-3	Parental leave	70	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	30	
	403-2	Hazard identification, risk assessment, and incident investigation	32	
	403-3	Occupational health services	34	
	403-4	Worker participation, consultation, and communication on occupational health and safety	42	
	403-5	Worker training on occupational health and safety	68	
	403-6	Promotion of worker health	34	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	30-34	
	403-8	Workers covered by an occupational health and safety management system	42	
	403-9	Work-related injuries	33	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	38	
	404-2	Programs for upgrading employee skills and transition assistance programs	37, 38, 39	
	404-3	Percentage of employees receiving regular performance and career development reviews	70	
	405-2	Ratio of basic salary and remuneration of women to men	36	We do not discriminate on any basis in all processes including promotion, compensation and disciplinary measures
GRI 406: Nondiscrimination 2016	406-1	Incidents of discrimination and corrective actions taken	71	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	There is no corresponding business establishment or supplier
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	-	No cases of violation
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	-	
	413-2	Operations with significant actual and potential negative impacts on local communities	-	N/A (not applicable)
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	-	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	N/A (not applicable)
GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	-	N/A (not applicable)
	417-3	Incidents of non-compliance concerning marketing communications	-	N/A (not applicable)
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	74	

Independent Assurance Statement

To readers of LS CABLE & SYSTEM 2022 - 2023 Sustainability Report + Annual Report

Introduction

Korea Management Registrar (KMR) was commissioned by LS CABLE & SYSTEM to conduct an independent assurance of its 2022 - 2023 Sustainability Report + Annual Report (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of LS CABLE & SYSTEM. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with LS CABLE & SYSTEM and issue an assurance statement.

Scope and Standards

LS CABLE & SYSTEM described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
 - GRI 205: Anti-Corruption
 - GRI 206: Anti-competitive Behavior
 - GRI 305: Emissions
 - GRI 306: Effluents and Waste
 - GRI 403: Occupational Health and Safety

- GRI 404: Training and Education
- GRI 413: Local Communities
- GRI 414: Supplier Social Assessment
- GRI 416: Customer Health and Safety

As for the reporting boundary, the engagement excludes the data and information of LS CABLE & SYSTEM' partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by LS CABLE & SYSTEM to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with LS CABLE & SYSTEM on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards 2021. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

Inclusivity

LS CABLE & SYSTEM has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

Materiality

LS CABLE & SYSTEM has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

Responsiveness

LS CABLE & SYSTEM prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of LS CABLE & SYSTEM actions.

Impact

LS CABLE & SYSTEM identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with LS CABLE & SYSTEM and did not provide any services to LS CABLE & SYSTEM that could compromise the independence of our work.

May 2023 Seoul, Korea
CEO

E. J. Hwang



SRV1000
Sustainability Committee Assurance



Our Report since 2010



Our Report since 2010



2022-2023 LS cable & System Sustainability Report + Annual Report

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Worksite Health and Safety

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Suppliers

Kyung Do Kim, Hyun Kyu Park, Sung Woo Heo

Quality and Product Responsibility

Ho Eun Kim, Chang Seok Kim

Social Contribution

Kyeong Yong Jeong, Hak Jei Cho, Chan Keun Jung

Customers

Yong Phal Yoo, Il Hyeok Yim, Sung Jun Park, Yun Yeong Lee

Governance

Compliance Management

Young Jun Oh, Jung Rae Kim

Ethical Management

Chang Won Choi, Jin Young Hyun

Financial & General data

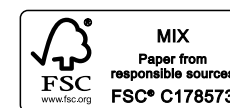
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Participating organization

Design The Moments
Assurance Korea Management Registrar



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