

Public Disclosure of Corporate Governance Report

[000001] Corporate Governance Report Form

Corporate Governance Report Form

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To Korea Exchange,

We hereby submit this corporate governance report as attached in accordance with Article 24-2 of the Securities Market Disclosure Regulations and Article 7-2 of the Enforcement Rules of the same regulations, and confirm that there is no falsehood or omissions of material matters among the reported items.

May 30, 2024

LG Chem Ltd. CEO Hak-cheol Shin (Seal)

(Attachment) Corporate Governance Report



[000002] I. Company Overview

1. Company Name  
LG Chem

2. Public Disclosure Period and Report Preparation Base Date

Initial Date of Public Disclosure Period 01/01/2023

End Date of Public Disclosure Period 12/31/2023

Base Date of Report Preparation 12/31/2023

2-1. Fiscal Period for the Past Three Years

Type	Current Year	Previous Year	Two Fiscal Years Prior
Initial Date of Fiscal Period	01/01/2023	01/01/2022	01/01/2021

Type	Current Year	Previous Year	Two Fiscal Years Prior
End Date of Fiscal Period	12/31/2023	12/31/2022	12/31/2021

3. Drafted by

Person in Charge of Public Disclosure		Working-Level Person in Charge	
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4. Table 1-0-0: Company Overview

Largest Shareholder	LG Chem and 1 person	Largest Shareholder's Percentage	30.09
		Minority Shareholders' Percentage	56.76
Business Type	Non-financial	Major Products	ABS, rechargeable battery materials, etc.
Applicability of "Business Group" According to the Monopoly Regulation and Fair Trade Act	O	Applicability of the Act on the Management of Public Institutions	X
Business Group Name	LG		
Summarized Financial Status (Unit: KRW million)			
Type	Current Year	Previous Year	Two Fiscal Years Prior
Sales (consolidated)	55,249,785	50,983,251	41,786,573
Operating income (consolidated)	2,529,196	2,979,354	4,983,592
Net income (consolidated)	2,053,425	2,195,518	3,953,904
Total assets (consolidated)	77,466,694	67,973,823	51,135,302
Total assets (separate)	34,093,584	32,872,824	30,929,152

[000003] Core Corporate Governance Indexes — Compliance Status

Compliance rate: 80

5. Core Corporate Governance Indexes — Compliance Status

Core Indexes	(Public Disclosure Period) Compliance	(Previous Public Disclosure Period) Compliance	Remarks
A convocation notice published four weeks before the AGM	O	N/A	The convocation notice was made on Feb. 23, 2024 (31 days before the AGM) - See Detailed Principle 1-① for more details
An electronic voting system adopted	O	N/A	Electronic voting has been used since the EGM of 2020 - See Detailed Principle 1-② for more details
The AGM held on a date when the majority of companies don't hold their general shareholders' meetings	O	N/A	The 23 <sup>rd</sup> AGM was held on Mar. 23, 2024 (major AGM dates in 2024 were Mar. 22, 27 and 29) - See Detailed Principle 1-② for more details
Predictability provided in terms of cash dividends	X	N/A	Articles of Incorporation amended in 2024; scheduled to be enforced from dividend in 2025 - Detailed Principle 1-④
Shareholders notified of dividend policy and dividend payout plan at least once a year	O	N/A	Details were provided in various ways and channels, including the company's website, performance briefing, and public disclosure - Complying with the requirements, as described under Detailed Principle 1-④
A CEO succession policy in place	O	N/A	A CEO succession policy and a dedicated department are in place - See Detailed Principle 3-②
An internal control policy, such as risk management, in place	O	N/A	Internal control policy regulations and systems in the fields of risk management, compliance, and internal accounting management are in place - Complying with the requirements, as described under Detailed Principle 3-③
Whether an outside director is the BOD chairperson	X	N/A	BOD chairman and CEO are not separated - See Detailed Principle 4-①

Core Indexes	(Public Disclosure Period) Compliance	(Previous Public Disclosure Period) Compliance	Remarks
A cumulative voting system adopted	X	N/A	Excluded according to the Articles of Incorporation - See Detailed Principle 4-③ for more details
A policy to prevent persons responsible for undermining corporate value or infringing upon shareholder rights from being appointed as executives in place	O	N/A	Multiple internal validation process and regulations are in place - Complying with the requirements, as described under Detailed Principle 4-④
Not all BOD members are of a single gender	O	N/A	The company's BOD is run by 7 members, consisting of 5 males and 2 females - See Detailed Principle 4-②
An independent internal audit department (internal audit-supporting organization) in place	O	N/A	An independent internal audit department is in full operation - See Detailed Principle 9-① for more details
An accounting or finance expert in internal audit bodies	O	N/A	1 person (Young-han Lee, outside director) - Complying with the requirements, as described under Detailed Principle 9-①
A meeting between internal audit body and external auditor held without the management present at least once a year	O	N/A	Held at least once a quarter - Complying with the requirements, as described under Detailed Principle 10-②
Whether procedures are prepared to provide internal audit bodies access to critical management information	O	N/A	Provision for basis written on the Audit Committee Regulations (Articles 3 and 13) - Complying with the requirements, as described under Detailed Principle 9-①

- The data as-of date for this table is the date of submitting this report (05/31/2024).

[000004] II. Corporate Governance Status

[100000] 1. Corporate Governance Policy

A. Provide an overall and detailed description of matters such as operational directions and items of key consideration regarding the company's corporate governance policies.

LG Chem seeks to guarantee that its corporate governance is transparent, stable, and sound in order to increase shareholder value and safeguard their rights and interests. We pursue active and efficient corporate governance so as to achieve sustainable growth and build industry leadership.

To ensure transparent governance, we publish on our website the complete text of all corporate rules pertaining to corporate governance, including the articles of incorporation as well as the regulations on the Board of Directors (BOD), the Audit Committee, and the Management Committee. The establishment and operation of corporate governance are handled in accordance with the procedures and principles outlined in our corporate rules.

We separate and delegate the management decision-making rights and business execution rights of the BOD and the management according to the BOD regulations and related corporate rules so as to ensure stable and sound governance through checks and balances among members. The “diversity principle” ensures that the ratio of outside directors in the BOD is at least 50 percent (4 out of 7) and that outside directors do not share a specific common background or represent a specific set of interests, ensuring that they are effectively carrying out their duties of checks on the management’s business execution rights. The Outside Director Nomination Committee nominates outside directors in a transparent and equitable manner, in which two-thirds of the committee are outside directors. The outside directors are experts in diverse fields, ranging from industrial technology to finance and accounting, law, and management advisory services. They engage in extensive deliberation on the BOD's agenda and conduct effective monitoring of the management's business execution.

In addition, we conduct a preliminary report on the directors prior to the meeting through a separate BOD secretariat and relevant departments so that the directors can make the best management decisions possible and are provided with adequate information on the agenda's specific content. We also installed the Management Committee within the BOD to facilitate efficient corporate governance. The committee takes charge of approving matters that do not require collective decision-making by all directors.

B. Explain the characteristics of governance unique to the company, if there are any.

**(1) BOD composed of majority of outside directors**

Four out of seven directors (57 percent) of our BOD are outside directors. This is to increase efficiency by incorporating outside personnel with diverse expertise and backgrounds into the BOD, and to strengthen the checks on the management through a number of outside directors with verified independence. In particular, all four outside directors make up the Audit Committee, which exercises internal control over business execution. To ensure fairness in appointing outside directors, two of the three members of the Outside Director Nomination Committee must be outside directors.

**(2) Committee-centered operation within the BOD**

The Audit Committee, the Internal Transaction Committee, the ESG Committee, the Management Committee, and the Outside Director Nomination Committee are operational as of Dec. 31, 2023. In addition to the roles and authorities of the committees specified by laws and regulations, we are enhancing the professionalism, independence, and efficacy of the BOD by defining the precise scope of each committee's rights in our regulations. Consequently, the Audit Committee carries out active roles and functions in terms of internal control, including not only approving and reporting legal obligations, but also reporting non-recurring incidents and external auditors' auditing. The Management Committee votes on matters requiring prompt decision-making, such as approval of individual company loans, payment guarantees below a certain threshold, and board-delegated matters. In addition, the Management Committee's agenda is communicated to each director and reported to the BOD at least every six months in order to prevent the committee from undermining the board's control function. The ESG Committee, in particular, was established on Apr. 28, 2021, with the objective of achieving sustainable growth by bolstering management in environmental, social, and corporate governance. The Internal Transaction Committee, installed on Jul. 1, 2021, is responsible for increasing the transaction fairness and the company's management transparency.

**(3) Strengthening outside directors' expertise**

Our outside directors are experts in industrial technology, finance and accounting, law, and management advisory services. Relevant departments conduct interviews and pre-verification procedures on candidates for outside director positions to select the most qualified ones. In order to build the BOD's competence by maximizing the expertise of each outside director, the company actively listens to outside directors' requests for information regarding decision-making through the BOD Secretariat and related departments. We also facilitate a pre-reporting procedure prior to board meetings so that we can carefully examine crucial issues and come up with the best decision.

The BOD receives quarterly reports on the status of the company's primary businesses to ensure that all outside directors fully understand the company's businesses. In addition, seminars for new outside directors are held annually at the LG Group level. The seminar held on Apr. 28, 2022 focused on improving understanding in the business and facilitating the execution of duties of the BOD. Notable attendees included Director Hwa-soon Cho and Director Hyun-joo Lee. On Apr. 12, 2023, a seminar was held with a primary focus on deepening participants' comprehension of the business overview and the functioning of the BOD. Director Kyung-hoon Chun was in attendance in this session.

**[200000] 2. Shareholders**

**[201000] (Core Principle 1) All shareholders must be provided with sufficient information to exercise their rights in a timely manner and must be able to do so through appropriate procedures.**

**■ [201100] (Detailed Principle 1-1) - The company should provide shareholders with sufficient notice of the date, location, and agenda of a general meeting of shareholders.**

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

The company notifies the information regarding the general meeting of shareholders, including its date, location, and agenda, on DART four weeks before the meeting so that shareholders may exercise their voting rights in sufficient time.

A. Describe the overall information regarding the general meetings of shareholders from the starting point of the period for disclosure to the point of report submission, including their dates, locations, and agendas.

LG Chem holds annual general meetings of shareholders (AGMs) within three months of the end of each fiscal year, with extraordinary general meetings (EGMs) held as needed. Since Jan. 1, 2022, we have held a total of three AGMs. Details of the general meetings of shareholders are as follows.

Table 1-1-1: Details of General Meetings of Shareholders

	23 <sup>rd</sup> AGM	22 <sup>nd</sup> AGM	21 <sup>st</sup> AGM
Held as Regular AGM	O	O	O
Date of resolution on convocation	02/23/2024	02/20/2023	02/22/2022
Date of convocation notice	02/23/2024	02/20/2023	02/22/2022
Date of convocation	03/25/2024	03/28/2023	03/23/2022
Number of days between convocation notice date and convocation date	31	36	29
Place of convocation	B1F, Connect Hall (Formerly Main Auditorium), LG Twin Tower, East Building, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul	B1F, Main Auditorium, LG Twin Tower, East Building, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul	B1F, Main Auditorium, LG Twin Tower, East Building, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul
Method of notifying matters related to general meeting of shareholders	Post a convocation notice via the e-disclosure systems of the Financial Supervisory Service and Korea Exchange, as well as send a notice to major shareholders	Post a convocation notice via the e-disclosure systems of the Financial Supervisory Service and Korea Exchange, as well as send a notice to major shareholders	Post a convocation notice via the e-disclosure systems of the Financial Supervisory Service and Korea Exchange, as well as send a notice to major shareholders

Convocation notice comprehensible by foreign shareholders	Fulfillment status	O	O	O
	Notification method	Send key foreign shareholders an email written in English to inform them of the general meeting	Send key foreign shareholders an email written in English to inform them of the general meeting	Send key foreign shareholders an email written in English to inform them of the general meeting
	BOD attendance status	Three out of seven	Three out of seven	Two out of seven
	Auditor or audit committee member attendance status	One out of four	One out of four	One out of three
Details	Highlights of shareholders' comments	1) Shareholders who commented: - One institutional shareholder and majority shareholders	1) Shareholders who commented: - One institutional shareholder, one individual shareholder, and majority shareholders	1) Shareholders who commented: - Majority shareholders
		2) Gist of their comments: - Proposal to protect the rights and interests of general shareholders (one institutional shareholder) - Agreement and re-appointment of the agenda (majority shareholders)	2) Gist of their comments: - Proposal on the communication with shareholders (one institutional shareholder) - Inquiry about JV investment (one individual shareholder) - Agreement and re-appointment of the agenda (majority shareholders)	2) Gist of their comments: - Agreement and re-appointment of the agenda (majority shareholders)

B. Based on the aforementioned details, if the company has failed to provide sufficient information regarding the general meeting of shareholders before an adequate period, explain the reason thereof and follow-up measures.

(1) Lacking parts and the reasons thereof

As described above, the company notifies the information regarding the general meeting of shareholders, including its date, location, and agenda, on DART four weeks before the meeting so that shareholders may exercise their voting rights in sufficient time.

(2) Future plan and explanation

As described above, the company endeavors to continue to provide shareholders with adequate information regarding their general meetings.

■ [201200] - (Detailed Principle 1-2) The company should allow its shareholders to participate in the general meeting of shareholders and voice their opinions to the extent possible.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

To improve shareholders' participation and expression of opinions, the company takes part in the Korea Listed Companies Association's general meeting dispersion compliance program, implementing measures such as electronic voting and soliciting shareholders to exercise their rights in proxy.

A. Provide an overall description related to the direct or indirect exercise of shareholders' voting rights.

(1) Status of evasion of major AGM dates, written voting, solicitation of shareholders to exercise their votes in proxy, etc. for the past three fiscal years

The general meeting dispersion compliance program initiated by the Korea Listed Companies Association and Korea Exchange was adopted on Feb. 5, 2018 as part of an initiative to revitalize the general meetings of shareholders. We volunteered to participate in the program at the 21<sup>st</sup>, 22<sup>nd</sup>, and 23<sup>rd</sup> AGM held from Jan. 1, 2022, the beginning of the immediately preceding fiscal year, until May 31, 2024, the day of filing disclosure documents, and avoided holding a shareholders' meeting on the designated concentrated AGM days.

Because the company does not utilize a written voting system, our BOD resolved to adopt an electronic voting system on Sep. 17, 2020 to facilitate shareholders in exercising their voting rights. Beginning with the EGM in 2020, shareholders exercised their voting rights via the electronic system without having to attend the meeting in person. As a result of soliciting shareholders to exercise their rights in proxy, more than 82 percent of voting shares have been exercised during the period subject to report, allowing us to achieve the same result as a written voting system. As such, we intend to consider a variety of factors to assist shareholders in exercising their voting rights.

Table 1-2-1: Access to Exercising Voting Rights at AGMs

Type	23 <sup>rd</sup> AGM	22 <sup>nd</sup> AGM	21 <sup>st</sup> AGM
Major AGM days	03/22/2024	03/24/2023	03/25/2022
	03/27/2024	03/30/2023	03/30/2022
	03/29/2024	03/31/2023	03/31/2022
Company's AGM date	03/25/2024	03/28/2023	03/23/2022
Whether the meeting was held on a day other than the major AGM dates	O	O	O
Adoption of written voting	X	X	X

Adoption of electronic voting	O	O	O
Solicitation of shareholders to exercise their rights in proxy	O	O	O

(2) Ratio of votes for/against each agenda of general meetings of shareholders from the starting point of the period for disclosure to the point of report submission

We solicit shareholders to exercise their voting rights in proxy as part of our efforts to secure a quorum for voting and ensure shareholders' convenience. For this purpose, we prepare a proxy form and reference documents, which are then posted on the electronic-disclosure systems, in accordance with the Financial Investment Services and Capital Markets Act two days before starting solicitation.

A total of 56,512,601 shares, which represents 80.1 percent of 70,592,343 voting shares outstanding, attended the 23<sup>rd</sup> AGM held on Mar. 25, 2024, including proxy attendance. Four of the five agenda items for the 23<sup>rd</sup> AGM were ordinary resolutions, while one item (revision to the Articles of Incorporation) was an extraordinary resolution, in which all items were approved as proposed after meeting the resolution requirements.

In addition, a total of 59,450,418 shares, which represents 84.2 percent of 70,592,343 voting shares outstanding, attended the 22<sup>nd</sup> AGM held on Mar. 28, 2023, including proxy attendance. All items on the 22<sup>nd</sup> AGM's agenda were ordinary resolutions, in which they were approved as proposed after meeting the resolution requirements.

The votes for/against each item of the 23<sup>rd</sup> and 22<sup>nd</sup> AGMs are as follows.

Table 1-2-2: Resolutions of the General Meetings of Shareholders

		Type of resolution	Description	Voting result	Total number of voting shares outstanding (1)	Shares whose voting rights were exercised among (1)	Votes for	Ratio of votes for (%)	Votes against, abstention, etc.	Ratio of votes against, abstention, etc.(%)
23 <sup>rd</sup>	Item 1	Ordinary	Approval of the financial statements for the 23 <sup>rd</sup> fiscal year (Expected dividend per share: Common: KRW 3,500, preferred: KRW 3,550)	Approved	70,571,597	56,512,601	53,955,721	95.5	2,556,880	4.5
	Item 2	Extraordinary	Revisions to the Articles of Incorporation	Approved	70,592,343	56,512,601	56,389,983	99.8	122,618	0.2
	Item 3	Ordinary	Appointment of Dong-seok Cha as an inside director	Approved	70,592,343	56,512,601	55,103,772	97.5	1,408,829	2.5
	Item 4	Ordinary	Appointment of outside director Young-han Lee as an Audit Committee member	Approved	46,132,464	32,052,722	31,562,742	98.5	489,980	1.5
	Item 5	Ordinary	Approval of limits on directors' remuneration	Approved	70,571,597	56,512,601	51,566,176	91.2	4,946,425	8.8
22 <sup>nd</sup>	Item 1	Ordinary	Approval of the financial statements for the 22 <sup>nd</sup> fiscal year (Expected dividend per share: Common: KRW 10,000, preferred: KRW 10,050)	Approved	70,592,343	59,450,418	55,136,114	92.7	4,314,304	7.3
	Item 2	Ordinary	Appointment of Kyung-hoon Chun as an outside director	Approved	70,592,343	59,450,418	59,231,608	99.6	218,810	0.4
	Item 3	Ordinary	Appointment of Kyung-hoon Chun as an Audit Committee member	Approved	46,036,807	34,894,882	34,628,391	99.2	266,491	0.8
	Item 4	Ordinary	Approval of limits on directors' remuneration	Approved	70,592,343	59,450,418	58,856,800	99.0	593,618	1.0

B. Describe the efforts and history of communicating with shareholders in case of resolution items of general meetings of shareholders to which the majority of votes were against or the shareholders disapproved.

No resolution items of general meetings of shareholders had the majority of votes against them or disapproved by shareholders.

C. Based on the aforementioned details, if measures taken by the company to encourage the participation of shareholders in decision-making, such as the general meeting of shareholders, were lacking, explain the reason thereof and future plans.

(1) Lacking parts and the reasons thereof

As described and explained in the preceding section, the company takes measures to secure a quorum for voting and make it easier for shareholders to exercise their voting rights. We have been encouraging their attendance in the general meetings of shareholders since the adoption of the electronic voting system and proxy solicitation.

(2) Future plan and explanation

We intend to look into a variety of options for suggesting shareholders with simpler ways to exercise their voting rights.

■ [201300] (Detailed Principle 1-3) - The company should allow shareholders to propose agenda items at general meetings of shareholders, and to freely ask questions and request explanations on the agenda.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).  
The company does not inform shareholders of the details on a separate channel, such as the website. However, unless it violates the Commercial Act or the Articles of Incorporation or other grounds for refusal of shareholder proposals, we allow shareholders to exercise their rights to make proposals at least six weeks before the general meeting date.

A. Describe the items below regarding matters related to the shareholders’ rights to make proposals.

(1) Whether procedures related to the shareholders’ proposals are guided in detail on the company’s website

Status of implementation **N (X)**  
No shareholder has exercised the right to make a proposal in accordance with Articles 363-2 and 542-6 of the Commercial Act during any of the general meetings held from Jan. 1, 2023 until today. Consequently, no details on the exercise of this right are provided herein.  
  
The Commercial Act prescribes shareholders' right to make proposals to protect the rights of common shareholders, in which shareholders who hold a certain percentage or more of the shares required by law may propose that certain matters be raised as agenda items for a general meeting of shareholders at least six weeks prior to the meeting. With sufficient information on the system described in the said Act, the company does not inform shareholders of the details on a separate channel, such as the website. However, unless it violates the Commercial Act or the Articles of Incorporation or other grounds for refusal of shareholder proposals prescribed by the Presidential Decree, we allow shareholders to exercise their rights to make proposals at least six weeks before the general meeting date.

(2) Whether regulations related to the procedures and standards for handling agendas proposed by shareholders have been prepared and implemented

Status of implementation **Y (O)**  
All matters proposed by a shareholder are immediately reported to the BOD so that they are addressed at the board meeting to call a general meeting of shareholders, which takes place three to four weeks, on average, prior to the actual meeting. Besides this, shareholders are allowed to freely pose questions and request clarifications on the proposed agenda items at the general meetings of shareholders.

(3) History and fulfillment of shareholders’ proposals from the starting point of the period for disclosure to the point of report submission

Whether a proposal was made by shareholders **N (X)**  
No proposal rights have been exercised by shareholders from Jan. 1, 2022, the starting point of the previous year for the public disclosure period, to the current point in time of May 31, 2024.  
  
We have internal standards and procedures in place so that shareholders can exercise their right to make proposals with ease. If this right is exercised according to appropriate procedures in the future, we intend to operate the general meetings of shareholders in compliance with the Commercial Act, as well as the operating procedures of the BOD and general meetings of shareholders.

Table 1-3-1: Status of Proposals by Shareholders

	Proposal date	Proponent	Type	Highlights	Processing and implementation status	Voting result	For” votes (%)	Against” votes (%)
N/A								

(4) Key matters of open letters accepted by the company from the starting point of the period for disclosure to the point of report submission and the status of handling

Acceptance of open letter **N (X)**  
The company has not received any open letters from the starting point of the period for disclosure to the point of report submission.

Table 1-3-2: Open Letter Status

	Date of mailing	Principal agents	Highlights	Date of response	Acceptance	Highlights of reply
N/A						

B. Based on the aforementioned details, if policies that facilitate the exercise of shareholders' rights to make proposals prove to be insufficient, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As described above, the company has established internal standards and procedures to facilitate shareholders' proposal rights.

(2) Future plan and explanation

If there is a legitimate exercise of a shareholder's right to make proposals, the company will operate the general meeting of shareholders by complying with the Commercial Act, internal BOD operation procedures, and the procedures of the general meeting of shareholders.

■ [201400] (Detailed Principle 1-4) The company should develop a mid- to long-term shareholder return policy and plan, including dividends, and provide them with predictability in terms of dividends.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

The company regularly establishes and notifies a mid- to long-term shareholder return policy and aims to provide predictability in terms of dividends by allowing dividend record dates to be set after dividends confirmation from the closing dividend in 2024.

A. Describe the following items on whether the company establishes a policy regarding shareholder return and the shareholders are adequately informed of such terms.

(1) Whether a shareholder return policy including dividends is established

Status of implementation Y (O)

The company may distribute profits in either cash or stock in accordance with its Articles of Incorporation, and a policy governing such distributions is in place. When determining dividends, we take into account investments, cash flow, financial structure, and dividend stability so as to increase shareholder value and return. Dividend stability refers to avoiding a reduction in the dividend per share, but it can be applied flexibly towards sustainable growth and enhancement of shareholder value by reviewing the changes in the business environment and management strategies, such as future investment plans.

We announced the following new mid- to long-term dividend policy on Dec. 15, 2023 to enhance dividend stability and shareholder value.

- Aiming for maintaining a dividend payout ratio at 20 percent or higher of net income (excluding one-off non-recurring profits) on the consolidated financial statements

In addition, a mid- to long-term dividend policy to improve dividend stability and shareholder value was publicly disclosed on Oct. 14, 2020.

- Aiming for maintaining a dividend payout ratio at 30 percent or higher of net income (excluding one-off non-recurring profits) on the consolidated financial statements in order to apply the same standards in terms of financial resources as before the spin-off

- Seeking to pay out a cash dividend of at least KRW 10,000 per common share for three years (2020–2022) to eliminate any uncertainty and increase shareholder value in a stable manner

No discussions or decisions have been made regarding shareholder return policy, except for dividends. The company aims at ensuring sustainable growth in each of its business areas by not only expanding its business in products with high added value or eco-friendliness in the petrochemical sector, where it has differentiated competitiveness, but also by preoccupying demands in downstream markets by investing in the advanced materials business, as well as bolstering R&D in the biotech industry. Our plans for the future include enhancing our corporate value through increased profits, along with the company's growth, while also increasing the size of dividends in the mid- to long-term.

(2) The method of informing the shareholder return policy to shareholders and whether the shareholder return policy is provided in English

Whether the policy is informed once a year Y (O)

Whether the information is provided in English Y (O)

The BOD announces its decision on dividend payout before an AGM is held through the DART system and a pop-up window on the company's website. Specifics of the dividends to be allocated in the following year are provided at least once a year through a conference call to present the company's quarterly business results.

We ensure that every shareholder has access to sufficient dividend-related information. The company's dividend policy and status can be found in the link below.

☐ <https://www.lgchem.com/company/investment-information/stock-information/dividends>

We published our mid- to long-term dividend policy in Korean and English on DART on Dec. 15, 2023, and sent all shareholders a letter containing the same matter.

(3) Whether predictability in terms of dividends were provided to shareholders by deciding the dividend at or before the dividend record date if cash dividends were executed from the starting point of the period for disclosure to the point of report submission

Whether Articles of Incorporation was applied Y (O)



Status of implementation	N (X)
The company executed a cash dividend on Apr. 23, 2024 as a closing dividend of the fiscal year of 2023; the dividend was not executed at or before the dividend record date.	
However, the Articles of Incorporation were changed to set future dividend record dates to be the date decided by the BOD instead of the end of the settlement term at the 23 <sup>rd</sup> AGM held on Mar. 25, 2024. According to this change, the company aims to provide predictability in terms of dividends to investors by confirming the dividend amount before setting the dividend record date from the dividend as of the fiscal year in 2024.	

Table 1-4-1: Dividend Record Date and Dividend Amount Confirmation Date

	Closing month	Closing dividend status	Dividend record date	Dividend amount confirmation date	Whether predictability in terms of cash dividends were provided
23 <sup>rd</sup> AGM	Dec.	O	12/31/2023	01/31/2024	X
22 <sup>nd</sup> AGM	Dec.	O	12/31/2022	01/31/2023	X

B. Based on the aforementioned details, if the establishment of a shareholder return policy and providing relevant information were insufficient, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof
When establishing a mid- to long-term shareholder return policy, the company publishes the information on DART and posts the policy on its website to provide adequate information to shareholders. However, the Articles of Incorporation must be amended to separate the dividend record date and the base date of voting rights at the general meeting of shareholders in order to change the dividend procedure to decide shareholders who will receive dividends after confirming the dividend amount for the improvement of predictability in terms of dividends. Therefore, due to delays in such changes, we decided to apply the change from the dividend in the 2024 fiscal year.

(2) Future plan and explanation
By receiving approval for the change of the Articles of Incorporation at the 23 <sup>rd</sup> AGM, the company will be able to confirm the dividend amount first from the dividend in the 2024 fiscal year according to the decision of the dividend record date via the BOD's resolution, which will be used to improve the predictability in terms of dividends for investors.

■[201500] (Detailed Principle 1-5) - The company should respect shareholders' right to receive an appropriate level of dividends in accordance with the shareholder return policy and plans.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).  
The company makes returns within the range of profits available for dividends according to the mid- to long-term dividend policy; the aim to maintain a dividend payout ratio at 20 percent or higher mid- to long-term (three years) is announced and fulfilled.

A. Explain matters regarding measures recently implemented by the company in terms of shareholder returns.

(1) Items regarding dividends
In 2023, the company paid out KRW 3,500 per common share and KRW 3,550 per preferred share pursuant to its mid- to long-term dividend policy (three years) announced on Dec. 15, 2023. The table below shows the specifics of dividend payouts over the past three years.
[Note]
The “Profit available for dividend” in the following table is the amount calculated according to Article 462 (1) of the Commercial Act, marked by the amount rounded down to KRW millions; classified shares were left blank, as they are not differentiated from ordinary shares.

Table 1-5-1-1: Shareholder Returns Over the Past Three Years

		General status		Stock dividends	Cash dividends (Unit: KRW)			
		Year	Closing month		Profit available for dividend	Total dividends	Dividend per share	Dividend rate by market price
Current Year	Common	2023	Dec.	None	16,724,794,000,000	247,073,200,500	3,500	0.7
	Classified	2023	Dec.	None		27,273,794,450	3,550	1.1
Previous Year	Common	2022	Dec.	None	17,459,373,000,000	705,923,430,000	10,000	1.6
	Classified	2022	Dec.	None		77,211,727,950	10,050	3.4
Two Fiscal Years Prior	Common	2021	Dec.	None	15,346,013,000,000	842,697,768,000	12,000	1.9
	Classified	2021	Dec.	None		92,577,245,950	12,050	4.0

Type	Current Year	Previous Year	Two Fiscal Years Prior
Consolidated (%)	20.5	42.4	25.5
Individual (%)	120.2	26.0	37.2

(2) Explain measures implemented by the company regarding shareholder returns other than dividends, if there are any.

N/A

B. Based on the aforementioned details, if the company is lacking in terms of respecting shareholders’ rights to receive shareholder returns at an appropriate level, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

We paid out dividends exceeding 100% of the payout ratio based on the 2023 individual statement to improve shareholder value. We will continue to work to provide an adequate level of shareholder returns and improve shareholder value.

(2) Future plan and explanation

We will continue to work to provide an adequate level of shareholder returns and improve shareholder value.

[202000] (Core Principle 2) The voting rights of shareholders should be proportional to the number and type of shares they own, and the company should make efforts to build a system that makes company information available to all shareholders in a fair manner.

■ [202100] (Detailed Principle 2-1) The company must ensure that shareholders' voting rights are not violated and must also provide shareholders with timely, adequate, and unbiased information on the company.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).  
The company grants fair voting rights according to the type and number of shares held by the shareholder and retains a system to provide its information to shareholders in a timely and fair manner.

A. Describe the following items regarding the overall information on shares issued as of the date of writing.

(1) Status of shares issued

The total number of shares granted in our Articles of Incorporation is 292,000,000 (KRW 5,000 per share). The total number of shares issued as of Dec. 31, 2016 was 73,900,021, and 4,381,122 shares (4,321,243 common shares and 59,879 preferred shares) were issued on Jan. 2, 2017 due to the merger with LG Life Sciences. At present, the total number of shares issued is 78,281,143, with 70,592,343 registered common shares and 7,688,800 registered preferred shares.

[Note]

1. The number of authorized shares is not broken down by stock class, as stated in Article 5 of the Articles of Incorporation.  
Therefore, ordinary shares and classified shares in the following have all been written as the company’s total number of authorized shares.

2. However, it should be noted that the company’s total number of classified stocks is limited to half of the total number of shares issued pursuant to Articles 8-1 and 8-2 of the Articles of Incorporation.

Table 2-1-1-1: Authorized Shares (No. of Shares)

Common	Classified	All authorized shares
292,000,000	292,000,000	292,000,000

	Number of shares issued	Issuance ratio (%)	Remarks
Common	70,592,343	24.18	- No treasury stock
Preferred	7,688,800	2.63	- 6,041 treasury stocks - No voting rights

(2) Details of and reason for granting voting rights for each classified stock and records of general meeting of shareholders for classified stocks

Each shareholder has one voting right per share that they own according to the Articles of Incorporation. Preferred shares, however, do not carry voting rights and receive an annual cash dividend that is 1 percent higher (based on the face value) than common shares. Dividends for preferred share are non-cumulative and non-participating. In addition, no type of shareholder meeting has occurred to date, and therefore no relevant information is covered herein.

As described above, the company grants shareholders voting rights proportional to the number and type of shares they hold.

B. Based on the aforementioned details, if voting rights were not granted fairly according to the classification and number of shares held, explain the reasons thereof and future plans

(1) Lacking parts and the reasons thereof

The company grants shareholders voting rights proportional to the number and type of shares they hold.

(2) Future plan and explanation

The company grants voting rights in a fair manner according to the classification and number of shares held and will continue to work for fairness in terms of shareholders' voting rights.

C. According to the following items, provide an overall description of matters regarding the communication with shareholders from the starting point of the period for disclosure to the point of report submission.

(1) Matters regarding the communication with shareholders, such as major IR activities, conference calls, and interaction with institutional investors

We conduct quarterly conference calls on investor relations (IR) for business briefing via web casting on our website (<https://www.lgchem.com>). We consider holding the briefing sessions via live streaming or in person, in some instances.

The presentations are held in both Korean and English to provide Korean and foreign shareholders with accurate information in a fair manner. The materials, also available in both languages, are posted on the Korean and English websites.

Furthermore, we ensure fairness in information provision through measures such as suspending IR activities for a certain period between the end of a quarter and the date of presentation, as well as disclosing (provisional) business results in a timely and fair manner, which are all part of our efforts to provide company information in an equitable manner.

We hold IR events for Korean and foreign institutional investors occasionally, and publish information about the company's major IR activities on our website (available in both Korean and English), as well as the DART system. Our major IR activities since Jan. 1, 2023 are as follows; separate communication activities with overseas investors have been indicated in “(3) Separate engagement events with overseas investors” below.

[Quarterly performance briefing, etc.]

(Jan. 1, 2023 – May 31, 2024)

Date	Target	Format	Highlights	Venue	Executive present
01/31/2023	Korean and foreign investors, securities analysts, and media	Conference call and webcasting	Earnings results for Q4 2022	Virtual	CFO, IR Division, etc.
04/27/2023	Korean and foreign investors, securities analysts, and media	Conference call and webcasting	Earnings results for Q1 2023	Virtual	CFO, IR Division, etc.
07/27/2023	Korean and foreign investors, securities analysts, and media	Conference call and webcasting	Earnings results for Q2 2023	Virtual	CFO, IR Division, etc.
10/30/2023	Korean and foreign investors, securities analysts, and media	Conference call and webcasting	Earnings results for Q3 2023	Virtual	CFO, IR Division, etc.
12/06/2023	Korean and foreign investors, securities analysts, and media	Conference call and webcasting	2023 ESG conference call	Virtual	CFO, CSEO, Sustainability, IR Division, etc.
01/31/2024	Korean and foreign investors, securities analysts, and media	Conference call and webcasting	Earnings results for Q4 2023	Virtual	CFO, IR Division, etc.
04/30/2024	Korean and foreign investors, securities analysts, and media	Conference call and webcasting	Earnings results for Q1 2024	Virtual	CFO, IR Division, etc.

[NDRs held in Korea]

(Jan. 1, 2023 – May 31, 2024)

Date	Target	Format	Highlights	Venue	Executive present
02/01/2023 – 02/06/2023	Korean institutional investors	NDR	Earnings results for Q4 2022, key aspects of management and strategies	Jeonju, Yeouido, Gwanghwamun	IR Division
04/28/2023 – 05/03/2023	Korean institutional investors	NDR	Earnings results for Q1 2023, key aspects of management and strategies	Jeonju, Yeouido, Gwanghwamun	IR Division
07/31/2023 – 08/02/2023	Korean institutional investors	NDR	Earnings results for Q2 2023, key aspects of management and strategies	Jeonju, Yeouido, Gwanghwamun	IR Division
11/01/2023 – 11/03/2023	Korean institutional investors	NDR	Earnings results for Q3 2023, key aspects of management and strategies	Jeonju, Yeouido, Gwanghwamun	IR Division
02/02/2024 – 02/06/2024	Korean institutional investors	NDR	Earnings results for Q4 2023, key aspects of management and strategies	Jeonju, Yeouido, Gwanghwamun	IR Division
05/03/2024 – 05/08/2024	Korean institutional investors	NDR	Earnings results for Q1 2024, key aspects of management and strategies	Jeonju, Yeouido, Gwanghwamun	IR Division

1) II: Non-Deal Roadshow

We actively engaged in IR activities in 2023 by attending more than 600 meetings (including virtual meetings) like the quarterly performance briefing conference calls and overseas/domestic NDRs and conferences described above. In addition, we continue to provide ample opportunities for engagement with Korean and foreign shareholders by planning meetings with each business division's management and CEO speeches, if necessary, in order to facilitate communication with shareholders and improve investors' understanding of the company's businesses.

(2) Separate engagement events with minority shareholders  
Separate event

N (X)

The company did not hold events separately for minority shareholders from the starting point of the period for disclosure to the point of report submission; however, it did hold quarterly IR conference calls and ESG conference calls open to all shareholders including those with small share numbers.

(3) Separate engagement events with overseas investors

The records of holding events to engage with overseas investors from Jan. 1, 2023 to the date of public disclosure documents submission are as follows.					
[NDRs and conferences held abroad]					
(Jan. 1, 2023 – May 31, 2024)					
Date	Target	Format	Highlights	Venue	Executive present
02/06/2023 – 02/10/2023	Foreign institutional investors	NDR	Earnings results for Q4 2022, key aspects of management and strategies	Hong Kong, Singapore	
02/23/2023	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Hotel Shilla	
02/27/2023 – 03/03/2023	Foreign institutional investors	NDR, Conference	Earnings results, key aspects of management and strategies	New York, Boston, Fort Lauderdale	CEO, IR Division
03/09/2023	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Conrad Hotel	IR Division
03/13/2023 – 03/17/2023	Foreign institutional investors	NDR	Earnings results, key aspects of management and strategies	London, Paris	CFO, IR Division
03/30/2023	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual	
05/16/2023	Foreign institutional investors	Conference	Earnings results for Q1 2023, key aspects of management and strategies	Grand Hyatt Seoul, Yongsan	CEO, IR Division
05/22/2023 – 05/26/2023	Foreign institutional investors	NDR	Earnings results, key aspects of management and strategies	New York, Chicago, San Francisco	
06/12/2023 – 06/16/2023	Foreign institutional investors	NDR	Earnings results, key aspects of management and strategies	Hong Kong, Singapore	CFO
08/17/2023	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual	
08/28/2023 – 09/01/2023	Foreign institutional investors	NDR	Earnings results for Q2 2023, key aspects of management and strategies	New York, Boston, Toronto	CEO, IR Division
09/04/2023	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Andaz Hotel	
09/11/2023 – 09/14/2023	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Hong Kong	
09/18/2023 – 09/22/2023	Foreign institutional investors	NDR	Earnings results, key aspects of management and strategies	Edinburgh, Milan	
11/27/2023 – 11/28/2023	Foreign institutional investors	Conference	Earnings results for Q3 2023, key aspects of management and strategies	Tokyo	IR Division
01/08/2024 – 01/09/2024	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Las Vegas	IR Division
02/19/2024 – 02/23/2024	Foreign institutional investors	NDR	Earnings results for Q4 2023, key aspects of management and strategies	Hong Kong, Singapore, Malaysia	
03/07/2024	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Conrad Hotel	IR Division
05/21/2024	Foreign institutional investors	Conference	Earnings results for Q1 2024, key aspects of management and strategies	Grand Hyatt Seoul, Yongsan	IR Division
05/27/2024 – 05/29/2024	Foreign institutional investors	Conference	Earnings results for Q1 2024, key aspects of management and strategies	Hong Kong	
05/30/2024 – 05/31/2024	Foreign institutional investors	Conference	Earnings results for Q1 2024, key aspects of management and strategies	Singapore	
1) NDR: Non-Deal Roadshow					

(4) Whether access to make inquiries is provided in detail, such as through the company’s website or the disclosure of the phone number and email address of the department in charge of IR  
Status of implementation Y (O)  
The company did not hold events separately for minority shareholders from the starting point of the period for disclosure to the point of report submission; however, it did hold quarterly IR conference calls and ESG conference calls open to all shareholders including those with small share numbers.

(5) Whether an English website for foreign shareholders is operated, an employee in charge is designated, contact available for foreign language counseling is disclosed, and the history of English public disclosure is available  
Operation of English website Y (O)  
Designation of employee in charge of foreign clients Y (O)

We submit English version of public disclosure in the DART system and periodically deliver our overall financial and business management information via our English website (<https://www.lgchem.com/main/index>). Here we publish our business reports, audit reports, and sustainability reports in English.

As part of our efforts to provide foreign shareholders with significant corporate information and business-related matters occurring throughout the year in a timely manner, we disseminate press releases to foreign media outlets, as well as send emails to key shareholders abroad. In addition, as shown in the table above (NDRs and conferences held abroad), we spare no effort to make all relevant information available to foreign shareholders by participating in overseas NDRs and conferences 10 times on average per year.

We have not separately designated an employee to be in charge of foreign clients; however, our IR Division consists of members who can respond immediately to foreigners' inquiries and counseling, allowing us to cater to foreign shareholders' inquiries and counseling requests whenever possible.

Refer to the information below for our English public disclosure history during the relevant period. As for the "English public disclosure ratio" above, it may vary from the English public disclosure records below, as the ratio of carrying out English public disclosure has been calculated among all public disclosure records except for fair disclosures, voluntary disclosures, and reports pursuant to the Preparation Guideline.

**[Disclosures in English]**

(Jan. 1, 2023 – May 31, 2024)		
Date of disclosure	Title of disclosure (English)	Highlights (Korean)
02/03/2023	Changes of 30% or More in Sales or Profits/Losses (15% or More in the Case of Large-sized Corporations)	Changes of 30% or More in Sales or Profits/Losses (15% or More in the Case of Large-sized Corporations)
02/03/2023	Decision on Cash Dividends and Dividends in Kind	Decision on Cash Dividends and Dividends in Kind
02/03/2023	Forecast for Business Performance according to Consolidated Financial Statements (Fair Disclosure)	Forecast for Business Performance according to Consolidated Financial Statements (Fair Disclosure)
02/03/2023	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)
02/03/2023	Organization of Investor Relations Event	Organization of Investor Relations Event
02/23/2023	Decision on Calling Shareholders' Meeting	Decision on Calling Shareholders' Meeting
02/23/2023	Decision on Acquisition of Shares or Investment Certificates of Other Corporation (Voluntary Disclosure)	Decision on Acquisition of Shares or Investment Certificate s of Other Corporation (Voluntary Disclosure)
02/28/2023	Organization of Investor Relations Event	Organization of Investor Relations Event
03/14/2023	Organization of Investor Relations Event	Organization of Investor Relations Event
03/14/2023	Submission of Audit Report	Submission of Audit Report
04/12/2023	Organization of Investor Relations Event	Organization of Investor Relations Event
04/27/2023	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)
04/27/2023	Organization of Investor Relations Event	Organization of Investor Relations Event
06/30/2023	Details of Corporate Governance Report	Details of Corporate Governance Report
07/24/2023	Details of Sustainability Report, etc. (Voluntary Disclosure)	Details of Sustainability Report, etc. (Voluntary Disclosure)
08/25/2023	Organization of Investor Relations Event	Organization of Investor Relations Event
10/10/2023	Organization of Investor Relations Event	Organization of Investor Relations Event
10/30/2023	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)
11/22/2023	Organization of Investor Relations Event	Organization of Investor Relations Event
01/19/2024	Changes of 30% or More in Sales or Profits/Losses (15% or More in the Case of Large-sized Corporations)	Changes of 30% or More in Sales or Profits/Losses (15% or More in the Case of Large-sized Corporations)
01/31/2024	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)
01/31/2024	Decision on Cash Dividends and Dividends in Kind	Decision on Cash Dividends and Dividends in Kind
02/23/2024	Decision on Calling Shareholders' Meeting	Decision on Calling Shareholders' Meeting
03/07/2024	Submission of Audit Report	Submission of Audit Report
04/30/2024	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)

(6) Records of restrictions, such as the designation as an unfaithful disclosure corporation from the starting point of the period for disclosure to the point of report submission

Designation as unfaithful disclosure corporation **N (X)**

We have engaged in public disclosure faithfully and therefore has never been designated as an "unfaithful disclosure corporation," so no separate descriptions regarding the matter are provided herein. We were recognized as a company of excellence in public disclosure in 2019 for our Corporate Governance Report 2018.

Table 2-1-3: Records of Designation as Unfaithful Disclosure Corporation

	Type of unfaithful disclosure	Date of designation	Reason for designation	Imposed penalty points	Imposed fine (Unit: KRW)	Improvements post-designation, etc.
N/A						

D. Based on the aforementioned details, if the company has failed to provide its information to shareholders adequately and fairly, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

The company has a system to provide its information to shareholders adequately and fairly at the appropriate time.

(2) Future plan and explanation

As stated above, the company endeavors to continue to provide shareholders with timely, adequate, and accurate corporate information.

■ [202200] (Detailed Principle 2-2) - The company must develop and implement mechanisms to safeguard shareholders from unfair internal transactions and self-dealings by other shareholders, including controlling shareholders.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).  
The company develops and implements mechanisms to safeguard shareholders from unfair internal transactions and self-dealings by other shareholders, including controlling shareholders.

A. Describe in detail the company’s control measures (policy) regarding its internal transaction with affiliates and self-dealings with the management or controlling shareholders.

(1) Overall description of control policy regarding internal transactions and self-dealings

Status of implementation Y (O)  
Various policies are in place as part of our efforts to comply with applicable statutes and regulations and thus strengthen our control over internal transactions and self-dealings. Article 14 of the BOD Regulations stipulates “approval of transactions between directors and the company” as a board resolution in order to prevent management and controlling shareholders from engaging in internal transactions and self-dealings for their private interests. A director with special interests is prohibited from exercising his or her voting rights.  
  
Article 542-9 (3) of the Commercial Act also prescribes that if the annual transaction volume with LG Corp., the largest shareholder, or persons with special relations with LG Corp. and the company exceeds 5 percent of the total assets or revenue, or if the transaction size per case exceeds 1 percent of the total assets or revenue, prior approval from the BOD shall be obtained. Moreover, transactions with LG Corp., the major shareholder, and its subsidiaries, and subsidiaries in which LG Corp. owns 50 percent or more of the shares, as well as companies with a potential conflict of interest due to the concurrent position of the CEO, are required to obtain the board's approval pursuant to Article 398 of the Commercial Act.  
  
The Monopoly Regulation and Fair Trade Act mandates that the BOD shall decide and disclose large-scale internal transactions with affiliates for an amount exceeding a certain amount. Accordingly, as a subsidiary of the LG Group, we disclose all such transactions in a legal manner once approved by the BOD. The relevant information is also accessible via DART. We also run the Internal Transaction Committee under the BOD aimed at improving the fairness of transactions and the transparency of management by bolstering the company's internal control over internal transactions.

(2) Details and reasons regarding the comprehensive BOD resolution on internal transactions with affiliates, etc., or self-dealings with the management or controlling shareholder, if there is any

As described above, Article 542-9 (3) of the Commercial Act prescribes that if the annual transaction volume with LG Corp., or persons with special relations with LG Corp. and the company exceeds 5 percent of the total assets or revenue, or if the transaction size per case exceeds 1 percent of the total assets or revenue, prior approval from the BOD shall be obtained. Moreover, transactions with LG Corp. and its subsidiaries, and subsidiaries in which LG Corp. owns 50 percent or more of the shares, as well as companies with a potential conflict of interest due to the concurrent position of the CEO, are required to obtain the board's approval pursuant to Article 398 of the Commercial Act.

For a reasonable and efficient operation of the BOD in terms of internal transactions with affiliates and self-dealings with management or controlling shareholders, we have set a limit for certain transaction size as a requested limit for the anticipated same/similar transaction with the counterparty, before obtaining comprehensive board approval. In addition, if the amount of transactions with affiliates disclosed after the BOD's approval increases by at least 20 percent, the board must approve any changes to goods or services transactions with affiliates.

The following are details of comprehensive board approval from the beginning of the fiscal year to the date of the report's submission.

[Details of comprehensive board approval]

(Jan. 1, 2023 – May 31, 2024)						
Session	Agenda		Approval	Regular / ad-hoc	Date convened	Attendance / quorum
10 <sup>th</sup>	Resolution	Approval of the limit on the total amount of transactions with parties of special interests	Approved	Regular	11/22/2023	7/7
		Approval of self-dealings with affiliates, etc.	Approved			
		Approval of product or service transactions with affiliates	Approved			

Matters regarding the BOD agenda are available under items such as “VI. Matters concerning the BOD and Other Organizations of the Company.”

(3) Transactions with stakeholders including controlling shareholders



We disclose details of transactions with stakeholders, including controlling shareholders, in periodic reports, and the following lists the transactions with stakeholders from the Business Report 2023.  
For additional specifics, see “X. Transactions with Major Shareholders” of the 2023 business report published in DART on Mar. 14, 2024.

[Provision of credit to stakeholders]

(Period: Jan. 1 – Dec. 31, 2023, in: KRW million)

Counterparty	Relationship	Type	Granting date	Objective	Amount	Remaining balance	Condition	Remarks
LG Polymers India Private Limited	Subsidiary	Rental	11/07/2022	To repay maturing debts and secure operating funds	16,475	16,475	Interest rate: Term SOFR (6M) +3.3% Maturity date: 11/09/2027	- Pursuant to Article 542-9 (2) 3 of the Commercial Act and Article 35 (3) 2 of the Enforcement Decree of the same Act, falls under the "granting of credit" permitted in exceptional circumstances under the premise that there are no risks of harming business management integrity as the provision would not jeopardize the financial status of LG Chem or harm the interests of ordinary investors, considering the corporation's financial and capital loan conditions (Supreme Court Decision 2011Do15854, May 9, 2013)
			01/20/2023		12,896	12,896	Interest rate: Term SOFR (6M) +3.3% Maturity date: 01/19/2028	
			06/14/2023		3,869	3,869	Interest rate: Term SOFR (6M) +3.3% Maturity date: 06/13/2028	
			09/14/2023		5,158	5,158	Interest rate: Term SOFR (6M) +3.3% Maturity date: 09/13/2028	

[Transfer of assets with s  
takeholders]

(Period: Jan. 1 – Dec. 31, 2023, in: KRW million)

Counterparty	Relationship	Transaction type	Transaction date	Transaction object	Purpose	Amount	Remarks
LG Energy Solution Co., Ltd.	Affiliate	Transfer of assets to party with special interests	10/31/2023	Mechanical devices, tools, apparatus, etc.	Sale of idle assets and equipment	346	Executed after internal consultations due to not meeting the criteria for
LG Innotek Co., Ltd.	Affiliate	Transfer of assets to party with special interests	11/21/2023	Tools, apparatus, equipment	Sale of idle assets and equipment	195	BOD agenda submission

[Business transactions with stakeholders]

(Period: Jan. 1 – Dec. 31, 2023, in: KRW million)

Company name	Relationship	Transaction type	Transaction period	Details	Amount
LG Energy Solution Wrocław sp. z o. o	Subsidiary	Sales, purchases, etc.	01/2023 – 12/2023	Sales of cathode materials, etc.	1,648,351

1) The product (asset) or service transaction amount executed with the major shareholder exceeds 5 percent (KRW 997,369 million) of the latest fiscal year's revenue (company's revenue as of the separate standards of 2023 K-IFRS: KRW 19,947,377 million)

B. Based on the aforementioned details, if the company lacks policies to safeguard shareholders from unfair internal transactions and self-dealings or has plans to improve, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

The company develops and implements mechanisms to safeguard shareholders from unfair internal transactions and self-dealings by other shareholders, including controlling shareholders.

(2) Future plan and explanation

Our efforts to safeguard shareholders from unfair internal transactions and self-dealings will continue.

■ [202300] (Detailed Principle 2-3) - The company must adequately inform shareholders of the company's ownership structure or changes in principal businesses that cause different relationships of interest between shareholders and its capital procurement policies while also preparing measures to protect shareholders, such as by gathering the opinions of minority shareholders and safeguarding the rights of opposing shareholders.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

In case of a matter causing significant changes to the ownership structure or principal businesses, the company makes shareholder-related decisions through disclosure, a general meeting of shareholders, and the granting of share purchase rights to opposing shareholders, in accordance with applicable laws and regulations.

A. Describe the company's policies to protect shareholders, such as gathering opinions of minority shareholders regarding mergers, business transfers, spin-offs, comprehensive exchanges, or stock transfers that resulted in material changes to its ownership structure or major businesses, and safeguarding the rights of opposing shareholders.

Whether a policy is in place **Y (O)**

In case of a matter causing significant changes to the ownership structure or principal businesses, the company makes shareholder-related decisions through disclosure, a general meeting of shareholders, and the granting of share purchase rights to opposing shareholders, in accordance with applicable laws.

The company has established or prepared policies to gather the opinions of minority shareholders and protect the rights of opposing shareholders within the scope of relevant statutes and institutions, such as the current Commercial Act and Financial Investment Services and Capital Markets Act.

B. Describe the company's implementations to protect shareholders, such as gathering opinions of minority shareholders and safeguarding the rights of opposing shareholders if the company executed mergers, business transfers, spin-offs, comprehensive exchanges, or stock transfers that resulted in material changes to its ownership structure or major businesses during the period subject to public disclosure, or has specific plans thereof.

Status of planning **N (X)**

The company did not undergo any mergers, business transfers, spin-offs, comprehensive exchanges, or stock transfers that resulted in material changes to its ownership structure or major businesses in 2023, the period subject to disclosure. As of the date of submitting the documents for public disclosure, there is no plan to establish a new affiliate, change the share structure, or list an affiliate in relation to such a matter; if such a case arises, the company will faithfully fulfill its duty to ensure the rights of shareholders stipulated in relevant statutes.

C. If the company's capital procurement has a possibility of conversion into stocks, provide a description by including the following items.

Status of issuance **Y (O)**

(1) Status of the issuance of bonds, etc., that may be converted into stocks

Although the company issued exchangeable bonds in foreign currency whose fundamental assets are based on LG Energy Solution's stocks in July 2023, these were exchangeable bonds issued based on stocks invested in other corporations and is a capital procurement operation that does not influence the equity structure of the company's shareholders.

The details regarding the issuance of exchangeable bonds are as follows.

[Records of five-year bonds issuance]

1. Type of bond		Session	2-1	Type	Registered non-secured exchangeable bonds in foreign currency
2. Total bonds issued (digital registration) (Unit: KRW)					1,295,000,000,000
2-1. (Overseas issuance)	Total issuance (digital registration) (Currency unit)		1,000,000,000		USD
	Base currency rate, etc.		1,295.00		
	Region of issuance		Foreign financial market in Europe, Asia, etc.		
	Name of market upon overseas listing		Singapore Exchange		
3. Purpose of capital procurement	Facility capital (KRW)		666,200,000,000		
	Operation capital (KRW)		628,800,000,000		
4. Interest rate of bond	Face rate of interest (%)		1.25		
	Interest rate at maturity (%)		1.25		
5. Date of bond maturity			July 18, 2028		
6. Method of interest payment			-		
7. Method of principal repayment			1. Repayment at maturity Lump-sum principal repayment for remaining bonds' principal and interest that have been prepaid before the maturity or whose exchange rights have not been exercised 2. Prepayment: The company's call option or the bondholders put option		
8. Method of bonds issuance			Private		
9. Matters concerning exchange	Exchange rate (%)		100		
	Exchange price (KRW/per share)		687,500		
	Method of deciding exchange price		Value equal to 125% of the Korea Exchange's closing price of the listed stock decided as the exchange price, considering exchange premiums		
	Subject of exchange	Type	Registered ordinary shares of LG Energy Solution		
		Number of shares	1,883,636		
		Ratio to total number of shares (%)	0.80		
	Period for claim on exchange	Start date	August 28, 2023		
		End date	July 11, 2028		
Details on exchange price adjustment		- Adjusted according to terms prescribed by the conditions of the bond when relevant cases arise, such as stock dividends arise			
10. Date of subscription			July 11, 2023		
11. Date of payment			July 18, 2023		
12. Representative company for supervision			CITI, Goldman Sachs, HSBC		
13. Certification authority			-		
14. Date of BOD resolution (date of decision)			July 11, 2023		

[Records of seven-year bonds issuance]

1. Type of bond	Session	2-2	Type	Registered non-secured exchangeable bonds in foreign currency
2. Total bonds issued (digital registration) (Unit: KRW)				1,295,000,000,000
2-1. (Overseas issuance)	Total issuance (digital registration) (Currency unit)	1,000,000,000	USD	
	Base currency rate, etc.			1,295.00
	Region of issuance	Foreign financial market in Europe, Asia, etc.		
	Name of market upon overseas listing	Singapore Exchange		
3. Purpose of capital procurement	Facility capital (KRW)	731,800,000,000		
	Operation capital (KRW)	563,200,000,000		
4. Interest rate of bond	Face rate of interest (%)	1.60		
	Interest rate at maturity (%)	1.60		
5. Date of bond maturity		July 18, 2030		
6. Method of interest payment		-		
7. Method of principal repayment		1. Repayment at maturity		
		Lump-sum principal repayment for remaining bonds' principal and interest that have been prepaid before the maturity or whose exchange rights have not been exercised		
8. Method of bonds issuance		2. Prepayment: The company's call option or the bondholders put option		
		Private		

9. Matters concerning exchange	Exchange rate (%)		100
	Exchange price (KRW/per share)		715,000
	Method of deciding exchange price		Value equal to 130% of the Korea Exchange’s closing price of the listed stock decided as the exchange price, considering exchange premiums
	Subject of exchange	Type	Registered ordinary shares of LG Energy Solution
		Number of shares	1,811,188
		Ratio to total number of shares (%)	0.77
	Period for claim on exchange	Start date	August 28, 2023
		End date	July 11, 2030
Details on exchange price adjustment		- Adjusted according to terms prescribed by the conditions of the bond when relevant cases arise, such as stock dividends arise	
10. Date of subscription			July 11, 2023
11. Date of payment			July 18, 2023
12. Representative company for supervision			CITI, Goldman Sachs, HSBC
13. Certification authority			-
14. Date of BOD resolution (date of decision)			July 11, 2023

(2) If there was a capital procurement process that varied in the interest relationships between shareholders within the period subject for public disclosure, whether the interests of minority shareholders, etc., were considered during the decision-making process

The exchangeable bonds above are issued based on shares of other corporations as a means of procuring capital and do not influence the equity structure of our company's shareholders.

(3) Details of the changes in controlling shareholders due to the issuance of stock-related bonds, etc., within the period subject for public disclosure or breach of contract (loss of benefit of time)

N/A

D. Based on the aforementioned details, if any parts were lacking in gathering the opinions of minority shareholders or protecting the rights of opposing shareholders during changes in the company's ownership structure, principal business changes, or the capital procurement process, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As mentioned above, in case of a matter causing significant changes to the ownership structure or principal businesses, the company makes shareholder-related decisions through disclosure, a general meeting of shareholders, and the granting of share purchase rights to opposing shareholders to protect the shareholders' rights, in accordance with applicable laws and regulations.

(2) Future plan and explanation

We will continue to faithfully fulfill the duty of ensuring shareholders' rights stipulated in relevant statutes.

### [300000] 3. Board of Directors

**[303000] (Core Principle 3) The Board of Directors should determine the company's business objectives and strategies for the benefit of the company and its shareholders, and effectively supervise management activities.**

**■[303100] (Detailed Principle 3-1) - The Board of Directors should effectively carry out its roles as a decision-maker and a business supervisor.**

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

Our BOD takes measures, such as establishing and operating its internal committees using the committee system and supporting various matters through its Secretariat to effectively carry out its decision-making in management and supervise the business management process.

A. Provide an overall description of systems, etc., operated by the company for its Board of Directors to successfully function as the center of company operations by including the following details.

(1) Describe the items deliberated and resolved by the Board of Directors according to the Articles of Incorporation or Board Regulations and, if any content has been added or reinforced outside of legal duties, describe the reasons thereof and effects.

**(A) Support for the BOD's operations and matters to be discussed and decided by the BOD as outlined in the Articles of Incorporation and the Board Regulations**

The BOD, as the highest-level decision-making body pursuant to the Commercial Act, resolves on important matters that require the board's approval according to relevant laws and the Articles of Incorporation, significant financial matters exceeding a certain amount, mid- to long-term strategies and business policies, HR and remuneration of executive officers, and major committee-related matters. Article 24 of the Articles of Incorporation and Article 14 of the Board Regulations outline the specific matters for consideration and resolution by the company's BOD, which are summarized as below.

Type	Matters that require board approval	
Matters to be resolved by the BOD under the Commercial Act and the Articles of Incorporation	<ul style="list-style-type: none"> <li>· Convocation of a general meeting of shareholders</li> <li>· Approval of business reports</li> <li>· Approval of financial statements</li> <li>· Appointment or dismissal of the CEO</li> <li>· Decision on the co-CEO</li> <li>· Appointment or dismissal of managers [Delegated to the Management Committee]</li> <li>· Installation, relocation or closing of a branch [Delegated to the Management Committee]</li> <li>· Invitation to the subscription of bonds, etc.</li> <li>[Delegated to the Management Committee: Issuance of bonds and individual borrowing within the annual limit approved by the BOD]</li> </ul>	
· Matters concerning agenda items to be submitted to a general meeting of shareholders	<ul style="list-style-type: none"> <li>· Transfer of the whole or an important part of the company's business</li> <li>· Lending of the entire business or delegating business management</li> <li>· Conclusion, alteration, or cancellation of contracts on sharing with a third party all business profits and losses or any similar contracts</li> <li>· Acquisition of all or part of another company's operations that has a significant impact on the company's operations</li> <li>· Stock dividends</li> <li>· Reduction of capital</li> <li>· Exemption of a director's liabilities for the company</li> </ul>	
· Matters concerning significant financial affairs	<ul style="list-style-type: none"> <li>· Asset revaluation</li> <li>· Important and large-scale facility investments or other investments</li> <li>· Acquisition or disposal of an asset worth a certain level or higher, borrowing of funds, or provision of a collateral for another party</li> <li>· Large-scale internal transactions under the Monopoly Regulation and Fair Trade Act</li> </ul>	
	Classification	Type
	Facility investment	New and increased investments
	Investment	Investments and acquisition of shares of other companies
	Asset acquisition	Acquisition of assets, excluding facility investments and other investments
	Asset disposal	Sale of shares
		Partial transfer of assets and businesses
	Borrowing	Bonds
		Borrowings
	Provision of a collateral or guarantee for another party	Subsidiaries and other companies
	[Delegated to the Management Committee] - Issuance of bonds and individual borrowing within the annual limit approved by the BOD (excluding borrowings secured by accounts receivable) - Provision of a collateral or guarantee of KRW 50 billion or more and below KRW 100 billion per transaction	
Matters concerning mid- to long-term strategies and business policies	<ul style="list-style-type: none"> <li>· Setting strategic business directions</li> <li>· Assessing current year's performance, and developing business plans and reaching an agreement on goals for the following year</li> </ul>	
HR-related matters	<ul style="list-style-type: none"> <li>· Matters concerning HR policies and remuneration for executive officers</li> <li>· Appointment of a chief financial officer</li> <li>· Appointment or dismissal of the chief ES&amp;H officer</li> </ul>	
· Matters concerning directors, board members, and committees	<ul style="list-style-type: none"> <li>· Approval of transactions between directors and the company</li> <li>· Installation, operation and abolition of committees under the BOD</li> <li>· Appointment or dismissal of committee members under the BOD</li> <li>· Enactment or abolition of regulations of the BOD and committees under the board</li> </ul>	
Other matters	<ul style="list-style-type: none"> <li>· Other matters specified by relevant laws and the Articles of Incorporation, matters delegated by the general meeting of shareholders, and matters deemed necessary by the BOD chairperson or the CEO</li> </ul>	

**(B) Existence of any matters requiring board deliberation and resolution that are not mandatory under the applicable laws (e.g. deliberation and resolution matters that are voluntary added, higher monetary standards) and main contents and effects thereof**

In addition to fulfilling legal obligations under applicable laws and regulations, the company submits critical business matters to the BOD to ensure that its supervisory and business execution functions are carried out faithfully.

Matters regarding the appointment, discipline, and compensation of management (executive) executives in accordance with the Board Regulations and the HR Regulations for Executive Officers (first BOD meeting in 2020: "Approval for the appointment of advisors and full-time consultants" / first BOD meeting in 2020: "Reporting of the disciplinary results for executive officers in 2019" / third BOD meeting in 2020: "Approval for the bonus payment for executive officers" / first BOD meeting in 2021: "Approval for the appointment of advisors" / third BOD meeting in 2021: "Approval for the incentive payment for executive officers" / third BOD meeting in 2022: "Approval for the incentive payment for executive officers"/ Approval for the tenth amendment to the HR Regulations for Executive Officers, annual report on the treatment for retiring executives, etc.) are submitted or reported to the BOD for approval in an effort to faithfully fulfill the BOD's function as a business supervisor for the company's management (executive) officers.

The BOD also receives a report on the progress to monitor the already-approved matters. For instance, we reported the progress of the disposal of assets above a certain size that was previously approved by the BOD (fifth BOD meeting in 2020: "Approval for the disposal of polarizing plate business for LCDs") again at a board meeting (ninth BOD meeting in 2020: "Report on the polarizer business sale progress"). Furthermore, the company actively carries out process standardization and informatization/intelligence as part of its business innovation activities. With the significant rise in risks as a result of system-based earnings results in all sectors, we conducted cybersecurity enhancement activities and reported the matter to the BOD (seventh BOD meeting in 2021: "Report on the cybersecurity progress," and first BOD meeting in 2023: "Report on the implementation of information security"). We also shared the direction of sustainability management with the board following the changes in the company's petrochemical business (fourth BOD meeting in 2022: "Report on the strategic business implementation to secure sustainability in the petrochemical sector," fourth BOD meeting in 2023: "Report on the analysis and prospects of petrochemical market situations").

(2) Among the board's authorities, matters delegated to the committees under the BOD and the CEO (or representative executive officer)

Article 24-1 (1) of the Articles of Incorporation and Article 13 (1) of the Board Regulations state that committees necessary for the BOD operation may be established in addition to an audit committee and a committee for recommending candidates for outside director, as mandated by the Commercial Act. A part of the board's authorities may be delegated to a BOD subcommittee to the extent that such delegation does not violate applicable laws and the Articles of Incorporation pursuant to Article 13 (2) of the Board Regulations.

In order to improve the board operation efficiency, we have delegated certain significant financial affairs to the Management Committee in accordance with Article 14 (1) 3 of the Board Regulations. We notify each director of the resolutions and share the Management Committee's resolutions with the BOD at least once every six months pursuant to Article 13 of the Management Committee Regulations, thus contributing to establishing a board-level control mechanism. In addition, Article 14 of the Management Committee Regulations requires the BOD to convene a meeting if the matters deliberated and decided by the Management Committee fall significantly outside the scope of delegation from the board or are contrary to the purpose of the delegation, and stipulates that the board may redetermine the matters decided by the Management Committee. Refer to "(8) Committees under the BOD" for details on the authorities delegated to each BOD subcommittee.

B. Based on the aforementioned details, if the Board of Directors has failed to effectively fulfill its management decision-making and supervision functions, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As described above, our BOD effectively fulfills its role as a supervisor and decision-maker by clarifying the board's deliberated or decided matters per the Articles of Incorporation and the Board Regulations, operating committees within the BOD according to the committee system mandated by relevant laws and regulations, and supporting all related affairs through the BOD Secretariat.

(2) Future plan and explanation

We will continue to work for the effective fulfillment of the BOD's management decision-making and supervision functions and make improvements if deficiencies are found regarding its operations.

■ [303200] (Detailed Principle 3-2) - The Board of Directors should prepare and operate a CEO succession policy and continuously improve and supplement its content.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

We operate an internal process for the succession of the CEO. A pool of CEO candidates is selected among the major executives within the company and key external personnel to designate recommended tasks to them.

A. If a CEO succession policy is in place, describe its content by including the details below.

(1) Principal department for the development and enforcement of succession policy

Whether a succession policy is in place ☒ Y ☐ O

Article 23 of the Articles of Incorporation and Article 7 of the Board Regulations stipulate that the BOD has the authority to select a CEO, and it is the HR department that develops and runs an internal process for the CEO's succession.

The BOD validates the qualifications of each candidate, taking into account their experiences and capabilities regarding businesses or duties they are likely to perform as CEO, experiences and leadership required for executing mid- to long-term business strategies, and suitability at the time of appointment. The HR department devises and operates succession policies in partnership with the department in charge of developing entrepreneurs and other relevant departments.

(2) Main contents of the succession policy, including the selection, management, and training of candidates (pool)

Selection of candidates ☒ Y ☐ O

**① Selection and management of CEO candidates (pool)**

CEO candidates are divided into those who can be appointed immediately (for the next term) and those who can be appointed three to five years later (long-term). We review and update the candidates annually through the “Talent Session,” a conference group for discussions on fostering succession candidates. Top management and HR executives consult with one another each year to select candidates based on their qualifications.

**② Candidate training**

As part of its efforts to ensure a smooth succession for the CEO, the company discovers and develops talents with the temperament, competencies, and potential as an entrepreneur. We offer systematic training programs designed to help candidates make up for and develop capabilities they may be lacking in. We also cooperate with a group of educational institutions to continuously enhance and supplement the programs, as well as to foster entrepreneurial competence.

**③ Management succession process**

Every time there is a change in the CEO the relevant issues are placed on the board agenda, and the BOD examines whether the final CEO candidates have the ability to manage and run the company in a manner consistent with shareholder interests and to perform the company's core values and vision, before deciding the CEO nominee. The management succession process concludes when a candidate confirmed by the BOD is appointed as an inside director at the general meeting of shareholders, and is subsequently appointed as the CEO following a board resolution.

To ensure management continuity and safety, candidates are required to prepare for succession until they are appointed as internal directors through a general meeting of shareholders and a board meeting. Moreover, we ensure that the succession takes place as seamlessly as possible, where the preceding CEO may be appointed as an advisor.

As for management succession in the event of an emergency, the Articles of Incorporation and the Board Regulations prescribe an acting CEO system, which takes effect in times when the CEO becomes unavailable for any reason. As the regulations suggest, should the CEO is absent or unable to perform his or her duties, a person with a higher rank among internal directors, a person in the order of other non-executive directors, or a person directly designated by the BOD shall act in his or her place.

**(3) Status of candidate training during the period subject to public disclosure****Candidate training Y (O)**

Entrepreneur fostering programs “Innovate Program” and “EnDP: Entrepreneur Development Program” were initiated for candidates in 2023.

① Innovate Program: This program is an innovation process run to manage the leader candidate pool. At the end of 2023, all candidates received leadership coaching through leadership ability analysis, including leadership tendency tests and surveys, as well as mentoring sessions. The candidates also solved challenging business tasks designated by the CEO for each program participant to strengthen their problem-solving capabilities.

② EnDP: To reinforce the pipeline of succession candidates, all executives at the level of Vice President and below and non-executive managers participated in the EnDP training program, a group-wise course. They undertook an annual course, which comprised prior training under the title “Acceleration of Distinguished Customer Value Innovation” (April–May), an actual course (May–October), and follow-up learning (November) to hone their craft as entrepreneurs and enhance their understanding of the latest changes in the management environment and their groups’ strategic directions.

**(4) Provide details if the CEO succession policy was improved or supplemented from the starting point of the period for disclosure to the point of report submission**

N/A

B. Based on the aforementioned details, if a CEO succession policy is not in place or lacking, explain the reasons thereof and future plans.

**(1) Lacking parts and the reasons thereof**

As mentioned above, the company has established and operates a CEO succession policy.

**(2) Future plan and follow-up explanation**

We will continue to operate our CEO succession policy in an appropriate manner.

**■ [303300] (Detailed Principle 3-3) - The Board of Directors should prepare and operate an internal control policy to manage the company's risks at an appropriate level and continuously improve and supplement its content.**

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

The company's BOD has established and operates a wide range of internal control policies to control the company's various risks at an appropriate level.

A. Describe the company's internal control policies by including the details below and explain whether such policies are consistently improved and supplemented.



(1) Whether a policy that systematically detects and manages company-wide risks for the company's sustainable growth is in place, and its operating status

Whether a company-wide risk management policy is in place **Y (O)**

LG Chem appointed a CRO in May 2021 and established a company-wide organization for risk management to identify potential risks and events that may affect business operations in advance and to develop and implement comprehensive management and response plans. The organization, together with other bodies responsible for each major risk (environmental safety/disaster, quality, information security, compliance, labor-management, logistics/commercial tariffs, purchasing, and finance), carries out risk management activities to prevent crises in normal times. It has established response procedures, including a radio wave/reporting system and operation of an emergency response committee, as its efforts to confirm and update the adequacy of the procedures through consistent simulation training. In addition, as for building an integrated risk management system, we published company-wide risk management regulations that outline risk management policies/principles, responsibilities and authorities, as well as processes to raise employee awareness of risk management and build leadership. We also hold regular risk management committee meetings supervised by the CRO as part of our major decision-making and communication processes.

For the management of risks and operation of a system designed to address crisis in the area of environmental safety, the Chief Safety and Environmental Officer (CSEO) is assigned with the same responsibilities and authority as the CEO and CRO to ensure more efficient and professional operations.

(2) Whether a compliance management policy is in place, and its operating status

Whether a compliance management policy is in place **Y (O)**

**[Risk management policies, including risk recognition and control, and its operating status]**

The company's internal risk management and control is mostly carried out by the Audit Committee to guarantee objectivity and expertise. The Audit Committee (i) develops, executes, and evaluates internal audit plans and presents review opinions to the management after receiving quarterly reports on the company's financial statements, progress of external auditor's audit, financial risks discovered through the audit, and actions taken against the risks. (ii) Furthermore, in accordance with relevant statutes, including the Act on External Audit of Stock Companies and the Financial Investment Services and Capital Markets Act, we thoroughly monitor management activities by evaluating and approving internal accounting management systems and internal control mechanisms. (iii) In the event of significant non-recurring incidents that could negatively impact the company's image and reputation, we convene an ad hoc audit committee to report the detailed circumstances of the incident and devise measures from multiple angles to minimize risks.

**[Compliance management policy and its operating status]**

The company adopted a compliance officer system by appointing a compliance officer and enacting compliance controlling standards in April 2012. The appointed compliance officer takes charge of compliance control in accordance with compliance controlling standards, and conducts compliance checks on company businesses and employees, as well as improvement activities for internal standards and potentially unlawful behaviors. The LG Chem Compliance Guideline outlines the core compliance principles that every employee must adhere to, and the LG Code of Ethics encourages all employees to abide by a set of standards of conduct and criteria for value judgment. The Compliance Guideline and the LG Code of Ethics are available on the LG Chem website.

- LG Chem Compliance Guideline: <https://www.lgchem.com/sustainability/compliance-management>
- LG Code of Ethics: <https://www.lgchem.com/company/company-information/lgway/degreemanagement>

In addition, the company has included compliance management as the item of deliberation for the ESG Committee by amending the said committee's regulations in April 2023; the ESG Committee receives reports on crucial matters regarding compliance control and supervises the compliance management status.

(3) Whether an internal accounting management policy is in place, and its operating status

Whether an internal accounting management policy is in place **Y (O)**

Based on the Act on External Audit of Stock Companies and the Best Practices for the Internal Accounting Management System, we updated our internal accounting management regulations and guidelines, and an internal accounting management system is under operation. The internal accounting management regulations encompass various aspects of the design and operation of an internal accounting management system, as well as the roles and responsibilities of the CEO, the Audit Committee, and external auditors, so as to provide reasonable assurance for the preparation and disclosure of financial statements. The internal accounting management guidelines provide the evaluation scope, evaluation criteria and procedures, and definitions of terms that serve as the foundation for the operation of the internal accounting management system. A dedicated organization operates the internal accounting management system, designs company-wide, process-level, and general computer-level controls to improve and supplement the control measures based on the management environment and business changes. It also conducts annual inspections to determine and monitor the accounting management system's efficiency. The CEO reports the system's operating status at a general meeting of shareholders, board meeting, and Audit Committee meeting every year. The Audit Committee proceeds with the system evaluation and reports its findings to the BOD, ensuring the committee's comprehensive monitoring of business activities. The operating report for the system is disclosed in the company's annual business reports.

Responsible members of the organizations related to the management and operation of the internal accounting management system are outlined below. More details are available in the Internal Accounting Management Operations Report attached to the Business Report 2023, which was disclosed on Mar. 15, 2024.

(As of Dec. 31, 2023)

Division/organization	Name of the responsible person	Position	Tasks related to the internal accounting management system
Audit (Committee)	Mun-su Kim	Audit Committee Chairperson	- Evaluates the operating status of the internal accounting management system and reports to the BOD
Board of Directors	Dong-seok Cha	Internal accounting manager	- Oversees the assignment of roles within the internal accounting management organization and reports the system's operating status to the BOD and the Audit Committee
Accounting	Kyung-suk Kim	Accounting manager	- Processes, checks, and stores accounting information in accordance with the Financial Accounting Standards and the Internal Accounting Management Regulations
IT System Operations	Young-il Ma	Task Innovation Group	- Maintains computerized accounting data processing systems to meet the internal accounting management standards
Fund Operations	Jae-su Lee	Finance manager	- Raises and executes funds
HR	Hye-jin Kwon	HR manager	- Takes disciplinary action against persons who violate the Internal Accounting Management Regulations

(4) Whether a policy on public disclosure information management is in place, and its operating status

Whether a policy on public disclosure information management is in place **Y (O)**

We, as a corporation listed on the stock exchange and affiliated with a business group with restrictions on mutual investment, are committed to impartially disclosing corporate information through prompt disclosure of business activities within the time limit in compliance with the pertinent laws and regulations of the Financial Supervisory Service, Fair Trade Commission, and Korea Exchange. We designate one disclosure officer and two disclosure managers and register them to Korea Exchange, as stipulated in Article 88 of the Securities Market Disclosure Regulations. We also take part in a number of training programs, including regular programs prescribed in the Enforcement Rules of the Securities Market Disclosure Regulations, as well as disclosure and system-related training hosted by the Financial Supervisory Service, Fair Trade Commission, and Korea Listed Companies Association, and carry out disclosure duties.

The IR team of the organization in charge of IR oversees the disclosure affairs and devises disclosure information management regulations and disclosure business guidelines governing disclosure-related tasks and procedures, as well as disclosure information management. Our disclosure system ensures that the IR team is provided with pertinent information in advance during the review phase of key management issues.

(5) Other policies particularly operated by the company for internal control

**(A) Compliance Program**

The increasing necessity of ESG management and the diversification and advancement of global regulations have raised demands on the immediate identification, management, and real-time monitoring of compliance risks and regulation trends. To respond to this trend, our Compliance Support Team identified company-wide compliance risks and selected 34 core risks. The Compliance Support Team provides special management regarding such risks by seamlessly cooperating with departments with compliance functions (risk management departments) and has established a compliance IT system in September 2022 to regularly and consistently monitor compliance risks.

**(B) Acquisition of ISO 37001 and ISO 37301 certifications**

In September 2023, the company acquired international standard certifications for ISO 37001 (Anti-Bribery Management System) and ISO 37301 (Compliance Management System), allowing LG Chem's compliance and anti-corruption policies and its risk management system to be acknowledged as meeting the international standard criteria for ISO certification and as being established and operated in accordance with a global-level compliance control system. The company expects the two certifications acquired above to contribute to the increased trust among stakeholders

B. Based on the aforementioned details, if the internal control policies are lacking or are implemented in lower levels to fit the company's size, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As described above, the company has established and operates internal control policies regarding matters such as risk management, compliance, internal accounting management, and public disclosure information management to keep its risks in check.

(2) Future plan and explanation

The company will actively operate its internal control policies to manage its risks thoroughly and improve upon deficiencies discovered.

**[304000] (Core Principle 4) The Board of Directors should be organized in a way that enables efficient decision-making and oversight of the management. Directors should be appointed through a transparent process that can adequately reflect the diverse opinions of shareholders.**

**■[304100] (Detailed Principle 4-1) - The Board of Directors should be organized in a way that enables effective and thorough discussions and decision-making on important matters for the company's sustainable development, and should have a sufficient number of outside directors who will function independently from executives and controlling shareholders.**

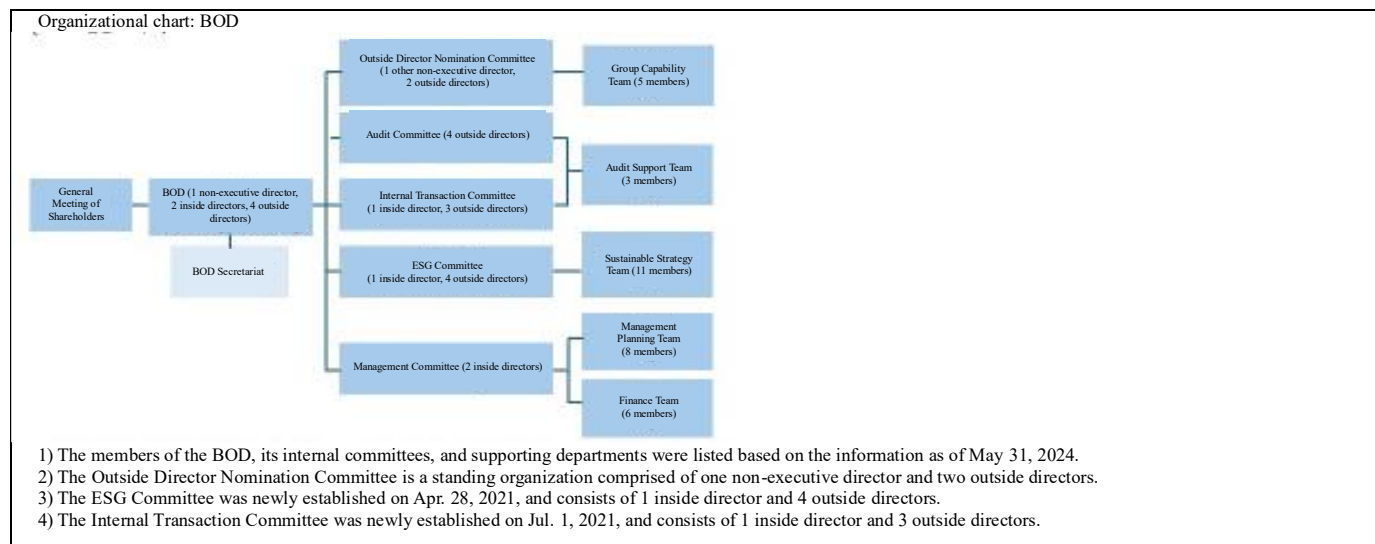
Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

The BOD is organized in a way that enables effective and thorough discussions and decision-making, and has a sufficient number of outside directors who will function independently from executives and controlling shareholders.

A. Describe the status of the organization of the Board of Directors by including the following items.

(1) Organizational chart of the BOD and its internal committees, supporting departments, etc.

Table 4-1-1: Organizational Chart of the BOD and Its Internal Committees as of the Report's Due Date



(2) BOD organization, the age of BOD members, gender ratio, etc., as of the report's due date

The BOD members, as of the report's due date of May 31, 2024, are Bong-seok Kwon, Hak-cheol Shin, Dong-seok Cha, Hwa-sun Cho, Hyun-joo Lee, Kyung-hoon Chun, and Young-han Lee.

[Note]

- 1) The table above indicates the initial appointment date for reappointed directors.
- 2) Young-han Lee was newly appointed as an outside director at the general meeting of shareholders on Mar. 25, 2024.
- 3) The base date of the end of the term for all directors is until the annual general meeting of shareholders; however, as the AGM date has not been decided, the date has been marked as March 25 for all directors.

Table 4-1-2: Composition of the BOD

	Type	Gender	Age	Position	Total period of service as director (months)	Expected end of term	Area of expertise	Career background
Hak-cheol Shin	Inside	Male	66	BOD chairperson, ESG Committee chairperson, ESG Committee member	50	03/25/2025	Business administration in general	Vice Chairman and Executive Vice President of 3M
Bong-seok Kwon	Other non-executive	Male	60	Outside Director Nomination Committee member	26	03/25/2025	Business administration in general	CEO of LG Electronics
Dong-seok Cha	Inside	Male	61	Management Committee member, Internal Transaction Committee member	38	03/25/2027	Business administration in general	CFO of Serveone
Hwa-sun Cho	Independent	Female	58	Audit Committee chairperson, Internal Transaction Committee member, ESG Committee member	26	03/25/2025	Politics/economy/society	Professor, Department of Political Science and International Studies, Yonsei University
Hyun-joo Lee	Independent	Female	47	Audit Committee member, ESG Committee chairperson	26	03/25/2025	Chemistry	Professor, Department of Chemical and Biomolecular Engineering, KAIST
Kyung-hoon Chun	Independent	Male	51	Audit Committee member, Internal Transaction Committee member, Outside Director Nomination Committee member, ESG Committee member	14	03/25/2026	Legal affairs	Professor at Seoul National University School of Law
Young-han Lee	Independent	Male	51	Audit Committee member, Outside Director Nomination Committee member, ESG Committee member, Internal Transaction Committee member	2	03/25/2027	Accounting/taxation	Professor at University of Seoul Department of Science in Taxation

(3) Organization of the BOD's internal committees and their chairpersons as of the report's due date, the committees' key roles, etc.

The organization of the BOD's internal committees and their chairpersons as of the report's due date, the committees' key roles, etc., are as follows as of May 31, 2024.

[Note]

1) When an Outside Director Nomination Committee chairperson resigns, a new chairperson is appointed through a resolution of the committee, but no chairperson has been appointed as of May 31, 2024, since no meeting has been held.

Table 4-1-3-1: Status of BOD's Internal Committees

	Key roles of the internal committee	Committee quota (persons)	Committee code	Remarks
Outside Director Nomination Committee	1. Develops, checks, and supplements principles for appointing outside directors 2. Recommends outside directors to be appointed at the general meeting of shareholders 3. Manages and validates a pool of outside director candidates	3	A	
Audit Committee	1. Supervises the activities of directors and management 2. Approves the selection of an external auditor 3. Other audit-related matters specified in the Articles of Incorporation or bylaws	4	B	
Internal Transaction Committee	1. Deliberates matters pertaining to internal transactions, including transactions with persons with special interest that require board approval under statutes such as the Commercial Act and the Monopoly Regulation and Fair Trade Act	4	C	
Management Committee	1. Deliberates matters concerning efficient board operations and regular business management affairs 2. Deliberates and resolves matters delegated by the board to the Management Committee, as well as other regular business management affairs	2	D	
ESG Committee	1. Devises basic policies and strategies for ESG management 2. Sets mid- to long-term ESG goals 3. Other matters delegated by the board or matters deemed essential by the committee	5	E	

Table 4-1-3-2: Composition of BOD's internal committees

		Position	Type	Gender	Concurrent position
Outside Director Nomination Committee	Bong-seok Kwon	Member	Other non-executive	Male	-
	Kyung-hoon Chun	Member	Independent	Male	B, C, E
	Young-han Lee	Member	Independent	Male	B, C, E
Audit Committee	Hwa-sun Cho	Chairperson	Independent	Female	C, E
	Kyung-hoon Chun	Member	Independent	Male	A, C, E
	Hyun-joo Lee	Member	Independent	Female	E
	Young-han Lee	Member	Independent	Male	A, C, E
Internal Transaction Committee	Kyung-hoon Chun	Chairperson	Independent	Male	A, B, E
	Hwa-sun Cho	Member	Independent	Female	B, E
	Young-han Lee	Member	Independent	Male	A, B, E
	Dong-seok Cha	Member	Inside	Male	D
Management Committee	Hak-cheol Shin	Chairperson	Inside	Male	E
	Dong-seok Cha	Member	Inside	Male	C
ESG Committee	Hyun-joo Lee	Chairperson	Independent	Female	B
	Kyung-hoon Chun	Member	Independent	Male	A, B, C
	Hwa-sun Cho	Member	Independent	Female	B, C
	Young-han Lee	Member	Independent	Male	A, B, C
	Hak-cheol Shin	Member	Inside	Male	D

4) If a committee related to ESG management is established within the BOD, its specific functions and roles  
Whether an ESG Committee is in place **Y (O)**

LG Chem acknowledges that the perspectives of various stakeholders, including corporate shareholders, are expanding to encompass not only economic value creation but also the pursuit of social value. Accordingly, in April 2021, LG Chem established the ESG Committee to internalize “sustainability,” a concept that includes both financial and non-financial values, as a core value for growth. The committee comprises more than two-thirds of independent directors who do not share a common background or represent specific interests, which is in line with the Diversity Principle. Furthermore, LG Chem strives to enhance its competitive edge in sustainability and diversity by appointing two new female outside directors.

To solidify its ESG management system, LG Chem gathers opinions on sustainability to deliberate on major management agendas and works toward achieving net zero. The importance of ESG management and compliance is increasing in line with global trends, prompting LG Chem to empower its BOD’s compliance review function. LG Chem is dedicated to maintaining high standards of compliance. To achieve its goal, the company has decided to redefine the compliance management system centered on its BOD and actively disseminate top management’s commitment to compliance management. The ESG Committee will play a vital role in this endeavor, regularly reviewing compliance-related issues at least twice a year and reporting significant matters to the BOD. LG Chem revised the ESG Committee Operating Regulations in April 2023, and compliance issues were addressed at the 2023 ESG Committee meeting held in November.

(5) Whether an outside director was appointed as the BOD chairperson

Whether an outside director is the BOD chairperson ☐ N ☒ (X)

The positions of the CEO and BOD Chairperson have not been separated as of the report’s due date.

(6) Whether the senior chairperson and executive officer systems are implemented, reasons for their implementation, relevant basis, status, etc.

Whether a senior outside director system is implemented ☐ N ☒ (X)

Whether an executive officer system is implemented ☐ N ☒ (X)

The company has not implemented a senior outside director and executive officer system.

B. Based on the aforementioned details, if the organization of the Board of Directors or its independence is lacking, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As described above, our BOD is structured in a way that enables effective and prudent discussions and decision-making, and we make sure that the majority of the board members are from outside so that they can operate independently from the management and controlling shareholders.

(2) Future plan and explanation

We will continue to operate our BOD to ensure its independent operations from the management and controlling shareholders and make improvements if deficiencies are found regarding its operations.

**■[304200] (Detailed Principle 4-2) - The Board of Directors should be comprised of competent persons with expertise and accountabilities in different fields in terms of knowledge and career accomplishments so that they can make substantial contributions to corporate management.**

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

The BOD is comprised of persons with expertise and accountabilities in different fields in terms of knowledge and career accomplishments so that they can make substantial contributions to corporate management.

A. Describe the status of the Board of Directors by including the following details.

(1) Whether the company has prepared a policy to secure the expertise, accountability, and diversity within the Board of Directors, the policy’s status, and reasons if the gender of the Board of Directors’ members are all the same

Whether the company is eligible for BOD gender regulation exemption ☐ Y ☒ (O)

Whether the BOD members do not share the same gender ☐ Y ☒ (O)

Our BOD is comprised of both inside and outside directors with expertise in the industries, management consulting, law, accounting, and taxation. In the case of outside directors, the Outside Director Nomination Committee selects candidates with a wealth of experience and insight, and a system is in place that ensure the board operation in a professional way from multiple vantage points. Two female outside directors currently serve as board members, ensuring the board's diversity in composition. Taking into account expertise, accountability, and diversity in the board composition, our BOD is comprised of a management expert in the same or a similar industry, an industrial technology expert, a financial and accounting expert, a legal expert, and a management advisory expert that contribute to the company's major decisions.

Director Bong-seok Kwon served as the CEO, after holding the positions as the head of an overseas production subsidiary, the head of the product planning group, the head of a business division, and the head of a business unit. As the chief executive officer, he played a critical role in optimizing the business portfolio and improving the business structure of LG Electronics, holding expertise based on his long-standing experience within the company.

Hak-cheol Shin has taken various posts such as technical support personnel and the head of a consumer business division since he began to work for 3M Korea in 1984. From 1999 to 2018, he held various executive positions at 3M in the United States, including the vice president of the abrasives business unit, vice president of the electronic materials business division, vice president of the industrial adhesives and tapes business division, senior vice president who oversees industrial businesses, senior vice president who oversees the industrial and transportation business, senior vice president who oversees the global business, and senior vice president who oversees the support organization (global R&D, strategy and business development, manufacturing and logistics headquarters, IT, and BT). With his extensive experience and professional expertise as a leader in the same industry, and exceptional insights in the company's emerging business sectors (energy, water, and biotechnology), he is expected to play a pivotal role in the company's strategic growth and development in the coming years.

With prior experiences as the CFO at Serveone in 2016 and the CFO at S&I in 2018, Dong-seok Cha now serves as the CFO of LG Chem. With a deep understanding of the company's business strategy and a rich background in finance, he has made significant contributions towards enhancing financial integrity and optimizing internal processes. He is a professional capable of assuming a central role in strategic performance and risk management within the company.

As a professor at Yonsei University's Department of Political Science and International Studies, Hwa-sun Cho conducts research primarily on the political and societal changes driven by political-economic factors and technological development. She brings a wealth of experience and expertise in science and technology policy and research on future governance.

Hyun-joo Lee currently holds a position as a professor in the Department of Chemical and Biomolecular Engineering at KAIST. She has garnered global attention as a promising young scholar for her outstanding research capabilities through active research and industry collaboration. As a specialist in the field of chemistry, she holds in-depth understanding of the company's business domain, based on her expertise in the entire spectrum of petroleum chemical processes and sustainability business areas, and extensive research in diverse fields such as biomass, carbon neutrality, and eco-friendly fields.

Kyung-hoon Chun, serving as a director, passed the 35th judicial examination and completed the program under the Judicial Research and Training Institute (26th class). He worked as an attorney at a law firm specializing in corporate governance, fair trade, and M&A for a decade until he began to join Seoul National University School of Law as a professor in 2010. During his tenure as a professor, he has published over 50 research papers which blend theoretical perspectives with practical implications in the fields of corporate law and securities law, receiving multiple scholarly awards. As a legal expert, Chun has exhibited a prolific research and industry collaboration.

Serving as LG Chem's director and a professor and the dean of the Graduate School of Science in Taxation of University of Seoul, Young-han Lee is an expert in accounting and taxation who built an extensive career in finance, accounting, and taxation, serving as a licensed tax accountant in an accounting firm before dedicating himself to various organizations, with notable examples including his service as a member of national tax deliberation committee in the Jungbu Regional Tax Office, member of the board of supervisors at the Financial Services Commission, and a member of the KOSDAQ market committee at the Korea Exchange.

Directors with a variety of backgrounds, skills, and accountabilities make up the board members, and their careers, appointments, and changes are detailed below.

In addition, as seen in "Table: 4-1-2: Composition of the BOD," the company's BOD comprises two female members out of a total of seven (Hwa-sun Cho and Hyun-joo Lee).

## (2) Director appointments and changes from the starting point of the period for disclosure to the point of report submission

The following details the director appointments and changes from the starting point of the period for disclosure to the point of report submission.

Table 4-2-1: Director Appointments and Changes

	Type	Date of initial appointment	Expected end of term	Date of change	Reason for change	Incumbency
Dong-seok Cha	Inside	03/20/2020	03/25/2027	03/25/2024	Reappointed	Incumbent
Mun-su Kim	Independent	03/23/2018	03/25/2024	03/25/2024	Expired	Retired
Dong-min Jung	Independent	03/17/2017	03/28/2023	03/28/2023	Expired	Retired
Kyung-hoon Chun	Independent	03/28/2023	03/28/2026	03/28/2023	Appointed	Incumbent
Young-han Lee	Independent	03/25/2024	03/25/2027	03/25/2024	Appointed	Incumbent

B. Based on the aforementioned details, if there are deficiencies in terms of the diversity within the backgrounds, expertise, and accountability of the composition of the Board of Directors, explain the reasons thereof and future plans.

### (1) Lacking parts and the reasons thereof

As described above, the company's BOD comprises experts in various fields, including relevant industries, finance, accounting, and law, equipped with expertise and accountability.

### (2) Future plan and explanation

The company will provide consistent management so that its BOD consists of experts in various fields to allow them to contribute substantially to its business management and make improvements upon discovering relevant deficiencies.

■[304300] (Detailed Principle 4-3) - Fairness and independence should be ensured in the process of nominating and appointing directors.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).  
The company operates a Director Candidate Nomination Committee to ensure fairness and independence during the director nomination and appointment procedures and provides adequate information and time for shareholders to review the candidates.

A. Describe whether the company has a director candidate nomination committee to appoint inside and outside directors and the activities of the committee.

Whether a director candidate nomination committee is in place	Y (O)
Ratio of outside directors to candidate nomination committee members (%)	66.7

The company's directors are evaluated from a pool of candidates in diverse fields based on the criteria for disqualification of outside directors as required by relevant laws, such as Article 382 (3) and 542-8 (2) of the Commercial Act, and a thorough verification process centering on interviews with related departments and documents to prove their ability to make a significant contribution as a director based on their practical experience and expertise. Outside directors, in particular, are presented as outside director candidates at a general meeting of shareholders after the Outside Director Nomination Committee undergoes recommendation and resolution processes.

The Outside Director Nomination Committee consists of one non-executive director and two outside directors as of May 31, 2024, and the ratio of outside directors is maintained at 66.7 percent. Please refer to “8)-(2)-[BOD committee meetings held]-(A) Outside Director Nomination Committee” for details.

Although the company does not currently have an inside director nomination committee, the BOD, of which the majority consists of outside directors, makes recommendations based on a thorough evaluation of the career and abilities of inside director candidates, as well as their potential to contribute to the company's growth as directors. Therefore, as of now, there are no plans to establish an inside director nomination committee.

B. Describe whether the company provides adequate information and time for shareholders to review the director candidates by including the following details.

(1) Whether the information on the candidate is provided in detail if the appointment of the director is included as an agenda of the general meeting of shareholders from the starting point of the period for disclosure to the point of report submission

To ensure adequate time for the acquisition of specific information on the director candidate and review, the company discloses information regarding director appointments to shareholders approximately four weeks before the general meeting of shareholders. In case of reelecting a candidate, we document and disclose their past activities in the BOD in the general meeting convocation notice, as well as our quarterly business reports. This is how we make relevant information available as reference documents when appointing candidates for directorship.

Table 4-3-1: Records of Providing Information on Director Candidates

		Date of information provision (1)	Date of general meeting of shareholders (2)	Period of prior information provision (days) ((2)-(1))	Director candidate type	Details of information	Remarks
21 <sup>st</sup> AGM	Hak-cheol Shin	02/22/2022	03/23/2022	29	Inside	1. Candidate's name, date of birth, referee, relationship with the largest shareholder, and whether he or she is a candidate for outside director 2. Candidate's main occupation, career details, and transactions with the corporation concerned for the past three years 3. Whether the candidate has any record of delinquencies, experience of managing an insolvent company, and legal reasons for disqualification 4. Candidate's task fulfillment plan 5. BOD's reason for recommending the candidate	
	Bong-seok Kwon	02/22/2022	03/23/2022	29	Other non-executive	1. Candidate's name, date of birth, referee, relationship with the largest shareholder, and whether he or she is a candidate for outside director 2. Candidate's main occupation, career details, and transactions with the corporation concerned for the past three years 3. Whether the candidate has any record of delinquencies, experience of managing an insolvent company, and legal reasons for disqualification 4. Candidate's task fulfillment plan 5. BOD's reason for recommending the candidate	
	Hyun-joo Lee	02/22/2022	03/23/2022	29	Independent	1. Candidate's name, date of birth, referee, relationship with the largest shareholder, and whether he or she is a candidate for outside director 2. Candidate's main occupation, career details, and transactions with the corporation concerned for the past three years 3. Whether the candidate has any record of delinquencies, experience of managing an insolvent company, and legal reasons for disqualification 4. Candidate's task fulfillment plan 5. BOD's reason for recommending the candidate	
	Hwa-sun Cho	02/22/2022	03/23/2022	29	Independent	1. Candidate's name, date of birth, referee, relationship with the largest shareholder, and whether he or she is a candidate for outside director 2. Candidate's main occupation, career details, and transactions with the corporation concerned for the past three years 3. Whether the candidate has any record of delinquencies, experience of managing an insolvent company, and legal reasons for disqualification 4. Candidate's task fulfillment plan 5. BOD's reason for recommending the candidate	
22 <sup>nd</sup> AGM	Kyung-hoon Chun	02/20/2023	03/28/2023	36	Independent	1. Candidate's name, date of birth, referee, relationship with the largest shareholder, and whether he or she is a candidate for outside director 2. Candidate's main occupation, career details, and transactions with the corporation concerned for the past three years 3. Whether the candidate has any record of delinquencies, experience of managing an insolvent company, and legal reasons for disqualification 4. Candidate's task fulfillment plan 5. BOD's reason for recommending the candidate	
23 <sup>rd</sup> AGM	Dong-seok Cha	02/23/2024	03/25/2024	31	Inside	1. Candidate's name, date of birth, referee, relationship with the largest shareholder, and whether he or she is a candidate for outside director 2. Candidate's main occupation, career details, and transactions with the corporation concerned for the past three years 3. Whether the candidate has any record of delinquencies, experience of managing an insolvent company, and legal reasons for disqualification 4. Candidate's task fulfillment plan 5. BOD's reason for recommending the candidate	
	Young-han Lee	02/23/2024	03/25/2024	31	Independent	1. Candidate's name, date of birth, referee, relationship with the largest shareholder, and whether he or she is a candidate for outside director 2. Candidate's main occupation, career details, and transactions with the corporation concerned for the past three years 3. Whether the candidate has any record of delinquencies, experience of managing an insolvent company, and legal reasons for disqualification 4. Candidate's task fulfillment plan 5. BOD's reason for recommending the candidate	

(2) Whether past activities within the BOD is disclosed for reappointed director candidates; if so, the method and details of disclosure  
Whether the history of reappointed director's activities is provided **Y(O)**



In case of reelecting a candidate, we document and disclose their past activities in the BOD in the general meeting convocation notice, as well as our quarterly business reports. This is how we make relevant information available as reference documents when appointing candidates for directorship.

C. State whether a cumulative voting system has been adopted and describe which measures were taken and efforts were made to gather the opinions of minority shareholders during the selection of director candidates and their appointment process.

Whether a cumulative voting system has been adopted **N (X)**

Pursuant to Article 20 (4) of the Articles of Incorporation, the company appoints directors in the usual manner, with shareholders exercising voting rights according to the number of their shares.

Pursuant to the Commercial Act, the company guarantees the rights of minority shareholders to recommend director candidates.

D. Based on the aforementioned details, if there are deficiencies in ensuring fairness and independence in the process of recommending and selecting director candidates, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As described above, the company operates to ensure fairness and independence during the recommendation and selection procedures of director nomination through efforts such as establishing an Outside Director Nomination Committee. The company also makes public disclosures prior to the general meeting of shareholders with sufficient time to ensure fairness and independence within the appointment of directors and provide accurate information to shareholders.

Pursuant to the Commercial Act, the company guarantees the rights of minority shareholders to recommend director candidates.

(2) Future plan and explanation

The company will provide consistent management to ensure fairness and independence within the recommendation and selection process of director recommendation and selection and make improvements upon discovering relevant deficiencies.

**■[304400] (Detailed Principle 4 4) - Efforts should be made to not appoint anyone who is responsible for damaging company value or violating shareholder rights as an executive.**

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

The company conducts thorough verification based on relevant statutes and internal procedures when appointing inside and outside directors and unregistered executives, ensuring that individuals responsible for damaging corporate values or infringing shareholder rights are not appointed.

A. Describe the appointment of directors, including unregistered directors, who are responsible for undermining the company's value or infringing upon shareholder rights by including the details below.

(1) Status of registered directors

Table 4-4-1: Status of Registered Directors

	Gender	Position	Executive/non-executive	Responsibilities
Hak-cheol Shin	Male	Vice Chairperson	O	Representative Director, CEO BOD chairperson Management Committee Chairman ESG Committee member
Bong-seok Kwon	Male	Vice Chairperson	X	Outside Director Nomination Committee member
Dong-seok Cha	Male	President	O	CFO and CRO Management Committee member Internal Transaction Committee member
Hyun-joo Lee	Female	Outside director	X	Audit Committee member ESG Committee Chairperson
Hwa-sun Cho	Female	Outside director	X	Audit Committee Chairperson ESG Committee member Internal Transaction Committee member
Kyung-hoon Chun	Male	Outside director	X	Audit Committee member ESG Committee member Outside Director Nomination Committee member Internal Transaction Committee Chairperson

Young-han Lee	Male	Outside director	X	Audit Committee member ESG Committee member Outside Director Nomination Committee member Internal Transaction Committee Chairperson
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(2) Status of unregistered directors

Name	Gender	Position	Executive/non-executive	Responsibilities
Jee-woong Son	Male	President	○	Head of Life Sciences Business
Jeong-dae Kim	Male	Executive Vice President	○	<i>Jeong-Do</i> (right-path) management
Chul Nam	Male	Executive Vice President	○	Head of Advanced Materials Business
Kook-rae Noh	Male	Executive Vice President	○	Head of Petrochemicals Business
Jong-koo Lee	Male	Executive Vice President	○	CTO-cum-CSSO
Hyang-mok Lee	Male	Executive Vice President	○	Head of Cathode Materials Division
Dong-chun Kim	Male	Senior Vice President	○	Head of Electronic Materials Division
Sang-min Kim	Male	Senior Vice President	○	Head of ABS Division
Sung-hyun Kim	Male	Senior Vice President	○	Head of Separator Business
Steven Kim	Male	Senior Vice President	○	Head of Engineering Materials Division
Kyung-hwa Min	Male	Senior Vice President	○	Head of IP Group
Byeong-cheol Park	Male	Senior Vice President	○	CSEO
Hee-sul Park	Male	Senior Vice President	○	Head of Specialty Care Division
Jung-sik Seo	Male	Senior Vice President	○	Petrochemicals; Head of America Business
Ji-hong Sunwoo	Male	Senior Vice President	○	LGCYX Subsidiary President
Seung-man Son	Male	Senior Vice President	○	Head of Next-Generation Material Research Institute
Byeong-geun Song	Male	Senior Vice President	○	Head of Acrylic Business Division
Kyu-seok Shim	Male	Senior Vice President	○	Head of Nexolution Business Division and HPM business
Su-hee Yoon	Female	Senior Vice President	○	Life Science; Head of Management Strategy Group
Gun-joo Lee	Male	Senior Vice President	○	Head of the Global Production Center (Petrochemicals)
Kyu-ho Lee	Male	Senior Vice President	○	Head of Legal Affairs Office
Dong-soo Lee	Male	Senior Vice President	○	LGCBL Subsidiary President
Chang-hyun Lee	Male	Senior Vice President	○	Advanced Materials; Global Customer Development Manager
Hyeon Lee	Male	Senior Vice President	○	Head of Global Purchase Group
Hwa-young Lee	Male	Senior Vice President	○	Head of Sustainability Business Division
Hee-bong Lee	Male	Senior Vice President	○	Life Science; Head of Research and Development Division
Gi-ryong Jang	Male	Senior Vice President	○	CHO
Young-min Choi	Male	Senior Vice President	○	Director of Battery Materials Research Institute
Dong-yeob Han	Male	Senior Vice President	○	Head of PVC/Plasticizer Division
Dong-kyun Kang	Male	Senior Research Fellow	○	CTO affiliate
Seong-hun Kang	Male	Vice President	○	Cathode Materials; Head of Processing Technology
Kyung-deok Ko	Male	Vice President	○	Electronic Materials; Head of New Business Group
Min-han Kwak	Male	Vice President	○	Engineering materials development
Sang-jin Kwak	Male	Vice President	○	Electronic Materials; Head of Film Business TFT
Hye-jin Kwon	Female	Vice President	○	HR manager
Kyung-suk Kim	Male	Vice President	○	Accounting manager
Kyung-hoon Kim	Male	Senior Research Fellow	○	Fundamental Technology Research Institute affiliate
Geun-tae Kim	Male	Vice President	○	Life Science; Head of New Medicine Research Institute
Noma Kim	Male	Vice President	○	Head of Platform Technology Research Center
Do-kyun Kim	Male	Vice President	○	Daesan Factory; Regional Executive
Dong-ho Kim	Male	Vice President	○	HR management
Mi-young Kim	Female	Vice President	○	Life Science; Head of Clinical Development Group
Beom-sik Kim	Male	Vice President	○	Petrochemicals, global production, Daesan Factory; NCC/BAA Factory Head
Sun-ae Kim	Female	Vice President	○	Life Science; TGX Development Manager
Sung-duk Kim	Male	Vice President	○	Petrochemicals, global production, Daesan Factory; PO2 Factory Head
Yang-han Kim	Male	Vice President	○	Environment and safety
Yong-chul Kim	Male	Vice President	○	Global HR Manager
Jin-soo Kim	Male	Vice President	○	Sustainability; Marketing Manager
Tae-hun Kim	Male	Vice President	○	Petrochemicals, global production, Yeosu; Public Affairs 3 Manager
Hyang-myung Kim	Male	Vice President	○	Government affairs for LGCYX
Ho-keun Kim	Male	Vice President	○	Head of America BS Group

Hee-Seok Kim	Male	Vice President	○	Petrochemicals, global production; Head of Public Affairs Group
Ji-hye Noh	Female	Vice President	○	Head of Aesthetics Division
Young-il Ma	Male	Vice President	○	Head of Task Innovation Group
Ki-soon Park	Male	Vice President	○	Petrochemicals, global production; Head of Yeosu Production Group
Saeng-geun Park	Male	Vice President	○	Petrochemicals, global production, Yeosu; ABS Factory Head
Yang-tae Park	Male	Vice President	○	Petrochemicals, America; Sales Manager
Jin-yong Park	Male	Vice President	○	Digital transformation (DX)
Hong-gyu Park	Male	Vice President	○	Cathode materials; Head of Development Group
Sang-deok Baek	Male	Vice President	○	NCC/PO; NCC Sales Manager
Ki-dae Byun	Male	Vice President	○	Sustainability; CNT Manager
Jin-eon So	Male	Vice President	○	Head of CMC Center (Life Sciences)
Bu-geon Shin	Male	Senior Research Fellow	○	Next-Generation Material Research Institute affiliate
Sun-shik Shin	Male	Vice President	○	Cathode Materials, Development; Product Development Manager
Young-chul Shin	Male	Vice President	○	Cathode Materials; Quality Manager
In-ho Shin	Male	Vice President	○	Nexolution; Marketing Manager
Jeong-heon Ahn	Female	Vice President	○	New Materials R&D Center under Petrochemicals R&D Center
Soo-ha Yang	Female	Vice President	○	Overseas Legal Affairs Manager
Cheol-ho Yang	Male	Vice President	○	Petrochemicals; Management Strategy Manager
Tae-hun Yang	Male	Senior Research Fellow	○	CTO affiliate
Sang-hyun Oh	Male	Vice President	○	Life Science; Head of Production/Quality
Hyun-seok Yoon	Male	Vice President	○	IR Division
Dong-cheol Lee	Male	Vice President	○	LGCNP Subsidiary President
Dong-hun Lee	Male	Vice President	○	Electronic materials; Material Development Manager
Doo-hyung Lee	Male	Vice President	○	Head of LGCOP corporate body
Sang-ok Lee	Male	Vice President	○	Customer value innovation
Sang-hyeob Lee	Male	Vice President	○	Advanced Materials; Head of New Business in Battery Materials
Young-suk Lee	Male	Vice President	○	Advanced Materials; Management Strategies
Yoon-ho Lee	Male	Vice President	○	Petrochemicals, global production, Yeosu; Environment Safety Team 2 Manager
Jae-myung Lee	Male	Vice President	○	Petrochemicals; Head of Strategic Purchase Group
Jae-su Lee	Male	Vice President	○	Finance manager
Jong-ho Lee	Male	Vice President	○	ABS; Marketing Manager
Jun-ho Lee	Male	Vice President	○	Management planning
Ji-woong Lee	Male	Vice President	○	M&A
Chung-hun Lee	Male	Vice President	○	Head of NCC/PO business division
Hyun-gyu Lee	Male	Vice President	○	Yeosu; Regional Executive
Ho-kyung Lee	Male	Vice President	○	Head of Technology Planning Group
Ho-woo Lee	Male	Vice President	○	Management strategies
Ye-hun Lim	Male	Senior Research Fellow	○	Fundamental Technology Research Institute affiliate
Do-gi Jang	Male	Vice President	○	LGCWU Subsidiary President
Young-rae Jang	Female	Vice President	○	Head of Analytical Sciences Center
Ok-young Jung	Male	Vice President	○	Cathode Materials; Head of Production Group
Un-tae Jung	Male	Vice President	○	Head of LGCTA corporation
Jae-kyo Jung	Male	Vice President	○	Petrochemicals; Marketing Manager
Jong-eun Jung	Male	Vice President	○	Domestic and International Cooperation Manager
Ji-hu Jung	Female	Vice President	○	ABS; Chinese Business Manager
Cheol-ho Jung	Male	Vice President	○	Head of Product Development Center (Life Sciences)
Dong-hyun Cho	Male	Vice President	○	Head of Petrochemicals R&D Center
Sung-bok Cho	Male	Vice President	○	Head of LGCBH corporation
Young-do Cho	Male	Vice President	○	Petrochemicals, global production; Head of Production Technology Group
Eun-jeong Joo	Female	Vice President	○	LGCHZ Subsidiary President

Jae-gu Joo	Male	Vice President	○	Petrochemicals, global production, Yeosu; Chemical Substance Factory Head
Kwang-wook Choi	Male	Senior Research Fellow	○	Next-Generation Material Research Institute affiliate
Byeong-cheol Choi	Male	Vice President	○	Cathode Materials; Business Development Manager
Jong-wan Choi	Male	Vice President	○	Cheongju/Ochang; Regional Executive
Ho-yeol Choi	Male	Vice President	○	Petrochemicals, global production; Head of Daesan Production Group
Seok-hee Han	Male	Vice President	○	NCC/PO; PO Marketing Manager
Sung-jin Heo	Female	Vice President	○	Life science, management strategy; Business Development Manager
Hoon Hyung	Male	Vice President	○	RO Membrane Business Manager
Kyoung-eob Ho	Male	Vice President	○	Public relations
Kyung-ki Hong	Male	Vice President	○	Electronic materials, new business; e-Mobility Development Manager
Young-shin Hwang	Male	Vice President	○	Head of Chinese BS Group
In-cheol Hwang	Male	Vice President	○	Head of Primary Care Division

(3) Whether a policy to prevent persons responsible for undermining corporate value or infringing upon shareholder rights from being appointed as executives  
Status of implementation Y (O)

As for director candidates (including candidates for unregistered directors), their achievements, expertise, and growth potential are taken into consideration comprehensively, and board approval is obtained before he or she is appointed as a director. In order to prevent anyone who is responsible for undermining corporate value or infringing upon shareholder rights from being appointed as a director, we exclude from the selection process any candidates who have issues in terms of Jeong-Do ("right path") Management or LG's Code of Ethics, or candidates who have caused a problem in terms of quality, environment, or safety. Furthermore, those who have been penalized with a suspension or a more severe form of disciplinary action in accordance with the company's disciplinary policies are banned from promotion or appointment into any position for a certain period of time.

When appointing outside directors, the company evaluates a pool of director candidates based on the criteria for disqualification of outside directors as required by relevant laws, such as Article 382 (3) and 542-8 (2) of the Commercial Act, and undergoes a thorough verification process centering on interviews with related departments and documents to prove their ability to make a significant contribution as a director based on their practical experience and expertise. The directors are presented as outside director candidates at a general meeting of shareholders after the Outside Director Nomination Committee undergoes recommendation and resolution processes.

In addition to the requirements prescribed by applicable laws and regulations, we make a close and thorough review to make sure that anyone who is responsible for undermining corporate value or infringing upon shareholder rights, such as receiving any administrative or judicial sanctions for a violation of laws, will not be appointed as a director of the company. We submit candidates to general meetings of shareholders after validating the expertise and personal competences of all candidates that are required to make substantial contributions to business management.

(4) Whether individuals who have been indicted for embezzlement, breach of trust, unfair trading practices under the Financial Investment Services and Capital Markets Act, unfair assistance under the Fair Trade Act, or acts of embezzlement, or who have a history of confirmed judgments, or who have received recommendations for dismissal from the Securities and Futures Commission for violating accounting standards under the Act on External Audit of Stock Companies, are appointed as executives as of the report submission date

N/A

(5) Details and status if lawsuits have been filed against the representative shareholder from the starting point of the period for disclosure to the point of report submission and the status of handling

No lawsuits have been filed against the representative shareholder from the starting point of the period for disclosure to the point of report submission and the status of handling.

B. Based on the aforementioned details, if there are deficiencies in making efforts to prevent those who are responsible for undermining the company value or infringing upon shareholder rights, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As described above, the company runs through verifications to prevent the nomination of those who are responsible for undermining the company value or infringing upon shareholder rights.

(2) Future plan and explanation

We will continue to make efforts not to nominate those who are responsible for undermining the company value or infringing upon shareholder rights.

**[305000] (Core Principle 5) Outside directors should be able to independently participate in decision-making regarding the company's important business management policies, and supervise and support the management as a member of the BOD.**

**■[305100] (Detailed Principle 5-1) - An outside director of a company should not have any important relations of interest with that company, and the company should identify the existence of any such relationship during the selection process.**

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

The company's outside directors have no important relations of interest with the company; we thoroughly inspect such relations from their nomination stage.

A. Provide an overall description of the relations of interest between incumbent outside directors as of the report submission date and the company by including the following details.

(1) Whether the outside director has served in the company or its affiliates in the past and relevant details

N/A

Table 5-1-1: Outside Director's Term of Office as of Report Submission Date

	Term of office at the company (months)	Term of office including affiliates (months)
Hwa-sun Cho	27	27
Hyun-joo Lee	27	27
Kyung-hoon Chun	15	15
Young-han Lee	3	3

(2) Details if there is transaction history with the outside director or a company where he/she is the largest shareholder for the past 3 years (including affiliates)

N/A

(3) Details if there is transaction history with a company where the outside director is an executive for the past 3 years

N/A

(4) Whether the company has procedures and relevant regulations to identify the above transactions and their details

Status of implementation Y (O)

When appointing outside directors, the company first collects publicly known information on the outside director candidates. Then, the company conducts initial screening to verify disqualification criteria, and rigorously assesses qualifications through interviews and reference checks. In addition, after the appointment of outside directors, the company also conduct periodic surveys to verify transaction histories with our company and its affiliates.

B. Based on the aforementioned details, if efforts to nominate outside directors with no important relations of interest with the company are lacking, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As described above, the company thoroughly verifies the important relations of interest shared with outside directors from the stage of their nomination.

(2) Future plan and explanation

We will continue to make efforts to thoroughly verify and prevent the important relations of interest shared with outside directors from the stage of their nomination, and make improvements if deficiencies are found related to our efforts.

■[305200] (Detailed Principle 5-2) - Outside directors should put in sufficient time and effort to fulfill their duties faithfully.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

The concurrent jobs that the company's outside directors hold do not go against the provisions of the Commercial Act, and they are putting in sufficient time and efforts to fulfill their duties.

A. Provide an overall description of matters related to outside directors' tasks by including the following details.

(1) Internal standards regarding the authorization of outside director's concurrent office

Status of implementation Y (O)

LG Chem is a listed company. As such, an outside director of the company may serve as an outside director for another company in accordance with Article 34 of the Commercial Act. We continue to check with outside directors individually about their concurrent jobs and conduct a legal review on disqualification as an outside director due to any matter concerning concurrent services. Among our incumbent outside directors are Hwa-sun Cho, serving as an Audit Committee member and a Sustainability Committee member of KIA Corp., and Youn-han Lee as Hyundai Engineering's outside director, Audit Committee member, and Sustainability Committee member, but the disqualification provisions of the Commercial Act do not apply to these cases.

(2) Information on outside incumbent outside directors' concurrent jobs as of the report submission date

As described below, the concurrent jobs that the company's outside directors hold do not go against the provisions of the Commercial Act, and they are putting in sufficient time and efforts to fulfill their duties.

[Note]

1) Organizations outside directors are serving concurrently include non-profit organizations and foundations.

Table 5-2-1: Positions Held Concurrently by Outside Directors

	Outside director status	Date of initial appointment	Expected end of term	Current job	Information on concurrent jobs			
					Concurrent organization	Concurrent job	Month of starting work at concurrent organization	Listing status of concurrent organization
Hwa-sun Cho	O	03/23/2022	03/23/2025	Professor, Department of Political Science and International Studies, Yonsei University	KIA	Outside director, Audit Committee member	Mar. 2021 – Present	Listed (on KOSPI)
Hyun-joo Lee	O	03/23/2022	03/23/2025	Professor, Department of Chemical and Biomolecular Engineering, KAIST	N/A	N/A	N/A	N/A
Kyung-hoon Chun	O	03/28/2023	03/28/2026	Professor at Seoul National University Law School	N/A	N/A	N/A	N/A
Youn-han Lee	O	03/25/2024	03/28/2027	Professor at University of Seoul Department of Science in Taxation	Hyundai Engineering	Outside director Audit Committee member	Mar. 2023 – Present	Not listed

B. Based on the aforementioned details, if there are deficiencies in outside directors investing their time and effort into faithfully fulfilling their tasks, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

The company's outside directors put in sufficient time and efforts to fulfill their duties. They record high attendances not only in board meetings but also in separate meetings (exclusive for outside directors) where they are briefed on the agenda from executives or working-level staff and discuss the items among themselves prior to a board meeting.

(2) Future plan and explanation

As described above, the concurrent jobs that the company's outside directors hold do not go against the provisions of the Commercial Act, and they are putting in sufficient time and efforts to fulfill their duties. If deficiencies are found in the future, the company will strive to make improvements.

■[305300] (Detailed Principle 5-3) - The company should provide outside directors with sufficient information and resources necessary for them to fulfill their duties.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).  
The company operates the BOD Secretariat consisting of one executive, one team manager, and two working-level employees dedicated to conducting the BOD’s tasks. The company also supports new outside directors through seminars in adapting swiftly to their work.

A. Describe the company’s policies prepared to support outside directors’ tasks and their specific operating statuses by including the following details.

(1) Workforce and material resources provided to outside directors and the status of the company’s internal information provision

We set up the Board Secretariat in accordance with Article 17 of the Board Regulations to support the smooth operation of the BOD and its committees. The Board Secretariat is composed of one executive, one team-lead, and two working-level persons. The working-level members perform specific tasks under the supervision of their higher-ups, such as providing outside directors with introduction to the company, presenting reports on BOD agenda items prior to board meetings, providing support to obtain and send management information deemed necessary, and any other support requested by the outside directors that are necessary for them to fulfill their duties.

(2) Status of workforce dedicated to respond to outside directors’ requests for information (data)

Whether dedicated staff is in place Y (O)

The company’s BOD Secretariat consists of one executive, one team-lead, and two working-level persons		
[BOD-supporting organizations] (As of May 31, 2024)		
Organization	Members	Key tasks
BOD Secretariat	<div>Members: 4</div> <div>Position and date of joining:</div> <div>① 1 executive director (Dec. 2020)</div> <div>② 1 team leader (Jun. 2001)</div> <div>③ 1 manager (May 2022)</div> <div>④ 1 associate (Jul. 2018)</div> <div>Period of serving as supportive staff for the board:</div> <div>① 1 executive director (Dec. 2020)</div> <div>② 1 team leader (Dec. 2019)</div> <div>③ 1 manager (Apr. 2024)</div> <div>④ 1 associate (Jul. 2018)</div>	<div>- Collect and organize of board agenda items, as well as analyze laws and regulations related to grounds for submissions and resolutions</div> <div>- Explain the agenda to directors in advance and respond to questions and discussions</div> <div>- Run board proceedings, write minutes, and communicate matters for disclosure to related departments</div> <div>- Conduct external activities to improve directors' understanding of business operations, such as visiting business sites in and out of Korea and hosting seminars</div>

(3) Whether training necessary for outside directors’ tasks are initiated and the status of its provision

Status of training Y (O)

To help outside directors adapt to performing their job duties, we hold a seminar, immediately after their appointment, to inform them of the company’s business structure, business performance, and other information related to the board and the Audit Committee that are deemed necessary. We also hold a BOD workshop once a year to provide the directors opportunities to visit key business sites in and out of Korea and get hands-on experiences through on-site reports and factory line tours. In 2020, however, this workshop was not held due to the pandemic.

In March 2022, we hosted a workshop to support experiences that would help outside directors understand our company’s operations’ status, including reports on the Yeosu Factory and tours of Yongseong Complex 2. In March 2023, we held a workshop at the Yeosu Factory. In March 2024, another workshop was held at the Osan Leadership Center to offer helpful experiences to outside directors to assist their understanding of the status of our company’s operations, which included reports on the Cheongju Factory and briefings on the cathode material process and tours of the production line. We report the statuses and issues of the company's primary businesses to the BOD every quarter to ensure that all outside directors fully grasp the company’s businesses.

(4) Provide details if there has been a meeting separate from the Board of Directors where only outside directors have participated from the starting point of the period for disclosure to the point of report submission

Whether separate meetings are held by outside directors Y (O)

The company holds meetings where only outside directors participate, without inside directors, to be pre-briefed on the agenda items from executives or working-level staff and discuss them among themselves. The following table shows the meetings held to report to outside directors prior to board meetings, from the starting business year of the target disclosure period until the day of filing disclosure documents.

Table 5-3-1: Details of Meetings Held Only by Outside Directors



	AGM/EGM	Date convened	Attending outside directors (persons)	All outside directors (persons)	Discussion items	Remarks
2023 1 <sup>st</sup>	AGM	01/27/2023	4	4	Agenda items of the January board meeting	
2023 2 <sup>nd</sup>	AGM	02/17/2023	4	4	Agenda items of the February board meeting	
2023 3 <sup>rd</sup>	AGM	03/24/2023	4	4	Agenda items of the March board meeting	
2023 4 <sup>th</sup>	AGM	04/21/2023	4	4	Agenda items of the April board meeting	
2023 5 <sup>th</sup> -1	EGM	06/01/2023	4	4	Agenda items of the June board meeting	Held twice
2023 5 <sup>th</sup> -2	EGM	06/02/2023	4	4	Agenda items of the June board meeting	Held twice
2023 6 <sup>th</sup> -1	EGM	07/06/2023	4	4	Agenda items of the July board meeting	Held twice
2023 6 <sup>th</sup> -2	EGM	07/10/2023	4	4	Agenda items of the July board meeting	Held twice
2023 7 <sup>th</sup>	AGM	07/21/2023	4	4	Agenda items of the July board meeting	
2023 8 <sup>th</sup> -1	EGM	09/22/2023	4	4	Agenda items of the September board meeting	Held twice
2023 8 <sup>th</sup> -2	EGM	09/25/2023	4	4	Agenda items of the September board meeting	Held twice
2023 9 <sup>th</sup>	AGM	10/20/2023	4	4	Agenda items of the October board meeting	
2023 10 <sup>th</sup>	AGM	11/17/2023	4	4	Agenda items of the November board meeting	
2023 11 <sup>th</sup>	EGM	12/13/2023	4	4	Agenda items of the December board meeting	
2024 1 <sup>st</sup>	AGM	01/26/2024	4	4	Agenda items of the January board meeting	
2024 2 <sup>nd</sup>	AGM	02/16/2024	4	4	Agenda items of the February board meeting	
2024 3 <sup>rd</sup>	AGM	03/22/2024	4	4	Agenda items of the March board meeting	
2024 4 <sup>th</sup>	AGM	04/26/2024	4	4	Agenda items of the April board meeting	

B. Based on the aforementioned details, if the company has failed to provide sufficient support necessary for the tasks of outside directors, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As mentioned above, we provide outside directors with sufficient information and resources required to fulfill their duties, including support to help newly appointed outside directors understand the status of business management as early as possible, visits to Korean and overseas business sites in person, and briefing on board agendas through the Board Secretariat (dedicated organization).

(2) Future plan and explanation

The company will consistently make efforts and provide support to offer the information and resources necessary for the tasks of outside directors and make improvements upon discovering relevant deficiencies.

**[306000] (Core Principle 6) In efforts to motivate outside directors to carry out their duties more aggressively, their activities should be fairly assessed, and their compensations and reappointment should be determined based on the assessment results.**

**■[306100] (Detailed Principle 6-1) - Outside directors should be assessed based on their individual performance, and assessment results should be reflected into the decision of their reappointment.**

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

The company's evaluation is based on individual performance, and the evaluation result is a factor in the decision of the outside director's reappointment.

A. Describe whether evaluations for individual outside directors are in place and if the results become a factor in deciding whether the outside directors will be appointed by including the following details.

(1) Whether outside directors are evaluated individually and specific methods

Individual evaluation of outside director **Y (O)**

The BOD Secretariat and HR Department comprehensively evaluate outside directors who end their terms on various criteria, which include their attendance at board meetings, thorough review and constructive contributions to agenda items, and whether they made effective recommendations. They are also evaluated on whether they provided appropriate advice as industry experts in crucial management decision-making and their contribution as audit committee members to the company's internal control and oversight of significant financial risks.

(2) Measures to ensure fairness in outside director evaluations

To ensure the fairness of the evaluation, the company runs the evaluation by comprehensively collecting the opinions of inside directors, the BOD Secretariat, and HR departments.

(3) Whether outside directors' evaluations are a factor in determining their reappointment

Application of evaluation to reappointment decision **Y (O)**

The results according to the items of evaluation above are applied to the reappointment of outside directors.

B. Based on the aforementioned details, if there are no evaluations for outside directors or the results from those evaluations are not applied in their reappointment, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As described above, the company evaluates outside directors comprehensively based on their individual performance and applies the results to the decision of their reappointment.

(2) Future plan and explanation

We will continue to evaluate outside directors and make improvements if the evaluation items, methods, or other relevant elements are found to be inadequate.

**■[306200] (Detailed Principle 6-2) - Compensation for outside directors should be determined at an appropriate level by taking into account the assessment results as well as responsibilities and risks faced by outside directors in carrying out their duties.**

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

The compensation for outside directors is calculated by considering the conditions of businesses within the same industry. Although evaluation results are a factor in deciding their reappointment, they are not the basis for providing different compensation levels for outside directors to consider their independence.

A. Describe the compensation of outside directors by including the following details.

(1) Background and details of compensation policy for outside directors, and the specific standard of calculation

Policy for outside director's compensation in place **Y (O)**

In accordance with Article 388 of the Commercial Act, all outside directors are paid the same amount (KRW 96 million as of 2023) within the total compensation limit for directors approved by the general meeting of shareholders; the compensation for the company's outside directors is determined considering the conditions within the same industry. Bonuses based on their performance or severance payments after assessing their activity evaluations are not provided, and the company's compensation for outside directors does not include stock options.

(2) If stock options have been granted, their quantity and specific details on their exercise conditions

Whether stock options are granted ☐ N ☒ (X)

Whether the options are linked to their performance ☐ N ☒ (X)

The company's compensation for outside directors does not include stock options.

B. Based on the aforementioned details, if there are deficiencies in deciding an appropriate level of compensation considering the evaluation results of outside directors and their task's responsibility, risks, etc., explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

The same compensation is provided to outside directors in consideration of their independence; however, their individual evaluation results are a factor in deciding their reappointment.

(2) Future plan and explanation

We will continue to consider outside directors' independence and determine the appropriate level of their compensation.

**[307000] (Core Principle 7) The Board of Directors should be operated in a reasonable and efficient manner to make the best management decisions possible in the interests of the company and shareholders.**

**■[307100] (Detailed Principle 7-1) - In principle, board meetings should take place regularly, and BOD operating regulations should be established, stipulating the roles and responsibilities as well as board operating procedures in detail.**

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

The company's BOD holds regular meetings and operates in accordance with the BOD regulations, which specifically define the authority and responsibilities, as well as the operational procedures of the Board.

A. Provide an overall description of the operation of the Board of Directors by including the following details.

(1) Whether regular BOD meetings are held and regulations regarding BOD operations

Regular BOD meetings held ☐ Y ☒ (O)

Whether regulations regarding BOD operations exist ☐ Y ☒ (O)

In accordance with Article 8 of the company's Board Regulations, the BOD should meet every quarter. From January through March, however, board meetings are held every month to meet the requirements of Article 447-3 of the Commercial Act, which include the duty to submit financial statements to the Audit Committee six weeks before the general shareholders' meeting and attain board approval for the statements, the duty to obtain prior board approval for agenda items to be approved at the general meeting, and the duty to convene an annual general meeting of shareholders in March. In addition, an ad-hoc board meeting may be held whenever necessary, such as when something comes up for board approval irregularly but the timing does not allow it to be included in the agenda for a regular board meeting.

The chairman calls each board meeting in accordance with Article 9 (1) of the Board Regulations, and he or she should notify each director at least 12 hours before the meeting's convening, as stipulated in Article 10 (1) of the same Regulations. If agreed upon by the entire board, this convocation procedure may be omitted.

(2) Information on regular and temporary BOD meetings from the starting point of the period for disclosure to the point of report submission

The following is the information on regular and temporary BOD meetings from the starting point of the period for disclosure to the point of report submission.

Table 7-1-1: History of Board Meetings Held During Public Disclosure Period

	Number of meetings	Average interval between agenda notifications and meeting (days)	Average attendance rate of directors (%)
Regular	11	5	98.7
Ad-hoc	4	5	100

B. Describe the policies provided by the company for the best decision by the BOD by including the following items.

(1) Whether a compensation policy integrated with each executive's performance evaluation is in place and is disclosed

Whether an executive compensation policy is in place **Y (O)**

Whether the policy is disclosed **N (X)**

The company provides performance incentives based on the executive's group and performance evaluations.

For the CEO, compensation is determined based on the organization's evaluation results of financial performance, key initiatives, and talent development and is approved by the BOD before remuneration.

In the case of executives other than the CEO, their compensation is determined through the organization's evaluation results of financial performance and critical initiatives. This compensation is approved by the Board of Directors, and within the approved budget, performance incentives are paid differentially based on each executive's individual evaluation results.

The executive performance evaluation system and the basis of calculating relevant resources are reported to the BOD; the company operates a process to utilize the remuneration of performance incentives to its decision-making.

The company does not disclose its executive compensation to outside sources, including its website.

(2) Subscription to executive liability insurance

Status of implementation **Y (O)**

The company has subscribed to an executive liability insurance to cover the legal liability that may arise from executives causing economic damage to shareholders or third parties while carrying out their management activities, ensuring their responsible business conduct.

However, the following items are excluded from compensation: criminal acts committed by executives, including intentional fraud, embezzlement, and breach of trust, claims for damages due to insider trading in violation of the Securities Act, damages arising from government institutes' claim for damages, such as the Korea Deposit Insurance Corporation, claims arising from acts prior to the retroactive date of coverage, and claims for damages due to criminal acts, such as fraud, embezzlement, and breach of trust committed by executives. The company has subscribed to an insurance with a high coverage limit of up to USD 100 million. To prevent moral hazard from arbitrary insurance purchases by executive officers and to improve transparency in decision-making, the subscription and renewal of insurance, including major terms such as premiums, covered damages, and exclusions, are conducted after obtaining prior approval from the Chief Financial Officer (CFO).

(3) Whether the company considers the profit of stakeholders who influence its consistent growth and mid- to long-term profits

Whether stakeholders are considered **Y (O)**

LG Chem acknowledges that the perspectives of various stakeholders, including corporate shareholders, are expanding to encompass not only economic value creation but also the pursuit of social value. To internalize "sustainability," which is a concept that encompasses financial and non-financial values, as a core value of our growth, we established the ESG Committee within the BOD in April 2021. Furthermore, to ensure the BOD is not limited to only representing specific interests, we have appointed two female outside directors and included experts from various fields in the BOD. This move highlights our initiative to consider diverse stakeholders in the company's decision-making processes.

C. Based on the aforementioned details, if there are deficiencies, such as a lack of BOD regulations that form the basis of regular BOD meetings or notifications of convocation without an adequate interval beforehand, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As described above, the company has established operational regulations for the BOD, which serve as the basis for convening BOD meetings. In addition to providing ample notice for board meetings, the company also holds separate preliminary briefings on each agenda item before the actual meeting. This approach aims to heighten the meticulousness of agenda deliberations and improve the efficiency of board operations.

(2) Future plan and explanation

We will make improvements if we find deficiencies regarding our BOD operation regulations.

■[307200] (Detailed Principle 7-2) - The Board of Directors should write detailed minutes for each meeting and disclose activity details including the attendance of individual directors and their votes for/against each item.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).  
The company prepares the minutes in detail whenever a board meeting is held.

A. Describe the preparation and preservation of board meeting records and the disclosure of the individual director’s activities by including the following details.

(1) Whether the minutes and recordings of board meetings are kept and preserved in detail and relevant regulations

Status of implementation Y (O)

The Board Secretariat records the proceedings of each board meeting in accordance with Article 391-3 (1) of the Commercial Act, in which the minutes include the agenda, gist of the progress, deliberation results, and dissenters and their reasons for dissension. As for transcripts, based on our judgment that the current business process ensures board discussions and resolutions to be recorded and preserved in detail, we do not prepare transcripts separately, and we have no plans to do so in the near future.

(2) Whether key discussions and resolutions within the BOD are recorded as each director’s statements

Status of implementation N (X)

In terms of taking minutes of meetings, the company prepares minutes by documenting what has been discussed and resolved at board meetings, but we have not recorded them on a director-specific basis for the past three years. When directors have objections, however, we plan to record their objections separately for each director, as required by Article 391-3 (2) of the Commercial Act.

(3) Individual director’s attendance rates and their ratios of “For” votes for the past three years

The following is the individual director’s attendance rates and their ratios of “For” votes for the past three years.

[Note]

- 1) Among the past three years, years not included in a director’s term of office are left blank.
- Since the outside director Young-han Lee has been appointed at the general meeting of shareholders dated Mar. 23, 2024, he is not applicable in relation to the attendance rate in the past three business years.
- 3) The “Past three years” on the table below is the information regarding years 2023, 2022, and 2021

Table 7-2-1: Directors’ Attendance Rates and Their Ratios of “For” Votes for the Past Three Years

	Type	Term of office as BOD member	Attendance (%)				“For” votes (%)			
			Average of the past three years	Past three years			Average of the past three years	Past three years		
				Current year	Previous year	Two years prior		Current year	Previous year	Two years prior
Hak-cheol Shin	Inside	March 15, 2019 – present	100	100	100	100	100	100	100	100
Dong-seok Cha	Inside	March 20, 2020 – present	100	100	100	100	100	100	100	100
Young-su Kwon	Other non-executive	March 20, 2020 – November 1, 2021	100			100	100			100
Bong-seok Kwon	Other non-executive	March 23, 2022 – present	100	100	100		100	100	100	
Young-ho Ahn	Inside	March 18, 2016 – March 23, 2022	100		100	100	100		100	100
Kuk-heon Cha	Independent	March 18, 2016 – March 23, 2022	100		100	100	100		100	100
Dong-min Jung	Independent	March 17, 2017 – March 28, 2023	95		91	100	100		100	100
Mun-su Kim	Independent	March 23, 2018 – March 25, 2024	100	100	100	100	100	100	100	100
Hwa-sun Cho	Independent	March 23, 2022 – present	100	100	100		100	100	100	
Hyun-joo Lee	Independent	March 23, 2022 – present	100	100	100		100	100	100	
Kyung-hoon Chun	Independent	March 28, 2023 – present	100	100			100	100		

(4) Whether the individual director’s activities are disclosed outside of regular public disclosures and its method

Disclosure N (X)

The company discloses the attendance and “For” votes of the individual director at its regular public disclosure; however, no other disclosures are made regarding their activities.

B. Based on the aforementioned details, if there are deficiencies regarding the preparation and preservation of board meeting minutes and the disclosure of the individual director's activities, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As described above, the company writes details on each board meeting minute to disclose the individual director's attendance and "For" votes for agendas.

(2) Future plan and explanation

We will make improvements if deficiencies are found in this regard.

**[307000] (Core Principle 8) In order to facilitate its efficient operation, the Board of Directors should establish committees under it and have them perform specific functions and roles.**

**■[308100] (Detailed Principle 8-1) - Each committee under the Board of Directors should have outside directors comprise the majority, with the Audit Committee and the Compensation (Remuneration) Committee being entirely made up of outside directors.**

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

Committees within our company's BOD are composed of a majority of outside directors; the company's Audit Committee consists entirely of outside directors.

A. Describe matters related to the composition of committees in the Board of Directors by including the following details.

(1) Whether the majority of the committee under the BOD consists of outside directors

Status of implementation **Y (O)**

**[Committees under the board]**

The company has a total of five committees under its BOD ("board committees") as of Dec. 31, 2023: Outside Director Nomination Committee, ESG Committee, Audit Committee, Internal Transaction Committee, and Management Committee. For more details on the status, role, and composition of each board committee, please refer to "4-1-2-1 [Composition of BOD's internal committees]."

**[Percentage of outside directors in board committees]**

The Outside Director Nomination Committee has three members in total, two of whom are outside directors. Four of the five members of the ESG Committee are outside directors, whereas the entire Audit Committee members are outside directors. Articles 542-11 and 415-2 of the Commercial Act and our Audit Committee Regulations require outside directors to account for at least two-thirds of the members, but we make up the entire Audit Committee with outside directors in order to secure independence for the members, which is stricter than required by relevant regulations. Three out of four outside directors make up the Internal Transaction Committee.

(2) Whether the Audit Committee and Compensation (Reward) Committee consist entirely of outside directors

Status of implementation **Y (O)**

The entire Audit Committee members are outside directors. Articles 542-11 and 415-2 of the Commercial Act and our Audit Committee Regulations require outside directors to account for at least two-thirds of the members, but we make up the entire Audit Committee with outside directors in order to secure independence for the members, which is stricter than required by relevant regulations.

B. Based on the aforementioned details, if there are deficiencies regarding the composition of committees under the BOD, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

The company complies with the guidelines, as committees within our company's Board of Directors are composed of a majority of outside directors and its Audit Committee consists entirely of outside directors.

(2) Future plan and explanation

We will make improvements if deficiencies are found in this regard.

■[308200] (Detailed Principle 8-2) - All matters concerning the organization, operation, and authorizations of each committee should be expressly stipulated in writing, and each committee should report its resolutions to the Board of Directors.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).  
All matters concerning the organization, operation, and authorizations of each committee are expressly stipulated in writing, and each committee should report its resolutions to the BOD.

A. Describe matters related to the organization and operations of committees in the Board of Directors by including the following details.

(1) Whether a written regulation is in place for the organization, operation, and authority of committees under the Board of Directors and its details

Whether a written regulation is in place Y (O)

Information on the board committees, that is, Audit Committee, Internal Transaction Committee, ESG Committee, Outside Director Nomination Committee, and Management Committee is available under “VI. Matters concerning the BOD and Other Organizations of the Company” of our Business Report. This information includes the purposes of establishing the respective committees, their respective rights and responsibilities, activities and performance evaluations during the disclosure period, and their appointment and dismissal. Documents for the respective committee regulations (Audit Committee Regulations, Outside Director Nomination Committee Regulations, and Management Committee Regulations) are found on our website, and they are also attached to this report under 5. Other Matters of Importance.

□ LG Chem committee regulations:

<https://www.lgchem.com/company/investment-information/management-information/committee>

(2) Whether the resolutions of the committee is reported to the Board of Directors

Status of report Y (O)

In accordance with Article 393-2 (4) of the Commercial Act, Article 10 of the Audit Committee Regulations, Article 3 of the Internal Transaction Committee Regulations, Article 3 of the ESG Committee Regulations, and Article 13 of the Management Committee Regulations, all committee resolutions are reported to the directors.

(3) Each committee’s resolutions that have been reported to the BOD from the starting point of the period for disclosure to the point of report submission.

The following is the status of each committee’s resolutions that have been reported to the BOD from the starting point of the period for disclosure to the point of report submission.

[Note]

- 1. Prepared based on the information from Jan. 1, 2023 to May 31, 2024.
- 2. The company has not established its Risk Management Committee as an organization under the BOD.

Table 8-2-1: Director Candidate Nomination Committee Held

		Date convened	Attending members	Quota	Agenda		Voting result	Report to BOD
					Type	Description		
2023 Directors - 1 <sup>st</sup>	2023	02/15/2023	3	3	Resolution	Nomination of an outside director candidate (draft)	Approved	O
2023 Directors - 2 <sup>nd</sup>	2023	07/25/2023	3	3	Resolution	Approval of the appointment of the Outside Director Nomination Committee Chairperson (draft)	Approved	O
2024 Directors - 1 <sup>st</sup>	2024	02/13/2024	3	3	Resolution	Nomination of an outside director candidate (draft)	Approved	O

Table 8-2-2: Risk Management Committee Held

		Date convened	Attending members	Quota	Agenda		Voting result	Report to BOD
					Type	Description		

Table 8-2-3: Internal Transaction Committee Held

		Date convened	Attending members	Quota	Agenda		Voting result	Report to BOD
					Type	Description		
2023 Internal - 1 <sup>st</sup> -1	2023	04/21/2023	4	4	Resolution	Approval of the appointment of the Audit Committee Chairperson	Approved	O
2023 Internal - 1 <sup>st</sup> -2	2023	04/21/2023	4	4	Resolution	Approval of a large-scale internal transaction with a domestic subsidiary	Approved	O
2023 Internal - 2 <sup>nd</sup> -1	2023	07/21/2023	4	4	Resolution	Approval of a large-scale internal transaction with a domestic subsidiary	Approved	O
2023 Internal - 2 <sup>nd</sup> -2	2023	07/21/2023	4	4	Resolution	Approval for the limit on the total amount of transaction with parties of special interests	Approved	O
2023 Internal - 2 <sup>nd</sup> -3	2023	07/21/2023	4	4	Report	Report on the internal transactions executed in the first half of 2023	Other	O
2023 Internal - 3 <sup>rd</sup> -1	2023	11/17/2023	4	4	Resolution	Approval of real estate lease contract	Approved	O
2023 Internal - 3 <sup>rd</sup> -2	2023	11/17/2023	4	4	Resolution	Approval of asset transaction with affiliate	Approved	O
2023 Internal - 3 <sup>rd</sup> -3	2023	11/17/2023	4	4	Resolution	Approval for the limit on the total amount of transaction with parties of special interests	Approved	O
2023 Internal - 3 <sup>rd</sup> -4	2023	11/17/2023	4	4	Resolution	Approval of self-dealings with affiliates, etc.	Approved	O
2023 Internal - 3 <sup>rd</sup> -5	2023	11/17/2023	4	4	Resolution	Approval of product or service transactions with affiliates	Approved	O
2023 Internal - 3 <sup>rd</sup> -6	2023	11/17/2023	4	4	Report	Report on the estimated internal transaction execution details in 2023	Other	O
2023 Internal - 3 <sup>rd</sup> -7	2023	11/17/2023	4	4	Report	Report on the "Review of Evaluation Risks" related with transactions subject to regulations against illegal profit-taking in 2024	Other	O

(4) Other committees under BOD (use table above if necessary)

[Management Committee]							
Type	Date convened	Attending members	Quota	Agenda		Voting result	Report to BOD
				Type	Description		
2023 Management - 1 <sup>st</sup> -1	01/03/2023	2	2	Resolution	Issuance of LG Chem's non-secured private bonds (Nos. 56-1, 56-2, and 56-3)	Approved	O
2023 Management - 1 <sup>st</sup> -2	01/03/2023	2	2	Resolution	Loan of USD 200 million from KDB	Approved	O
2023 Management - 1 <sup>st</sup> -3	01/03/2023	2	2	Resolution	Loan of USD 100 million from KDB	Approved	O
2023 Management - 1 <sup>st</sup> -4	01/03/2023	2	2	Resolution	BANK OF AMERICA Loan of USD 100 million	Approved	O
2023 Management - 2 <sup>nd</sup>	04/12/2023	2	2	Resolution	Loan of CNY 1.5 billion	Approved	O
2024 Management - 1 <sup>st</sup>	02/05/2024	2	2	Resolution	Issuance of LG Chem's non-secured private bonds (Nos. 57-1, 57-2, and 57-3)	Approved	O
[ESG Committee]							
Type	Date convened	Attending members	Quota	Agenda		Voting result	Report to BOD
				Type	Description		
2023 ESG - 1 <sup>st</sup>	04/26/2023	5	5	Report	Report on the status of implementing ESG management	Other	O
2023 ESG- 2 <sup>nd</sup> -1	11/22/2023	5	5	Report	ESG management report on partner corporations	Other	O
2023 ESG- 2 <sup>nd</sup> -2	11/22/2023	5	5	Report	Report on compliance risk management system	Other	O
2024 ESG- 1 <sup>st</sup> -1	04/29/2024	5	5	Report	Report on public disclosure of sustainability (draft)	Other	O
2024 ESG- 1 <sup>st</sup> -2	04/29/2024	5	5	Report	Report on compliance risk management system	Other	O

B. Based on the aforementioned details, if there are deficiencies regarding the preparation of written regulations related to the operations of committees under the BOD or reports to the BOD on the committees’ resolutions, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof



As described above, the company has written regulations on the organization, operation, and authority of all committees; the committees report their resolutions to the BOD.

(2) Future plan and explanation

We will make improvements if deficiencies are found in this regard.

[400000] 4. Audit Bodies

[409000] (Core Principle 9) Internal audit bodies, such as the Audit Committee and auditors, should perform audit activities faithfully from a position independent from the management and controlling shareholders. The primary activities of internal audit bodies should be publicly disclosed.

■[409100] (Detailed Principle 9-1) - Internal audit bodies, such as the Audit Committee and auditors, should ensure independence and expertise.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).  
The company ensures the independence and expertise of its audit committee. The Committee also receives adequate support, including necessary training and assistance from external experts, to implement its audit duties.

A. Describe the composition of the internal audit body by including the following.

(1) Internal audit body composition status

Whether an internal audit body is in place Y (O)

Pursuant to 415-2 and 542-11 of the Commercial Act and Article 4 of the Audit Committee Regulations, the Audit Committee should be composed of three directors or more, two-thirds of whom should be outside directors and at least one should be an expert in accounting or finance. As of the date this report was submitted, the company's Audit Committee consists entirely of four outside directors, including accounting and legal experts who present independent opinions regarding the management's reasonable business judgments.

[Note]

1. The table below has been prepared based on information as of May 31, 2024.

Table 9-1-1: Composition of Internal Audit Body

	Composition		Auditing career experiences and qualifications	Remarks
	Position	Type		
Hwa-sun Cho	Chairperson	Independent	- Political Science and International Studies, Yonsei University - Former assistant professor, Graduate School of Public Policy and Information Technology, Seoul National University of Science and Technology - Current Policy Advisory Committee member, Ministry of Personnel Management - Current Advisory Committee member, Anti-Corruption and Civil Rights Commission - Current member of the Korean Academy of Science and Technology (Faculty of Policy) - Current professor, Department of Political Science and International Studies, Yonsei University	04/29/2024 Appointed as Chairperson of Audit Committee
Hyun-joo Lee	Member	Independent	- Chemical Engineering, Seoul National University - Master's in Chemical Engineering, Caltech - Ph.D. in Chemical Engineering, Caltech - Postdoctoral program, UC Berkeley - Former assistant/associate professor, Department of Chemical and Biomolecular Engineering, Yonsei University - Current professor, Department of Chemical and Biomolecular Engineering, KAIST	
Kyung-hoon Chun	Member	Independent	- Seoul National University Department of Law - Master's and Ph.D from Seoul National University Department of Law - Master's in Law, Duke University - Passed the 35 <sup>th</sup> judicial examination - Former assistant/associate professor, Seoul National University School of Law - Current Professor at Seoul National University School of Law	

	Composition		Auditing career experiences and qualifications	Remarks
	Position	Type		
Young-han Lee	Member	Independent	- Business Administration, Yonsei University - Master's and Ph.D. in Business Administration from Yonsei University - Former member of the national tax deliberation committee in the Jungbu Regional Tax Office - Former member of the board of supervisors at the Financial Services Commission - Former member of the KOSDAQ market committee at the Korea Exchange. - Current professor at University of Seoul Department of Science in Taxation	Accounting and finance expert

(2) Policies for ensuring independence and expertise of internal audit bodies

Existence of accounting or financial expert Y(O)

In order to ensure independence and expertise for the Audit Committee, the company nominates outside directors from a pool of candidates validated by the Outside Director Nomination Committee. Furthermore, we have institutional mechanisms in place that virtually exclude such directors from the Outside Director Nomination Committee in effort to prevent the committee from getting involved directly in management or prevent an outside director whose term is about to expire from having him/herself nominated. We implement the appointment process by employing these institutional systems to select Audit Committee members from a pool of independent and knowledgeable outside directors. This enables Audit Committee members to perform their natural roles as auditors ensuring the company's smooth operation of businesses and accounting processes. In addition, the company validates eligibility requirements rigorously, taking into account the composition of the Audit Committee and the roles of each member at the time of the appointment process, so that the most optimal in terms of independence and expertise can be selected.

Serving as a professor of taxation and accounting and the dean of the Graduate School of Science in Taxation of University of Seoul, Young-Han Lee is an accounting, taxation, and finance expert who actively carries out research and industry-academia collaboration projects.

B. Describe the operation of the internal audit body by including the following.

(1) Whether a separate regulation is in place to regulate the operational goals, organization, authority, and responsibility of the internal audit body and its details

Internal audit body regulations Y(O)

The Audit Committee audits accounting and other major business management activities, assesses the operational status of the internal accounting management policy as well as the internal supervisory monitoring system, and supervises directors and the management in fulfilling their duties, thereby ensuring that they make reasonable management decisions. The company strives to secure the Audit Committee's independence by communicating with external auditors every quarter, without the management present. The Audit Committee Regulations ensure that the committee maintains objectivity from an independent position from the BOD, management, and other business execution bodies when performing their duties as auditors. The Audit Committee Regulations are available on our website.

□ LG Chem Audit Committee Regulations:

<https://www.lgchem.com/company/investment-information/management-information/committee>

The specific roles of Audit Committee members are defined as follows, under Article 11 of the Audit Committee Regulations.

Type	Items submitted
Matters concerning general meetings of shareholders	<ul style="list-style-type: none"> <li>• Call to convene an EGM</li> <li>• Statements on proposed agenda items for a general meeting of shareholders and related documents</li> </ul>
Matters concerning the BOD and directors	<ul style="list-style-type: none"> <li>• Obligation to report to the BOD</li> <li>• Preparation and submission of an audit report</li> <li>• Injunction against an unlawful act committed by a director</li> <li>• Request for a director to provide a business report</li> <li>• Matters delegated by the BOD</li> <li>• Call to convene a board meeting</li> </ul>
Matters concerning audits	<ul style="list-style-type: none"> <li>• Investigation of tasks and assets</li> <li>• Investigation of subsidiaries</li> <li>• Acceptance of reports from directors</li> <li>• Representation of the company in a lawsuit between a director and the company</li> <li>• Decision on the filing of a lawsuit upon receiving a request by minority shareholders against a director</li> <li>• Reviews for the purpose of selecting an auditor</li> <li>• Request to select, change or dismiss an auditor</li> <li>• Acceptance of reports from auditors on any misconduct or material facts that violate relevant laws and regulations or the Articles of Incorporation</li> <li>• Acceptance of reports from auditors on any violations of accounting processing standards and rules by the company</li> <li>• Evaluation of audit plans and results as well as auditors' audit activities and check of corrective action taken based on audit results</li> <li>• Feasibility review of changes in material accounting processing standards or accounting estimates</li> <li>• Enactment of or amendment to internal accounting management regulations</li> <li>• Assessment of the internal accounting management policy operational status</li> <li>• Assessment of the internal supervisory monitoring system operational status</li> <li>• Consent to the appointment or dismissal and evaluation of the head of an Audit Committee supporting department</li> </ul>
Others	<ul style="list-style-type: none"> <li>• Other matters prescribed in the laws or the Articles of Incorporation or matters delegated by the BOD as well as matters required to address these matters</li> <li>• Other important matters that the CEO considers necessary to report to the Audit Committee</li> </ul>

## (2) Status of providing training necessary for audit tasks

Training provided to internal audit body ☒ Y ☐ O

We hold an Audit Committee workshop once a year to brief the members on the contents of applicable laws and their amendments, including the Act on External Audit of Stock Companies, as well as to train them in such matters as ways of strengthening internal control, external auditors' activities, and plans for running the committee. Through these educational programs, the company emphasizes the roles and responsibilities of Audit Committee members and supports the members to fulfill them.

Training date / Training time	Education provided by	Attending members	Key contents
January 31, 2023 / 1 hour	Samil PwC	Mun-su Kim (Chairperson), Dong-min Jung, Hwa-sun Cho, Hyun-joo Lee	Progress of the year-end audit for 2022 and requirements for communication with governing bodies in the Auditing Standards Guide
April 26, 2023 / 1 hour	Deloitte Anjin LLC	Mun-su Kim (Chairperson), Hwa-sun Cho, Hyun-joo Lee, Kyung-hoon Chun	Explanation on the financial statements for Q1 2023
May 16, 2023 / 1 hour	Deloitte Anjin LLC and LG Chem's finance-related departments, including Accounting Management Team	Mun-su Kim (Chairperson), Hwa-sun Cho, Hyun-joo Lee, Kyung-hoon Chun	Understanding and inspection of impact of Chat GPT, LG Chem's DX initiatives and main programs, understanding of the internal accounting management system and the operation of the company's internal accounting management system, responsibilities and roles of the audit committee, and the business strategy of the life sciences business division
July 26, 2023 / 1 hour	Deloitte Anjin LLC	Mun-su Kim (Chairperson), Hwa-sun Cho, Hyun-joo Lee, Kyung-hoon Chun	Explanation on the semi-annual financial statements of 2023
October 30, 2023 / 1 hour	Deloitte Anjin LLC	Mun-su Kim (Chairperson), Hwa-sun Cho, Hyun-joo Lee, Kyung-hoon Chun	Explanation on the financial statements for Q3 2023
January 31, 2024 / 1 hour	Deloitte Anjin LLC	Mun-su Kim (Chairperson), Hwa-sun Cho, Hyun-joo Lee, Kyung-hoon Chun	Progress of the year-end audit for 2023 and requirements for communication with governing bodies in the Auditing Standards Guide

(3) Whether measures such as support for external advisory are taken and their details

External advisory support **Y (O)**

Pursuant to Article 19-2 of the Audit Committee Regulations, if an external auditor notifies the Audit Committee of a violation of the company's accounting standards, the committee can appoint external auditors to investigate the issue at the company's expense. It receives reports on the investigation results and requests the CEO to take corrective actions. Moreover, the Audit Committee has the right to request relevant employees and external auditors to attend its meetings and make statements or provide necessary information. The committee can also seek experts' advice at the company's expense according to Article 13 of the Audit Committee Regulations, if deemed necessary to fulfill its duties.

(4) Regulations related to the investigations on the fraudulent acts of the management and matters regarding the information, support for expenses, etc., related to the management's internal audit body

Preparation of investigation regulations **Y (O)**

Explained by item (3) above

(5) The internal audit body's access to matters with the possibility to bear an important influence on the company's management

Whether the internal audit body has an information access procedure **Y (O)**

Article 3 of the Audit Committee Regulations stipulates that the Audit Committee can request directors, at any time, if deemed necessary to carry out its duties, to provide a report about the company's business operations, or can investigate the status of the company's businesses or assets.

C. Describe the support organizations of the internal audit body by including the following.

(1) Organization supporting internal audit bodies

Whether a support organization is in place **Y (O)**

As of Jan. 1, 2019, to support the Audit Committee in fulfilling its roles and responsibilities under relevant statutes and regulations, such as evaluating the operation of the internal accounting management system and the status of internal controls, the company established the *Jeong-Do* ("right path") Management Part and Accounting Audit Part (two members in total). To further enhance the authority and independence of the Audit Committee, the company reorganized this team into the Audit Support Team (consisting of three members, including a team leader) on Jun. 1, 2021.

Department (Team)	Members	Major tasks
Audit Support Team	3	1. Support the assessment of the internal accounting management policy operational status 2. Support the assessment of the internal supervisory monitoring system operational status 3. Support the audit report preparation 4. Support the selection and evaluation of auditors 5. Support for the auditor's review of the independence of non-audit service contracts 6. Arrangement of agendas proposed to the Audit Committee, preparation of minutes, follow-up management of submitted agendas, etc. 7. Support for tasks, such as training the Audit Committee 8. Other tasks assigned by the Committee

(2) Whether the internal audit body's support organizations are independent

Independence of internal audit body's support organizations **Y (O)**

The Audit Support Team, which supports internal audit bodies, consists of three members, including a team leader. The Audit Support Team's responsibilities are limited to supporting financial and operational audits, as stipulated by the Audit Committee's regulations. Upon completion of their tasks, they report their findings directly to the Audit Committee.

The authority to appoint and evaluate the head of the Audit Support Team is bound to the Audit Committee.

The Audit Support Team regularly appoints external experts to evaluate the operation of the internal accounting management system. These selected external experts report their evaluation results directly to the Audit Committee.

D. Describe whether compensation corresponding to the legal responsibilities of the auditor and audits and at a suitable level to support the faithful fulfillment of tasks are provided by including the following details.

(1) Whether an independent compensation policy is operated for auditors and audits

Independent compensation policy is in place **Y (O)**

The company's Audit Committee consists entirely of outside directors, and we pay the same amount of compensation to outside directors. Therefore, there is no difference in compensation between outside directors who are Audit Committee members and who are not. As a way of securing independence in fulfilling roles and responsibilities as Audit Committee members and ensuring their faithful performance of duties, we created a supporting organization and institutional mechanisms, rather than differentiating compensation levels, allowing the committee members to perform their duties professionally in ways that fit their roles and responsibilities.

As stated above, the company has secured independence and expertise in its internal audit organizations to a sufficient level, and meets all the requirements prescribed in applicable laws and regulations.

(2) Ratio of compensation to Audit Committee members or outside directors who are not auditors

Compensation ratio **1**

The company appoints all outside directors as Audit Committee members; therefore, this item does not apply.

E. Based on the aforementioned details, if there are deficiencies in securing the independence and expertise of the internal audit body, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As described above, the company ensures the independence and expertise of its Audit Committee.

(2) Future plan and explanation

We will make improvements if deficiencies are found in this regard.

(3) (If an Audit Committee is not in place) The reason for the absence of an Audit Committee and whether there is a plan to install one in the future

The company has an Audit Committee.

■[409200] (Detailed Principle 9-2) - Internal audit bodies, such as the Audit Committee and auditors, should perform auditing tasks faithfully through such measures as holding regular meetings, and disclose their activities in a transparent manner.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).

The company's Audit Committee faithfully fulfills its audit tasks through measures such as regular meetings, writing and preservation of audit records, and the procedure of reports to the general meeting of shareholders.

A. Describe the items related to the activity records of the internal audit body, such as the status of its regular meetings' convocation, by including the following items.

(1) Internal audit body's audit activities and details of its regular activities (meetings), such as the procedure of appointing external auditors and evaluation of the operating status of the internal accounting management system from the starting point of the period for disclosure to the point of report submission

Whether regular meetings are held ☒ Y (O)

**[Internal audit body's audit activities]**

The Audit Committee held a total of seven committee meetings in 2022, and three meetings in 2023 up until the day of this reporting. The committee has handled a total of 35 agenda items (12 approved, 23 reported) between 2022 and 2023.

Chairperson Mun-su Kim (term ended as of the report submission date) served as a former Vice Commissioner of National Tax Service, and based on his extensive experience and knowledge of financial management and accounting in general, we reviewed the adequacy of the company's quarterly financial statements and the external auditor's audit status report to ensure that the Audit Committee is able to fulfill its responsibilities as an internal audit organization.

Hwa-sun Cho, another member, (appointed as Chairperson of the Audit Committee as of the report submission date) supervises and advises the company from an objective and independent standpoint based on her knowledge of science and technology policy and future governance research, as well as her experience as a non-executive director at the Korea Institute of Industrial Technology and the Korea District Heating Corp.

Member Hyun-joo Lee offers a variety of insights not only into the technical aspects, but also into the company management and Audit Committee's operation on the basis of her extensive knowledge and experience in the petrochemical process and industry. Lee audits the company's work in an impartial manner.

One of the audit members Kyung-hoon Chun has made diverse contributions to the audit committee operation as an attorney at law who served at a law firm for 10 years and currently holds a position as a professor at the Seoul National University School of Law. As a legal expert, he has reviewed the company's primary internal regulations, including the Board Regulations and the Audit Committee Regulations, for completeness; presented opinions on measures to improve the regulations; and expressed his legal views on extraordinary incidents.

Outside director Young-han Lee built his career working as a licensed tax accountant at an accounting firm and as a member of the national tax deliberation committee in the Jungbu Regional Tax Office, a member of the board of supervisors at the Financial Services Commission, and a member of the KOSDAQ market committee at the Korea Exchange. Currently serving as a professor of taxation and accounting and the dean of the Graduate School of Science in Taxation of University of Seoul, he is an accounting, taxation, and finance expert who faithfully fulfills his roles by supervising, advising, and containing matters of principal business management.

More details of the internal audit bodies' audit activities are provided in the following tables below, under [Audit Committee meetings and attendance details and rates].

**[Process of external auditor appointment]**

As per the provisions of Article 10 (Appointment of Auditors) of the Act on External Audit of Stock Companies amended in November 2018, the company established internal regulations for the Audit Committee and held through face-to-face conferences to appoint external auditors.

**[Assessment of the internal accounting management policy operational status]**

Based on the consolidated and separate operational status reports on the internal accounting management policy the company's CEO and the internal accounting manager submitted to the Audit Committee, the committee assessed the effectiveness of the design and operation of the company's internal accounting management system in terms of its roles in preventing and identifying errors or fraudulent acts that may distort financial statements, so as to ensure the preparation and disclosure of reliable financial statements. The Audit Committee concluded that, as of Dec. 31, 2023, the company's internal accounting management policy is operating effectively, from the perspective of materiality, judging from the "conceptual framework for the design and operation of internal accounting management policy."

You can find more details about the evaluation reports and resolutions regarding the consolidated and separate internal accounting management policy operational status in the tables below under [Audit Committee meetings and attendance details and rates].

As provided above, the company's Audit Committee holds a committee meeting on a regular basis with the members' attendance, and conducts thorough deliberations, thereby fulfilling its obligations for accounting audits, such as supervising internal audit bodies' audit activities, appointing external auditors, and evaluating internal accounting management system, as well as business audits by supervising internal audits and risk and internal controls.

(2) Whether the minutes and recordings of audit activities and internal regulations related to the general meeting of shareholders are in place and their details  
Whether regulations are in place ☒ Y (O)

The Audit Committee Regulations are in place as an institutional basis for the Audit Committee to discuss matters concerning the company's business and audit whenever necessary. Pursuant to Article 14 of the Regulations, the company not only prepares, preserves, and manages meeting minutes but also has institutionalized its internal processes and procedures to report matters concerning results of assessing the operational status of the internal accounting management policy to the board prior to convening an AGM, ensuring that the matters are reported appropriately during the meeting. The company also attends the general meeting of shareholders to report accounting and business audit results.

(3) (If an Audit Committee is in place) History of holding Audit Committee meetings and attendance details of individual director from the starting point of the period for disclosure to the point of report submission

[Meetings held by the Audit Committee]							
Year	Session	Date convened	Present	Quota	Agenda		Approval
					Type	Description	
2023	1 <sup>st</sup>	01/31/2023	4	4	Items to report	Progress report on the external auditor's review	Reported
						Approval of the financial statement for the 22 <sup>nd</sup> fiscal year	Reported
						Approval of the 22 <sup>nd</sup> business report	Reported
						Report on the operational status of the internal accounting management policy in 2022	Reported
						Report on the management diagnosis for the second half of 2022	Reported
						Report on the compliance control system operational status	Reported
	2 <sup>nd</sup>	02/20/2023	4	4	Items to report	Progress report on the external auditor's year-end audit for 2022	Reported
					Items to be approved	Approval of the assessment report on the internal accounting management policy operational status (draft)	Approved
						Approval of the Audit Committee's review opinions on the internal supervisory monitoring system (draft)	Approved
						Approval of the auditor's report on the 22 <sup>nd</sup> financial statements and business report (draft)	Approved
						Approval of the appointment of the support division head of the Audit Committee (draft)	Approved
	3 <sup>rd</sup>	04/26/2023	4	4	Items to report	Report on the external auditors for Q1 2023	Reported
						Report on the financial statement for Q1 2023 (draft)	Reported
	4 <sup>th</sup>	07/26/2023	4	4	Items to report	Report on the progress of the semi-annual review for 2023	Reported
						Report on the semi-annual financial statement for 2023 (draft)	Reported
						Report on the management diagnosis for the first half of 2023	Reported
	5 <sup>th</sup>	10/30/2023	4	4	Items to report	Report on the external auditors for Q3 2023	Reported
						Report on the financial statement for Q3 2023 (draft)	Reported
					Items to be approved	Consent to the evaluation of the head of the Audit Committee supporting department	Approved
	6 <sup>th</sup>	11/17/2023	4	4	Items to report	Report on external auditor designation results	Reported
2024	1 <sup>st</sup>	01/31/2024	4	4	Items to report	Progress report on the external auditor's review	Reported
						Report on the management diagnosis for the second half of 2023	Reported
						Approval of the financial statement for the 23 <sup>rd</sup> fiscal year	Reported
						Approval of the 23 <sup>rd</sup> business report	Reported
						Report on the operational status of the internal accounting management policy in 2023	Reported
					Items to be approved	Approval of the amendments to the internal accounting management regulations (draft)	Approved
	2 <sup>nd</sup>	01/31/2024	3	4	Items to report	Progress report on the external auditor's year-end audit for 2023	Reported
					Items to be approved	Approval of the assessment report on the internal accounting management policy operational status (draft)	Approved
						Approval of the Audit Committee's review opinions on the internal supervisory monitoring system (draft)	Approved
						Approval of the auditor's report on the 23 <sup>rd</sup> financial statements and business report (draft)	Approved
	3 <sup>rd</sup>	04/29/2024	4	4	Items to be approved	Final approval of the approval of the Audit Committee Chairperson (draft)	Approved
					Items to report	Progress report on the external auditor's review	Reported
						Report on the financial statement for Q1 2024 (draft)	Reported



[Attendance of individual director]												
Type		Year	2023						2024			Remarks
		Session	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	
		Date convened	1. 31	2. 20	4. 26	7. 26	10. 30	11. 17	1. 31	2. 23	4. 29	
Outside director	Dong-min Jung	Present	Present	Present	-	-	-	-	-	-	-	Retired before the 3 <sup>rd</sup> meeting in 2023
	Mun-su Kim	Present	Present	Present	Present	Present	Present	Present	Present	Absent	-	Retired before the 3 <sup>rd</sup> meeting in 2024
	Hwa-sun Cho	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Appointed from the 3 <sup>rd</sup> meeting onwards in 2022
	Hyun-joo Lee	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Appointed from the 3 <sup>rd</sup> meeting onwards in 2022
	Kyung-hoon Chun	-	-	Present	Present	Present	Present	Present	Present	Present	Present	Appointed from the 3 <sup>rd</sup> meeting onwards in 2023
	Young-han Lee	-	-	-	-	-	-	-	-	-	Present	Appointed from the 3 <sup>rd</sup> meeting onwards in 2024
1) Among the past three years, years not included in a director's term of office are indicated with "-."												

Table 9-2-1: Attendance Rate of the Individual Director for the Past Three Years

	Type	Attendance (%)			
		Average of the past three years	Past three years		
			Current year	Previous year	Two years prior
Young-ho Ahn	Independent	100			100
Dong-min Jung	Independent	100	100	100	100
Mun-su Kim	Independent	100	100	100	100
Hwa-sun Cho	Independent	100	100	100	
Hyun-joo Lee	Independent	100	100		
Kyung-hoon Chun	Independent	100	100		

B. Based on the aforementioned details, if there are deficiencies regarding the internal audit body’s fulfillment of audit tasks, explain the reasons thereof and future plans.

- (1) Lacking parts and the reasons thereof

As provided above, the company’s Audit Committee holds a committee meeting on a regular basis with full attendance, and conducts thorough deliberations, thereby fulfilling its obligations for accounting audits by supervising financial reports, internal accounting management system, and external auditors as well as business audits by supervising internal audits, and risk and internal controls.
- (2) Future plan and explanation

We will make improvements if deficiencies are found in this regard.

[410000] (Core Principle 10) An external auditor should perform audits fairly from a position that is independent of the company being audited, its management, and controlling shareholders, to ensure that the company's accounting information is regarded as trustworthy by shareholders and other users.

■[410100] (Detailed Principle 10-1) - The company's internal audit bodies should develop and enforce policies for securing independence and expertise when appointing an external auditor.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).  
The company's internal audit body develops and enforces policies for securing independence and expertise when appointing an external auditor.

A. Describe the appointment and the operational policy regarding external auditors by including the following details.

(1) Policies related to appointment to ensure the external auditor's independence and expertise, situations with the possibility of infringing upon the auditor's independence

Whether a policy is in place **Y (O)**

Possibility of infringing upon the auditor's independence **N (X)**

Based on the example document on the outside director nomination standards published by the Korea Listed Companies Association, the Audit Committee enacted committee bylaws on auditor selection criteria and procedures to ensure that an external auditor equipped with independence and expertise is selected, in consideration of the capabilities of external auditors, the capabilities of their audit teams, the appropriateness of audit execution procedures, and audit service fees.

To manage the independence of external auditors, the non-audit services that may be conducted for the company and its subsidiaries by the external auditor and its affiliates are limited to those that have been determined to be consistent with the management of the independence of the external auditor based on applicable statutes, such as the restrictions on tasks pursuant to the Certified Public Accountant Act, and the International Ethical Standards Board for Accountants (IESBA Code), and have received the prior consent or consultation of the Audit Committee. The Audit Committee looks comprehensively into compliance of such tasks with Article 21 (Restrictions on Functions) of the Certified Public Accountant Act, Article 14 (Restrictions on Functions) of the Enforcement Decree of the same Act, and the IESBA Code and potential damage to independence as well as the need for a contract and the appropriateness of the contract amount.

(2) Meetings and matters discussed in the meetings regarding the appointment of external auditors

Through the 7<sup>th</sup> face-to-face meeting in October 2022, the Audit Committee appointed Deloitte Anjin LLC as the company's external auditor for three consecutive fiscal years starting in 2023.

In November 2023, the Financial Supervisory Service designated Samil PwC as the company's external auditor through a notice according to the periodical designation system for external auditors; therefore, the company concluded an external audit contract with Samil PwC, its designated auditor, for three consecutive fiscal years starting in 2023.

(3) Post-external audit evaluation of whether the external auditor's audit plans were faithfully followed and its details

The external auditor discussed its audit schedules and requested data and documents with the company ahead of time to ensure that the audit process would go appropriately, thereby fulfilling the duties faithfully according to the agreed-upon plan. There was no request for unnecessary information in the course of the audit, and the company's external audit director showed active participation to make sure that the audit process would go smoothly. When the external auditor submits an audit report, we check if all the items agreed to in writing (including audit service fee, duration, and resources required for the audit) have been complied with.

(4) If the company receives consulting and non-audit services through an external auditor or its affiliate, the reason for selecting that audit firm and the history of providing fees

The external auditors obtain prior collective approval from the Audit Committee for non-audit services involving tasks such as issuing financial statement confirmations and providing tax advice, typically performed exclusively by external auditors. They report quarterly progress to the Audit Committee on annual repeated and standardized tasks, with clear low-risk to independence tasks. For other non-audit services, specific approvals are obtained from the Audit Committee for each engagement before contracting.

For more details, please refer to "V. Accounting auditor's comment on the audit, etc.," of the business report disclosed to DART, which provides an in-depth description.

**[Non-audit service contract status based on 2023 business report]**

No.	Service name	Service compensation (Unit: KRW million)	Reason for selection
1	Type 1 e-Discovery tasks	2	- This contract was concluded in 2019, prior to when the external auditor conducted audit activities for the company. It was selected because the consecutive fulfillment of tasks was crucial in terms of the characteristics of the service.
2	B2B marketing capability training system design	50	- The service has numerous B2B marketing strategy establishment and HR-related project experiences with major clients and enables the use of global IPs, offering access to benchmark B2B processes of businesses such as 3M and BASF and capability fostering cases.
3	Issuance of comfort letters	180	- The contract was signed because a comfort letter written by an external auditor was necessary when issuing its exchangeable bonds.
4	Compliance examination service for partner corporations	20	- The service had higher audit-related expertise than its competitors and has a significant understanding of the company's compliance activities after providing services for an extended period of time.

B. Based on the aforementioned details, if there are deficiencies regarding the policies to ensure the independence and expertise of external auditors upon their appointment, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As described above, the company implements policies to ensure the independence and expertise of external auditors upon their appointment.

(2) Future plan and explanation

We will make improvements if deficiencies are found in this regard.

■[410200] (Detailed Principle 10-2) - Internal audit bodies of the company should communicate periodically with its external auditors at every step of the external audit and audit reporting process.

Briefly describe the compliance status of the Detailed Principle above (within 100 characters).  
Internal audit bodies of the company communicate periodically with their external auditors at every step of the external audit and audit reporting process.

A. Describe the details of the communication between internal audit bodies and the external auditor according to the following.

(1) Whether internal audit bodies consult crucial audit matters with the external auditor without the attendance of the company’s management at least once every quarter

Status of implementation Y (O)

The Audit Committee receives the external auditor’s reviews on the company’s important accounting standards as well as audit and review on financial statements without the attendance of the management for every quarter, half-year, and year-end, aiming to identify any critical violations by the management in the course of executing their duties or any other violations of relevant laws or the Articles of Incorporation. They also exchange opinions on key points of the submitted reports.

The following is the history of communicating with external auditor on accounting audit and review results regarding the financial statements and internal accounting management system from January 2023 to the first quarter of the 2024 fiscal year.

Table 10-2-1: Communication with External Auditor

	Date convened	Quarter	Description
2 <sup>nd</sup> Audit Committee in 2023	04/26/2023	Q1	Annual audit plans, expected schedule of the governance organization’s communication, auditor’s independence, findings that require attention in the Q1 review, etc.
3 <sup>rd</sup> Audit Committee in 2023	07/26/2023	Q2	Preliminary selection of core audit items, risks that require attention, auditor’s independence, findings that require attention in the semi-annual review, etc.
4 <sup>th</sup> Audit Committee in 2023	10/30/2023	Q3	Findings that require attention in the Q3 review, key matters of the annual audit, auditor’s independence
1 <sup>st</sup> Audit Committee in 2024	01/31/2024	Q4	Findings in the audit that require attention, progress of the audit (core audit items, group audit items, internal accounting management system audit, etc.), independence of the auditor, etc.
2 <sup>nd</sup> Audit Committee in 2024	02/23/2024	Q1	Audit closing report (core audit items, group audit items, internal accounting management system audit, etc.), follow-up incidents, independence of the auditor, etc.

(2) Key items to be consulted with the external auditor, procedure of applying internal audit tasks, and their details

No procedures or details were applied to the internal audit tasks through consultations.

(3) The procedure where the external auditor notifies important findings discovered during the audit to internal audit bodies and the bodies’ relevant roles and responsibilities

The task procedure that must be fulfilled upon fraudulent acts, etc., is stipulated in the internal regulations of the Audit Committee.

If notified of violations of the company’s accounting standards, which were found by the external auditor in the course of an audit, the Audit Committee should appoint external experts to investigate the facts of violation at the company’s expense and, depending on the results, should demand the CEO to take corrective actions. Results of the investigation and corrective actions should be submitted immediately to the Securities and Futures Commission as well as the external auditor. The Audit Committee should also notify the external auditor of fraudulent acts committed by a director while fulfilling his or her duties, or any material facts that violate relevant laws or the Articles of Incorporation.

(4) The time of providing financial statements to the external auditor

Whether the financial statements were provided six weeks before AGM Y(O)

Whether the consolidated financial statements were provided four weeks before AGM Y(O)

The times of providing the financial statements to the external auditor are as follows.

Table 10-2-2: History of Providing Financial Statements to External Auditors

	AGM date	Date of providing financial statements	Date of providing consolidated financial statements	Provided to
22 <sup>nd</sup>	03/28/2023	01/12/2023	01/20/2023	Samil PwC
23 <sup>rd</sup>	03/25/2024	01/12/2024	01/19/2024	Deloitte Anjin LLC

B. Based on the aforementioned details, if there are deficiencies regarding the communication between internal audit bodies and the external auditor, explain the reasons thereof and future plans.

(1) Lacking parts and the reasons thereof

As described above, the company’s internal audit bodies communicate regularly with the external auditor.

(2) Future plan and explanation

We will make improvements if deficiencies are found in this regard.

[500000] 5. Miscellaneous

A. Provide a description if the company has established a policy crucial to its governance structure but has not indicated it as its Core (Detail) Principle.

The company makes every effort to fulfill its corporate social responsibilities by responding actively to the demands of internal and external stakeholders, which include shareholders, customers, and the community. To this end, we publish a Sustainability Report every year, which covers such topics as corporate governance, corporate ethics, and safety and environment. The reports for each year are available on our website.

□ LG Chem’s Sustainability Reports: <https://www.lgchem.com/sustainability/sustainability-reports>

Moreover, we share our business philosophies of “creating value for customers” and “respecting human dignity” in accordance with the LG Code of Ethics and promotes self-regulated management based on autonomy and responsibility according to the spirit of its Management Charter. We also aim to maintain our status as a world-class company by adhering to the free market system that pursues free and fair competition, as well as by seeking growth for all stakeholders based on mutual trust and cooperation. The LG Code of Ethics in particular stipulates our responsibilities toward the country and society-at-large. As such, we seek to protect shareholders' interests and contribute to the nation’s prosperity and the growth of society by advancing into a more robust company through reasonable business development and expansion.

□ LG Code of Ethics: <https://www.lgchem.com/company/company-information/lgway/degreemanagement>

Note, that the company has not been subjected to official restrictions or been involved in a lawsuit concerning corporate governance for the past three years.

B. The latest Articles of Incorporation shall be attached; if there is a written policy that may be disclosed and support the details of this report, its regulation shall also be attached.

Regulations related to our latest Articles of Incorporation and report have been attached as follows.

Appendix 1. Articles of Incorporation  
Appendix 2. Board Regulations  
Appendix 3. Outside Director Nomination Committee Regulations  
Appendix 4. Audit Committee Regulations  
Appendix 5. Management Committee Regulations  
Appendix 6. ESG Committee Regulations  
Appendix 7. Internal Transaction Committee Regulations  
Appendix 8. LG Code of Ethics