

**Information on the implemented tax strategy
of LG CNS EUROPE B.V. oddział w Polsce Sp. z o.o.
for the fiscal year from 1 January to 31 December 2022.**

Prepared date: 30.11.2023

[Approved by : the company's management board]

Company Name	LG CNS EUROPE B.V. ODDZIAŁ W POLSCE
Address	Ul. LG 3, Biskupice Podgórne, 55-040 Kobierzyce
KRS	0000266112
NIP	1010001579
REGON	020394420



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I. List of Terms and abbreviations used

Term	Description
2022	Fiscal year started on January 1, 2022 and ended on December 31, 2022
LG CNS Poland, Company	LG CNS EUROPE B.V. ODDZIAŁ W POLSCE
LG CNS Europe	LG CNS EUROPE B.V. which is European subsidiary of LG CNS located in the Netherlands
LG CNS, Related Entity	LG CNS Co., LTD which is LG CNS Headquarter in Korea
LG Group	Group of companies under LG corporation
CIT	Corporate Income Tax
VAT	Value Added Tax
PIT	Personal Income Tax
WHT	Withholding Tax
TPD	Transfer Pricing Document
Benchmark	Comparative Analyse Studies of Market Price
NFA	National Revenue Administration Authorities

II. Introduction

This document presents information about the tax strategy implemented by the Company in 2022.

Due to the fact that the Company is a CIT taxpayer under Lower Silesian Voivodeship Provincial tax authorities and its revenues exceeded EUR 50 million in the 2022, the Company is obliged to prepare and publish information on the implemented tax strategy for 2022.

This information on the implemented tax strategy has been prepared based on the Article 27c of the Act of February 15, 1992 on corporate income tax (consolidated text: Journal of Laws of 2022, item 2587, as amended).

This information has been published on the website belonging to the Company's related entity at http://lgcns.playgroup.kr/en/company/about/lgcns/tax-strategy_poland/ as defined in Art. 11a section 1 item 4 of the CIT Act

III. Information about LG CNS Poland

Identification data	
Name and legal form:	LG CNS EUROPE B.V. ODDZIAŁ W POLSCE
Address:	ul. LG 3, 55-040 Biskupice Podgórne, Poland
Country:	Poland
Website address:	There is no dedicated website for LG CNS Poland, LG CNS (related entity) website: www.lgcns.com/en
KRS Number	0000266112
NIP Number (Tax Identification):	1010001579
REGON Number:	020394420

LG CNS Poland was established in 2006. The company is located in Biskupice Podgórne near Wrocław, within the factory zone of LG Energy Solution Wrocław Sp. z o.o., where

the company conducts its only business activity which is IT maintenance service of manufacture execution system. The company belongs to the LG CNS established in the 1980s headquartered in South Korea.

LG CNS is a group of companies that are specialized in Digital transformation and System Integration service including latest technologies such as Cloud, AI, Big data, Block chain, Smart Factory and having customers who want to implement digitalization in various industry sectors.

LG CNS acts as IT Service provider in the LG Group. The customers of LG CNS include but not limited to other LG Group companies. In Poland, the main customer of LG CNS Poland is LG Energy Solution Wroclaw Sp. z o.o. however the transactions are based on contract and purchase order for each project.

The Company's business in 2022 in Poland was IT labor of system maintenance and system integration as well as resale of IT equipment for customer companies.

<Financial Information of LG CNS Poland>

Financial Category	Amount (in PLN)
Total Asset at the end of 2022	177,661,253.15 PLN
Tax income	298,741,888.39 PLN
Deductible Cost	264,803,456.20 PLN
Tax base	33,938,432.00 PLN
Income Tax	6,448,302.00 PLN

IV. LG CNS Poland Tax Strategy

1. Tax Policy and Procedure

(Legal Basis : Pursuant to Art. 27c section 2 point 1 letter a of the CIT Act, the taxpayer provides information on processes and procedures related to managing the performance of obligations arising from tax law provisions and ensuring their correct implementation.)

LG CNS Poland's main principle from its tax policy in 2022 was compliance with the tax regulations in Poland and fulfilling all the required obligation. The Company has appropriate resources, processes and services of professional tax advisory companies, in cooperation with which it regularly reviews tax settlements, prepares annual transfer pricing documentation and analyses potential tax issue that may raise any interpretation doubt.

Tax functions at LG CNS Poland are concentrated mainly in accounting department (CIT, VAT, WHT, Intrastat, TPD, Benchmark studies, Customs duty) and human resources

department (PIT, ZUS social contribution). The correctness of the settlements is supervised by the managers of each department as well as the Company's Management Board. In 2022 the tax book was kept both in Polish and English language and the audited financial statement was published to KRS using the Polish standard version. The company is subject to taxation on its entire income in Poland. The Company has no tax exemption nor tax incentives for any of its activity or the income.

At the same time, to ensure correct and complete records of collected data, the Company has appropriate IT tools, including, above all, an internal accounting system and a Polish standard software which is being updated with the same data source from the internal system to be compatible with generating local financial statement and statutory audit allowing for maintaining the integrity of the entered data.

<Tax Risk Management>

LG CNS Poland responds to tax risk through the following tax management processes. The company assesses tax risks based on external Polish licensed advisors and information and announced by tax authorities. Reports to management depending on the type and amount of tax and clearly defines responsibilities and tasks related to tax reporting and payment.

In the case of tax risks, such as uncertainty related to local tax law, it reduces the risk by working with external tax experts. The Company, being aware of its responsibility for social responsibility, conduct transactions based on market principles and are in no way motivated by the desire to obtain a tax advantage.

Regarding the transactions with local and overseas suppliers, the company has strict rules and processes in order to prevent potential risk. It verifies relevant documents such as KRS, NIP, Bank account confirmation and Whitelist before initiation of transaction which is to check if the partner is in fiscally registered status and reviews invoices and contracts which are indicating tax information after finishing the transaction in order to ensure that the company keeps the compliance including all the activities with external partners.

2. Voluntary forms of cooperation with NFA (National Revenue Administration Authorities)

(Legal basis: Pursuant to Art. 27c section 2 point 1 letter b of the CIT Act, the taxpayer provides information regarding voluntary forms of cooperation with the National Tax Administration authorities.)

LG CNS Poland did not participate in any voluntary forms of cooperation with the National Tax Administration authorities, in particular it was not a party to a tax cooperation agreement under Article 20s § 1 of the Tax Ordinance Act of 29 August 1997 (i.e. Journal of Laws of 2021, item 1540, hereinafter: Tax Ordinance) or a prior agreement on pricing (APA).

3. Implementation of tax obligations

(Legal basis: Pursuant to Art. 27c section 2 point 2 of the CIT Act, the taxpayer provides information regarding the taxpayer's fulfillment of tax obligations in the territory of the Republic of Poland, along

with information on the number of information on tax schemes provided to the Head of the National Tax Administration, referred to in Art. 86a § 1 point 10 of the Tax Ordinance, broken down into the taxes they concern.)

In 2022, the Company declared and paid public law liabilities for, among others, CIT, VAT, in addition, the Company collected and paid liabilities for WHT, PIT and social security, and settled all State Treasury receivables for customs duties. All tax returns for the 2022 tax settlements have been filed by LG CNS Poland and the resulting tax liabilities have been paid. The Company had no disputes with tax authorities and no audits were pending against it.

4. Tax schemes (Mandatory Disclosure Rules)

(Legal basis: Pursuant to Art. 27c section 2 point 2 of the CIT Act, the taxpayer provides information regarding the taxpayer's fulfillment of tax obligations in the territory of the Republic of Poland, along with information on the number of information about tax schemes provided to the Head of the National Tax Administration, referred to in Art. 86a § 1 point 10 of the Tax Ordinance, broken down into the taxes they concern.)

The Company did not participate in any arrangements which may constitute a tax scheme, consequently, the Company did not submit information on tax schemes within the meaning of Article 86f of the Act of 29 August 1997 Tax Ordinance

5. Transactions with related parties

(Legal basis: Pursuant to Art. 27c section 2 point 3 letter a) of the CIT Act, taxpayers provide information on transactions with related entities within the meaning of Art. 11a section 1 point 4 of the CIT Act, the value of which exceeds 5% of the balance sheet total of assets within the meaning of accounting regulations, determined on the basis of the last approved financial statements of the company, including entities that are not tax residents of the Republic of Poland.)

The Company prepares TPD and (including Benchmark studies) every year guided by an external tax advisory company. The transfer pricing documentation and comparative analyses confirm that transactions with related parties carried out by the Company in 2022 were in line with the up-to-date market price principle.

In 2022, the Company had the following transactions (i.e. transactions whose value exceeded 5% of total assets) with related parties:

- Purchase of technical service,
- Purchase of merchandise for resale.

The related party of purchase of technical service and merchandise for resale was LG CNS Co. Ltd. with its registered office in the Republic of Korea, i.e. the shareholder holding 100% share of LG CNS EUROPE B.V.

The information on transactions indicated above is consistent with the data included in the information on transfer prices. (TPR-C form) submitted by the Company for 2022.

6. Restructuring operations

(Legal basis: Pursuant to Art. 27c section 2 point 3 letter b) taxpayers provide information about restructuring activities planned or undertaken by the taxpayer that may affect the amount of tax liabilities of the taxpayer or related entities within the meaning of Art. 11a section 1 point 4 of the CIT Act.)

There were no restructurings at the Company in 2022. LG CNS Poland has not planned and is not planning any restructuring activities in the future within the meaning of Article 11a section of the Corporate Income Tax Act.

7. Tax interpretations and applications submitted

(Legal basis: Pursuant to Art. 27c section 2 point 4 of the CIT Act, taxpayers provide information about the submitted applications for issuance of:

- a) general tax interpretation referred to in Art. 14a § 1 of the Tax Ordinance,
- b) interpretation of tax law provisions referred to in Art. 14b of the Tax Ordinance,
- c) binding rate information referred to in Art. 42a of the Act on tax on goods and services,
- d) binding excise information referred to in Art. 7d section 1 of the Excise Duty Act.)

In 2022, LG CNS Poland did not make requests for general tax law interpretations, individual tax law interpretations, binding rate information and binding excise information.

8. Settlements in countries applying harmful tax

(Legal basis: Pursuant to Art. 27c section 2 point 5 of the CIT Act, taxpayers provide information regarding the taxpayer's tax settlements in territories or countries applying harmful tax competition indicated in implementing acts issued on the basis of Art. 11j section 2 of the CIT Act and pursuant to Art. 23v section 2 of the Personal Income Tax Act and in the announcement of the minister responsible for public finances issued pursuant to Art. 86a § 10 of the Tax Ordinance)

In 2022, LG CNS Poland had no tax settlements in territories or countries with harmful tax competition.

Indicated in the implementing acts issued pursuant to Art. 11j section 2 of the Corporate Income Tax Act, pursuant to Art. 23v of the Personal Income Tax Act and in the announcement of the minister responsible for public finances issued pursuant to Art. 86a § 10 of the Tax Ordinance.

In particular, the Company in 2022:

- has not been registered for tax purposes;
 - did not submit tax returns or forms;
 - did not collect or pay taxes.
- in the above-mentioned territories/countries.