

DIGITAL BUSINESS INNOVATOR LG CNS

2023-2024 LG CNS Sustainability Report



ABOUT THIS REPORT

Since 2017, LG CNS has published sustainability report each year to communicate with its stakeholders. This is the eighth LG CNS sustainability report.

LG CNS conducted a double materiality assessment that considered both financial and socio-environmental impacts. Based on the assessment result, we categorized our sustainability activities into environmental, social, and governance, and disclosed each category's main goals and achievements. In the LG CNS 2023-2024 Sustainability Report, we introduce our sustainability support solutions and highlight the ESG value of each solution.

Reporting Standards

This report is published based on GRI Standards 2021, an international sustainability report guideline, and applied the materiality assessment methodology of the EU (European Union) CSRD (Corporate Sustainability Reporting Directive). Financial performance is reported in accordance with the K-IFRS (Korean International Financial Reporting Standards).

Reporting Scope

The reporting scope includes all domestic business sites operated by LG CNS, and some data include overseas business sites.

Reporting Period

This report includes ESG activities and performance for the fiscal year from January 1, 2023 to December 31, 2023. Some qualitative data includes information through the first half of 2024.

Report Verification

This report has been assured by an independent third-party to ensure its reliability.

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Cover Story



This shows that LG CNS is pursuing eco-friendly ESG management through DX solutions with AI, big data, cloud, etc. and is aiming a sustainable future by innovatively strengthening its information technology and business capabilities.

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Interactive PDF

This report is an interactive PDF with the function linked to related pages.

CEO Letter

To continue to grow as the most trusted and recognized digital business innovator, LG CNS is internalizing core competency to secure and strengthen our unique capabilities in line with changing technologies.

Dear Stakeholders,

I am Shin Gyoong Hyun, the CEO of LG CNS.

Amid the global economic downturn, the business environment for companies is more uncertain than ever. Despite the uncertainty, LG CNS has been turning this challenge into opportunity, by proactively preparing for Digital Transformation (DX) with our enterprise clients. As a result, LG CNS has experienced significant growth in recent years, consolidating its position as the No. 1 IT services provider in Korea. This was possible thanks to the interest and support of our stakeholders. We would like to express our deepest gratitude to you for creating opportunities for growth.

LG CNS pursues client-centered and technology-oriented value, to grow with our clients through their successful digital transformation. For sustainable growth aiming clients' success, developing a well-structured IT system alone is not enough. True client success can only be achieved by providing business value that clients do not recognize they need and solving business issues they are unaware of. To this end, LG CNS has strengthened its client-dedicated organization and is constantly striving to understand industries and business domains that our clients are involved.

The differentiated technological capabilities LG CNS holds are the reason clients seek us out. **To continue to grow as the most trusted and recognized digital business innovator, LG CNS is internalizing core competency to secure and strengthen our unique capabilities in line with changing technologies.**

LG CNS is also focusing on acquiring new technologies to lead the trend of Cloud and GenAI technology. By following the trend of new technologies and forming close partnerships with global big tech companies such as Microsoft, Amazon Web Services, and Google Cloud, we are developing our capabilities to provide clients with the latest technology-based services. We have already worked with clients on dozens of GenAI-applied businesses.



LG CNS is also actively expanding businesses into overseas markets to create a foundation for sustainable growth. Last year, we signed an MOU with the New York City (USA) to implement new DX technologies and explore business opportunities. And this year, we established a joint venture with Indonesia's Sinar Mas Group to promote data center and cloud businesses in Indonesia. These new beginnings will lay a foundation from which the company can continue its growth, even 10 or 20 years after in the future.

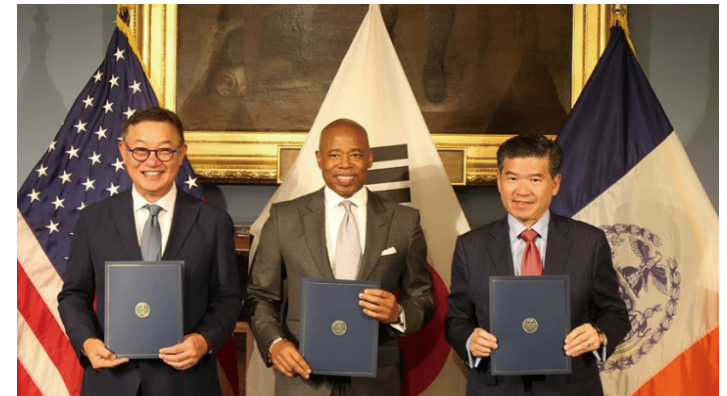
LG CNS is also creating an environment in which our employees can work safely and comfortably. To ensure that our employees work in a safe environment, we operate a professional safety and health management team to proactively identify on-site risk factors and take immediate action. We regularly visit our work sites to listen to the voices of our employees, and make improvements.

In recent years, the importance of responding to the environment and climate crisis has accelerated many companies' business transition to low-carbon and decarbonized businesses. **To contribute to the achievement of our clients' ESG strategic goals**, LG CNS has built 'ESG Intelligence', an integrated platform that collects and analyzes ESG data based on IT, consulting, and data analysis and the 'Carbon Footprint Management Platform' to help clients achieve zero carbon in making products. **LG CNS is focusing on creating a sustainable corporate future and fulfilling social responsibilities** by integrating DX capabilities with ESG principles.

Through sustainability report, LG CNS will transparently disclose our corporate performance, including fair trade, information security, environmental management, safety and health management, and Jeong-Do management activities, to our clients and stakeholders to build even greater trust. We look forward to your continued support for our innovation and growth. Thank you.

July 2024

Shin Gyoon Hyun, CEO of LG CNS



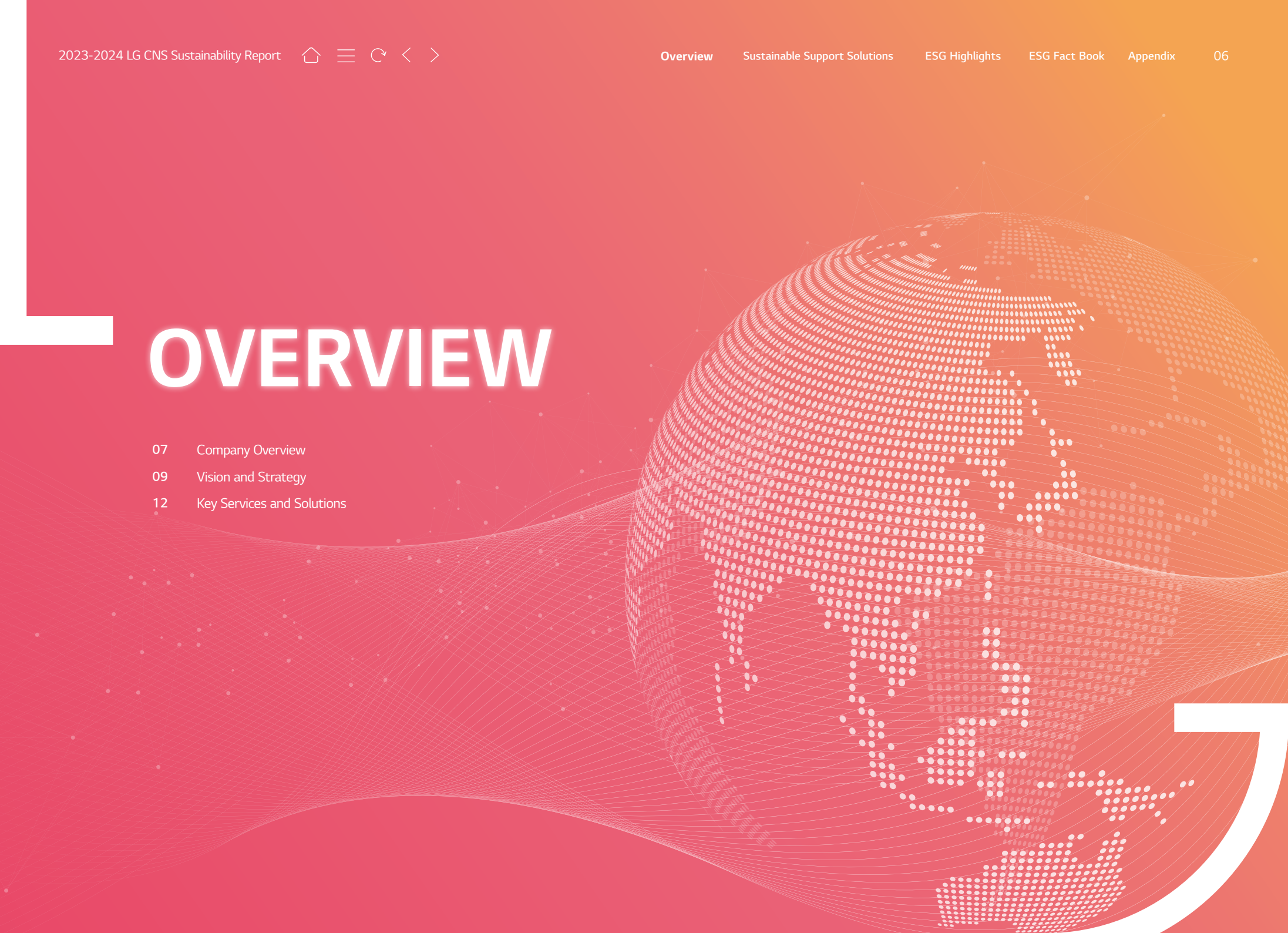
(From left) LG CNS CEO Shin Gyoon Hyun, NYC Mayor Eric Adams and AmCham Korea Chairman James Kim pose for a picture at a signing ceremony for their new partnership



LG CNS CEO Shin Gyoon Hyun (left) and Sinar Mas Group Chairman Franky Oesman Widjaja pose for photos after signing a joint venture agreement

OVERVIEW

- 07 Company Overview
- 09 Vision and Strategy
- 12 Key Services and Solutions



Company Overview






LG CNS Overview

Founded in 1987, LG CNS now operates overseas subsidiaries in the United States, Europe, China, etc. About 6,800 employees are constantly striving to lead clients business innovation with the best digital transformation (DX) technology capabilities.

Company Name	I LG CNS Co., Ltd.
Address	I Buildings E13 and E14, LG Science Park, 71, Magokjungang 8-ro, Gangseo-gu, Seoul, Republic of Korea
Date of Establishment	I January 1987
CEO	I Shin Gyoon Hyun
Number of Employees	I 6,889 (As of the end of 2023)
Business Fields	I AI, Big Data, Cloud Computing, Smart Logistics, Smart City, Smart Factory, Blockchain, Subscription-based SaaS ¹⁾ , Security, ERP ²⁾
Subsidiaries	I Biztech i, Biztech On, Rightbrain, Open Source Consulting, GTinnovision, Haengbokmaru

1) SaaS (Software as a Service) : A method that users access the cloud and pay a subscription fee to use only the services they need for a period of time, rather than purchasing a software product
2) ERP (Enterprise Resource Planning) : An integrated information system that serves to enhance a company's competitiveness

Financial Status (As of the end of 2023)

Total Assets	Total Equity	Sales	Operating Profit	Credit Rating
				
KRW 4,040 billion	KRW 1,868.3 billion	KRW 5,605.3 billion	KRW 464 billion	AA- Corporate bonds

Milestones

1987-2001

Foundation and Growth

1987 Founded STM with EDS (US)

1995 Changed company name to "LG-EDS System"

1997 Ranked 1st among Korean SI companies (according to Gartner Survey (US))

2002-2017

Leap and Development

2002 Changed company name to "LG CNS"

2007 Opened Sangam IT Center

2013 Opened Busan Global Data Center

2018-present

Leading Digital Innovation

2018 Relocated the LG CNS HQ to LG Science Park in Magok

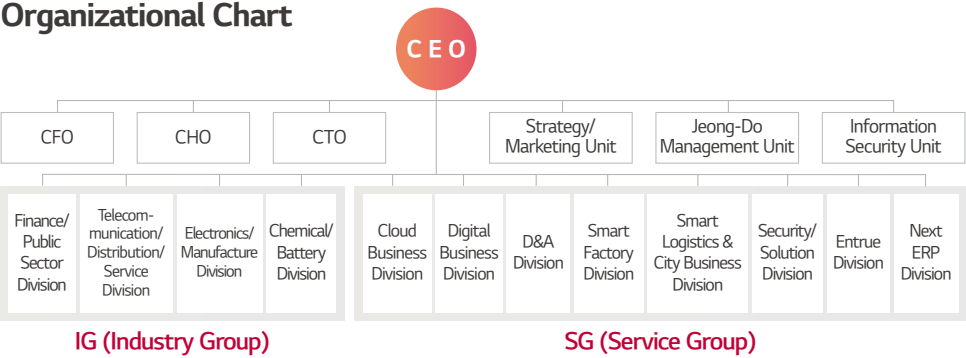
2019 Announced the 'Public Cloud First' strategy

2020 Won the Sejong Smart City national pilot project contract

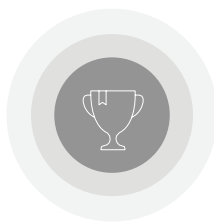
2022 - Won the Busan Smart City national pilot project contract
- Launched SaaS integration platform "SINGLEX"

2023 Released generative AI platform "DAP Gen AI"

Organizational Chart



Major Awards



- Earned AWS' "Generative AI Competency" certification ('24)
- Recognized as "Services Partner of the Year" in Korea at the Google Cloud Partner Awards 2024 (for two consecutive years) ('24)
- Qualified as a Microsoft MSSP (Managed Security Service Provider) partner ('23)
- Earned Google Cloud's "Data Analytics Service Specialization" certification ('23)
- Ad Tech, Search Performance Winner at the 2023 Korea Digital Advertising Awards ('23)

Company Overview

Global Network

LG CNS operates 14 overseas business sites in the United States, Europe, China, and more.

Global Operations

	Date of Establishment		Date of Establishment
China (LG CNS China Inc.)	2001. 05	Malaysia (LG CNS Malaysia SDN BHD)	2013. 02
Europe (LG CNS Europe B.V.)	2003. 01	Japan (LG CNS Japan Co., Ltd.)	2013. 12
America (LG CNS America Inc.)	2003. 07	Greece (LG CNS Greek Branch)	2015. 01
India (LG CNS India Pvt. Ltd.)	2004. 07	Uzbekistan (LG CNS Uzbekistan, LLC)	2015. 04
Indonesia (PT. LG CNS Indonesia)	2006. 01	Qatar (LG CNS Qatar Branch)	2016. 06
Brazil (LG CNS Brasil Servicos de T.I. Ltda.)	2006. 01	Vietnam (LG CNS Vietnam Co., Ltd.)	2017. 01
Colombia (LG CNS Colombia SAS)	2011. 12	Singapore (LG CNS Singapore SDN BHD)	2023. 09

Domestic Operations

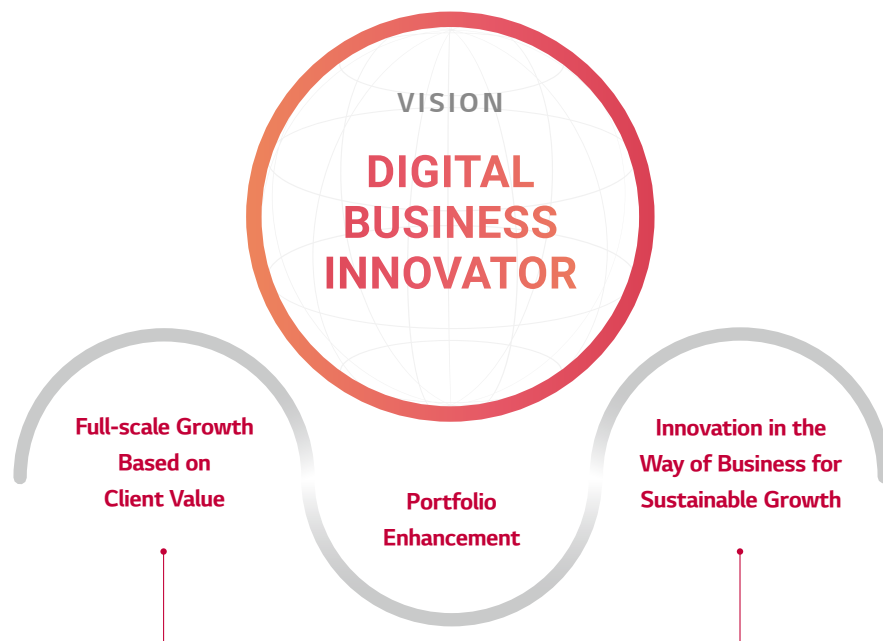
- Magok** LG Science Park (Seoul HQ)
- Sangam** IT Data Center
- Gasam** Data Center
- Busan** Global Cloud Data Center
- Hanam** Data Center

A world map with a dotted texture, showing the locations of LG CNS's global operations. Red location pins are placed on the map, each connected by a line to a label indicating the region and city. The locations are: AMERICA (New Jersey), COLOMBIA (Bogota), BRAZIL (Sao Paulo), EUROPE (Netherlands, Amstelveen), GREECE (Athens), UZBEKISTAN (Tashkent), QATAR (Doha), INDIA (Greater Noida), MALAYSIA (Kuala Lumpur), INDONESIA (Jakarta), CHINA (Beijing), VIETNAM (Hai Phong), and JAPAN (Tokyo). A red line connects the 'Global Operations' table to the map, and another red line connects the 'Domestic Operations' list to the map.

Vision and Strategy

Vision and 2024 Management Policy

LG CNS is a DX-specialized company that provides digital transformation (DX) services based on latest DX technologies such as AI, big data, and cloud. As a DX company that grows with clients by solving their pain points and leading them to experience successful DX, LG CNS aims to become the most trusted and recognized Digital Business Innovator.



- Gain Thought Leadership with industry specialty and consulting capabilities
- Proactively identify and address unmet needs by expanding activities around customer touchpoints
- Deliver customized solutions to increase the value of client business.

- Proactively prepare for future business environment with enhanced sensing of market and competition
- Create new business offerings including service development of innovative technologies
- Accelerate global market penetration considering regional characteristics

- Internalize core competencies to improve service quality
- Assimilate remote delivery by applying business standards and collaboration tools
- Accelerate assetization to build intellectual property for the future

Key Initiatives for 2024

Lead the Enterprise AI Business

LG CNS is focusing on leading the enterprise AI business based on its AI technology capabilities. LG CNS has established an open ecosystem with various large language model (LLM) holders and collaborated with global big tech companies such as MS, Google, and Anthropic. In October 2023, LG CNS launched "DAP Gen AI Platform", a generative AI platform for enterprises. In January 2024, LG CNS established an AI Center, a specialized enterprise AI organization that integrates technology research organization and business discovery · implementation organizations in the AI field, to consolidate its position as a leading generative AI company in Korea.



| AI Center Launch Ceremony

Transform Implementation Framework

To ensure sustainable growth, LG CNS is accelerating the transformation of its implementation framework to focus on core client value. Notably, LG CNS is internalizing core competencies not only at LG CNS but also at its subsidiaries, establishing its Build Centers in Vietnam, Indonesia, and India to fully operationalize the GDC (Global Delivery Center) framework, and actively utilizing AIDD (AI Driven Application Development) to advance the ways of doing business.



| Vietnam Build Center

Prepare for Global Market Expansion

LG CNS plans to expand its business into the global market by strengthening partnerships with global big tech companies and seeding overseas markets. LG CNS has established a joint venture with Indonesia's Sinar Mas Group to cooperate in data center and cloud businesses, signed a business agreement with Vietnam's FPT Group, a global IT company, and signed an MOU with New York City for a DX partnership. Going forward, LG CNS will continue to invest in overseas expansion and service enhancement through global partnerships.



| JV with Sinar Mas Group, Indonesia

Vision and Strategy

Increase Clients' Value by Empowering Business Capabilities

LG CNS is committed to “enhancing clients’ value” by continuously securing the latest information technology leadership and domain knowledge, in addition to securing competitiveness in the main business, to contribute to the actual competitiveness of clients.

Strengthen Core Business

- Improve the quality and efficiency of the flagship business by transforming the business execution framework
- Promote development of a group of experts with industry and technology expertise
- Focus on the voice of clients with project site-centered management

Expand Markets/ Offerings

- Expand service offerings to existing clients and acquire new ones
- Lay the groundwork for continued growth by entering the global market
- Identify and execute new businesses that leverage our capabilities and experience

Increase Client Value

- Focus on problem-solving by strengthening business consulting capabilities alongside technological expertise
- Discover unmet needs and drive DX by executing customized account planning for each strategic client
- Deliver real value by conducting R&D projects with clients on the problems they need to solve

Lay a Foundation for Sustainable Growth through Selective Focus by Portfolio

Actively Engage in External Business	Innovate Business Implementation Framework	Full-fledged Growth	Raise DX Service Levels
<ul style="list-style-type: none">• Increase the proportion of external businesses (cloud, finance, smart logistics, etc.)• Establish a global business foundation (Enterprise SW, etc.)	<ul style="list-style-type: none">• Utilize GDC (Global Delivery Center) operations in full swing• Leverage AIDD (AI Driven Application Development) to transform business execution	<ul style="list-style-type: none">• Lead LG Group DX centering on smart factory and digital marketing• Accelerate growth by expanding open, cloud-centric business	<ul style="list-style-type: none">• Secure BP by expanding business inside and outside the LG Group• Lead DX on a global scale by actively applying BP with a focus on core clients

Technological Strategy : Lead Clients' DX through Rapid Adoption of Emerging Technologies and Digital Platforms

LG CNS is leading clients’ business innovation with great agility by combining promising domestic and foreign DX technology such as AI, big data, and cloud with IT service expertise accumulated over 30 years in software development, architecture, and infrastructure.

Improve the Core Strength for Technological Competitiveness

System-based competency innovation

Respond to changes in software development, architecture, infrastructure, and solutions in an agile and flexible manner

Grow through technical collaboration

Further expand the spectrum of business innovation technologies and deliver differentiated DX services through close collaboration with global leading enterprises and tech startups

Procure Technologies for Business Differentiation

Service intelligence

Pursue service intelligence by combining our clients' industry expertise with LG CNS algorithms and various AI technologies such as generative AI

Industry-specialized solutions based on digital platform

Deliver industry-specialized solutions based on best-of-the-breed digital platforms as a digital innovation partner

Vision and Strategy

IP (Intellectual Property) Management

LG CNS has a total of 2,147 IPRs (Intellectual Property Right), including 426 domestic and international patents, 1,324 SW copyrights, and 397 trademarks, for strategic technologies and innovative business models that converge with AI, big data and IoT (Internet of Things) in various industrial sites and national infrastructures such as logistics, healthcare, and financial systems. LG CNS is enabling its clients digital innovation as well as its own technology-oriented business through IPR management for technology protection.



IPR (Intellectual Property Rights) Strategy

LG CNS is pursuing obtaining IPRs in those industries where foundational Fifth Industrial Revolution technologies such as AI, big data, IoT, virtual/augmented reality, and robotics converge. LG CNS is also leading the digital innovation of its clients by introducing new technologies and providing services converged with IPRs for national infrastructure, next-generation industrial systems, various industrial sites, and ESG management.



- Establish an enterprise-wide brand council and secure trademark rights for strategic brands and key platforms/solutions
- Check risk of patent and copyright infringement for risk prevention of main R&D/business initiatives
- Build a patent portfolio, register copyrights, and manage trade secrets for core technologies and know-how as technology protection measures
- Resolve IP compliance issues across all business areas and manage domestic and international IP disputes

Research Areas

LG CNS is continuously conducting research on new digital technologies such as AI, data, cloud, and robotics, which are at the core of the Fourth Industrial Revolution, and is flexibly and actively responding to important new technologies such as generative AI. Based on this, LG CNS is developing platforms that can be differentially applied to various industries, and is securing industry-specific solutions by fusing its domain expertise in smart factory/logistics and finance to achieve outstanding research results.

Technology Areas	Research Areas	Research Activities
AI, Data	<ul style="list-style-type: none"> Algorithms for recognition of language, image/video, and sound/vibration, etc. LLM¹⁾ in generative AI, Image/video generative AI models Generative AI, Data platform 	<ul style="list-style-type: none"> Secure AI foundation technologies commonly required for AI service (Deep learning²⁾, NLU³⁾, Image recognition) Secure data and AI management/analytics environments and platforms (Machine learning⁴⁾, Deep learning-based analytics environments, Analytics libraries) Acquire core AI skills for gen AI (LLM, LMM⁵⁾, RAG⁶⁾) Obtain a generative AI platform to accelerate the adoption of generative AI technologies (Language/image generation, Generative AI model operation and management) Develop solutions for various industries (Electronics, Manufacturing, Energy, Finance) using generative AI
Cloud	<ul style="list-style-type: none"> Cloud-native applications⁷⁾ Cloud management platforms SaaS platforms 	<ul style="list-style-type: none"> Obtain cloud-optimized application development skills with microservices, packaging, and dynamic scheduling⁸⁾ Provide integrated operation and management for hybrid and multi-cloud environments Develop a platform that integrates and delivers global SaaS from all business areas, including sales, manufacturing, purchasing, human resources, and quality management
Robotics/Space Computing	<ul style="list-style-type: none"> Robotics 3D simulation Spatial computing 	<ul style="list-style-type: none"> Robot integrated operating platform, Robot control SW, Robot As a Service 3D/Digital Twin-based production/logistics/robotics simulation Spatial computing, AR/MR/VR⁹⁾ services
Security/Blockchain	<ul style="list-style-type: none"> Security solutions Blockchain core platform Blockchain service platform 	<ul style="list-style-type: none"> Develop cloud and AI-powered security solutions Develop solutions that provide services such as blockchain-based mobile ID, document authentication, and digital asset trading Gain Web3 design and development skills by building and operating decentralized applications
Convergence between Industry and IT	<ul style="list-style-type: none"> Industry-specific solutions that combine the latest IT with industries such as manufacturing, logistics, and finance 	<ul style="list-style-type: none"> Research and develop industry-specific solutions that combine project experience in various industries and technologies such as AI, data, cloud, and blockchain Smart factories, smart logistics, digital finance, smart farms, etc.

1) LLM (Large Language Model) : Large language model, such as OpenAI's ChatGPT

2) Deep Learning : Artificial neural networks, the basic algorithm of modern AI

3) NLU (Natural Language Understanding) : AI technology that understands natural language

4) Machine Learning : Training a computer using data to find complex regularities hidden in it

5) LMM (Large Multi-modal Model) : A technology that can generate images and videos as well as languages

6) RAG (Retrieval-Augmented Generation) : Document and natural language search augmentation technology to use LLMs

7) Cloud Native Application : An approach of building and running applications to fit in a cloud environment

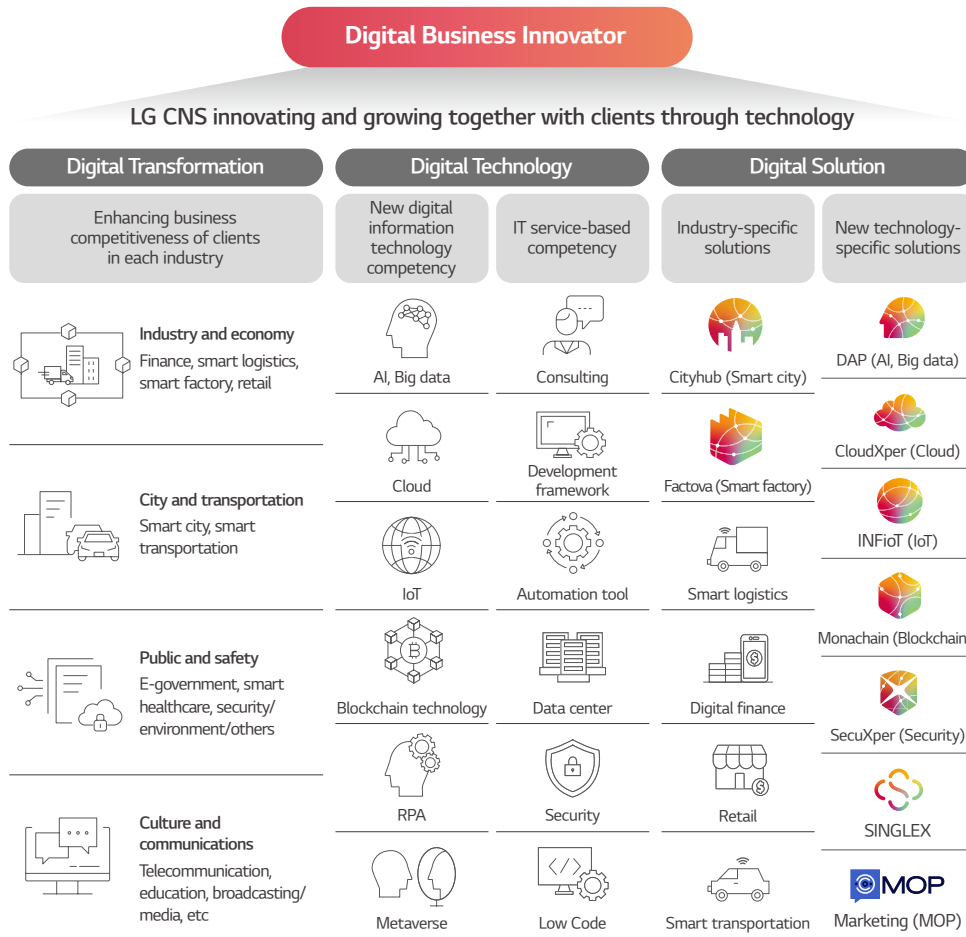
8) Dynamic scheduling : The sequencing of work that changes based on the needs created by the system, rather than following a pre-determined method

9) AR/MR/VR : Augmented Reality/Mixed Reality/Virtual Reality

Key Services and Solutions

Leading Innovation with Digital Transformation (DX) and Digital Technologies & Solutions

LG CNS is leading innovation in a range of industries, including financial information systems for the next generation, logistics center optimization, manufacturing informatization, intelligence, virtualization, and intelligent governance. LG CNS is actively fostering talents and skills in new digital technologies such as AI, big data, cloud, IoT, and blockchain, and creating an open ecosystem with major domestic and foreign technology companies to broaden its basis for providing new client value. In addition, LG CNS is positioning itself as a DX pioneer that leads the digital transformation of its clients through industry-specific solutions that include smart logistics, smart city, and smart factory, which are a convergence of its industry knowledge and digital technology capabilities, and new technology-specific solutions such as AI, big data, and cloud.



Digital Transformation



Improvement in business competitiveness of clients in each industry

ICT (Information and Communication Technology) is technology that is required across various fields of businesses, in this era in which everything in society is becoming smarter. LG CNS is creating market-pioneering use cases such as next-generation systems in the financial sector and optimization of logistics centers. We are committed to improving the business competitiveness of its clients through various forms of digital transformation (DX) across industries, such as cloud migration, cloud-native system development, and smart factory.

Digital Technology



New digital information technology competency

LG CNS provides differentiated services based on digital technologies such as AI, big data, cloud, IoT, and blockchain, to help clients proactively respond to rapidly changing markets and gain a competitive advantage in their industries.

IT service-based competency

LG CNS has accumulated IT service-based capabilities, including IT consulting, SW development, architecture, and infrastructure, over a period of 30 years. Based on the capabilities, we help companies enhance their business competitiveness and realize new business value in a rapidly changing market environment.

Digital Solution



Industry and new technology-specific solutions

LG CNS provides customized services to clients by leveraging its extensive project experience across various industries and the latest digital transformation (DX) technologies. LG CNS offers specialized solutions for industries such as Smart Logistics, Smart City, and Smart Factories. Additionally, it delivers advanced digital technology solutions in areas like big data and cloud computing, helping to foster new growth engines for businesses.

SUSTAINABLE SUPPPORT SOLUTIONS

14	DAP
17	CloudXper
19	SecuXper
22	Enterprise Solutions
25	FinXper
28	Smart Logistics
30	SINGLEX
32	Cityhub
35	Factova
37	Monachain
40	MOP



LG CNS AI/Big Data Solution

DAP¹⁾ is a multi-cloud²⁾-based AI platform and a strategic brand of LG CNS. DAP supports all areas, from defining analytical tasks to developing machine learning/deep learning models, and utilizing and operating generative AI. DAP is an AI platform that is optimized for enterprise companies, and allows anyone to easily collect data to develop and operate AI models. With DAP, LG CNS can easily and quickly make enterprises more intelligent.



DAP MLDL³⁾

DAP MLDL is an enterprise-fit AI analytics platform based on MLOps⁴⁾ that supports the AI lifecycle to realize a successful digital transformation (DX). With DAP MLDL, clients can easily and quickly develop models based on machine learning and deep learning, and advance their intelligent services with learn-deploy-operate-relearn capabilities.

Key Features of DAP MLDL

Most Clients,
Best Expertise

- GS Certification⁵⁾, Digital Service⁶⁾
- 40+ clients in finance, manufacturing, public, and more sectors
- Experience with nearly 200 projects

Enterprise-Fit
MLOps
Platform

- Strong governance management
- Provides an Analytics (ML) and Operations (Ops) portal
- Reliable operations with real-time inferences
- Relearning/Drift⁷⁾ sensing-based model improvement

No Code,
Just Clicks
For Everyone

- Provides a GUI⁸⁾-based low code analysis environment
- Develop/Deploy no-code model
- Provides vision function for image analysis
- Provides reusable models that can be deployed immediately

Major Clients

Finance



Others



Public



LG affiliates



1) DAP (Data Analytics & AI Platform) : A strategic brand that refers to LG CNS AI, and big data analysis platform

2) Multi-Cloud : An approach that consists of two or more public clouds

3) MLDL : An acronym for machine learning and deep learning

4) MLOps (Machine Learning Operations) : Technologies that help optimize each step of the machine learning development process to make development easier and more comfortable

5) GS Certification (Good Software Certification) : Software quality certification

6) Digital Service : A specialized digital service system certified by the National Information Society Agency and the Ministry of Science and ICT

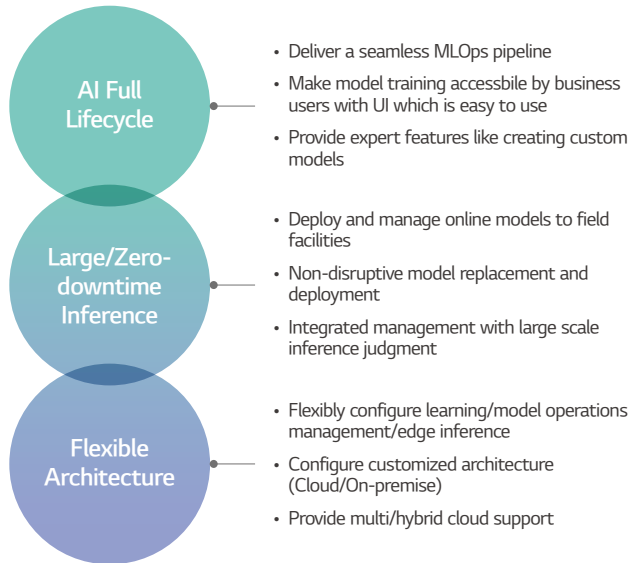
7) Drift : Changes in data that cause models to degrade in performance

8) GUI (Graphical User Interface) : A graphical environment in which users exchange information with a computer

DAP Vision

DAP Vision is a platform specialized for AI Vision that enables AI model training and judgment on image-based data. Clients can easily and conveniently train deep learning models with the user-friendly UI¹⁾/UX²⁾, and the generated AI models can be quickly applied to various industrial sites, such as defect detection in manufacturing factory lines and automatic cargo sorting in logistics to improve client business productivity.

Key Features of DAP Vision



1) UI : User Interface

2) UX : User Experience

3) LLM (Large Language Model) : A very large deep learning model pre-trained on massive amounts of data

4) Fine-Tuning : The process of adjusting a trained AI model to fit a specific task or dataset

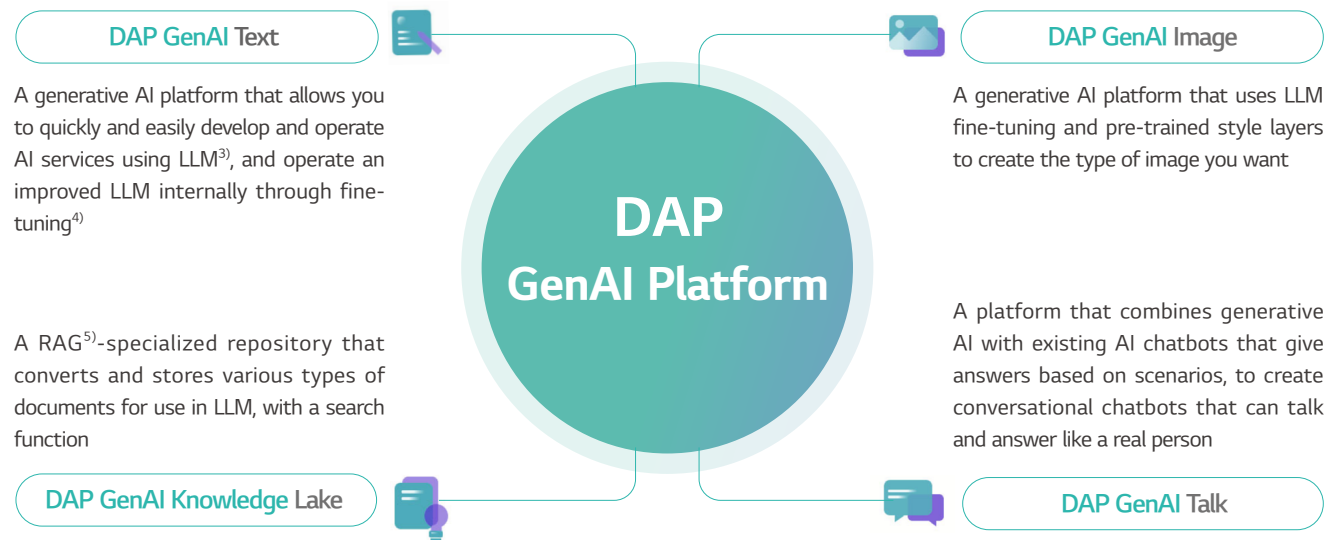
5) RAG (Retrieval-Augmented Generation) : A process that optimizes the output of a large language model to enable accurate and consistent responses by consulting a trusted external knowledge base before generating responses

DAP GenAI

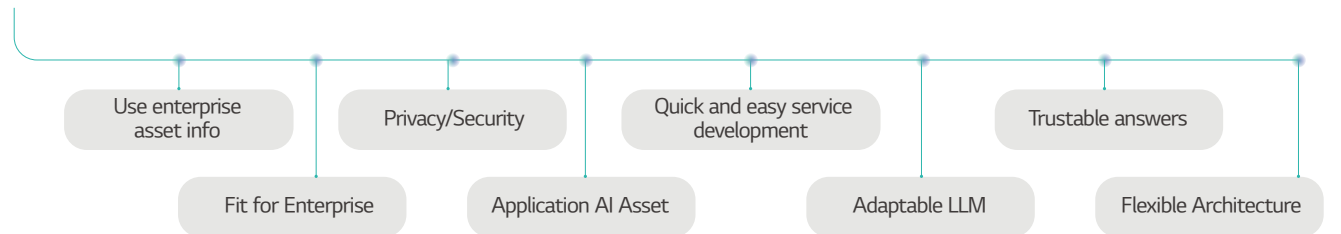
DAP GenAI is a platform that enables companies to utilize their information assets to safely and quickly develop and operate their own generative AI services.

It has a variety of built-in service scenarios, and each company can use its own customized model to develop Enterprise AI services and provide enterprise-wide governance to increase intelligence and efficiency in work.

DAP GenAI Lineup



DAP GenAI Features



2023 Performance & 2024 Strategic Directions

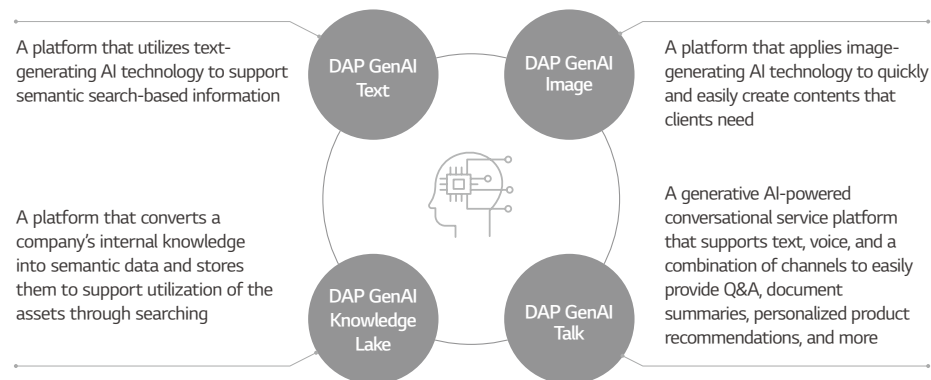
As the market for adopting or building MLDL platforms by enterprises has formed and expanded, DAP MLDL and Vision's client base has grown from 25 in 2023 to 40 in 2024, an increase of more than 60%. DAP MLDL and Vision are growing as strategic core platforms to expand internal DX for enterprises, and have gained many references in the financial, manufacturing, and public sectors, strengthening their position as the number one solution in the domestic enterprise market.

In response to the recent surge in generative AI technology, LG CNS has been agile with DAP, and has launched DAP GenAI, a generative AI platform solution with enterprise governance in the rapidly evolving LLM space. LG CNS is also providing various open-source LLMs as well as commercial LLMs as a solution that can be fine-tuned and inferred in a closed network within the enterprise. This enables companies that want to create generative AI services using internal knowledge assets to quickly experience the effects of generative AI services.

DAP Talk is a solution that allows anyone to build their own chatbot quickly and easily. It consists of natural language understanding, text recognition, a conversation flow engine, and operational management tools. DAP Talk is an efficient chatbot platform that not only allows you to create chatbots quickly and easily, but also allows you to integrate chatbots from multiple organizations. Based on its advanced technology that can stably process a large number of simultaneous connections, in 2023, LG CNS opened a chatbot system that integrated chatbots from multiple affiliates of a financial client, proving that it can stably handle a large number of chatbots from a large scale client.

In 2024, LG CNS aims to deliver client value focusing on the DAP GenAI platform that utilizes generative AI technology.

DAP GenAI Platform



ESG Value Creation with DAP

Financial Value



- Reduce working hours and development costs by providing an environment to efficiently perform machine learning/deep learning
- Improve business performance by establishing data-driven business strategies through improved data analysis and prediction
- Increase work efficiency and productivity with chatbots

Environmental Value



- Reduce unnecessary data utilization by increasing model reusability
- Minimize energy consumption by automating data analysis processes

Social Value



- Protect client's data by improving data quality and ensure fair and transparent data processing for companies
- Enhance data reliability by ensuring the quality of data analysis results for national infrastructures such as Incheon Airport, the National Tax Service, and the Supreme Court
- Bridge the digital divide with conversational chatbot services which is intuitive and easy to use



CloudXper

LG CNS Cloud Service

CloudXper is a cloud service brand that provides the integrated professional cloud services (consulting-migration-native deployment-operation management) offered by LG CNS, Korea's leading DX company. The name CloudXper was formed out of the words "Cloud" and "Expert".



LG CNS is offering CloudXper ProOps, a specialized cloud operation service, to our clients. Through CloudXper ProOps, which integrates infrastructure, application system security, and expert services, we are promoting "The New MSP" business, which operates an optimal cloud service. Unlike the earlier MSPs (Managed Service Providers) that only provide management services focused on cloud infrastructure, the New MSP is a new business model of LG CNS that operates an optimal cloud from a DX perspective based on its expertise in the client's business and system.

Major Clients

Aviation/Retail/Automotive



Finance



Public



Manufacturing/Chemical/Telecommunications



Service Area

Cloud Migration/Implementation

Leveraging our cloud business capabilities and technology to move client's data to the cloud quickly and securely

- Enterprise Cloud Migration
- Cloud Foundation
- Landing Zone
- Cloud DR (Disaster Recovery)

Application Modernization

Build cloud-native systems to increase client business agility and resiliency of system operations

- Application Modernization
- AM Incubation Camp
- AM Discovery

Cloud Data/AI

Provide a roadmap for utilizing AI and big data technologies and provide integrated optimized services from design to pilot implementation of CSPs' customized platforms

- Cloud Gen AI Platform
- Data/AI Platform
- Gen AI Studio

Cloud Consulting

Create a cloud adoption strategy and migration path for client's business

- Cloud Consulting
- Cloud Maturity Assessment
- AM Adoption Assessment
- Gen AI Consulting

Managed Service

Integrated support and total management solution from an organization that specializes in cloud operations

- Cloud Managed Services
- FinOps Clinic
- Security Enhancement
- Well-Architect Review



2023 Performance

LG CNS has the best services in Korea to help clients from start to end of their cloud journey. This journey is supported with cloud consulting, migration/deployment, AM (Application Modernization), and the New MSP (Managed Service Provider), an integrated operation service.

Over the past several years, LG CNS has continued to grow at a rate that far exceeds the overall growth rate of the domestic cloud business market, establishing itself as a top cloud partner for Korean enterprises.

LG CNS prioritizes client value through optimized processes, rapid and reliable cloud migrations based on large-scale business experience, operational services, and cloud operating cost optimization activities based on the "FinOps¹⁾ clinic".

In addition, we continue to develop our services so that we can provide clients with the fastest delivery of new technologies, including cloud-based generative AI, the technology everyone is talking about today. To enhance client value, the company is solidifying its position as the top cloud DX partner for domestic companies.

2024 Strategic Directions

LG CNS has updated its service offerings in all areas, from cloud migration to operations, based on understanding and rich experience in diverse industries. We also aim to widen the technological gap with competitors by expanding our AM business based on our cloud technology, which is recognized by global CSPs (Cloud Service Providers).

In addition, LG CNS plans to further improve the quality of cloud operations with AIOps²⁾ automation, FinOps optimization, and an integrated platform that supports the full life cycle of cloud services. Based on this, LG CNS will be a leading cloud provider in the domestic and overseas markets.

ESG Value Creation with CloudXper

Financial Value



- Gain visibility and efficient tracking of cloud resources to reduce IT investments and improve financial efficiency for clients
- Enhance corporate competitiveness through cloud-based digital transformation

Environmental Value



- Reduce enterprise resources and energy usage with always-on cloud resource optimization services

Social Value



- Accelerate user adoption of the cloud by lowering the technology barriers through flexible multi-cloud management services

CloudXper ProOps Service Offerings

Professional Enterprise Operation/Monitoring



Operation

- Providing hybrid/multi-cloud operation optimized for client needs

Monitoring

- Providing integrated monitoring and optimization service for next-generation infrastructure, application, and database

Client-specific Advisory



TAM (Technical Account Manager)

- Providing cloud-specialized TAM for proactive response by detecting client needs

Well Architected Review

- Ensuring optimal operation and up-to-date architectural by operating regular review board



Cloud Optimization



System optimization

- Providing technical support for app development in database and middleware areas
- Providing service performance improvement and providing extended services in the cloud-native area

Cost optimization

- Customized billing through connection with a service recommended by CSP (Cloud Service Provider) for cost optimization

Security Specialization Services



Security operations

- Operating cloud-native security service and third-party security

Security monitoring

- Monitoring and responding to users and resource anomalies occurring in the cloud environment

1) FinOps : A combination of Finance and Operations that manages cloud costs

2) AIOps : A combination of AI and Operations that utilizes artificial intelligence, such as natural language processing and machine learning models, to make IT operations more efficient and effective



SecuXper

LG CNS Security Services for Safe DX

LG CNS SecuXper is a customized integrated security service that provides a secure digital environment, covering everything from security consulting to implementation, security operation, and managed security services.



MSSP¹⁾ Protecting Clients' Business End-to-End From All Security Threats

As an MSSP for various industries, including finance, public sector telecommunications, and manufacturing, LG CNS offers customized end-to-end security services. LG CNS supports the implementation, security operation, and managed security services, as well as specialized consulting in various areas, including IT security for office environments, OT²⁾ security for manufacturing sites, IoT security for smart cities, and converged security that combines them all, to safeguard clients business environments.

SecuXper provides optimized security services for clients based on technology that can quickly detect and respond to the latest security threats. In 2024, the existing Security Operation Center was expanded and reorganized into the SecuXper Center, which is responsible for the security of clients 24 hours a day, 365 days a year.

1) MSSP (Managed Security Service Provider) : A company that performs comprehensive security system operations and management

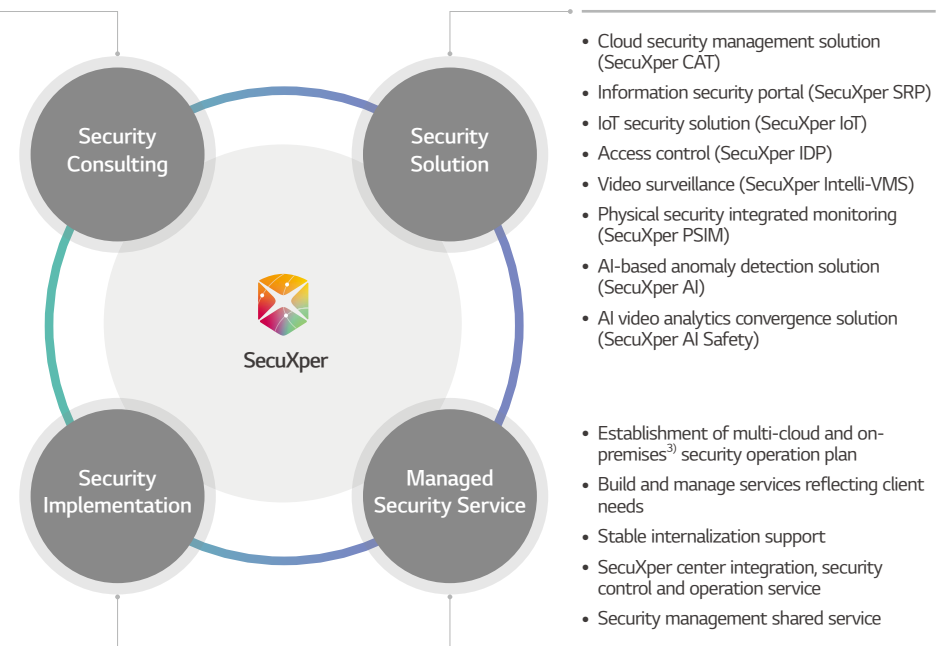
2) OT (Operational Technology) : Hardware and software that directly controls or changes industrial equipment, assets, processes, and events

3) On-Premises : Building a physical server system in a company's or institution's computer room and utilizing it in an organization's context

SecuXper Service Offerings

- Information security master plan consulting
- Personal information protection consulting
- Information security certification consulting
- Cloud security consulting
- Factory security consulting
- Physical security consulting
- Vulnerability detection and mock hacking

- Establishment of public/financial/corporate security system
- Establishment of smart factory security system
- Establishment of smart city security system
- Establishment of physical security system



2023 Performance

Since its declaration as an MSSP in 2021, LG CNS has expanded its cloud security business based on its differentiated capabilities, and continued to surpass the growth rate of the domestic security market, solidifying its position as an MSSP. In the field of OT security, LG CNS is increasing various use cases and effective security markets through partnerships with advanced specialized companies and security companies in Korea and abroad.

In addition, LG CNS is already providing services that can increase client value faster by adopting new technologies such as generative AI. We will continue to develop and secure guidance in other emerging areas such as Zero Trust to position ourselves as a leading security DX partner for Korean enterprises.

2024 Strategic Directions

In 2024, LG CNS will differentiate itself by expanding its global security solution expertise through leveraging strong partnerships and providing security services tailored to diverse client environments and needs, from security system implementation to security operation and managed services after implementation. In addition, LG CNS will set up PURPLE LAB within SecuXper Center (Security Operation Center) to enhance its security penetration and response capabilities and apply them to control services, laying a foundation for advanced managed security services. We aim to make SecuXper the leading digital security brand, and eventually become the No. 1 MSSP in Korea and an MSSP that is sought after by the global market.

Core Competencies

LG CNS SecuXper ensuring clients' security with top security experts and advanced AI technology

- 200 Security experts, including the Red Team¹⁾ of white hat hackers
- Created the BLUE team to study attackers' patterns to improve defenses

- Establishment of PURPLE LAB for close collaboration between RED and BLUE teams and security threat analysis and research

- Provide innovative security services using DX technology, such as a solution that helps use generative AI safely and an AI security solution that detects early signs of information leakage

- Synergy through collaboration with global partners such as Microsoft, Trend Micro, Palo Alto Networks, etc.

Services



1. SecuXper Security Consulting

Three-dimensional, Customized Security Consulting and Diagnostic Services

Customized and Optimized Security Consulting

With over 20 years of security consulting experience and know-how, LG CNS identifies the root causes of security vulnerabilities and presents an integrated information security model that is customized for each client. Through this, we help our clients build a global-level information security system.

Vulnerability Diagnosis and Penetration Testing

In 2024, LG CNS expanded and reorganized its previous Security Operation Center into "SecuXper" and established PURPLE LAB, a virtual organization that operates exclusively in cyberspace. The Purple Lab is composed of a RED team and a BLUE team, and conducts penetration testing/defense drills. When the Red Team attacks the system in various ways, the Blue Team defends against it, creating various scenarios of possible penetration, preparing countermeasures, and performing threat hunting, an activity of proactively detecting external security risks such as malware penetration and hacking attempts.

Since its establishment in 2021, the Red Team has conducted more than 500 penetration tests. In addition, LG CNS has prepared countermeasures for possible penetration scenarios in a range of areas, including cloud systems, SaaS (Software as a Service), and production networks at manufacturing facilities. Based on this, LG CNS is providing its domestic corporate clients with security consulting and diagnostic services that quickly detect and respond to security threats at various touchpoints, such as PCs, mobile devices, servers, and networks.

1) RED Team : LG CNS' elite organization of professional white hat hackers. The expression was derived from the practice in mock military exercises of calling allies the Blue team and enemies the Red team



2. SecuXper Security Management

Close Security Expert Support and 24/7 Managed Security Service to Ensure Business Stability

Managed Security Services

The managed security services guides the latest security trends and ensures the stability of clients businesses by detecting and responding to security threats. It is a 24/7 year-round service, on-premises and offered for cloud environments.

Security Management Shared Service

This is a security management shared service for companies that lack security experts. Top security experts of LG CNS, including those in personal information protection, cloud security, vulnerability identification, and penetration testing, provide close support. The service covers a wide range of security management tasks from a PDCA (Plan-Do-Check-Act) perspective.



3. SecuXper Security System Implementation

Comprehensive Security Services Backed by Proven Design Experience

Development of Smart Factory OT Security System

LG CNS, which has pioneered OT process security within the LG Group, has a Solution Suite for OT security. The Solution Suite consists of 16 modules and 26 solutions, which are categorized into the areas of hacking and malware response, core technology protection, and integrated security management, and provides comprehensive security solutions tailored to the OT environment and needs of companies.

Establishment of Security Systems Tailored to Industry and Business Size

LG CNS provides a security system based on proven design experience and development procedures that are applicable to various industries and business sizes. This enables clients to use safe and reliable security systems that also consider operational efficiency.

Establishment of Cloud Security Services

LG CNS takes full advantage of the native security services of cloud service providers such as AWS, Azure, and GCP to protect data and systems in the cloud environment while enabling the flexible and efficient use of cloud services.

Key Businesses

<p>Establishment of Morocco Cyber Safety Center</p>	<p>Deployment of AI-powered Facial Recognition Access Control at Hyundai Glovis</p>	<p>LG 주요 계열사</p> <p>Establishment of Physical Security Systems at LG Group's Domestic and Overseas Factories</p>
<p>Establishment of CCTV Control Center for Eunpyeong-gu Office in Seoul</p>	<p>Implementation of Access Control Solution at Yonsei Medical Center</p>	<p>Penetration Testing at Incheon International Airport Corporation</p>
<p>Shinhan Bank Global Managed Security Service Project</p>	<p>SecuXper AI Safety Business of LG Display</p>	<p>Penetration Testing at LG Life Health Factory/Facility</p>
<p>Implementation of Financial Managed Security Service System of Financial Security Agency</p>	<p>LG 주요 계열사</p> <p>Establishment and Operation of LG Group Security Operation Center</p>	<p>Cloud Migration Information Security Consulting for Starbucks</p>
		<p>IT, OT Security Consulting for Hanwha Solutions</p>

ESG Value Creation with SecuXper

Financial Value



- Prevent financial losses from security incidents, including leaks of confidential information, system outages, and service interruptions
- Focus on core businesses and improve work efficiency of clients by meeting their security needs

Environmental Value



- Reduce unnecessary energy consumption and use of space, as well as cooling energy needs, by eliminating on-premises security equipment and facilities
- Reduce the risk of environmental destruction from large fires by preventing safety incidents in industrial facilities and data centers

Social Value



- Prevent social issues such as privacy breaches by protecting client data
- Enhance corporate system security through services such as security monitoring, penetration testing, and vulnerability assessment
- Encourage corporate social responsibility and maintain client and public trust by maintaining corporate stability

Enterprise Solutions

LG CNS Enterprise Solutions that Effectively Support Clients' DX

LG CNS effectively supports the Digital Transformation (DX) of its clients with in-house developed solutions such as PerfectTwin, LENA, and DevOn. In this way, LG CNS is taking the lead in transforming the existing business ecosystem with digital technologies.



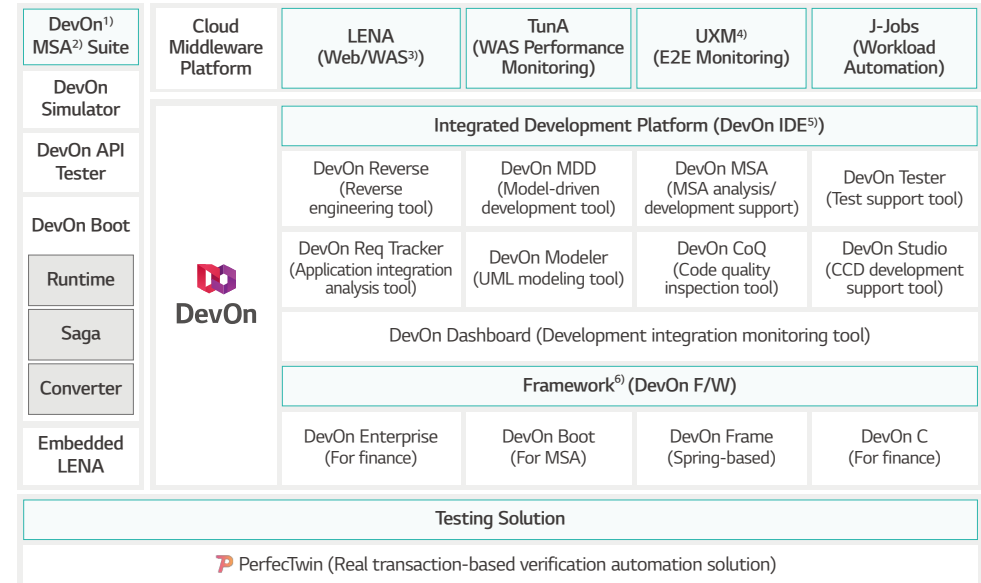
2023 Performance

LG CNS has a portfolio of enterprise solutions mainly focused on testing, infrastructure, and development frameworks based on its accumulated know-how and technical expertise, and is operating businesses for leading domestic and international companies.

Since we have been actively doing business in the domestic market, the solution business has grown at an average annual rate of approximately 30% (based on direct and indirect sales), and LG CNS is diversifying its use cases and expanding the client base by working in collaboration with its partners. In addition, LG CNS is strengthening its position as an enterprise solution provider by enhancing partner capabilities through the technology partner development program. Starting in 2023, LG CNS has selected certain solutions from among its existing solutions that it will offer worldwide, and is intensively developing and upgrading them to create an implementation framework for global business. In the area of testing solutions, LG CNS has identified and collaborated with promising AI-based testing companies to expand its product lineup, and is planning and developing new products in collaboration with global leaders.

2024 Strategic Directions

In 2024, LG CNS will focus on securing a leading position in the domestic solutions market and obtaining business frameworks and references in priority countries with globally promoted solutions. LG CNS will build the business capabilities it requires through small successes in the global market, and lay a foundation for the expansion of its enterprise solution portfolio. In June 2024, LG CNS unveiled its "PerfectTwin ERP Edition" to global clients for the first time at SAP Sapphire 2024 held in the US. It will be released to the US market. LG CNS will also strengthen its business framework focused on products, including client-centric solution improvement and new solution planning, to quickly transform into a solution-specialized organization.



1) DevOn : The name combines 'Develop' meaning development and 'On' meaning active. It is a development platform of LG CNS that automates all processes such as analysis, design, and implementation

2) MSA (Micro Service Architecture) : An approach to designing and operating IT systems by dividing them into multiple micro units.

3) WAS (Web Application Server) : Web Application Server

4) UXM (User eXperience Management) : Infrastructure performance management tool

5) IDE (Integrated Development Environment) : Integrated Development Environment

6) Framework : Tools that provide an integrated set of software development tools

Services

1. PerfecTwin

The world's first automatic transaction verification solution that validates system functionality and performance in innovative ways

PerfecTwin is a real automatic transaction verification solution that validates the completeness and performance of functions developed by automatically reproducing actual transactions occurring in the current system on a large scale in the new system, and comparing the results. By verifying with real transactions rather than artificial test cases and data, the solution can identify and eliminate even latent defects that humans cannot find. This dramatically improves the quality of the system and reduces the cost of testing, which would otherwise require large amounts of human and material resources.

PerfecTwin Core	PerfecTwin Load	PerfecTwin Flowmap
Automatic verification of real transaction data	Verification of real transaction data performance load	Creation of real transaction data test cases
Automatic comparison/verification of function and response time based on actual transaction	Verification of performance and overload stability according to actual work patterns	Visualization of workflow based on actual transaction and automatic creation of scenarios/cases

Consulting Services for Solutions

- Establish the optimal verification method through analysis of as-is and to-be system environment and transaction¹⁾ messages
- Check system quality and completeness by implementing a verification method based on PerfecTwin and performing automatic verification of real transactions

2. Cloud Middleware Platform

LENA | Next-generation cloud-based WAS for advanced fault diagnostics and proactive response

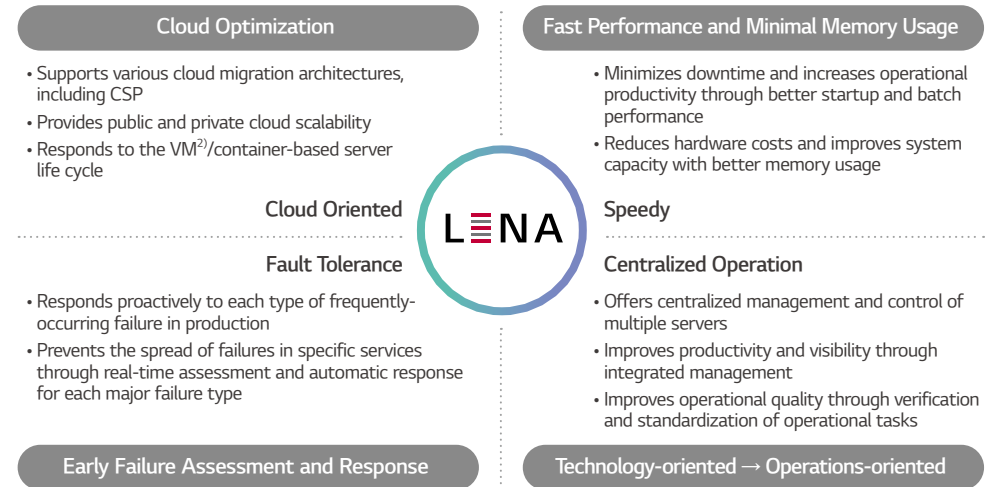
LENA is a WAS (Web Application Server) solution optimized for cloud environments. It is used in a diverse range of industries because it has features that system operators need, such as large-scale transaction processing and failure assessment/proactive response. It also provides high operational efficiency by supporting cloud architecture and convenient integrated management/control functions.

1) Transaction : A unit of work performed to change the state of a database

2) VM : Virtual machine

3) APM : Application performance management service

4) Auto Scaling : A process that increases the number of servers by automatically replicating/adding servers when the service becomes unavailable due to overload or failure



TunA | APM³⁾ solution for integrated monitoring from the user's perspective

TunA is an APM solution that provides integrated monitoring of various IT components. With TunA, users can identify real-time performance issues and service status to improve system reliability, minimize IT operating costs, and maximize system user satisfaction with end-user monitoring capabilities.

UXM | Diagnostic solution to proactively monitor and manage all areas

UXM is a service diagnostic solution that provides visibility into service quality by monitoring service status across all IT service components. Based on network packet analysis technology, it monitors user inflow and outflow times and response delays in real time. This helps manage service quality from the end-user perspective and contributes to business continuity by identifying failure-causing segments.

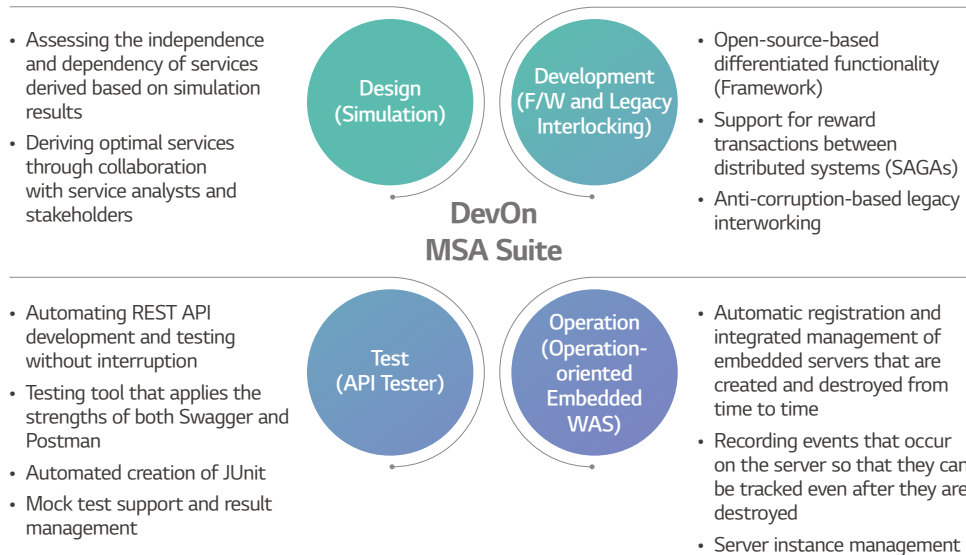
J-Jobs | Workload automation solution that manages the scheduling of multiple tasks

J-Jobs is a workload automation solution that schedules and manages business processes in real time. It reduces unnecessary work by integrating and managing complex company-wide batch jobs, and prevents overloads caused by concurrent jobs by supporting various types of job scheduling to ensure operational stability with its auto-scaling⁴⁾ feature.

3. DevOn MSA Suite

A solution for every step of the way to successful AM

With many companies planning AM (Application Modernization) to respond quickly to market changes and client needs, DevOn MSA Suite is a solution that supports every step of the way to successful AM. DevOn MSA Suite supports all phases of AM, including the identification, development, testing, and operation of microsystems, enabling clients to respond to rapidly changing markets. It also minimizes the issues of complex AM transitions.



4. DevOn F/W

A framework for enterprise IT system development

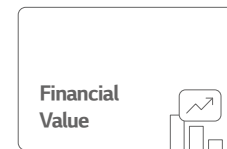
DevOn is a framework for developing enterprise IT systems and is used in various industries, including the financial sector. DevOn Enterprise, with its proven ability to handle large amounts of data, is widely used in the financial industry, while DevOn Boot is a lightweight framework that helps you build systems in the cloud or in container environments. DevOn Frame is an open source foundation that enables developers to build systems optimized for our client's business. DevOn Framework can improve development productivity for enterprise systems.

5. DevOn IDE

An integrated development platform that automates software development process

Reflecting the development approach of LG CNS, DevOn IDE is a software-integrated development platform that automates the entire software development process. It supports automation/intelligence of tasks in each development stage, including analysis, design, development, and unit testing, and provides real-time progress checks and quality controls.

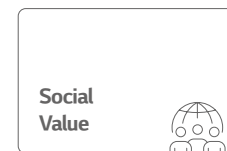
ESG Value Creation with Enterprise Solutions



- Increase productivity and reduce human resource costs through business process automation
- Help clients increase their business agility and improve business outcomes with successful AM support



- Optimize cloud environments to improve IT infrastructure operational efficiency and reduce power consumption
- Reduce server count and increase energy efficiency by optimizing server utilization and transitioning to an MSA environment

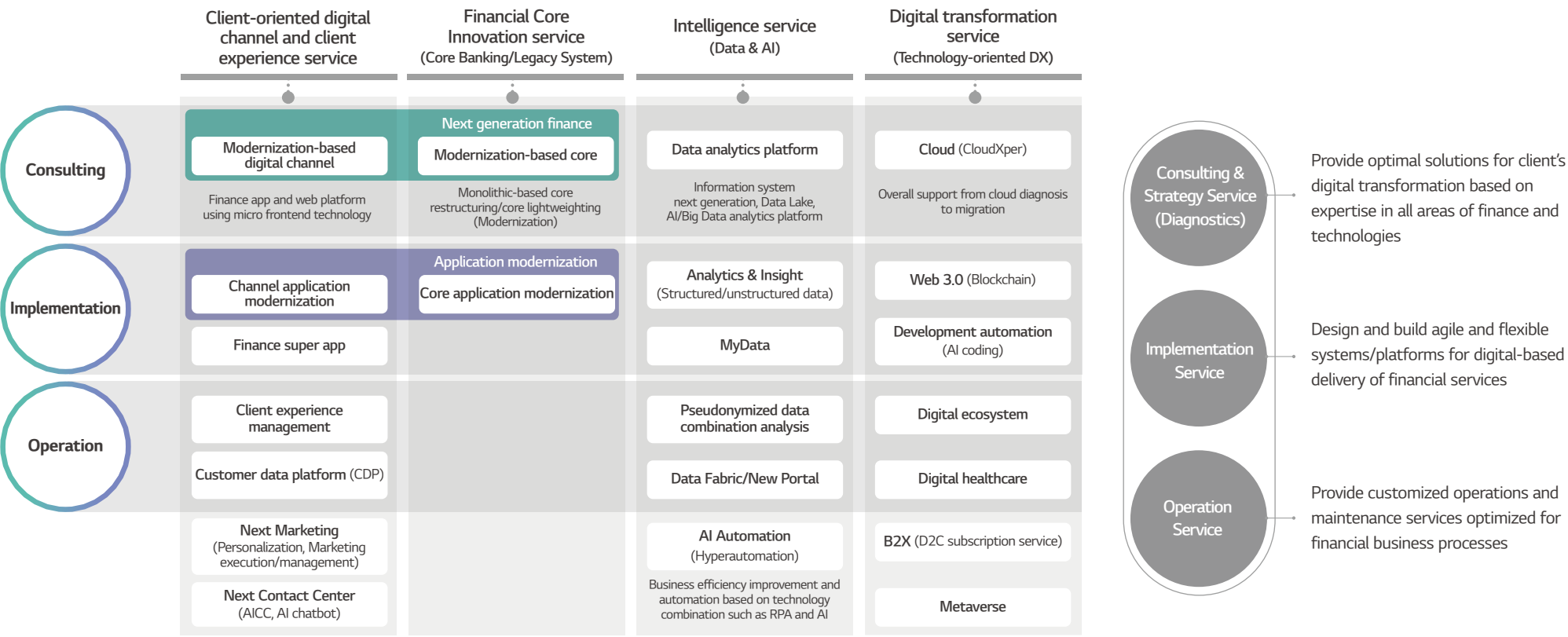


- Process large-scale transactions and diagnose failures to ensure reliability and improve the experience of high volume web applications
- Avoid failures, service interruptions, data loss, and rework by improving system reliability

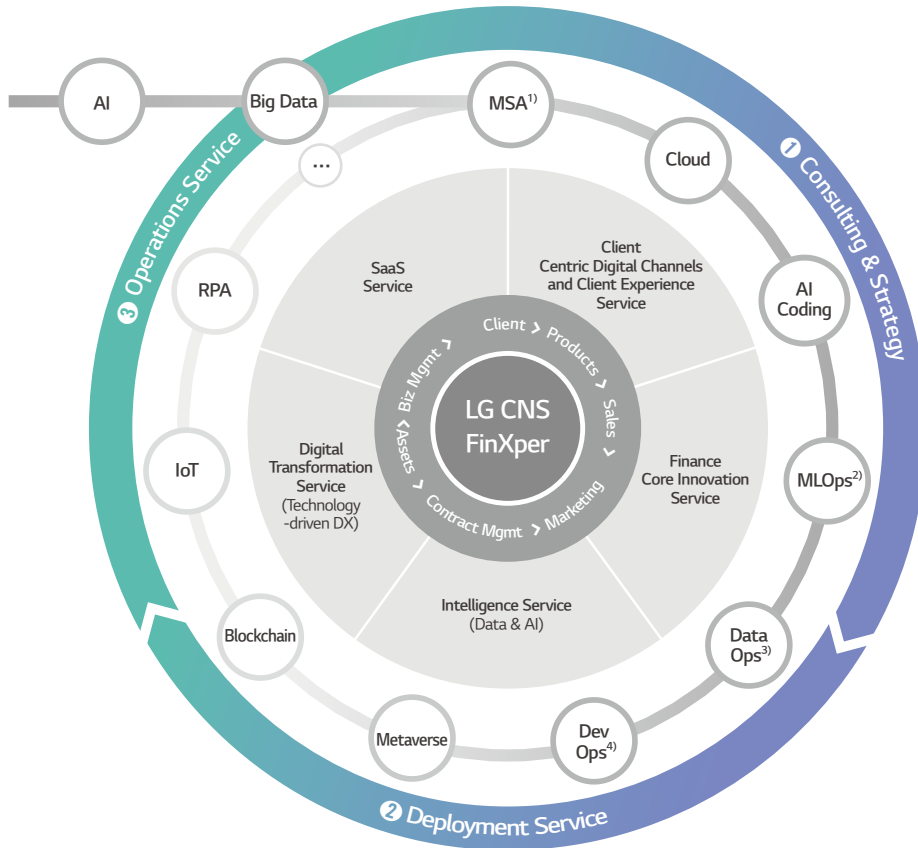
FinXper

LG CNS' Digital Finance Solutions Combined with Finance Industry Expertise and the Latest DX Technology

FinXper is a finance brand of LG CNS that supports clients' rapid digital transformation with expertise in all areas of finance and IT to increase their competitiveness. The name FinXper was coined by combining the words 'Finance' and 'Expert'.



New DX technologies and continuous business change and evolution



- 1) MSA (Micro Service Architecture) : An approach to designing and operating IT systems by dividing them into multiple micro units
- 2) MLOps (Machine Learning Operations) : Technologies that help optimize each step of the entire machine learning development process to make development easier and more comfortable
- 3) DataOps : A data management methodology that provides a seamless flow of data from creation to consumption to effectively deliver data to users, and automates processes to get the right data to the right place at the right time so the data can be used to its full potential
- 4) DevOps : A term that combines the word SW "Development" and IT "Operation." It is a software development methodology that emphasizes communication, collaboration, integration, and automation between development and IT operation teams
- 5) CDP : An acronym that stands for Customer Data Platform, a platform that manages all customer information and activities
- 6) STO (Security Taken Offering) : Issuance of tokenized securities

2023 Performance

LG CNS focused on accelerating the business innovation of financial companies by applying new digital technologies to core systems in the financial sector. Through the implementation of a large-scale system and next-generation channel system using cloud-based MSA technology and agile development methodology, LG CNS laid the foundation for an IT system that can agilely support business changes in the financial sector. In addition, LG CNS actively solved the problem of IT system integration/building, one of the most difficult areas for domestic financial companies when going overseas, through the IT system integration of KB Kookmin Bank-Prasac Bank in Cambodia, Hana Bank Indonesia, and Shinhan Bank Japan UI banking system.

2024 Strategic Directions

Financial consumers are demanding rapid change and sophisticated technology in finance, including easy and fast service, personalized service, and finance that can be fully incorporated into their daily lives. In 2024, new technologies such as CDP⁵⁾ · Generative AI · STO⁶⁾ will be fused into financial services to enhance the user experience and drive innovation in financial services.

Major Clients

Bank



Card/Capital



Insurance

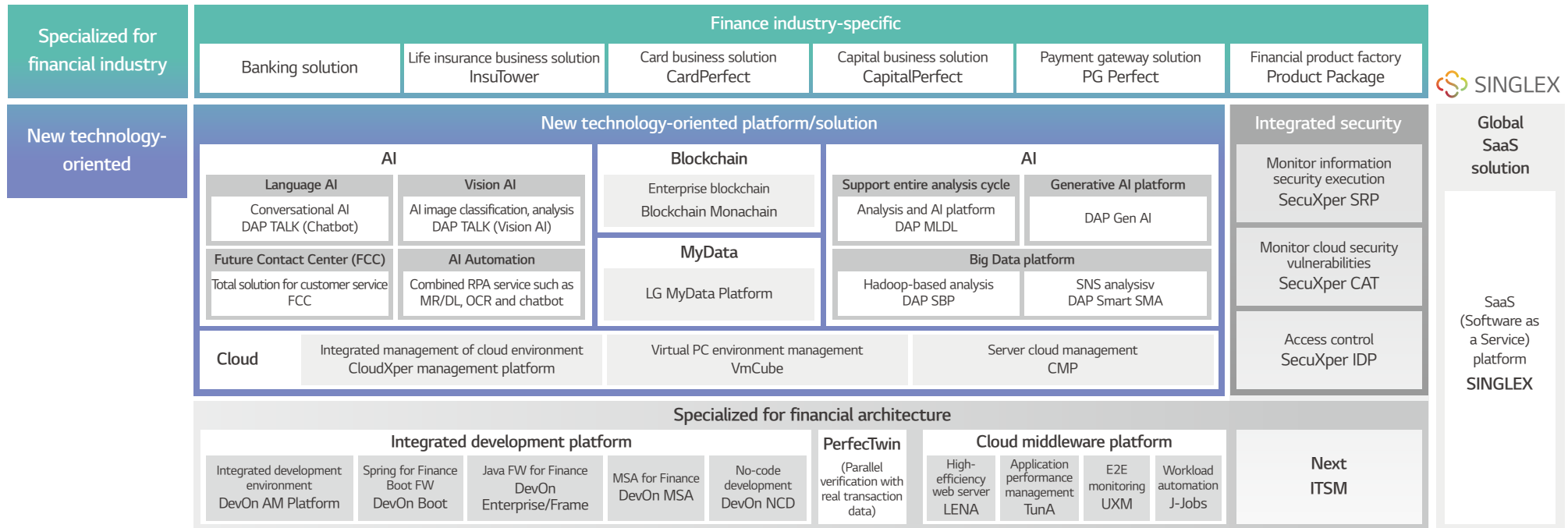


Securities



FinXper Service Offerings

To effectively support the DX of financial companies, FinXper leverages its leadership in new technologies to provide services ranging from those specialized in the financial industry to platforms/solutions based on architectures and new technologies such as AI, big data, and cloud. To continuously improve its quality, LG CNS provides services by an expert organization with years of experience and technical capabilities, and integrates self-developed solutions with global solutions.



ESG Value Creation with FinXper

Financial Value



- Increase productivity through financial business process automation
- Build KMS¹⁾ with generative AI technology to make employees more productive and efficient

Environmental Value



- Reduce energy and carbon emissions from offline banking operations by expanding digital financial channels
- Save energy and minimize carbon emissions from corporate IT systems through the implementation and optimized operation of cloud services

Social Value



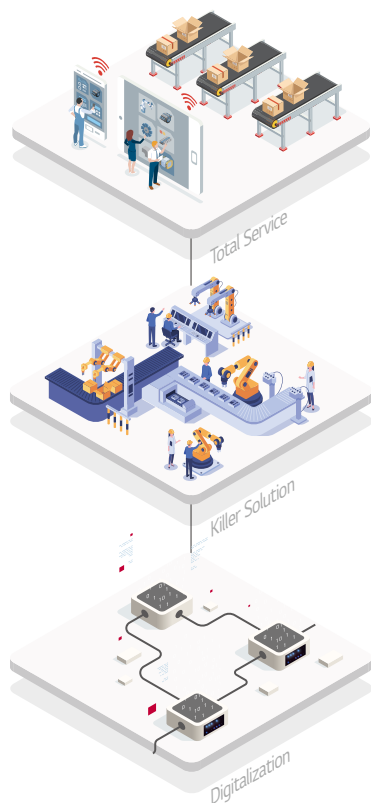
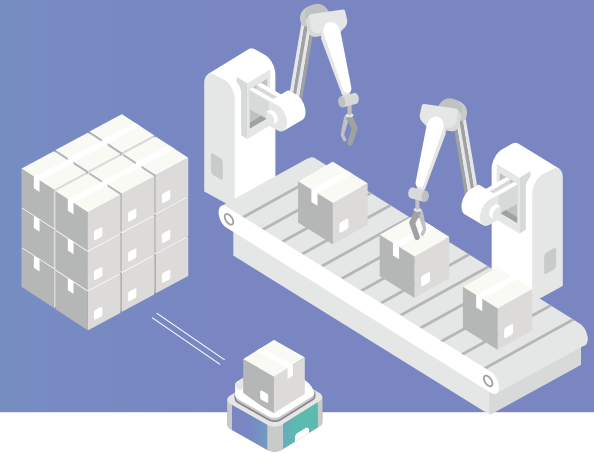
- Build user-friendly digital financial channels to make the financial system more accessible and convenient for those less familiar with digital devices, such as the elderly
- Combine AI and big data in the financial industry to prevent financial fraud and crime
- Establish a financial system utilizing blockchain technology (central bank digital currency, tokenized securities system, etc.) to prevent financial systems from external hacking and counterfeiting threats

1) KMS : An acronym that stands for Knowledge Management System, an enterprise information system to improve competitiveness by systematizing and sharing individual knowledge scattered within an organization or company

Smart Logistics

LG CNS, A Total Smart Logistics Solutions Provider

LG CNS provides smart logistics solutions that go beyond responding to environmental changes to innovate distribution centers based on the logistics DX know-how we have accumulated while leading the IT industry.



1. Providing total services of consulting, design, construction, and operation

- Consulting : Establishing a base strategy, operational strategy
- Center design : Layout design and simulation based on optimal facility selection
- Center construction : HW and SW construction for center automation, operation/maintenance, etc.

2. Line-up of advanced domestic and international solutions

- Optimized and intelligent equipment in urban spaces
- Differentiated, cutting-edge solutions - AutoStore, Pallet/Box Shuttle, AMR¹⁾/AGV²⁾, Picking Robot, Sorting Robot, etc.
- Integrated robot operation platform

3. Highest competency level of digital transformation

- Transform logistics operations with AI, optimization, and other information technologies
- Minimize initial investment, improve operational efficiency, reduce costs, etc.

1) AMR : Autonomous mobile robot

2) AGV (Automated Guided Vehicle) : An unmanned transportation robot

2023 Performance

LG CNS' smart logistics business grew by more than 10% year-on-year, driven by the expansion of its logistics robot business and increased investment by the Group in the secondary battery business. LG CNS was able to create opportunities for practical business applications by proactively investing in logistics robots, and re-enter the overseas battery factory construction business due to know-how in logistics automation. In addition, domestic e-commerce companies, which had driven business growth in the past, reconsidered new large-scale investments after the COVID-19 pandemic, leading to business diversification. To respond to these changes in the business environment, LG CNS diversified its portfolio by discovering new clients and securing business pipelines through sales activities in various industries such as food, defense, pharmaceuticals, and apparel. Particularly, we achieved significant results in the food and defense sectors, such as being selected as a preferred bidder. We also laid a foundation for entering overseas businesses, such as automated warehousing in Vietnam and the United States.

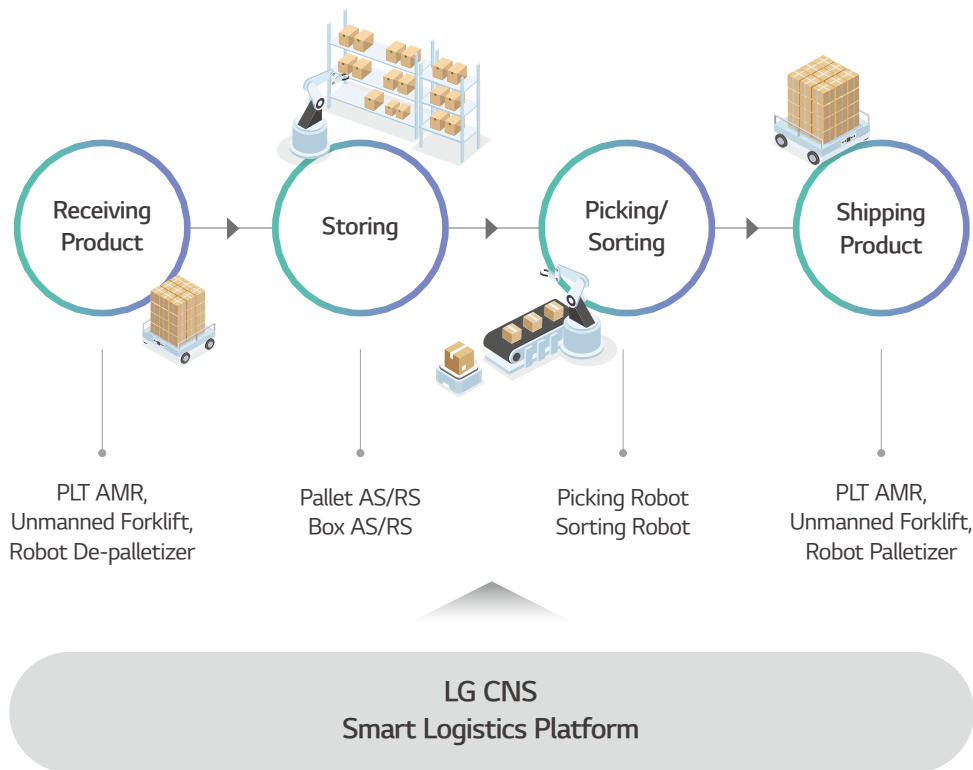
2024 Strategic Directions

In 2024, LG CNS will continue to lead the robotics business by enhancing the functions of its robotics platform through simulation and optimization, while expanding its application areas. Notably, LG CNS plans to expand the scope of process logistics with the robots that have already been proven in distribution logistics, and continue to differentiate its platform-based services. We will also accelerate innovation in process logistics by focusing on the secondary battery ecosystem to solidify related businesses, and will continue to expand the market through overseas expansion, based on collaboration with global partners.

Key Services

1. Full Automation Center

LG CNS provides automation-based logistics center design/building services for the entire process from receiving products, storage, picking/sorting, to shipping products using automated facilities combined with the latest IT.

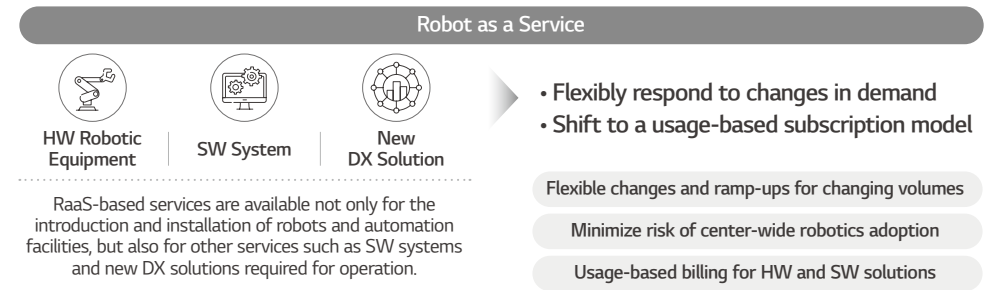


1) RaaS (Robot as a Service) : Subscription service for logistics robots

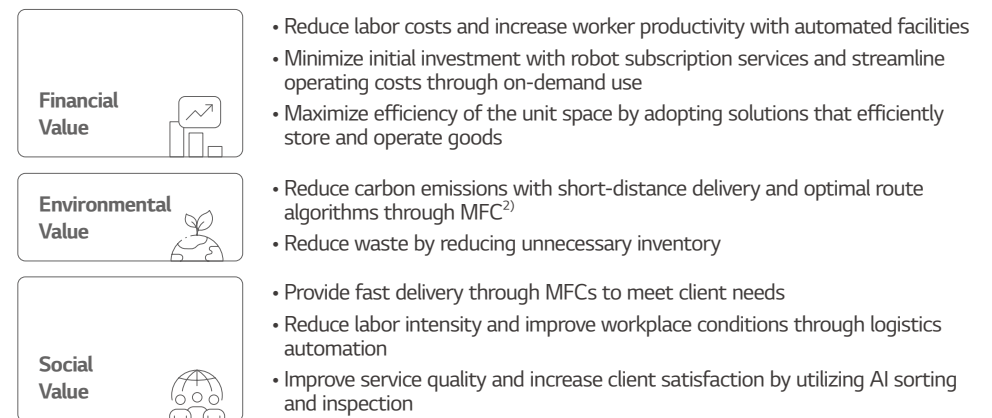
2) MFC (Micro Fulfillment Center) : Small logistics centers in cities

2. RaaS (Robot as a Service)¹⁾

The Logistics Robot Subscription Service of LG CNS is a service model that allows clients to subscribe and use logistics robots when needed. LG CNS' RaaS reduces the cost burden on clients for the initial introduction of logistics services. In addition, LG CNS continues to lead the intelligent logistics automation market by implementing Robotic Hyper Automation with the optimal combination of advanced digital technologies such as AI, optimization, and Digital Twin with the latest robotic equipment to redefine automation and achieve business growth, profitability, and stability.



ESG Value Creation with Smart Logistics



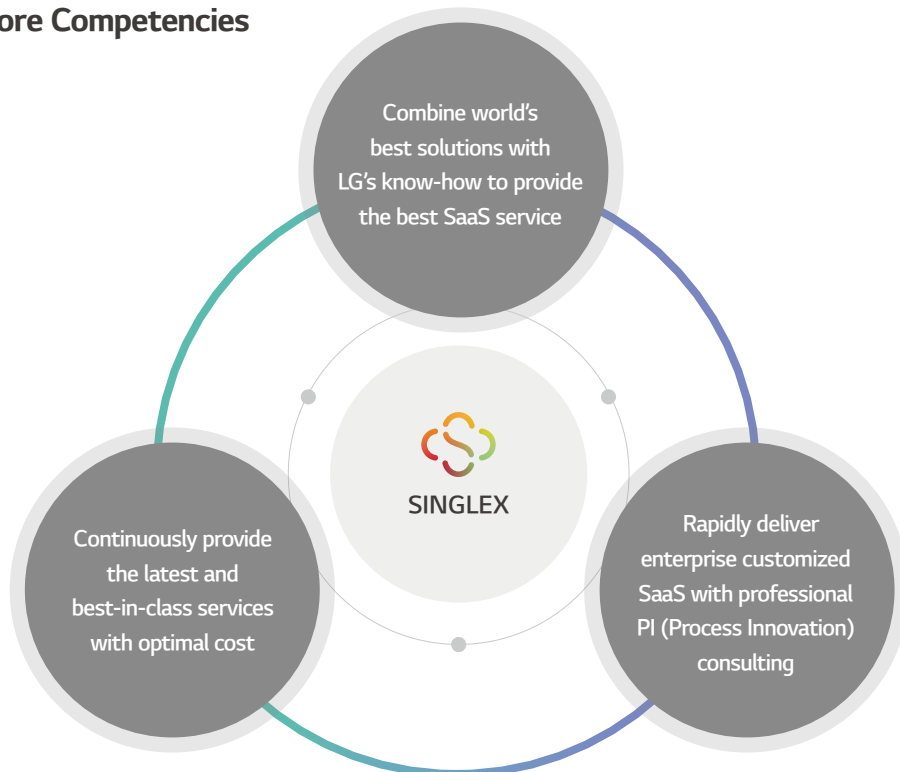


Integrated Enterprise SaaS Platform of LG CNS

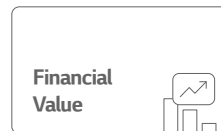
SINGLEX¹⁾ is a cloud-based SaaS²⁾ platform that integrates services for diverse and complex businesses into one platform. By combining LG's know-how and rich business experience with the best global solutions, LG CNS provides optimal services that transform the way companies work smarter across all business areas, including sales, purchasing, manufacturing, and human resources. It is a subscription-based service that allows clients to connect to the cloud, select the solutions they want, and pay only for what they use.



Core Competencies



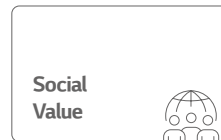
ESG Value Creation with SINGLEX



- Dramatically reduce upfront investment costs with no hardware or infrastructure required
- Provide pay-as-you-go subscription service for a continuous upgrade experience with low operating costs



- Reduce waste of resources by using public cloud, which eliminates the need to build and dismantle individual infrastructures
- Save energy through implementing integrated large-scale system based on single platform and its optimization



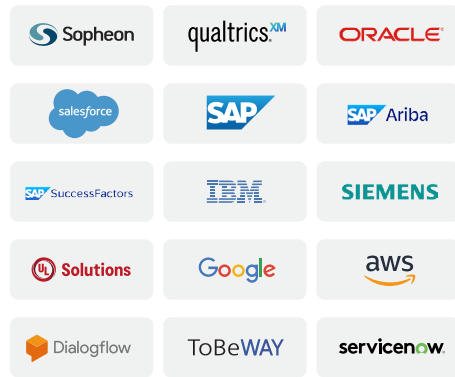
- Increase client satisfaction with global best-in-class services customized for client business
- Secure IT operational stability by providing services optimized for client's IT environments

1) SINGLEX : A combination of 'Single' and 'Complex', meaning that it provides various and complex business solutions through a single integrated platform

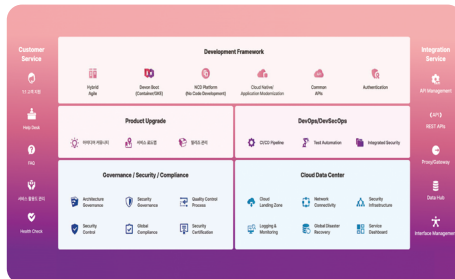
2) SaaS (Software as a Service) : A method that users access the cloud and pay a subscription fee to use only the services they need for a period of time, rather than purchasing a software product

About the Service

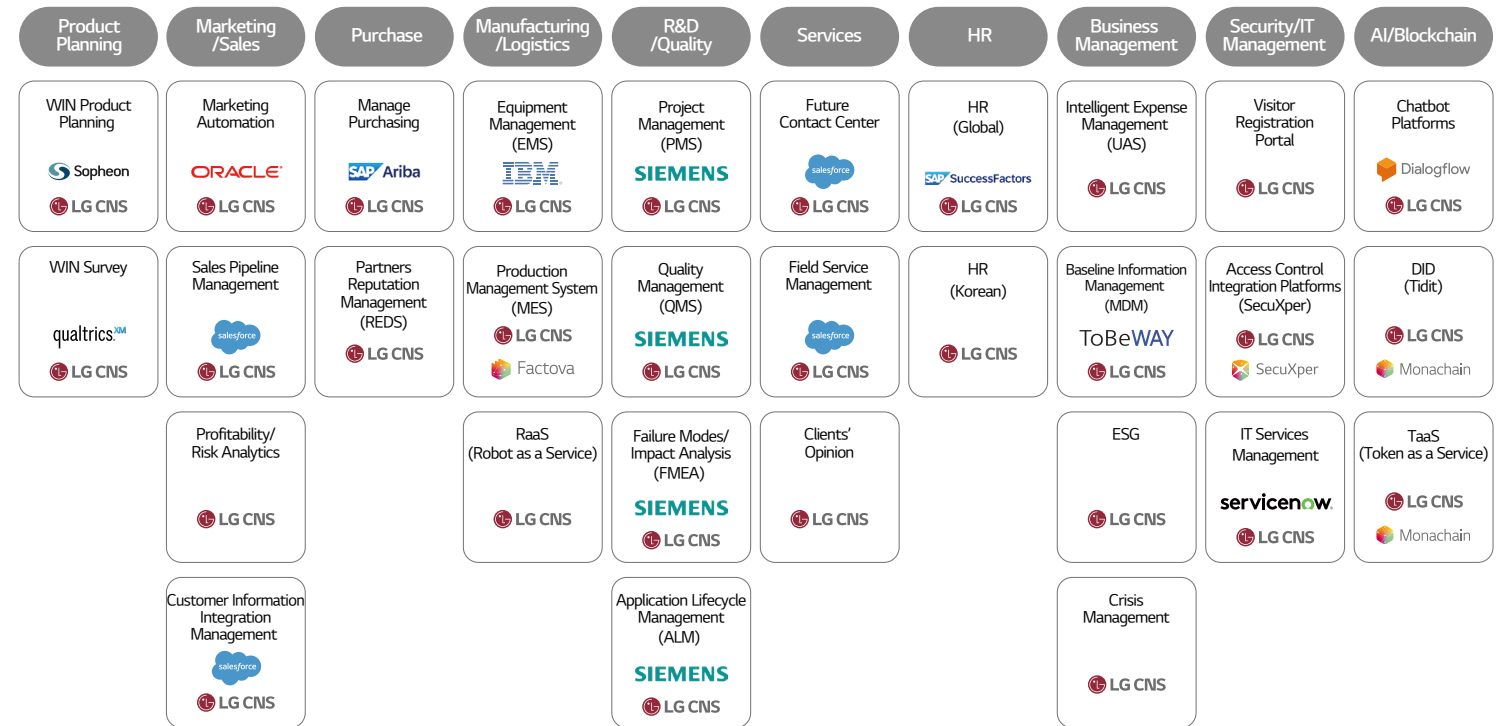
LG CNS brings together the top global solutions across all areas of business, and delivers them to clients in the form of customized SaaS.



LG CNS provides reliable SaaS-type services via the SINGLEX Platform, which efficiently and stably integrates and connects various SaaS, solutions, and legacy environments.



LG CNS offers the best SaaS that can quickly transform corporate business through SINGLEX, offering a customized service with fast and efficient pick & integration.





LG CNS Smart City Integration Platform

Cityhub is a smart city platform for the sustainable development. It is the infrastructure of urban digital space that plays the role of the 'brain' of a smart city. Through collecting various city data and providing AI analysis environment and common functions, it becomes a platform for various smart city services such as mobility, autonomous driving, healthcare, and smart home. Citizens can enjoy a safe and convenient city life through smart city services based on Cityhub.



Features

Data-driven

- Lay out full life cycle of data governance, from collection to utilization of city data
- Provide AI analytics environment and services based on collected city big data

Flexibility

- Build a resilient smart services framework
- Provide integration protocols based on Cityhub standards, such as Publish/Subscribe, that allow each service to flexibly utilize city data

Pioneering

- Verification through national certification and various references of building smart cities

Customized

- Reflect diverse client needs through a modular design
- Support everything from data collection to sharing

Scalability

- Comply with international standards to facilitate interconnection between other standard platforms/data, and interface with various city devices/systems

Continuous Innovation

- Respond quickly to the latest technology changes
- Continuous advancement through an expert organization

ESG Value Creation with Cityhub

Financial Value



- Reduce costs through the AI-powered optimization of city operations
- Prevent duplication of investment in city operations by securing scalability through compliance with international standards

Environmental Value



- Decrease unnecessary energy use through AI/Big Data-enabled facility management
- Reduce air pollution and carbon emissions through intelligent transportation systems

Social Value



- Improve the quality of public services and the lives of citizens by providing customized city services
- Increase public participation in policy-making and strengthen digital sovereignty by opening up data



2023 Performance

AI technology is advancing across all industries, and the data required for AI training is becoming increasingly important. Recognizing the significance of AI and data in the smart city industry, TTA¹⁾ launched the Smart City Data Hub Certified Test in 2023. As the significance of the data collected in cities is being emphasized, Cityhub has complied with the national standards for smart city data hubs in terms of functionality, data model, and interface. In addition, Cityhub passed three TTA certification tests (interface conformance, data model conformance, and functionality conformance) and won a grand prize in the 2023 TTA test certification. This provided an opportunity for Cityhub to be externally recognized for its technological superiority in the smart city field.

Cityhub, which complies with domestic and international standards on smart city data hubs and aims for a data-driven smart city, continues to develop into a smart city platform that can provide intelligent AI services based on the data collected.

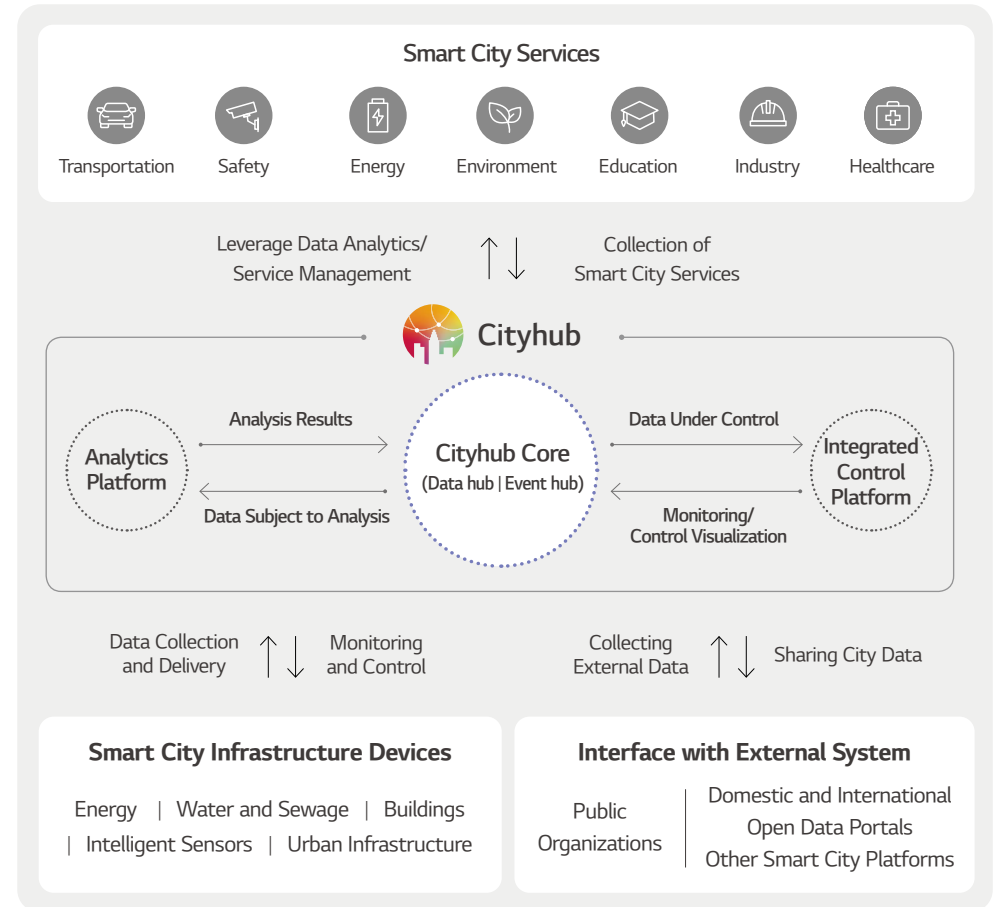


| TTA Certification

2024 Strategic Directions

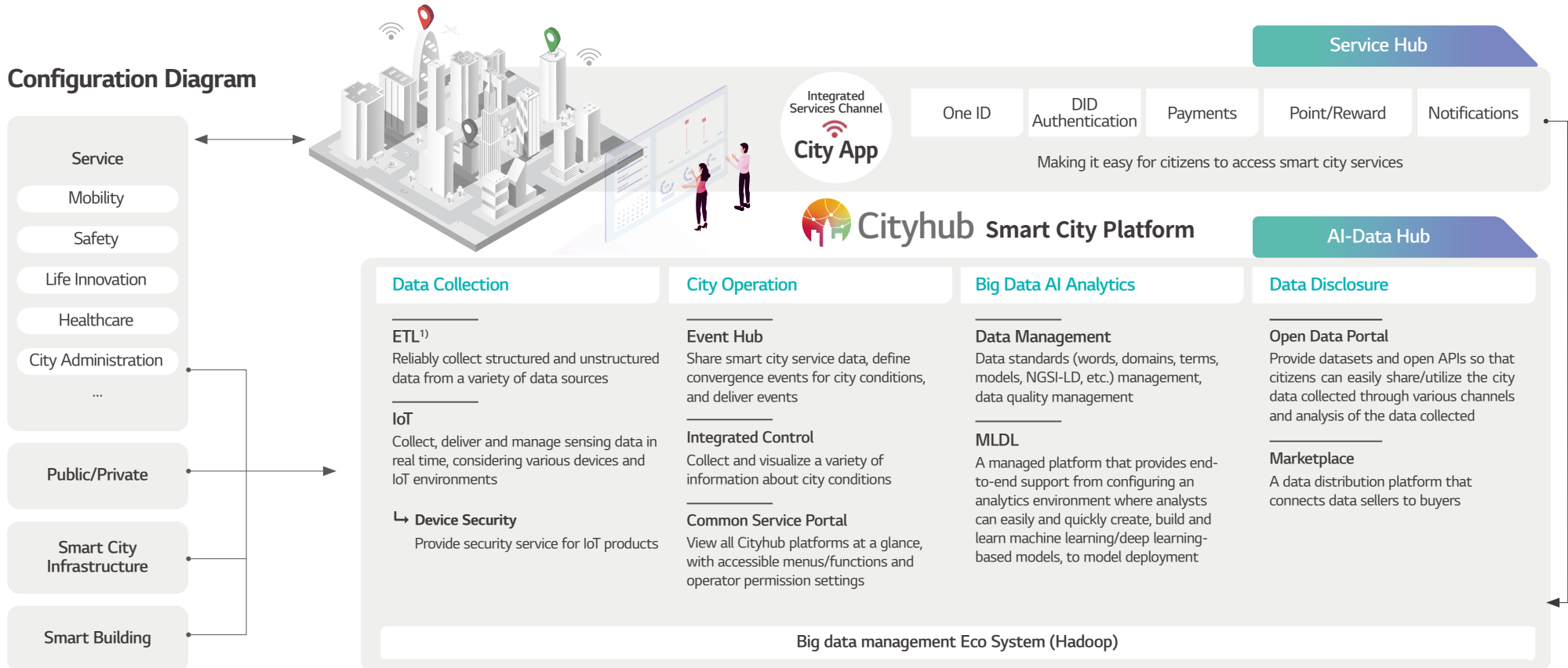
In 2024, LG CNS plans to apply Cityhub to Sejong and Busan smart cities to lay the foundation for solution advancement and smart city-based services, and continue to secure additional references.

In addition, LG CNS will apply technologies such as AI and data analysis to expand its service offerings based on Cityhub solutions in various business areas such as smart farms.



1) TTA (Telecommunications Technology Association): A Korean telecommunications organization established in 1988 for standardization activities and test/certification of standard products

Configuration Diagram



Key Businesses

* International standards that Cityhub has adopted: NGSI LD CityGML

Sejong 5-1 National Pilot Smart City



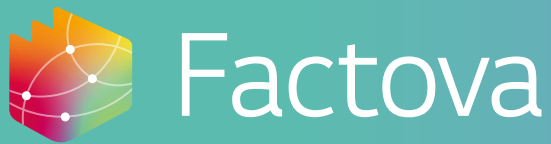
Busan Eco-Delta National Pilot Smart City



Intelligent Smart Farm Pilot Complex in Naju, Jeollanam-do



1) ETL (Extract, Transform, Load): The process of extracting data, transforming it into a required format, and moving it to another system during data processing



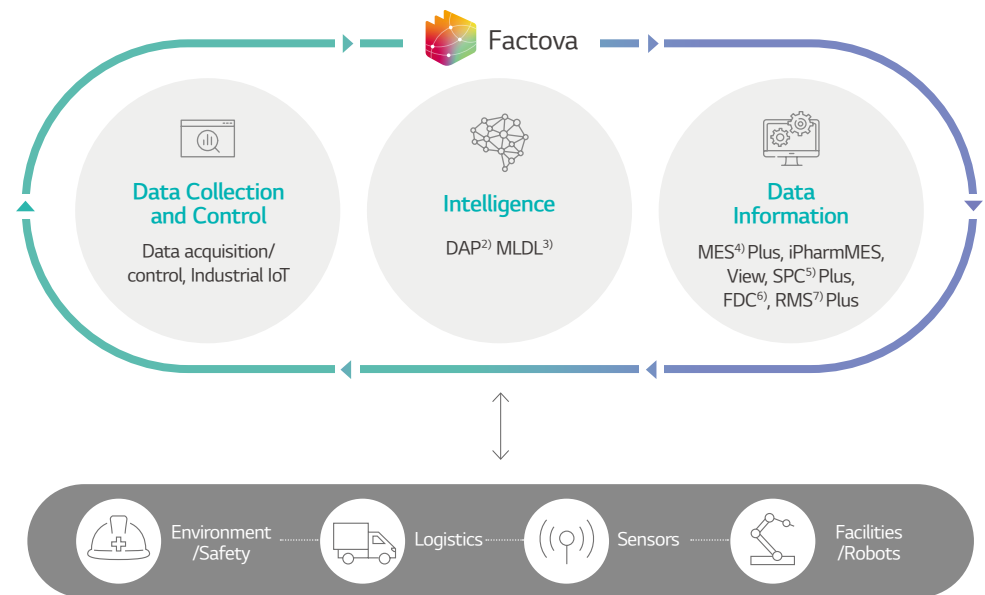
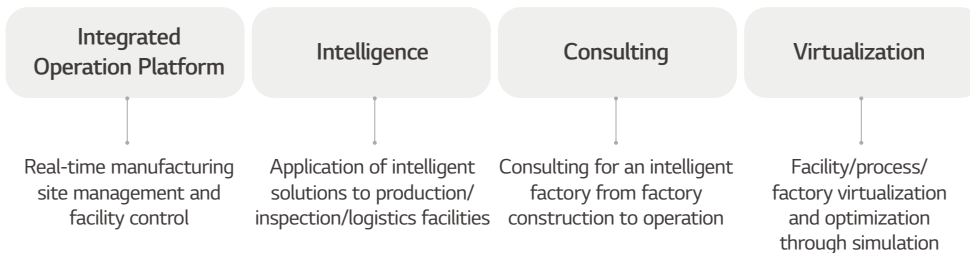
LG CNS Smart Factory Platform

Factova¹⁾ is an integrated manufacturing ICT platform that has been compiled through the manufacturing field expertise of LG Group affiliates. LG CNS has led smart factory implementation projects for more than 60 domestic and foreign companies. LG CNS has applied and advanced new information technology to smart factory technology, which previously was focused on factory automation, to upgrade and make it more intelligent.



LG CNS has implemented factory intelligence by applying technologies such as AI, big data, and IoT throughout the entire product manufacturing process. This standardizes business processes in the same industry and spreads them quickly and systematically to maximize the competitiveness of manufacturing companies. Factova consists of three areas : data collection and control, data information, and intelligence. The data collection and control area collects data from various equipment and sensors to enable control. The data information area manages the entire life cycle information of manufacturing from planning to management. The intelligence area applies the latest technologies such as AI and big data to the collected data to make decisions for optimization.

Service Area



1) Factova : A compound word combining the words "factory" and "value", Factova is a strategic brand that aims to provide differentiated customer value through the realization of a data-based, real-time autonomously operating factory

2) DAP (Data Analytics & AI Platform) : A strategic brand that refers to AI, big data analytics platforms

3) MLDL : An acronym for machine learning and deep learning

4) MES : Manufacturing Execution System

5) SPC : Statistical Process Control

6) FDC (Fault Detection and Classification) : Anomaly detection and classification

7) RMS : Recipe Management System

2023 Performance

LG CNS is building and expanding hyper-intelligent and hyper-automated factory systems for its clients through Factova, a smart factory solution that can respond to the rapidly shifting manufacturing paradigm.

LG CNS built an intelligent factory environment through new technologies such as AI, Digital Twin¹⁾ and IoT in the entire manufacturing process, and has standardized the manufacturing environment using a platform service that enables integrated operation based on know-how that has been proven in various industries.

LG CNS is actively promoting the spread of smart factories across the board through the adoption of Factova when expanding new factories and converting its existing systems, and is creating a more evolved and high-quality environment by applying SaaS²⁾ to the Factova solution areas and building a new system, logistics flow visualization solution.

With the goal of continually improving the manufacturing environment, LG CNS has worked tirelessly to monitor and provide optimized solutions across technology areas.

2024 Strategic Directions

In 2024, LG CNS plans to advance the virtualization and intelligent services of Factova to build a more advanced solution and roll it out to industrial fields.

In the area of virtualization, we will extend the target of verification by Virtual Factory to facility control systems to resolve difficulties in the field. In the area of intelligence, LG CNS will apply AIDD³⁾ to Factova and introduce AI Coding to the integrated operating platform development environment.

ESG Value Creation with Factova

Financial Value



- Increase productivity by improving process efficiency and minimizing defects
- Reduce labor costs through process automation

Environmental Value



- Support clients' LCA (Life Cycle Assessment) with manufacturing life cycle management
- Manage energy usage efficiently with visible energy data

Social Value

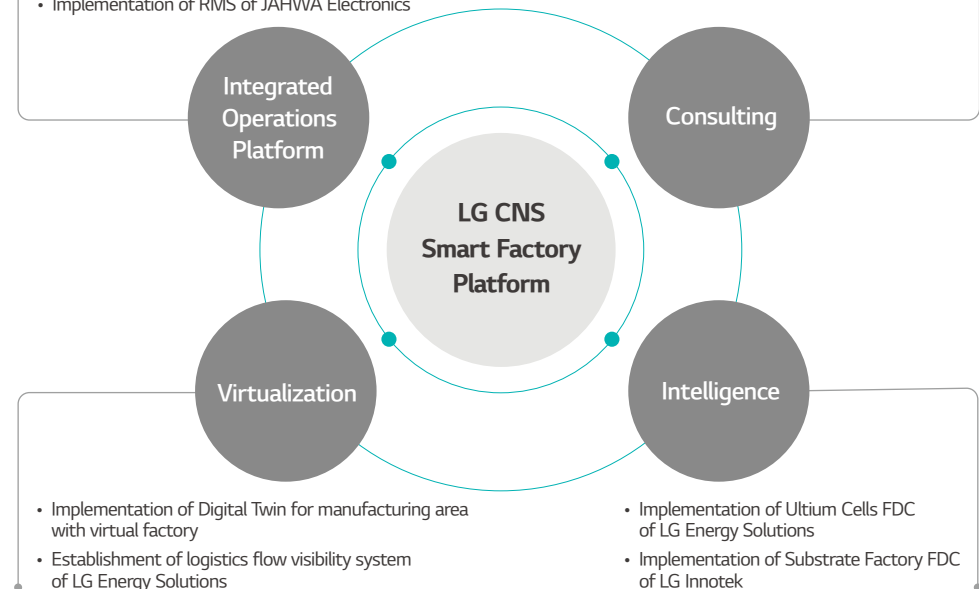


- Enhance quality by increasing the accuracy of product inspection
- Improve the workplace by increasing job safety

Key Businesses

- Implementation of Next-Generation MES and SPC of LG Electronics
- Implementation of SPC and RMS of LG Energy Solutions
- Implementation of FC-BGA MES, SPC, and RMS of LG Innotek
- Implementation of Petrochemicals/Advanced Materials SINGLEX EMS⁴⁾ of LG Chem
- Introduction of Factova TestOn SaaS
- Implementation of Handok Pharmaceutical Factory MES
- Implementation of RMS of JAHWA Electronics

- Consulting for the Poland pack factory process operation scenario of LG Energy Solutions
- Consulting for enhancement of the Dreamfab NTO (No Touch Operation) of LG Energy Solutions



1) Digital Twin : A technology that allows objects (objects, spaces, environments, processes, procedures, etc.) that exist in the real world to be represented as digital data models on a computer so that they can be replicated and react to each other in real time

2) SaaS (Software as a Service) : A method that users access the cloud and pay a subscription fee to use only the services they need for a period of time, rather than purchasing a software product

3) AIDD (AI Driven Development) : A development approach that applies AI technology across the entire process of analysis, design and development testing to optimize the implementation process, and leverages various AI assistants to completely transform project delivery

4) EMS : Equipment Management System



Monachain

LG CNS Blockchain Solution Optimized for Enterprises

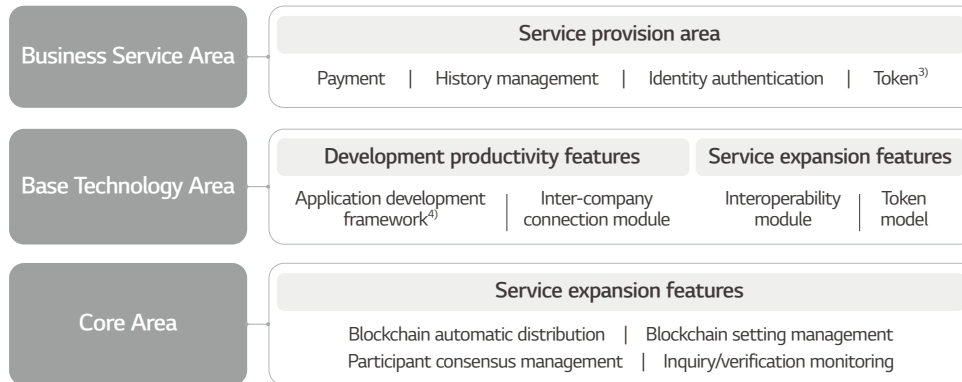
LG CNS is creating client value with practical services such as digital identity authentication and digital asset trading through blockchain. LG CNS is leading a safer and more reliable digital ecosystem.



An Enterprise Blockchain Platform Applicable to Various Industries

Monachain, developed by LG CNS, is an enterprise blockchain platform that can be applied to all industries, including finance, the public sector, telecommunications, and manufacturing. It provides optimal services that clients need, such as blockchain-based business and token securities issuance and distribution platforms, and has established a pilot digital currency platform with commercial banks to prepare for the technological changes expected when the CBDC (Central Bank Digital Currency)¹⁾ is issued. LG CNS has also developed a platform to lead the NFT²⁾ business.

Structure of Monachain Platform

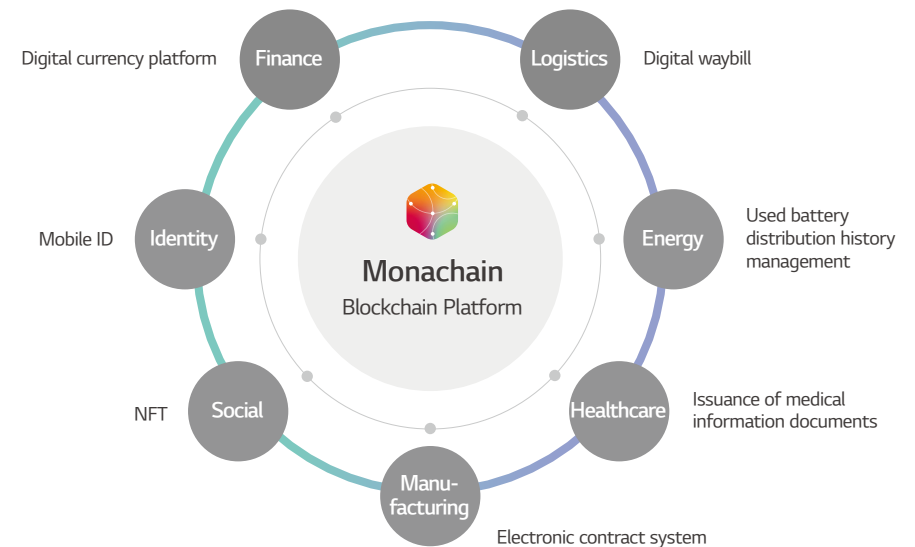


1) CBDC (Central Bank Digital Currency) : A digital currency issued by a country's central bank, as opposed to private cryptocurrencies such as Bitcoin

2) NFT (Non-Fungible Token) : A token that is not fungible

3) Token : A payment method for using services on the blockchain

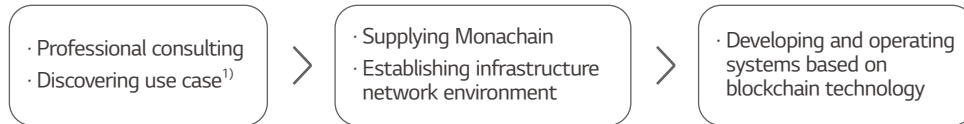
4) Framework : A software environment that provides the design and implementation of specific functions in a collaborative form so that can be reused



3. Blockchain Consulting Methodology

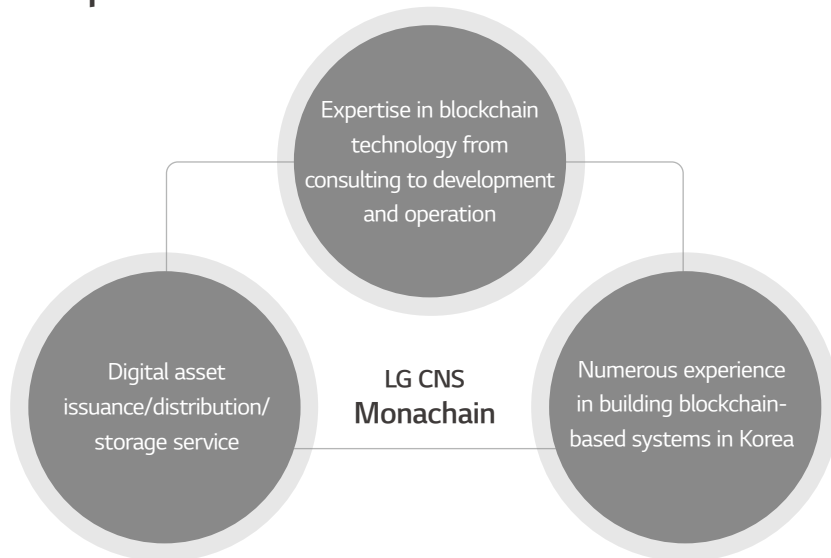
Provide customized solutions with blockchain consulting

LG CNS has developed a blockchain consulting methodology to help clients innovate their business and apply new business models. The methodology provides optimal solutions based on the characteristics of the client's business and IT environment, from establishment of a blockchain technology strategy to implementation, operation management, and platform-type services spanning various industries such as finance, public sector, communication, and manufacturing.

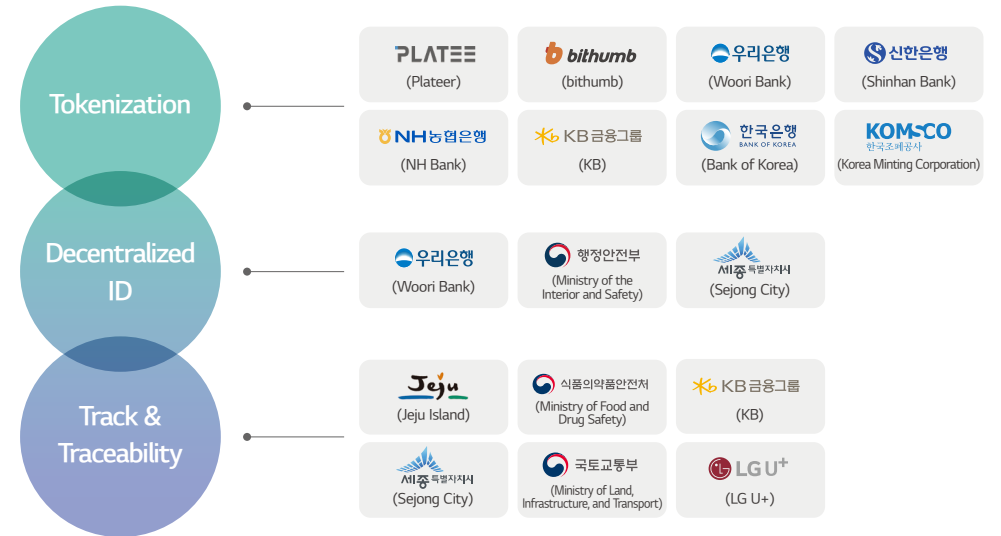


1) Use case : A scenario that describes the behavior of a system from the user's perspective

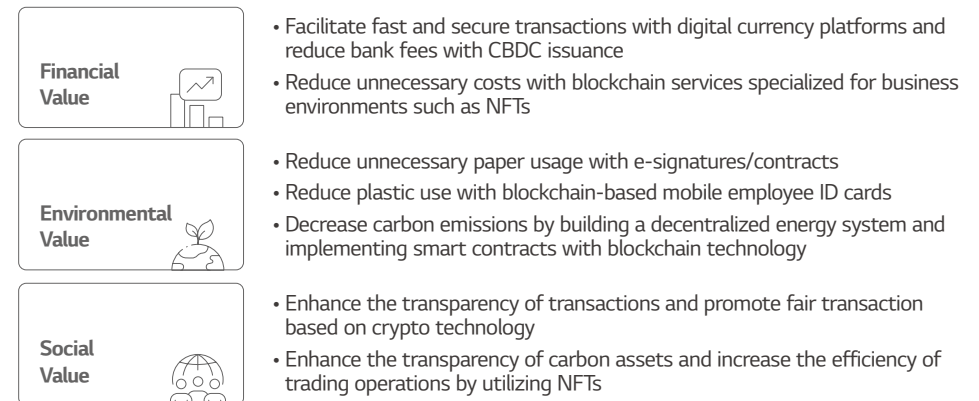
Core Competencies



Key Businesses



ESG Value Creation with Monachain



MOP

AI-powered Ad Operations Optimization Solution by LG CNS

MOP (Marketing Optimization Platform) is an intelligent advertising operation optimization platform developed by LG CNS based on AI/mathematical optimization algorithm¹⁾. It maximizes digital marketing performance for corporate clients by predicting ad performance, setting ad budgets, and automatically bidding on ads using mathematical optimization algorithms and future performance prediction models based on past performance data.



Key Services

LG CNS provides an optimization function that automatically optimizes actual ad performance using AI machine learning-powered predictive models and mathematical optimization technology, as well as the Insight function, which presents advanced analytics data such as the marketing attribution and budget sensitivity based on the big data. We also provide digital marketing tools.



Optimization Algorithm

Budget Optimization

An algorithm that recommends the optimal budget for each campaign across all media to achieve marketing goals

Search Ad Bid Opt

An algorithm that automatically optimizes bidding on keyword level in real time to achieve marketing goals

Shopping Ad Bid Opt

An algorithm that automatically optimizes the entire budget and bidding of shopping search ads to maximize conversions



Insight

Attribution

Measure and analyze the level of attribution to final conversions for multiple campaigns across multiple panels, at a granular level on a daily basis

Budget Sensitivity

Analyze the level of sensitivity of performance changes due to budget variances based on forecasting data

Competition

Analyze the level of bidding competition intensity in the market based on ad performance data on a daily basis



Tools

Dashboard

Status board to show the entire optimization process from data collection to real-time bidding

Report

Provide raw data by aggregating ad performance across all integrated media

Anomaly Detection

Automatically detect landing page errors, anomalies, and analyze and provide statistical changes in ad spend and exposure

Features

Customized machine learning model

Learn industry characteristics and competitive status by leveraging marketing data, auto-produce customized algorithms for each ad, and improve forecasting accuracy with ensemble technology

Mathematical intelligent bidding plan

Automatically set the optimal bidding price to drive the best results by calculating all the possibilities of ad performance for every time and every keyword with a sophisticated mathematical algorithm

Multi-objective optimization algorithms

Automatically run 24/7 to ensure that all ad performance index - clicks, conversions, and sales - achieve best performance, including click optimization, conversion optimization, and multi-optimization

1) Mathematical optimization algorithm : A technique that mathematically models complex decision-making problems with many constraints to find the optimal solution, which has been proven effective in improving cost efficiency and productivity in various industries such as aviation, space, and logistics

2023 Performance

In 2023, through a strategy of free distribution for domestic agencies, MOP secured 1% of the domestic digital ad market share and entered the top 20 in terms of digital ad handling by domestic ad agencies within a year from its launch.

Building on its success in improving performance for large ad agencies, MOP naturally expanded its reach to advertisers, small and medium-sized ad agencies in the market, and won Adtech at the Korea Digital Advertising Awards for three consecutive years, establishing itself as the dominant technology solution. This greatly contributed to a shift from a human-centered market structure to an algorithm solution-driven ecosystem.

2024 Strategic Directions

In 2024, LG CNS will focus on advancing technology compared to other companies and generating revenue in the domestic solution market, as well as entering the business and securing references in North America, the largest digital advertising market in the world. To increase its share of the domestic market, we will establish a solution sales structure and strengthen marketing activities for the channels we own to prepare a foundation for rapid growth. In addition, LG CNS plans to generate revenue by discovering premium service plans and business models based on MOP's proven technology and marketability. By actively leveraging its success in the domestic market, LG CNS will develop solutions specialized for the North American market, laying the foundation for entry into the largest market in the world.

Major Clients



ESG Value Creation with MOP

Financial Value



- Increase revenue with intelligent advertising and differentiation
- Reduce staffing costs with round-the-clock automation

Environmental Value



- Avoid wasting resources by reducing traditional offline marketing activities

Social Value



- Improve client satisfaction by investing ad operation resources saved by MOP into the core business

ESG HIGHLIGHTS

- 43 LG ESG Intelligence
- 45 Double Materiality Assessment
- 48 LG CNS ESG Focus Areas



LG ESG Intelligence

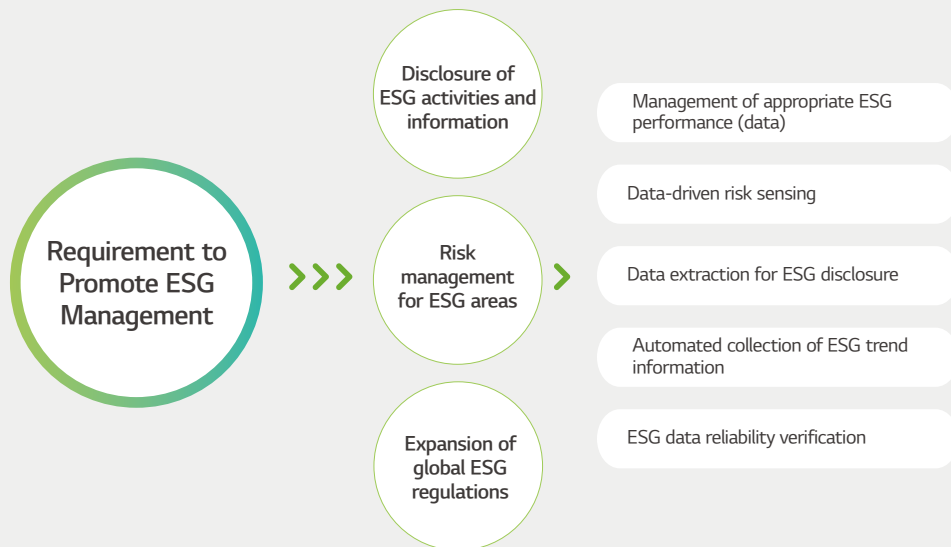
Supporting Data-driven ESG Management

Supporting ESG management through proper management of non-financial data and early detection of ESG risks

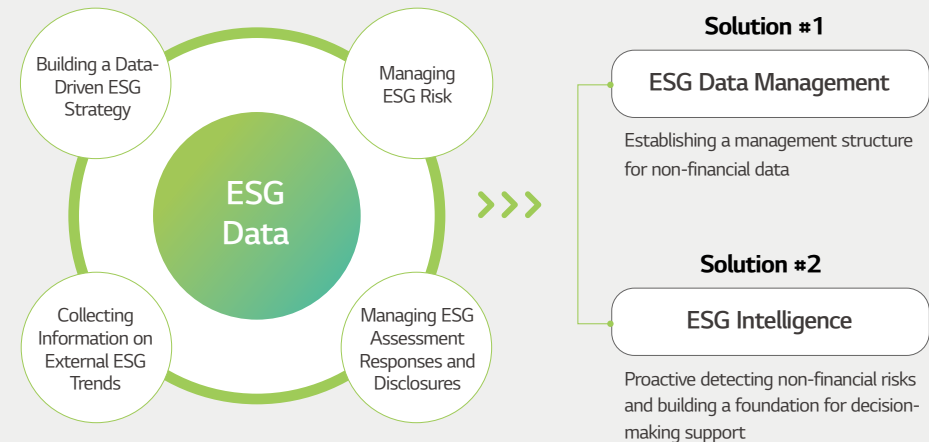
In the past, quantitative “financial” indicators centered on “return on investment” were the standard for evaluating companies. However, in recent years, as the impact of climate change and other issues has increased, “non-financial” indicators have also become important for company evaluation. Consequently, quantitative data on various non-financial indicators are required. Since data in the environmental and social domains have not been subject to disclosure except for a few items, many companies are struggling to promote management activities based on ESG data. Various ESG disclosure standards and the expansion of ESG rating agencies are further emphasizing the importance of ESG data management.

LG CNS promoted the establishment of the ESG-DX platform with major affiliates to resolve difficulties in ESG data management, support decision-making in ESG management, and enhance risk management. Starting with the standardization of LG Group’s non-financial data measurement in 2021, we completed the process of developing data standards, establishing operational policies and governance, and developing system functions that considers the convenience of users’ work, resulting in the official opening of the LG ESG IT platform “LG ESG Intelligence” in June 2023. LG CNS will actively identify clients’ requirements for the introduction of IT systems to promote ESG management and enhance the value of social contribution through IT services by combining LG CNS’ DX capabilities.

Expanding ESG Management and the Need for an IT Platform

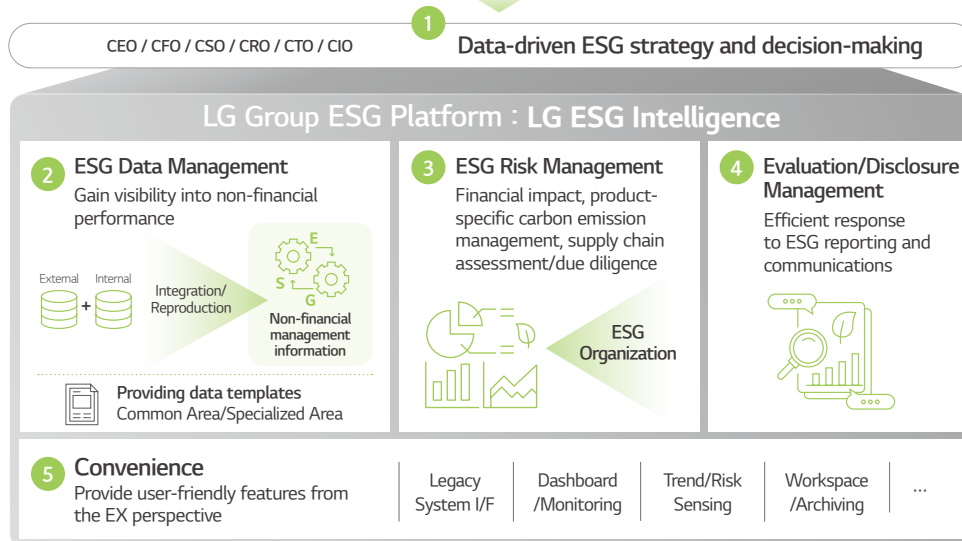
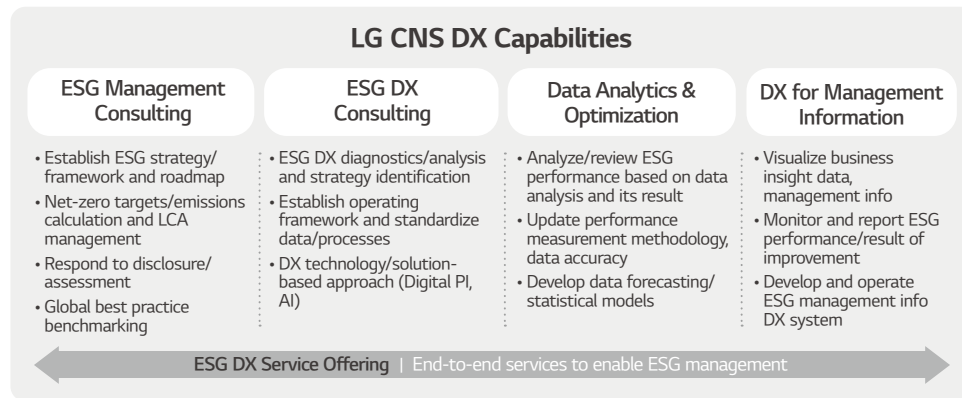


ESG Management System based on ESG Data



LG ESG Intelligence

LG ESG Intelligence is an integrated ESG information management system that supports the input, collection, and management of ESG data and utilizes/discloses the data as non-financial information, starting with ESG core indicator management. Since its official launch, it has been utilized by more than 70 related organizations of major affiliates, and has evolved based on the DX capabilities of LG CNS, including rules/statistics/AI-based data reliability verification and GHG emission calculation based on energy usage. Furthermore, in line with the trend of mandatory ESG disclosure in Korea and abroad, LG CNS will continue to promote the realization of ESG management intelligence based on our ESG Data Warehouse by expanding the scope of use to overseas business sites, while increasing data collection and utilization to effectively support each affiliate's disclosure and risk management of non-financial information.



Development Progress (~'24.3)

Design and Development

'21.7~'23.6

- Established Group ESG policies and standards
- Established data standards/governance and operational/administrative guidelines
- Completed function development/validation and data loading ('20~'23.1Q)

Official Launch/Change Management

'23.6~'24.3

- Leveraged 70+ related organizations across 10 major affiliates
- Laid a foundation for analytics/predictive intelligence
- Expanded function of data reliability verification and data quality management
- Data analysis and predictive modeling for environmental (E) index
- Expanded input capabilities/scope
- Applied to domestic business sites (to make possible to input data at a site level)
- Automated GHG emission calculation based on energy usage
- Established data IF standards to connect with affiliates' systems
- Translation into English and optimization for overseas business sites

Scale-up/Advancement

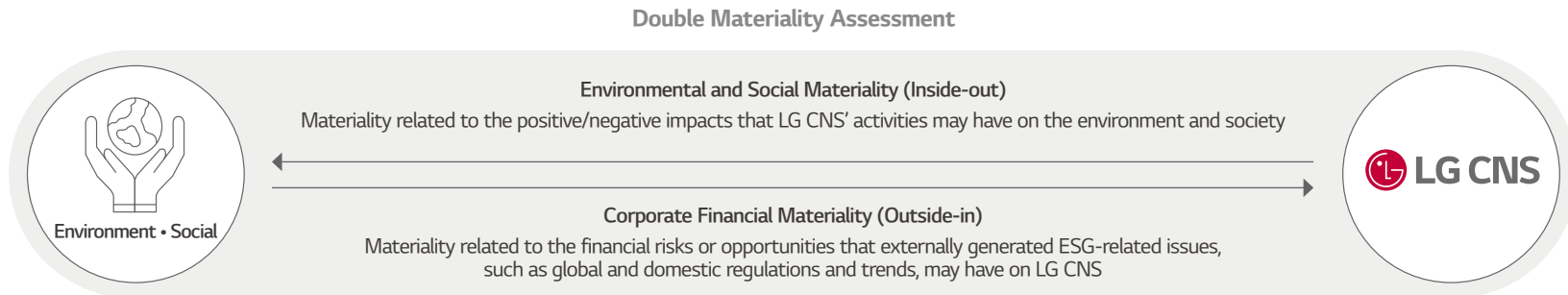
Next is...

- Advance necessary functions such as prediction/analysis and support for data reporting
- Aim to deliver real value for DX-based ESG management

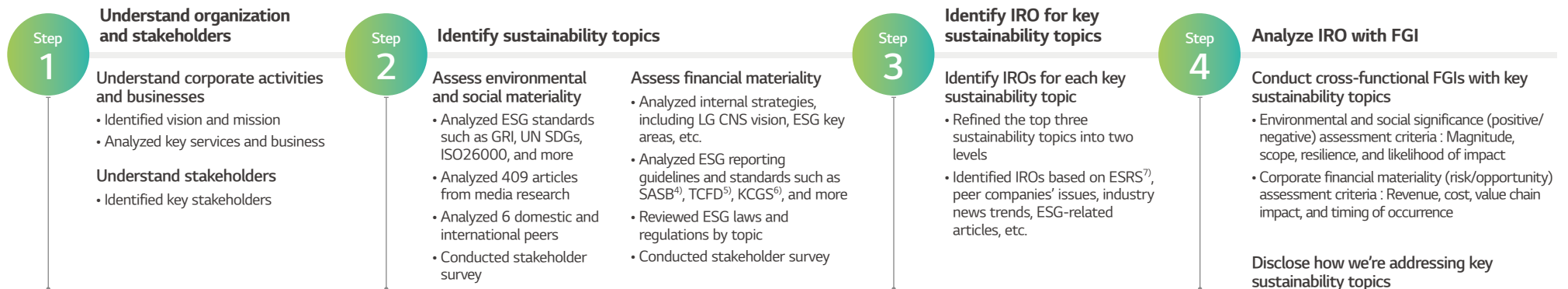
Double Materiality Assessment

Double Materiality Assessment

LG CNS identified its key sustainability topics through a double materiality assessment that considered both “environmental/social materiality” and “corporate financial materiality”. We complied with the GRI¹⁾ 2021 revision and applied the EU’s CSRD²⁾’s materiality assessment methodology. For each major sustainability item, we specified them into level one and two, and then an IRO (Impact, Risk, Opportunity) assessment was conducted at Level two. We then analyzed the positive/negative impacts that LG CNS can have on the environment and society, and the risk/opportunity factors that can affect the corporation’s finances, and enhanced the reliability of the materiality assessment results through FGIs³⁾ with relevant teams.



Double Materiality Assessment Process



1) GRI : Global Reporting Initiative

2) CSRD : Corporate Sustainability Reporting Directive

3) FGI : Focus Group Interview

4) SASB : Sustainability Accounting Standards Board

5) TCFD : Task Force on Climate-Related Financial Disclosure

6) KCGS : Korea Institute of Corporate Governance and Sustainability

7) ESRS : European Sustainability Report Standards

Double Materiality Assessment

LG CNS Double Materiality Assessment Results

Step
1

Understand organization and stakeholders

As a DX specialist, LG CNS is playing the role of a Digital Business Innovator that leads clients' business transformation with the best DX technologies. We lead our clients' DX in various areas such as AI, big data, cloud, security, smart logistics, SaaS, smart city, and smart factory. Since its founding in 1987, LG CNS has been operating a headquarter in Seoul, and overseas subsidiaries in the U.S., Europe, and China. We define our stakeholders as clients, employees, suppliers, shareholders/investors, and the local communities who can have major impact on our business activities. This sustainability report reflects a more specific materiality assessment based on FGIs conducted on key sustainability topics.

Step
2

Identify sustainability topics

LG CNS identified a total of 13 sustainability material topics through an analysis of global ESG disclosure standards and evaluation indicators (i.e. GRI, ESRS, SASB), 409 media articles and six peer companies, internal strategies review, an analysis of domestic laws and regulations, and surveys of internal and external stakeholders. The top three items are "Information protection and data security", "Compliance with fair trade and related laws", and "Leading internal IT innovation".

●●● High ●●○ Medium ●○○ Low

	Material Topics	Environmental & Social Materiality	Financial Materiality	Reporting Page
Social	Information protection and data security	●●●	●●●	71-75p
	Human resources management	●●●	●●●	57-61p
	Protecting human rights	●●●	●●○	62-65p
	Client satisfaction	●○○	●●●	80-82p
	Growing together with partners	●●○	●●○	78-79p
	Health and safety management	●●○	●○○	66-70p
	Supporting workforce diversity	●●○	●○○	62-65p
	Operating social contribution activities	●○○	●○○	76-77p
	Compliance with fair trade and related laws	●●●	●●●	84-87p
Economy and governance	Leading internal IT innovation	●●●	●●●	13-41p
	Establishing transparent and sound governance	●●○	●●○	88-89p
Environment	Building a climate change response framework	●○○	●●○	51-55p
	Developing green digital technologies	●○○	●○○	43-44p

Step
3

Identify IRO for key sustainability topics

The IROs were identified by segmenting the top three sustainability topics. Based on ESRS, peer companies' cases, industry trend news and articles, we have identified the impact, risk, and opportunity factors that are likely to occur in the short, medium, and long term.

Level 1

Information protection and data security

Compliance with fair trade and related laws

Leading internal IT innovation

Level 2

Corporate information protection
Personal and client information protection

Prohibiting unfair trade practices
Prohibiting collusion
Establishing a fair trade order

Artificial intelligence technology
Cloud and DX technology
Data center operations

Identified IRO

Step
4

Analyze IRO with FGI

Focus group interviews were conducted with representatives from the teams related to the top three sustainability topics to analyze the IRO factors for each topic in terms of environmental and social materiality and financial materiality. For environmental and social materiality, we assessed the positive and negative impacts that each topic could have on the environment and society. For financial materiality, we assessed the risks and opportunities that each topic could have on LG CNS.

	Results	Remarks
I : Impact (Environmental & Social Materiality)	Positive impact	Assess the size, scope, resilience, and likelihood of each positive and negative impact
	Negative impact	
RO : Risk & Opportunity (Financial Materiality)	Opportunity factors	Assess the extent and timing of the impact of each opportunity/risk factor on LG CNS' revenue, costs, and value chain
	Risk factors	

Double Materiality Assessment

LG CNS Double Materiality Assessment Results

Sustainability Topics		Environmental and Social Material		Financial Materiality		Strategy
Level 1	Level 2	Positive Impact	Negative Impact	Opportunities	Risks	
Information protection and data security	Corporate information protection	<ul style="list-style-type: none"> Continuously maintain information security system to prevent client and company data breaches 	<ul style="list-style-type: none"> Excessive authentication procedures to protect corporate information lead to employee frustration and decreased work efficiency 	<ul style="list-style-type: none"> Elevate market leadership and revenue by preventing core technology leakage and securing proprietary information Improve client trust with critical technology and personal information protections 	<ul style="list-style-type: none"> Risk of financial loss due to security incidents, including leakage of confidential information, system paralysis, service disruption, etc. 	<ul style="list-style-type: none"> Improve security resiliency by strengthening security response system
	Personal and client information protection	<ul style="list-style-type: none"> Contribute to improving information security and cyber safety across society 	<ul style="list-style-type: none"> Personal and client information breaches can lead to violations of individual human rights/privacy and loss of client trust 	<ul style="list-style-type: none"> Increase revenue by providing personal and client information protection services/solutions 	<ul style="list-style-type: none"> Increased financial risk due to fines/penalties/damages for breaches of personal and client information (high financial risk for global businesses) Loss of client trust leads to loss of clients and competitive advantage 	<ul style="list-style-type: none"> Implement "Zero Trust" as the security paradigm for the DX era Reporting pages) 71-75p
Compliance with fair trade and related laws	Prohibiting unfair trade practices and collusion	<ul style="list-style-type: none"> Mutual growth with local communities and suppliers through fair and objective subcontracting Promote market competition, increase productivity and encourage social innovation 	-	<ul style="list-style-type: none"> Increased financial resource efficiency through fair competition, compliance-based contractor management, and quality vendor selection Expansion of investment and improved brand reputation 	<ul style="list-style-type: none"> Increased legal financial risk, including fines/penalties for non-compliance with the Act on the Prevention of Conflict of Interest and other domestic legal standards Declining shareholder confidence, and weakening of the value chain base due to capital outflows 	<ul style="list-style-type: none"> Review and assess the effectiveness of compliance control system Operate a compliance program for overseas subsidiaries Strengthen anti-collusion program to address the key risk factors
	Establishing a fair trade order	<ul style="list-style-type: none"> Improve social trust through objective, public-interest-based decision-making 	-	<ul style="list-style-type: none"> Improved corporate image as a leader in corporate integrity and increased revenue 	<ul style="list-style-type: none"> Potential for legal disputes, lawsuits, and fines due to cartel and antitrust issues 	<ul style="list-style-type: none"> Reporting pages) 86-87p
Leading internal IT innovation	AI technology	<ul style="list-style-type: none"> Discover startups, lead the market and create jobs in AI-related fields 	<ul style="list-style-type: none"> Social issues may arise around AI ethics and digital responsibility 	<ul style="list-style-type: none"> Increased revenue from expanding AI market by becoming a first mover in AI technology 	<ul style="list-style-type: none"> Failure to lead in the AI industry could lead to loss of business opportunities Increased financial burden of responding to AI-related regulations and ethics codes 	<ul style="list-style-type: none"> Lead the enterprise AI business
	Cloud and DX technology	<ul style="list-style-type: none"> Leverage DX expertise during a national IT crisis to help resolve key problems 	<ul style="list-style-type: none"> Client confidence and user experience can be damaged due to system failure 	<ul style="list-style-type: none"> Creating new business opportunities by entering the global market Increased business opportunities in cloud/network services and related businesses 	<ul style="list-style-type: none"> Loss of competitive advantage in the marketplace if company fails to stay ahead of rapid technological change 	<ul style="list-style-type: none"> Expand global business Social contribution activities to support local communities
	Data Center operation	<ul style="list-style-type: none"> Contribute to the growth of the digital economy with data centers as the core infrastructure for digital services Supporting local economic development in the communities where new data centers are built 	<ul style="list-style-type: none"> Poor data center management can lead to new digital disasters such as network outages Lack of data center safety management system can lead to human casualties 	<ul style="list-style-type: none"> Increased data center demand driven by advances in DX technologies such as AI Increased client demand for green data centers that minimize greenhouse gas emissions 	<ul style="list-style-type: none"> Safety issues of data centers (fire, flooding, etc.) and financial risks from safety incidents 	<ul style="list-style-type: none"> Build and operate environment-friendly and safe data centers Reporting pages) 14-16p, 69p, 76-77p, 51-55p

LG CNS ESG Focus Areas

Strategic Action for Sustainability Management

LG CNS is engaged in practical activities such as obtaining ISO (International Organization for Standardization) certification, DX social contribution, and Jeong-Do Management for ESG management, and continuously communicates with various stakeholders such as clients, suppliers, shareholders, and employees. LG CNS will continue to be a DX specialist that creates customer value with DX solutions in all businesses, and pursue sustainable future by fulfilling our social responsibilities.

DX Specialist Creating a Sustainable Future

Action Plan

Key Activities



Environmental Responsibility

- Manage carbon emissions by business site (based on scope 1 and 2)
- Develop eco-friendly IT systems
- Implement energy-saving activities



Social Responsibility

- Operate a competency-based HR system and employee-customized welfare system
- Provide free AI education to students with fewer opportunities
- Establish company-wide safety and health management system/resolve harmful and risk factors on project sites
- Develop administrative, physical, and technical security system/protect knowledge assets

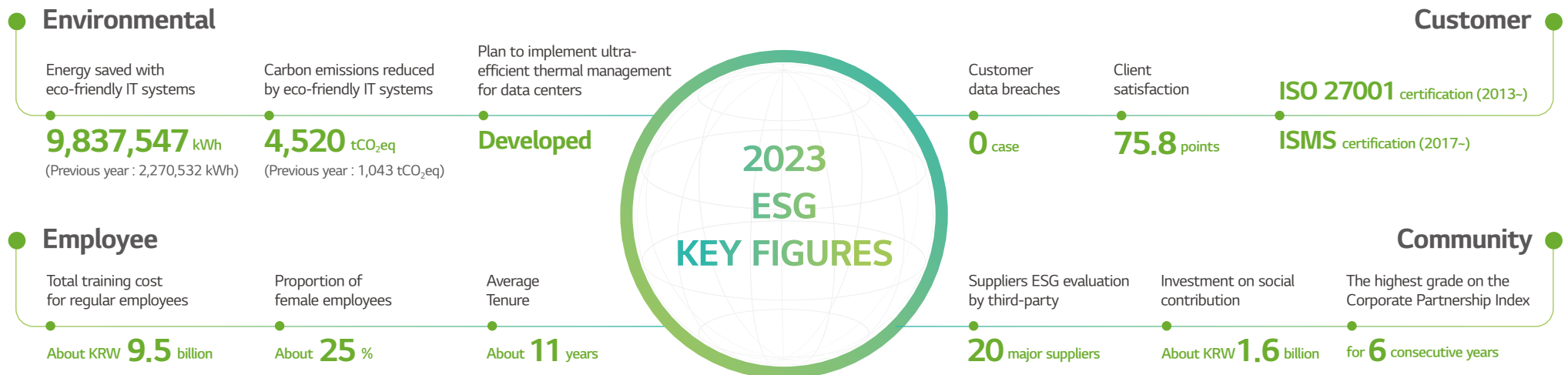


Governance

- Operate fair trade portal/pledge to prevent cartel
- Use Jeong-Do Management guidance board/post Jeong-Do Management violation cases
- Implement irregularities reporting channels and reward system for reporting

2023 ESG Key Figures

LG CNS' key achievements in each ESG area in 2023 are as follows.



ESG Fact Book

Environment	51	Environmental Management
Social	57	Human Resources
	62	Diversity & Inclusion
	66	Safety & Health Management
	71	Information Security
	76	Social Contribution
	78	Supply Chain Management
	80	Quality Management
Governance	84	Jeong-Do Management
	86	Compliance
	88	Corporate Governance
	90	Communication with Stakeholders



Environment

51 Environmental Management

UN SDGs

13 CLIMATE ACTION


6 CLEAN WATER AND SANITATION


7 AFFORDABLE AND CLEAN ENERGY


Environmental Management

Policy

Environmental Management Policy

LG CNS established and practices its 'Environmental Management Policy' to minimize environmental risks that may arise during business activities and to pursue social value through environmental management. The Environmental Management Policy applies to stakeholders included in the scope of corporate activities, such as employees and partner companies.

To achieve the environmental management goal of 'building a sustainable future', LG CNS is carrying out activities such as strengthening our response to the emissions trading system, replacing data center facilities with high-efficiency facilities, establishing an IT-based environmental management system, and providing environmental education to members.

Environmental Policy



Environmental Policy

With the aim of fulfilling its corporate social responsibility and achieving sustainable management, LG CNS has established and applies the following environmental policy.

- Establish an environmental management system to minimize environmental pollution resulting from business activities and promote continuous improvement activities.
- Recognize global climate change as a problem for humanity, and strive to minimize the negative environmental impact of greenhouse gas emissions.
- Comply with domestic and foreign environmental laws and stakeholders' requirements, and implement them.
- Disclose environmental management information and performance transparently, and actively communicate with various internal and external stakeholders.

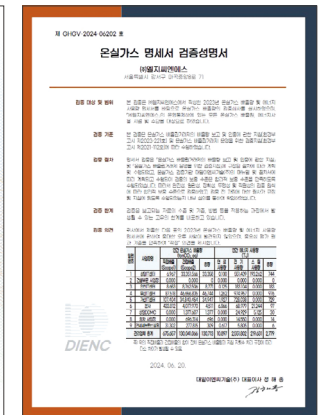
Environmental Management System

LG CNS is promoting environmental management by reflecting climate change response plans to comply with the Paris Climate Agreement and the government's 2050 carbon neutrality declaration. LG CNS manages greenhouse gas emissions in accordance with the 'Framework Act on Carbon Neutrality and Green Growth to Cope with Climate Crisis', and has established and implemented environmental policies, execution plans, and continuous improvement processes by following the procedures stipulated by ISO 14001 (Environmental Management System) certification standards.

ISO 14001 Certification



GHG Emissions Certification



Environmental Management

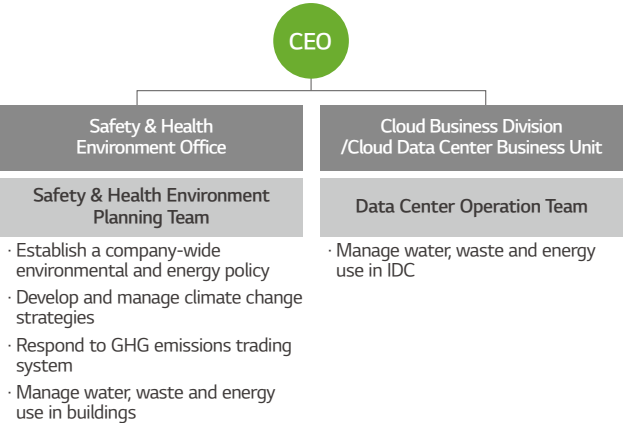
Environmental Management Organization

LG CNS conducts company-wide environmental activities, including establishing environmental policies and responding to the GHG emissions trading system¹⁾, led by the Safety & Health Environment Planning Team, which oversees environmental management. The Safety & Health Environment Planning Team works with major relevant departments to reduce data center (IDC) energy consumption, operate the environmental management system, and manage energy/water/waste.

LG CNS reports environmental management performance, including energy usage, greenhouse gas emissions, and environmental management status at our business sites, to key stakeholders such as management and investors on a quarterly basis through the BOD, EHS Committee, and Compliance Committee meetings.

1) Emissions trading system : A system in which the government allocates an annual greenhouse gas emission allowance to businesses that emit greenhouse gases, and allows businesses to trade among themselves for any surplus or shortage of allowances
2) UPS : Uninterruptible Power Supply

Environmental Management Organization



Goal

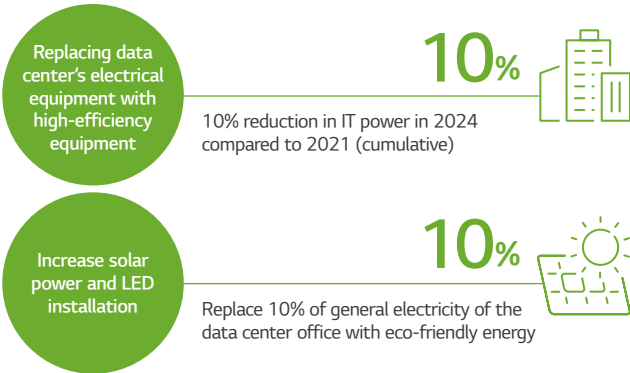
Environmental Management Goals and Tasks

As enterprise DX (Digital Transformation) continues to expand by leveraging technologies such as AI, cloud computing, and IoT, the electric power consumption from high-performance servers and storage equipment is also increasing. Notably, as AI technologies use a massive volume of data for AI training, they require high computing power for analysis, accelerating the growth of power consumption.

LG CNS defined and performed a data center energy efficiency improvement task and achieved its goal of reducing IT power by 8% in 2023 compared to 2021 and general office power by 5% in comparison with 2022. In 2024, our goal is to cumulatively reducing IT power by 10% compared to 2021 by replacing electrical equipment. We also aim to replace 10% of the general electricity of the data center office with eco-friendly energy in 2024 by expanding the application of solar power and LED lighting. Furthermore, we have also established a mid- to long-term roadmap for the ultra-efficient management of heat generated in the data center using liquid immersion cooling technology, and plan to implement it from 2024.

LG CNS Data Center Energy Efficiency Improvement Tasks

Tasks	Activities	Implementing year
Replace facilities with higher-efficiency facilities	Replace mechanical equipment (Heat & humidity controller)	'22~'23
	Replace electrical equipment (Batteries, UPS ²⁾)	'24~'25
	Replace lighting with LED	'23~'24
Use green energy	Install additional solar power facilities	'24
Energy saving campaign	Reduced E/V operation, use less lighting, control thermostat temperature, etc.	'23~'24



Goal of Applying Ultra-efficient Heat Management to Data Centers

Achieve highest level of energy efficiency in the country			
Roadmap	2024	2026	2030
Goal	Set a plan to implement ultra-efficient thermal management	Build/operate pilot environment and analyze effectiveness	Apply to data centers
Action Plan	<ul style="list-style-type: none">Review new technologies with higher energy efficiency : selected liquid immersion cooling technologyParticipate in Liquid Immersion Cooling National Task Force ConsortiumSearch use cases of liquid immersion cooling technology	<ul style="list-style-type: none">Build pilot environment (modular server room, etc.)Analyze and improve operational dataDefine operating procedures and know-how for liquid immersion cooling data center operation	<ul style="list-style-type: none">Apply to high-capacity services (AI, Big Data, etc.)

Environmental Management

Activities / Achievements

Operating Eco-friendly IT System

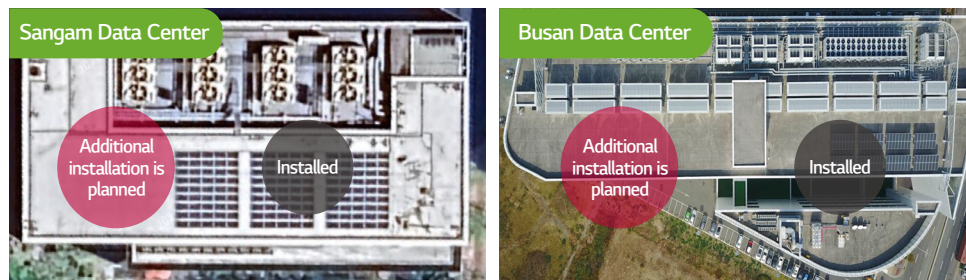
LG CNS has developed an eco-friendly IT system for integrated management of the infrastructures (electricity, temperature, humidity, lighting, security facilities, etc.) of its data centers in Busan, Sangam, and Gasan. By establishing DCIM¹⁾, PSM²⁾, and greenhouse gas management systems, we monitor data centers in real time to detect, analyze, and control failures and efficiently manage server room energy usage. We have also implemented the Environment Monitoring System³⁾ in server rooms/offices within data centers to continuously monitor indoor air quality in order to provide an optimal environment for workers and equipment. In addition, we are reducing greenhouse gas emissions by placing energy-efficient facilities, replacing lighting with LED lighting, and installing additional solar power facilities.

1) DCIM : Data Center Infra Management System

2) PSM (Power Status Monitoring) : Power consumption status monitoring

3) Environment Monitoring System : A system that monitors the indoor level of harmful gases, CO₂ concentration, fine dust, oxygen concentration, etc. in real time

Solar Power Installation



Category	1st Installation		Additional Installation in 2024	
	Busan	Sangam	Busan	Sangam
Date	2018.10	2019.10	2024.05	2024.06
Energy Output (kW)	49.6	49.3	47.2	47.2
Invested Amount (100 Million Won)	0.85	0.81	0.85	0.85

Energy Saved at Data Centers

Unit : kWh

Category	2021	2022	2023
Sangam	906,977	2,102,538	3,112,874
Busan	-	167,994	1,196,586
Gasan	-	-	5,528,087
Total	906,977	2,270,532	9,837,547

Carbon Emission Reduction at Data Centers

Unit : tCO₂eq

Category	2021	2022	2023
Sangam	417	966	1,430
Busan	-	77	550
Gasan	-	-	2,540
Total	417	1,043	4,520

* Some past data is missing, as replacements were performed sequentially based on the equipment's expiration date

Managing Water Usage

LG CNS compares the amount of water it uses each month to the water use in the same month of the previous year, and then identifies the reasons for the increase or decrease to establish management plans. In addition, we regularly clean water tanks and conduct water quality inspections. Despite the rise in water usage due to the increase in IT facilities and their processing load, LG CNS data centers have maintained the same level of water usage year-on-year due to energy savings achieved through the replacement of old chillers.

Data Center Water Usage

Unit : ton

Category	2021	2022*	2023
Sangam	20,564	14,774	17,914
Busan	74,568	85,669	92,773
Gasan	70,567	69,766	81,298
Incheon	3,975	3,004	3,497
Total	169,674	173,213	195,482

* Corrected some data errors for 2022 in the 2022-2023 Sustainability Report

Environmental Management

Case : Improving Data Center’s PUE¹⁾

Built-up Outdoor Air Cooling System

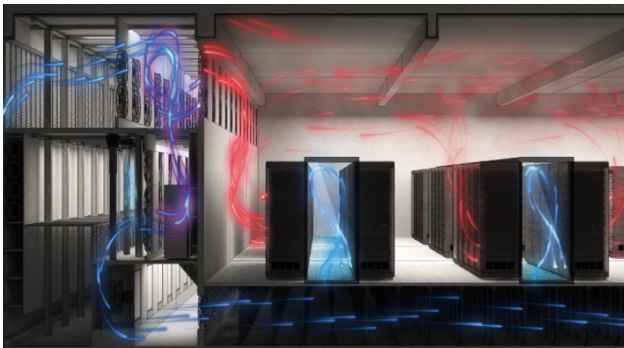
LG CNS has developed and earned patent of the ‘built-up outdoor air cooling system’, an eco-friendly system that cools the heat generated in data center server rooms using outdoor air. The built-up outdoor air cooling system supplies low-temperature outdoor air that has been optimized through filters and humidity controllers to the server room. The system is applied to all data centers, saving approximately 30% of cooling power compared to before applying the system.

Cold Aisle Containment System

Since 2013, LG CNS has been using an cold aisle containment system for its data center server rooms. The cold aisle containment system cools only the areas with high heat instead of cooling the entire server room, resulting in a cooling power consumption saving of about 16% compared to when the cold aisle containment system is not in operation.



| Cold aisle containment system



| Flow of hot/cold air in an cold aisle containment system

Switch to High-efficiency Cooling Facility

LG CNS has reduced its cooling power needs by replacing cooling facilities that have reached the end of their useful life with ones that have EC motors²⁾ that consume less power and can control airflow according to temperature.

Average PUE					Unit : PUE
Category	2020	2021	2022	2023	2024 (Target)
Average PUE	1.62	1.61	1.59	1.55	1.53

1) PUE (Power Usage Effectiveness) : The most widely used indicator at home and abroad to measure the power usage efficiency of a data center, which is the total amount of power used by the data center divided by the amount of power used by the data center's IT equipment

2) EC Motor (Electronically Commutated Motor) : A type of motor that combines a DC (direct current) motor, a built-in inverter, and a control system to provide high efficiency, long life, and high speed control precision

Environmental Management

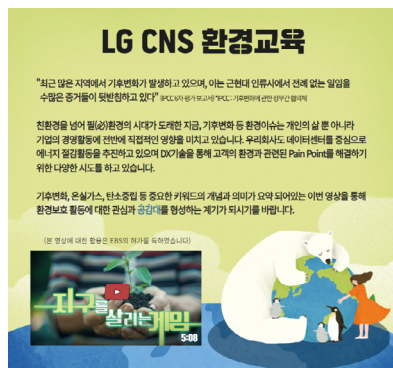
ESG Environmental Education

LG CNS conducts ESG environmental education for all employees every year to raise ESG awareness and foster a basic understanding among employees.

In 2023, we provided videos on climate change, greenhouse gases, and carbon neutrality to help employees understand the basics of the environmental issues of the ESG and the importance of reducing carbon emissions. In the future, we plan to develop our own content tailored to our business and industry, and use it as educational material.

Environmental Education Status

Category	Unit	2022	2023
Target number of participants	Person	6,543	6,914
Number of participants	Person	6,051	5,965
Participation rate	%	92	86
Education time per person	Minute	15	5
Total time	Minute	90,765	29,825



2023 ESG Environmental Education

Resource Reusing Campaign

LG CNS is participating in the 'BI:CYCLE' campaign, a project to recycle used hand towels to promote a circular economy of resources and contribute to reducing carbon emissions. This campaign is a collaborative project with Yuhan Kimberly to promote recycling, and we plan to establish a system to collect used hand towels for reuse at our Magok headquarters from 2024.

The campaign involves more than 20,000 employees of the nine affiliates in Magok LG Science Park, including LG CNS. We expect that employees' active participation in the campaign will contribute to practicing ESG management and spreading the importance of responding to the climate crisis.



BI:CYCLE Campaign

Social

- 57 Human Resources
- 62 Diversity & Inclusion
- 66 Safety & Health Management
- 71 Information Security
- 76 Social Contribution
- 78 Supply Chain Management
- 80 Quality Management

UN SDGs

4 QUALITY EDUCATION

5 GENDER EQUALITY

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

Human Resources

Policy

Hiring Policy

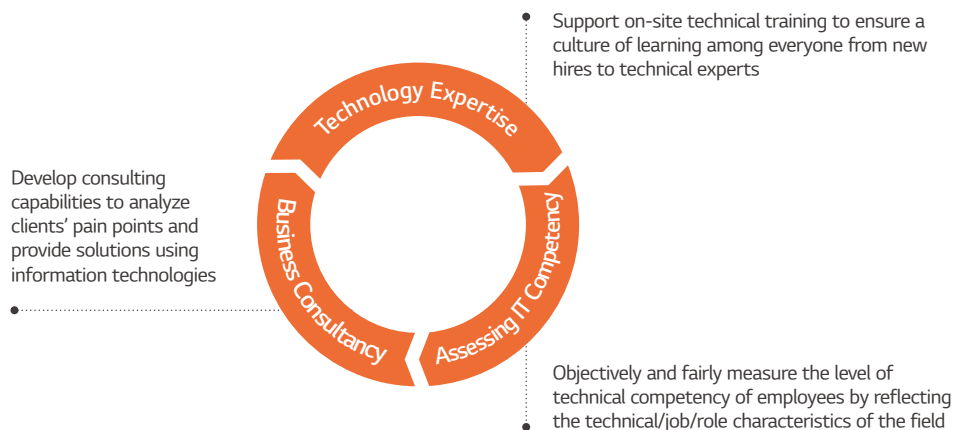
LG CNS is attracting talented employees to deliver greater value to our clients and solidify the foundation for growth. We recruit top-notch DX professionals based on our Talent Vision, which includes the competencies, mindsets, and behaviors that LG CNS employees should have : expertise (Insightful Expert), innovation (Game Changer), autonomy and responsibility (Empowered Achiever), growth (Self-Motivated Learner), collaboration (Synergy Builder), and respect (Open-Minded Listener).

Talent Development Policy

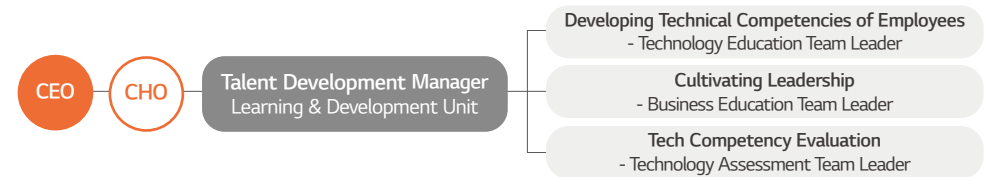
LG CNS fosters the technical and business consulting competencies of its members so that they can be recognized as top experts in their respective fields and work with pride.

LG CNS cultivates top-notch talent to lead DX (Digital Transformation). To create a company culture that has technical competence at its core, we are moving away from one-size-fits-all training and providing personalized learning experiences to strengthen the technical competency of our employees, and are working to infuse a culture of learning into every individual and organizational unit.

In addition, we conduct a Technology Certification Test for all employees in order to objectively and fairly measure the level of technical competency of employees, and provide direction and motivation for individual competency development.



Talent Development Management Organization



Goal

Talent Development Strategy / Goal

LG CNS aims to strengthen the technical competencies of its employees through personalized training based on their jobs and roles. To secure expertise in DX technologies, we have implemented a training system that covers the areas of AI, Data, Cloud computing, Agile, and Application Modernization,¹⁾ and provided various training courses to train experts. In addition, we are responding to rapidly changing technologies by implementing training programs for all employees to promptly learn new technology trends. In 2024, LG CNS will conduct IT training in various areas, strengthen the ability to utilize AI to improve productivity, and internalize the collaboration process with the Global Delivery Center (GDC²⁾) for global expansion to reinforce the six core competencies defined by LG CNS (Domain Analysis Design, Architecture, Solution, Development, PM/PL, and Service Planning).

In addition, we will conduct the Leader Value-Up program for 250 team leaders to strengthen core leadership and raise awareness of the competencies required of LG CNS leaders, as they play central roles in development of our employees' competencies. To evaluate employees' technical competencies in a way that will be optimal based on their job characteristics, we will run the pilot Technical Competency Committee Evaluation³⁾ for nine job categories to improve the accuracy of the assessment.

In addition, we will strengthen the technical competencies of our employees at the newly established Vietnam Build Center⁴⁾ which was established in 2023 to develop them as our overseas business partners.

1) AM (Application Modernization) : The technique of breaking down complex programs into smaller units and reconfiguring their integration for business agility

2) GDC (Global Delivery Center) : A system of collaborating globally with overseas developers with business-area-specific expertise by overcoming time and space constraints

3) Committee Evaluation : A method of evaluating competencies that are expressed in actual work and in the field in addition to basic job knowledge by a committee of technical experts

4) Vietnam Build Center : A specialized implementation organization established by LG CNS in Vietnam for projects

Human Resources

Activities / Achievements

Talent Vision of LG CNS

The LG CNS Talent Vision is a set of core competencies, ways of thinking, and behaviors that employees must possess to achieve the company's mission/vision/strategy. LG CNS gathered opinions from various employees, including leaders, through different channels to define our concept of talent, and derived six values unique to LG CNS. Based on these six values, LG CNS defined hiring criteria for each organization. We reflect these criteria in the interview process, and apply them in selecting experienced employees.



Recruiting Best DX Experts

LG CNS runs a recruitment program optimized for the DX business in order to secure the best elite experts that will lead digital transformation. The DX Leadership Academy is the recruitment program operated by LG CNS to find talented people who can develop into elite DX experts. LG CNS is recruiting talents in various fields such as AI, big data, cloud, smart logistics, and smart factory, and giving them coding tests to evaluate their IT competency. For successful candidates, we provide IT career training and job-specific training opportunities.

LG CNS operates the 'DX Core Talent Academy' internship program twice a year, in summer and in winter. The program is for talented individuals who have the potential to grow into DX experts, and is open to both bachelor's and master's degree candidates. For master's degree candidates, the internship period is customized so that they can choose the time they want to do the internship. During the internship, interns work with a mentor on assigned tasks, and make a final project presentation during the last week of the internship. Successful interns will be offered a full-time position at the company upon graduation.

Code Monster : Hiring based on Coding Skill

LG CNS has been operating 'Code Monster' since 2016 to discover talented technical experts. 'Code Monster' is a program that hires new employees based solely on their coding skills, regardless of their academic background, major, or academic credits. We are doing blind hiring in order to secure talented people in diverse fields. Anyone who can join the company within two years of the final selection is eligible to apply, and the timing of joining and the department they wish to work in can be negotiated. LG CNS has a 'competency-oriented' organizational culture that recognizes and specializes employees with excellent DX technology skills. This is how we were able to implement the 'Code Monster' program, which hires based on programming skills alone.



| Code Monster

My Career Up : A Self-Development Career Program

LG CNS supports its employees to experience various jobs and develop their careers through the 'My Career Up' program, a self-directed career development program in which employees find and apply for the job and the team they want. Applicants check job openings on the internal My Career Up noticeboard, apply to jobs, and join the organization within two months after passing the final stage. This creates a virtuous cycle in which employees strive to develop their competence and careers, while the organization evolves into one that its employees wish to work for. Since 2021, about 750 employees have been accepted and moved to their desired teams. LG CNS is constantly striving to ensure that employees can continue their career development even after joining the organization.

Career Design : Assess and Design Employees' Career

LG CNS conducts Career Design courses to help employees constantly think about and develop their careers. To help employees design their careers in the technology-oriented company, career development coaching is provided by our in-house experts, and we also offer financial planning lectures to help them address their personal financial concerns. In this way, we are providing an experience in which career is completed not only in the workplace but also in the context of the entire life surrounding an individual. Since 2016, more than 100 sessions have been held and more than 2,000 employees have completed the Career Design course.

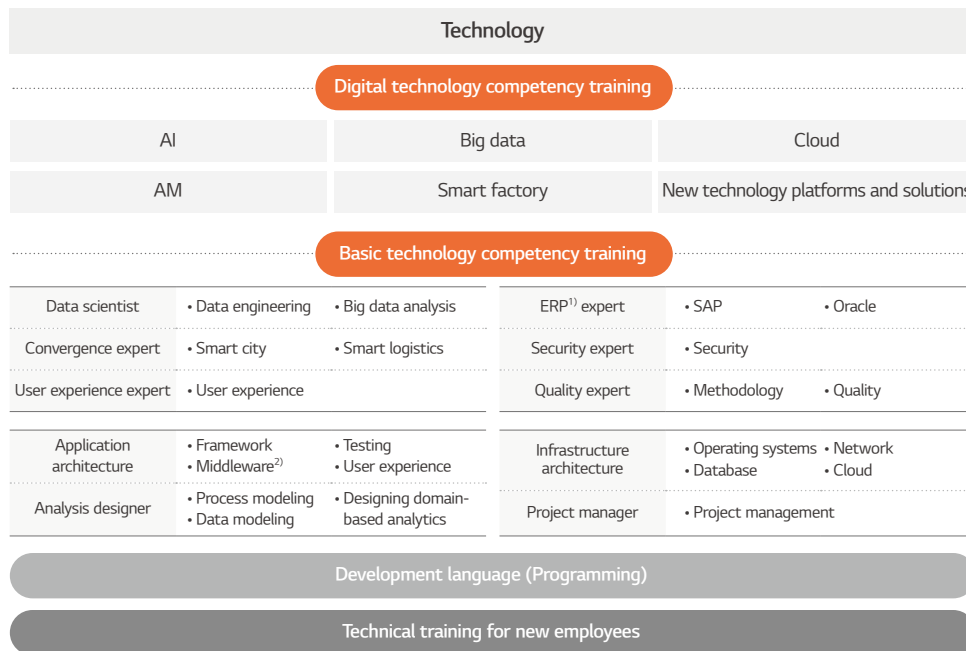
Human Resources

DX Expert Training System

LG CNS aims to be an organization of technical experts, and is continuously expanding its DX technology training activities. In line with the DX technology classification, we provide training according to each employee's skills and level. The best technical experts from inside and outside the company share practical tips and knowledge with our employees.

In 2023, we introduced additional online training platform and conducted on-site training to help all employees develop their competencies equally, resulting in 5,490 employees across the organization taking at least one training. We also offered online and offline training to 7,572 employees of subsidiaries and partners collaborating with us.

DX Expert Training System



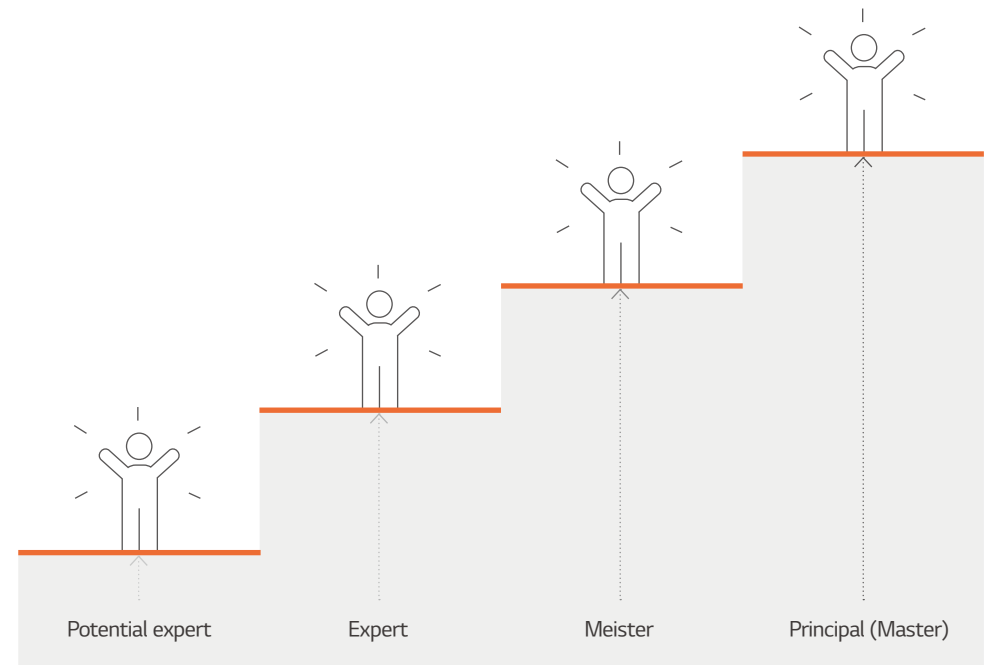
1) ERP (Enterprise Resource Planning) : An integrated information system that serves to enhance a company's competitiveness

2) Middleware : Software that enables smooth communication when connecting different types of hardware or communication environments

Technical Competency Evaluation System

LG CNS supports its employees' efforts to become technical experts in their fields. As part of this, LG CNS has been running the 'TCT (Technology Certification Test)' since 2016 to nurture and evaluate the practical technical capabilities of employees. Every year, we reorganize the technical competency evaluation system to reflect changes in technology, business forms, and strategic directions, and in 2024, we plan to establish the Technical Competency Committee system, in which technical experts will evaluate the competencies that employees demonstrate in the workplace. Through the committee, we are refining the system to actively reflect on-site technical competencies in the evaluation. In addition, for technical jobs, we will conduct a separate in-depth evaluation for employees with high technical skills. Through this, we select potential experts, experts, masters, and principals (masters) in stages, and provide differentiated opportunities and rewards accordingly.

LG CNS Technical Expert Training Roadmap



Human Resources

Strengthening Leadership and Global Competency

LG CNS provides various competency enhancement programs for employees so that they can continuously develop their leadership and global competencies. LG CNS has developed our own leadership model that reflects the business and role characteristics of LG CNS, and based on this, we have established a system for fostering leaders and implemented various leadership competency-building activities. We hold a 'Leadership Forum' in which the CEO, executives, and team leaders share and discuss the company's strategic direction, and publish a 'Leadership Magazine' to help the leaders who have the main role to communicate with employees to understand the company's changes and strategies and provide on-site leadership. LG CNS conducts the G-CAMP (Global-CAMP) language program to foster global talents. This is a language program that differs from those of other companies in that the curriculum is developed by in-house experts with overseas business experience, and uses LG CNS' own global business practices as examples in the curriculum. In 2023, we established a GDC course in Vietnam to facilitate communication with Vietnamese Build Center workers, and developed customized textbooks for this course that include the processes used in GDC. We also run the GBC (Global Business Communication) course, which provides one-on-one coaching by native-speaking coaches for employees who conduct overseas business. The training is customized for each individual and level, and consists of practical contents that cover topics such as business manner, communication methods, and meeting with overseas partners.



| Leadership Forum



| G-CAMP

Technical Training for International Employees

LG CNS provides technical training to overseas developers who are part of the GDC (Global Delivery Center), a global collaborative system that works with overseas subsidiaries. To strengthen the technical competencies of the members of the Vietnam Build Center, which was established in 2023, LG CNS provides training that is differentiated according to job function and role, including cloud, architecture, enterprise solutions, and security. The training curriculum was developed by in-house technical experts at the headquarters, and

overseas members collaborate with the HQ members to build their competencies. In the future, we plan to train local employees as instructors so that they can conduct training at the build center by themselves.



| Training at Vietnam Build Center



Industry-Academia Cooperation Program

LG CNS operates partnership programs with the leading universities in Korea, including Seoul National University, Korea University, and Chung-Ang University. We offer recruitment-linked internships in summer and winter to nurture and secure talented IT professionals, and specialized courses for each distinct area, such as AI, big data, consulting, and security. In addition to educational courses, we also conduct collaborative activities with universities in various fields such as technology development, software competitions, and textbook publication, and are expanding internships for local universities to secure local talent. In 2023, LG CNS entered into a business agreement with Korea University and established the Department of AI Data Science, a contractual department linked to employment, in its graduate program. Starting from 2024, LG CNS plans to select more than 20 graduate students every year to secure talents specialized in data and AI. The curriculum and classroom management of the new department will be led by faculty members from Korea University's Graduate School of Data Science and LG CNS' researchers and experts in data analysis and AI. The program aims to foster practical talents who can work immediately in the field without additional job training after graduation. Enrolled students receive full tuition and a small living allowance and are guaranteed a job at LG CNS upon completion of their master's degree.



| Korea University - LG CNS Industry-academia cooperation agreement ceremony

Human Resources

AI Consultant Training Program

Since 2021, LG CNS has been running an AI consultant training program with Korea University Graduate School of Artificial Intelligence. The AI consultant training program is an in-depth AI training covering 10 subjects, including AI mathematics, language/visual/enhanced/data AI, AI business application cases, and personal projects. The participants, who were selected through nominations from business units and verification by HR, take part in training every Friday for 20 weeks. Starting with the first class of graduates in 2021 and continuing through the fourth class of 2023, we have 90 AI consultants with AI skills, consulting capabilities, and industry expertise, and plan to hold the fifth class in 2024.



| 4th Class of AI consultants

Support for Acquiring Technical Certification

LG CNS helps members develop their technical skills and earn certifications that are recognized by global IT leaders.

LG CNS holds more than 3,900 certifications from the top three global CSPs (Cloud Service Providers) : Google Cloud, AWS, and Microsoft. LG CNS supports its members with various related expenses, such as certification examination fees and congratulations prizes.

Team Building Programs

LG CNS conducts customized team building programs to suit each organization and project situation. We perform a clear preliminary diagnosis of each organization's team growth needs, design a customized solution, and implement the team building program. With team building programs, leaders are empowered to set the direction for their team to grow and to lead the team. Meanwhile, employees benefit from increased consensus on the team's direction and improved work engagement. In 2023, a total of 12 teams and 378 people participated in team building programs.

Number of participated teams

12 teams

Number of participants

378 people

Team Building Program Process



| Team Building Program

Diversity & Inclusion

Policy

System for Diversity & Inclusion

LG CNS respects the diversity of its employees in all forms, including age, gender, nationality, race, religion, and physical or mental disabilities. We also embrace the characteristics and values of diverse individuals, such as marital or pregnancy status, sexual orientation, and social class, and do not discriminate against them. As part of our policy to support maternity protection, we ensure that employees avail themselves our various benefits provided such as pre and post natal leave, spousal parental leave, and parental leave. We actively recruit people with disabilities through 'Haengbokmaru (Place of Happiness)', a standard workplace for people with disabilities. To embrace generational diversity, we operate individualized 'People Care' programs based on the life cycle stage of individuals and provide unique and differentiated positive experiences for all employees.

In terms of work environment, we conduct client abuse prevention activities and work environment improvement activities to ensure that our employees work in a stable and comfortable environment. We are changing the way we work to make it more flexible and autonomous by implementing an output-based work system that enables autonomous work and telecommuting, and gradually expanding smart offices for a better work-life balance.

To fulfill our social responsibilities not only internally but also externally, we provide programs such as the 'Digital Coding Camp' to contribute to the community using our IT expertise as a DX company, and conduct various activities to make our employees feel responsible and proud of the company and society.

Key Directions of People Care in 2024

- 1) Strengthen HR system and people care programs focused on project site members
- 2) Enhance two-way communication to foster a positive organizational culture
- 3) Run a diversity program and address employee concerns
- 4) Enhance "Refresh Activities" for employees' Work & Life Balance
- 5) Increase employee engagement with life cycle care



Goal

Key Goals for Diversity & Inclusion

LG CNS aims to actively accept employees' opinions and reflect their suggestions positively. To this end, we are expanding our People Care program with the keyword 'Project site-oriented LG CNS'. In terms of improving the working environment, we are continuously conducting on-site visits for employees working at project sites as well as at the headquarters. In addition, we are creating an environment in which employees working off-site can work in a safer and more comfortable environment through periodic on-site work environment inspections.

In 2024, we will further diversify our support by focusing on the keywords "lifecycle" and "health" to "on-site care". We will create customized programs for each employee lifecycle stage that reflect the diverse needs of our employees, and run programs related to employee health to create a work environment with "ZERO physical and mental stress". In addition, we will strengthen the satisfaction of diverse employees working at all sites by listening to their opinions through site-oriented programs, to proactively discover and respond to issues at each site.

Activities / Achievements

People Care Program

LG CNS respects the diversity of workplaces and provides a positive experience for employees through a site-based People Care program that can meet the needs of each employees' role. We have designed a site visit program that comprehensively considers project conditions, and regularly visit sites in various regions to communicate directly with employees.

Our People Care programs are organized under four themes - Site Care, Family Care, Team building, and Refreshment - with a total of 36 programs. All programs have led to high levels of satisfaction, contributed to improving work efficiency and positive experiences for employees, and improved organizational and work engagement. In addition, we are diversifying our communication methods to strengthen communication with all employees, through approaches such as Chunmun Hyeondab (questions and answers with the CEO), HR town hall meetings, and PM Day.

Diversity & Inclusion

People Care Program Participation Status

Programs	Target Participants	Number of Participants
Project Site Care Program	People working on projects	3,296 people
Family Care Program	Employees' family members	1,154 people
Team Building Program	All employees	8,790 people
Refreshment Program (Hotel, resort, glamping, etc)	All employees	5,776 people

Sexual Harassment and Workplace Bullying Prevention Campaign

LG CNS conducts sexual harassment and workplace bullying prevention campaigns and trainings to understand the diversity of employees and to create a healthy organizational culture for all employees. To prevent sexual harassment and workplace bullying, we raise awareness to ensure our employees understand the concepts of sexual harassment and workplace bullying through in-house bulletin board notices and education. We also operate a reporting system for employees to report and resolve incidents of sexual harassment and workplace bullying.



| Sexual harassment and workplace bullying prevention campaign

Diversity & Inclusion Program

Support for Employees with Disabilities

In 2016, LG CNS established Haengbokmaru Co., Ltd., a subsidiary. Haengbokmaru is a workplace designed to facilitate the employment of people with disabilities and promote employee welfare. Haengbokmaru provides massage services by visually impaired employees, an in-house cafe and office cleaning service at headquarters in Magok LG Science Park, Sangam DDMC, and Sangam IT Center. Out of a total of 99 employees (including those who are on leave), 89 have disabilities, of which 83 have severe disabilities. A total of nine managers (including four people with disabilities) guide employees' work and support their career development, and professional counselors provide emotional and psychological

counseling to employees. In addition, the company provides amenities for employees with disabilities, a dedicated rest room, and group insurance. To expand the cultural field for people with disabilities, Haengbokmaru has signed a business agreement with the Korea Disabilities Art Association to exhibit works by artists with disabilities four times a year and participates in social contribution activities with the Korea Employment Agency for Persons with Disabilities. In recognition of our efforts to actively promote employment and improve working conditions, we received a commendation from the Minister of Employment and Labor at the Competition of Promoting Employment for People with Disabilities (2018, 2022) and selected as an outstanding employer for employees with disabilities (2021).



| Haengbokmaru's cafe



Commendation from the Minister of Employment and Labor at the Competition of Promoting Employment for People with Disabilities (2018, 2022)



Selected as an Outstanding Employer for Employees with Disabilities (2021)

Diversity & Inclusion

Female Leaders Forum

LG CNS holds the Female Leaders Forum to encourage female leaders' career development and networking, and to help them develop their leadership competencies. The forum includes special lectures by female executives from other companies, group discussions, and meetings with the CEO to support the continuous growth of female leaders and provide opportunities for communication between seniors and juniors. In 2024, the scope of the forum will be expanded to include female leaders working in project sites, and will focus on building a more diverse network of female leaders.



| Female Leaders Forum

Preventing Client Abuse and Handling Grievances

LG CNS is striving to protect its employees from abuse by clients by visiting sites to hear our employees' voices and sending abuse prevention materials to clients. We also survey our employees, create campaign videos to eradicate client abuse, and distribute them to our clients to help our employees focus on their work without stress. LG CNS guarantees employees' human rights, enhances their work/life satisfaction, and creates a healthy working environment through the reasonable handling of employee grievances. We operate a grievance handling program, and enable employees to report difficulties at any time through the internal bulletin board.

Labor-Management Council

LG CNS operates a Labor-Management Council as a representative body that delivers the voices of its employees to the management and discusses important issues. The Labor-Management Council consists of eight employee representatives and eight management representatives. Regular meetings are held quarterly, with ad hoc meetings held on major issues when necessary. The Labor-Management Council discusses a variety of items, from handling employee grievances to checking working conditions and managing business strategies. Also, the council conducts a range of activities for our employees, such as adjusting salary and operating an employee financial aid association and a maternity care program.

Customized Support for Project Sites

To listen to the opinions of employees working on project sites, LG CNS holds "Chunmun Hyeondab (Q&As)", in which the CEO, CHO, and CFO visit a project site at least once a month to answer employees' questions. We also strive to actively listen to the opinions of our employees by holding "In.terFACE", an HR meeting to lower the threshold of communication with the HR department, and "WITH PM" to communicate with PMs in the field. We are also creating a positive on-site organizational culture through programs such as "Chunchelin", which delivers lunch boxes to project members working in remote areas, and the "Jeungmi PLUS" and "Ochang PLUS" committees comprised of on-site employees.



| CEO's on-site visit "Chunmun Hyundap (Q&A)"

Educational Financial Support for Employees' Children

LG CNS provides scholarships to support employees with children and reduce their education expenses. The program covers up to KRW 2 million per year for middle school students, KRW 4 million per year for high school students, and KRW 10 million per year for university students that can be used on admission fees, tuition, and school operating expenses. This is guaranteed regardless of the length or type of employment, and stems from our policy to reduce the burden of educational expenses for our employees without discrimination.

Support for Special Education Expenses for Employees' Children with Disabilities

LG CNS provides special education expenses for children with disabilities to support employees raising children with disabilities. For employees with disabled children over the age of 7, LG CNS provides actual expenses such as admission fees, tuition, and school operating expenses, for public or private education, up to a monthly limit of KRW 1 million. This is part of our policy of understanding and embracing not only employees with disabilities, but also employees who have children with disabilities.

Parental Leave

At LG CNS, employees can have for one additional year of parental leave beyond the one year of statutory parental leave. This allows employees with young children to spend more time with them, and reflects LG CNS' policy of respecting and embracing our employees with children. We ensure that employees can feel free to take parental leave in an organizational culture that actively supports parental leave.

Maternity Care and Female Employees Support Programs

To protect and respect pregnant and parenting employees, LG CNS ensures that they have access to various programs such as pre and postnatal leave, spousal maternity leave, reduced working hours during pregnancy, reduced working hours during childcare, and time off for prenatal care. In addition, we guarantee menstrual leave for female employees, as we understand and consider the issues that women can have due to physical differences.

Diversity & Inclusion

Employee Welfare Program

LG CNS supports a wide range of welfare programs to enhance the quality of life and well-being of our employees.

Program		Description
Lifecycle Benefits		<ul style="list-style-type: none"> · KRW 2.5 million and congratulatory wreath for first marriage after joining the company (for employees who have worked at least a year) · Student loan interest support, and gifts for promotion to specialist for entry level employees · 'Digital Coding Camp' for employees in their second year of employment
Family-friendly Programs		<ul style="list-style-type: none"> · Operate in-house daycare centers at Magok Headquarters and Sangam IT Center · For employees' children, provide psychological tests for children and gifts for elementary school entrance, college entrance exam, etc.
Output-based Work System		<ul style="list-style-type: none"> · Flexible work hours and locations based on individual schedules and life patterns · Operating more smart offices and base offices
Overtime Restrictions		<ul style="list-style-type: none"> · Turn off the cloud for those working more than 52 hours per week to ensure employees are well-rested and to comply with legal requirements (No access to work environment when cloud is off)
Support for Long-term Service Rewards and Vacation Usage		<ul style="list-style-type: none"> · Offer "Refresh Vacation" of up to three weeks off with payment : guaranteed either a reward or a sabbatical every five years · Give chance for staying in a variety of luxury resorts and glamping sites, including Ananti, Paraspara, Resom, Korean traditional houses glamping, and more
Rewards		<ul style="list-style-type: none"> · CEO Rewards : select and reward exceptional performers each year through business unit nominations · Provide SPOT incentives and business unit rewards for successful projects
Hobbies & Sports Programs		<ul style="list-style-type: none"> · Operate 12 in-house clubs known as "Infomal" · Year-end company-wide E-SPORTS competitions (online LoL gaming competitions) · Operate LG CNS eLibrary for employees to borrow 2 free books per month for 2 weeks
Physical and Mental Healthcare		<ul style="list-style-type: none"> · Offer one-on-one psychological counseling with a professional counselor at a time of the employee's convenience through our in-house counseling center · Mind sanctuary program : regularly send out newsletters with articles and methods to help with mental health care · Provide health therapy : professional therapists were hired to provide professional massage
Promotional Discounts for Employees		<ul style="list-style-type: none"> · Offer promotional discounts on hotels, airline tickets, amusement parks, etc · Provide Life Care points worth KRW 860,000 per year for purchases of LG Electronics devices, groceries, etc.

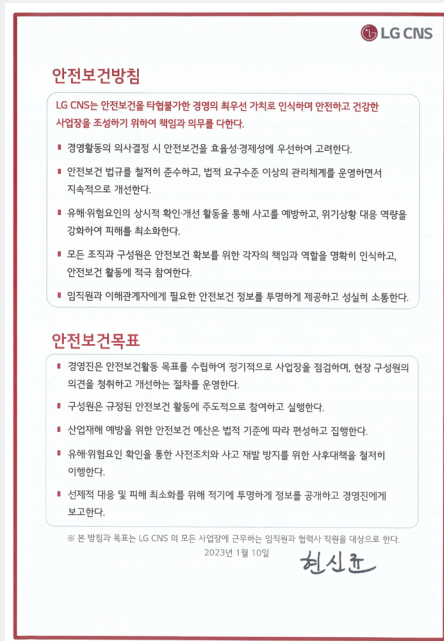
Safety & Health Management

Policy

Safety & Health Management Policy

LG CNS recognizes safety and health as the top priority of management, and has established and implemented its safety and health management policy to ensure a safe and healthy working environment for employees. The management expresses its commitment to safety and health to all employees, and all organizations and employees participate in safety and health activities by continuously identifying hazards in the workplace and improving working condition to fulfill their responsibilities and roles.

Safety & Health Policy



Safety & Health Policy

LG CNS recognizes safety and health as a non-negotiable management priority and fulfills its responsibilities and obligations to create a safe and healthy workplace.

- Consider safety and health as a priority over efficiency and profitability when making decisions on business activities.
- Strictly comply with safety and health laws and regulations, and improve safety and health by operating management systems that exceed legal requirements.
- Prevent accidents by continuously monitoring and remediating hazards and risk factors, and minimize damage by strengthening crisis response capabilities.
- All organizations and employees are clearly aware of their roles and responsibilities in ensuring safety and health, and actively participate in safety and health activities.
- We transparently and diligently communicate necessary safety and health information to our employees and stakeholders.

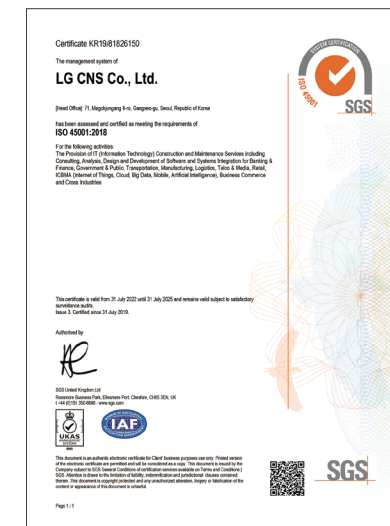
Safety & Health Goals

- The management establishes goals for safety and health activities, inspects the workplace regularly, and operates procedures to listen to voices of the employees and make improvements.
- Employees proactively participate in and execute required safety and health activities.
- Organize and spend the health and safety budget to prevent occupational accidents in accordance with legal standards.
- Thoroughly implement proactive measures to identify hazards and risk factors, and reactive measures to prevent accidents from recurring.
- Disclose information in a timely and transparent manner and report to management to ensure proactive response and damage minimization.

Safety & Health Management System

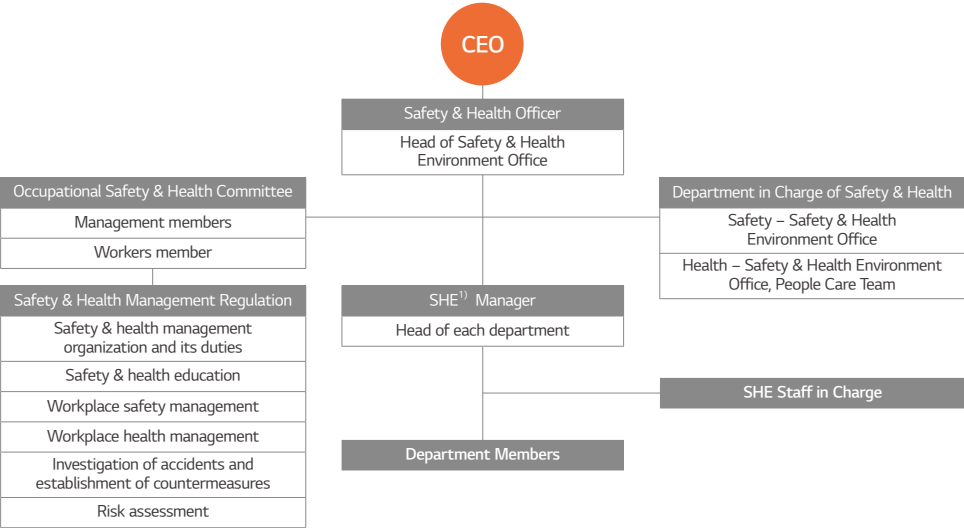
LG CNS operates the Safety & Health Environment Office, a dedicated organization that oversees and manages safety and health affairs company-wide, to define and operate safety and health management system for data centers and projects. Based on the company-wide safety and health management regulations, we appoint a safety and health manager for each business site, listen to employees' opinions and conduct improvement activities through the Occupational Safety and Health Committee and the Labor-Management Council. In 2019, LG CNS completed the application of the ISO 45001 safety and health management system, and maintains its safety and health management system through internal and external audits of the entire organization every year.

ISO 45001 Certification



Safety & Health Management

Company-Wide Safety and Health Organization Chart



Safety and Health Management by Business Site

Site	Safety and Health Management System
Data Center	<ul style="list-style-type: none">· Manager : Appoint the head of the cloud data center business unit· Head officer : Designate person in charge within the Data Center Management Team· Management supervisor : PL by center, head of supplier· Council : Occupational Safety and Health Committee, Safety and Health Council
Construction Project	<ul style="list-style-type: none">· Manager : Appoint PM· Safety officer : Appoint a safety officer when the construction project budget is KRW 5 billion or more· Health officer : Appoint a health officer when the construction project budget is KRW 80 billion or more· Management supervisor : PL by process, head of supplier· Council : Safety and Health Council, Labor-Management Council (when the construction project budget is over KRW 12 billion)

Safety & Health Risk Management System

For construction projects with a high risk of safety accidents, LG CNS operates a site-specific safety inspection system for each stage of the project from order, project commencement, high-risk work inspection, semi-annual implementation inspection, and special inspections. In line with the expansion of the Serious Accident Punishment Act, we also redefined the safety management implementation system for construction projects under KRW 5 billion and strengthening management activities to comply with the obligation to ensure safety and health as required by the Safety and Health Relations Act.



1) SHE : Safety Health and Environment
2) C/P (Critical Path) : Select and manage seven tasks as high-risk tasks with a high risk of major disasters
* Work at height, hot work, work operating construction equipment, architecture/civil engineering, work in electricity, work in confined space, trial run

Safety & Health Management

Goal

Safety and Health Goals

LG CNS defines company-wide safety and health goals, and sets safety and health goals for each business site, including the headquarters, data centers, and construction projects to evaluate their progress. Starting from 2024, leadership for safety issues was added in our safety and health targets to strengthen our management of safety activities.

Key Management Goals

Management's Roles

The management establishes targets for safety and health activities, regularly inspects the business sites, and listens to and addresses the opinions of site members.

Employees' Responsibilities

Employees actively participate in and implement prescribed safety and health activities.

Securing a Budget

Prepare and spend the health and safety budget to prevent occupational accidents in accordance with legal standards.

Risk Management

Proactively identify and take measures against harmful and dangerous factors, and thoroughly implement follow-up measures to prevent accidents from recurring.

Transparent Information Disclosure

Disclose information in a timely and transparent manner and report to the management team to proactively respond and minimize damage.

Zero Occupational Accidents

Guide to Managing Goals for Construction Projects

Safety & Health Goals	Checklist	2024 Goal Management Guideline	Output
The management defines the goals for safety and health activities, regularly inspects the workplace and implements procedures to improve on safety and health by listening to the opinions of employees on site.	1. Is the status of all construction projects in the organization managed on a regular basis?	· Periodically manage the status of all construction projects and high-risk work through weekly reports and share high-risk work with the Safety & Health Environment Office (planning team, management team) in advance.	· Construction status checklist
	2. Are regular management-led construction project site inspections conducted, and actions taken based on improvement points identified during the inspections?	· Conduct periodic site inspections of construction projects led by the management and take action on the identified improvement points.	· Site inspection result report · Improvement action plan and implementation result
	3. Has the management expressed its commitment to safety to employees, such as by delivering a safety message (letter, etc.) in the name of management (at least semi-annually)?	· The management communicates with the employees with safety messages (letters, etc.) through announcements/emails, etc. (at least semi-annually)	· Management's message of safety (letter, etc.)
	4. Is the management listening to construction project team members opinion?	· The management directly listens to the opinions of construction project site team members (PM, PL, etc.) regarding safety and health, and conducts activities to improve them.	· Member feedback and action results
The health and safety budget for the prevention of occupational accidents is organized and spent in accordance with legal standards.	5. Are safety management expenses in the CP of a construction project organized according to legal standards?	· For appropriation of safety management expenses, the budget must be appropriated in accordance with the Occupational Safety and Health Act and reflect any review comments from the Safety & Health Environment Office.	· Basis for calculating safety management expenses
	6. Are construction project safety management expenses being spent for their intended purpose?	· Safety management expenses must be spent in accordance with the predefined plan and purpose and with consent from the Safety & Health Environment Office.	· Basis for execution of safety management expenses
	7. Does the organization follow the 'Emergency Conduct and Reporting System' in the event of an industrial accident?	· In the event of an occupational accident, the team manager/leader will immediately share with the Safety & Health Environment Planning Team. · The management shall report and follow up on accidents in accordance with the accident classification and guidance of the Safety & Health Environment Planning Team.	· Accident report
Disclose information in a timely and transparent manner and report to the management team to respond proactively and minimize damage.	8. Are measures to prevent recurrence of industrial accidents established and verified for implementation?	· In the event of an industrial accident, submit an accident report including measures to prevent recurrence to the Safety & Health Planning Team within 2 days. · Report on the implementation and outcome of the mitigation measures.	· Prevention measures and implementation check result

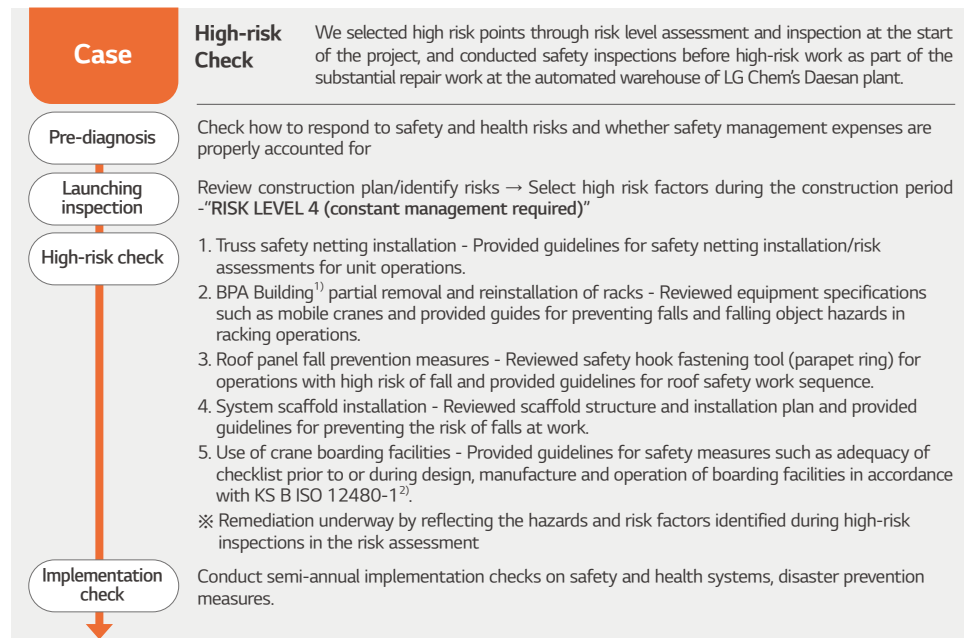
Safety & Health Management

Activities / Achievements

Identifying Workplace Hazards and Improvement Measures

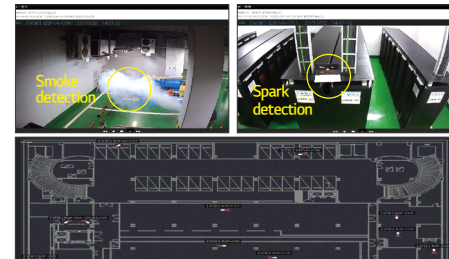
To follow the government's revised 'Guidelines on Workplace Risk Assessment' (May 2023), LG CNS strengthened the participation of workers in the risk assessment process and revised the risk assessment system to reflect accident cases that can happen in our workplace and similar workplaces of other companies. LG CNS also revised the detailed guide for risk assessment by applying assessment methods (upper, middle, and lower judgment method for construction projects and checklist method for office workers) that fit the characteristics of each workplace.

In 2023, LG CNS conducted 70 safety inspections on 39 business sites (headquarters, data centers, construction projects, and energy sites) and completed 229 improvement measures, including attaching safety signs and strengthening lifelines. In addition, we produced and distributed safety OPS (One Point Sheets) containing detailed guides for each unit of work and the related laws and regulations to improve the on-site project team members' understanding of safety standards and strengthen the execution of safety laws and regulations.



Enhanced Data Center Safety Management and Fire Prevention

LG CNS is preventing major disasters by applying Digital Twin technology in data centers. Digital Twin technology enables the rapid identification of major power facilities that are difficult to recognize from drawings, enabling quick responses to problems when they occur, and real-time identification of the movement of electrical room workers and control of workers through alarm functions when they leave the designated area. LG CNS has confirmed the effectiveness of the Digital Twin applied to the Sangam Data Center, and plans to apply the same configuration to the Hanam Center to lead the market. Notably, as the Hanam Center is a new building and will have a large number of new employees, LG CNS expects the Digital Twin to be highly effective in safety management and preventing major accidents. In addition, to prevent fires in data center battery rooms, LG CNS installed AI CCTV in four data centers (Sangam, Busan, Gasan, and Incheon) in 2023 to monitor and analyze hazards and dangerous situations such as smoke and sparks that cannot be detected by human senses or judgment in real time. Also, LG CNS installed a very high-speed smoke detector (VESDA)³⁾ in the data centers to detect even the smallest smoke, strengthening its ability to prevent fires. As the three laws related to digital safety (the Basic Act on Broadcasting and Communications Development, the Information and Communications Network Act, and the Telecommunications Network Act) have been amended to strengthen regulations on the use of lithium batteries, LG CNS is now using fire-certified (UL95401A)⁴⁾ batteries when replacing batteries to ensure stability and respond to the strengthened regulations.



| AI CCTV event alarm pop-up screen



| VESDA (Very Early Smoke Detection Apparatus)

1) BPA building : BPA stands for BISPHENOL-A. A BPA building is a warehouse building where BPA raw materials are stored

2) KS B ISO 12480-1 : Korean Industrial Standard for the Safe Use of Cranes

3) VESDA (Very Early Smoke Detection Apparatus) : A smoke detector that analyzes airborne smoke particles in a laser chamber and detects their composition, and is sensitive enough to detect even invisible smoke (1,000 times more sensitive than conventional smoke detectors)

4) Fire certification (UL95401A) : One of the safety standards established by UL (Underwriters Laboratories), a U.S. safety standards development organization, and is a standard for stability test methods for thermal runaway fire transitions in battery energy storage systems

Safety & Health Management

Listening to Opinions on Safety & Health Improvement

LG CNS operates a range of channels to communicate with employees and partners on safety and health. The headquarters and data centers hold quarterly occupational safety and health committees to discuss major decisions related to the promotion of safety and health in the workplace, as well as employee opinions and improvement needs suggested through employee representatives, and faithfully implement them. Suggestions for safety and health improvements are received by SHE Team staff (including overseas subsidiaries), and online communication channels are also operated through the Safety and Health Opinion Suggestion/Report banner and menu in the internal system for easy access by all employees.



Safety and Health Opinion/Report/Inquiry

☎ 02-2099-1119

| Health and Safety Suggestion/Report System Banner

We also conduct regular safety and health meetings and improvement surveys for our suppliers. For construction projects, we hold labor-management councils (over KRW 12 billion, bi-monthly) or safety and health councils (under KRW 12 billion, monthly), and continue to strive for practical improvements by listening to the opinions of workers on site.

Improving Emergency Response Capabilities

LG CNS conducts regular mock drills to prepare for emergency situations. In the first half of 2023, we conducted an online simulation of the team reporting system to quickly disseminate emergency situations, and in the second half of the year, held an earthquake evacuation drill in cooperation with the Gangseo Fire Department. Data centers and construction projects conducted power outage and fire evacuation drills that reflected the characteristics of each business site. In the first half of 2024, we produced a video on fire evacuation safety tips/cardiac arrest emergency response training, and conducted online training for all employees.

LG CNS continues to strengthen its CPR training to minimize loss of life by improving employees' initial response to emergencies. In 2023, 817 employees (1,162 cumulatively from 2022 to 2023) received CPR training, and starting in 2024, we are running a number of CPR training courses, including new and mandatory courses for new hires, training for SHE managers in each department, and on-site training, to enhance the ability of all employees to respond to emergencies.

Enhancing Healthcare Services

To protect the health of its employees, LG CNS supports company-wide healthcare services for employees with diagnosed illnesses or who have been identified as high-risk. We are improving health checkup items every year with a focus on preventive management of cardiovascular diseases; for employees at high risk of cardiovascular diseases, we closely manage them 1:1, from designing health checkup items that can detect diseases early to managing screening results.

Close Care Process for Employees with Diagnosed Illness



LG CNS has both face-to-face and online programs to improve employees' physical health. In 2023, we operated the "CNS Fitness : 100" health promotion program for all employees, including those with diagnosed illnesses, and provided objective measurements of individual employees' physical fitness and exercise counseling based on the results. For employees unable to participate in face-to-face programs, we continue to operate the "Online Physical Fitness Class for Office Workers" live classes to help employees form healthy lifestyles.



| CNS Fitness : 100



| Online fitness class

Information Security

Policy

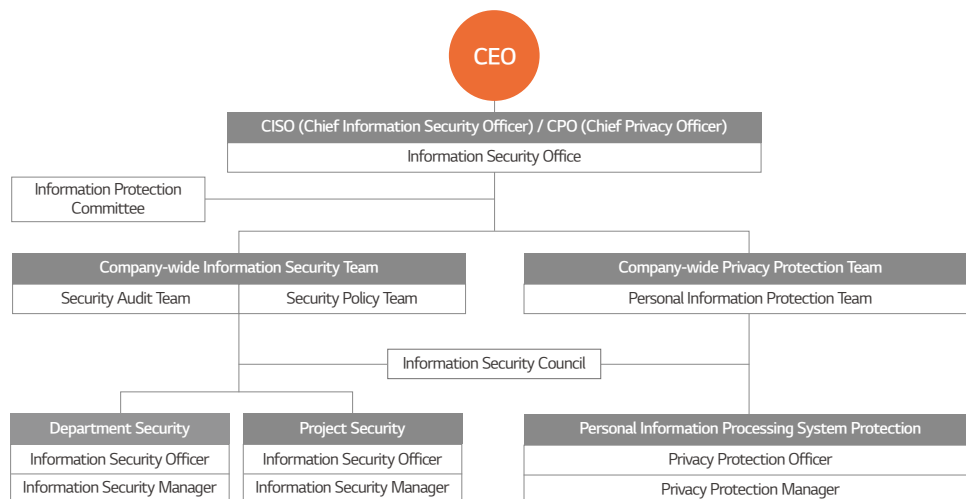
Information Security Management System

LG CNS operates an information security management system based on three domestic data laws including the Personal Information Protection Act, the Information and Communications Network Act, and the Credit Information Act, and also the Electronic Financial Transactions Act, the Location Information Protection Act, and overseas information security-related laws and systems. LG CNS appoints a CISO (Chief Information Security Officer), CPO (Chief Privacy Officer), and credit information managers/protectors for company-wide information security activities. Each team is required to designate a security manager and person in charge of information security. The person in charge is responsible for managing personnel information in their team, managing major assets, and informing security issues.

All teams handling personal information are striving to protect such information by designating privacy protection officers and managers. In addition, we hold regular meetings with major internal and external service security officers to discuss security policies, countermeasures, and business agendas.

LG CNS has an information security office directly under the CEO and sub-organizations of the Security Audit Team, Security Policy Team, Personal Information Protection Team to strengthen the expertise and independence of information security management across the company.

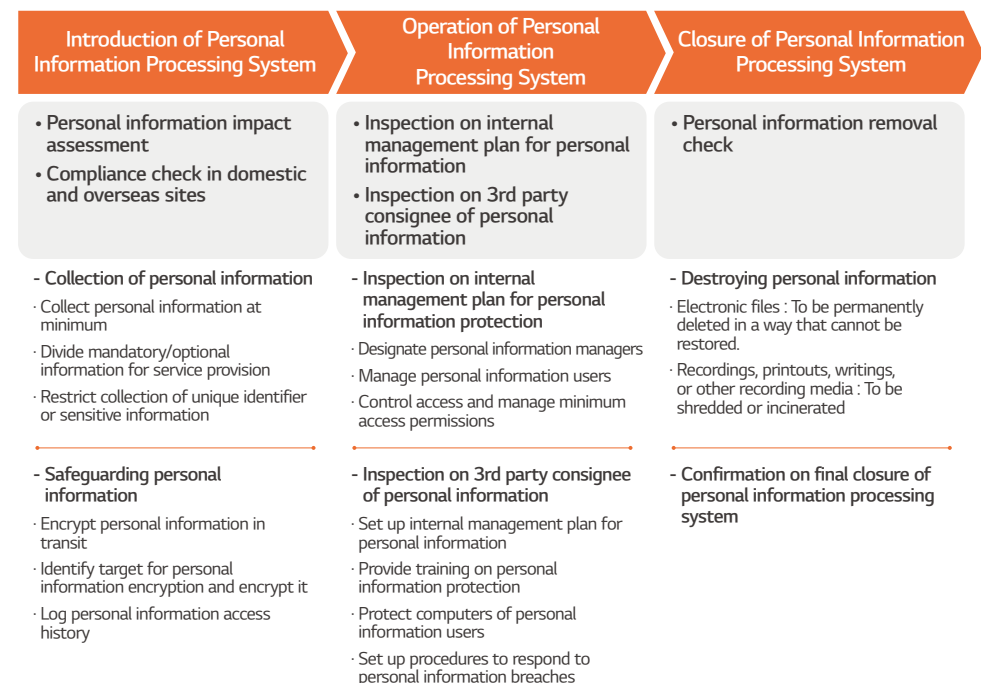
Information Security/Privacy Protection Organization



Personal Information Protection System

LG CNS recognizes the importance of personal information and continuously protects it. To ensure that personal information is handled in a safe and secure manner, we conduct personal information impact assessments throughout the entire process of the personal information processing system. We inspect our internal plan for management of personal information annually, provide training for personal information handlers, and regularly check the management status of the personal information handling subcontractor company. We also operate a specialized system that enables us to comprehensively understand the status of personal information management, and regularly check the management status to address vulnerabilities. We raise employees' awareness of personal information leakage by conducting mock drills from time to time.

Key Security Activities by Stage in the Life Cycle of the Personal Information Processing System



Information Security

Security Inspection System

LG CNS identifies security requirements from the planning stage to strengthen the security of our solutions and services. In the development phase, we conduct security quality control activities, and before opening, we hold security reviews to ensure that the security requirements are set properly. In addition, we always conduct security vulnerability checks in the operation phase. Through the establishment and operation of this security inspection system, LG CNS is continuously managing security.

Planning	Development	Open	Operation
Security review at investment stage	Conducting security quality activities	Security reviews at opening stage	Security vulnerability checks on a regular basis
Identify security check targets	Implement security requirements	Validate the results of security requirements implementation	Conduct simulated hacking (web, mobile, etc.)
Derive security requirements	- Source code inspection - Open source checks	Create an action plan for improvements and verify completion	Infrastructure checks (Server, WEB/WAS, DBMS, etc.)
Security checklist guide	Simulated hacking (web, mobile, etc.)		Check cloud
	Infrastructure checks (Server, WEB/WAS, DBMS, etc.)		Review internal management plan for personal information
	Cloud checks		(When a service change occurs)
	Personal information impact assessment		- Source code inspection - Open source checks - Personal information impact assessment
	Compliance security checks at home and abroad		

Response to International Personal Information Security Regulations

International regulations on personal information protection are being strengthened with the introduction of the EU (European Union)'s GDPR (General Data Protection Regulation), China's Network Security Law and Vietnam's Personal Information Protection Law. LG CNS is actively responding to the movement to strengthen regulations together with local overseas subsidiaries to conduct safe overseas business. In addition, to minimize the damage caused by these regulations, we are conducting thorough inspection activities by identifying countermeasures in each major area.

Response to EU GDPR

Main areas

- Personal information processing standards
- Guarantee of rights of data subjects
- Reinforcement of corporate responsibility
- Offshore transfer of personal information
- Measures to be taken in case of infringement of personal information

Measure to Take

- Establish management system according to personal information life cycle
- Guarantee personal information access, correction, deletion, and transfer
- Minimize using personal information, implement protection measures, and pseudonymization
- Restrict on transferring personal information outside the EU. Transfer through cross-border cooperation, supervisory authority approval, consent of the data subject
- Identify the rights that should be applied according to the business type and prepare procedures and systems for implementation
- Prepare security incident response measures (including notification step)
- Safety measures for personal information terminals, etc.

Response to China's Network Security Law

Main areas

- Response to network security violations
- Network safety management
- Technology to prevent network violations
- Personal information protection management system

Measure to Take

- Establish realistic and enforceable security management policies and strict enforcement
- Establish and implement the classification system that prioritizes information based on the importance
- Monitor infringement and personal information leakage and establish response system
- Strengthen access control and account management
- Establish antivirus and malware response system
- Check vulnerability periodically and establish management system
- Establish management system according to personal information life cycle
- Identify, train, and manage personal information handlers
- Prepare response procedures for requests for personal information access, correction, and destruction, etc.

Information Security

Goal

Information Security Management Goal

As a leading IT company, LG CNS is proactively resolving security blind spots and strengthening its system to enable a strong response to new and increasingly sophisticated types of hacking attacks. In doing so, we are working toward our ultimate goal of zero security incidents.

Based on a “zero trust” security strategy, we apply SSO¹⁾ and MFA²⁾ for secure authentication management without exception, and have implemented SASE³⁾ to strengthen security for external parties. We are continuously improving the security environment by building an AI-based information leakage monitoring solution to continuously detect vulnerabilities and abnormalities while granting limited access rights based on safe security authentication management.

By implementing the “Zero Trust” security paradigm, a new security paradigm, LG CNS is enabling long-term responses to the DX transition and changes in the IT workplace in the new normal era.

- 1) SSO (Single Sign On) : A secure application solution that allows users to access an organization's various systems or services with just one login
- 2) MFA (Multi-Factor Authentication) : A security technology that uses multiple authentication factors to verify identity when accessing a service or system
- 3) SASE (Secure Access Service Edge) : Cloud security technology that brings together network and security functions to respond quickly and efficiently to security concerns in mobile, remote work, and cloud environments at the service edge

※ What is Zero Trust? (John Kindervag in 2010)

Trust Is a Vulnerability

→ There is nothing that can be trusted!

- ① Thorough security authentication and management without exception (all users and devices)
- ② Implementation of security policies to minimize the scope of damage such as limited access rights
- ③ Continuous detection, supplementation, and improvement

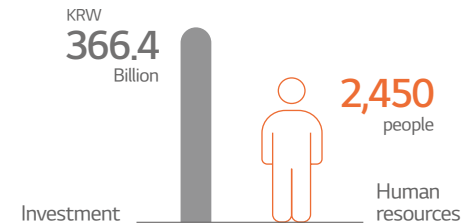


Activities / Achievements

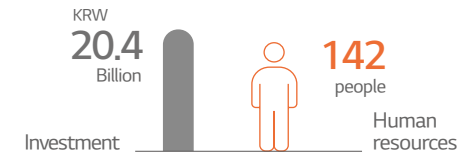
Disclosure of Information Security Activities

LG CNS has been transparently showing its information protection activities and investment status by posting information protection status on the information protection disclosure website (<https://isds.kisa.or.kr/>) since 2022. As of 2023, we have invested KRW 20,416,138,278 in information security, with a total of 142 employees dedicated to information security.

Information Technology



Information Security



Amount invested in information security

KRW **20,416,138,278**

Dedicated information security staff

142 people

Activities to Reinforce Information Security Awareness

LG CNS conducts various activities to raise security awareness among employees. Employees are required to complete information security and privacy protection training and sign a security pledge once a year. We also reinforce security awareness through regular company-wide information security letters, privacy and security compliance letters, and mock malicious email trainings. LG CNS provides information security training not only to its employees but also to business partners, strengthening security both within the company and at partners' project sites.

Information Security

Information Security Training Status

Training	Description	Target Trainees
Personal Information Protection Training	Personal information protection compliance requirements for personal information handlers/managers/officers	Personal information handler/managers/officers
Information Security Basics Training	Information security precautions to follow in the course of work	All employees
Development Security Training	Security practices for developing vulnerability-free systems	Employees working on a project
Information Security Training for Partners	Information security precautions for partners to follow	Employees of partner company



Information security training

Mock Malicious Email Exercises

LG CNS regularly conducts mock malicious email exercises for all employees to raise awareness and prevent malware infections caused by malicious emails. By rewarding the best responders for early detection of malware across the organization based on the results of the exercise, we continue to improve employee engagement and security awareness.

Key Activities for Information Security

LG CNS has established a system of administrative, physical, and technical security controls to protect intellectual and information assets from security risks, and regularly conducts information security activities.

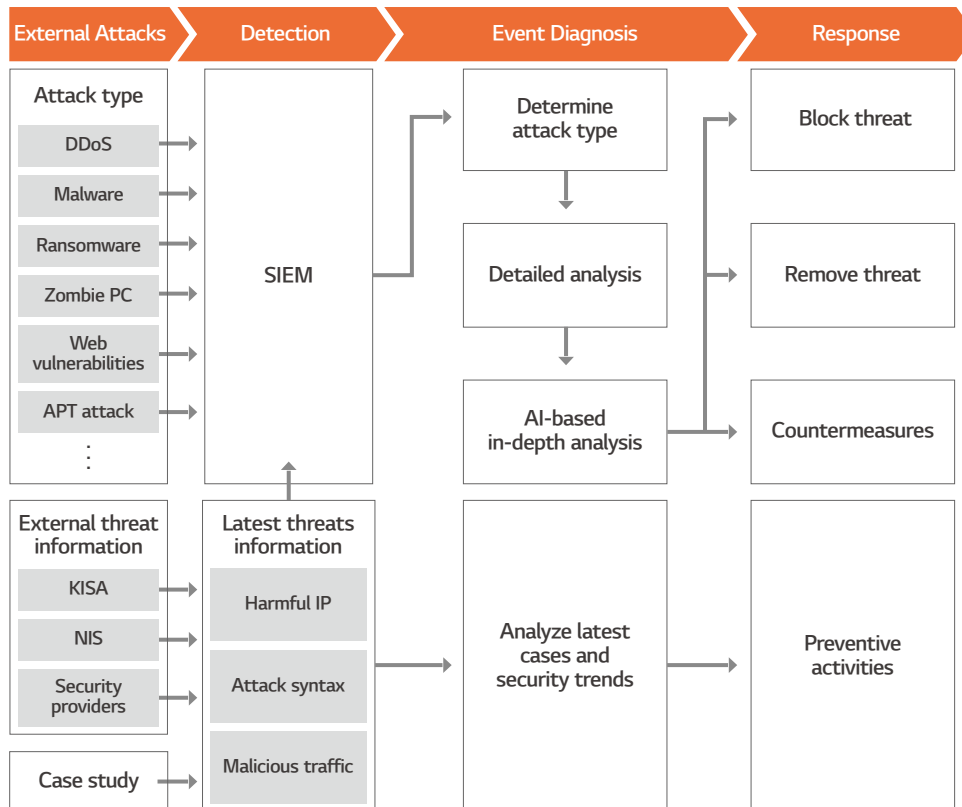
Security Areas	Key Activities
Establishment and management of information security policy	<ul style="list-style-type: none"> Establish and manage company-wide information security policies and guidelines Respond to information security regulations Revise and publish regulations at least once a year
Personnel security	<ul style="list-style-type: none"> Provide security training and conduct activities to raise awareness at least once a year Promote company-wide security activities Newly-hired employees and employees who are leaving the company must sign a Security Pledge and undergo a security check Manage the security of supplier employees when joining a project
Manage external parties (Partners)	<ul style="list-style-type: none"> Specify compliance with personal information protection when contracting with suppliers Regularly monitor and audit on personal information managers
Security check	<ul style="list-style-type: none"> Conduct regular and ad hoc audits of technical, administrative, and physical areas Operate and check the personal information management system for complying with personal information protection System vulnerability checks and penetration testing
Response to information security incident	<ul style="list-style-type: none"> Establish information security incident response procedures and conduct mock drills at least once a year
Physical security	<ul style="list-style-type: none"> Enforce access control based on the criticality of each site

Information Security

Preventive Activities Against External Attacks

With the recent increase in threats to industrial facilities and external attacks to access personal information, LG CNS is constantly carrying out preventive activities so that it is ready for increasingly intelligent external attacks, like hacking and distribution of malicious codes. To contain the damage in the event of a security incident, we operate the SIEM (Security Information and Event Management) service, which detects and responds to intrusion threats in real time. In addition, we strive to create a safe working environment by introducing solutions to block malware and ransomware delivered through e-mail.

SIEM (Security Information and Event Management)



Internal and External Certification Status

LG CNS has held the ISO 27001 certification, an international standard for information security management systems established by the ISO (International Organization for Standardization), since 2013. LG CNS has developed and operates a technical and physical information protection system to protect key information assets from increasing security threats. We have also maintained ISMS (Information Security Management System), a related certification, since 2017.

Information Security Certifications



Social Contribution

Policy

Social Contribution Policy

LG CNS is engaged in a number of DX (Digital Transformation) social contribution activities based on our IT skills. We provide customized programs by selecting and focusing the targets of our support, and maximize our effectiveness through partnerships with the government and professional organizations. In addition, rather than one-time monetary donations we are focusing on long-term social contribution activities with three directions : conducting youth education activities, leveraging the characteristics of the IT industry, and volunteering by LG CNS employees.

LG CNS is fulfilling its corporate social responsibility and contributing to social development by applying its DX capabilities to foster future DX talent.

Three Directions of Social Contribution



Goal

Key Objective of Social Contribution

LG CNS operates the AI Genius and AI Genius Academy programs to help young people grow into future IT talents by leveraging its DX technology capabilities. In 2024, the company conducted programs for youth in the local communities where its business sites are located.

AI Genius & AI Genius Academy Status (accumulated figures as of 2023)

Participated schools

250 schools

Participated students

20,065 students

Employees volunteered for teaching

294 employees

Results and Goals for 2024

	Category	Unit	2022	2023	2024 (Goal)
AI Genius	Number of beneficiary schools	School	35	38	35
	Number of beneficiary students	Person	3,153	2,916	3,000
	Number of volunteered employees	Person	52	49	50
AI Genius Academy	Number of beneficiary schools	School	30	28	28
	Number of beneficiary students	Person	348	482	400

Activities / Achievements

AI Genius

LG CNS developed the DX social contribution program "AI Genius" to foster IT dreamers. Since 2017, we have been providing free education so that students can develop their ideas and problem-solving skills through basic learning of software and AI.

LG CNS signed agreements with the Seoul and Gyeonggi Offices of Education to provide IT education, and had given training to 19,152 students at 187 schools as of December 2023.



| AI Genius

Contribution to Local Communities

Since 2024, LG CNS has been strengthening its social contribution activities in the communities where its workplaces are located.

We offered the AI Genius program to first-year middle school students in Hanam, where our new data center was built, and the AI Genius Program to special school for students with disabilities in Gangseo-gu, where our headquarter is located.

Education for Special Schools for Students with Disabilities

LG CNS runs programs for students with disabilities who are marginalized from mainstream software education. We provide hands-on educational classes, such as Make My Own Story with Gen AI, AI Autonomous Vehicles, and Experiencing AI Art. LG CNS is continuously working to bridge the software education gap between students who have the opportunity to learn and those who do not.

Social Contribution

Education for Schools in Rural Areas

To provide more students with IT education opportunities, LG CNS conducts AI education programs for schools on islands and in rural areas. In 2023, we traveled to schools in rural areas in Yeongcheon and Yeongdu in Gyeongsangbuk-do, Boryeong in Chungcheongnam-do, and Chungju in Chungcheongbuk-do. In 2024, we plan to expand the scope to Mungyeong in Gyeongsangbuk-do, Changnyeong in Gyeongsangnam-do, and Inje in Gangwon-do.



| Education for schools in rural areas

LG CNS DX Experts' Volunteering

LG CNS encourages employees to volunteer as teachers and mentors to help students explore potential careers and plan their futures. LG CNS experts who are working at the forefront of the DX business, including AI, big data, and cloud, serve as AI Genius instructors to provide quality education to students. In addition, we have introduced a paid vacation system to support employees' volunteering.



| LG CNS employee working as AI Genius teacher

AI Genius Academy

AI Genius Academy is an educational program for high school students to support future software and AI talents. Since 2021, LG CNS has selected students with vision and talent in the software and AI fields to provide differentiated new information technology education and mentoring, and has directly assisted them in designing their careers through AI robot creating projects that incorporate new DX technology.

AI Open Class

This is the first course in the AI Genius Academy, in which students are introduced to the fundamental principles and concepts of AI as they solve 12 AI missions. The online content is free to high school students across the country who want to learn about AI, with mentors providing feedback as students complete their missions using videos and learning materials.

Boot Camp

This is a preparatory stage for the Advanced AI Project. Students come together at LG Science Park, where the LG CNS' headquarter is located, to decide on a team project topic and set goals and plans. Through programs such as special lectures by LG CNS members and AI career tours, students have the opportunity to share their career concerns and learn together.

Advanced AI Projects

In the Advanced AI Project, students carry out various activities to complete their project. At this stage, students can learn by experiencing a variety of problem situations. To help students complete their projects, LG CNS provides software and AI training, support for creating project results and materials, expert mentoring, etc.

AI Challenge Day

AI Challenge Day is an event to share the final project results of the AI Genius Academy. This provides opportunities for students to learn from their failures and feel a sense of accomplishment through the process. Through AI Challenge Day, LG CNS helps students grow into talents who prepare for the future.



| AI Challenge Day

2023 Information Culture Month Award

LG CNS was awarded the Prime Minister's Commendation at the 2023 Information Culture Government Awards Ceremony. It was held by the Ministry of Science and ICT for the 36th Information Culture Month to recognize individuals and organizations that have contributed to fostering future SW talents and bridging the digital information gap among regions. The Ministry officially recognized the social contribution activities of LG CNS based on DX capabilities.



Supply Chain Management

Policy

Supply Chain Management Policy

LG CNS operates a system to select, maintain, and manage excellent suppliers based on clear and fair criteria. Each year, we select suppliers based on objective evaluation criteria (transaction performance, financial status, degree of collaboration, etc.) set forth in the regulations and manage them through a four-level management system : strategic group, cooperation group, transaction group, and potential group. We provide financial, manpower, and technological support to our suppliers to facilitate their stable operation and growth. Accordingly, we sign fair trade agreements, participate in the Shared Growth Index evaluation, and run a dedicated organization for cooperation with suppliers.

Subcontracting Management Policy

LG CNS strives for fair trade by observing the Korea Fair Trade Commission's four practices for subcontracting, using standard subcontracting form, and following all laws and regulations. By complying with the Subcontracting Act, we keep subcontracting transactions fair and transparent and create partnerships through which a large company and SMEs can grow together. We regularly monitor compliance with the Subcontracting Act and ensure that improvements are implemented according to the monitoring results. We also provide subcontracting training to all employees.

Compliance with the Korea Fair Trade Commission's Four Practices for Subcontracting

In accordance with the recommendations of the Korea Fair Trade Commission, LG CNS has reflected the four practices in its company policy and requires all employees to comply with them. In addition, LG CNS strives for fair trade by posting the practices on the supplier portal homepage, notifying suppliers of them, and reflecting them in contracts.

Four Practices

- | | |
|--|--|
| 1. Desirable contracting practices for win-win cooperation between large and small companies | 3. Practices for establishing and operating an internal review committee for subcontracting transactions |
| 2. Practices for fair selection (registration) of subcontractors | 4. Practices for issuing and preserving appropriate documents in subcontracting transactions |

Goal

Key Supply Chain Management Goals

LG CNS provides preferential trading opportunities to its suppliers and supports their internal growth through various supporting activities. This leads to increased project success rates and expanded business opportunities. We aim to achieve sound growth together with our suppliers in the long term.

Activities / Achievements

Supply Chain ESG Management

LG CNS enables its suppliers to conduct self-inspections by providing ESG checklists. In 2023, we conducted third-party assessments through on-site inspections of 20 major suppliers, and plan to expand this program over the long term.

Management Plan	Target	Content
Supply chain ESG Training	20 suppliers	Training on 'Understanding ESG Management and Assessment'
Supply chain ESG assessment and on-site inspections	20 suppliers	Announcement of selection → Training of ESG managers at partner companies → Submission of current data and verification of external DB → On-site inspections and simplified consulting → ESG assessment
Supply chain ESG self-check	71 suppliers (43 companies replied)	Review employment policies, employee grievance handling system, written labor contracts, prevention of discrimination and sexual harassment, and compliance with environmental laws

Supporting New Hires for Suppliers

LG CNS strives to help small and medium-sized suppliers solve one of their biggest challenges : securing software talents. We opened the LG CNS online recruitment center on a large domestic job search site to make it easier for job seekers to access information about our suppliers. As a result, we posted 3,888 job postings, including regular and project positions, for a total of 39 suppliers in 2023, and received a total of 29,211 applications.

Since 2006, LG CNS has been operating the U-Camp SW Developer Course, a nine-week intensive software development course for prospective employees of suppliers. The excellent software talents fostered through the course are hired by suppliers immediately after the course. In 2023, among 35 participants, 30 completed the course, with a cumulative total of 38 classes and more than 1,000 new employees from suppliers.

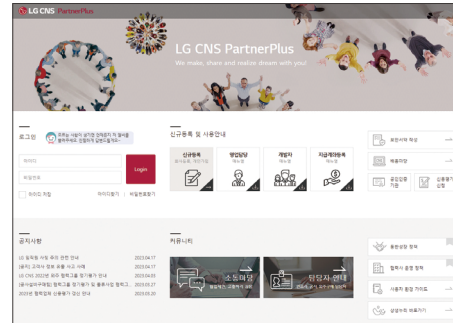
Competency Development Support

LG CNS has established an online training portal for suppliers called "Supplier Learning Center" and operates it for free. It provides training courses on DX technology topics such as AI, big data, and cloud and job-specific subjects such as personal information protection. In 2023, a total of 211 courses were offered and 8,948 employees of suppliers completed the training.

Supply Chain Management

Strengthening Communication with Suppliers

To activate communication with its suppliers, LG CNS runs the 'Partner Communication Forum' on the PartnerPlus portal (partnerplus.lgcns.com). Through this website, suppliers can freely propose business, and consult about difficulties and problems encountered during collaboration. They can also request improvements when inconveniences are encountered, such as in contract procedures and payments.



| PartnerPlus Portal for suppliers

Technical Support and Protection

LG CNS actively conducts technical support and exchanges through joint R&D with its suppliers. To this end, we are taking the lead in protecting the technologies of our suppliers through a fair trade portal, a trade secrets original proof service, and the signing of NDAs (nondisclosure agreements).

Selected as 'Best Honorable Company' in the Shared Growth Index Evaluation

Based on our collaborative and partnership activities, LG CNS has received the best rating for six consecutive years, from the 2017 to 2022 evaluations. We were selected as the "Best Honorable Company" as receiving the "Best" rating for more than five consecutive years. In addition, in December 2023, we were awarded the Fair Trade Commission commendation for establishing a fair trade order and spreading a culture of cooperation through fair trade agreements.



| Received Best Honorable Company award for 6 consecutive years



| Fair Trade Commission commendation

Business Support

LG CNS provides direct and indirect business support to its suppliers. To facilitate the commute of our suppliers' employees working at Magok LG Science Park, we provide them with the same free commuter buses and Magok Circular Shuttle Bus services that we offer to our own employees; as of 2023, our commuter and shuttle bus services had been used a total of 79,595 times by our suppliers' employees. In addition, we operate a welfare mall exclusively for our suppliers so that they can purchase LG products at low prices.

Improving Financial Support and Payment Terms

Since 2010, LG CNS has been providing financial support to its suppliers to strengthen their competitiveness by creating a financial institution fund for shared growth, and providing operating funds such as R&D expenses and investment in new businesses. In 2023, LG CNS increased the amount of direct financial support loans by KRW 7 billion compared to 2022, to a total of KRW 17 billion, and provided interest-free loans worth KRW 7.6 billion to 13 suppliers. Through the KRW 30 billion Shared Growth Fund, LG CNS supported 43 suppliers with loans worth KRW 22.8 billion. In addition, LG CNS conducts daily closing of subcontract payments, and pays all subcontractors in cash within 15 days after inspection.

Direct Financing

- LG CNS self-raised fund
- Interest-free loans, KRW 17 billion in total
- 13 companies borrowed KRW 7.6 billion

Shared Growth Fund

- Funds created jointly with financial institutions (IBK) based on LG CNS deposits
- Interest rate cut benefits, KRW 30 billion in total
- 43 companies borrowed KRW 22.8 billion

Network loan

- Provide low-interest financing based on trading performance with LG CNS

Direct financing volume

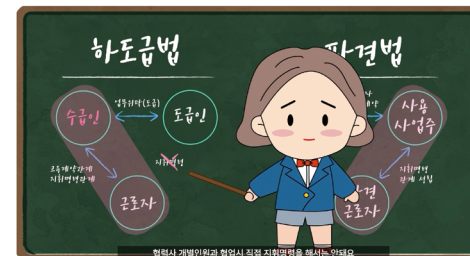
KRW **17** billion

Shared growth fund volume

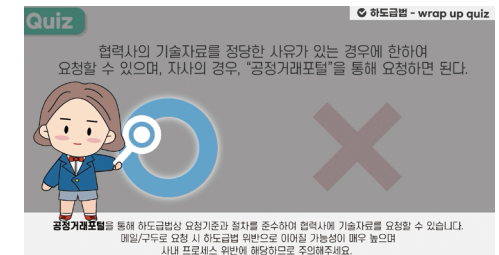
KRW **30** billion

Subcontracting Training

LG CNS provides subcontract-related training to all employees on subcontract-related compliance requirements and the latest trends. In addition, we conduct monitoring to prevent violations of the laws related to fair trade, and any findings from monitoring are used to improve business processes and systems to prevent and manage fair trade risk.



| Subcontracting training - Smart Collaborative Way



Quality Management

Policy

Quality Management Policy

For large-scale financial projects and public projects with significant social and economic impacts, proactive risk management and quality assurance are very important in the project implementation process. LG CNS has established a quality management policy to ensure that all employees work with the right perception of quality. To create the highest client value, we define our quality values from three perspectives, and declare nine behaviors that we adhere to.

1 Purpose (Quality Management)

Lead the business innovation of our clients with the best IT services technology capabilities

3 Values (Quality Values)

Clients	Innovation	Trust
Growing together with clients through clients' business success	Constant challenge and effort for quality innovation	Trust and responsibility with stakeholders in the work process

9 Practices (Rules of Action)

Proposal of client value based on business understanding	Goal-oriented thinking and continuous self-development	Keeping one's word with stakeholders
Leading quality based on technological competency	Right planning and quick feedback	Respect and cooperate with colleagues
Communicating based on understanding the clients	Recollecting the past experience for future growth	Responsibility for social contribution

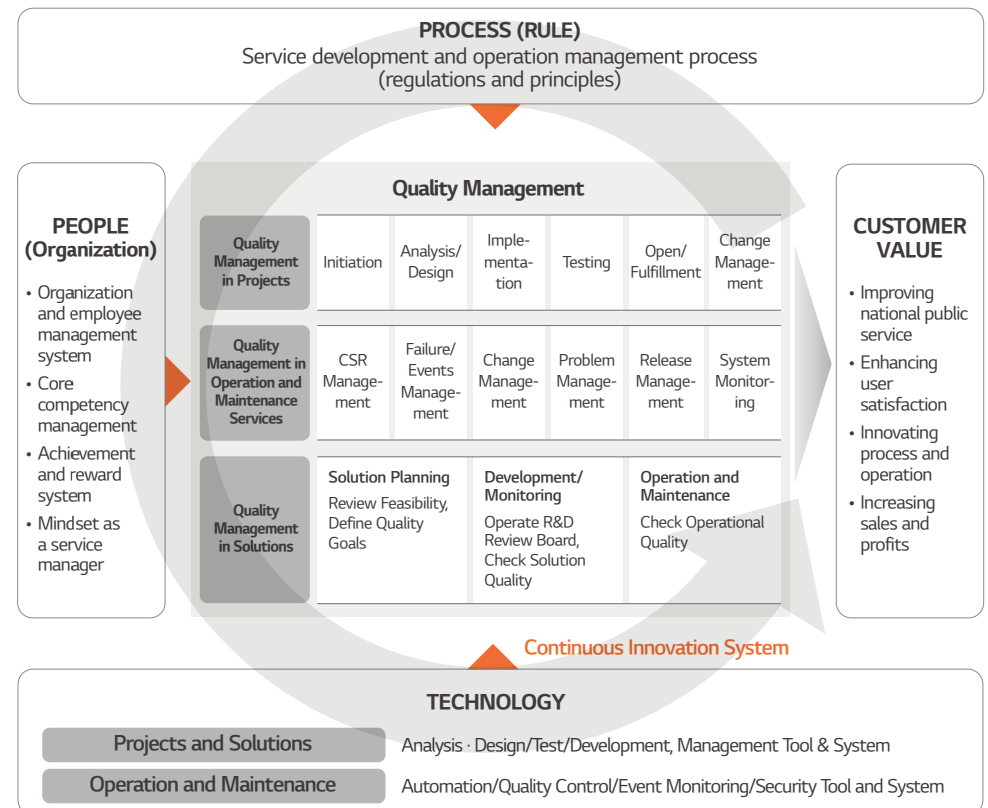
Making Policy Commitment

Category	Channel	Method
LG CNS Employees	<ul style="list-style-type: none"> Quality management training/announcements Internal standard documentation LG CNS standard methodology 'Way4U' 	<ul style="list-style-type: none"> On/Off-Line (as needed/upon occurrence) On-Line (frequently)
External Stakeholders	<ul style="list-style-type: none"> Meetings and trainings 	<ul style="list-style-type: none"> On/Off-Line (as needed/upon occurrence)

Quality Management Operation System

LG CNS practices quality management by establishing an integrated quality management system that combines people, process, and technology for the quality management of "projects", "operation and maintenance services" and "solutions".

Integrated Quality Management System



Quality Management

Activities / Achievements

Client Satisfaction Management

As a Digital Business Innovator for our clients, LG CNS strives to improve the quality of IT services by focusing on client pain points, and to increase client satisfaction by offering a diversity of services.

In 2023, we conducted a client satisfaction survey on our IT services, surveying a total of 32 clients. The survey results showed consistently high levels of satisfaction in the areas of accurate work based on technical competence, communication with clients, and active cooperation, while overall satisfaction and loyalty scores remained similar to the previous year.

In addition to client satisfaction surveys, LG CNS listens to clients' opinions through various channels such as the website, YouTube channel, and blog. We also comprehensively analyze and address client pain points through the Voice of the Client Integrated Management System.



Client Satisfaction Status

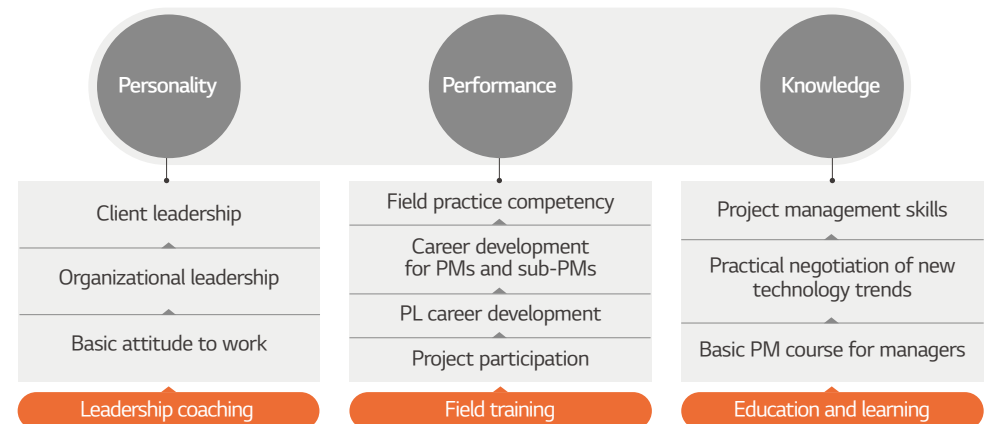
Category	2021	2022	2023
Client Satisfaction	70.9 points	75.5 points	75.8 points
Client Loyalty (positive response rate)	71.6%	75.4%	75.4%

* It is different from the client satisfaction survey data value in the 2022-2023 LG CNS Sustainability Report (due to the expansion of the satisfaction survey target from the client's IT department to the client's IT department and general users)

Reinforcement of PM Competencies

LG CNS values the DX competency of its PMs (project managers). PMs are trained on how to manage projects through a variety of case studies to become a DX partner for their clients. LG CNS also operates a PM competency development system, a PM expert certification system, and a PM evaluation system.

PM Competency Development Model



PM Training and Education System

Training Courses	Description
General project management	PM training course to understand the roles and responsibilities of a PM and perform practical exercises as a PM in projects of various sizes and areas
Manage profit and loss	Practical course to understand the cost structure of a project, including revenue and operating income
Quality control	Communicating with clients and establishing project policies/procedures to ensure project quality. Gain a working knowledge of the core tasks of project quality management
PM leadership	Learn about technology trends and communication skills needed by PMs, hear lectures on leadership, and share and discuss project execution know-how with each other
ABC (DX leadership)	DX leadership training in the areas of AI, Big Data, and Cloud

Quality Management

Quality Management Certification

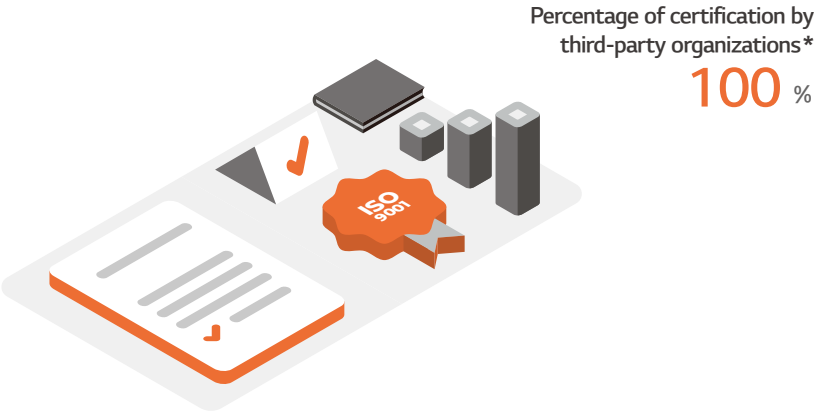
Since acquiring ISO 9001 certification, an international standard, for all business sites in July 1994, LG CNS has successfully carried out post-audit and comprehensive re-certification processes every three years. Through this, LG CNS has established a quality management system that continuously improves work processes so that all employees can achieve the best performance when performing work.

ISO 9001 Certification



Quality Management System (ISO 9001) Certification Status

Business Sites	Valid Period
Headquarters in Korea (Magok)	2023 ~ 2026
Greece	2023 ~ 2026



* Every location is certified by a third-party organization

Governance

- 84 Jeong-Do Management
- 86 Compliance
- 88 Corporate Governance
- 90 Communication with Stakeholders

UN SDGs



Jeong-Do Management

Policy

LG Code of Ethics

LG respects the tenets of the free market economy, which embodies the spirit of free and fair competition, and establishes the Code of Ethics as a standard for moral conduct and judgement of values to be observed by all employees to pursue mutual benefits of our stakeholders based on mutual trust and cooperation.

The LG Code of Ethics is composed of Responsibilities and duties to customers, Fair competition, Fair transactions, Basic ethics of employees, Corporate responsibilities for employees, Responsibility to the nation and society.

Responsibilities and duties to customers



- Respecting customers
- Creating value
- Providing value

Fair competition



- Pursuing free competition
- Complying with laws and regulations

Fair transactions



- Equal opportunity
- Fair transaction process
- Pursuing mutual growth

Basic ethics of employees



- Basic ethics
- Accomplishing missions
- Self-development
- Fair handling of job
- Avoiding conflict of interests with the company

Corporate responsibilities for employees



- Respecting humanity
- Fair treatment
- Promoting creativity

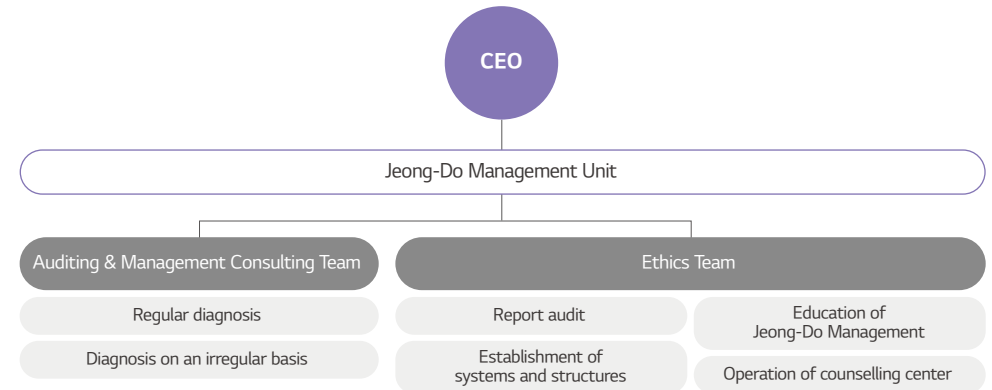
Responsibility to the nation and society



- Rational business operation
- Protecting stockholders' returns
- Contributing to social development
- Conservation of the environment

An Organization that Practices Jeong-Do Management

For the systematic practice of Jeong-Do Management, LG CNS operates the "Jeong-Do Management Unit" under the direct command of the CEO, which performs regular, irregular and ad hoc audit. In addition, there is an Ethics Team in charge of Jeong-Do Management to review reports submitted, educate and spread Jeong-Do Management practices, establish relevant systems and structures, and operate a counseling center.



Goal

Direction of Promotion for Jeong-Do Management

LG CNS aims to establish a proactive inspection system to prevent possible Jeong-Do Management-related risks by major business processes and businesses, and to continuously improve related processes and systems. In addition, we will expand Jeong-Do Management training to our overseas subsidiaries and suppliers to build mutual trust and cooperation through transparent and fair transactions, so that we can pursue common development over the long term.

Jeong-Do Management

Activities / Achievements

Jeong-Do Management Activities

Jeong-Do Management Pledge and Internal Noticeboard	<ul style="list-style-type: none">All employees are required to complete the Jeong-Do Management Pledge of Practice every JanuarySuppliers are required to submit the Jeong-Do Management Pledge of Practice when signing a contract with LG CNSLG CNS operates the “Jeong-Do Management Guide” noticeboard to support the systematic implementation of Jeong-Do Management, which provides information on Jeong-Do Management announcements and the Code of Ethics, as well as self-checks and consultation services
Jeong-Do Management Training and Awareness Activities	<ul style="list-style-type: none">Annual online Jeong-Do Management training is provided for all employeesJeong-Do Management letters are sent, and Jeong-Do Management violation cases are posted on an internal noticeboard
Operating a Voluntary Bribery Reporting System	<ul style="list-style-type: none">Strictly prohibit the receipt of bribe or anything of value from business-related stakeholdersIf one unavoidably receives money or gifts, refuse and return them in accordance with the Code of Ethics and report to the Ethics TeamWhen declining or returning the gift (item) immediately may be considered discourteous, report to the Ethics Team first, and the gift (item) should be delivered to the Ethics Team, which will donate it to a welfare organization
Operating Fraud Reporting Channels and Reward Programs	<ul style="list-style-type: none">LG CNS uses LG’s Jeong-Do Management Report (http://ethics.lg.co.kr) channel that is accessible to all stakeholders as well as other channels such as email (ethics@lgcns.com), postal mail, and in-person visits to receive reports of irregularities from all stakeholdersWhen a report is received, the facts are verified; when the facts are confirmed, follow-up measures are taken, such as disciplinary action, discipline or punishment, Jeong-do management training, and work process improvementRelevant information is strictly managed as confidential to ensure that the informant does not suffer disadvantages due to reportingThe facts and the impact of the report are reviewed through the corruption reporting reward system, and after the review by the reward deliberation committee, a reward is paid for the informant

Jeong-Do Management Pledge

「Jeong-Do Management Pledge of Practice」

In conducting business tasks, I hereby pledge to obey the following :

- To respect team members, work towards mutual development with business partners through fair transaction, create and provide the best value to customers through fair competition and to work hard to fulfill responsibilities and obligations related to stakeholders and society.
- To create an internal Jeong-do Management culture as an LG Employees and to work hard to fulfill responsibilities and duties in order to practice the Jeong-do Management.
- I understand that ignorance of laws and regulations relevant to my duties does not exempt me from responsibilities. I promise to obey and never violate regulations including the LG Code of Ethics and all obligations related to compliance issues including what is required under antitrust law.
- Unfair transactions, illegal actions or irregularities by LG Employees must be reported immediately to the Company. Likewise, unfair transactions, illegal actions or irregularities by business partners must also be reported immediately to the Company.
- I shall perform my duties to cooperate, including the submission of materials requested by the Company (including documents, e-mails and any other electric files stored in the Company PC or VDI) in case of regular and irregular investigations of unfair transactions and illegitimate/improper acts that violate the LG Code of Ethics or any other compliance obligations.
- I shall bear full responsibility for all consequences that may arrive from my actions if I violate this agreement.

Date . . .
Department :
Employee No. :
Name : (SIGNED OR SEALED)

Compliance

Policy

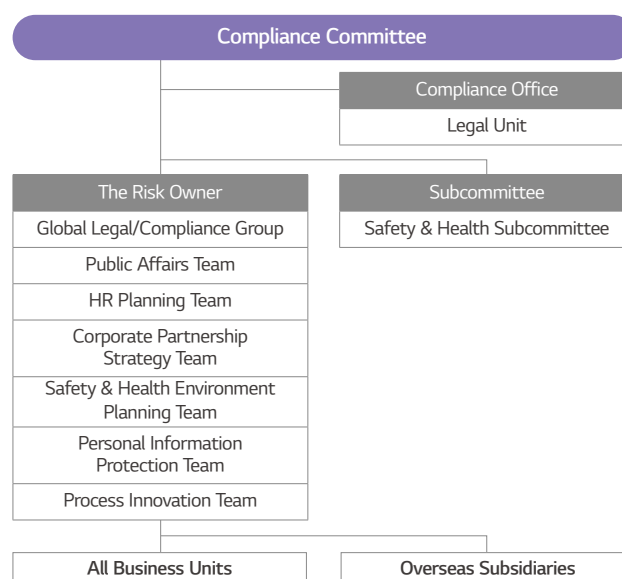
Compliance Program

LG CNS has been operating a compliance program since 2015. The purpose of this compliance program is to ensure that the company's compliance philosophy is not just a statement of intent, but is lived out in every aspect of the business. In 2023, we established the Compliance Control Standards, which defined the roles and responsibilities necessary to build an environment for compliance control, and assigned compliance officers appointed by the BOD the duty of operating the compliance control system and reporting to the BOD.

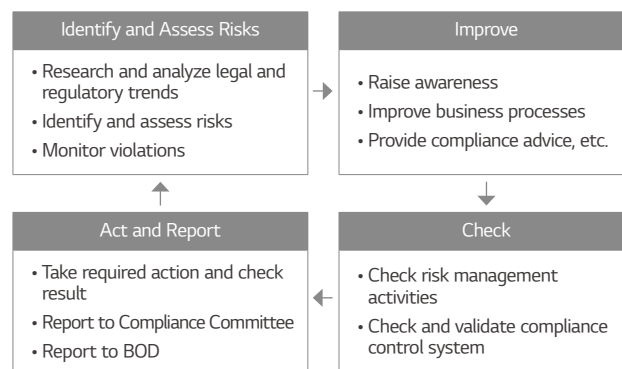
LG CNS has a full-time risk management system with anti-corruption, fair trade, human resources, labor, subcontracting, safety, health, environment, information protection, and IT as the main risk management areas, and has established a Compliance Committee chaired by the CFO as the chief officer of compliance risk management, to review risk prevention activities every quarter. The Compliance Committee includes executives from the risk management organization and the Risk Owner, as well as leaders from all business divisions and overseas subsidiaries, to ensure that compliance risk prevention activities led by the Risk Owner, are disseminated to domestic and overseas business sites and implemented effectively.

The Compliance Management Regulation, which serves as the basis for the compliance program, defines the company and employees' obligations for compliance management, and includes the areas of risk management and the role of the Risk Owner, as well as the composition and operating principles of the Compliance Committee.

Compliance Management System



Compliance Program Operating Process



Goal

Key Goals of Compliance

In 2023, LG CNS established a compliance control system with the goal of advancing the compliance management system. Through the Compliance Management System Advancement Task Force, we expanded and institutionalized the BOD's involvement in compliance, established Compliance Control Standards, appointed a compliance officer, and developed compliance control system inspection and evaluation plans. In addition, we set up a compliance risk assessment management system in line with judicial precedents and international standards, and determined collusion as a main key risk that needs to be managed on an company-wide basis.

In 2024, we will conduct a review and evaluation of our compliance control system, expand our compliance programs to overseas subsidiaries, and strengthen programs to prevent collusion, a main key risk, to ensure compliance management that can support the company's stable growth.



Compliance

Activities / Achievements

Compliance Training

LG CNS conducts regular training on compliance, anti-corruption, and fair trade for employees in high-risk roles such as sales staff and leaders who are in contact with clients.



| Compliance training

Compliance Training Status

Training for high-risk roles	Target	Number of participants	Rate
2022	421 people	238 people	56.5%
2023	524 people	363 people	69.3%

Seminar on the Serious Accidents Punishment Act

LG CNS is leading the industry in business fields such as AI, big data, cloud, smart logistics, smart city, smart factory, finance/public sector, digital customer experience, DX solutions, and security. We recognize safety and health as an important management principle across all business areas, and since 2022, have held seminars on trends in the Serious Accidents Punishment Act for construction project leaders and safety managers to raise safety awareness in the field

and strengthen industrial accident risk prevention activities, such as improving response systems through analysis of recent accidents and regulatory trends.



| Seminar on the Serious Accidents Punishment Act

Monitoring Legislative Trends

To flexibly respond to and prepare for the rapidly changing business environment and international politics, we monitor various legislative and regulatory trends relevant to our business areas. We support management activities by analyzing the impact of relevant trends on the company and providing legislative trend letters to the management.

Publishing Legislative Trend Letters

Year	Number of publications	Note
2022	12 times	
2023	14 times	2 letters on judicial precedents trends in addition to regular publications

Anti-corruption Activities

Regardless of the region or country in which we conduct business, LG CNS employees work in compliance with the Anti-Corruption Act, in accordance with the Jeong-Do Management philosophy. At the beginning of each year, all employees affirm their commitment to comply with anti-corruption laws by signing the pledge to indicate that they understand and will follow the company's policy on compliance with all domestic and international anti-corruption laws, including the prohibition of bribery and the need to avoid corrupt activities through third parties. In response to the trend of strengthening regulations and penalties for corruption in various countries, including the U.S., LG CNS has included precautions for overseas business in its anti-corruption regulations to prepare for anti-corruption regulatory risks in each country, and has established enhanced pre-inspection procedures to prevent risks when conducting overseas business.

Promoting Fair Trade Practices in the Company

Improve business processes	<ul style="list-style-type: none"> When the Fair Trade Act, Subcontracting Act, Audit Guidelines, or other related rules are amended and enforced, the changes are quickly reflected in business processes and systems and reported to employees to prevent violations due to lack of familiarity with the amendment. Internal processes are reviewed and improved to ensure fair trade with suppliers.
Conduct on- and offline training and monitoring	<ul style="list-style-type: none"> Online and offline training sessions are provided for employees on collusion prevention, subcontracting compliance, and the latest trends to spread fair trade awareness (2023 - 11 sessions, 6,434 participants). Prevent and manage antitrust risk by conducting monitoring to avoid antitrust violations.
Operating the Fair Trade Portal	<ul style="list-style-type: none"> The portal provides content such as "About Fair Trade", "Report of Contact with Competitors' Employees", "Request for Technical Documentation", "Compliance Guide", etc. The portal gives updates on legislative changes to ensure employees can do business in compliance with fair trade laws.
Cartel Prevention Action Pledge	<ul style="list-style-type: none"> In January of each year, all employees take the Cartel Prevention Action Pledge. Contact with the employees of competitors is prohibited as a general rule, and pre- and post-contact reporting are required when contact is inevitable to avoid any suspicion of collusion.

Corporate Governance

The Board of Directors

Members of the Board of Directors

BOD (The board of directors) is responsible for making decisions on important management and business issues, and for supervising the execution of the duties of the directors. Through the BOD, directors actively express their opinions and perform their evaluation and supervisory functions. The BOD is composed of five members : two inside directors, and three non-executive directors. The CEO serves as the chairperson to run the Board of Directors efficiently and responsibly. In March 2024, Mr. Hyun Gyu Lee was appointed as a director through the general meeting of shareholders. Directors are appointed in accordance with the procedures of relevant laws, including the Commercial Act.

Category	Board of Directors after 2024 General Meeting of Shareholders			
	Name	Credentials	Term	Note
Inside Directors	Shin Gyoon Hyun	• (Current) LG CNS CEO • (Former) LG CNS D&A Division Leader	3 years (~2026 Annual meeting of shareholders)	Chairperson
	Hyun Gyu Lee	• (Current) LG CNS CFO • (Former) LG Electronics Finance Unit Leader	3 years (~2027 Annual meeting of shareholders)	
Other Non-executive Directors	Bum Shik Hong	• (Current) LG Corp. Business Strategy Division President • (Former) Bain & Company Korea CEO	3 years (~2026 Annual meeting of shareholders)	
	Yong Hwan Kim	• (Current) Macquarie Korea CEO	3 years (~2026 Annual meeting of shareholders)	Reappointment
	Dong Hyun Kim	• (Current) Macquarie Korea Asset Management Co., Ltd. Director	3 years (~2025 Annual meeting of shareholders)	
Auditor	Nam Jun Lee	• (Current) LG Corp. Finance & Accounting Team Leader	3 Years (~2026 Annual meeting of shareholders)	Reappointment

* As of March 2024

Operation of the Board of Directors

Operation of the Board of Directors

LG CNS holds regular BOD meetings according to the annual schedule to deliberate and decide on matters stipulated in the laws and the Articles of Incorporation and important management-related issues. For matters that urgently require a board resolution, an ad hoc meeting is held. The BOD is operated according to transparent standards and procedures, and can approve decisions with the attendance of a majority of directors and the approval of a majority of directors present. LG CNS systematically blocks the possibility of conflicts of interest by restricting the voting rights of directors with special interests on board resolutions in accordance with Article 35(3) of the Articles of Incorporation.

Board Subcommittee

The Board of Directors has established and operates the Finance Committee as stipulated in Article 36(2) of the Articles of Incorporation and Article 13 of the Regulations of the Board of Directors to enhance the expertise and flexibility of financial decision-making and to streamline operations. The Finance Committee is composed of two inside directors, the CEO and the CFO, and has the authority to vote on financial matters and matters delegated by the BOD.

Shareholder Status

The total number of shares issued by LG CNS is 87,197,353, and the largest shareholder is LG Corp., which holds 49.95% of the total shares. Other shareholders include Crystal Korea Co., Ltd. holding 35%, the employees' stock ownership association holding 1.44%, and minority shareholders holding 13.61%.

Category	Name of Shareholder	Number of Shares Owned	Ratio (%)
Shareholders holding more than 5%	LG Corp.	43,557,218	49.95
	Crystal Korea Co., Ltd.	30,519,074	35.0
Other shareholders	Employee's Stock Ownership Association	1,253,518	1.44
	Minority Shareholders and Related Parties, etc.	11,867,543	13.61

* As of December 31st, 2023

Corporate Governance

Activities of the Board of Directors

LG CNS held a total of seven BOD meetings in 2023, to handle 23 agenda items.

2023 BOD Meetings

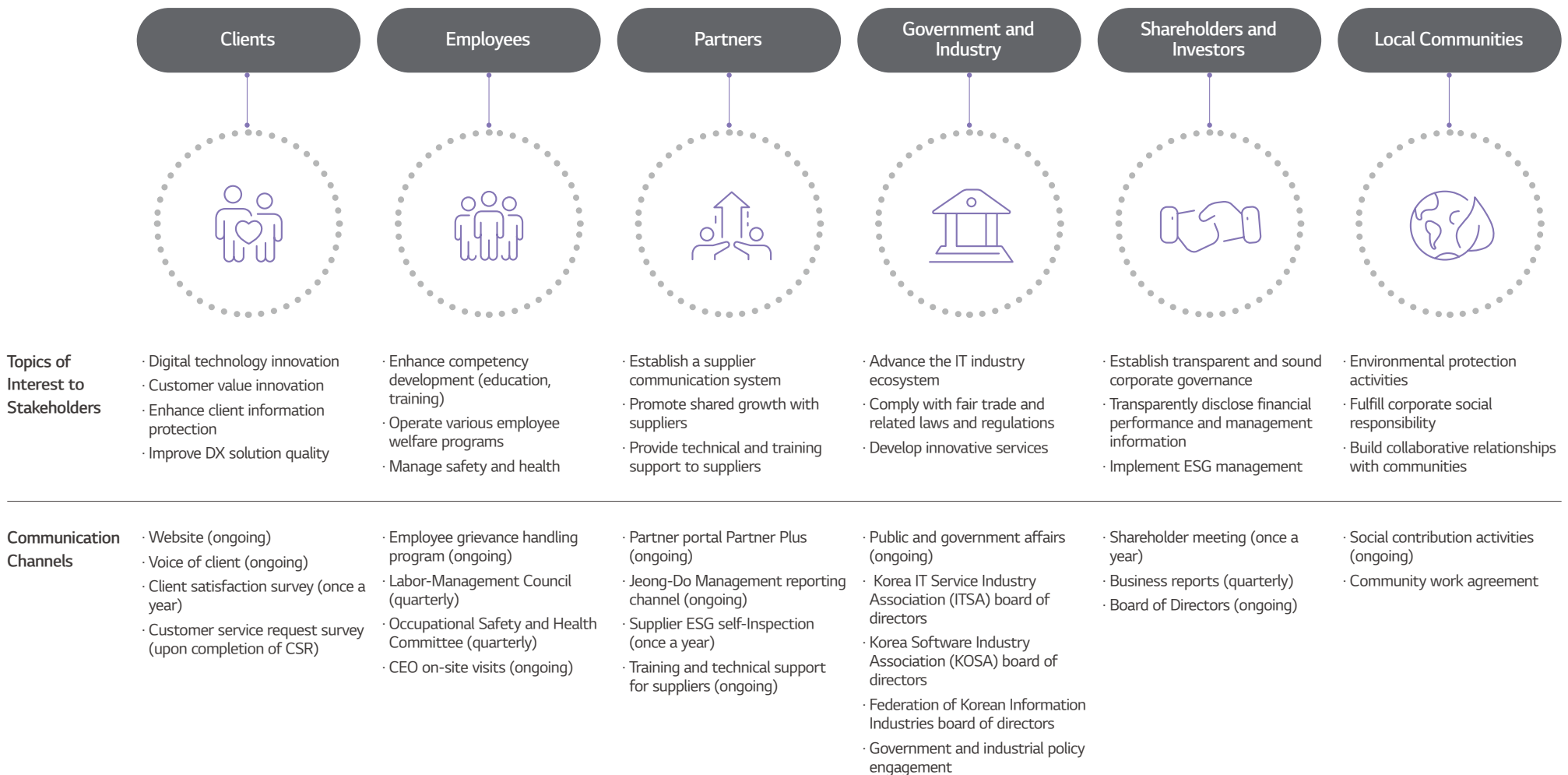
Type	Date	Agenda Items	Approval Status	Attendance
1st Scheduled Meeting	02.08	Approval of the 36th Annual Financial Statements and Operating Report	Approved	80%
		Approval to issue corporate bonds	Approved	
2nd Scheduled Meeting	02.23	Approval of the 2023 Business Plan	Approved	60%
		Approval to close the Colombia office	Approved	
		To convene the 36th Ordinary General Meeting of Shareholders and approve the purpose of the meeting	Approved	
3rd Scheduled Meeting	03.28	Appointment of CEO	Approved	100%
		Appointment of the chairperson of the board	Approved	
		Approval of execution of compensation for the directors	Approved	
		Approval of executive officer performance incentive payments	Approved	
		Approval of employment of retired executives as advisors	Approved	
		Approval of the 2023 Occupational Safety and Health Plan	Approved	

Type	Date	Agenda Items	Approval status	Attendance
4th Scheduled Meeting	05.11	Approval of establishment of Compliance Control Standards	Approved	100%
		Appointment of a compliance officer	Approved	
5th Scheduled Meeting	09.04	Approval to establish a branch in Singapore	Approved	100%
		Approval of establishment and investment in LG CNS Fund II	Approved	
		Approval of establishment of the Finance Committee and establishment of the committee rules	Approved	
6th Scheduled Meeting	11.23	Approval to establish a branch in Saudi Arabia	Approved	100%
		Approval of incorporation of GTInnovation Co., Ltd., as a subsidiary company	Approved	
		Approval of internal transactions with affiliates	Approved	
		Approval of goods and services transactions with affiliates	Approved	
		Approval of amendments to the Executive Officer Personnel Management Regulations in accordance with the amendment to the National Pension Act	Approved	
Ad hoc Meeting	12.20	Approval of appointment of executive officers	Approved	100%
		Approval of establishment of Indonesian Sinar Mas JV and incorporation as a subsidiary company	Approved	

Communication with Stakeholders

Operating Multiple Communication Channels

LG CNS defines clients, employees, suppliers, industry, shareholders and investors, and the local communities in which it operates as key stakeholders, and has established communication channels for each of them. To assess the materiality of key ESG issues, we conduct surveys of our stakeholders and try to reflect the various opinions received in our corporate management.



APPENDIX

92	Financial Performance
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Financial Performance¹⁾

Summary of Consolidated Income Statement

Category	Unit	2021	2022	2023
Sales	KRW million	4,143,140	4,969,651	5,605,300
Cost of sales	KRW million	3,526,176	4,237,641	4,770,447
Gross profit	KRW million	616,964	732,010	834,853
Selling, general and administrative expenses	KRW million	288,379	346,616	370,805
Operating profit	KRW million	328,585	385,395	464,048
Financial income	KRW million	9,760	18,190	36,407
Financial expense	KRW million	15,015	19,485	39,559
Gain or loss on investments using equity method	KRW million	4,046	5,456	14,839
Non-operating income	KRW million	24,739	49,446	46,855
Non-operating expense	KRW million	36,025	74,137	79,927
Profit before corporate tax expense	KRW million	316,090	364,864	442,662
Corporate tax expense	KRW million	81,144	99,896	110,310
Net income (loss)	KRW million	234,946	264,968	332,352

Summary of Consolidated Balance Sheet

Category	Unit	2021	2022	2023
Current assets	KRW million	2,330,449	2,847,939	3,037,232
Accounts receivables	KRW million	1,107,571	1,392,333	1,531,581
Inventory	KRW million	51,327	55,359	66,498
Other current assets	KRW million	1,171,552	1,400,247	1,439,153
Non-current assets	KRW million	994,223	1,017,196	1,003,448
Associate and joint venture investments	KRW million	76,489	91,569	102,385
Tangible assets	KRW million	568,884	564,926	548,533
Intangible assets	KRW million	119,246	104,486	88,054
Other non-current assets	KRW million	229,604	256,215	264,475
Total assets	KRW million	3,324,672	3,865,135	4,040,680
Current liabilities	KRW million	1,382,441	2,005,335	1,543,113
Non-current liabilities	KRW million	480,254	229,012	629,311
Total liabilities	KRW million	1,862,695	2,234,346	2,172,423

Category	Unit	2021	2022	2023
Capital attributable to the owner of the parent company	KRW million	1,457,397	1,625,966	1,863,306
Capital	KRW million	47,198	47,198	47,198
Capital surplus	KRW million	36,693	35,041	35,041
Accumulated other comprehensive income	KRW million	-8,892	-9,286	8,700
Retained earnings	KRW million	1,382,398	1,553,012	1,772,366
Non-controlling interest	KRW million	4,580	4,823	4,951
Total equity	KRW million	1,461,977	1,630,789	1,868,256
Total liabilities and equity	KRW million	3,324,672	3,865,135	4,040,680

Government Subsidies (On a separate basis)

Category	Unit	2023
Job creation program for shared growth (Korea Foundation for Cooperation of Large & Small Business, Rural Affairs)	KRW million	106

Distribution of Financial Performance (On a separate basis)

Category	Unit	2021	2022	2023
Salary and bonus	KRW 100 million	6,554	7,321	7,887
Welfare	KRW 100 million	1,000	1,068	1,195
Severance	KRW 100 million	513	573	579
Education and training expenses	KRW 100 million	93	122	114
Outsourcing service expenses	KRW 100 million	10,179	12,049	13,389
Corporate tax payments	KRW 100 million	721	714	823
Other taxes and utility expenses	KRW 100 million	54	60	67
Donation	KRW 100 million	14	18	15
Association and conference participation expenses	KRW 100 million	8	9	12
Dividend	KRW 100 million	950	1,038	1,325

1) The reason why the sum of each detailed indicator and the total amount of some financial performance data are different is because each detailed indicator is round number, but the total amount was added including the fractional portion

Environmental Performance¹⁾

Greenhouse Gas

Category		Unit	2021	2022	2023
Greenhouse Gas	Total GHG emissions ²⁾	tCO ₂ eq	124,022	134,223	130,017
	Direct GHG emissions (Scope 1)	tCO ₂ eq	525.490	606.654	675.657
	Indirect GHG emissions (Scope 2)	tCO ₂ eq	123,499.863	133,618.797	129,344.752
	GHG emissions intensity	tCO ₂ eq/KRW 100 million	2.99	2.70	2.32
Carbon credits ³⁾	Carbon credits purchased	tCO ₂ eq	0	8,648	21,661
	Cost of purchasing carbon credits	KRW million	0	164	224
	Carbon credits sold	tCO ₂ eq	5,872	0	0
	Revenue from selling carbon credits	KRW million	82	0	0

Energy⁴⁾

Category		Unit	2021	2022	2023
Total energy usage		TJ	2,635	2,845	2,765
Fuel usage		TJ	8.733	10.006	10.897
Steam usage		TJ	199.804	213.406	219.631
Electricity usage		TJ	2,429.503	2,624.375	2,537.252
Non-renewable energy intensity		TJ/KRW 100 million	0.06	0.06	0.05

Air Pollutants

Category		Unit	2021	2022	2023
Total air pollutant emissions (Direct volatile organic compounds)		ton	0	0	0

Water

Category		Unit	2021	2022	2023
Total water intake		ton	221,137	237,703	268,032
Total water usage		ton	221,137	237,703	268,032
Water usage intensity		ton/KRW 100million	5.34	4.78	4.78
Water reuse ⁵⁾		ton	2,258	1,353	4,625
Water reuse rate		%	1.02	0.57	1.73

Waste and Recycle

Category		Unit	2021	2022	2023
Total waste disposal		ton	224.557	353.608	333.214
Designated waste		ton	0	0	0
General waste		ton	224.557	353.608	333.214
Waste disposal intensity		ton/KRW 100 million	0.01	0.01	0.01
Waste treatment		ton	224.557	353.608	333.214
Recycle		ton	44.135	134.673	90.110
Landfill		ton	0	0	0
Incineration		ton	0	0	0
Others		ton	180.422	218.935	243.104
Waste recycle rate		%	19.65	38.09	27.04

Environmental Management Activities

Category		Unit	2021	2022	2023
Acquisition rate of environmental management system certification (ISO 14001)		%	100	100	100
Environment-related investment and operation result ⁶⁾		KRW million	63	78	83

1) Reference for environmental performance data

- GHG/Energy data scope : HQ and 4 Data Centers (Busan, Gasean, Incheon and Sangam)+Sangam DDMC+Yonsei Severance Building (Excluding business sites using leased building on the basis of GHG emission/energy usage statement)
- The data in this report differs from the data in the 2022-2023 Sustainability Report because the GHG emissions and emission allowances of the Yonsei Severance Building were transferred to the company in 2023, so that the data for the Yonsei Severance Building from the 2017 was added to the company's data
- Sales for intensity is consolidated basis

2) The reason why total emissions are slightly different from the sum of each GHG emission is because numbers on GHG emission statement are round numbers

3) The data in this report is different from the data disclosed in the 2022-2023 Sustainability Report because we disclosed the data as of the time of reporting carbon credit transactions in the previous reports while from this report we disclosed the data as of the time of actual transactions

4) The reason why total energy usage is slightly different from the sum of each energy type is because numbers on energy usage statement are round numbers

5) The data for 2023 increased as HQ started to use recycled water in 2023

6) Cost used for waste disposal and GHG verification

Governance Performance

Status of BOD

Category	Unit	2021	2022	2023
BOD headcount	Person	5	5	5
Inside directors	Person	2	2	2
Other non-executive directors	Person	3	3	3

BOD Operation

Category	Unit	2021	2022	2023
BOD meetings	Case	8	11	7
Agenda items	Case	11 reported/ 18 approved	13 reported/ 24 approved	15 reported/ 23 approved
Reviews on ESG and risk management in economy/ society/environment by BOD ¹⁾	Case	5	6	7

Code of Ethics

Category	Unit	2021	2022	2023
Notification and training status	Employees who received notifications (campaign)	Person	6,410	6,634
		%	100	100
	Employees who completed trainings ²⁾	Person	551	1,239
		%	8.60	18.68
Violation and handling status	Violations	Case	6	2
	Cases handled	Case	6	2
	Rate of violation reports	%	100	100

Compliance³⁾

Category	Unit	2021	2022	2023
Violation of environmental laws and regulations	Number of cases	Case	0	0
	Fine	KRW million	0	0
Unfair activities	Lawsuits on violations of anti- competitive and anti-trust laws	Case	0	0
	Total monetary losses incurred as a result of legal proceedings related to anti-competitive behavior	KRW million	0	0
Violation of safety regulations	Number of cases	Case	0	0
	Fine	KRW million	0	0
Information security violation/ detected violations	Number of cases	Case	0	0
	Fine	KRW million	0	0
Personal information protection violation	Number of cases	Case	0	0
	Fine	KRW million	0	0

1) Approvals on occupational safety and health plan, reports on SHE management status, compliance-related reports, reports on works for anti-money laundering and prohibition against the financing of terrorism and reports on independent audit result, etc.

2) In 2021 to 2022, trainings targeted employees who had key managing roles and in 2023, trainings were provided to all employees

3) Fine exceeding USD 10,000 taken into consideration, on the basis of disclosed business reports

Social Performance

Employee Status

Category		Unit	2021 ¹⁾	2022	2023
Number of employees		Person	6,410	6,634	6,889
By contract	Regular	Person	6,253	6,452	6,702
	Male	Person	4,719	4,849	5,005
	Female	Person	1,534	1,603	1,697
	Temporary	Person	157	182	187
	Male	Person	112	129	139
	Female	Person	45	53	48
By gender	Male	Person	4,831	4,978	5,144
	Female	Person	1,579	1,656	1,745

Overseas Employee Status²⁾

Category		Unit	2021	2022	2023
By nationality	American	Employees	63	94	103
		Managers ³⁾	4	5	5
	Chinese	Employees	295	326	331
		Managers	1	2	3
	European (excluding Greek)	Employees	18	18	15
		Managers	0	0	0
	Indian	Employees	24	21	24
		Managers	2	2	3

Category		Unit	2021	2022	2023
By nationality	Indonesian	Employees	39	79	88
		Managers	0	0	2
	Malaysian	Employees	5	7	8
		Managers	0	0	0
	Japanese	Employees	3	4	4
		Managers	0	0	0
	Brazilian	Employees	55	53	52
		Managers	6	7	6
	Columbian	Employees	49	53	55
		Managers	6	6	6
	Greek	Employees	29	31	31
		Managers	4	4	4
	Vietnamese	Employees	40	36	138
		Managers	0	0	4
	Other	Employees	2	2	2
		Managers	0	0	0

1) Some of the 2021 data in the previous year's report changed due to a change in the data baseline

2) Employees of the described nationality in domestic and overseas business sites

3) Manager : Limited to position holders

Social Performance

New Hires

Category			Unit	2021	2022	2023
Number of new hires			Person	620	676	544
By gender	Male		Person	452	470	388
	Female		Person	168	206	156
By age	Under 30		Person	279	330	285
	30 to 49		Person	321	320	215
	50 or older		Person	20	26	44
By contract	Regular	Total	Person	496	570	447
		Male	Person	362	399	314
		Female	Person	134	171	133
	Temporary	Total	Person	124	106	97
		Male	Person	90	71	74
		Female	Person	34	35	23

New Hires at Overseas Business Sites

Category			Unit	2021	2022	2023
By nationality	Chinese		Person	43	57	24
	American		Person	23	43	15
	European		Person	14	15	11
	Indian		Person	2	2	8
	Indonesian		Person	20	40	9
	Malaysian		Person	4	2	3
	Japanese		Person	1	1	2
	Brazilian		Person	11	16	7
	Columbian		Person	4	6	25
	Greek		Person	9	5	3
	Vietnamese		Person	16	17	116 ¹⁾

Retirement

Category			Unit	2021	2022	2023
Retiree			Person	436	452	289
By gender	Male		Person	326	324	223
	Female		Person	110	128	66
By age	Under 30		Person	113	97	50
	30 to 49		Person	248	280	151
	50 or older		Person	75	75	88
Retirement rate			%	6.8	6.8	4.2

1) Vietnamese new hires increased due to the establishment of Vietnam Build Center in 2023

Social Performance

Employee Diversity¹⁾

Category		Unit	2021	2022	2023
Gender diversity	Proportion of female employees	%	24.5	25.0	25.3
	Proportion of female new hires	%	27	30	30
	Proportion of female managers	%	12	15	17
	Proportion of female engineers	%	32	31	33
	Proportion of female managers in departments which generate revenue (sales) ²⁾	%	13	15	16
Age range diversity	Under 30	Person	882	907	888
	30 to 49	Person	4,039	3,946	3,975
	50 or older	Person	1,332	1,599	1,839
Special employment and vulnerable groups	Employees with disabilities ³⁾	Person	118	113	125
	Proportion of employees with disabilities	%	1.9	1.8	1.9
	National veterans	Person	90	87	87
	Proportion of national veterans	%	1.4	1.3	1.3
Salary gap by gender	Average male salary	KRW million	105.1	115.1	116.7
	Average female salary	KRW million	85.5	94.0	95.1
	Male-to-female pay ratio	%	81.4	81.7	81.5
Tenure	Male	Year	12.4	12.5	10.5
	Female	Year	10.9	10.9	10.9

1) Based on regular employees

2) Revenue-generating departments : Departments directly associated with results of production and service (Functional departments such as HR, IT, legal are excluded)

3) Based on workplaces subject to reporting of employment levy for people with disabilities

4) Users whose parental leave starts in the current year

Maternity Leave

Category		Unit	2021	2022	2023
Employees who took maternity leave	Total	Person	199	171	118
	Male	Person	106	81	83
	Female	Person	93	90	35
Employees who returned from maternity leave	Total	Person	198	170	118
	Male	Person	105	80	83
	Female	Person	93	90	35
Maternity leave return rate		%	99	99	100

Parental Leave

Category		Unit	2021	2022	2023
Employees who took parental leave ⁴⁾	Total	Person	111	177	151
	Male	Person	32	51	37
	Female	Person	79	126	114
Employees who is expected to return from parental leave	Total	Person	105	131	155
	Male	Person	48	36	42
	Female	Person	57	95	113
Employees who returned from parental leave	Total	Person	99	127	147
	Male	Person	43	35	40
	Female	Person	56	92	107
Parental leave return rate	Total	%	94.3	96.9	94.8
	Male	%	89.6	97.2	95.2
	Female	%	98.2	96.8	94.7

Social Performance

Performance Evaluation

Category	Unit	2021	2022	2023
Proportion of employees who set MBO agreed with superiors	%	100	100	100
Proportion of employees who receive performance evaluation on a regular basis	%	100	100	100

Welfare

Category	Unit	2021	2022	2023
Total welfare expense (On a separate basis)	KRW 100 million	1,000	1,068	1,195

Employee Training¹⁾

Category	Unit	2021	2022	2023
Total training cost	KRW	7,776,588,365	9,976,034,700	9,530,688,317
Total training hours	Total	Hour	287,579	279,160
	Male	Hour	210,231	194,301
	Female	Hour	77,348	84,859
Legally mandated training hours	Total	Hour	27,139	7,919 ²⁾
	Male	Hour	20,808	5,922
	Female	Hour	6,331	1,997
Average training hours per person	Total	Hour	46	43
	Male	Hour	45	40
	Female	Hour	50	53

Information Security

Category	Unit	2021	2022	2023
Rate of Information Security Management System Certification Acquisition (ISO27001)	%	100	100	100
Information security violation associated with client information	Number of cases	Case	0	0
	Violations received from external source and verified internally	Case	0	0
	Violations raised by regulatory authorities and complaints regarding client information loss	Case	0	0
	Total monetary losses incurred as a result of legal proceedings on personal information security ³⁾	KRW million	0	0
Information request by law enforcement agencies and disclosure of information	Requests by law enforcement agencies for user information	Case	0	0
	Rate of disclosure	%	0	0
	Users whose information was requested	Person	0	0
Users whose information was used for secondary purposes ⁴⁾	Person	0	0	0
Data breaches	Number of cases	Case	0	0
	PII (Personally identifiable information) data breaches	Case	0	0
	Users impacted by data breaches	Person	0	0

1) On the basis of regular employees

2) Due to changes in the education system in 2022, some data from legally mandated education hours cannot be reflected

3) Total amount of monetary losses incurred during the reporting period

* Legal proceedings : Any action by a court, regulatory authority, arbitral tribunal, or other body, including actions in which LG CNS is involved (excluding attorneys' fees and other fees and costs)

4) User information : Information that is related to user characteristics and behavior (account statements, transaction records, communication records, content of communications, demographic data, behavioral data, location data, and any other information that contains PII) on a basis of internal systems

Social Performance

Safety and Health

Category		Unit	2021	2022	2023
Number of accident victims		Person	1	1	1
Death	Employees	Person	0	0	0
	Employees of suppliers	Person	0	0	0
Injury	Employees	Person	1	1	1
	Employees of suppliers	Person	0	0	0
Work-related illness	Employees	Person	0	0	0
	Employees of suppliers	Person	0	0	0
Total number of accidents	Employees	Case	1	1	1
	Employees of suppliers	Case	0	0	0
Number of lost work days ¹⁾		Day	4	18	7
Total annual hours of work		Hour	10,712,049	11,363,645	11,692,838
Accident rate ²⁾		%	0.016	0.015	0.015
LTIFR ³⁾ (Lost-Time Injuries Frequency Rate)		Cases/Million hours of work	0.09	0.09	0.09

Supply Chain Management

Category		Unit	2021 ⁴⁾	2022	2023
ESG evaluation of suppliers	Suppliers subject to self-inspection	Company	0	94	71
	Suppliers which completed self-inspection	Company	0	64	43
	Suppliers subject to 3rd party inspection	Company	0	0	20
	Suppliers which completed 3rd party inspection	Company	0	0	20
Shared Growth Index rating		-	Excellent	Excellent	Excellent
Number of meetings for communication held ⁵⁾		Time	3	2	5

Social Contribution

Category	Unit	2021	2022	2023
Donations + Social contribution (AI Genius program)	KRW	1,505,000,000	1,933,500,000	1,599,708,338

1) The number of days lost from work due to the injury. Lost work days are calculated based on the days of hospitalization out of the approved days of occupational accident care

2) Number of accident victims/Workers subject to occupational accident compensation X 100

3) Total number of accidents/Total annual hours of work X 1,000,000

4) In 2021, ESG evaluation of suppliers was not conducted

5) Conducted with outsourcing suppliers who are the main target of subcontracting and ESG

Social Performance

Association Membership Status

No	Association	No	Association	No	Association
1	Korea Data Industry Association	19	Korea International Trade Association	36	Korea PMO Association
2	Korean AI Association	20	Society for Computational Design and Engineering	37	Korea Software Testing Association
3	Korea Council of Chief Information Security Officers (CISO Korea)	21	Association of enterprises in Sangam DMC	38	The Korean Academic Society of Business Administration
4	Consortium of CERT	22	Seoul Chamber of Commerce and Industry	39	Korea Transportation Card Industry Association
5	AMCHAM (American Chamber of Commerce in Korea)	23	Seoul Regional Defense Industry Security Council	40	Korea Digital Advertising Association
6	CDP Institute	24	Smart City Association	41	Korea Digital Cable Laboratories
7	Korea IT Service Industry Association (ITSA)	25	Korea Engineering & Consulting Association	42	Korea Defense Industry Association
8	Fair Competition Federation	26	Open Blockchain & DID Association	43	Korea Blockchain Industry Promotion Association
9	Financial IT Forum	27	Korea Electrical Contractors Association	44	Korea Industrial Technology Association
10	The Association for Research of Financial Information System	28	The Federation of Korean Information Industries	45	Korea Fire Facility Association
11	Korea Mech.Const. Contractors Association	29	Information Industry Cooperative	46	Korea Software Industry Association (KOSA)
12	Construction Association of Korea	30	Korea Information and Communication Contractors Association	47	Korea Artificial Intelligence Manufacturing Initiative
13	Korean Society of Transportation	31	Korean Association of Occupational Health Nurses	48	Korea Information Security Industry Association
14	Korean Institute of Industrial Engineers	32	Super Large AI Meeting	49	Korea Intelligent Information Systems Society
15	Korea Industrial Safety Association	33	Patent Meeting	50	The Korean Society for Railway
16	Korea Specialty Contractors Association	34	The Korean Society of Intelligent Transport Systems	51	Korea Association of Cloud Industry
17	MyData Korea Hub	35	The Korean Society of Intelligent Transport Systems	52	Korea Integrated Logistics Association
18	Maekyung SEL CLUB			53	Korea Fintech Industry Association
				54	International Contractors Association of Korea

ESG Performance – European Subsidiary

As European subsidiary will be subject to EU CSRD disclosure starting in 2026, we are including some of our ESG performance from our European subsidiary to proactively prepare for the regulation.

Employee Status

Category		Unit	2021	2022	2023
Total number of employees		Person	56	53	55
By contract	Regular	Person	32	36	42
	Male	Person	29	33	38
	Female	Person	3	3	4
	Temporary	Person	24	17	13
	Male	Person	15	12	8
	Female	Person	9	5	5
By gender	Male	Person	44	45	46
	Female	Person	12	8	9
By nationality	Korean employees	Person	38	35	39
	Proportion of Korean employees	%	68	66	71
	Korean managers	Person	9	11	10
	European employees	Person	18	18	15
	Proportion of European employees	%	32	34	27
	European managers	Person	0	0	0
	Employees with other nationality	Person	0	0	1
	Proportion of employees with other nationality	%	0	0	2
	Managers with other nationality	Person	0	0	0

New Hires

Category		Unit	2021	2022	2023
Number of new hires		Person	14	15	11
By gender	Male	Person	9	11	6
	Female	Person	5	4	5
By age	Under 30	Person	10	7	7
	30 to 49	Person	4	8	4
	50 or older	Person	0	0	0
By nationality	European new hires	Person	6	7	4
	New hires with other nationality	Person	8	8	7

Employee Diversity

Category		Unit	2021	2022	2023
Gender diversity	Proportion of female employees	%	21	15	16
	Average male salary per hour	KRW (EUR)	33,600 (235)	33,442 (234)	37,170 (26)
Salary gap by gender ¹⁾	Average female salary per hour	KRW (EUR)	26,982 (189)	29,035 (203)	31,628 (22.2)
	Male-to-female pay ratio	%	80	87	85

Maternity Leave

Category		Unit	2021	2022	2023
Employees who took maternity leave	Total	Person	2	3	1
	Male	Person	2	3	1
	Female	Person	0	0	0
Employees who returned from maternity leave	Total	Person	2	3	1
	Male	Person	2	3	1
	Female	Person	0	0	0

1) Currency rate : 1 EUR to KRW 1,427 (As of February, 2024)

ESG Performance – European Subsidiary

Parental Leave

Category		Unit	2021	2022	2023
Employees who took parental leave	Total	Person	1	3	2
	Male	Person	0	2	2
	Female	Person	1	1	0

Performance Evaluation

Category		Unit	2021	2022	2023
Proportion of employees who set MBO agreed with superiors		%	100	100	100
Proportion of employees who receive performance evaluation on a regular basis		%	100	100	100

Employee Training

Category		Unit	2021	2022	2023
Total training hours		Hour	0	64	128
Average training hours per person		Hour	0	1.2	2.3

Information Security

Category		Unit	2021	2022	2023
Information security violation associated with client information		Case	0	0	0

Safety and Health

Category		Unit	2021	2022	2023
Number of accident victims		Person	0	0	0
Death	Employee	Person	0	0	0
	Employee of partners	Person	0	0	0
Injury		Person	0	0	0
Work-related illness		Person	0	0	0
Total number of accidents		Case	0	0	0
Total annual hours of work		Hour	95,872	90,736	94,160
LTIFR ¹⁾ (Lost-Time Injuries Frequency Rate)		Cases/Million hours of work	0	0	0

Compliance²⁾

Category		Unit	2021	2022	2023
Violation of environmental laws and regulations	Number of cases	Case	0	0	0
	Fine	KRW million	0	0	0
Unfair activities	Lawsuits on violations of anti-competitive and anti-trust laws	Case	0	0	0
	Total monetary losses incurred as a result of legal proceedings related to anti-competitive behavior	KRW million	0	0	0
Violation of safety regulations	Number of cases	Case	0	0	0
	Fine	KRW million	0	0	0
Information security violation/detected violations	Number of cases	Case	0	0	0
	Fine	KRW million	0	0	0
Personal information protection violation	Number of cases	Case	0	0	0
	Fine	KRW million	0	0	0

1) Total number of accidents/Total annual hours of work X 1,000,000

2) Fine exceeding USD 10,000 taken into consideration, on the basis of disclosed business reports

GRI Standards Index

Topic	Disclosure	Reporting page
The organization and its reporting practices	2-1 Organizational details	7-8p
	2-2 Entities included in the organization's sustainability reporting	7-8p
	2-3 Reporting period, frequency and contact point	2p
	2-4 Restatements of information	53p, 81p, 93p
	2-5 External assurance	107-108p
Activities and workers	2-6 Activities, value chain and other business relationships	13-41p
	2-7 Employees	7p, 95p
	2-8 Workers who are not employees	95p
Governance	2-9 Governance structure and composition	88p
	2-10 Nomination and selection of the highest governance body	88p
	2-11 Chair of the highest governance body	88p
	2-12 Role of the highest governance body in overseeing the management of impacts	88p
	2-13 Delegation of responsibility for managing impacts	52p, 57p, 67p, 71p, 86p
	2-14 Role of the highest governance body in sustainability reporting	Materiality assessment results are being reported to management, but the management does not have a review and approval role
	2-15 Conflicts of interest	88p
	2-16 Communication of critical concerns	89p

Statement of use

LG CNS reports sustainable management's key activities and performance according to the GRI Standards for the period between January 1 and December 31, 2023.

GRI 1 used GRI 1 : Foundation 2021

Applicable GRI Sector Standards N/A

Topic	Disclosure	Reporting page
Governance	2-17 Collective knowledge of the highest governance body	Not conducting board training
	2-18 Evaluation of the performance of the highest governance body	Related to Business Report 239p. Executive compensation rules
	2-19 Remuneration policies	Related to Business Report 239p. Executive compensation rules
	2-20 Process to determine remuneration	Related to Business Report 239p. Executive compensation rules
	2-21 Annual total compensation ratio	Related to Business Report 239-243p 2. Executive compensation, etc.
Strategy, policies and practices	2-22 Statement on sustainable development strategy	4-5p
	2-23 Policy commitments	9-11p, 51p, 57p, 62p, 66p, 71p, 76p, 78p, 80p, 84p, 86p
	2-24 Embedding policy commitments	50-90p
	2-25 Processes to remediate negative impacts	63-64p, 67p, 72p, 79p, 85p
	2-26 Mechanisms for seeking advice and raising concerns	64p, 70p, 79p, 85p
	2-27 Compliance with laws and regulations	94p
	2-28 Membership associations	100p
	2-29 Approach to stakeholder engagement	90p
Stakeholder engagement	2-30 Collective bargaining agreements	Not applicable since the union does not exist

GRI Standards Index

Topic		Disclosure	Reporting page
Management Approach	3-1	Process to determine material topics	45-46p
	3-2	List of material topics	46p
	3-3	Management of material topics	47p
Economic Performance	201-1	Direct economic value generated and distributed	92p
	201-4	Financial assistance received from government	92p
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	76-77p
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	84-85p, 86-87p, 94p
	205-3	Confirmed incidents of corruption and actions taken	94p
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	94p
Energy	302-1	Energy consumption within the organization	93p
	302-3	Energy intensity	93p
	302-4	Reduction of energy consumption	48p, 52-53p
Water and Effluents	303-3	Water withdrawal	93p
	303-5	Water consumption	55p, 93p
Emissions	305-1	Direct GHG emissions (scope 1)	93p
	305-2	Energy indirect GHG emissions (Scope 2)	93p
	305-4	GHG emissions intensity	93p
	305-5	Reduction of GHG emissions	48p, 53p
Waste	306-3	Waste generated	93p
	306-4	Waste diverted from disposal	93p
	306-5	Waste directed to disposal	93p
Employment	401-1	New employee hires and employee turnover	96p, 101p
	401-3	Parental leave	97p, 102p

Topic		Disclosure	Reporting page
Occupational Health and Safety	403-1	Occupational health and safety management system	66-67p
	403-2	Hazard identification, risk assessment, and incident investigation	66-70p
	403-3	Occupational health services	66-70p
	403-4	Worker participation, consultation, and communication on occupational health and safety	70p
	403-5	Worker training on occupational health and safety	70p
	403-6	Promotion of worker health	70p
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	66-70p
	403-8	Workers covered by an occupational health and safety management system	66-67p
	403-9	Work-related injuries	99p, 102p
	403-10	Work-related ill health	99p, 102p
Training and Education	404-1	Average hours of training per year per employee	98p, 102p
	404-2	Programs for upgrading employee skills and transition assistance programs	57-61p
	404-3	Percentage of employees receiving regular performance and career development reviews	98p, 102p
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	97p, 101p
	405-2	Ratio of basic salary and remuneration of women to men	97p, 101p
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Not applicable
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not applicable
Public Policy	415-1	Political contributions	Not applicable under related law
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	98p, 102p

SASB Index

Topic	Code	Description	Unit of Measure	Reporting page
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	93p
	TC-SI-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand Cubic Meters (m ³), Percentage (%)	93p
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	Not applicable	51-54p
Data Privacy and Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	Not applicable	71-75p
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	Number	98p
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Reporting currency	98p
	TC-SI-220a.4	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Number, Percentage (%)	98p
Data Security	TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Number, Percentage (%)	98p
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Not applicable	71-75p
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	Percentage (%)	95p
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Percentage (%)	95p
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Reporting Currency	94p
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	Not applicable	80-82p

UN SDGs

UN SDGs (Sustainable Development Goals)

The United Nations has proposed the UN SDGs (UN Sustainable Development Goals), consisting of 17 goals, to respond to the economic, environmental, and social issues facing humanity and to realize sustainable development together with the world. LG CNS is conducting social value creation activities to focus on achieving ten goals in particular. Other seven goals are less relative to our business, which are about poverty, sea lives, agricultural development, etc.



UN SDGs	Activity	Page
3 GOOD HEALTH AND WELL-BEING 	Good Health and Well-Being <ul style="list-style-type: none"> Take care of your employees' mental health with a psychological counseling center and Mind Care Center Provide health therapy, cover major medical expenses, and give flu vaccinations Improve the screening items related to cardiovascular diseases 	65p, 70p
4 QUALITY EDUCATION 	Quality Education <ul style="list-style-type: none"> Operate IT education for youth through AI Genius and AI Genius Academy Provide trainings for students with disabilities and students in rural areas 	76-77p
5 GENDER EQUALITY 	Gender Equality <ul style="list-style-type: none"> Provide spousal maternity leave and reduce work hours during pregnancy and childcare Implement female workforce support system Provide training on prevention on sexual harassment 	62-65p
6 CLEAN WATER AND SANITATION 	Clean Water and Sanitation <ul style="list-style-type: none"> Save water by replacing old chillers Monitor water usage and test water regularly 	53p
7 AFFORDABLE AND CLEAN ENERGY 	Affordable and Clean Energy <ul style="list-style-type: none"> Develop DCIM, PSM, and GHG management system Replace with high-efficiency equipment in data centers Improve data center PUE Achieve energy saving with eco-friendly IT system 	53-54p
8 DECENT WORK AND ECONOMIC GROWTH 	Decent Work and Economic Growth <ul style="list-style-type: none"> Support new employment of suppliers Provide industry-academia cooperation program 	60p, 78p
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Industry, Innovation and Infrastructure <ul style="list-style-type: none"> Sustainable Support Solutions 	13-41p
11 SUSTAINABLE CITIES AND COMMUNITIES 	Sustainable Cities and Communities <ul style="list-style-type: none"> Optimize city operations with AI Reduce air pollution and save carbon with intelligent transportation systems to solve traffic problems 	32-34p
13 CLIMATE ACTION 	Climate Action <ul style="list-style-type: none"> Manage and reduce carbon emissions at each business site Practice environmental management policy 	51-55p
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Peace, Justice, and Strong Institutions <ul style="list-style-type: none"> Have employees sign an anti-corruption compliance pledge Implement compliance training based on job type of employees 	85-87p

Independent Assurance Statement

Dear Stakeholders of LG CNS

Korean Foundation for Quality (further 'KFQ') has been requested by LG CNS to conduct an independent verification on the '2023-2024 LG CNS Sustainability Report,' (further 'the Report'). KFQ has responsibility to provide an independent verification opinion against the criteria and scope of assurance as specified below. LG CNS has sole responsibility for the preparation of the Report.

Verification Criteria and Scope

- **Verification Criteria** : AA1000AS (v3) and AA1000AP (2018)
- **Verification Type** : Type 1 [Verification of compliance of AA1000AP four reporting principles (Inclusivity, Materiality, Responsiveness, Impact)]
- **Verification Level** : Moderate [Verification based on limited evidence collected]
- **Verification boundary** : Reporting boundaries as specified in the report (all domestic operations and some international operations). The performance and reporting practices of other subsidiaries, related companies, business partners and third parties beyond the scope of this verification specified in the report are not included.
- **Verification Scope** : Compliance with the four reporting principles according to AA1000AP and the GRI Standards 2021 reporting requirements
 - ※ GRI Standards (2021) Reporting Principles
 - Universal Standards : Reporting in accordance with GRI Standards (2021), compliance with the following requirements

Requirements	Compliance	Requirements	Compliance
1. Reporting principles	○	6. Provide reasons for omission	○
2. General disclosures	○	7. Publish a GRI content index	○
3. Determine material topics	○	8. Provide a statement of use	○
4. Report the disclosures based on material topics	○	9. Notify GRI	○
5. Report disclosures from the GRI Topic Standards for each material topic	○	-	-

- Topic Standards

Requirements	GRI Standards/Topic Disclosure	
Reporting material issues according to the GRI Topic Standards	· GRI 206 : Anti-competitive Behavior	· GRI 403 : Occupational Health and Safety
	· GRI 302 : Energy	· GRI 404 : Training and Education
	· GRI 305 : Emissions	· GRI 418 : Customer Privacy
	· GRI 401 : Employment	

Methodology

In order to assess the reliability of the sustainability performance in the Report against above mentioned criteria, the assessment team reviewed sustainability-related processes, systems, internal control procedures, and available performance data. The documentation the assessment team reviewed during the verification includes :

- Non-financial information : Data provided by LG CNS, business reports, and information obtained from media and/or the Internet, etc.
- Financial information : Data disclosed in the electronic disclosure system (dart.fss.or.kr) of the Financial Supervisory Service and data posted on the website were used, but these contents are not included in the scope of verification.

The assessment was performed by document verification and interviewing the person in charge. The validity of the materiality assessment procedure in the Report, the material issue selection considering stakeholders, the data collection, management, and report preparation procedure, as well as the validity of the description, were evaluated through interviewing the person in charge, but external stakeholder interviews were not conducted. Afterwards, it was confirmed that some errors, inappropriate information, and misstatement found in the above steps were appropriately corrected before publishing the Report.

Competency and independence

The assessment team was consisted in accordance with KFQ's internal regulations. KFQ has no conflict of interest to the LG CNS business which could threaten the impartiality of verification, other than providing third-party verification services.

Independent Assurance Statement

Limitations

The completeness and responsiveness of sustainability performance represented in the Report have inherent limitations due to its nature and the methodology used to determine, calculate and estimate its performance. The assessment team conducted a review of the information and evidence provided under the contract and did not check the reliability of the original data itself.

Findings and Conclusions

As a result of the verification, the Report was prepared in accordance with the requirements for 'in accordance with GRI standards 2021' and the assessment team found reasonable objectives to guarantee the four reporting principles of AA1000AP (2018) and the AA1000AS (V3) Type 1 assurance level. We also found no significant errors or inadequacies in the Report regarding compliance with reporting principles.

• Inclusivity

LG CNS defined the six stakeholder groups (Client, Employee, Supplier, Government and Industry, Shareholders and Investors, Local community) and heard their opinions through the communication channels considering the characteristics of each group for effective communication. The assessment team could not find any major stakeholders that were omitted during this process, and it was confirmed that LG CNS is making efforts to reflect the collected opinions of stakeholders in its management strategy.

• Materiality

LG CNS derived a total of 13 sustainability items through analysis of peer companies in the same industry, global ESG disclosure standards, media analysis, and stakeholder surveys, and then selected three major top topics to enhance the legitimacy of the selection by identifying positive/negative impacts of environmental and social materiality and opportunities/risks of financial materiality.

The assessment team confirmed that the material issues were highlighted in this Report, and that the material issues identified in the materiality analysis process were reported in the Report without omission.

• Responsiveness

LG CNS cares to respond in a timely manner to the needs and major concerns gathered from the stakeholders. The assessment team found no evidence that the organization's response activities and performance on material issues were inappropriately reported.

• Impact

LG CNS identified and monitored the impact of material issues related to stakeholders throughout its management activities, and reported them within the scope possible. The assessment team could not find any evidence that the impact related to material issues was inappropriately measured and reported.

Recommendation for improvement

- Through this verification, it was confirmed that LG CNS' process for generating, collecting, and managing ESG-related data has stabilized compared to the previous year, and that efforts are being made to expand the scope of reporting.
- In the future, we hope LG CNS to report more richly and in-depth quantitative and qualitative data related to the organization's governance, enabling stakeholders to more fully and deeply understand LG CNS' ESG management performance.



June, 2024

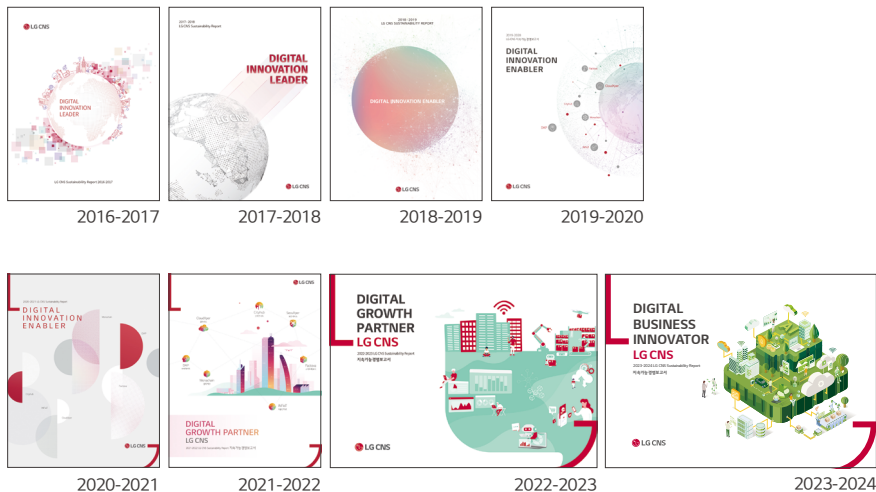
Seoul, Korea

Ji Young Song, CEO

Korean Foundation for Quality (KFQ)



LG CNS Sustainability Report Publications



LG CNS Sustainability Report can be downloaded from the company's website (<https://www.lgcns.com/en/>).

Thanks to

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Sun Young Yang

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Innovation Team**
Ji Eun Choi

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Cloud Platform Team
Yong Suk Park

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Soon Ji Wang

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**Data Platform Service
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Financial Service Team
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**Global Business &
Marketing Team**
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You Kyung Kim

Global HR Team
Seong Min Kim

**Global Infra Operation
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**Global Legal/
Compliance Group**
Ki Bum Byun
Young Bin Lim

Global Strategy Team
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Haenbokmaru
Soo Ryoung Han

HR Planning Team
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**Personal Information
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