

LEADING A SUSTAINABLE FUTURE WITH GREEN CABLE SOLUTIONS



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About this Report

Cover Story

The coiled cables on the cover symbolize our commitment to promoting sustainability in people's lives by providing cable solutions that contribute to carbon neutrality The 2024 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 fourteenth report, and it follows the previous iteration published in May 2023.

Reporting guidelines

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021. No material changes have been made from the previous year in reporting scope, boundaries, or measurements. For any changes in a data collection method, adjustment has been made using the 2023 method and details are specified in the report.

Reporting period

From January 1 to December 31, 2023 (The 2024 performance up to the first quarter is included.)

Reporting scope

The head office in Anyang, R&D Center, 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 Independent Assurance Statement.

Reporting cycle

Annually (publication date of the latest report: May 2023)

Web-based information on business status

We have been transparently disclosing our business status on the LS C&S website. 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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🗞 Website 💊 YouTube channel 💊 LinkedIn 🗞 2023 Business Report 🗞 Audit Report

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Interactive PDF user guide

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

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LIGHTNGUP THE WORL ELECTRICITY

As we enter an era of electrification driven by global efforts to achieve carbon neutrality, electricity is poised to become our primary source of energy. By extension, facilities for its generation and transmission will become increasingly key infrastructure. Our mission remains unchanged in the midst of this tide of change: connecting the world through cable solutions that allow people to access energy and information without any constraints on location or time

LS CABLE AND SYSTEM PROGRESSES The increased future demand for electricity will require innovative cable solution technologies that ensure stable energy transmission. TOWARD Throughout the transformation of infrastructure, industry, and daily

life, LS C&S will push itself to innovate even further by utilizing the technology and experience it has accumulated over the past six decades



CEO Message



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Distinguished stakeholders,

My name is Koo Bon-Kyu, and I am the CEO of LS C&S. I would like to express my deepest gratitude for your unwavering support and ongoing interest.

With rising concerns over international disputes and the climate crisis, greater attention than ever before was paid to sustainable business activities in 2023. Moreover, the push toward carbon neutrality and the shifting energy paradigm are presenting significant challenges for a number of industries.

As the saying goes, 'Chance favors the prepared mind.' The global rise of electrification and the growing demand for green power generation are opening up opportunities for growth in our cable business. LS C&S has accumulated advanced technologies as part of its process of becoming a global cable solution leader, which is now allowing us to win large-scale new and renewable energy projects in Europe. Our efforts to transform opportunities into achievements are continuing as we ramp up our production capacity and enhance our installation capability for submarine cables while investing in future energy business such as EVs and secondary batteries.

Moreover, our focus is not only on business performance, but also on addressing climate change and human rights issues to achieve global sustainability and fulfill our social responsibilities. To this end, LS C&S has been implementing ESG management. The EU has implemented its Carbon Border Adjustment Mechanism (CBAM) to impose carbon tariffs on trade goods based on GHG emissions. Furthermore, its Corporate Sustainability Due Diligence Directive (CSDDD) stipulates the review of environmental and labor human rights status across entire corporate value chains. This demonstrates how companies today face corporate responsibilities incomparable to those of the past. Rather than simply complying with such regulations, we consider them new opportunities to promote sustainability and corporate value and live up to our corporate responsibility at the global level.

In April 2024, LS C&S set its 2050 Net-Zero goal in line with global standards and established a roadmap for implementation. In addition, we joined the Science Based Targets initiative (SBTi) alongside major companies and organizations worldwide. These will help us disclose our efforts at reducing GHG emissions in a transparent and responsible manner.

LS C&S will continue its efforts to lead the way in the age of electrification, a period in which electricity is playing a pivotal role both in industry and daily life. Throughout this journey, we look forward to your valued interest and support.

Thank you.

May 2024 Koo Bon-Kyu, the CEO of LS C&S

🗞 Wining large-scale new and renewable energy projects in Europe 🛛 🗞 Ramping u

🗞 Ramping up submarine cable production capacity

S Enhancing installation capability in submarine cables

🗞 Investing in future energy business such as EVs and secondary batteries



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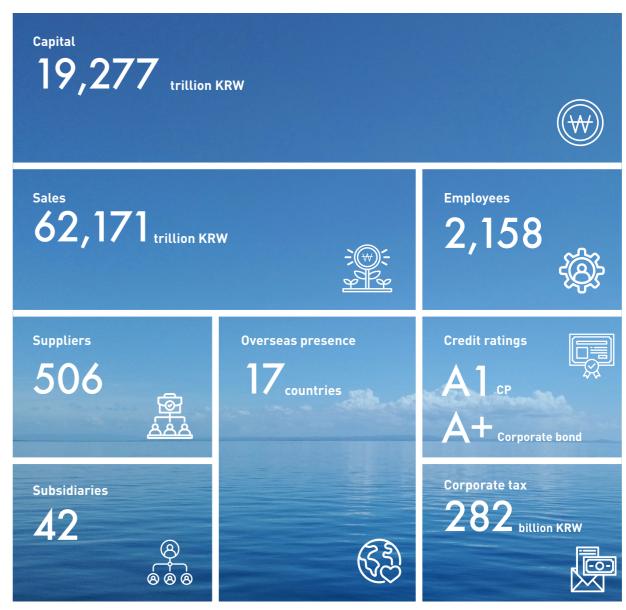
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Company Overview

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 pursing 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 R&D Center
CE0	Koo Bon-Kyu
Date of establishment	May 1962
Primary products	Power/Communications/Industrial cables and materials
Subsidiaries	19 domestic and 23 overseas subsidiaries
Website	www.lscns.co.kr





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Vision and Management Philosophy

Vision 2030

Mission

Vision

Strategic

directions

C.O.R.E and

commitment

our

In 2020, looking to the coming decade, 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.

LSpartnership

LSpartnership® is LS Group's management philosophy of Greater Value Together. LSpartnership means employees achieve superior performance through mutual respect, care, and trust. They cooperate based on open-mindedness and grow together with our stakeholders. LSpartnership 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.





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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 2023, we operate 33 manufacturing subsidiaries and 11 sales subsidiaries and offices in 17 countries.





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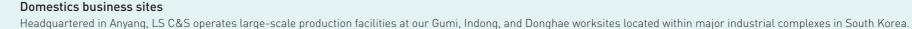
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Head office 127 LS-ro, Dongan-gu, Anyang-si, Gyeonggi-do, South Korea

• Head office **O** Plants R&D Center

We will continue our efforts at maximizing stakeholder interests through the expansion of production facilities and R&D infrastructure.









machinery, automotive cables, and tubes R&D Center 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





Primary products Magnet wire (flat wire)

Joinestic Subs	10101103(10)	
LS Buildwin	Gaon cable	LS Marine Solution
LS EVK	Mobo	LS Eco Energy
LS Alsco	EZ Cable	Korea Future Material
LS Matrials	DKC	HAIMK
G&P		Sejong Cable
		JS Cable



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

Primary products

HV/EHV cables and connection materials. MV/LV cables, overhead transmission lines, bus ducts, SCR, and magnet wire



Donghae Plant 215, Daedong-ro, Donghae-si,

Gangwon-do, South Korea

Primary products Submarine cables, and industrial specialty cables



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

Primary products

HV connectors, vehicle components, equipment charging components, and BPU | ESS components and equipment

LS Alsco 257, 3gongdan 3-ro, Gumi-si,

Gyeongsangbuk-do, South Korea

Primary products Aluminum rods/billets, aluminum-processed goods, and landscape materials

LS Marine Solution

42, Songjeonggwangeogol-ro, Haeundae-gu, Busan, South Korea

Primary products

Submarine communications and submarine cable installation and maintenance





Q Anyang

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O Donghae

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LS EV Korea



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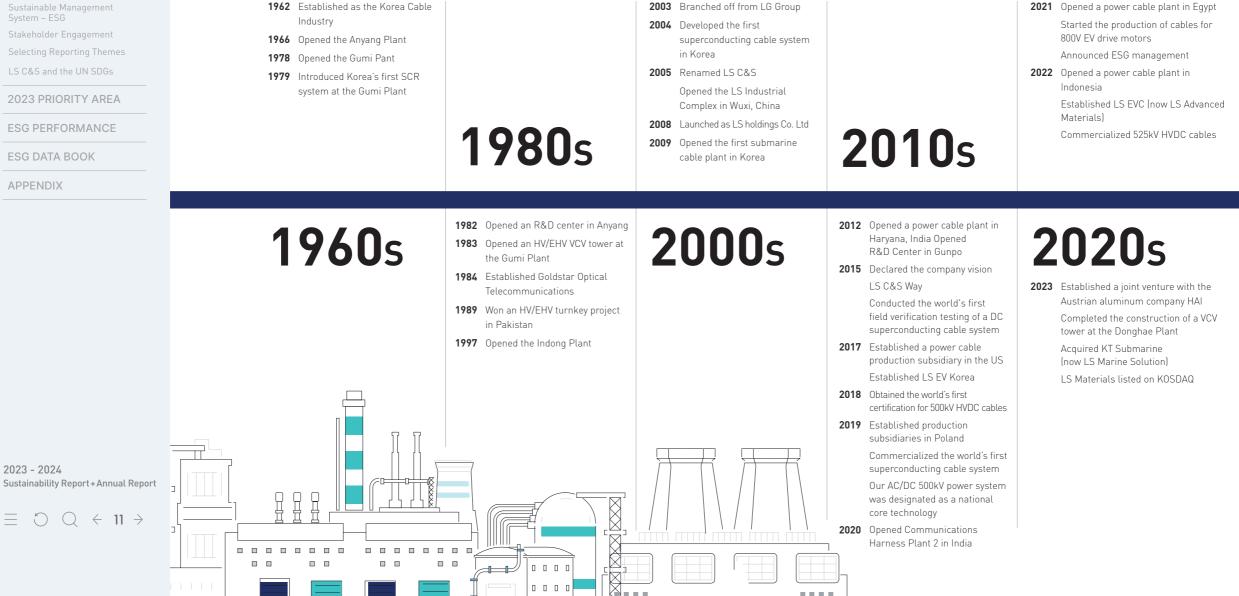
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LS C&S has grown together with the nation's economic and industrial development by constantly challenging itself to innovate and by building on its successes. We will continue to promote sustainable cable solutions and fulfil corporate social responsibility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





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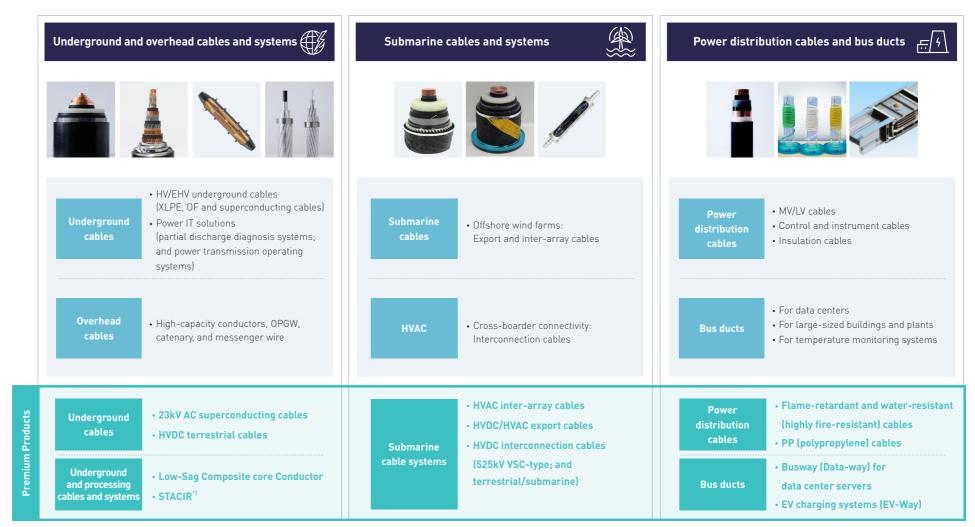
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Our Businesses and Products

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.



* Super Thermal-resistant Aluminium-Alloy Conductor, Invar Reinforced



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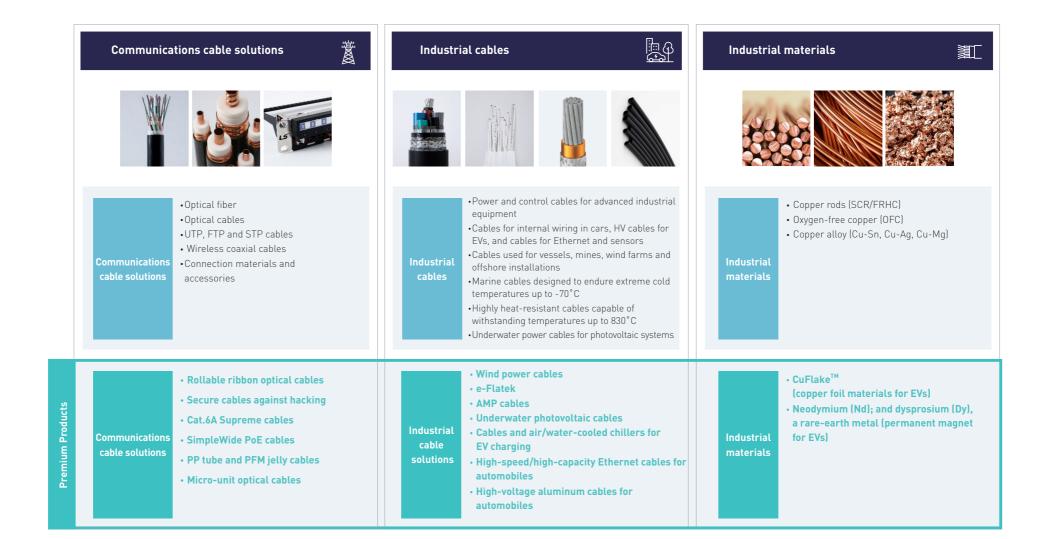
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Sustainable Management System – ESG

ESG management implementation strategy

As part of the efforts at becoming an ESG leader, 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. This strategy will help us have a positive impact on society and the environment while strengthening our competitiveness in the business field.

ESG management framework at LS C&S





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We are always striving for ways to enhance corporate ESG governance structure



Process	 Developing an ESG management strategy and implementing key initiatives Identifying areas for improvement byevaluating the company's ESG initiatives and conducting a comprehensive environmental analysis Evaluating the ESG management index and monitoring progress Organization
Organization	 Leading a dedicated ESG team Operating the ESG Management Committee under the CEO Managing ESG programs and coordinating with related departments

at management meetings.

Basis for ESG management

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

The ESG Management Committee was launched in June

2021 to incorporate ESG into our business norms in line

with our corporate management strategy. This consultative

body consists of the CEO as chair, internal members, and

external advisory members. They approve ESG strategies

by area and mid-to-long-term goals, make decisions on related key agenda items, and review the progress of ESG

activities. The decisions made in committee are reported

management to help create sustainable value.

ESG Management Committee under the CEO

Communication

Sustainable Management System – ESG

· Improving ESG information disclosure channels, such as sustainability reports and the company website Engaging in LS Group's sustainable management consultative body Participating in activities organized by environment-related associations

Committee agenda i	tems	Committee ove	erview	
1st meeting in 2023 [Feb. 15, 2023]	1. Company-wide RE100 Roadmap plan 2. Annual compliance pla	Composition	CEO, CFO, CSO and three external advisory members	
2nd meeting in 2023 (Jun. 14, 2023)	 Environmental issues and the progress of implemented response measures Reporting the findings of sustainability reports Implementation plan for employee-led ESG initiatives Internal risk control activities and regulatory response measures 	Roles	Decision-making on ESG management policy and strategy Approval of ESG mid-to- long-term goals Monitoring of the status and progress of implementation	
3rd meeting in 2023 (Oct. 30, 2023)	 Domestic and international trends in Emissions Trading Systems (ETS) and their implications Global trends in ESG disclosure standards and the company's 		plans Monitoring of ESG-related risks	
	response strategy 3. Response measures for the Delivery Unit Price Coordination System and subcontracting regulations	Operation	Convening bi-monthly committee meetings	
1st meeting in 2024 (Feb. 14, 2024)	 Interim report on the enterprise-wide carbon neutrality roadmap The Corporate Sustainability Due Diligence Directive (CSDDD): cases and response measures ISO 37301 certification acquisition plan 	Establishment date	June 2021	

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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	 Customer satisfaction Product quality Strengthening technological competitiveness 	 Customer satisfaction survey Participation in domestic exhibitions such as SIEF-PGK and the K-Battery Show 	 Identifying improvement points through periodic customer satisfaction surveys Conducting R&D to enhance product quality and technological competitiveness
၀၉၀ ကိုကိုက် Employees	 Protecting the rights of employees Fostering talent and capacity building Work-life balance 	 Labor union and labor-management meetings In-house broadcasting (Newspresso) and a newsletter (OpenMind) Online bulletin board for open communication (an anonymous forum for employees) 	 Developing and providing capacity-building programs for each job category Establishing a transparent and unbiased performance evaluation system
Government	 Anti-corruption and compliance Creating economic value Disclosing tax payments and corporate information in a transparent manner Cooperation between private and public sectors 	 Operating a fair transaction reporting center Participating in national projects Joining associations 	 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	 Financial performance Economic performance and stock prices Sound governance 	 Shareholders' and BOD meetings Disclosure of information and Investor Relations (IR) Company website 	 Capacity building, including diversifying business areas Examining and implementing measure to secure stable profit Diversifying channels for information disclosure
Local communities	 Social contribution activities Stimulating the economies of local communities Minimizing the negative impact on areas where our plants are located 	 Employee volunteer groups (Chamsarang Society and Jeongnanum Society) Meetings held at installation and construction sites to address civil complaint Protecting the environment of areas neighboring our worksites 	 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	 Win-Win growth Fair and unbiased transactions and treatment Addressing the difficulties faced by our suppliers 	 Periodic supplier evaluation Supplier CEO Forum Procurement portal site (e-procurement) 	 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
He press	 Disclosing information transparently and promptly Business performance and management results 	 Press reports Company website and social media (LinkedIn and YouTube) 	 Supporting the press in their news coverage activities Developing and disseminating content



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Selecting Reporting Themes

Identification of key issues

To ensure sustainable management, it is critical to take a strategic approach to managing issues related to the economy, society, governance, and the environment. We conducted a double materiality assessment to identify and select issues significantly impacting our business activities. This approach allows a comprehensive view by considering both the social and environmental impacts companies may have as well as the financial implications of external environments on companies. The assessment was made in accordance with GRI and EU CSRD issue reporting standards, incorporating press report analysis, international standards, and stakeholder survey results. In the end, we identified ten key issues.

Assessment process

Step 1. Issue pool development		Step 2. Materiality assessment			Step 3 Selection of ten key ESG issues			
Creating a pool of issues		Analyzing soc	ing social, environmental and financial impact			Ten key ESG issues		
Analyzing the requirements in global reporting standards		Social ar	nd environmental impact analysis		5	ESG issues among rep	5	
GRI, UN SDGs and TCFD (including K-ESG guidelines)		International GRI and UN SDGs standards (including K-ESG guidelines)		identified through the double materiality assessment			ity assessment	
		Media research	211 press reports of LS C&S			PRIORITY AREA		
Analyzing the sustainability reports of other cable companies for benchmarking		Benchmarking	Analyzing key issues of ten global cable solutions companies and domestic ESG leaders		Addressing climate change/ Carbon	Digital transformation	Industrial safety and	
Reviewing key issues of global cable solutions companies		Financial impact			neutrality		health	
and domestic ESG leaders	0	International standards	GRI and UN SDGs (including K-ESG guidelines)	0	S	Sustainable worksites		
Reviewing press reports		Media research	211 press reports of LS C&S		Unbiased performance evaluation and		ion and	
		Benchmarking Analyzing key issues of ten global cable			fair compensation fostering employee growth			
Examining 211 press reports of LS C&S (throughout the year 2023)				solutions companies and domestic ESG leaders		Win-Win growth and cooperation		
			Stakeholder survey		Pro	oduct quality and safe	ty	
		Period	January 17-23, 2024		Local commur	nity engagement and o	contributions	
Finalizing the selection of 23 issues (We integrated redundant issues and added		Participants	400 employees and 200 external stakeholders			Local commany engagement and contributions		
		Survey	items Evaluating the impact of the 23		Product life-cycle assessment (LCA)			
new ones based on recent trends.)			issues and selecting (prioritizing) social, environmental and financial material issues		Corpor	rate ethics and compli	iance	



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Selecting Reporting Themes

Material issues for 2023

Key

Reporti

We finalized the ten key and reporting issues from a pool of 23 identified issues. The related activities for their implementation and the progress made are transparently disclosed in this report in order to foster open communication with our stakeholders.

Importance Assessment Results

	Area	ESG issues	Those affected	d	Impact level		GRI INDEX	Reporting pages
	1 Environment	Addressing climate change / Carbon neutrality	Customers		••••	305-1, 305-2, 3 305-5,	305-3, 305-4, 305-6, 305-7	22-23, 31
a a	2 Economy	Digital transformation	Customers and	employees	••••		Non-GRI	24
Key issues	3 Society & People	Industrial safety and health	Employees and	suppliers	••••	403-1, 403-2 403-5, 403-6, 403-7, 403-8,	, 403-3, 403-4, 403-9, 403-10	25-28
	4 Environment	Sustainable worksites	Customers, em communities	ployees and local	•••	306-1, 306-2, 306-3,	306-4, 306-5	32-33
-	5 Society & People	Unbiased performance evaluation and fa compensation fostering employee growt	Employees		••	404-1,	404-2, 404-3	34-37
	6 Society & People	Win-Win growth and cooperation	Suppliers		•••		414-1, 414-2	41-43
	7 Society & People	Product quality and safety	Customers and	suppliers	••••		417-1	44-47
porting issues	8 Society & People	Local community engagement and contributions	Local communi and related org	ties, the government anizations	••		413-1, 413-2	48-49
	Invironment	Product life-cycle assessment (LCA)	Customers		••		Non-GRI	31
	10 Governance	Corporate ethics and compliance	Customers, loc the governmen	al communities and t	•••		205-1, 205-2	53-56
Others	 Environment 13 Realizing a circula 13 Preserving biodivei 22 Developing eco-frie and expanding investion 	r economy organizationa rsity 19 Responsible r endly businesses 22 Promoting su setment supply chain	al culture growth engines		Impact lev	rel Very High High Medium Low		



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2023 - 2024 Sustainability Report + Annual Report LS C&S and the UN SDGs

The UN Sustainable Development Goals (SDGs) represent a global commitment to addressing the economic, social and environmental challenges that humanity will be facing through 2030. With a guiding principle of "leave no one behind," the SDGs consist of 17 goals and 169 targets. LS C&S has established eight goals based on the unique characteristics of the cable solution industry and our specific business strengths. Globally, a range of efforts are being undertaken to achieve the SDGs. In addition, the South Korean government is supporting the worldwide efforts to implement the SDGs through its policies, laws, and regulations.



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1	SDGs target	Implementation efforts at LS C&S	Rep	orting page:
	 Ensuring quality education for all 4.4 Ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all 4.5 Eliminating gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable 	· Operating a system to support employees in fostering job expertise through training programs	0	36-37
	Achieving gender equality 5.1 Ending all forms of discrimination against women and girls everywhere 5.5 Ensuring women's participation and equal opportunities for leadership in political, economic, and public life	 Providing support for work-life balance (maternity and parental leave, LS daycare center, and nursing rooms at our worksites) Prohibiting discriminate against workers on the basis of gender in relation to employment, evaluation, compensation, and promotion 	0	39-40
	Green energy production and consumption 7.3 Doubling the global rate of improvement in energy efficiency by 2030	 Contributing to the global renewable energy industry through production and supply of offshore wind and photovoltaic cables Reviewing plans for adopting a variety of renewable energy, starting with its production and operation at the Donghae and Indong Plants Conducting investment and product development activities to cut energy use at the enterprise level 	0	31
	Promoting economic growth, full employment and decent work for all 8.3 Encouraging formalization and growth of micro-, small- and medium-sized enterprises	 Supporting suppliers through joint technology development and patent application Upgrading the 'e-pro' procurement portal site to enhance suppliers' convenience and communication with them 	0	43
	Addressing all kinds of inequality 10.2 Promoting the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	• Supporting people with disabilities through employment, including Butyi (a company established under the 'subsidiary-type standard business system' of the Korea Employment Agency for the Disabled) and the Besor Orchestra	0	40
	Making cities and local communities sustainable 11.6 Reducing the adverse per capita environmental impact of cities, including by paying special attention to air quality, municipal and other waste management	Operating air pollutant management facilities tailored to specific types of discharging equipment at worksites Minimizing waste by improving defect rates in the manufacturing process Contributing to the development of local communities in Gumi, Indong and Donghae, where our production plants are located	0	32-33, 48
	 Ensuring sustainable production and consumption patterns 12.4 Achieving the environmentally sound management and reduction of chemicals and all wastes 12.5 Reducing waste generation through recycling and reuse 	 Analyzing the environmental impact and reducing the load through life-cycle assessment from production to disposal Establishing an integrated safety and health system to manage worksite safety, the environment, employee health, chemicals, and disaster prevention" 	0	31, 32-33
	Peace, justice and institutions16.3 Promoting the rule of law at the national and international levels and ensuring equal access to justice for all	 Strengthening compliance programs (CP) and achieving compliance management system certification by 2024 Internalizing a compliance culture through employee training and in-house promotion, starting with job groups related to fair trade laws and regulations 	0	53-54

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AREA | 1 Climate Action

Carbon neutrality roadmap

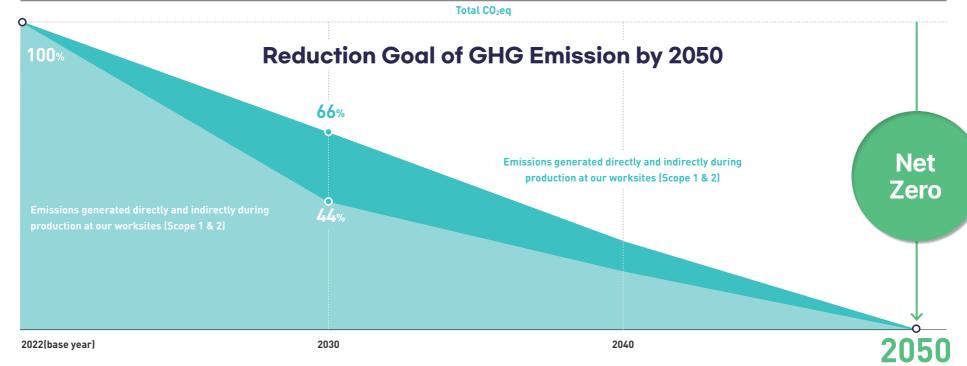
Achieving 2050 Net-Zero We set a net-zero target and established a roadmap for its implementation in 2023. The target, which includes not only Scope 1 and 2 GHG emissions generated during production, but also Scope 3 emissions from the value chain, was established based on a scenario for limiting the rise in the global average temperature to 1.5°C above pre-industrial levels using 2022 as the base year. In addition, joining the Science-Based Target Initiative (SBTi) in March 2024 allows us to ensure the objectivity of the 2050 roadmap through SBTi target validation as we reduce emissions in line with our target.

Our reduction measures | LS C&S will step up its efforts at reducing GHG emissions through eco-friendly manufacturing processes, R&D, and engagement activities in the supply chain.

	GHG emissions reduction within the organizational boundaries	GHG emissions reduction outside the organizational boundaries
Major source of emissions	(Scope 1) Gases generated during manufacturing process (SF6), and melting furnace (LNG) (Scope 2) Electricity	(Scope 3) Product use (power loss)
Reduction measures	Through investments: • Using EVs for business transportation • Transitioning from SF6 to gas alternatives • Fuel transition initiatives • Introducing renewable energy sources	Through product R&D and external activities: • Expanding the scope of recycling materials • Developing high-efficiency/HV cables

LS C&S Carbon Neutrality Roadmap (including consolidated accounting standards)

📕 Scope 1, 2 📕 Scope 3





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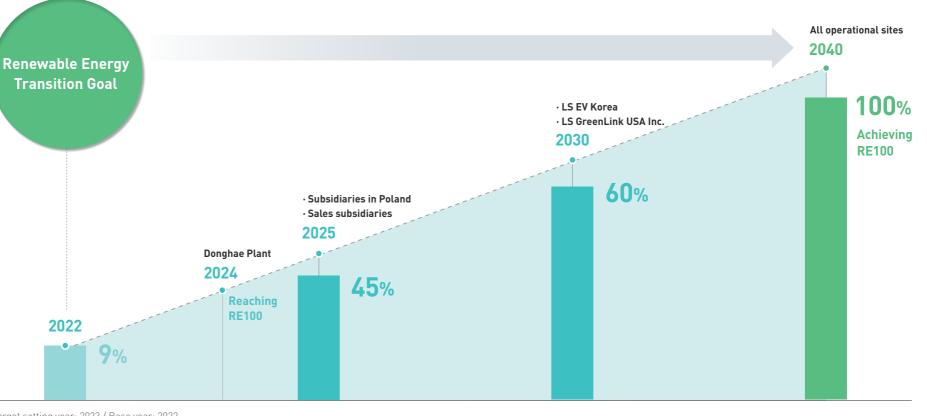
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Implementing RE100 by 2040 After establishing a renewable electricity target and implementation measures in alignment with global RE100 standards, we aim to achieve RE100 at the enterprise level. The interim goal is to reach a 60% transition to renewable energy by 2030. We will introduce 100% renewable energy at the Donghae plant by 2024 and plan to extend this initiative to our subsidiaries in Poland and overseas sales subsidiaries and branch offices by 2025.

Organizational structure for implementation Our strategies and progress in responding to enterprise-wide ESG risks and issues related to climate change are reported to the ESG Management Committee. Major decisions on these issues, including the approval of net zero and RE100 targets and strategic directions on the 2050 Carbon Neutrality Roadmap, are made in management meetings. Activities to reduce GHG emissions are guided by ESG consultation meetings. Key agenda items are reported to the CEO, and the CSO monitors climate change risks and the progress of implemented initiatives.





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* Target setting year: 2023 / Base year: 2022



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AREA 2 Digital Transformation (DT)

DT management system

Managing digital transformation To achieve our vision and promote sustainable growth amid the digital transformation taking place across industries, digital transformation is a key focus area for our management strategies. We aim to leverage real-time data from interconnected systems to build a competitive decision-making framework that actively involves our stakeholders. In parallel, we are striving to create efficient work environments and enhance productivity through advanced systems.

DT initiatives

2023 performance We have upgraded our outdated ERP systems to S/4HANA to support integrated global operations. In addition, our HR system was reorganized to be more user-friendly, enhancing efficient employee management. The company's intranet has been integrated with Microsoft Teams. In January 2024, we launched Manufacturing Operations Management¹⁾ (MOM), a system that enables digital on-site management at our submarine cable worksites. Going forward, we will implement DT initiatives for our sales systems, an installation project management system (PMS), scaling up the application of MOM, and a planning framework, all in alignment with our strategic roadmap.

DT core competence (Digital capability) We have collaborated with external experts on enterprise-wide digital transformation tasks to internalize expertise and independently pursue process innovation at the organizational level. In parallel, we are operating our LS DT Academy and offering multi-level training programs that include data analysis courses for both experts and novices. Currently, we are reviewing the feasibility of introducing ChatGPT and MS Copilot into our workflow while closely monitoring digital transformation trends.

(Work culture) Our digital transformation efforts aim to provide each value chain within the organization with key business information, operational status updates, and task assignments, thereby helping to foster a work culture grounded in systems and data. We are committed to creating competitive work environments that support our employees in developing a digital mindset, enabling them to drive future growth as key engines of our success.

Framework for DT initiatives

· Es Strategy Se Se in Operation ld al Core Fc . Pi competence

Mid- to long-term DT roadmap

ERP upgrade

Fast and stable data processing

Smart submarine cable factories

Real-time onsite data sharing Integrated tracking system

Optimal base system

Establishing DT strategies and roadmap	Up to 2023 🛛 🕻	Up to 2025	D Up to 2027
Setting five strategic directions ^{2]}		(4Q	
Setting up an organizational framework for implementation Identifying tasks to implement initiative aligned with the roadmap	(Initiation) Building a foundation for DT • Creating an organization for implementation	(Growth) Establishing a framework for integrated global operations • Setting standards for integrated global	(Leading) Scale-up and enhancement • Enhancing an operational framework
Fostering digital talent Promoting a digital work culture	 Setting up strategic directions Establishing related systems 	operations • Rebuilding SCM and FPM ^{3]} • Implementing data-driven improvement tasks	· Extending to domestic and overseas subsidiaries

HR system reorganization

Enhanced access to integrated

Intuitive and convenient UI/UX

Company Intranet

Integrated with MS Teams

Enhanced work connectivity

HR data

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1) Integrated manufacturing operation system

2) ① integrated global operations, ② competitive supply chain management (SCM), ③ enhanced data analysis capability and infrastructure, ③ digital work environments for collaboration, ③ planning framework 3) SCM (Supply Chain Management), FPM (Finance & Performance Management)

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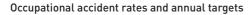
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AREA | 3 Industrial Safety and Health

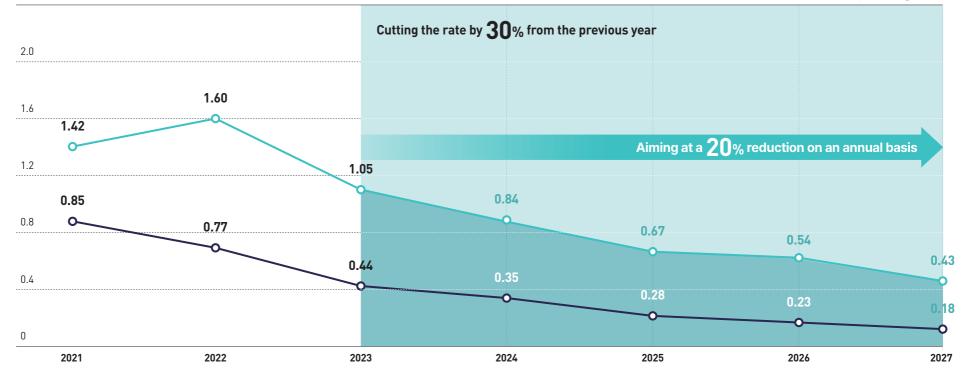
Establishing safety management goals

To foster a safe working environment, we have set a goal of reducing the enterprise-wide occupational accident rate. Cultivating a safety-focused mindset, each team within our organization has identified key tasks for implementation. In addition, we have incorporated global leading indicators, such as Lost-Time Injury Rate (LTIR) and Total Recordable Incident Rate (TRIR), into our accident prevention management framework. Unified by a consensus over shared safety goals, LS C&S and its suppliers conduct joint safety checks, identify and address unsafe or inappropriate conditions, and provide safety training.

Our 2023 goal was to cut TRIR by 30% over the previous year. Through continuous efforts to identify and address potential risk factors, we achieved a 40% decrease, exceeding our target by 10%. Moving forward, we aim to reduce TRIR by 20% on an annual basis. We have set a five-year mid-term goal to achieve TRIR below 0.5% and LTIR below 0.2% by 2027. All employees at LS C&S and its suppliers will continue their efforts guided by our core value of 'rules and responsibility' to foster a robust safety culture across all worksites.



O LTIR¹ O TRIR²



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1) Lost Time Injury Rate: (Number of LTI)*200,000/Number of hours worked

2) Total Recordable Incident Rate: (Number of RI)*200,000/Number of hours worked * LTI+MTC rate

- Lost Time Injury (LTI): It includes all on-the-job injuries that require a person to stay away from work more than 24 hours.

· Medical Treatment Case (MTC): It includes any work-related injury that allows a person to return to work within 24 hours, without resulting in lost workdays.



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Critical risk prevention

Safety diagnoses of worksites | We conduct annual assessments of our worksites' environmental safety to identify potential risks and ensure compliance with laws and regulations. In 2023, internal and external expert organizations began collaborating on the evaluation of the safety and health systems and standard practices at our worksites in order to identify and mitigate risk factors.

* Safety diagnosis on 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.

Response system for critical accidents and occupa-

tional safety | In order to fulfill our obligations under the Serious Accidents Punishment Act and the Occupational Safety and Health Act, we have established a prevention system and regularly assess its implementation status.

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Safety diagnosis process

Identifying risk factors	Formulating response measures	Conducting improvement activities	Monitoring
 Outdated facilities Non-compliance with safety rules Insufficient worksite management 	 Forecasting equipment life Developing measures for compliance with safety rules Establishing a worksite management system 	 Monitoring equipment Providing safety training Performing worksite inspections 	 Performance management Process refinement

Implementing protection devices and

safety fences on rotating equipment

Replacing transformation equipment

Publishing a handbook on installation

Strengthening internal safety

and outdated areas in tent storage

facilities

safety rules

Environment

machines

glycerin tanks

Installing collectors for UV curing

Implementing water collection tanks

Improving the environment for

and processing facilities at the

wastewater disposal plant

· Setting up tents in the yard

Measures taken for identified issues after the diagnosis



Key tasks for critical accident prevention

Developing goals and policies on safety and health	Safety and Heath Management Committee
Identifying and examining harmful risk factors	HSE implementation meetings at worksites
Setting up and administering a budget on safety and health	Expanding a pool of safety and health professionals
Evaluating the job performance of managers in charge	Diagnoses by external specialized companies
Evaluating the job performance of managers in charge	Monitoring and diagnoses of domestic and overseas construction sites
Listen to and address employees' concerns	Zero-Accident Rally
Establishing procedures to respond to critical accidents	Safety Check Day
nducting activities to ensure safety and health of subcontractors	Enhancing joint safety checks at construction sites
Reviewing related laws and regulations	Monitoring the achievement rates of the HSE management index



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Occupational safety and health system

Worksite management To ensure safety at our worksites, we have developed a comprehensive safety and health policy and a dedicated safety team under the direct supervision of the Chief Health, Safety, and Environment Officer (CHSEO). Plans for enterprise-wide implementation of polices are reported to board meetings on an annual basis. The HSE leader from each team participates in regular safety meetings for continuous communication. In addition, we are developing plans aligned with our safety and health targets, implementing them, monitoring progress, and assessing the results.

Safety and health management system certification

All of our worksites in Gumi, Indong, and Donghae, as well as our domestic and overseas construction sites, operate based on the international standard ISO 45001. We renew this certification on a regular basis through annual internal and third-party reviews.

ISO 45001 certification rate in 2023

+100%

The SCL (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.

Safety and health meetings

	Safety and Heath Management Committee	Occupational Safety and Health Committee	HSE implementation meetings at worksites
Led by	CHSEO	HSE Division	HSE Division
Frequency	Monthly	Quarterly	Monthly
Participants	 A chair (CHSEO) and 19 senior managers overseeing health and safety 	 An employee responsible for safety and health management and 17 members from management The head of the labor union and 17 labor representatives 	 HSE Division/Team leaders Heads of business divisions Production team leaders
Agenda	 Developing disaster prevention measures Complying with related laws and regulations Sharing key issues on health and safety 	 Reviewing and Decision-making on key issues Labor-management joint safety checks and improvement measures 	• Establishing short-, medium-, and long-term plans to address issues

Safety management at construction sites

In 2022, we established a dedicated safety management team for both domestic and overseas construction sites. The team undertakes a wide range of activities aimed at fostering a culture of safety at worksites, including safety and health checks, guidance, and training. They conduct monthly on-site visits and actively engage in identifying and mitigating risk factors to ensure the protection of employees and the establishment of a safe working environment.

2022	D	2023	
Establishing a dedicated team for construction safety (within the Construction Division)	Construction Safety Management Team (within the enterprise-wide HSE Division)	Creating a safety culture · Publishing a handbook on safety and health · Strengthening safety monitoring · Establishing a reporting channel and improvement measures	Strengthening safety competenc Group training for supervisors Informal meetings, safety meetings and training at the start of construction
Addressing a total of 93 safety issues at 19 construction sites	Addressing a total of <mark>424</mark> safety issues at 119 construction sites	A total of <mark>32</mark> cases resolved	A total of <mark>23</mark> cases resolved



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Internalizing 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.

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.

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.

Review criteria and responsible teams on Safety Check Day

Review criteria		Responsible teams		
Categories	Details	Worksite inspection teams	Joint inspection teams	
	Checking lifting devices	·		
Cranes	on cranes	Led by team leaders	Led by the head of a business group	
Forklifts	Checking the alarm devices on forklifts	Managers (engineers)	Heads of business divisions	
		Work group leaders	HSE teams	
Rotating equipment	Checking the installation of protection devices on rotating equipment	Conducting worksite	Conducting monthly patrol	
Fall	Checking fall danger zones	inspections using checklists	inspections on a randomly selected worksite	
Fires and explosions	Checking the operation of fire extinguishers	Identifying potential risks and implementing improvement measures	Carrying out individual follow-up activities by each team	

Safety and health management for suppliers

Safety and health consultative body and joint safety checks Knowing that safety at our suppliers directly impacts our safety, we stive 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 inhouse 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.

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.

Measuring work environments	Health check-ups	Disease prevention
 Investigating harmful factors to work environments 	• General/Special health check-ups	 Conducting monitoring and informing employees of
 Analyzing harmful factors to work environments 	 Health check-ups before/ after job assignment 	prevention rules • Providing employees with
Addressing harmful factors to work environments	 Occasional/Temporary health examinations 	vaccinations Follow-up management for
	 Comprehensive health check-ups 	employees with abnormal find ings in their health check-ups
		• Heath management of employees on business trips



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Environmental Management Е

As part of our pursuit of enabling a cabled world while reducing the burden on the planet, we are striving to minimize the environmental impacts of our products and worksites.

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.

Environmental management system | 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 and customer requirements by complying with related laws and regulations, managing performance, and reducing pollution.

Climate change risk and opportunity analysis | We

identify internal and external risks related to climate change and continuously seek measures to mitigate them. In this regard, we categorize these into transition and physical risks, analyze their financial impact and formulate appropriate response measures.

Risks and opportunities of climate change

	Risks/Oppor	tunities	Financial impact	Response measures	Duration	
	Policies/Laws					
Transition	Tightening regulations on GHG emissions Mandatory climate-related disclosures		 Rising direct and indirect costs due to increased GHG emission reduction rates and the expanding allocation of purchased carbon emission rights (costs for implementation and purchasing carbon emission rights, and response measures for regulations) Increasing costs for complying with global GHG emission regulations, such as CBAM (e.g., tariffs) 	the purchasing of these rights ponse · Participating in the government-industry body to collectively respond to the EU's CBAM		
risks			 Degrading corporate value due to insufficient disclosure of climate-related information and low implementation of low-carbon measures 	\cdot Proactively implementing climate-related disclosure standards and conducting annual MRV^{1}	Mid-term	
	Markets/Cus	tomers				
	ESG management required by markets and clients		 Growing operational costs to meet customer requirements (e.g., assessing GHG emissions in projects, and reviewing energy transition plans) 	 Identifying and implementing strategic tasks based on their importance and urgency (e.g., utilizing recycled materials and renewable energy; and conducting product life-cycle assessments) 	Short-term	
	Acute					
Physical risks	Increased severity of extreme weather events, such as floods, heat waves, and wildfires.		 Increasing restoration costs and decreasing production capability 	Establishing a distinct category for natural disasters and operational Sho scenarios to effectively respond to them		
			· Rising costs due to negative impact on employees	· Ensuring employee safety and health management		
	Energy resources	Growing new and renewable energy generation due to global energy transition trends	• Expanding sales of onshore/offshore wind power and photovoltaic transmission cables	 Expanding our portfolio of new and renewable energy transmission cables Continuing to invest in research and development for wind power and photovoltaic cables 	Mid-term	
Opportunities	Product/ Service	Developing highly efficient products and services	 Increasing demand of cables used in large-scale offshore wild power and cross- border transmission 	 Undertaking projects on HVDC and submarine cables for new and renewable energy Promoting R&D in high-efficiency products and evaluating the feasibility of their investments 	Mid-term	
		Business-related resiliency	\cdot Mitigated impact of abnormal climate conditions, such as heat waves and deluges	 Developing and designing cables with consideration for external environments 	Long-term	
	Markets/ Customers	Changing client preferences	 Expanding market share through enhancing reputation and gaining competitive edge 	 Enhancing marketing strategies and communicating effectively with stakeholders 	Long-term	

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Response to climate change issues

GHG emissions reduction | <u>Scope 1 and 2 GHG emission</u> <u>management</u> 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, worksites in Gumi, Indong, and Donghae, as well as construction sites and certain processes. The reported emissions data is publicly disclosed at ngms.gir.go.kr (the National Greenhouse Gas Management System **%**).

Scope 1 and 2 GHG emissions from our domestic and overseas subsidiaries are assessed and disclosed in this report. Emissions are calculated by LS C&S following the GHG Protocol standards. Moving forward, a third-party verification will be conducted to ensure the compliance with the standards and to evaluate the accuracy and credibility of the information.

For detailed information on Scope 1 and 2 GHG emissions from our domestic and overseas subsidiaries, please refer to the ESG Data Book on page 60 of this report.

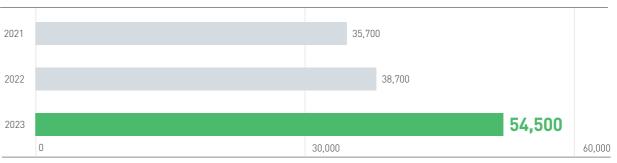
Scope 3 GHG emissions management We are expanding our emissions management beyond Scope 1 and 2 GHG emissions to include the assessment of Scope 3 emissions, which are generated throughout our value chain. All subsidiaries with operational controls that are included in our consolidated financial statements have been subject to assessment since 2022. The assessment follows the GHG Protocol's Scope 3 Calculation Guidance. We reviewed the 15 categories outlined in the guidance, including upstream and downstream activities, and selected categories 1 to 12 for calculation.

For detailed information on Scope 3 GHG emissions from LS C&S and its subsidiaries, please refer to the ESG Data Book on page 60 of this report. $\ref{eq:second}$

<u>CDP participation</u> Every year, we participate in the Carbon Disclosure Project (CDP). In response to client inquiries regarding our climate change response strategies, carbon emissions, and emissions reduction status, we disclose the related information as part of our commitment as a participating company.

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 2040 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 2023, we purchased 54.5 GWh of renewable energy through KEPCO's Green Premium program, allowing the Donghae Plant and the Indong Plant to respectively secure 88% and 42% of their electric power as renewable energy. We will continue our transition to renewable energy through inhouse power generation with rooftop photovoltaic panels, power purchase agreements (PPAs), and the purchase of renewable energy certificates (RECs).

Renewable energy usage(in MWh)



Product life-cycle assessment (LCA) | 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 enhancing the credibility of our carbon emissions reporting. 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.

LCAs conducted for three power distribution and one overhead cable products \rightarrow EPD certified for three power distribution cable products





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Resource circulation

Waste disposal process

Recycling of plastic used in products and packaging |

We recycle the domestic plastic waste from our products and packaging after they are sold and used, fulfilling our obligations as a producer. Synthetic resins in waste power and communications cables are recycled through the Korea Electric Wire Recycling Cooperative and the Korea Packaging Material Recycling Cooperative. In addition, research and development activities are being conducted to utilize recycled or easily recyclable materials for our products and packaging.

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 2023, wastes totaled 12,719 tons, a decrease of 726 tons from the previous year. Recycled wastes dropped by 107 tons year-on-year to reach 11,761 tons. This improvement allowed us to increase the total recycling rate from 89.4% to 92.5%. We are making comprehensive efforts to reduce the waste generation rate, including optimizing our manufacturing processes.

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. We plan to expand our cooperation with companies using wooden cable drums to increase the collection of drums.

Minimizing environmental impact

Air pollutants management | Comprehensive efforts are being made to comply with stricter emission permit levels mandated by the Act on the Integrated Control of Pollutant-discharging Facilities and the Special Act on Air Quality Improvement for Atmospheric Control Area. We conduct air measurement and analyses of raw materials and processes to monitor air pollutants we produce, including dust, NOx, HCl, HF, and other new pollutants. In 2023, investments in replacing outdated facilities, stateof-the-art low-Nox boilers, bag filter dust collectors, and absorption carbon towers enabled us to reduce air pollutants by 25% compared to the previous year.







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Resource circulation

Water resource | 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. In 2023, we launched an effort to enhance water efficiency, leading to a 10% year-on-year reduction in water consumption. With emerging risks to the water supply from natural disasters such as drought, securing the water resources required for our production and operations has become increasingly important. In response, we will continue to invest in securing stable water resources and in performing efficient water management while identifying measures for reducing water usage and promoting water re-use.

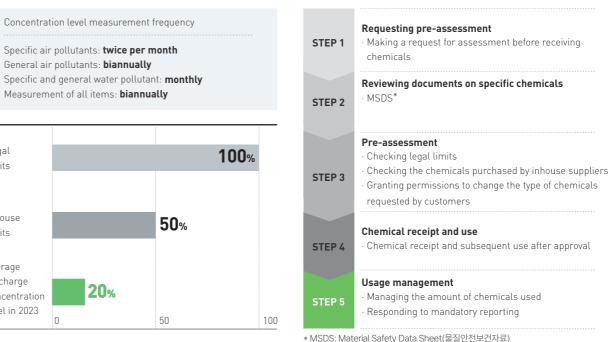
Water pollutants | We discharge wastewater generated in the cable manufacturing process by applying in-house limits on water contaminants that are stricter than the legal limits. The contamination level in our discharged wastewater is less than 50% of the legal limit, which also is specified in our 2024 HSE energy targets. 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 | 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. Activities are carried out to minimize the use of hazardous chemicals, including stabilizing the related processes, conducting offsite 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



Air and water pollutant discharge concentration levels vs. Legal limit 화학물질 관리 프로세스





s Employees

To foster a corporate culture that supports employee growth and addresses their needs, we are committed to creating efficient digital work environments and maintaining ongoing communication with our employees.

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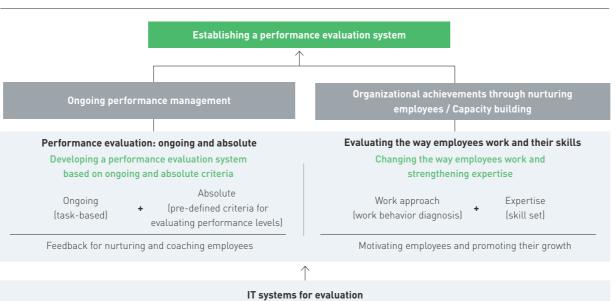
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Performance evaluation and compensation systems

Restructuring the performance evaluation system to foster employee growth | Our performance evaluation system is designed to assess employees' contributions to organizational achievements by measuring their performance and competencies. The ultimate goal is to use these evaluations to support employees in producing results and building their capacities. **Ongoing performance management** Ongoing performance evaluation of tasks is conducted throughout the year to support employees in achieving KPIs set with consideration for their importance. When employees complete key tasks, their work performance is assessed promptly to ensure timely evaluation. The accumulated history of feedback gathered through this process is being utilized as foundational data for year-end evaluations in order to ensure fair and unbiased assessments. The HR Team verifies the data to prevent assessment results from being solely determined by evaluators. Final checks are carried out through a three-step calibration session.

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, 360-degree multi-faceted feedback is solicited from superiors, colleagues, and junior staff. Peer reviews complement superior-oriented assessments, ensuring a credible evaluation.

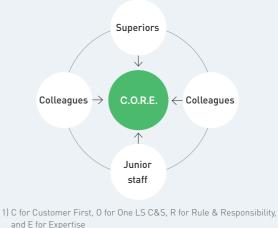
Our performance evaluation system



Evaluation items

Work approach diagnosis (15 questions)

Team leaders: Professionalism – Leadership – Responsibility Team members: Professionalism – Co-work – Responsibility



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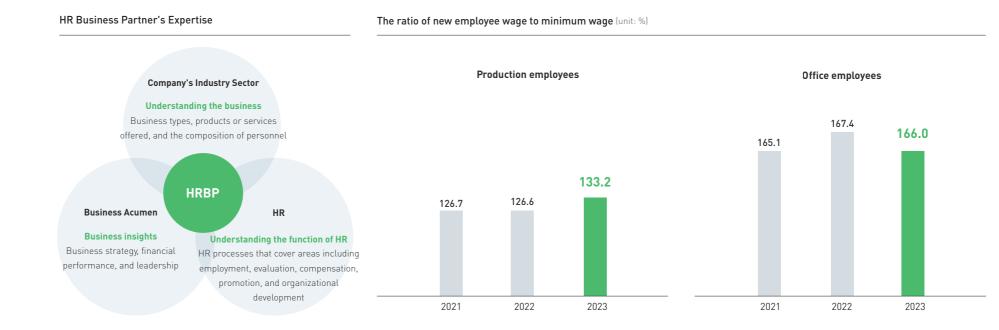
Performance evaluation and compensation systems

Employee-friendly HRBP Our HR Team is conducting HR Business Partner (HRBP) programs to provide support to business groups from an HR perspective by helping them address issues and achieve goals. HR Business Partners, comprising of HR Team members and employees responsible for labor-management affairs at the Gumi, Indong, Donghae plants and R&D centers, engage in the business processes of each group to address HR-related issues and support the implementation of business strategies and goals. In addition, the HR Team is operating a channel through which employees can freely ask questions about evaluations, compensation, and benefits. **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 such as financial rewards and promotions are granted to employees upon group and individual accomplishments in projects. We operate a compensation system that not only rewards performance differentially but also ensures there is no unjust differentiation based on gender, age, or disability.

Fixed pay	Basic salary: Annual base salary (monthly paid salary and holiday bonuses in Lunar New Year and Chuseok)
Variable	Financial performance incentives: Incentives paid based
pay	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

Reward 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 upon 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 to ensure stability after retirement and in their later years. They can choose between DB (defined benefit) and DC (defined contribution) plans.



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Work-life balance and employee welfare benefits

Work-life balance <u>Enhancing flexibility at work</u> 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 the Working Lounge at the Seoul Office, 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.

Welfare benefits

Employee welfare benefits | <u>Encouraging employees</u> <u>to use paid vacation</u> We maintain an annual paid vacation calendar to encourage all of our employees, including top management, to plan their vacation days either over two weeks or by taking advantage of sandwich days. We have received feedback from many employees commenting that the vacation calendar helps them fully refresh and concentrate their efforts at work. We will continue to develop range of measures supporting a working culture grounded in autonomy, responsibility, and trust.

<u>Welfare benefits</u> We provide our employees with a range of benefits that consider different aspects of life, supporting them in maintaining a healthy work-life balance.

Employee capacity-building

We are making efforts at establishing a culture of 'selfdriven growth' and implementing a skill-based IDP* system. These efforts aim to support our employees in continuously developing expertise and producing results guided by our philosophy that talent nurturing through employee development drives organizational growth. As the role of leaders is critical in fostering self-led growth among employees, we emphasize systematic leadership training. In addition, we offer programs tailored to organizational and individual needs to help develop skills where they are lacking.

Fostering leadership | We aim to establish a culture of employee-led growth by defining hierarchical leadership roles and implementing leadership development programs. The heads of Business Groups have been showing interest in employee capacity-building and shared growth vision based on their successful experiences. Related programs have been designed for them, such as Storytelling Leadership and Reverse Mentoring. Division heads have been fostering supportive learning environments for employees, assigning growth targets, and monitoring guarterly IDP implementation progress. Programs provided for these division heads include Leadership through Socio-drama, and workshops on skillset-based IDP operation. Team leaders support growth through empowerment and nurturing coaching aimed at fostering self-led development. To this end, programs on one-on-one coaching and empowerment are being operated. With the emphasis on the roles of team leaders in driving change, there has been an increase in team leader training expenditures and per-capita training hours in 2023 over the previous year.

Team leader training (2023 performance compared to 2022)



* Individual Development Program (IDP): It allows employees to design and operate their own capacity-building programs

Living and life	Health	G O G Family	Leisure
 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 	 Comprehensive health check-ups A counseling center Heath clinics Medical expense reimburse- ment for employees 	 Financial aid of school tuitions for the children of employees Medical expense reimburse- ment 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 and maternity pro- tection rooms 	 Free recreational facilities such as condominiums and a Baekam training center Annual company outing in autumn In-house clubs



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Onboarding programs for new hires | We provide new hires with onboarding programs focused on organizational culture, core values and employee attitude. These programs are designed to help them adapt to their new environments and deepen their understanding of our organization. Topics covered include corporate management philosophy, ESG

of our organization. Topics covered include corporate management philosophy, ESG management, an introduction of our worksites, and the latest company news, our businesses and products, environmental and safety practices, compliance and ethical management, and information security.

Nurturing talent in the submarine business | In response to the increase in submarine cable projects, the opening of Submarine Cable Plant 4, and our advancements in global markets, we have been providing customized training for new hires. We have established a Learning Center to enhance the capacity of our employees for leading overseas projects. The center offers programs on foreign languages, global diversity, and job training for engineers, all of which are designed to foster synergy at the organizational level and promote the understanding of employees from different backgrounds in the global business environment.

Hierarchical leadership training

Employee capacity-building

			Operated internally	Organized externally (including the LS Group training center)
Business Group heads	Presenting visions for growth Sharing growth visions grounded in successes achieved within the organization	\rightarrow	 Storytelling Leadership 2nd Life Winner's Plan Healing Camp Retreats for employees and spouses at Healience Seonmaeul Reverse mentoring 	 Future innovation course for executives Insight Forum (for executive directors) External course for top management
Division heads	Managing growth targets Assigning growth targets and fostering supportive learning environments	\rightarrow	 Leadership through socio-drama Skill set-based IDP operation Healing Camp Retreats for employees and spouses at Healience Seonmaeul Reverse mentoring 	 Executive seminars Programs for newly-appointed executives LCP (Leadership Challenge Program)
Team leaders —	Coaching for growth Nurturing coaching (one-on-one) Supporting growth through empowerment	\rightarrow	 One-on-one coaching to support employee growth Empowering Leadership Workshop for skill set-based IDP operation Healing Camp Retreats for employees and spouses at Healience Seonmaeul Programs for newly-promoted team leaders 	 Team Leader Leadership School: Motivating Change Online special lectures Team Leader Conference Programs for newly-promoted team leaders

Professional development system (skill-based IDP)

Diagnosing job skills	Creating IDPs for each employee	Providing feedback on IDP implementation	Monitoring progress
Assessing each employee's targets and current status based on their job skill set	 Providing skill development guides for each job Offering programs and learning content aligned with IDP creation 	 Team leaders providing coaching on IDP implementation 	 Enterprise-wide HR Development Committee meetings (quarterly) Providing a dashboard to track learning progress and IDP implementation by business group, division, and team

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* We are working on developing a dashboard to monitor IDP progress by business group, division, and team.



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Organizational culture for communication and respect

Horizontal communication and engagement | CEO Sol-

Talk 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 the Working Lounge at the Seoul Office, 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.

Town Hall Meetings In Town Hall Meetings held by the heads of Business Groups, executives not only share management philosophy, business directions, but also address major issues and answer questions from employees in real time. The meetings have received a positive response from employees, contributing to enhancing mutual interest. Division and Team leaders also organize events for organizational vitality, fostering mutual engagement.

Town Hall Meeting_DT Strategy Group



Organizational culture improvement activities | <u>Core Communicators (C.C.)</u> To foster a sound and flexible corporate culture, Core Communicators (C.C.) are selected for each division to act as facilitators for communication and change. The C.C. Board, which represents each business group, is also established. Core Communicators deliver the management philosophy to employees and convey the voice of employees (VoE) to management. They participate in organizational culture improvement activities at both the division and enterprise levels. The C.C. Board meets with the CEO three to four times a year to discuss various agenda items focused on enhancing corporate culture and working environments.

C.C. Board operation

work manuals

Enterprise-wide communication activities

1 People are our future 2 Leading Smart LSee 리더 요하면 리버스멘토링 약속해주세요 Fostering employee onboarding Strengthening implementation of 라뉘 activities 'Leader, Promise Me' Renewal of 'Work life Supporting teams in change MARKANS (ANA S ANA) (BODY ANA Sohwakhaeng' management -1500 3 Step by Staff 4 The One 9 -92 xate) 6-2-14 9 281 ચાંગ્ટ્ર કોઇલ કાંચુનાઓ ગઢ નાંચ્યું ગટણ તરે જ · 안토·엔티 Match 3월초 결언식 3월-6월 엔토링 활동 Town Hall Meetings Documenting roles and functions of the management support Pil-Yeon Pil-Yeon Reverse Mentoring Leader, Promise Me organization in detailed (meaning 'contact me if needed')

Organizational competence survey | We conduct an annual organizational competence survey focused on three areas: organizational competence, organizational vitality, and corporate culture improvement. The survey results are instrumental in shaping our management strategies and guiding the implementation of various follow-up programs. This survey will help us systematically improve our organizational culture by capturing employees' perceptions and analyzing emerging trends.

Survey areas





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2023 - 2024 Sustainability Report + Annual Report **Diversity and inclusion**

No discrimination at work | According to the Article 6 (Equal Treatment) of the Labor Standards Acts, all of our employees should be respected and treated fairly. 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.

Inhouse grievance channel We operate a grievance channel, which is the Cyber Reporting Center within our groupware system, to protect the human rights of our employees. Through this channel, employees can report any violations of human rights and unfair practices, including difficulties, unjust requests from supervisors, sexual harassment, and bullying. Once reports are received, we promptly take measures according to our established procedures. To ensure the safety of reporters, we guarantee anonymity and confidentiality, protecting them from any disadvantages or discrimination. **Raising employee awareness on human rights** | We provide all of our employees with legal compliance training aimed at improving awareness and inclusivity for people with disabilities, as well as preventing sexual harassment and bullying in the workplace. In addition, interviewers receive training on gender equality to ensure proper attitudes and guidelines for appropriate questioning during recruitment. We remain committed to preventing any human right violations arising from hierarchical structures within the organization and fostering mutual respect among employees.

Respecting gender diversity | We strive to create environments in which employes can maximize their strengths and future potential. Our selection process for managerial positions is based on unbiased objective criteria, including job performance, expertise, and leadership qualities. With an increasing number of female employees demonstrating outstanding performance, it is expected to see a steady rise in the number of female leaders.

Employee training

Ensuring equal pay for male and female employees We guarantee equal salaries for male and female employees based on unbiased evaluation of their job performance. Employees in the same salary class and job position are paid equally, regardless of gender.

Female employee ratio Due to the characteristics of the cable manufacturing industry, female employees are a minority at the company, accounting for 16.3% of all employees and female managers for 6.4% 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 to create a women-friendly workplace.

Workplace harassment and discrimination management process



Raising awarene on people with disabilities	 • Understanding disabilities and preventing discrimination • Recognizing different types of disabilities and enhancing workplace awareness
Preventing sexual harassment	 Understanding workplace sexual harassment and case studies Navigating laws and regulations and effective response measures
Preventing workplace bullying	 Understanding laws and regulations Implementing effective preventions measures
Employe	ees received the training: 100%

Wage gap between males and females(unit: %)



	2023
Male-to-female basic salary ratio (%)	100
Executives	100
Managers	100
employee	100

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Diversity and inclusion

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.

Expanding the employment of people with disabilities

Given the nature of our work in the cable manufacturing industry, where employees operate heavy equipment requiring heightened safety measures, the proportion of employees with physical disabilities remains relatively low. Nevertheless, we are committed to fostering a supportive environment for all employees, including those with disabilities, and we continue to expand opportunities for their employment.

Indirect employment thorugh Butyi 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.

LS C&S X Besor Orchestra LS C&S hired the Besor Orchestra, which consists of twelve members including non-disabled and disabled musicians playing classical and traditional instruments. This is part of our ongoing efforts at expanding employment of people with disabilities, providing them with occupational rehabilitation and improving social perceptions of them. In 2024, we plan to organize lunchtime, regularly scheduled, and visiting concerts at worksites. These efforts aim to continue supporting individuals with disabilities who aspire to pursue careers as musicians, while also addressing prejudices against them. **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 2023, all 928 eligible employees at our worksites are members of the labor union.

Labor-management relations for coexistence

Union participation



Onsite communication activities

	Participants	Frequency	Activities
Monthly morning assembly	All employees	Monthly	Sharing information on business status, financial perfor- mance 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 and working conditions
Labor- Management working- level meetings	Management led by the head in charge of labor manage- ment affairs Labor led by a member dedicat- ed to the union	Monthly/ As needed	Discussing how to improve working conditions and employee benefits

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 35 years since 1989.

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

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



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Win-Win Management & Growth

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.

Fair and unbiased transactions

Supplier selection and management | 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. For those who are selected as suppliers are required to sign seven documents, including a basic transaction contract and six others that pledge compliance, including a global purchasing policy statement and a pledge to implement ethical management. Adding knock-out items for evaluation | We have implemented an ESG management process for our suppliers in line with evolving global standards including the EU's Corporate Sustainability Due Diligence Directive (CSDDD). We have incorporated six knock-out items* into our regular evaluation of raw material and product suppliers to proactively mitigate supplier ESG risks.

Adding safety evaluation items for construction suppli-

ers | We have enhanced our supplier evaluation process for construction projects by adding safety-related criteria to existing parameters such as quality, price, and delivery. Suppliers are assessed based on our internal safety rules and categorized into four groups according to their scores. Continuation of business is determined accordingly. In the event of any Level 1 accidents, such as critical accidents or fires, transactions are permanently terminated. **Regular evaluation** | To establish a competitive supply network, we comprehensively evaluate our suppliers on technology, quality, business management, compliance, and environmental sustainability. Those who fail to meet our standards are excluded from supplier selection. Upon registration, those making more than ten annual transactions worth 500 million KRW are categorized as key suppliers. These suppliers undergo annual evaluations, and the results inform the development of the next year's operational strategy.

Procurement policy documents		Scoring	Scoring criteria		Regular evaluation		
LS C&S global purchasing policy statement	Ethical management implementation pledge	S	S No accidents		Those making more than ten annual transactions worth 500 million KRW		
Quality assurance agreement	Trade secret protection agreement	A	One accident Two accidents or one Level 2 accident	Evaluation method	QCDS evaluation scoring (out of 100 points) * Quality, Cost, Delivery, Service * QCDS: quality, cost, delivery, and service		
Non-disclosure agreement	Privacy consent form	C	Three accidents or two Level 2 accidents (Level 1 accidents include critical accidents and fires)	Reflecting results	Scoring 90 points or more: Registered as AVL suppliers for 2 years Scoring 70 points or less: 30% reduction in order volumes for 3 months		

* Top 6 Knock-out items: Environmental management, safety and health management, conflict minerals, human rights, unfair practices, creditworthiness



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Fair and unbiased transactions

AVL^{Approved Vendor List **system** | We have been operating the AVL system for companies categorized as key suppliers through annual evaluation. Under the AVL system, key suppliers 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 2023, 493 companies were selected as AVL suppliers for a total of 113 product groups. We will continue our efforts to strengthen the foundation for achieving shared growth with suppliers.}

AVL system



<u>Payment criteria</u> 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 predictable bill collection plans that improve cash flow.

Delivery unit price coordination system We operate a delivery unit price coordination system to help ease the burdens on suppliers caused by fluctuations in raw material prices and increases in labor costs. We discuss the factors contributing to price increases with our suppliers and reasonably adjust delivery prices to reflect any changes. In 2022, LS C&S participated in the government's pilot project on a delivery unit price coordination system. Furthermore, even before its enactment in October 2023, we voluntarily joined the government's Delivery Price Indexation System.

Payment criteria

Amount criteria	Payment criteria	
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	
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	
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	
More than 20 million KRW	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	
	criteria 300 million KRW or less More than 300 million KRW 5 million KRW or less More than 5 million KRW or less More than 5 million KRW or kRW or less More than 20 million KRW More than 20 million KRW	

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.

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

 Contract options: available options for suppliers are specified.
 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

 Evaluation in five areas, including general business administration, and process, quality, environment and labor, and finance management
 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.



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Fair and unbiased transactions

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 overview and composition

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		
	Conducting preliminary reviews of subcontracting				
	transactions worth 1 billion KRW or more, focusing on				
		contract signing, pricing, and related laws and			
	regulations				
	Preliminary review items				
	• Issuance of wri				
Details	• Checking for u	nfair pricing			
		al credit and the obli	gation of payment		
	guarantees				
		rced purchase of go			
	 Proper revocati registration 	on criteria and proc	edures for supplier		
	5	objection related to	supplier		
	selection or cancellation				

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.

<u>Network loan</u> 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 and address difficulties related to production technology. 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	Case
Technology support	LAN tester development	Wireless & SCS Development Team	6
Jointly filed patent application	Wireless charging modules for 1kw LEV robots	Telecommuni- cation/Industrial Solution R&D Center	3
Joint technology develop- ment	Al-based temperature fore- casting solutions for bus ducts DC 320K cable testing	Computer-Aided Engineering Research Group	5

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 Ethical Management Committee and the Compliance Committee to receive and address any concerns or difficulties experienced by suppliers.

LS supplier CEO Forum LS Group organized the CEO Forum, a communication meeting with the CPOs of the group's subsidiaries, including LS C&S, and the CEOs of their suppliers. The aim was to establish a shared-growth strategy at the group level and promote partnership. 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.

Meeting with submarine cable suppliers We held a meeting with the CEOs and working-level employees of suppliers involved in manufacturing, maintenance, control of submarine cable equipment. During the meeting, we presented our business roadmap, outlining the current status and future prospects of the offshore wind power markets, as well as LS C&S's expansion strategy. Participants discussed strategies to enhance competitiveness and achieve shared growth, expressing their commitment to support our business expansion.

🗞 Company website 🛛 🗞 Procurement portal system

🗞 Grievance channel 🛭 🗞 Email



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Quality and Product Responsibility

Based on the recognition that cable quality risks can have a significant impact on local communities and the nation as a whole, we are committed to ensuring the highest possible product quality through proactive risk management, fostering trust with our customers and stakeholders.

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.

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 and areas applied

• ISO 9001

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

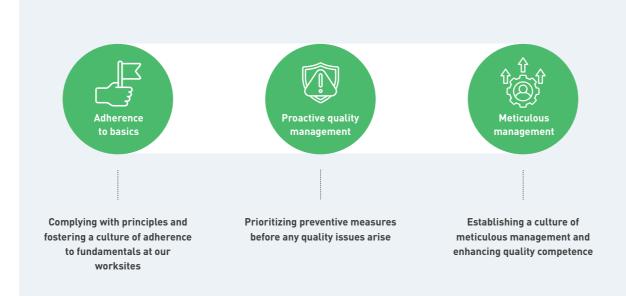
IATF 16949

- Automobile (power lines and tubes for automobiles)
- TL 9000
- Telecommunications (optical communications)
- KEPIC
- Nuclear power (industrial specialty cables)
- Product certifications
- CPR (Construction Products Regulation), railways, blast protection, structures, and shipbuilding

• ISO 21502

• Turnkey project management system (design-build contracts)

2023 global guality management policy



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Global quality standard certifications

Certification overview

Initiation

Scope-Resources

Stakeholders

Planning

Schedule-Cost

Document

ISO 21502

certification

Acquisition of ISO 21502 certification | We obtained ISO 21502 in October 2023 to gain a competitive edge in the underground and submarine cable markets. Comprehensive project management capabilities in these areas are crucial, as issues at cable installation sites can lead to serious risks, such as large-scale blackouts and cross-boarder communication failures. Acquiring the certification enables us to efficiently manage submarine and underground projects in accordance with the ISO 210502 system that meet the needs of our clients in Europe and North America.

In addition, we acquired LS Marine Solution to establish a value chain, allowing us to conduct 'cable manufacture-build' turn key projects. In 2023, we were selected as the preferred bidder for the largest-scale wind farm project in Korea and secured significant project contracts in Europe.

Five process groups

Executing

÷

18 areas for knowledge and management

Risk

Communication

Comprehensive project oversight and management

Providing project management guidelines, tools, and methodologies

It is an international standard that establishes management principles and procedures for the processes, systems and human resources required for executing projects

Monitoring

Issue-Change

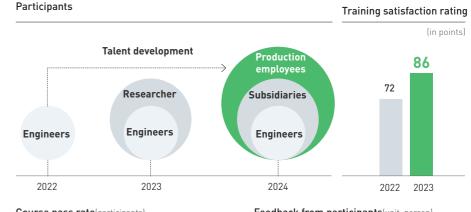
control

Procurement

Enhancing quality differentiation capabilities

Operating a Quality Academy | We operate a Quality Academy to provide in-house employee training for developing a quality mindset and related management tools. In 2023, the second year of the academy, 28 candidates passed the 'Quality Pro' course and an additional fifteen completed the 'Quality Master' version. Moreover, the scope of participants was expanded from researchers at LS C&S to engineers across our subsidiaries. The feedback received indicated that the programs helped change participants' mindsets toward quality and were highly effective in enhancing quality practices in product development and related processes.

In 2024, the third year for our academy, we plan to develop a course for production employees aimed at raising awareness of proactive guality management. It is expected to further foster quality talent at the enterprise level.



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Course pass rate(participants)

Closing

Quality

Lessons learned

		LS C&S	Subsidiaries	Total
2022 (the 1 st	Quality Pro	20	n/a	20
year)	Quality Master	8	n/a	8
2023 (the 2 nd	Quality Pro	23	5	28
year)	Quality Master	13	2	15

Feedback from participants(unit: person)

Improvement in their quality mindset	19
Quality practices in product development and processes	18
Statistical analysis	13
Responding to customers	10
Addressing problems and providing on-site guidance	8



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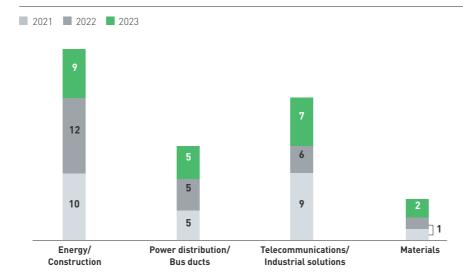
Innovation activities at our worksites | To ensure quality and foster innovation at production worksites, 67 quality circles at LS C&S engage in themed tasks and proposals related to all processes, abiding by the 3R principle and conducting 5S activities. We host an annual event to share their best practices and award prizes to those who demonstrate outstanding performance.

On-site innovation activities

Quality circles	 They serve as catalysts in creating an organizational culture of proactive engagement to address issues. Themed tasks are conducted in quality, cost, delivery, and safety, aimed at enhancing competitiveness at worksites and raising employee awareness of quality.
Proposals	· Proposals are made by employees at production sites to address issues they identified at work. In 2023, improvement measures were implemented for 17,744 proposals.
3R principle & 5S activities	• The 3R principle and 5S activities guides employees in improving their worksites by adhering to basics to ensure quality and safety.

Securing product quality evaluation technologies | We are making continuous efforts at 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.

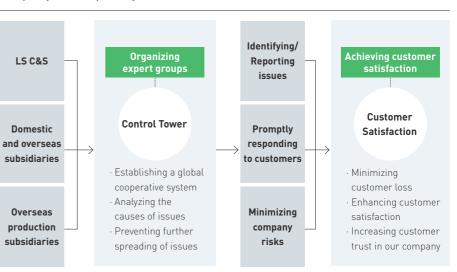
Three-year trends in cases of product quality evaluation technology



Operating the Quality Control Tower

Quality risk response system | 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 our 'customer first' core value.

Our quality issue response system







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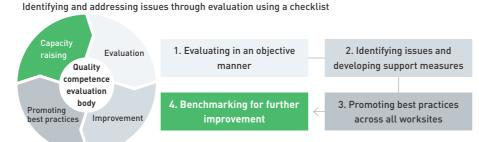
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Operating the Quality Control Tower

Quality management capacity evaluation system for subsidiaries | We operate the quality management capacity evaluation system for subsidiaries to support our global market strategy by enhancing their competitiveness. The system, introduced in 2020, aims to proactively prevent quality risks from our subsidiaries. Global standard requirements are used as evaluation criteria and our quality organization collaborates with subsidiaries to address the identified issues.

Quality exchange meetings with suppliers | We provide our suppliers with quality diagnoses and technical support to help them enhance it. Furthermore, we establish agreements to discuss implementation plans and management indices for quality improvement. Suppliers share their quality enhancement activities during regular performance meetings. If necessary, our QA engineers visit suppliers to check their processes and discuss any needed points for improvement to ensure quality.

Evaluation process



Evaluation items

Evaluation covers 76 items under eight areas that reflect internal and external requirements.



Utilizing evaluation results

• Assigning evaluation ratings based on management capability and quality cost performance \rightarrow S > A > B^{*} > B^{*} • Or our expert group

History of quality exchanges and guidance

	Subjects	Details	Date
Electric power equipment	Outsourced electric power equipment	Establishing a quality improvement agreement	Mar.
Overhead transmission lines	Overhead transmission lines	Diagnosing the quality management system and on-site management	Jan.
Submarine cables	Sheathed compounds, armors, tapes, and PP yarns	Conducting on-site inspection and providing guidance for improvement	As needed
Power distribution cables	LV/MV cables	Signing a quality enhancement agreement for outsourced products · Agreement to discuss implementation plans and management indices for quality improvement.	Feb.
Bus ducts	PH boxes, and Disconnect software	Performance sharing meeting · Sharing best practices for addressing customer complaints and improving quality of products that did not meet quality criteria	Oct.
Telecommuni- cations cables	Feeders	Providing training on measurement testing and related software	Oct.
Device cables	Automotive cables	Discussing key issues related to product development, delivery, and quality	Monthly
Industrial specialty cables	Cables used for vessels, railways, wind farms and offshore installations	Quality self-reflection meeting and quality agreement	Jan.



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Social Contribution

Direction for our CSR activities

plants in Gumi, Indong, and Donghae.

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

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We promote communications and engagement with a variety of stakeholders, including local communities, to fulfill corporate social responsibility. We are committed to achieve shared growth with local communities through various initiatives. These includes conducting ocean cleanup activities that reflect our business characteristics, fostering future generations, supporting the vulnerable and encouraging employee volunteering.

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.

Local job creation model and employment programs |

Since 2021, we have been 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.

Protection of local environments

We have added a cleanup of the ocean environment around Donghae City to our social contribution activities. As part of these efforts, we have launched campaigns focused on ocean waste reduction and recycling training in collaboration with public institutions, the local government, and residents.

Cleaning up the ocean environment | In 2023, we conducted waste plastic resource recycling campaigns for local residents in cooperation with Donghae City and the Donghae branch office of Korea Marine Environment Management Cooperation. We chose plastics as the theme because they constitute the largest portion of ocean waste, posing significant pollution challenges. The campaign included prevention training programs and plastic upcycling activities, helping participants understand the importance of resource recycling. Moving forward, we will continue to enhance these programs to protect local environments and promote coexistence with local communities.

Direction for our CSR activities

Coexistence with local communities	Promoting local economy through a local job creation model and employment programs · Job creation model for coexistence implemented in collaboration with LS C&S, Donghae City and the Headquarters of the Republic of Korea Navy First Fleet
Protection of local environments	Contributing to addressing environment issues at local communities where our worksites are located · Activities to protect the ocean environment through public-private cooperation, and campaigns involving local stakeholders
Employee volunteering and sharing activities	Volunteering activities tailored to the needs of local communities where our worksites are located · Chamsarang Society and Jeongnanum Society, volunteer groups at our worksites · LS overseas volunteer group · Donation from monthly salary

Donghae City resource recycling campaign



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Employee volunteering and sharing activities

We operate volunteering groups at our worksites as part of our efforts to promote coexistence with local communities. These groups conduct a range of activities aligned with local needs identified through communication with the community.

Support for the vulnerable | Chamsarang Society and Jeongnanum Society are volunteer groups at the Gumi and Indong plants, and the Donghae worksite. A total of 760 employees are participating in the groups to conduct social contribution activities. Chamsarang Society, in particular, supports welfare centers, nursing homes, and children's shelters by providing cultural experiences, organizing events, and sending snacks, fixing boilers and carrying out electric work. Last winter, they organized events of kimchi-making and coal briquette delivery events, sending 200 boxes of kimchi and 1,000 coal briquettes to the underprivileged. Since our submarine cable worksite was built in the city in 2009, a special bond has been formed between LS C&S and Donghae. We are striving to sustain our efforts to contribute to local communities through

designated donation 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.

LS overseas volunteer group for college students |

LS C&S participated in the 26th LS overseas volunteer group for college students, which resumed after a threeyear hiatus following the COVID-19 pandemic. This global volunteer program organized by the LS Group is celebrating its 17th anniversary this year. A volunteer group consisting of 50 college students and employees from LS Group subsidiaries, supported elementary students in areas near Hanoi and Hiphong, Vietnam through educational programs, promoting cultural exchanges and facilitating cultural exploration. In addition, the LS Group operates LS Dream Centers, which are educational and cultural spaces aimed at supporting employment opportunities for Vietnamese women married to Korean men. Additional educational support is being providing for their children. **Donation from monthly salary** | All employees of LS C&S have voluntarily donated under 1,000 KRW from their monthly salary, and the company matches its employees' charitable contributions. The funds collected through employee donation is used to support the vulnerable. In 2023, we donated 38.2 million KRW to the vulnerable in Anyang, Gumi and Donghae where our worksites are located.

2023 social contribution activities



Participation in the 26th LS overseas volunteer group for college students



Volunteering at Hwangsang Children's Center



Designated donation to Donghae City





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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..

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. In 2023, 21.646 million KRW worth of cash dividends (on a non-consolidated basis) were paid, and the company's cash payout ratio based on consolidated financial statements stood at 24.61%.

Shareholder status

Shareholders	The number of stocks held	Percentage of shareholding (%)
LS Corp.	20,596,563	92.26
Minority shareholders	976,082	4.37
Affiliated persons	73,716	0.33

reasury stock ratio: 3.03% (677,204 shares

Enhancing shareholder value

	2021	2022	2023
Cash dividends total (in million KRW)	32,470	25,976	21,646
Cash payout ratio (on a consolidated basis) (%)	32.41	25.33	24.61

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. Director Koo Cha-Yub was appointed as a chair considering his expertise and responsibility. CEO Koo Bon-Kyu is serving as a director.

Board Meetings and director remuneration | 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 decisionmaking on major agenda items. In 2023, 20 board meetings were held at which a total of 59 items were resolved and six reporting items were submitted and

Composition of BOD

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 Instal- lation Business Group /CHSE0	Executives of the affiliate of LS
Lee Sang-Ho	Inside director	Y	Head of the Finance & Purchase Group/CFO	
Kim Byung-Ok	Inside director	Y	Head of the Man- agement Support Group/CSO	

* As of December 31, 2023

reviewed. For further details, please refer to 'about the board of directors (key resolved items)' in our annual report. 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 2023, 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.

Summary of board operations

	2021	2022	2023
The number of agenda items	46	41	65
The number of meetings held	14	13	20
Attendance (%)	91	98	97

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

Remuneration of the BOD (in thousand KRW)

	The number of people	Total remuneration	Average remuneration per person
Registered directors	5	6,855,207	1,371,041
Auditors ¹⁾	2	60,000	30,000

1) It includes the remuneration of the auditors who resigned during the period from the start of the business year up to the date of the disclosure document.

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Risk Management

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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.

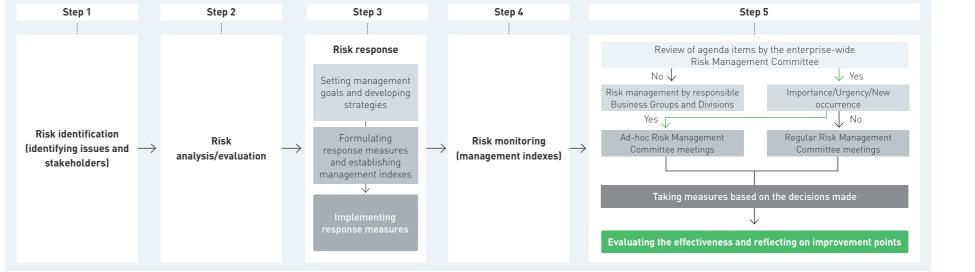
Risk management system

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.

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 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.



Risk management process



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Risk management system

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.

Other risks | <u>Strategic risks</u> 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. Internal Control over Financial Reporting (ICFR) We operate an Internal Control over Financial Reporting (ICFR) system to ensure the transparency and reliability of our accounting information. With the revision of the Act on External Audit of Stock Companies, which mandates inspections on consolidated ICFR starting from 2023, we have established a dedicated organization to design and operate internal controls at the enterprise level.

In addition, we regularly evaluate the operational status of our ICFR system and report the results to the audit and Board of Directors meetings. Looking ahead, LS C&S and its domestic and overseas subsidiaries are committed to enhancing our ICFR system to effectively meet external audit requirements.

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
Accidents	Fires and explosions	Loss due to fires, suspension of production, casualties, and disruption of process operations	Production
	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



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Compliance **Management**

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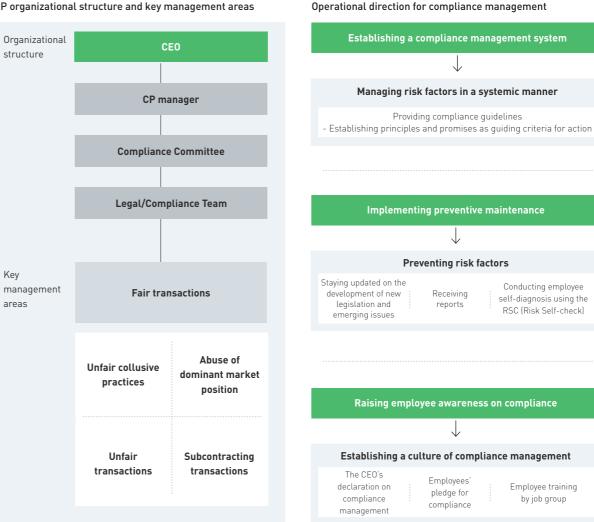
Our goal is to promote compliance to employees through the programs so that internal risks of violating laws and regulations can be eliminated and fair market competition can be promoted. We will continue to proactively implement compliance management to heighten our business sustainability and create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

Compliance management system

We operate a compliance management system supported by a dedicated internal organization and a risk identification framework to help employee adhere to domestic and international laws and regulations along with in-house policies, procedures, and rules.

CP (Compliance Program) organization | To uphold our core value of being a fair corporate citizen, we created a dedicated compliance organization within the Legal Division and appointed a CP manager. The CP manager oversees a range of activities, including conducting enterprise-wide compliance audits, mitigating risks associated with fair transactions, delivering training sessions, and fostering a culture of compliance throughout the organization. Results on these efforts are reported to management.

The Compliance Committee develops an annual CP plan to coordinate various activities aimed at internalizing compliance among employees. This includes providing enterprise-wide training and guidance on fair transaction-related laws and regulations thereby enhancing awareness and adherence to compliance.



Conducting employee

self-diagnosis using the

RSC (Risk Self-check)

Employee training

by job group

CP organizational structure and key management areas



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Internalizing compliance management

Risk Self Check (RSC) | The Risk Self-check (RSC) is designed to raise employee awareness of workplace compliance rules and proactively prevent legal risks through voluntary compliance checks. The scope of RSC encompasses laws and regulations pertaining to fair transactions, such as the Fair Trade Act, the Subcontracting Act, or the Act on the Promotion of Collaborative Cooperation In 2023, 92% of the 927 employees* subject to RSC conducted this selfassessment. The Compliance Committee developed customized CP activities by team, job group, and subsidiary based on the assessment results. The results are also considered in developing the 2024 compliance plan.

* Office employees, excluding those who took a leave of absence during the period, were subject to RSC.

Fair transactions RSC handbook | We have developed an RSC handbook based on questions about fair transactions from our employees, prioritizing them by importance and frequency. It includes interpretations of laws and regulations, compliance obligations, prohibited matters, and pertinent checklists. To enhance its effectiveness and accessibility, it was distributed both online and offline. In addition, we created a separate handbook specifically for the sales and purchasing job groups. The in-depth content and case studies provided in the handbook aim to help sales and purchasing employees.

Plan for obtaining ISO 37301 certification | We are working to acquire ISO 37301 certification for our compliance management system as part of the efforts to mitigate legal risks and enhancing external corporate credibility. This certification evaluates whether applicant companies have established systems to protect their entities and employees from potential risks through compliance and ethical management. By obtaining this certification, we aim to ensure that our compliance management system meets global standards.

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. Moreover, the message stressed the need for adherence to both domestic and international laws and regulations related to fair transactions and encouraged proactive participation in CPs. We are committed to continuously strengthening our efforts to promote fair competitions among our stakeholders and to securing market competitiveness.

Establishment of principles and promises as guiding criteria for action | Our employees pledge to uphold our principles and our promises to take action. This pledge serves to remind them of their responsibility and obligations regarding compliance management and helps raise awareness. Employees must renew their pledge annually, and new hires are required to sign and submit the pledge upon joining the company. **Employee training |** We provide collective employee training aligned with our annual operation plan and sessions for groups such as new hires or the sales and purchasing divisions. The training is designed to help employees understand the laws and regulations on fair transactions and encourage their voluntary compliance. In addition, we regularly update posts on the trends in laws and regulations, and provide implementation guides on compliance. Channels such as Q&A and FAQ sections are utilized to promote understanding of compliance processes and systems and to enhance awareness of compliance.

Operating a fair 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 laws related to fair transactions, anticorruption, infringement on trade secrets, and other unfair practices. This reporting channel is accessible through our company website. Reports can be submitted anonymously or using an alias. We rigorously protect the personal information of individuals making reports and the details of the reported incidents. Once reports are received, they are resolved within two weeks in general.

Employee training

	Program details and participants	Training Sessions conducted in 2023
Regular in-depth training	Program details: Trends in fair transactions laws and policies, latest precedents, and case studies from other companies Participants: Executives, new hires, newly-promoted team leaders, employees to be dispatched to overseas subsidiaries, and the Purchasing and Sales Teams	8
Training tailored to each Team	Program details: Sharing CP Risk Self Check results and identifying issues by team Participants: A total of 21 teams, including sales, construction, production, quality, and R&D	8
Training for sales job group	Program details: Contract structure in international projects, glossary, and cautionary notes for each bidding stage Participants: Overseas sales job group	3
Training for domestic subsidiaries	Program details: Laws enacted or revised in 2023: the Delivery Price Indexation System, and the rules on disclosure of payment terms for subcontracted work Participants: Eight domestic subsidiaries	9



G Ethical Management

We consider fulfilling our economic, legal, and ethical responsibilities to be basic obligations and conduct business activities in accordance with corporate ethics.

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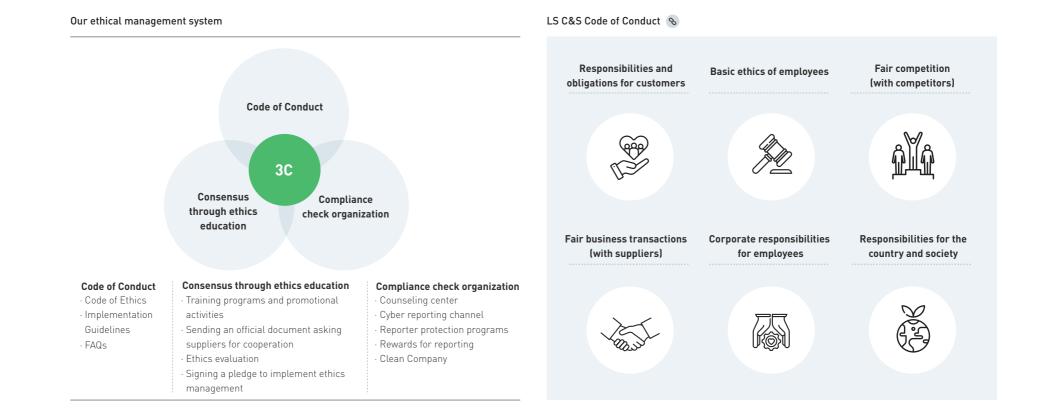
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Ethical management

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'.

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.



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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.

Signing a pledge to implement ethics management | Domestic suppliers are required to sign a pledge to implement ethics management when concluding their first contracts with LS C&S. The signed pledge is attached to new contracts to encourage suppliers to adopt ethical management processes. In addition, new hires also sign the pledge, promoting transparent work processes.

Posting articles about implementation cases

Promotion activities on the company Intranet (12 monthly postings in 2023)

· No more starting construction before signing contracts!	· Exposing collusions in bidding for power utility design
· Sanctions on company's A for unfair subcontracting	and construction inspections
practices	 Safety at risk due to concealed product defects
 Corporate transparency, the foundation of risk 	 The harmful effects of money laundering and
management	prevention efforts

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 general information on ethical management and 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.

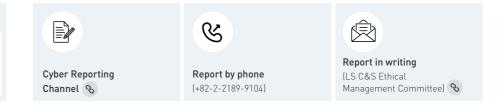
Cyber Reporting Channel | The Cyber Reporting Channel allows employees as well as stakeholders, including customers and suppliers, to make suggestions and report any unethical activities they witness or disadvantages they suffer. We keep personal information and reporting details of all reporters confidential. Even when reports are made anonymously, we investigate the case and provide a response as quickly as possible.

Reporter protection programs

Rewards for reporting

- We strictly maintain the confidentiality of reporters, or any other information that could identify them
- 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 report violations are protected against any form of disadvantage or discrimination as a result of their reporting, providing testimony, or submitting evidence.
- KRW in maximum). ainst • Those who voluntarily report unethical acts are exempted from responsibility and the or money they received is donated.

Clean Company | We established a system called Clean Company that 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 Committee, 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 company name of the giver.





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Economy

S Financial information and others

Unit	2021	2022	2023
KRW 1 million	3,562,644	4,092,252	4,004,531
KRW 1 million	1,731,218	2,032,934	2,331,817
KRW 1 million	5,326,247	6,127,266	6,338,428
KRW 1 million	2,722,565	3,343,897	3,193,745
KRW 1 million	968,959	1,138,979	1,217,015
KRW 1 million	3,691,524	4,482,876	4,410,760
KRW 1 million	1,634,723	1,644,390	1,927,668
KRW 1 million	5,326,247	6,127,266	6,338,428
	KRW 1 million KRW 1 million KRW 1 million KRW 1 million KRW 1 million KRW 1 million KRW 1 million	KRW 1 million 3,562,644 KRW 1 million 1,731,218 KRW 1 million 5,326,247 KRW 1 million 2,722,565 KRW 1 million 968,959 KRW 1 million 3,691,524 KRW 1 million 1,634,723	KRW 1 million 3,562,644 4,092,252 KRW 1 million 1,731,218 2,032,934 KRW 1 million 5,326,247 6,127,266 KRW 1 million 2,722,565 3,343,897 KRW 1 million 968,959 1,138,979 KRW 1 million 3,691,524 4,482,876 KRW 1 million 1,634,723 1,644,390

Profit and Loss Statement

	Unit	2021	2022	2023
Revenue	KRW 1 million	5,851,539	6,621,475	6,217,054
Cost of sales	KRW 1 million	5,249,033	6,004,592	5,507,377
Gross profit	KRW 1 million	602,506	616,883	709,677
Operating profit	KRW 1 million	222,015	219,559	232,522
Profit before income tax expense	KRW 1 million	148,660	126,475	140,047
Profit for the year	KRW 1 million	115,624	101,800	105,411
Other comprehensive income	KRW 1 million	115,297	(6,581)	(7,999)
Total comprehensive income for the year	KRW 1 million	230,921	95,219	97,412
Earnings per share				
Basic earnings per share	KRW	5,099	4,737	4,063
Earnings per share from continuing operations		4,675	4,839	4,360
Earnings per share from discontinued operations		424	(102)	(297)



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Shares and dividends

	Unit	2021	2022	2023
Total cash dividends	KRW 1 million	32,470	25,976	21,646
Cash dividend ratio	%	32.41	25.33	24.61
Cash dividend per share	KRW	1,500	1,200	1,000

Economic value distribution

		Unit	2021	2022	2023
Shareholders/	Dividend	KRW 1 million	32,470	25,976	21,646
investors	Interest		49,875	83,269	141,793
Employees	Wage		143,401	163,227	169,490
	Employee benefits ¹⁾		27,497	33,078	35,660
Suppliers ^{2]}	Purchase costs		3,010,930	3,238,168	2,696,726
Local communities	Social contribution activity expenses (donation)	·	1,860	1,185	1,036
Government	Corporate tax		41,376	22,723	28,205
	Taxes and dues		38,332	25,044	26,108

1) The figures for 2021-2022 differ from the previous report(clerical error)

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

Credit rating

	2021	2022	2023
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)

Corporate bonds for three consecutive years



Business Site

		Unit	2021	2022	2023
Subsidiaries	Manufacturing subsidiary	EA	26	28	33
	Sales subsidiary & office		16	14	11



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Environmental Management

LS C&S's GHG emissions(Scope1.Scope2)

	Unit	2021	2022	2023
Total GHG emission(Scope1·Scope2 Location-based/market-based)	tCO ₂ eq	126,625/110,224	132,367/114,588	111,341/86,309
Scope1		29,551	27,437	24,731
Scope2 Location-based/ market-based		97,078/80,677	104,931/87,152	86,616/61,578
Intensity Location-based/ market-based	tCO₂eq/ KRW 100 million	0.031/0.027	0.031/0.024	0.029/0.023

* LS Cable & System's Scope 1 and 2 GHG emissions are third-party verified figures calculated according to the 'Guidelines for Reporting and Certification of Emissions under the Greenhouse Gas Emissions Trading System.' Emissions from SF6 leakage in electrical facilities are not included in the total greenhouse gas emissions

Domestic and overseas subsidiaries' GHG emissions(Scope1.Scope2)

	Unit	2021	2022	2023
Total GHG emission(Scope1·Scope2	tCO ₂ eq	153,719/152,641	161,994/160,890	Scheduled for
Location-based/market-based)				reporting
Scope1		26,204	25,750	in 2024
Scope2 Location-based/			136,244/135,140	
market-based		127,515/126,437		
Intensity Location-based/	tCO2eq/	0.064/0.064	0.066/0.066	
market-based	KRW 100			
	million			

* Scope1-Scope2 emissions of domestic and overseas subsidiaries are self-calculated figures according to the GHG Protocol(limited verification planned from the 2023 emissions)

LS C&S and subsidiaries' GHG emissions(Scope3)

	Unit	2021	2022	2023
C1. Purchased Goods and Services	tCO ₂ eq	808,213	2,943,650	Scheduled for
C2. Capital Goods		-	114,755	reporting
C3. Fuel and Entry-Related Activities Not Included in Scope 1 or Scope 2		4,311	201,458	in 2024
C4. Upstream Transporation and Distribution		-	124,020	
C5. Waste Generated in Operations		2,540	52,819	
C6. Business Travel		-	2,519	
C7. Employee Commuting		1,026	20,076	
C8. Upstream Leased Assets		12,779	90	
C9. Downstream Transporation and Distribution		-	12,395	
C10. Processing of Sold Products		-	526,059	
C11. Use of Products		-	62,345,350	
C12. End-of-Life Treatment of Sold Products		-	2,000,631	
C13. Downstream Leased Assets		-	-	
C14. Franchises		-	-	
C15. Investments			-	
Total		828,869	68,343,821	

* Scope 3 emissions are self-calculated figures according to the GHG Protocol (limited verification planned from the 2023 emissions)

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		Unit	2021	
Energy consu	Energy consumption(domestic)			
Total energy c	onsumption	TJ	2,534	
	Electricity		1,882	
	LNG		518	
	Steam		133	
Total renewab	le energy consumption		343	

MWh

Energy Consumption

Total non-renewable energy

Consumption of renewable energy procured

Gumi plant

Indong plant

Donghae plant

consumption

By production

plant

2,544 2,163 1,929 1,593 468 482

107

523

0

21,000

33,500

1,640

2023

2022

133

372

2,172

0

18,100

20,600

2,191

16,400

19,300

0

Extended Producer Responsibility

	2022	2021	Unit	
in Korea	cable wastes in	ver/communication o	astic from pov	Voluntary collection and recycling of pl
20,554	24,126	20,600	Ton	Plastic used in power/communications cables
4,111	6,077	5,117		Plastic collected and recycled
20.00	25.19	24.84	%	Plastic collected and recycled
	.,.			Plastic collected and recycled Plastic collected and recycled

* The 2023 recycling volume will be aggregated in the second half of 2024

	Unit	2021	2022	2023	
Voluntary collection and recycling of plastic packaging in Korea					
Plastic packaging delivery volume	Ton	284	347	273	
Required recycling volume		237	298	235	
Recycling volume		284	347	-	

* The 2023 recycling volume will be aggregated in the secondhalf of 2024



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		Unit	2021	2022	2023
Waste vo	lume and intensity				
	e generated ed+General)	Ton	13,306	13,445	12,719
By type	Designated wastes ^{1]}		2,322	3,856	1,735
	General wastes ^{2]}		10,984	13,445	10,984
Intensity		Ton/Ton	2.49	2.53	2.55
Recycling	J				
Amount R	ecycled	Ton	11,330	11,868	11,761
Recycling	Rate	%	85.2	89.4	92.5
Treatmer	nt				
Waste Tre	ated		2,018	1,576	958
By type	Incineration	Ton	1,675	1,076	498
	Landfill		343	344	349
	Others		0	156	114
Intensity		Ton/Ton	0.38	0.30	0.19

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

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

Waste management

Air and water Pollutants Discharged

		Unit	2021	2022	2023
Air polluta	nts emissions and	intensity			
Emissions		kg	21,158	19,152	14,472
	Dust		2,342	2,071	1,829
	NOx ^{3]}		17,032	15,485	11,338
	HCI		1,748	1,568	1,271
	HF		36	28	33
Intensity		kg/thousand	3.97	3.60	2.91
		tons			

Water pollutants emissions and intensity

Emissions		kg	1,690	974	937
	BOD		160	213	271
	тос		984	338	450
	SS		124	77	209
	T-P		422	346	7
Intensity		kg/thousand	0.30	0.14	0.05
		tons			

3) A Gumi plant partially reflects the usage aggregated by the TMS System



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Water resource management		
	Unit	

		Unit	2021	2022	2023
Water consumption and intensity					
Water cons	sumption	Ton	575,842	557,411	505,795
	For human uses		550,272	408,567	373,880
	For industrial uses		25,570	148,844	131,915
	Underground water		0	0	0
Intensity		Ton/Ton	1.57	1.54	1.02

Chemicals management

	Unit	2021	2022	2023
Hazardous chemical	Ton	10,153	12,222	11,762
consumption				

LCA performance

	Unit	2021	2022	2023
Products that applied LCA	EA	-	9	4

* Obtained Environmental Product Declaration(EPD) certification from the Ministry of Environment in 2023(3 types of distribution cables)

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		Unit	2021	2022	2023
Total number	of Employees ¹⁾	Employee	2,010	2,122	2,158
Ву	Executive		21	23	21
employment type By job group By region	Permanent		1,838	1,902	1,961
type	Temporary		151	197	176
By job group	Production		929	990	976
	Administrative		1,081	1,132	1,182
By region	Seoul office		196	198	226
	Anyang head quarter+R&D center		491	21 23 1,838 1,902 151 197 929 990 1,081 1,132 196 198	529
	Gumi plant		636		592
	Indong plant		327		357
	Donghae plant		360	425	454
Registered exe	ecutive officer		4	6	6
Overseas resid	dent employees		40	37	40
Average years	of service	Year	13	12	12
No. of employ retirement pe	ees eligible to join the nsion system	Employee	1,858	1,878	1,998
Retirement pe	ension enrollment rate	%	95	91	92
No. of retirem	ent	Employee	301	309	262
Retirement ra	te	%	14.7	16.5	12.1

Remuneration of employees

			Unit	2021	2022	2023
Total amount of employee salaries		KRW 1,000	143,401,184	163,227,196	169,490,294	
welfare expense expenses of fami membe employ School	Medical expenses	No. of applicants	Employee	368	434	379
	of family members of	No. of beneficiaries		463	567	432
	employees	The amount paid	KRW 1,000	675,072	818,232	821,200
	School expenses	No. of applicants	Employee	258	252	212
		No. of beneficiaries		525	511	517
		The amount paid	KRW 1,000	1,748,225	1,608,978	1,596,478

Employee Diversity

		Unit	2021	2022	2023
New hires	Male	Employee	286	334	240
	Female		55	61	48
By gender	Male		1,843	1,948	1,965
	Female ²⁾		167	174	193
	Percentage of female employees	%	15.4	15.4	16.3
Female managers	No. of female managers	Employee	39	42	47
	Percentage of female managers	%	5.5	5.7	6.4

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

1) Executives, regular workers, temporary workers

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Executives and Employees

Status of executives and employees

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Performance Appraisal

	Unit	2021	2022	2023
Employees who set MBO goals agreed upon with their superior	Employee	948	995	1,065
Ratio of employees who set MBO goals with their superior's approval	%	100	100	100

Employees Who Set Their CDP (Career Development Plan)

	Unit	2021	2022	2023
Employees who set their individual career development plans	Employee	948	995	1,065
Ratio of employees who set their individual career development plans	%	100	100	100

Vulnerable Employees

	Unit	2021	2022	2023
No. of employees of national merit	Employee	14	14	14
(No. employees with disabilities) Direct employment		26	24	26
(No. employees with disabilities) Indirect employment (Butyi)		12	12	12
Total no. of employees with disabilities		38	36	38

* Registration figures of Korea Employment Agency for Persons with Disabilities

Salaries and wages

		Unit	2021	2022	2023
The ratio of entry level wage to legal	Production	%	126.7	126.6	133.2
minimum wage	Administrative		165.1	167.4	166.0

Usage of maternity leave

		Unit	2021	2022	2023
No. of employees who use the maternity leave	Female	Employee	7	8	10
	Male		30	26	37
	Total		37	34	47

Usage of parental leave

		Unit	2021	2022	2023
			Parental	Parental	Parental
			leave	leave	leave
			(Returning	(Returning	(Returning
			to work)	to work)	to work)
No. of employees	Female	Employee, %	8(100.0%)	13(38.5%)	13(53.8%)
Who use the	Male			12(75.0%)	8(87.5%)
parental leave (Rate)	Total		12	25	21

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

1 Talent development

Training expenses and hours

	Unit	2021	2022	2023
Training investment expenses per person	KRW 10,000	129	145	189
Training investment expenses	KRW 100 million	27	32	40
Training hours per person	Hour	54	51	70
Total training hours	Thousand hours	111	112	139



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Employee Diversity

Labor union membership status

	Unit	2021	2022	2023
Union member	Employee	910	923	928
Union participation rate	%	100	100	100
Negotiation with labor unions on operational changes	Case	0	1 ¹⁾	0
Labor dispute ¹⁾	Case	0	0	0

1) Magnet Wire Division spin-off

Labor union membership by worksite

	Unit	2021	2022	2023
Gumi plant	Employee	428	403	384
Indong plant		239	242	248
Donghae plant		243	278	296

Human rights awareness

		Unit	2021	2022	2023
No. of trainees ²¹	Sexual	Employee	1,906	2,039	2,291
	Harassment				
	Education				
	Disability				
	Awareness				
	Education				
	Workplace				
	harassment				
	prevention training				
Ratio of trainees to total		%	94.8	96.1	100.0

2) Excluding overseas workers and persons on leave

Worksite satisfaction survey results

		Unit	2021	2022	2023
Worksite	Gumi plant	%	71	69	67
satisfaction	Indong plant		75	73	72
	Donghae plant		75	73	69

Protecting employee rights

	Unit	2021	2022	2023
Employment of the minor (below 18)	Case	0	0	0
Correction requests for cases of discrimination		0	0	0



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Safety and Health

Industrial accident statistics

	Unit	2021	2022	2023
LTIR ^{1]}	200,000 hours	0.85	0.77	0.44
TRIR ^{2]}		1.42	1.60	1.05

1) Lost Time Injury Rate=(Number of LTI)*200,000/Number of hours worked 2) Total Recordable Incident Rate=(Number of RI)*200,000/Number of hours worked

ISO 45001 Certification Achieved

	Unit	2021	2022	2023
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%

* Based on domestic production plants

Safety training

		Unit	2021	2022	2023
Employee safety	Total training time	Hour	35,554	41,713	47,388
training	No. of participants	Employee	1,560	1,642	1,581

Industrial Health and Safety Committee

	Unit	2021	2022	2023
No.of committee member	Employee	30	26	36

Investment in safety (high-risk work)

	Unit	2021	2022	2023
Investment expenses in safety field,	KRW 1 million	6,600	4,850	4,126
No. of cases in safety facility improvement	Case	40	66	34

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Supply Chain Management

Transactions made with business suppliers

	Unit	2021	2022	2023
Total number of suppliers (tier-1) ¹⁾	EA	1,246	1,295	1,281
Total number of suppliers (tier-1) ²⁾		508	462	506
Number of major suppliers ³⁾		249	259	256
Total amount of supplier transactions	KRW 100 million	30,109	32,382	26,967

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

3) Top 20% based on purchase

Evaluation of Suppliers

EA	460	591	421
%	37	46	32
EA	0	0	0
%	0	0	0
	% EA %	% 37 EA 0 % 0	% <u>37</u> 46 EA 0 0

4) 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	2021	2022	2023
Suppliers who signed contracts	EA	290	335	355
containing the LSCNS's Global				
Purchasing Policy				

* Accumulated total

Handling of suppliers' grievances

	Unit	2021	2022	2023
Number of grievances submitted	Case	0	0	0

Mutual growth with suppliers

		Unit	2021	2022	2023
Grade in the mutual growth index ⁵⁾		Grade	Good	Good	-
Total amount of support provided	Loans	KRW 1 million	6,496	9,440	9,622
for mutual growth	Mutual cooperation funds			28	24
	Total		6,528	9,468	9,646

5) The mutual growth index grade consists of Best, Excellent, Good, Fair, Insufficient, and Publication Deferred

The grade for 2023 is scheduled to be announced in the second half of 2024

No. of suppliers found to have substantial or potential negative impact on society

Proportion of suppliers expelled based on social impact assessment results

Number of grievances submitted



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Quality and Product Safety

Innovation activities by quality circles

	Unit	2021	2022	2023
Themed quality circle tasks	Case	68	70	67
Proposals per person		17	18	21
Total		85	88	88

Product quality evaluation technologies

	Unit	2021	2022	2023
Energy/construction ¹⁾	Case	10	12	9
Power distribution/Busduct		5	5	5
Telecommunications/Industrial cables		9	6	7
Materials		1	1	2
Total		25	24	23

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

Social Contribution

Social contribution outcomes

	Unit	2021	2022	2023
Total social contribution spending ^{2]}	KRW 1 million	1,860	1,185	1,036
Annual number of persons who took part in volunteering ³⁾	Employee	289	491	1,390

2) The LS Corp.'s donation participation amount for charitable donations is excluded from the tota

3) 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)

2023: The criteria for the list of participants in the environmental education of the Korea Marine Environment Management Corporation, jointly participated by LS Cable & System, in the Donghae City Resource Circulation Campaign



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Customers

Technology Innovation

R&D Investment

	Unit	2021	2022	2023
R&D personnel ¹⁾	Employee	195	203	192
Percentage of total personnel ²⁾	%	19.2	19.2	17.4
R&D investment costs	KRW 1 million	48,881	44,396	46,747
Government subsidies		604	479	440
R&D investment to sales ratio	%	0.8	0.7	0.8

1) 2021-2022: Data correction due to personnel changes 2) Adjustment of ratios due to personnel changes

Intellectual property

		Unit	2021	2022	2023
Domestic	Registration	Case	764	805	903
	Application		404	510	516
Overseas	Registration			320	344
	Application		106	150	167

* Accumulated total

National project undertakings

	Unit	2021	2022	2023
Government investment	KRW 1 million	2,053	1,299	1,094

Information Security Customer privacy protection

		Unit	2021	2022	2023
Security breaches/accidents related to customers' personal information		Case	0	0	0
Customers suffere data leakage	d damage from	Case	0	0	0
Information security training	Participants	Employee	231	1,044	1,122
	Training hours	Hour/person	462	1,044	1,122

 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



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I Compliance and Ethical Managemnet

Compliance training

		Unit	2021	2022	2023
Employees	On-line training	Employee	0	1,044	0
Participated	Off-line training		248*	395	483
in Training					

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

Contract and legal reviews

		Unit	2021	2022	2023
Domestic	Contract review	Case	192	207	211
	Legal review		2,498	2,501	2,530
International	Contract review			290	301
	Legal review		4,623	4,794	4,962

 \ast 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	2021	2022	2023
Internal organization to support auditor	Employee	25	27	32

Dissemination of ethical management

	Unit	2021	2022	2023
Sending a letter of cooperation to	Time	2	2	2
suppliers				

Ethic evaluation

	Unit	2021	2022	2023
No. of times for online survey	Time	1	1	1

Signing a pledge of commitment

	Unit	2021	2022	2023
Suppliers	Person	293	46	27
Newly hired employees		84	138	318

Board of Directors

Board of Directors operation status

		Unit	2021	2022	2023
Members	Internal directors	Person	4	5	5
	Auditor		1	1	2
Board meetings	Meetings	Time	14	13	20
	Internal director attendance	%	91	98 ^{1]}	97
Board of Directors'	Approval	Case	41	37	59
agendas	Report		5	4	6

1) Correction due to a clerical error

Board of Directors remunerations

		Unit	2021	2022	2023
CEO remunerations	CEO's total remunerations	KRW 1,000	1,411,840	983,590	1,150,566
Internal directors and auditor's	Total remunerations		6,609,135	7,940,735	6,915,207
renumeration	Average remunerations per person		1,101,523	992,592	987,887



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Others

Membership status

Korea Engineering & Consulting Association (KENCA)	Korean Institute of Electrical Engineers (KIEE)	Korea Electric Association	Korea Electrical Manufacturers Association
Korea Wind Energy Industry Association	KICS	Korea Ocean Grid Industry Association	Korea Information and Communication Contrac- tors Association (KICA)
FTTH Council Europe	Korea Rolling Stock Industries Association	Korea Railway Association	Korea PROFIBUS Association
CLPA (CC-Link Association)	ODVA	Korea CIO Forum	ICF
Korea Cable Recycling Cooperative	Korea HRD association	Korea Personnel Improvement Association	Korea Listed Companies Association
Korea Enterprises Federation	Korea International Trade Association (KITA)	Anyang Chamber of Commerce	Anyang Reserve Commander Association
Korea Emergency Planning Association	Korea Data Center Council	Korea Data Center Efficiency association	Korea Electric Wire Industry Cooperative (KEWIC)
Korea Electrical Contractors Association	International Contractors Association of Korea		

Membership fees

	Unit	2021	2022	2023
Membership fees	KRW 10,000	36,821	20,998	32,700

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 Social Welfare Council	Donghae Culture and Tourism Foundation	Donghae Sports Counscil

International certifications

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	Environmental Management System ISO 14001			
onment	Certification of environmental management system based on fulfillment of requirements for effective environmental management execution and improvement of environmental performances			
	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			
ciety	Information Security Management ISO 27001			
	Certification of information protection management system based on fulfillment of requirements to establish, maintain, and improve the system			
	Project Management ISO 21502			

International certification for processes, systems, and personnel management for turnkey(design and construction) project execution



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GRI Standards	Disclosure No.	Disclosure Name	Page	Note
Universal Standards				
GRI 2: The organization and	2-1	Organizational details	7	
its reporting practices	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	-	No significant changes, but annotate for any fluctuations
	2-5	External assurance	79	
GRI 2:	2-6	Activities, value chain and other business relationships	9-10	Refer to business report
Activities and workers	2-7	Employees	64	
	2-8	Workers who are not employees	-	There are non-employees(such as subcontractors within the company), but the information, including the number of workers, is incomplete as they are managed by business unit
GRI 2:	2-9	Governance structure and composition	50	Refer to business report
Governance	2-10	Nomination and selection of the highest governance body	50	Refer to business report
	2-11	Chair of the highest governance body	50	Refer to business report
	2-12	Role of the highest governance body in overseeing the management of impacts	50	Refer to business report
	2-14	Role of the highest governance body in sustainability reporting	15, 77	
	2-15	Conflicts of interest	-	Refer to business report
	2-16	Communication of critical concerns	50	
	2-17	Collective knowledge of the highest governance body	50	
	2-18	Evaluation of the performance of the highest governance body	50	Refer to business report
	2-19	Remuneration policies	-	
	2-20	Process to determine remuneration	50	
	2-21	Annual total compensation ratio	-	Refer to business report
GRI 2:	2-22	Statement on sustainable development strategy	14	
Strategy, policies and	2-23	Policy commitments	14	Refer to the official website
practices	2-26	Mechanisms for seeking advice and raising concerns	15	
	2-27	Compliance with laws and regulations	53-54	
	2-28	Membership associations	72	
GRI 2:	2-29	Approach to stakeholder engagement	16	
Stakeholder engagement	2-30	Collective bargaining agreements	40	



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GRI Standards	Disclosure No.	Disclosure Name	Page	Note
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	17	
	3-2	List of material topics	18	
	3-3	Management of material topics	19-20	
Economic				
GRI 201:	201-1	Direct economic value generated and distributed	59	
Economic Performance 2016	201-3	Financial implications and other risks and opportunities due to climate change	-	Refer to 86page of business report
	201-4	Defined benefit plan obligations and other retirement plans	-	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	35	
GRI 204:	204-1	Proportion of spending on local suppliers	59	
Procurement Practices 2016				
GRI 205:	205-1	Operations assessed for risks related to corruption	54	
Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	54, 56	
	205-3	Confirmed incidents of corruption and actions taken	68	No contractors terminated or renewals canceled due to ethics reporting
GRI 206: Anti-competitive	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	No legal actions within the
Behavior 2016				reporting period
Environmental				
GRI 302: Energy 2016	302-1	Energy consumption within the organization	61	
	302-2	Energy consumption outside of the organization	-	N/A(not applicable)
	302-3	Energy intensity	61	
	302-5	Reductions in energy requirements of products and services	31	
GRI 303:	303-2	Management of water discharge-related impacts	33	
Water and Effluents 2018	303-3	Water withdrawal	33	
	303-4	Water discharge	33	
GRI 305: Emissions 2016	303-5	Water consumption	33, 63	
	305-1	Direct (Scope 1) GHG emissions	60	
	305-2	Energy indirect (Scope 2) GHG emissions	60	
	305-3	Other indirect (Scope 3) GHG emissions	60	
	305-4	GHG emissions intensity	60	
	305-5	Reduction of GHG emissions	60	
	305-6	Emissions of ozone-depleting substances (ODS)	-	Not included in the data collection scope
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	62	

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GRI Standards	Disclosure No.	Disclosure Name	Page	Note
Environmental				
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	32	
	306-2	Management of significant waste-related impacts	32	
	306-3	Waste generated	61-62	
	306-4	Waste diverted from disposal	61-62	
	306-5	Waste directed to disposal	61-62	
Social				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	64	
	402-2	Benefits provided to full-time employees that are not provided to	36	
		temporary or part-time employees		
	401-3	Parental leave	65	
GRI 403: Occupational	403-1	Occupational health and safety management system	27	
Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	26	
	403-3	Occupational health services	28	
	403-4	Worker participation, consultation, and communication on occupational health and safety	28	
	403-5	Worker training on occupational health and safety	28,67	
	403-6	Promotion of worker health	28	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	25	
	403-8	Workers covered by an occupational health and safety management system	27	
	403-9	Work-related injuries	25, 67	
	403-10	Work-related ill health	65	Not included due to the absence of unusually high injuries/illnesses in specific types of diseases, gender/age groups
GRI 404: Training and	404-1	Average hours of training per year per employee	36-37	
Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	65	
	404-3	Percentage of employees receiving regular performance and career development reviews	65	
	405-2	Ratio of basic salary and remuneration of women to men	39	We do not discriminate on any basis in all processes including promotion, compensation and disciplinary measures



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GRI Standards	Disclosure No.	Disclosure Name	Page	Note
GRI 406:	406-1	Incidents of discrimination and corrective actions taken	66	
Nondiscrimination 2016				
GRI 407: Freedom of	407-1	Operations and suppliers in which the right to freedom of association and collective	40	There is no corresponding
Association and		bargaining may be at risk		business establishment or supplier
Collective Bargaining 2016				
GRI 411: Rights of	411-1	Incidents of violations involving rights of indigenous peoples	-	No breaches reported during
Indigenous Peoples 2016				the reporting period
GRI 413:	413-1	Operations with local community engagement, impact assessments, and development	-	
Local Communities 2016		programs		
	413-2	Operations with significant actual and potential negative impacts on local communities	-	No facilities with negative risks
GRI 416:	416-1	Assessment of the health and safety impacts of product and service categories	46	
Customer Health and	416-2	Incidents of non-compliance concerning the health and safety impacts of products and	-	No cases of violation
Safety 2016		services		
GRI 417: Marketing and	417-2	Incidents of non-compliance concerning product and service information and labeling	-	No cases of violation
Labeling 2016	417-3	Incidents of non-compliance concerning marketing communications	-	No cases of violation
GRI 418:	418-1	Substantiated complaints concerning breaches of customer privacy and	70	No cases of violation
Customer Privacy 2016		losses of customer data		

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We disclose information in four areas related to climate change-associated risks and opportunities: governance, strategy, risk management, and metrics and targets.

2023 PRIORITY AREA	TCFD recommendations	Status at LS C&S
ESG PERFORMANCE	Governance Disclosing the organization's	The ESG Management Committee was launched in June 2021 to incorporate ESG into our business norms in line with our corporate management strategy. This consulta- tive body, chaired by the CEO and comprising three internal members and three external advisors, oversees the development and implementation of strategies to address
ESG DATA BOOK	governance of climate change- related risks and opportunities	climate change issues. During its bimonthly meetings, the committee reviews, reports on, and resolves key agenda items. Approved decisions are subsequently reported to management. In February 2024, the committee and executive leadership approved the final 2050 carbon neutrality roadmap.
APPENDIX GRI Standards 2021 Index TCFD Index Independent Assurance Statement Our Report since 2010	Strategy Disclosing actual and potential impacts of climate change-related risks and opportunities on the organization's operations, strategy, and financial planning	[Climate change-related risks and opportunities identified by the organization over the short-, medium-, and long-term horizons] Alongside increasing stakeholder demands for ESG management, LS C&S considers the tightening of domestic and global regulations on GHG emissions reduction (such as Emissions Trading Systems (ETS) and the EU's Carbon Border Adjustment Mechanism (CBAM]) to be significant factors contributing to transition risks. In terms of physical risks, we have identified short-term risk factors for employee and workplace health and safety impacts from abnormal climate events, including heat waves, flooding, and wildfires. [Impacts of climate change-related risks and opportunities on the organization's operations, strategy, and financial planning]
		We anticipate that the risk factors described above may increase operational costs due to activities such as emissions trading, establishing a carbon emissions calculation system for products, and meeting customer requirements. These all have the potential to impose financial burdens on the organization. We analyze the impact of each risk factor on our operations, establish strategic directions for response, and integrate them into our business strategies. For detailed information on the impacts of climate change-related risks and opportunities on the organization's operations, strategy, and financial planning, please refer to page 30 of this report. S
	Risk management How processes that identify, assess, and manage climate change- related risks are incorporated into the organization's comprehensive risk management process	[Processes for identifying and assessing climate change-related risks] We conduct a comprehensive analysis to identify and assess climate change-related risks, evaluating their potential impact and current management status. Based on this assessment, we develop and implement response strategies for significant risks. Relevant teams then establish detailed plans to execute strategic tasks. [Processes in the organization to manage climate change-related risks] We review the progress of strategic tasks, incorporate the results into team performance evaluations, identify areas for improvement and refine our processes accordingly. Key agenda items are submitted to the ESG Management Committee for further discussion. [How processes that identify, assess, and manage climate change-related risks are incorporated into the organization's comprehensive risk management process] We operate an integrated risk management system at the enterprise level to identify, prevent, and effectively respond to risk factors that may adversely impact our business amidst uncertainties in the external environments, such as energy transition and spiking energy prices. Key risks with a significant potential impact on the company are reported during management meetings as part of deliberations on enterprise-wide strategic directions. They are addressed through coordinated efforts among related teams.
2023 - 2024 Sustainability Report + Annual Report	Metrics and targets Disclosing metrics used to assess and manage climate change- related risks and opportunities, as well as reduction targets	We disclose our management of Scope 1 and 2 GHG emissions on an annual basis. To achieve carbon neutrality by 2050, we are implementing staged emissions reduction measures. These efforts include transitioning equipment, adopting energy recycling and transition initiatives, and increasing the use of renewable energy sources. In addition, we are developing a management system to address voluntary Scope 3 emissions, enhancing our product's low-carbon competitiveness.



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Independent Assurance Statement

To readers of LS CABLE & SYSTEM 2023-2024 Sustainability report + Annual report

Introduction

Korea Management Registrar (KMR) was commissioned by LS CABLE & SYSTEM to conduct an independent assurance of its 2023-2024 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 2021
- · Universal standards
- · Topic specific standards
- GRI 305: Emissions
- GRI 306: Waste
- GRI 403: Occupational Health and Safety
- GRI 404: Training and Education

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. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.



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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 2024 Seoul, Korea

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Date of Publication	June 30, 2024 (Korean Version May 31, 2024)
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	Donghae HSE Team, Energy Cable Installation Safety Management Team,
	HR Planning Team, Culture & Grow Team, Labour Relations Support Team,
	Purchase Planning Team, Quality Management Team, Donghae HR & Labor
	Relations Team
Governance	Legal/Compliance Team, Internal Audit Team
Economy	Accounting Team, Internal Control Management Team, Business Manage-
	ment Team & Planning Team
Customer	DT Planning Team, DT Support Team, Technology Planning Team, IP Center

Participating organization

Assurance	Korea Management Registrar
Design	intoGraphic



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The FSC® (Forest Stewardship Council®) label can only be applied to products that are produced using trees grown in forests that are managed sustainably from the social, economic, and environmental perspectives.

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