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# ABOUT THIS REPORT

## Report Overview

This fourth Sustainability Report by LX Semicon has been prepared to share the company's key ESG activities and performance with a wide range of stakeholders, including employees, suppliers, local communities, and shareholders. Going forward, LX Semicon will continue to publish an annual sustainability report to transparently disclose our sustainability efforts and achievements.

## Reporting Period

The reporting period for the financial performance and sustainability activities covered in this report is from January 2024 to December 2024. For quantitative performance indicators requiring trend analysis, data over the past three years has been included. In addition, certain key activities have been extended to include those conducted during the first half of 2025.

## Reporting Scope

This report primarily covers the environmental, social, and governance (ESG) performance of LX Semicon's headquarters and all domestic business sites. It also partially includes data from overseas subsidiaries (LX Semicon U.S.A., Inc., LX Semicon China Co., Ltd., LX Semicon Japan Co., Ltd., and LX Semicon Taiwan Co., Ltd.) Financial information has been prepared on a consolidated basis in accordance with the Korean International Financial Reporting Standards (K-IFRS). Where separate financial statements have been used, this is noted accordingly. For environmental and social data, where limitations exist in data collection, the reporting scope has been clarified in the relevant footnotes.

## Reporting Standards

The LX Semicon 2024–2025 Sustainability Report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021, a globally recognized guideline for sustainability reporting. The report also adheres to the 10 Principles of the UN Global Compact (UNGC), covering four key areas: human rights, labour, environment, and anti-corruption. In addition, global sustainability frameworks such as the Semiconductor Standard of the Sustainability Accounting Standards Board (SASB) and the disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) have been taken into account. To reflect emerging global sustainability disclosure trends, this report also considers key elements required under the 'IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information' issued by the International Sustainability Standards Board (ISSB).

## Report Assurance

To enhance the credibility and quality of this report, LX Semicon commissioned BSI, an independent third-party assurance provider, to perform the verification in accordance with internationally recognized standards. The results of the assurance are available in the assurance statement provided in the Appendix of this report.

## Learn More About LX Semicon's Sustainability Initiatives

LX Semicon Website : [www.lxsemicon.com](http://www.lxsemicon.com)  
Email : [sustainability@lxsemicon.com](mailto:sustainability@lxsemicon.com)  
Address : 222 Techno 2-ro, Yuseong-gu, Daejeon  
Tel : 02-6924-3114  
Issued in : August 2025

### Interactive PDF User Guide

The LX Semicon 2024–2025 Sustainability Report has been published as an interactive PDF, featuring functions such as internal page navigation and direct links to relevant web pages.

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# Message from the CEO



## Dear esteemed stakeholders, Greetings.

The year 2024 was marked by persistent global uncertainty, driven by geopolitical risks and economic downturns, with these challenges felt more acutely than ever. Despite such difficulties, LX Semicon has continued to strengthen its core technological competitiveness and improve operational efficiency across all departments, striving to grow into a more resilient and sustainable company.

LX Semicon views ESG management as the foundation of innovation essential for maintaining industrial competitiveness. Beyond achieving business outcomes, we are committed to advancing various initiatives for sustainable growth, aiming to deliver greater value to our customers and shareholders in the areas of environment, society, and governance.

In 2025, we have established strategic priorities for sustainable development.

First, we will focus on talent development. LX Semicon is dedicated to supporting our employees through structured training programs and career development opportunities, enabling them to fully realize their potential and grow continuously. We will also prioritize health and safety by fostering a healthy working environment, while promoting a culture of human rights where every employee is respected and empowered to collaborate.

Second, we will enhance information security to safeguard critical data for both our customers and the company. LX Semicon is strengthening its information security management systems and adopting the latest technologies to respond to evolving cyber threats. These efforts will allow us to protect national core technologies, maintain customer trust, and uphold the country's industrial competitiveness.

Lastly, we will reinforce our environmental management strategy to achieve sustainable growth. LX Semicon has established carbon reduction targets in response to climate change and is working to improve energy efficiency across its production processes. Through these efforts, we aim to minimize our environmental impact and take meaningful steps toward a sustainable future.

LX Semicon remains committed to pursuing sustainable growth and will continue to collaborate with stakeholders to create mutual progress with society. We sincerely ask for your continued interest and support. Thank you.

August 2025  
LX Semicon President & CEO Yun-tae Lee

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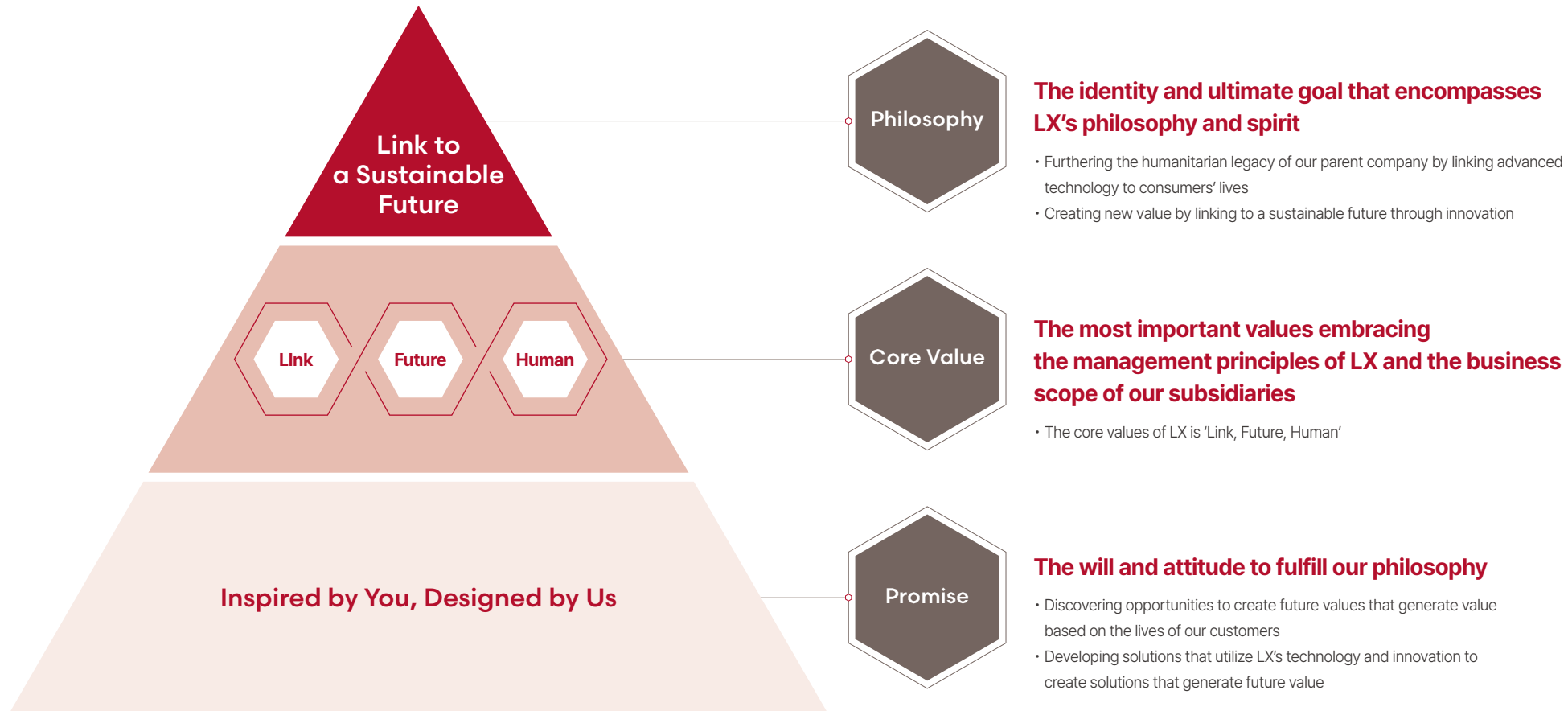
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# LX Management Philosophy

LX's management philosophy is "Connecting to a Sustainable Future." LX is building a better tomorrow by serving as a bridge-connecting Korea with the world, integrating everyday life with advanced technology, and linking the present generation with the next.



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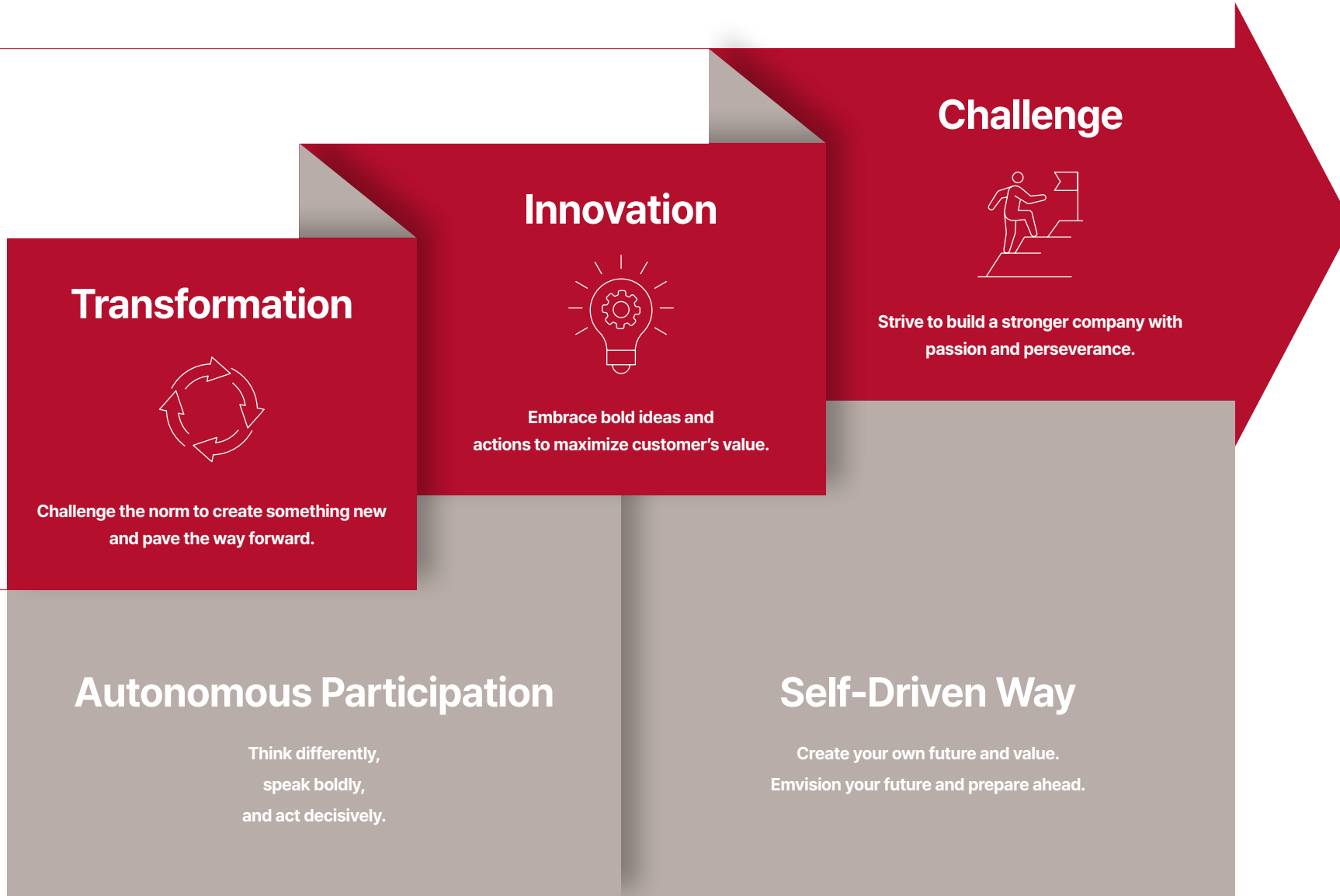
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# LX Semicon at a Glance

## Introduction to LX Semicon

LX Semicon is Korea's largest fabless company specializing in semiconductor design and sales, with its main focus on the design, manufacturing, and sales of system semiconductors. In particular, we are strengthening our technological competitiveness and securing differentiation and market advantage based on our core products: Driver Integrated Circuits (D-IC), Display Processors (T-Con), and Power Management Integrated Circuits (PMIC). Recently, LX Semicon has been diversifying its business portfolio by identifying new growth drivers such as MCUs and heat dissipation substrates, while actively investing in expanding R&D personnel and advancing technology development to establish itself as a global semiconductor company.

<b>Company Name</b>	LX Semicon Co., Ltd.
<b>HQ Location</b>	222 Techno 2-ro, Yuseong-gu, Daejeon
<b>Business Domain</b>	Semiconductor Design
<b>Main Product</b>	System IC
<b>CEO</b>	Yun-tae Lee
<b>Date of Establishment</b>	11 November 1999

(As of 31.12.2024)

Shareholder	No. of Shares	Ratio
LX Holdings*	5,380,524	33.08%
National Pension Service	1,073,204	6.60%
VANGUARD	397,199	2.44%
FRANKLIN TEMPLETON	350,467	2.15%
NORGES BANK	266,935	1.64%

\* Largest shareholder

## LX Semicon History

Year/Month	Key Milestones	Year/Month	Key Milestones
2024.11	Selected as one of the Top 100 ESG Best Companies by Sustainvest	2020.12	Reached KRW 1 trillion in sales
2023.10	Won the 12th Intellectual Property Rights Award	2018.06	Won the 10th KOSDAQ Award (Best Job Creation Company Award)
2023.01	Received AEO (Authorized Economic Operator) certification for excellence in export and import safety management	2015.07	Acquired a part of LG Electronics System's IC business division
2022.12	Achieved 'Family Friendly Certified Company Certification' by Best Family Friendly Management	2015.04	Acquired a part of Lusem System's IC division
2022.12	Selected as an exemplary company in ESG management by the KCGS (Korea Institute of Corporate Governance and Sustainability)	2014.07	Joined the LG affiliated group
2022.12	Won the 'USD 1 Billion Export Tower' on Trade Day (Ministry of Trade, Industry and Energy)	2010.06	Listed on the KOSDAQ
2022.11	Transfer listing to the KOSPI market (KOSDAQ → KOSPI)	2008.11	Developed CEDS interface technology for ultra-high-speed, ultra-thin, and high-definition next-generation TVs
2022.08	Selected as the Korean Best Job Company in 2022 by the Ministry of Employment and Labor	2006.05	Developed ultra-low power IP and T-CON
2021.07	Changed the company name to LX Semicon	2002.09	Developed MD Architecture for LCD and SD-IC
2021.05	Launched LX Holdings and incorporated it as an affiliate company	1999.11	Established the company

## LX Semicon Global Network (Business Sites)

With the aim of securing competitiveness as a leading global fabless company, LX Semicon has been expanding the boundaries of its global network to explore overseas markets and further expand our global business. With 14 hubs in 6 countries, including Korea, the US, China, and Japan, we provide our local customers with exceptional products and services tailored to their specific needs.



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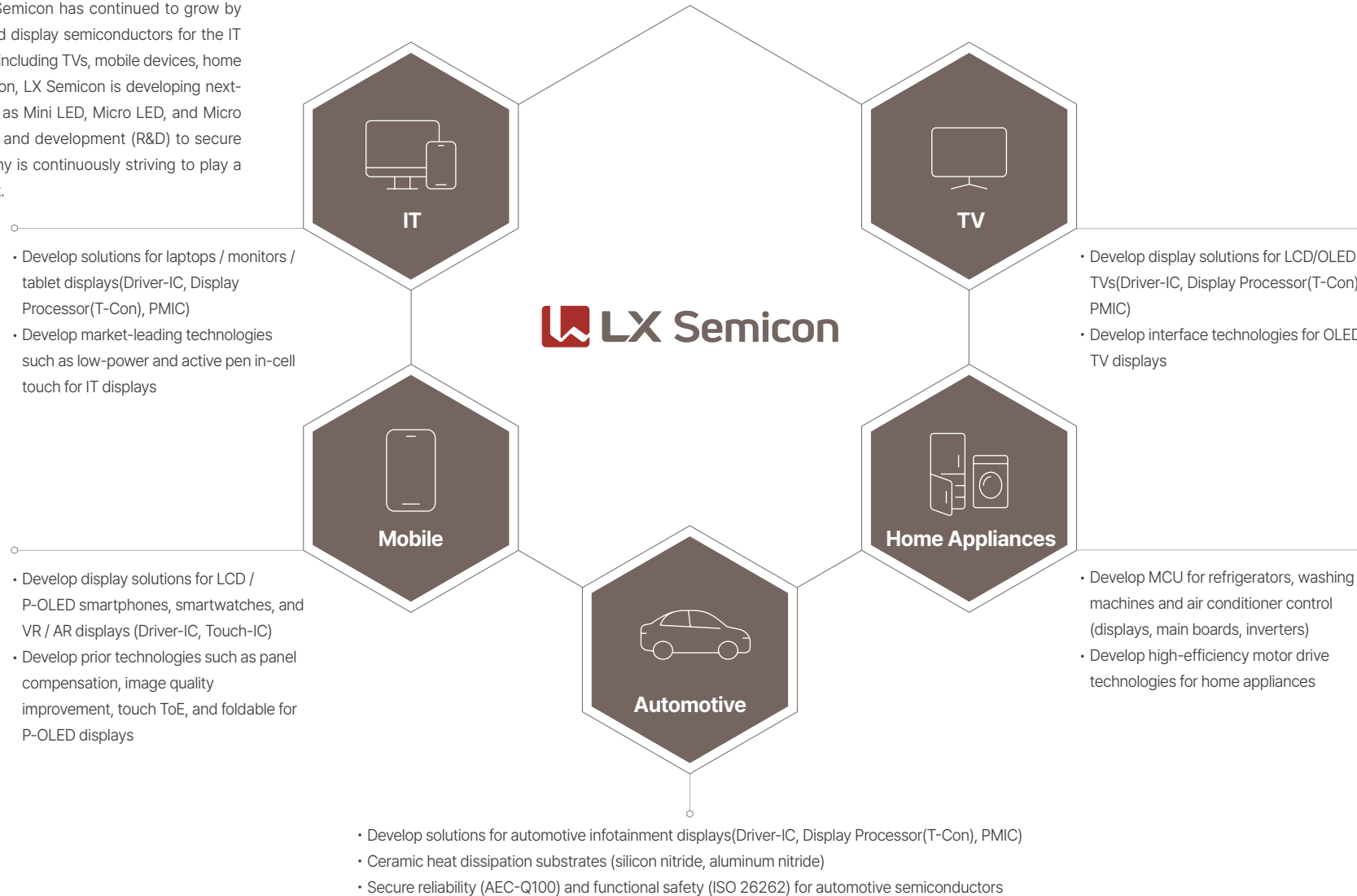
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# Our Businesses

## Business Areas

Since its establishment in 1999, LX Semicon has continued to grow by expanding its product portfolio beyond display semiconductors for the IT sector to a wide range of applications, including TVs, mobile devices, home appliances, and automobiles. In addition, LX Semicon is developing next-generation display technologies such as Mini LED, Micro LED, and Micro OLED based on early-stage research and development (R&D) to secure technological leadership. The company is continuously striving to play a leading role in the future display market.



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# Our Businesses

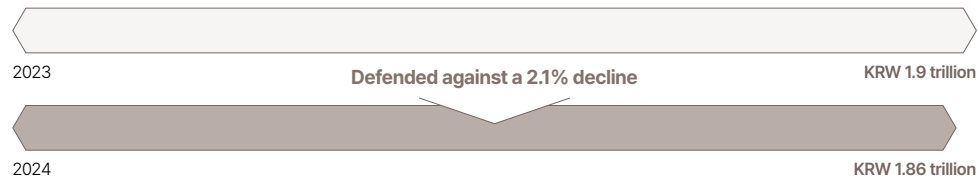
## Key Achievements in 2024-2025

LX Semicon is expanding its technological leadership beyond the domestic market to the global stage, driving sustainable and innovative growth.

### Leading Future Growth Opportunities Based on a Stable Revenue Foundation

In 2024, despite the global economic slowdown and intense market competition, LX Semicon maintained a stable revenue stream by focusing on proactive technology development and strengthening new business areas, thereby securing sustainable competitiveness.

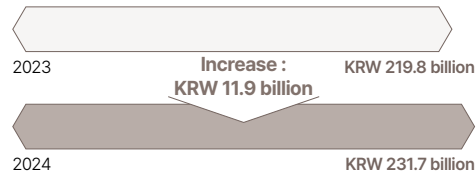
#### Revenue



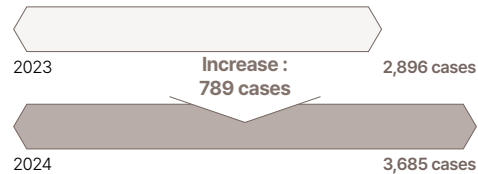
### Solidified Technological Competitiveness through Expanded R&D Investment and a Strengthened Patent Portfolio

LX Semicon increased its research and development (R&D) investment compared to the previous year and strategically strengthened its patent portfolio in key technology areas. These intensive R&D efforts and initiatives to secure intellectual property accelerate product innovation while laying the foundation for solidifying technological superiority in the global competitive landscape.

#### R&D Investment Scale



#### Number of Domestic and International Patents Secured



### Expanded Market Influence based on Exhibition Outcomes

LX Semicon actively promoted its technological capabilities and strengthened its global market presence through participation in domestic and international exhibitions. In 2024, LX Semicon participated in SEDEX, Korea's leading semiconductor exhibition, and in 2025, in CES, the world's largest consumer electronics and IT exhibition-successfully enhancing brand awareness while identifying new business opportunities.

#### Preparing for Future Growth Businesses

### Recorded KRW 1.86 trillion in sales

- Developed next-generation products targeting the automotive and IT OLED display markets
- Strengthened market competitiveness by promoting new technologies using thermal substrates and automotive MCUs



#### Expanding R&D Investment and Strengthening Technological Competitiveness

### Invested KRW 231.7 billion in research and development

- Focused on the development of new products and next-generation technologies



#### Strengthened Technological Leadership through Securing Global Patents

### Secured 1,378 domestic patents and 2,307 international patents

- Established a foundation for protecting LX Semicon's differentiated technological capabilities



#### Promoted Technologies and Secured Talent through Participation in SEDEX

### Participated in SEDEX, Korea's premier semiconductor exhibition

- Actively promoted products for display, home appliances, and automotive applications
- Operated a recruitment zone to conduct talent acquisition consultations, contributing to enhanced brand awareness and the attraction of top talent



#### Expanded Presence in the Global Market through First-Time Participation in CES 2025

### Participated in CES 2025, the world's largest consumer electronics and IT exhibition

- Showcased the latest products for display, home appliances, and automotive applications, highlighting technological leadership
- Held meetings with 32 client companies during CES, actively exploring new business opportunities



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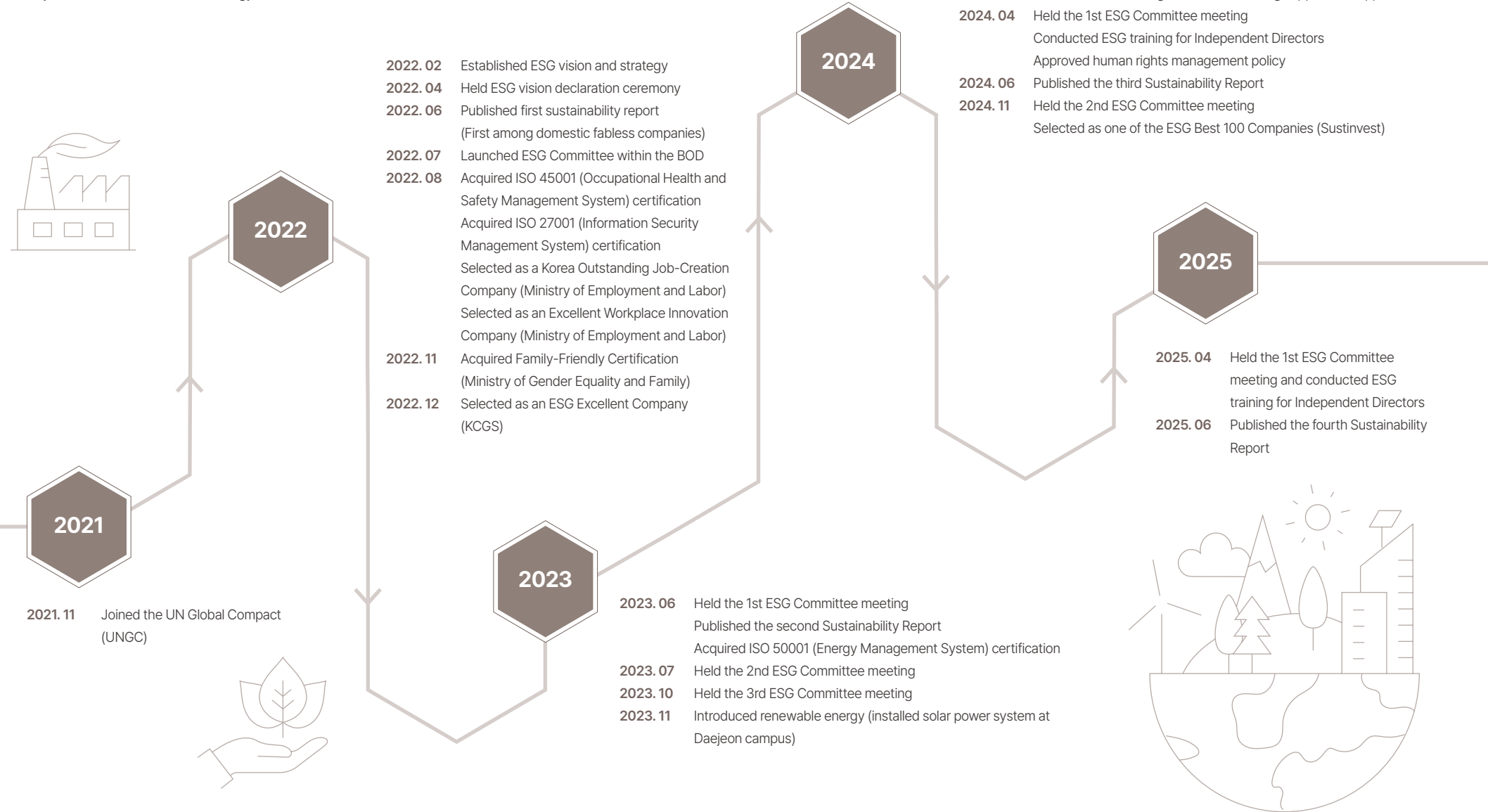
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# ESG Performance Highlights

LX Semicon has established a company-wide strategy for sustainability management and is carrying out a variety of initiatives based on this strategy.



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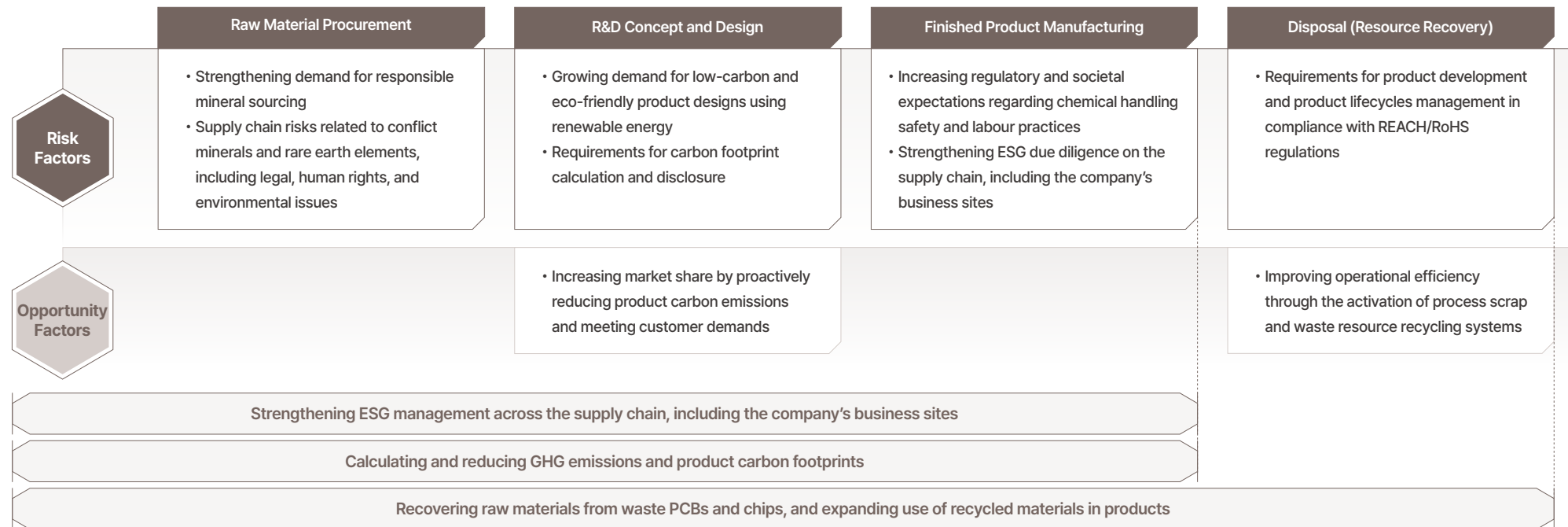
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# ESG Risk and Opportunity Management Across the Value Chain

LX Semicon recognizes that various environmental and social risks and opportunities exist across the entire value chain—from upstream and in-house operations to downstream activities. Accordingly, by practicing sustainability management, LX Semicon aims to mitigate non-financial risks and actively identify potential opportunities to continuously enhance the value delivered to internal and external stakeholders.



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# Risk Management System

## Enterprise Risk Management System

To enable swift and effective decision-making on company-wide management issues, LX Semicon operates a consultative body composed of key executives including the CEO, CFO, and heads of each division. This body oversees the integrated management of risks that may impact various business areas-such as operations, finance, and ESG-and discusses appropriate response strategies. Major issues are reported to and resolved by the BOD.

In addition, LX Semicon implements risk management practices to effectively address negative impacts that may arise from unpredictable critical events, accidents, or serious misunderstandings and rumors. To prevent incidents that could cause significant harm-such as reputational damage or financial loss-and to respond swiftly and effectively in times of crisis, the company identifies risk categories and continuously updates response plans accordingly.

### Risk Management Process



## Tax Strategy

LX Semicon strictly complies with the tax laws and regulations of each country in which it operates and faithfully fulfills all tax obligations. Domestically, the company closely monitors changes in relevant legislation-such as tax law amendments-and promptly identifies potential risks associated with new regulations or emerging issues to proactively respond. When necessary, LX Semicon submits official inquiries to tax authorities to minimize tax-related uncertainties.

For overseas operations, the company establishes and applies transfer pricing (TP) policies in accordance with global standards, taking into account the specific functions and risks of each legal entity. LX Semicon firmly excludes any tax avoidance practices such as income shifting through tax arbitrage or the use of tax havens, thereby ensuring transparent tax management. The company also continuously monitors changes in international tax policies-such as the global minimum tax (Digital Tax, Pillar 2)-and proactively reviews and prepares response strategies for potential risks.

To enhance the transparency of its tax information, LX Semicon clearly discloses corporate income tax expenses, deferred tax assets and liabilities, and effective tax rates in its audit report, which is made publicly available through the Financial Supervisory Service's electronic disclosure system.

### Tax Payment Status

\* Based on consolidated financial statements

Classif.	Unit	2022	2023	2024
	Pre-tax Profit	303,971	126,287	167,996
Corporate Income Tax Payment Status	Corporate Income Tax Expense	70,278	25,083	37,487
	Cash Taxes Paid	107,386	52,729	42,028
	South Korea	106,917	52,107	41,028
	China	388	454	649
	Japan	-	43	236
	USA	81	125	115
	Taiwan	-	-	-

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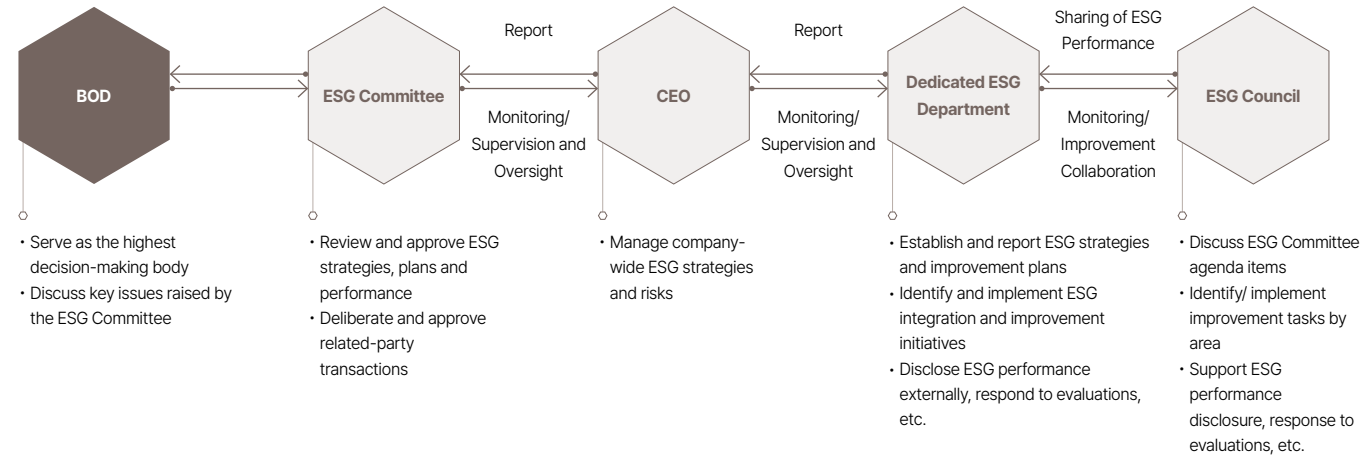
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# Sustainability Management System

## ESG Governance

LX Semicon has established and operates a company-wide ESG risk management system centered on the BOD to manage a wide range of ESG risks that directly or indirectly affect its business operations. The BOD, as the highest decision-making body, regularly reviews and approves key matters related to ESG and related-party transactions. The ESG Committee, established under the BOD in 2022, deliberates, resolves, and oversees matters related to overall ESG issues, including related-party transactions. While it is principally held biannually, meetings may be convened as needed. In accordance with the BOD regulations, matters reported to or approved by the ESG Committee are submitted to the BOD. To identify a wide range of ESG-related issues and enhance cross-functional collaboration, LX Semicon also operates a company-wide ESG Council composed of team leaders and working-level staff.

## Sustainability Management System



## BOD and ESG Committee Activities

Category	Meeting No.	Date	Agenda Items
BOD	3rd	2024.03.21	Approval Appointment of ESG Committee members
	4th	2024.04.22	Report Report on the outcomes of the 1st ESG Committee Meeting
	6th	2024.11.12	Report Report on the outcomes of the 2nd ESG Committee Meeting
ESG Committee			Training ESG Committee Training-ESG trends and developments, key ESG issues for 2024
	1st	2024.04.11	Report 1. Report on the Plan to Publish the Sustainability Report-Plans for report publication and website disclosure, etc. 2. Report on the Status of Carbon Neutrality Implementation-Performance of carbon reduction activities, etc.
			Approval 1. Approved human rights management policy-Human rights/labor risk management, system development, etc.
			Report 1. Report on the Current Status and Plans for ESG Management Implementation-Integrated management of ESG disclosure data, etc. 2. Report on Related-Party Transactions for 2024
	2nd	2024.11.01	Approval 1. Approval of the Total Transaction Limit with Related Parties 2. Approval of Self-Dealing Transactions with Major Shareholders and Others 3. Approval of Renewal of LX Trademark License Agreement
ESG Council	1st	2024.02.23	Training Training on the Latest ESG Trends Report Report on the ESG Council Operation Plan
			Training Current Status of Global ESG Regulations (Disclosure/Supply Chain Related)
	2nd	2024.11.07	Report Performance in Responding to Major ESG Assessments and Due Diligence in 2024 Current Status and Implementation Plan of ESG Management

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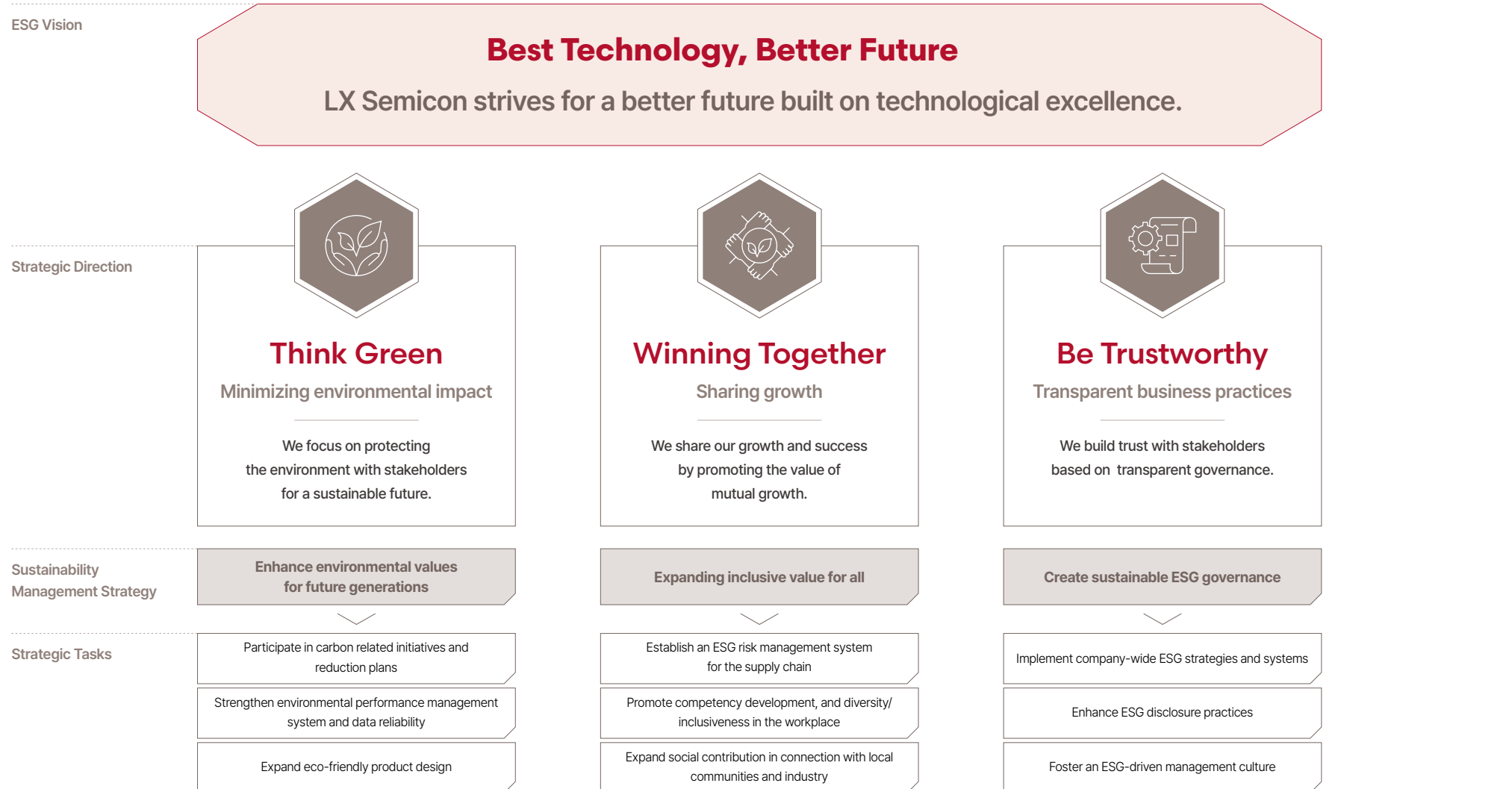
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# Sustainability Management Strategy

LX Semicon recognizes ESG management as the foundation for innovation essential to maintaining industrial competitiveness. Based on this understanding, the company has established its ESG vision-to realise a better future through technological excellence and ESG management. To implement this vision, LX Semicon has defined three strategic ESG pillars: “Think Green,” “Winning Together,” and “Be Trustworthy,” which guide its ESG initiatives.



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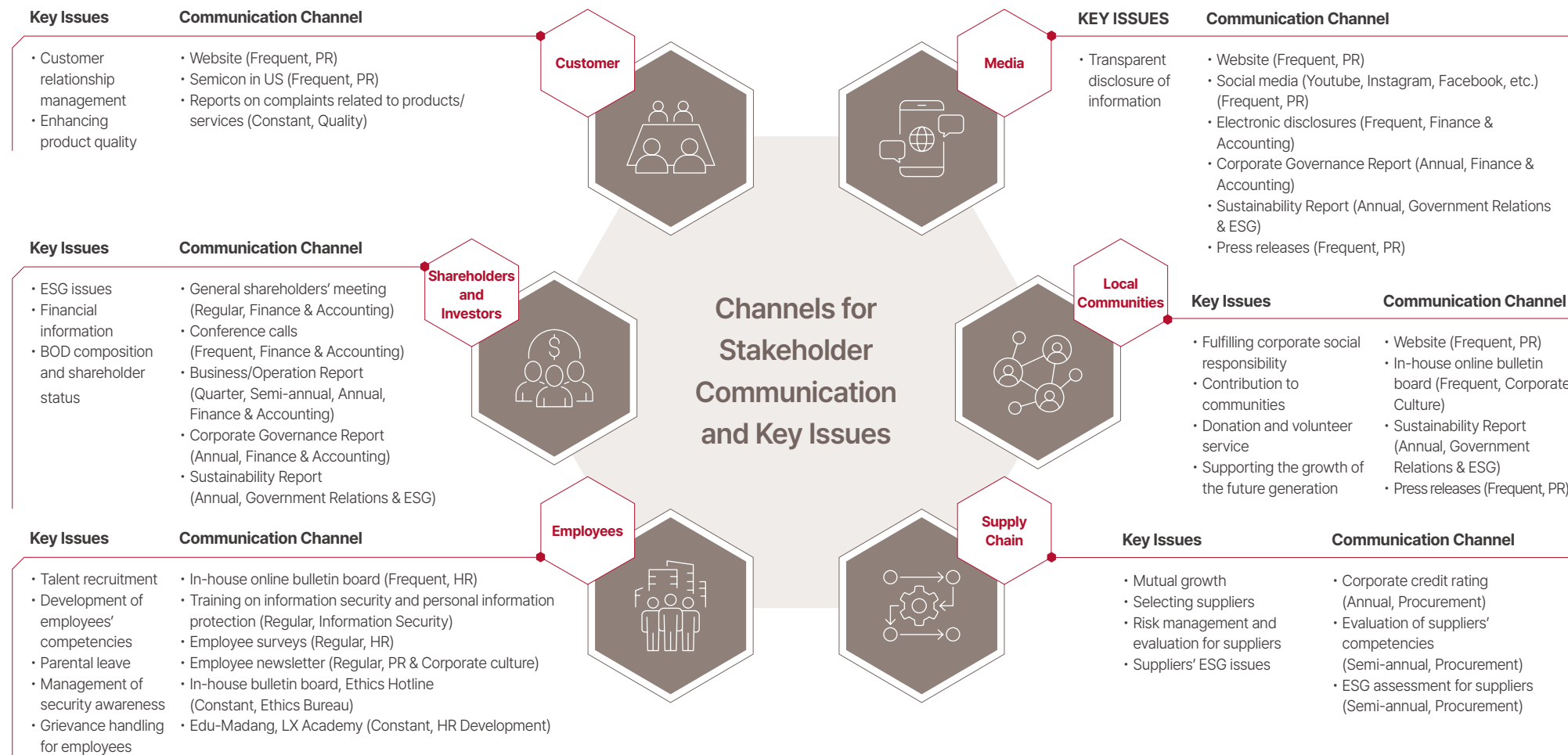
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# Stakeholder Engagement

## Stakeholder Engagement

LX Semicon engages in communication with a wide range of internal and external stakeholders—including shareholders, investors, customers, employees, and local communities—to gather and reflect diverse perspectives. In addition, LX Semicon leverages various communication channels tailored to each stakeholder group to identify key issues and needs, respond promptly, and actively share the outcomes of these efforts with stakeholders.



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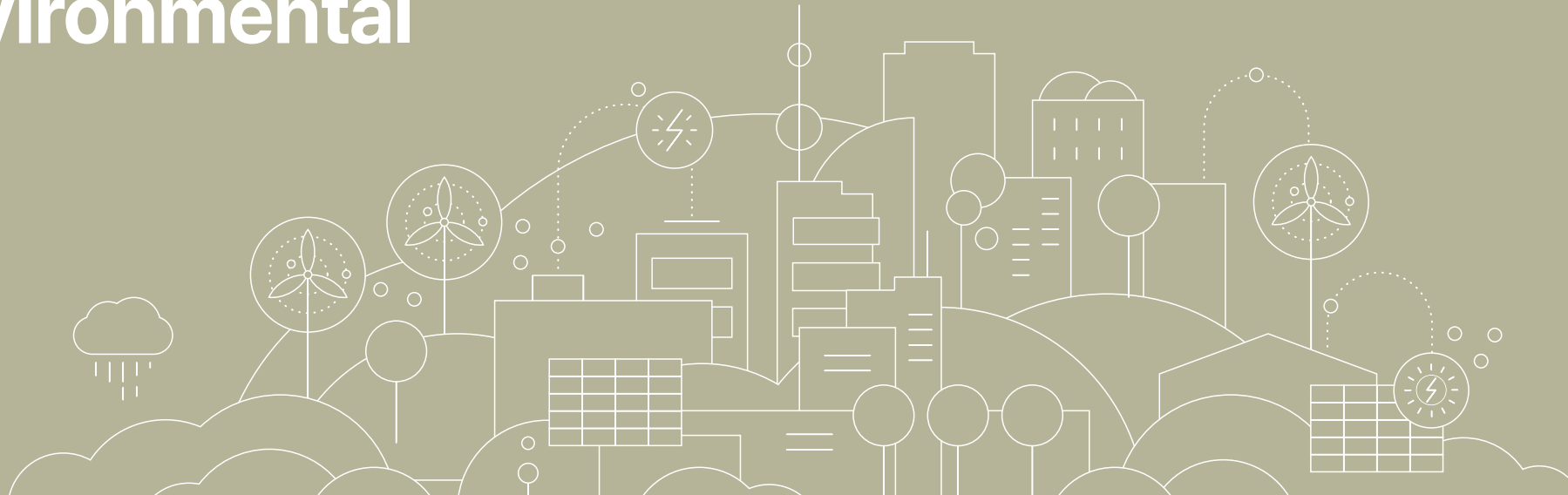


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# Environmental



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## LX SEMICON APPROACH

LX Semicon recognizes environmental management as a core task directly linked to sustainable corporate growth and implements a systematic environmental management strategy accordingly. Based on a company-wide environmental management system, LX Semicon has obtained ISO 14001 (Environmental Management System) and ISO 50001 (Energy Management System) certifications to quantitatively manage its environmental performance. The company is also working to minimize environmental impact across its products and services by strengthening its hazardous substance management system. In addition, recognizing that responding to climate change has a significant impact on both the shared future of humanity and corporate competitiveness, LX Semicon is revising its roadmap for achieving carbon neutrality by 2050 and establishing a phased implementation plan. LX Semicon is actively engaging in various eco-friendly initiatives, including joining K-RE100, installing on-site solar power generation systems, and participating in the demand response market. The company is also working to establish a greenhouse gas management framework across its supply chain and to reduce emissions. Going forward, LX Semicon will take the lead in building a sustainable future by proactively responding to climate change risks.

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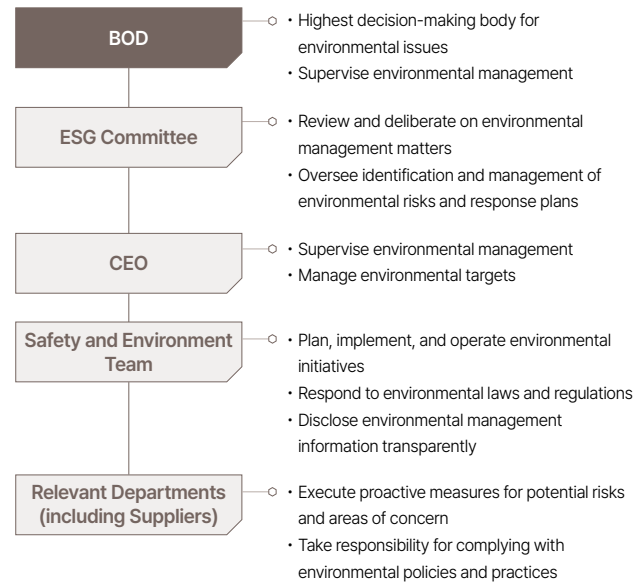
# Environmental

## Environmental Management

### Environmental Management Governance

LX Semicon conducts reviews, approvals, and performance management of environmental matters primarily through the BOD and the ESG Committee. The dedicated Safety and Environment Team leads the establishment of goals and action plans to enhance environmental risk management and response, based on collaboration with relevant departments across the company.

#### Environmental Management Decision-Making System



### Environmental Management Strategy

LX Semicon establishes its environmental management policy in accordance with the ISO 14001 (Environmental Management System) standard and promotes systematic and effective environmental management activities based on this framework. In 2025, LX Semicon plans to revise its environmental management policy to address key environmental issues, including biodiversity conservation, chemical and waste management, energy use and greenhouse gas emissions control, air pollutant reduction, and water use and resource management. Through this, LX Semicon aims to manage environmental risks more systematically and further strengthen the foundation for sustainable management.

#### LX Semicon Environmental Management Policy

LX Semicon, as a company that designs, develops, and manufactures semiconductor components, recognizes environmental management as a key element of corporate management. The company systematically establishes, efficiently implements, and reliably maintains its environmental management system, and continuously improves it to meet international standard requirements. To this end, LX Semicon declares the following environmental policy to ensure that all employees clearly understand the compliance requirements through the systematic operation of the environmental management system.

#### Environmental Management Policy

- Operate an organization suitable for environmental standards by complying with environmental regulations and other applicable requirements
- Create an eco-friendly environment by preventing pollution through energy saving and resource circulation
- Carry out continuous improvement activities to achieve environmental objectives

All employees shall understand the environmental policy based on a correct and comprehensive understanding of the essence of environmental protection, and make every effort to achieve environmental goals through regular communication and consensus building. Management is committed to practicing green and environmentally friendly management and fulfilling its social responsibilities. To prevent environmental pollution and accidents, and to enable all employees to participate voluntarily, management shall disclose environmental performance and ensure transparency in environmental management.

### Environmental Management Training

LX Semicon operates various training programs to enhance awareness and understanding of environmental management among employees and suppliers. First, LX Semicon provides environmental training for employees to enhance their understanding of environmental regulations and to foster a culture of compliance with relevant laws. In addition, LX Semicon offers tailored training programs on waste management and hazardous chemical safety to personnel in relevant departments handling environmental tasks such as air and wastewater management, with content customized according to their roles—managers, handlers, or workers.

LX Semicon also provides training for suppliers as part of campaigns to raise environmental awareness. In particular, the Siheung business site operates its own training programs on waste and wastewater management. In addition, LX Semicon places a strong focus on practical training for on-site partner personnel, such as cleaning staff, with an emphasis on the classification of designated waste. In 2025, LX Semicon plans to continue implementing these environmental training programs and is also preparing to conduct internal auditor training in connection with ISO 14001 and ISO 45001 certifications.

Category	Unit	2023	2024
Environmental Training	persons	1	91
(Hazardous Chemicals)	hour	32	91

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# Environmental

## Environmental Management

### Environmental Management Certification

LX Semicon has continuously strengthened its environmental management system since first obtaining ISO 14001 (Environmental Management System) certification in 2012. In 2022, LX Semicon expanded the scope of its certification to enhance the overall management level of its environmental management system. In line with this, the company established an updated environmental management policy and is promoting systematic and effective environmental management activities.

### Establishment of Eco-Friendly Business Site Infrastructure

#### Expansion of EV Charging Infrastructure

LX Semicon actively supports the government's policy to promote eco-friendly vehicles and continues to expand EV charging infrastructure to enhance employee convenience. Charging facilities have been installed and are currently in operation at the company's Daejeon campus headquarters.

#### Adoption of Eco-Friendly Vehicles

As part of its commitment to eco-friendly business practices, LX Semicon is actively replacing company vehicles with environmentally friendly alternatives. Currently, over 80% of all company vehicles used in domestic business operations are eco-friendly, and the company plans to continue expanding this transition.

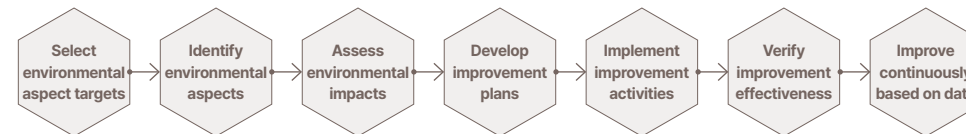
#### Establishment of Centralized HVAC Control System

To improve energy use and the work environment, LX Semicon has installed a centralized HVAC control system at the Daejeon campus. This system enables efficient control of HVAC operations in shared spaces such as hallways and corridors outside of working hours, effectively managing peak power demand and maximizing energy savings. In addition, LX Semicon has introduced the same centralized HVAC control system at the newly established Siheung Campus. This contributes to enhanced energy efficiency and supports the company's commitment to sustainable management.

## Environmental Risk Management

### Implementation of Environmental Impact Assessment

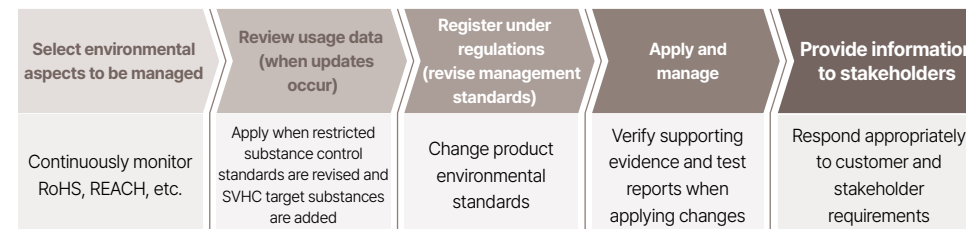
LX Semicon conducts Environmental Impact Assessment to systematically identify the environmental risks and impacts not only from individual organizational activities but also from its designs, products, and services. This assessment covers all management activities related to products and services, with a particular focus on analyzing environmental risks associated with material environmental aspects such as chemical management, air and soil pollution, and waste generation. In addition, the assessment includes evaluating the impact on the business from the perspective of compliance with relevant laws and regulations, thereby enhancing proactive response capabilities to environmental risks and strengthening the foundation for sustainable management.



### Product Hazardous Substance Investigation

As a fables company that manufactures products through external suppliers, LX Semicon operates a strict hazardous substance management system tailored to its business structure. To proactively respond to customer requirements and international regulations regarding hazardous substances, the company manages the raw and subsidiary materials used by suppliers in a systematic and rigorous manner based on internal standards aligned with global guidelines. In particular, during the new product development and mass production phases, LX Semicon uses the Supplier Collaboration System (SCS) to verify in real time whether suppliers comply with international hazardous substance standards. If a supplier fails to meet LX Semicon's standards, the product is not approved, and necessary procedures are followed. Furthermore, the company conducts Quality System Audits (QSA) on external suppliers to evaluate their compliance with hazardous substance management standards and international regulations. Based on the audit results, necessary corrective actions are requested to drive continuous improvement.

#### Hazardous Substance Management Process



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## Environmental Management

### Waste Reduction Activities

LX Semicon continues to make ongoing efforts to reduce waste and actively carries out various initiatives to realize a resource-circulating business site. By recovering waste generated from semiconductor processes, LX Semicon extracts gold—a key raw material—achieving both resource recycling and cost savings. Additionally, domestic waste generated on campus is efficiently recycled through separate collection of paper cartons, PET bottles, paper, and other materials. PCB boards and chips generated during the design and testing processes are systematically managed using dedicated collection containers.

### Hazardous Substance Management

Category	Controlled Substances
Restricted Substances	RoHS Cd, Pb, Hg, Cr6+, PBBBs, PBDEs, Phthalate(DEHP,DBP,BBP,DIBP)
	Halogen Br, Cl
	Antimony Sb
	Beryllium Be
	Perfluoroalkyl Compounds PFAS
Controlled Substances	REACH Comply with SVHC (Substances of Very High Concern) substances designated by the EU
	Perfluorooctanoic Acid PFOA
	Perfluorooctane Sulfonic Acid PFOS
	Arsenic As
	Polyvinyl Chloride PCBs

### Violation of Environmental Regulations

LX Semicon conducts regular inspections and improvement activities to prevent environmental risks in advance and to ensure strict compliance with legal requirements. As a result of these ongoing efforts, there have been no violations of environmental regulations in the past three years.

### Environmental Performance Management

LX Semicon incorporates environmental management indicators into the key performance indicators (KPIs) of managers and above to strengthen accountability. In addition, LX Semicon operates various training programs to enhance the understanding of environmental management among employees and suppliers. The company also promotes company-wide measurement of environmental performance and continuous improvement activities, targeting executives, team leaders, and working-level staff of the responsible departments.

### Waste Generation\*

Category	Unit	2022	2023	2024
Total	ton	12.5	38.4	92.1
Daejeon Campus	General Waste	ton	12.5	14.3
	Designated Waste	ton	-	-
Siheung Campus	General Waste	ton	-	24.1
	Designated Waste	ton	-	-

\* All generated waste is fully consigned for treatment.

### Water\*

Category	Unit	2022	2023	2024
Water Inflow by Source (Total Water Withdrawal)	Municipal Water	m³	42,393	44,508
	Ground Water	m³	Not in Use	Not in Use
Proportion of Water Withdrawal in Areas with High or Extremely High Water Stress**	%	28.6	32.9	17.2

\* Calculated based solely on domestic business sites in accordance with local water-related regulations. Data refined based on building allocation ratios (figures revised from the 2023–2024 report). The Ochang site was closed after 2023.

\*\* Based on the World Resources Institute (WRI) Water Risk Atlas, LX Semicon confirmed that among its domestic business sites, the Daejeon Campus is located in an area with High water stress, while no sites are located in areas with Extremely High water stress.

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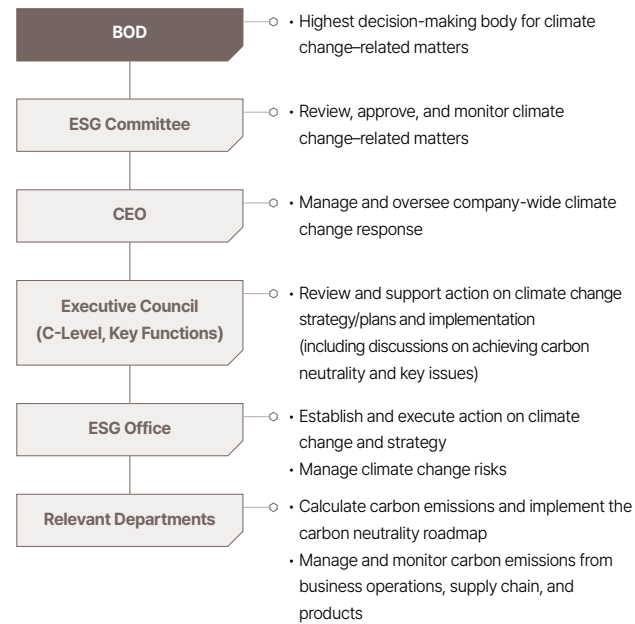
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## Action on Climate Change and Energy Management

### Action on Climate Change Governance

LX Semicon, led by its BOD, establishes strategies and concrete action plans to effectively respond to climate change and a rapidly changing external business environment. The company also develops relevant policies and implements systematic performance management. Based on this framework, LX Semicon strives to set a clear direction for action on climate change and carbon neutrality while enhancing execution capabilities. Furthermore, to actively meet the expectations of various stakeholders, the company is gradually expanding greenhouse gas reduction and the adoption of renewable energy across its entire value chain.

### Action on Climate Change Governance



### Management of Renewable Energy Transition at Business Sites

LX Semicon actively promotes various initiatives to improve energy efficiency and respond to climate change. At its headquarters, the Daejeon Campus, rooftop solar panels have been installed to expand the use of renewable energy. The company has also joined the “K-RE100” initiative to support the broader adoption of renewable energy in Korea. In addition, LX Semicon has obtained ISO 50001 (Energy Management System) certification, continuously enhancing the systematic and reliable management of energy.

#### LX Semicon Energy Management Policy

LX Semicon, as a company that designs, develops, and manufactures semiconductor components, recognizes energy management as a key element of corporate management. The company systematically establishes, implements, maintains, and continuously improves its energy management system to meet international standard requirements. Through the systematic operation of the energy management system, LX Semicon declares the following energy management policy to ensure that all employees clearly understand the compliance requirements.

#### Energy Management Policy

- Comply with energy-related laws and other applicable requirements to proactively respond to increasingly stringent regulations.
- Actively respond to climate change by reducing greenhouse gas emissions and saving energy.
- Fulfill corporate social responsibility by improving energy use throughout all business processes.

All employees shall actively participate in energy training and inspection activities and make every effort to achieve established goals through regular communication. Management shall take the lead in practicing green energy management, fulfilling corporate social responsibility, and encouraging the participation of all employees in environmental protection, while ensuring transparency in energy management.

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## Action on Climate Change and Energy Management

### Action on Climate Change Strategy

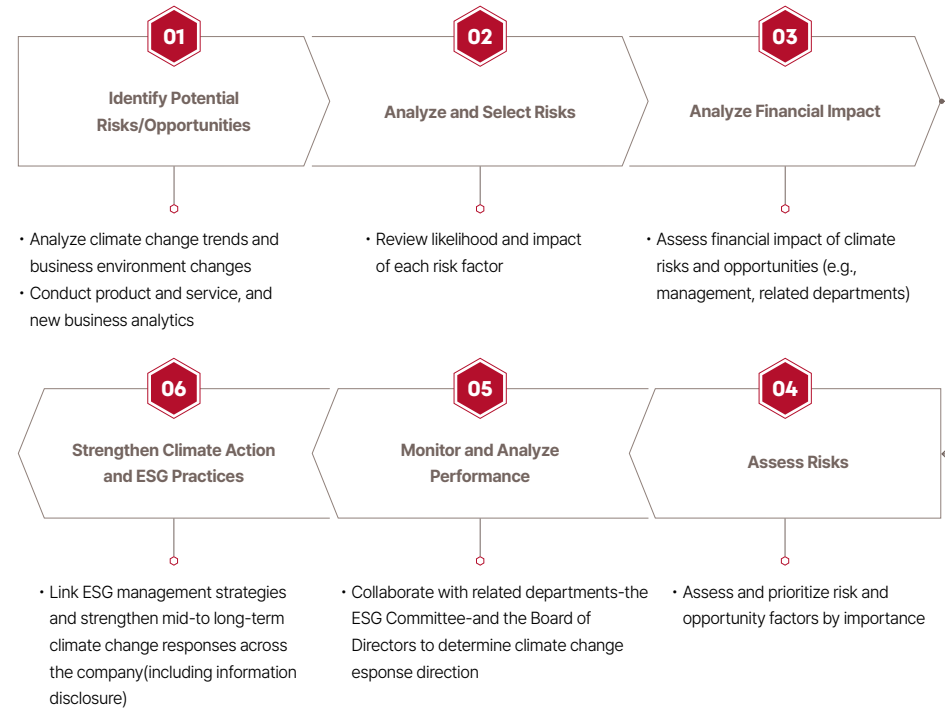
LX Semicon is committed to contributing to global and domestic climate change efforts and strengthening its action on climate change by aligning it with business strategies to swiftly adapt to the changing management environment. To this end, the company establishes response strategies based on an analysis of various opportunities and risk factors derived from its business characteristics and strategic direction. LX Semicon is also preparing to build a greenhouse gas reduction management framework linked to its supply chain and products in order to establish an implementation plan for carbon neutrality. To enhance greenhouse gas inventory management, the company calculates direct emissions (Scope 1 and 2) based on consolidated financial statements, including overseas subsidiaries, and has expanded the calculation boundaries for indirect emissions (Scope 3) to enable full-scale management. In addition, LX Semicon is preparing for life cycle assessments (LCA) based on the GHG Protocol and is pursuing certification using Product Carbon Footprint (PCF) analysis methods to secure sustainable product competitiveness.

### Foundation for 2050 Carbon Neutrality

LX Semicon is setting a carbon neutrality target based on the Science Based Targets initiative (SBTi) and is preparing to enhance its implementation roadmap to achieve carbon neutrality. In addition, the company is establishing a renewable energy portfolio strategy to further strengthen the foundation for achieving carbon neutrality. To reduce not only its own emissions but also those across its supply chain, LX Semicon held briefing sessions for key suppliers involved in major processes. These sessions aimed to raise awareness and share the latest trends and collaborative strategies related to carbon neutrality. LX Semicon will continue to make dedicated efforts to reduce greenhouse gas emissions not only within the company but also throughout its supply chain.

### Climate Change Response Process

LX Semicon closely analyzes the financial impact of climate change on its business operations and works in close collaboration with various stakeholders to ensure that climate-related issues are adequately considered in the decision-making process. The company aims to strengthen its response capabilities by organically linking its business strategy with climate change response efforts. Through continuous monitoring and performance measurement, LX Semicon is committed to enhancing its climate risk management capabilities and advancing its overall management system.



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## Action on Climate Change and Energy Management

### Climate Change Risks and Opportunities

As part of its non-financial risk management, LX Semicon identifies climate-related risks and opportunities that may arise from its business operations, customers, and suppliers. Based on the recommendations of the TCFD, the company classifies climate risks into transition risks and physical risks, and categorizes climate-related opportunities into energy efficiency, renewable energy, resilience, and new products and services.

Category	Term			Risk	Potential Financial Impact (Estimated)	Response Strategy	
	S	M	L				
Transition Risk	Policy and Regulation	●	●	●	<ul style="list-style-type: none"> <li>Establishment of Nationally Determined Contributions (NDCs) to achieve carbon neutrality</li> <li>Advancement and expansion of legal frameworks for global standards on climate-related and sustainability disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Increase in compliance costs due to strengthened climate-related regulations</li> <li>Rise in costs for facility investments to reduce carbon emissions</li> </ul>	<ul style="list-style-type: none"> <li>Monitor global ESG and climate-related policies and regulations</li> <li>Strengthen greenhouse gas emissions monitoring and enhance inventory management, including Scope 3 emissions</li> </ul>
	Technological Change		●	●	<ul style="list-style-type: none"> <li>Increasing customer demand for eco-friendly and low-carbon technologies</li> <li>Growing need to develop and adopt eco-friendly, low-carbon technologies</li> <li>Substitution of products and services due to transition to a low-carbon economy</li> </ul>	<ul style="list-style-type: none"> <li>Increased investment costs in processes and technologies, such as development of alternative raw materials and greenhouse gas reduction facilities</li> <li>Decreased market share and weakened competitiveness in the event of failure to develop high-efficiency design technologies</li> </ul>	<ul style="list-style-type: none"> <li>Enhance product energy efficiency and develop low-power products</li> <li>Strengthen energy consumption and carbon emission reduction management across the entire product life cycle</li> <li>Replace equipment with high energy efficiency and transition to low-carbon fuels</li> </ul>
	Market Change		●	●	<ul style="list-style-type: none"> <li>Growing expectations from stakeholders such as customers and investors for companies to contribute to carbon neutrality across all aspects of management, including reduction of greenhouse gas emissions at business sites, product development based on life cycle assessment (LCA), and carbon footprint reduction</li> </ul>	<ul style="list-style-type: none"> <li>Increase in product manufacturing costs due to rising input costs (energy, raw materials) and post-treatment costs (waste disposal)</li> <li>Increase in raw material costs due to unexpected and sudden changes in energy prices</li> </ul>	<ul style="list-style-type: none"> <li>Establish a plan to expand the use of renewable energy and participate in the K-RE100 initiative</li> <li>Obtain and expand new certifications for low-carbon products</li> <li>Advance carbon footprint calculation and reduction activities for products</li> </ul>
	Reputation		●	●	<ul style="list-style-type: none"> <li>Failure to reduce greenhouse gas emissions may lead to a decline in ESG reputation, resulting in loss of investment and partnership opportunities</li> <li>Inadequate management of indirect carbon emissions (Scope 3) in the supply chain may lead to regulatory violations and decreased trust from customers</li> </ul>	<ul style="list-style-type: none"> <li>Decline in corporate value due to the formation of a negative corporate image</li> </ul>	<ul style="list-style-type: none"> <li>Establish a carbon neutrality roadmap and implementation plan in response to stakeholder demands for carbon reduction</li> </ul>
Physical Risk	Acute	●	●	<ul style="list-style-type: none"> <li>Physical damage to business sites caused by extreme weather events such as typhoons, floods, and wildfires</li> <li>Negative impacts on the workforce, including health issues, safety concerns, and absenteeism</li> </ul>	<ul style="list-style-type: none"> <li>Increase in operating costs to prevent damage to business sites and owned facilities</li> <li>Rising costs due to increased heating and cooling operations in office spaces</li> <li>Higher capital expenditures and revenue loss resulting from damage to company or supplier business sites</li> </ul>	<ul style="list-style-type: none"> <li>Conduct regular disaster recovery drills at business sites</li> </ul>	
	Chronic		●	●	<ul style="list-style-type: none"> <li>Fluctuation in raw material prices in the supply chain due to changing climate patterns</li> <li>Variation in product operating temperature due to rising average temperatures</li> </ul>	<ul style="list-style-type: none"> <li>Weakened price competitiveness due to rising raw material costs in the supply chain</li> <li>Increased production costs resulting from the addition of high-temperature operating features in electronic products</li> </ul>	<ul style="list-style-type: none"> <li>Meet stakeholder expectations by developing eco-friendly and energy-efficient products</li> </ul>

Category	Potential Financial Impact (Estimated)	Response Strategy
Energy Efficiency	Reduce costs by introducing product technologies and processes that improve energy efficiency.	Expand development of low-power product lines and implement energy-saving processes within production.
Renewable Energy	Reduce carbon emissions at business sites and lower long-term energy costs by expanding the use of solar energy.	Expand rooftop solar power installations and participate in the K-RE100 initiative.
Resilience	Enhance resilience to climate change to improve corporate sustainability and long-term financial performance.	Reduce energy costs by improving efficiency in products and processes.
New Products and Services	Develop new products and services in response to climate change to achieve market differentiation and create opportunities for new product development.	Pursue certification of eco-friendly products (based on life cycle assessment).

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# Environmental

## Action on Climate Change and Energy Management

### Greenhouse Gas Emissions

LX Semicon is actively promoting voluntary participation and continuous improvement efforts to achieve its 2050 carbon neutrality target. To enhance the reliability of its greenhouse gas emissions data, the company has conducted third-party verification of its greenhouse gas inventory annually since 2022. This ensures greater transparency and accuracy in emissions management.

Although overall greenhouse gas emissions and intensity have slightly increased due to higher heating and cooling usage across campuses and the establishment of the Siheung Campus, the Daejeon Campus has achieved emission reductions through various energy efficiency initiatives. These include replacing LED lighting, participating in the demand response (DR) program, and installing rooftop solar panels. LX Semicon will continue to improve energy use efficiency based on these efforts and steadily strengthen its foundation for achieving mid- to long-term carbon neutrality goals.

### GHG Emissions from Domestic Business Sites

Category		Unit	2022	2023	2024
Scope 1,2	Total GHG Emissions (Scope 1 and 2)	tCO <sub>2</sub> eq	5,485	7,130	7,496
	Direct GHG Emissions (Scope 1)	tCO <sub>2</sub> eq	916	1,067	1,027
	Indirect GHG Emissions (Scope 2)	tCO <sub>2</sub> eq	4,569	6,063	6,469
	GHG Intensity (per Unit)	tCO <sub>2</sub> eq/KRW 100 million	0.26	0.37	0.40
Scope 3	Other Indirect GHG Emissions (Scope 3–Employee Commuting)	tCO <sub>2</sub> eq	220	205	951*

\* Expansion of the scope for calculating employee commuting data

### Energy Consumption

#### Domestic Energy Consumption

Category		Unit	2022	2023	2024	
Total Energy Consumption		TJ	112.52	146.26	156.1	
Energy Consumption by Source	Non-renewable Energy	Subtotal	TJ	112.52	146.13	154.85
		Gasoline	TJ	3.07	3.23	1.79
	Electricity (Based on Consumption)	Diesel	TJ	-	-	0.03
		City Gas (LNG)	TJ	13.98	16.2	17.84
		Subtotal	TJ	95.47	126.7	135.19
	Renewable Energy (Solar Power)	Power Generation	TJ	-	0.13	1.25
		Consumption	TJ	-	0.13	1.25
		Subtotal	TJ	-	0.13	1.25
Energy Intensity (per Unit)	TJ/KRW 100 million	0.01	0.01	0.01		
Energy Savings	GJ	-	33.2	957		

#### Overseas Energy Consumption

Category		Unit	2022	2023	2024		
Total Energy Consumption		TJ	1.52	1.86	2.2		
Energy Consumption by Source	Non-renewable Energy	Total	TJ	0.9	1.2	1.25	
		Japan	TJ	0.02	0.03	0.02	
		Gasoline	China	TJ	0.82	1.1	1.1
			Taiwan	TJ	-	-	0.09
			USA	TJ	0.06	0.07	0.06
	Electricity (Based on Consumption)	Total	TJ	0.62	0.66	0.95	
		Japan	TJ	0.08	0.17	0.22	
		China	TJ	0.54	0.49	0.66	
		Taiwan	TJ	-	-	0.07	

\* Based on data from overseas business site activities in the 2024 consolidated financial statements, the figures were internally aggregated and calculated by LX Semicon and have not been third-party verified. Electricity consumption of the U.S. subsidiary is excluded from the calculation. When converting to energy values, the default net calorific values by fuel type from the IPCC National Inventory Guidelines were applied.

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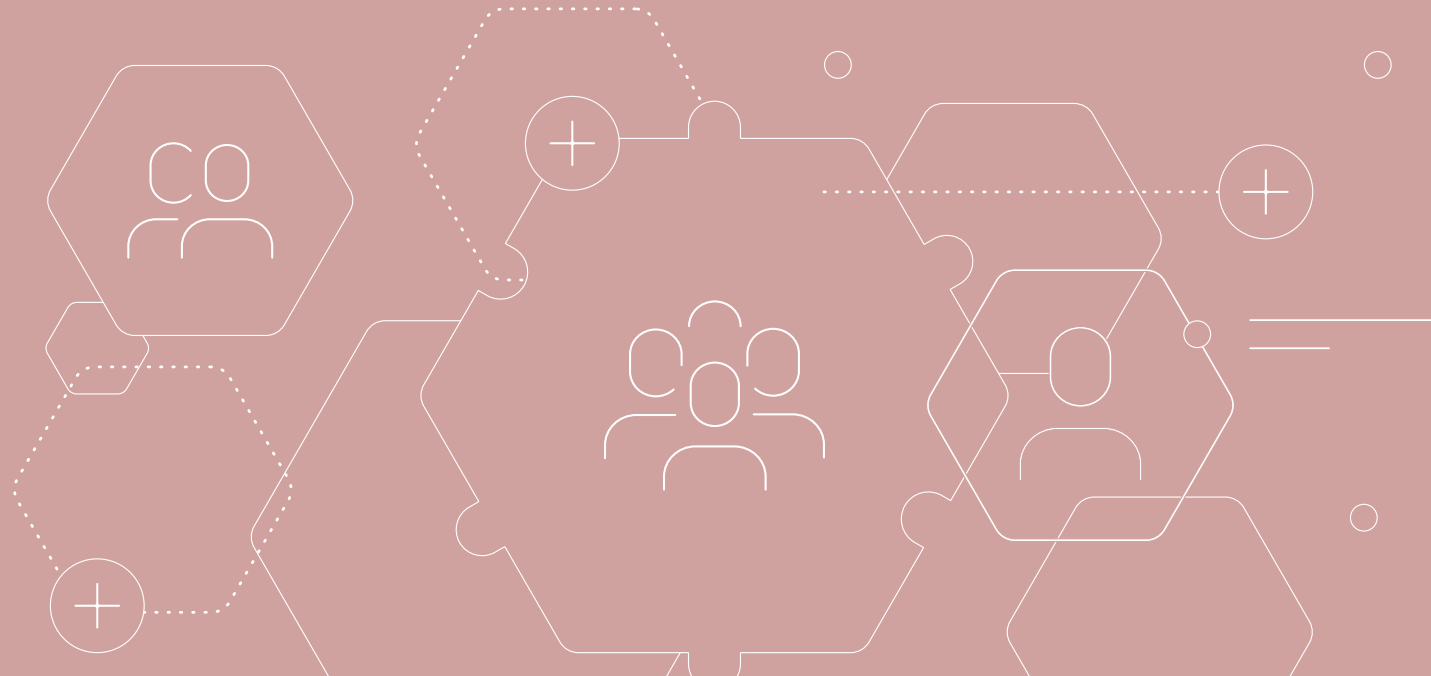
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## LX SEMICON APPROACH

LX Semicon is committed to building sustainable relationships based on mutual trust and growing together with all stakeholders—employees, customers, and suppliers—who are directly and indirectly impacted by its business activities, grounded in the principle of respecting human rights. To this end, the company actively supports employee development and strives to create a safe and healthy work environment. In addition, with the goal of establishing a sustainable supply chain, LX Semicon conducts regular ESG Assessments of its suppliers based on the Supplier Code of Conduct to assess ESG risks and jointly enhance their sustainability. Furthermore, the company aims to deliver greater values to customers and local communities by strengthening quality management, enhancing information security, and actively engaging in social contribution activities to faithfully fulfill its social responsibilities.

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## Expansion of Human Rights Initiatives

### Human Rights Management Structure

LX Semicon has established and operates an integrated decision-making system that links the BOD with the responsible and relevant departments to ensure systematic management of human rights. The company closely monitors potential risks that may have negative human rights impacts and operates a dedicated reporting channel to immediately notify the CEO and respond promptly in the event of an issue.

#### Human Rights Management Response System

BOD	ESG Committee	• Highest decision-making body for human rights management
Responsible Departments	HR Department	<ul style="list-style-type: none"> <li>• Verify compliance with the Labor Standards Act</li> <li>• Operate and manage performance of maternity protection programs</li> <li>• Receive and address reports related to human rights violations such as grievance handling, sexual harassment, and workplace bullying</li> <li>• Review and improve recruitment procedures to eliminate discriminatory elements</li> <li>• Operate labor-management councils</li> </ul>
	Ethics Bureau	<ul style="list-style-type: none"> <li>• Receive and investigate human rights violation cases such as grievances, sexual harassment, and workplace bullying</li> </ul>
Relevant Departments	Government Relations/ ESG Team	<ul style="list-style-type: none"> <li>• Disclose key outcomes and data related to human rights management</li> </ul>
	SCM Department	<ul style="list-style-type: none"> <li>• Manage supplier-related risks</li> </ul>
	Information Security/ Infra Team	<ul style="list-style-type: none"> <li>• Receive, investigate, and take follow-up action on personal data breaches</li> </ul>
	Safety and Environment Team	<ul style="list-style-type: none"> <li>• Operate employee health management programs</li> <li>• Establish industrial accident prevention plans</li> <li>• Manage environmental conditions around business sites</li> </ul>

### Supplier Code of Conduct

To encourage suppliers to participate in human rights management, LX Semicon has included human rights-related provisions in its “Supplier Code of Conduct,” thereby establishing a foundation for managing various human rights risks.

### Human Rights Management Policy

LX Semicon actively practices human rights management across all areas of its business, respecting the rights and values of all stakeholders—employees, customers, and suppliers—equally. To prevent human rights violations and manage them effectively, the company has established and publicly disclosed the “LX Semicon Human Rights Management Policy.”

This policy is based on key international standards and guidelines, including the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the 10 Principles of the UN Global Compact (UNGC), the UN Convention on the Rights of the Child, the UN Guiding Principles on Business and Human Rights (UNGPs), and the OECD Due Diligence Guidance for Responsible Business Conduct. The policy applies not only to LX Semicon employees but also to all stakeholders, including suppliers, partners, and joint ventures. It was formally adopted following approval by the ESG Committee under the BOD.

In 2025, the policy was revised to reflect feedback from external stakeholders. Specifically, detailed items were added to strengthen its effectiveness and inclusiveness, such as guaranteeing a living wage, considering local communities, and specifying response measures in the event of child labor violations. LX Semicon will continue to develop its human rights management system in alignment with international standards and best practices.

#### Overview of the Human Rights Policy

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Purpose</li> <li>2. Scope of Application</li> <li>3. Fundamental Principles                         <ul style="list-style-type: none"> <li>• Ensure occupational safety and health</li> <li>• Prohibit forced labor</li> <li>• Prohibit child labor and implement protective measures for young workers</li> <li>• Guarantee freedom of association and collective bargaining</li> <li>• Comply with working hour regulations</li> <li>• Prohibit discrimination</li> <li>• Prohibit harassment</li> </ul> </li> </ol> | <ul style="list-style-type: none"> <li>• Ensure fair wages and benefits</li> <li>• Practice responsible mineral sourcing</li> <li>• Manage supply chains responsibly</li> <li>• Protect personal information</li> <li>• Protect the human rights of local communities</li> <li>• Ensure environmental rights</li> </ul> <ol style="list-style-type: none"> <li>4. Operational Framework                         <ul style="list-style-type: none"> <li>• Human rights management governance</li> <li>• Human rights risk management</li> <li>• Grievance handling process</li> </ul> </li> </ol> |
|--|--|

#### Supplier Code of Conduct (Article 1: Labor and Human Rights)

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. Voluntary employment (prohibition of forced labor)</li> <li>2. Prohibition of child labor and management of young workers</li> <li>3. Prohibition of excessive overtime</li> <li>4. Wages and benefits</li> </ol> | <ol style="list-style-type: none"> <li>5. Humane treatment</li> <li>6. Prohibition of discrimination and harassment</li> <li>7. Freedom of association</li> </ol> |
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Strengthening Occupational Health and Safety

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## Expansion of Human Rights Initiatives

### Human Rights Impact Assessment

LX Semicon conducted a human rights impact assessment survey to systematically identify actual and potential human rights issues that may arise in the course of its business operations, and to proactively prevent and address negative impacts by integrating them into its human rights management practices. This survey was carried out in 2025 with key stakeholders, based on LX Semicon's ESG material issues.

In particular, the survey items were designed to comprehensively reflect both domestic and international human rights standards and guidelines, including the Korean government's K-ESG Guidelines, the ILO Core Conventions, the Universal Declaration of Human Rights, the EU Supply Chain Due Diligence Directive, and Germany's Supply Chain Due Diligence Act.

#### Key Survey Topics

- Awareness of LX Semicon's human rights management level
- Identification of human rights violations and specific experiences by issue
- Evaluation of necessary improvements by issue to strengthen human rights management

#### Scope of Human Rights Impact Assessment

- Stakeholders covered: LX Semicon employees, suppliers, and on-site workers affiliated with suppliers

#### Key Survey Questions

No.	Question
1	Are you aware of LX Semicon's Human Rights Management Policy?
2	Please select the human rights issue that appears to be the most vulnerable in the course of LX Semicon's business operations.
3	Do you believe LX Semicon exercises appropriate due diligence and effort to prevent human rights violations among various stakeholder groups (employees, affiliates, suppliers, customers, shareholders/investors, local communities)?
4	Please select the stakeholder group that you believe is most vulnerable to human rights issues in the course of LX Semicon's business activities.
5	Please select the internal employee group that appears most vulnerable to human rights issues in the course of LX Semicon's business activities. (This includes discrimination or disadvantages in labor and employment relations.)
6	Please select the supplier group that you believe is most vulnerable to human rights issues in the course of LX Semicon's business activities.
7	Have you, a colleague, or any member of society ever felt that human rights were not sufficiently respected in connection with LX Semicon?

### LX Semicon Human Rights Management Checklist

In 2024, LX Semicon conducted a self-assessment on human rights management based on its Human Rights Management Checklist to identify potential human rights risks across all relevant departments. The assessment was used to evaluate the current status of human rights practices and to identify specific areas for improvement by category. This year, building on the results of the self-assessment, the company conducted a more in-depth human rights impact assessment and is using the findings to drive continuous improvement and proactive management of human rights risks.

#### Human Rights Management Checklist

Items					
Ensure occupational safety and health	Prohibit child labor	Comply with working hours	Wages and benefits	Protect personal information	Establish human rights management system
Prohibit forced labor	Guarantee freedom of association	Prevent discrimination / harassment	Manage supply chains responsibly	Ensure environmental rights	Operate human rights management system

No.	Question
8-1-6	If you have directly or indirectly experienced human rights violations involving LX Semicon employees, suppliers, customers, local residents, shareholders/investors, or others, please select the relevant issue from the list below.
9	In relation to the experience above, did you, a colleague, or others take any action?
10	How did you or your colleague respond? Please select from the options below.
11	If no action was taken, please select the reason from the options below.
12	Do you think LX Semicon has an adequate grievance and remedy process in place for reporting, consultation, or resolution of human rights violations?
13	Please share any comments or suggestions for improvement regarding LX Semicon's human rights management.

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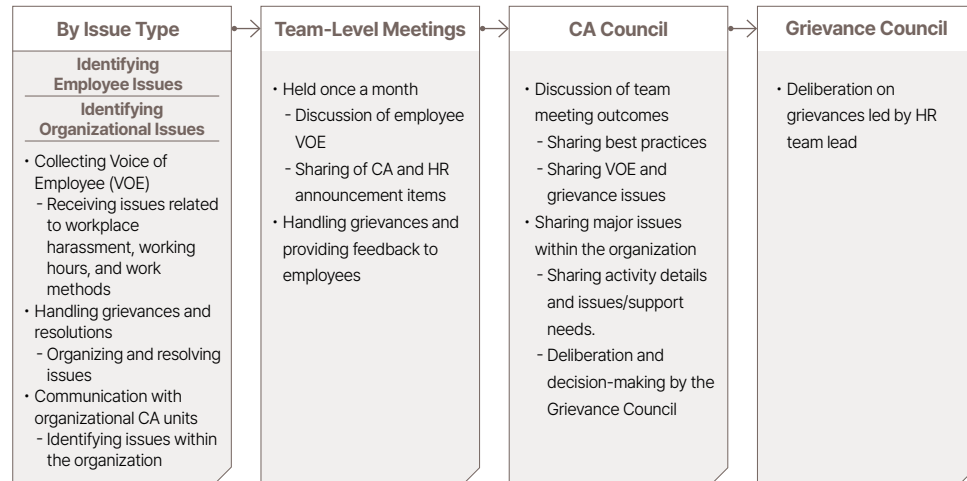
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## Expansion of Human Rights Initiatives

### Grievance Handling Process

LX Semicon prevents and responds effectively to the negative impacts of human rights violations through its grievance handling process. The company continuously monitors ethical misconduct such as gender discrimination, discrimination against persons with disabilities, and workplace bullying through various channels and strives to provide practical solutions. In particular, when a grievance is filed and an investigation is initiated, the anonymity of the whistleblower is strictly protected. The company also implements separation measures to prevent secondary harm, ensuring immediate and effective corrective actions.



### Human Rights Grievance Channels

LX Semicon operates various grievance channels to promptly receive and effectively resolve human rights violations and workplace grievances. To ensure that employees can report concerns without fear, the company guarantees anonymity and accessibility, thereby reinforcing its commitment to human rights protection and Jeong-Do Management.

Grievance Handling Channels	Details
Grievance Reporting (Online)	Operation of the "Grievance Handling Now Talk" menu on the company intranet
Labor-Management Council Hotline	Operation of anonymous communication channels via KakaoTalk or contact with designated personnel per department
Report of Workplace Sexual Harassment/Bullying	(On-Offline) Handled by the Organizational Culture Team (Online) "Sexual Harassment/Workplace Harassment Report" menu on the company intranet
Ethics Hotline (Online)	Operation of "Ethics Hotline" on the company website
Ethics Bureau Reporting	Reporting available through direct visits, mail, email, or phone (both online and offline methods available)

### Human Rights Training

LX Semicon regularly conducts human rights training for all employees, including workplace disability awareness and sexual harassment prevention, to foster an inclusive organizational culture. Additionally, for organizational leaders such as department heads, directors, and team leaders, the company provides separate semiannual training sessions, which include topics such as workplace bullying and sexual harassment prevention.

#### Human Rights Management Training

Category	Unit	2022	2023	2024
Workplace Disability Awareness Training	Training Hours	1,646	1,561	1,438
	Trained Participants	1,646	1,561	1,438
Workplace Sexual Harassment Prevention Training	Training Hours	1,646	1,561	1,438
	Trained Participants	1,646	1,561	1,438

### Key Human Rights Grievance Handling Outcomes

LX Semicon has continuously monitored discrimination cases constituting ethical violations, such as gender discrimination, discrimination against persons with disabilities, and workplace harassment, over the past three years. In the event of an incident, the company has responded promptly through immediate corrective actions.

In 2022, one case each of sexual harassment and workplace harassment occurred in Korea. The company took immediate action to separate the victim from the perpetrator for protection and imposed appropriate disciplinary measures on the individuals involved. As a result, LX Semicon further strengthened its sexual harassment and workplace harassment prevention training and introduced customized programs reflecting job level and gender characteristics to prevent recurrence.

In 2023, no cases of workplace harassment or sexual harassment were reported across domestic or overseas offices. However, in 2024, two cases of sexual harassment occurred in Korea. As in previous cases, the company immediately separated the victims from the perpetrators and swiftly enforced disciplinary measures against those involved.

#### Grievance Handling Status

Category	Unit	2022	2023	2024
Number of Grievance Reports	cases	2	-	2
Number of Grievance Handling Cases	cases	2	-	2
Grievance Resolution Rate	%	100	100	100

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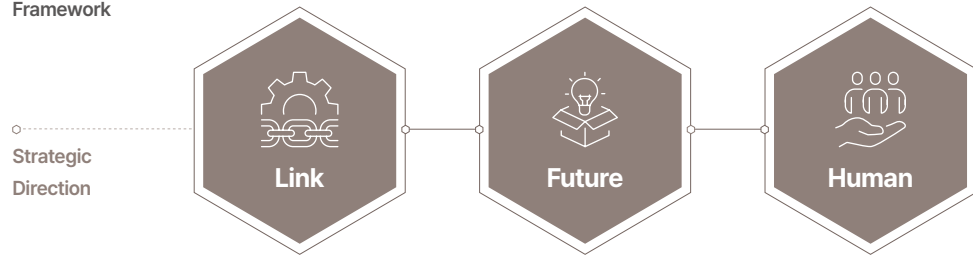
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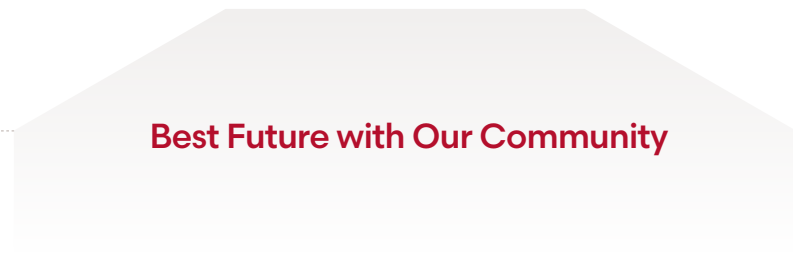
### Social Contribution System

LX Semicon, based on the core values of the LX Group, is actively committed to fulfilling its social responsibilities by contributing to solving issues in local communities. To this end, the company engages in continuous social contribution activities through close communication with various local stakeholders and consistently strives to create social value and promote mutual growth.

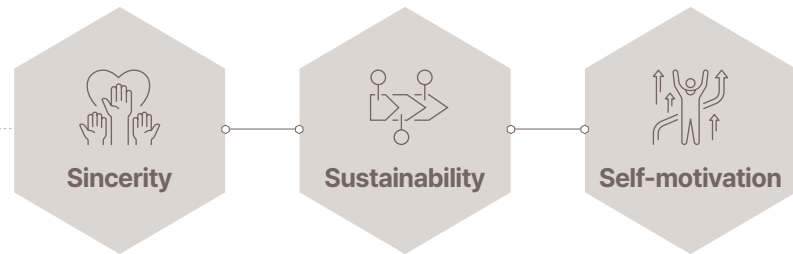
#### Implementation Framework



#### Implementation Direction



#### Implementation Principles



### Social Contribution Activities

#### Support for Underprivileged Children

In the second half of 2024, LX Semicon hosted the cultural event “LX Semicon Da-Gachi,” a donation and auction initiative by employees to support underprivileged groups. A total of approximately KRW 23 million was raised through this event and donated to the Daejeon Jahye Orphanage and Seoul Myungjin Deulkkot Sarang Village. The auction was conducted by employees donating their personal belongings to be sold internally, with all proceeds contributed to the cause.

Additionally, LX Semicon continues its collaboration with local childcare facilities, providing necessary supplies to ensure children in residence can live in a more comfortable environment, thereby maintaining its commitment to sustained social contribution.

#### Support for Promotion of Disabled Sports

LX Semicon actively supports the “Disabled Sports Team” to promote and expand access to sports for persons with disabilities. In addition to operating the team, the company contributes to the development of disabled sports by offering systematic and professional training environments for athletes in each sport.

As of the end of 2024, a total of 23 athletes across 9 disciplines are actively participating. LX Semicon plans to continue its structured and consistent support to help athletes perform at their best while further advancing and broadening the base of disabled sports.

#### Support for Vulnerable Groups

In October 2024, LX Semicon participated in a kimchi-making donation event held in Yuseong-gu as part of its community support efforts. Employees took part in the kimchi-making process and also made additional financial donations to enhance practical support for vulnerable populations.

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## Talent Management and Capability Development

### Human Resource Management

LX Semicon operates dedicated teams by function to efficiently carry out human resource management activities.

Division	Dedicated Roles
HR Planning Team	<ul style="list-style-type: none"> <li>Executive HR management and organizational development</li> <li>Operation of company-wide Talent Development Committee</li> </ul>
Talent Acquisition Team	<ul style="list-style-type: none"> <li>Talent recruitment and employee retention</li> <li>Employee development and career development (CDP)</li> <li>Performance evaluation, compensation, and promotion management</li> </ul>
Organizational Culture Team	<ul style="list-style-type: none"> <li>Employee care and grievance/concern handling</li> <li>Innovation in work practices and building a pleasant workplace</li> <li>HR risk management</li> </ul>
Talent Development Team	<ul style="list-style-type: none"> <li>Establishment and execution of talent development systems</li> <li>Planning of company-wide training programs and development of education frameworks</li> <li>Development and operation of training programs-onboarding/level-based training, job training, leadership training, global training, etc.</li> </ul>
General Affairs Team	<ul style="list-style-type: none"> <li>Creating a pleasant working environment to improve work efficiency</li> <li>Supporting and operating welfare programs to enhance employee satisfaction</li> </ul>

LX Semicon operates a company-wide Talent Development Committee to review organizational operations, talent development plans, and manage related performance outcomes. Each department runs its own Talent Subcommittee, which deliberates on matters such as employee promotions, compensation, and performance evaluations. The Labor-Management Council holds regular quarterly meetings to discuss various agenda items and grievance resolution measures between the company and its employees.

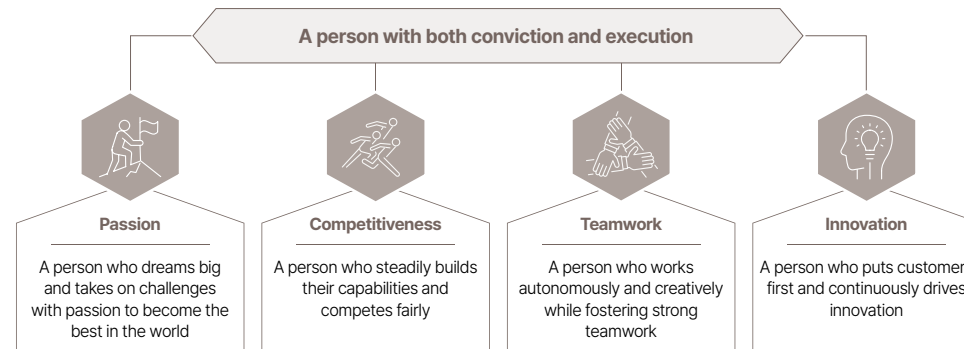
Division	Frequency	Roles
Talent Development Committee (Company-wide)	Annually	<ul style="list-style-type: none"> <li>Review of next year's organization and leadership assignments</li> <li>Discussion on executive candidate identification and talent development</li> <li>Discussion on organizational culture improvement strategies</li> </ul>
Talent Subcommittee (by department)	As needed	<ul style="list-style-type: none"> <li>Review and deliberation on employee evaluations, promotions, compensation, and development</li> </ul>
Labor-Management Council	Quarterly	<ul style="list-style-type: none"> <li>Review of agenda related to company welfare systems</li> <li>Discussion on employee training and capability development</li> <li>Review of employee grievances/issues and decision-making on unresolved matters</li> <li>Employee satisfaction survey</li> </ul>

### Talent Recruitment Policy

LX Semicon embraces "Change, Innovation, and Challenge" as its core values and upholds the principle of "voluntary participation and self-directed growth" as a behavioral standard. To secure talent who can embody these values, the company operates a variety of recruitment processes. It also actively implements programs to enhance new hires' satisfaction and support smooth adaptation to the organization.

In particular, when hiring new employees, LX Semicon closely assesses the suitability between applicants and the company through internship programs linked to employment. The internship period is six weeks for bachelor's degree candidates and four weeks for master's degree candidates. During this time, recruiters and on-site departments conduct an in-depth evaluation of each applicant's capabilities and potential to identify candidates aligned with LX Semicon's management philosophy. Additionally, to help interns adapt quickly to the organization and effectively enhance their practical competencies, LX Semicon runs a mentor and buddy system, actively supporting their development into future key talent.

#### LX Semicon Talent Philosophy



#### Entry-Level Recruitment Process and Early Talent Acquisition Activities

<p><b>Employment-Linked Internship</b></p> <p>A process in which candidates experience LX Semicon's corporate culture through an internship and undergo mutual assessment to determine their suitability, ultimately leading to potential conversion to a full-time position.</p>	<p><b>Industry-Academic Scholarship Program</b></p> <p>A program that offers scholarships during graduate school and guarantees employment at LX Semicon upon graduation.</p>	<p><b>Efforts to Secure R&amp;D Master's and Doctoral Talent</b></p> <p>As a leading fabless company in Korea, LX Semicon carries out various initiatives to proactively secure R&amp;D talent with master's and doctoral degrees. Since 2009, the company has operated an industry-academic scholarship program that supports students in electrical and electronic engineering fields as they pursue graduate studies, helping them continue their education with financial stability. Furthermore, LX Semicon actively participates as a consortium partner in university semiconductor specialization tracks and graduate school programs dedicated to semiconductor research, supporting the development of domestic system semiconductor talent and securing outstanding individuals. Through these efforts, the company aims to secure specialized professionals with strong R&amp;D capabilities and contribute to the sustainable growth of Korea's semiconductor industry.</p>
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## Talent Management and Capability Development

### Goal to Enhance Workforce Diversity

As part of its strategy to foster and hire regional talent, LX Semicon operates local campuses. These campuses provide high-quality education and employment opportunities to outstanding individuals in the area, while assigning specialized functions for technology development at each regional hub. This approach contributes to enhancing the competitiveness of local industries and revitalizing the regional economy. In particular, LX Semicon aims to systematically nurture future key talent while promoting mutual growth with local communities. Additionally, to uphold the values of diversity and inclusion, the company operates a sports team for persons with disabilities. This initiative goes beyond employment by using sports activities to boost members' self-esteem and sense of belonging, while cultivating a culture of respect for diversity within the organization. As of the end of 2024, the team included 23 members, and LX Semicon continues to support the initiative as part of its commitment to social responsibility.

### Recruiting Outstanding Talent to Suit Overseas Operations

LX Semicon tailors its recruitment efforts to the specific needs of each country to secure top talent for its overseas operations. Starting in 2024, the company has implemented employment-linked internship programs at its Japanese subsidiary and Indian branch. These programs allow young professionals in each region to gain hands-on experience in real corporate environments and improve their competencies. Through these efforts, LX Semicon actively discovers top regional talent and continuously advances its talent acquisition strategies to enhance competitiveness in the global semiconductor market.

### Operation of Experience-Based Internship Programs

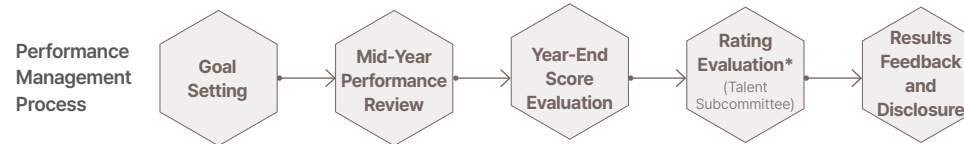
LX Semicon continuously operates experience-based internship programs that allow university students to gain hands-on work experience and develop job competencies before graduation. These internships cover R&D fields such as analog design, digital design, and testing, as well as corporate roles like HR. The programs help participating students deepen their understanding of the roles and plan their future career paths. In particular, LX Semicon collaborates with top domestic universities to offer credit-linked field training programs, enabling students to balance academic learning with practical experience and gain early exposure to the industry.

### Improvement and Strengthening of New Hire Onboarding

In response to the growing number of new employees, LX Semicon operates a structured onboarding program designed to help young talent have a positive experience. The program includes welcome gifts, welcome boards and letters, and access to a new employee guide page, all aimed at helping new hires adapt quickly and feel a sense of belonging. From the final acceptance announcement to the first 100 days after joining, the program provides step-by-step support to help new employees naturally adjust to LX Semicon's culture and work. The onboarding process is continuously improved to promote smooth integration and job engagement.

### Talent Performance Evaluation

LX Semicon aims to provide a competitive level of compensation both internally and externally by operating a fair, performance-based compensation system that enhances employee engagement. To this end, the company conducts regular performance evaluations for all employees, including permanent staff, contract workers, and executives. A structured performance management process is in place, beginning with goal setting at the start of each year, followed by a mid-year performance review and a year-end evaluation. This process includes assessments of KPI achievement and the provision of feedback. Individual evaluation results are reflected in compensation, development, and promotion decisions, supporting both employee growth and motivation.



\* Final ratings are confirmed through the Talent Subcommittee, attended by organizational leaders under the supervision of executives and the HR team.

### Regular Performance Evaluation\*

Division		Unit	2022	2023	2024
Percentage of employees covered by regular performance evaluation**		%	100	100	100
Gender	Male	persons	1,139	1,220	1,144
	Female	persons	249	265	238
By Age	Under 30 years old	persons	371	385	283
	30 to under 50 years old	persons	938	997	964
Percentage by Age	50 years and older	persons	79	103	135
	Under 30 years old	%	27	26	20
Group	30 to under 50 years old	%	68	67	70
	50 years and older	%	6	7	10

\* Job competency evaluation is included in the regular performance evaluation

\*\* All employees (regular, contract, and executives), excluding those with less than 6 months of service and dispatched personnel

### Compensation

Division		단위	2022	2023	2024
Salary	Average Salary of All Employees	KRW 1 million	88	92	103
	Male	KRW 1 million	94	98	110
	Female	KRW 1 million	64	67	76
Gender Pay Ratio	All Employees	times	0.68	0.69	0.69
	Management	times	0.96	1.01	0.93
	Non-Management	times	0.75	0.73	0.73
	Executives	times	0.83	0.68	0.70

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## Talent Management and Capability Development

### Talent Development and Training System

LX Semicon places the highest value on the growth of each employee and provides a wide range of training programs to enhance their capabilities. By offering a structured talent development curriculum-including leadership development, core and specialized job skills, and global competency enhancement-the company fosters an environment that supports continuous employee growth.

#### Leadership Development

LX Semicon runs various training and coaching programs to ensure that leadership competencies required at each position level are developed in a timely manner. For organizational leaders, regular leadership training is provided to support effective organizational management and performance creation. For prospective leaders, preemptive training is offered to help them build the competencies needed to perform future team leader roles. In addition, personalized coaching programs are implemented for those newly assigned to strategic roles or requiring focused development, reinforcing the link between individual growth and organizational performance.

#### Core Competency Development

LX Semicon operates structured training programs tailored to each employee's position and role. Based on LX's core values, foundational competency training is conducted by job level, with company-wide training also provided to internalize these values. New and experienced employees participate in onboarding programs to deepen their understanding of the organization and facilitate smooth interpersonal integration. For each job level, required competencies are clearly defined, and customized training courses are offered to strengthen these capabilities effectively.

#### Professional Skill Development

LX Semicon has established job-specific training systems across key functions such as R&D, sales and marketing, and quality. The company provides job training that reflects both employees' current competency levels and their individual needs. In particular, R&D personnel are encouraged to complete job competency-related training at least twice a year. Employees are supported in independently planning their learning schedules and engaging in self-directed development.

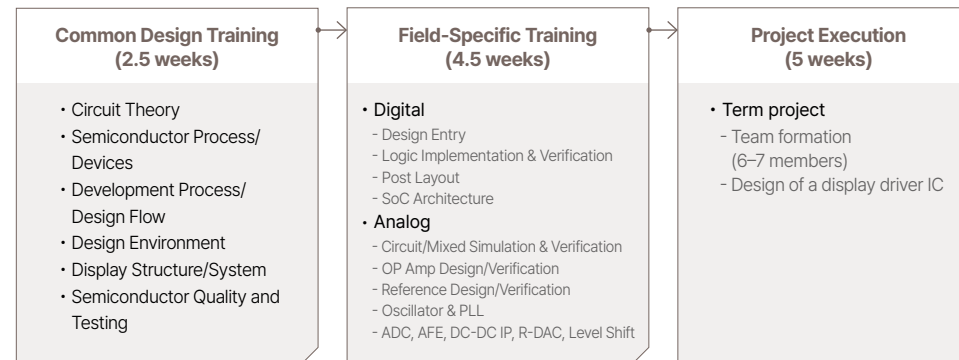
#### Global Competency Enhancement

With the expansion of its global business, LX Semicon supports various initiatives to strengthen employees' global competencies. For Foreign Service Employees, pre-departure training and language programs are provided to support their adaptation to local environments. Additionally, both overseas assignees and local hires are offered customized development programs suited to their roles and working conditions. Starting in 2024, LX Semicon has conducted regular professional training for local hires at its China subsidiary to enhance job expertise-offering online training during the first half of the year and in-person sessions at headquarters in the second half. These initiatives form part of a systematic approach to global talent development.

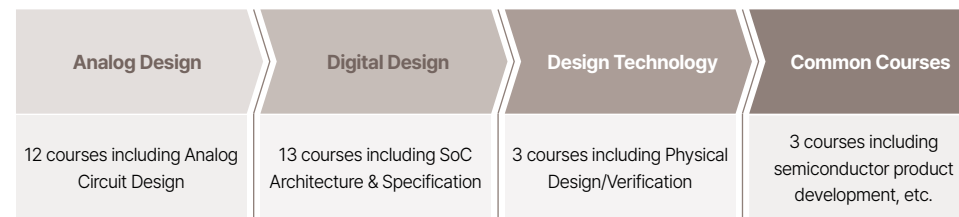
### Training Programs for Enhancing Design Capabilities

LX Semicon has established a company-wide specialized training system to strategically develop its design workforce and continuously develops and operates programs to strengthen practical design competencies. In 2024, the company introduced a new advanced course specifically for senior and principal researchers to enhance both theoretical understanding and practical skills. This course includes lectures not only from in-house instructors but also from external experts such as university professors and research institute specialists, thereby enhancing program expertise and supporting the development of advanced design capabilities.

#### Design Academy for New Hires



#### Advanced Design Courses



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## Talent Management and Capability Development

### Fostering a Continuous Learning Culture

LX Semicon fosters a culture of continuous learning to support employees' ongoing growth and self-directed learning. In addition to formal training, the company provides an online learning environment by producing and uploading video lectures on a variety of topics, including job-specific and onboarding training. Employee-led learning clubs are also encouraged to facilitate knowledge sharing and practical application across different topics. Furthermore, the company offers a wide range of learning opportunities by regularly sharing information on job training, relevant academic conferences, and seminars through the internal training information board.

#### Online Training Systems

Training System	Details
LX Academy	Joint training platform for the LX Group
SINGLEX HR	LX Semicon's online/offline class registration system
Learning Madang	Learning platform for job training, internal processes, etc.

#### Internal Learning Club

Learning Area	Details
FE/BE	Learning in areas related to Physical Design such as FT and PnR
PMIC	Learning Logic Function and Design Sharing to improve PMIC performance and design capabilities
Patents	Building a project framework for strategic patent development through enhancement of patent competency
Design Verification	Learning in areas related to enhancing Design Verification capabilities

### Mentoring Activities

For R&D positions, LX Semicon promotes researcher development and enhanced care through mentoring activities. Mentors and mentees are matched by project or task unit, allowing for hands-on, task-based coaching that supports mentees in adapting to practical work and improving their competencies. This program is scheduled to be expanded to include all researchers starting in 2025.

### Training Status and Performance Data\*

Unit	Unit	2022	2023	2024
Total Training Hrs.	hours	42,085	64,925	67,926
Total Training Expense	KRW 100 million	19	22	18
Training Hours per Person	hours	27	42	47
Training Investment per Person	KRW 1,000	1,177	1,423	1,217

\* Based on domestic business sites in accordance with relevant education-related laws and regulations in Korea.

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## Talent Management and Capability Development

### Employee Communication

LX Semicon actively listens to employees' concerns and opinions and facilitates effective communication with the company by operating consultative bodies that include department-level CAs and organizational leaders. Through quarterly Grievance Councils, the company gathers feedback and grievances from employees, discusses solutions, and establishes improvement measures. In addition, a quarterly performance sharing session is held both online and offline with participation from the CEO and all employees, providing real-time opportunities for feedback and Q&A. Furthermore, the company enhances communication by sharing ongoing organizational culture improvement campaigns and activities via the internal bulletin board, and by providing content such as semiconductor industry trends, business performance, and employee interviews through platforms like the company website, YouTube, and blog.

### Work Satisfaction Survey

In 2024, LX Semicon operated its organizational development program under the name "Building Resilient Teams." This program was designed around key elements such as mutual respect, honesty and fairness, job satisfaction, and communication, with the goal of strengthening the organizational culture of collaboration and improving the overall work environment.

Measurement Category	Key Question
Job Satisfaction	I am satisfied with the work I am currently doing.
Integrity/Fairness	I am in an environment where I can perform my work honestly and fairly.
Communication	Our department communicates comfortably regardless of position or rank.
Respect	Our leaders treat members with respect.

### In-House Counseling Center 'The Gonggam'

LX Semicon operates an in-house psychological counseling center, The Gonggam, to support employees' mental health and emotional well-being. The center connects employees with professional counselors to provide expert advice and tailored solutions for concerns such as work-related stress, interpersonal relationships, and family issues.

### Reemployment Support Services

LX Semicon offers reemployment support services to employees aged 50 and over who have worked at the company for at least one year. Upon request, eligible employees can choose from job placement assistance, job training, or entrepreneurship training programs.

### Flexible and Family-Friendly Work Environment

LX Semicon operates various work systems and welfare policies to enhance work efficiency and promote work-life balance for its employees. The company implements a flexible work system based on a monthly selective working hours arrangement, allowing employees to set their own start and end times, thereby respecting individual work rhythms and lifestyle patterns. In addition, the telecommuting system enhances flexibility in work arrangements. Policies such as extended maternity leave, support for parental leave, and reduced working hours help minimize career interruptions for employees during childcare periods and support a smooth return to work. Moreover, the company operates an in-house daycare center to ease the burden of childcare and provides educational support programs such as tuition assistance to help reduce education costs, laying a strong institutional foundation to improve employees' overall quality of life.

<p><b>Flexible Working Hours</b> Operated on a monthly basis under a selective working hours system</p>	<p><b>Remote Work System</b> Actively utilized for maternity protection and other needs</p>
<p><b>Encouraged Leave System</b> Actively promoted during bridge holidays (18 days per year)</p>	<p><b>Casual Dress Code</b> Casual dress policy in place at all times, aligned with TPO standards</p>

### Employee Welfare

LX Semicon operates various work systems and welfare policies to enhance work efficiency and promote work-life balance for its employees. These include support for family events and natural disasters, medical expense and tuition assistance, housing loans, and a flexible benefits system (welfare points), all designed to help employees maintain a stable and secure lifestyle.

<p><b>Health</b></p> <ul style="list-style-type: none"> <li>• Medical expense support for employees and their families</li> <li>• In-house cafeteria operation (providing breakfast, lunch, and dinner)</li> <li>• Health checkups (for employees and spouses)</li> <li>• On-campus wellness center and gym operations</li> <li>• Health programs (smoking cessation, weight management, etc.)</li> </ul>	<p><b>Growth</b></p> <ul style="list-style-type: none"> <li>• Support for in-house clubs and learning circles</li> <li>• Support for language courses and book purchases</li> </ul>	<p><b>Life &amp; Family</b></p> <ul style="list-style-type: none"> <li>• Full support for children's tuition</li> <li>• Operation of LX Semicon's in-house daycare center</li> <li>• Operation of children's psychological support programs</li> </ul>	<p><b>Refresh</b></p> <ul style="list-style-type: none"> <li>• Sports ticket support (baseball, soccer)</li> <li>• Lodging support (resorts, training centers, condos, etc.)</li> <li>• Discounts for cultural activities (leisure, cultural facilities, etc.)</li> </ul>
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# Social

## Talent Management and Capability Development

### All Employees

LX Semicon continuously promotes workforce diversity and strives to secure top talent in order to respond proactively to the growth and transformation of the semiconductor industry.

Category		Unit	2022	2023	2024
Total No. of Employee*	Total	persons	1,688	1,661	1,590
	Domestic	Total	1,581	1,543	1,460
		Male	1,277	1,250	1,187
		Female	304	293	273
	Overseas	Total	107	118	130
		Male	83	93	104
		Female	24	25	26
Regular Employees	Total	persons	1,643	1,608	1,521
	Domestic	Total	1,537	1,493	1,396
		Male	1,250	1,217	1,141
		Female	287	276	255
	Overseas	Total	106	115	125
		Male	82	90	99
		Female	24	25	26
Contract Employees (Non-regular)**	Total	persons	45	53	69
	Domestic	Total	44	50	64
		Male	27	33	46
		Female	17	17	18
	Overseas	Total	1	3	5
		Male	1	3	5
		Female	-	-	-

\* Scope of Data Collection for Overseas Business Sites: United States, China, Japan, and Taiwan subsidiaries

\*\* Contract Employees (Non-regular): Perform tasks such as administrative support

Category		Unit	2022	2023	2024
Total No. of Employee*	Total	persons	1,688	1,661	1,590
	Domestic	Total	1,581	1,543	1,460
		Under 30 years old	456	387	321
		30 to under 50 years old	1,028	1,034	991
	Overseas	50 years and older	97	122	148
		Total	107	118	130
		Under 30 years old	25	18	18
Regular Employees	Domestic	30 to under 50 years old	71	83	91
		50 years and older	11	17	21
		Total	106	115	125
	Overseas	Under 30 years old	29	25	22
		30 to under 50 years old	65	67	68
		50 years and older	6	8	10
	Contract Employees (Non-regular)**	Domestic	Total	100	100
Under 30 years old			29	25	22
30 to under 50 years old			65	67	68
Overseas		50 years and older	6	8	10
		Total	100	100	100
		Under 30 years old	23	15	14
By Region		Domestic	30 to under 50 years old	66	70
	50 years and older		10	14	16
	Total		1,688	1,661	1,590
	Overseas	Domestic	1,581	1,543	1,460
		Overseas	107	118	130
		Total	100	100	100
	By Region (%)	Domestic	94	93	92
Overseas		6	7	8	

\* Age and age ratio data show partial value changes between 2022 and 2023 compared to the previous year.

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# Social

## Talent Management and Capability Development

### Female Employees

LX Semicon is committed to creating a work environment where capable female employees can grow as leaders and fully demonstrate their abilities. The company strives to provide continuous opportunities and has established various institutional support systems to prevent career interruptions due to pregnancy and childbirth.

Category		Unit	2022	2023	2024
Overall	Total	persons	328	318	299
	Domestic	persons	304	293	273
	Overseas	persons	24	25	26
Female Managers	Total	persons	7	6	6
	Domestic	persons	7	6	6
	Overseas	persons	-	-	-
Headcount* Female Executives	Total	persons	1	1	1
	Domestic	persons	1	1	1
	Overseas	persons	-	-	-
Revenue-Generating Departments	Total	persons	28	24	25
	Domestic	persons	20	16	17
	Overseas	persons	8	8	8
STEM** Departments	Total	persons	174	169	151
	Domestic	persons	170	165	146
	Overseas	persons	4	4	5
Overall	Total	%	19	19	19
	Domestic	%	19	19	19
	Overseas	%	22	21	20
Female Managers	Total	%	5	5	5
	Domestic	%	5	5	5
	Overseas	%	-	-	-
Headcount (%) Female Executives	Total	%	6	6	6
	Domestic	%	6	6	6
	Overseas	%	-	-	-
Revenue-Generating Departments	Total	%	27	26	24
	Domestic	%	28	27	24
	Overseas	%	25	24	24
STEM Departments	Total	%	15	15	14
	Domestic	%	16	15	15
	Overseas	%	8	7	8

\* Scope of data collection for overseas business sites: United States, China, Japan, and Taiwan subsidiaries / Female managers: Includes team leaders, department heads, and other managerial positions excluding general staff

\*\* STEM : Science, Technology, Engineering, and Mathematics

### Employee Diversity

LX Semicon continuously strives to foster an organizational culture that respects the diversity and individuality of its employees, including gender, race, and disability status. To this end, the company is working to improve awareness among employees and strengthen inclusive policies, with the goal of building a fairer and more open work environment.

Category		Unit	2022	2023	2024	
Persons with Disabilities	Headcount	persons	27	26	24	
	Ratio (Domestic)	%	2	2	2	
Merit Patriots	Headcount	persons	4	5	5	
	Ratio (Domestic)	%	0.3	0.3	0.3	
Nationality	Subtotal		persons	1,581	1,543	1,460
	Domestic Business Sites	Republic of Korea	persons	1,567	1,529	1,446
		North America	persons	2	2	1
		Other Asia	persons	12	12	13
	Subtotal		persons	107	118	130
	Overseas Business Sites	Republic of Korea	persons	29	29	33
North America		persons	-	-	-	
Other Asia		persons	79	89	97	

### Parental Leave Usage Status

Category		Unit	2022	2023	2024
Total Number of Employees Eligible for Parental Leave*	Male	persons	334	346	316
	Female	persons	28	32	32
Total Number of Employees Who Used Parental Leave**	Male	persons	12	12	11
	Female	persons	8	6	12
Total Number of Employees Who Returned to Work After Parental Leave	Male	persons	3	11	8
	Female	persons	4	9	6
Total Number of Employees Who Remained Employed for 12 Months After Returning from Parental Leave	Male	persons	3	3	11
	Female	persons	2	4	8
Return-to-Work Rate After Parental Leave	Male	%	100	79	80
	Female	%	100	100	100
Retention Rate 12 Months After Returning from Parental Leave	Male	%	60	100	100
	Female	%	33	100	89

\* Based on family information registered in the HR system \*\* Data for 2022-2023 has been revised to align with the 2024 disclosure criteria

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## Talent Management and Capability Development

### Recruitment and Resignation

LX Semicon is actively striving to secure top talent as a key driver of its continued growth and is continuously improving related systems to support these efforts.

		Category	Unit	2022	2023	2024	
New Employment*	Total	Total	persons	458	127	147	
		Domestic	persons	430	108	124	
		Overseas	persons	28	19	23	
	Gender	Total	Male	persons	357	100	123
			Female	persons	101	27	24
		Domestic	Male	persons	336	86	103
			Female	persons	94	22	21
		Overseas	Male	persons	21	14	20
			Female	persons	7	5	3
	Gender (%)	Total	Male	%	78	79	84
			Female	%	22	21	16
		Domestic	Male	%	78	80	83
Female			%	22	20	17	
Overseas		Male	%	75	74	87	
		Female	%	25	26	13	

\* Scope of Data Collection for Overseas Business Sites : United States, China, Japan, and Taiwan subsidiaries / Excludes dispatched employees when counting overseas personnel (only locally hired new employees are included)

		Category	Unit	2022	2023	2024	
New Employment	By Age	Total	20s	persons	227	44	64
			30s	persons	160	47	57
			40s	persons	61	23	15
			50 and over	persons	10	13	11
			20s	persons	218	41	55
	By Age	Domestic	30s	persons	150	43	49
			40s	persons	55	18	12
			50 and over	persons	7	6	8
			20s	persons	9	3	9
			30s	persons	10	4	8
	By Age	Overseas	40s	persons	6	5	3
			50 and over	persons	3	7	3
20s			%	50	35	44	
30s			%	35	37	39	
40s			%	13	18	10	
By Age	Total	50 and over	%	2	10	7	
		20s	%	51	38	44	
		30s	%	35	40	40	
		40s	%	13	17	10	
		50 and over	%	2	6	6	
By Age	Domestic	20s	%	32	16	39	
		30s	%	36	21	35	
		40s	%	21	26	13	
		50 and over	%	11	37	13	
		20s	%	32	16	39	
By Age	Overseas	30s	%	36	21	35	
		40s	%	21	26	13	
		50 and over	%	11	37	13	
		20s	%	32	16	39	
		30s	%	36	21	35	

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# Social

## Talent Management and Capability Development

		Category	Unit	2022	2023	2024
Overall		Total	persons	132	150	227
		Domestic	persons	121	141	212
		Overseas	persons	11	9	15
Gender	Total	Male	persons	90	111	179
		Female	persons	42	39	48
	Domestic	Male	persons	85	106	168
		Female	persons	36	35	44
	Overseas	Male	persons	5	5	11
		Female	persons	6	4	4
Gender (%)	Total	Male	%	68	74	79
		Female	%	32	26	21
	Domestic	Male	%	70	75	79
		Female	%	30	25	21
	Overseas	Male	%	45	56	73
		Female	%	55	44	27
Resignation Status*	Total	Under 30 years old	persons	38	47	71
		30 to under 50 years old	persons	91	94	145
		50 years and older	persons	3	9	11
	Domestic	Under 30 years old	persons	35	42	65
		30 to under 50 years old	persons	83	91	137
		50 years and older	persons	3	8	10
	Overseas	Under 30 years old	persons	3	5	6
		30 to under 50 years old	persons	8	3	8
		50 years and older	persons	-	1	1
Total	Under 30 years old	%	29	31	31	
	30 to under 50 years old	%	69	63	64	
	50 years and older	%	2	6	5	
By Age (%)	Domestic	Under 30 years old	%	29	30	31
		30 to under 50 years old	%	69	65	65
		50 years and older	%	2	6	5
	Overseas	Under 30 years old	%	27	56	40
		30 to under 50 years old	%	73	33	53
		50 years and older	%	-	11	7

\* Scope of Data Collection for Overseas Business Sites: United States, China, Japan, and Taiwan subsidiaries / Excludes returning expatriates when counting overseas personnel (only resignations of locally hired employees are included)

		Category	Unit	2022	2023	2024
Overall		Total	persons	119	133	191
		Domestic	persons	109	126	183
		Overseas	persons	10	7	8
Gender	Total	Male	persons	83	100	148
		Female	persons	36	33	43
	Domestic	Male	persons	79	96	143
		Female	persons	30	30	40
	Overseas	Male	persons	4	4	5
		Female	persons	6	3	3
Gender (%)	Total	Male	%	70	75	77
		Female	%	30	25	23
	Domestic	Male	%	72	76	78
		Female	%	28	24	22
	Overseas	Male	%	40	57	63
		Female	%	60	43	38
Voluntary Resignation Status**	Total	Under 30 years old	persons	34	41	55
		30 to under 50 years old	persons	84	88	130
		50 years and older	persons	1	4	6
	Domestic	Under 30 years old	persons	31	37	53
		30 to under 50 years old	persons	77	85	124
		50 years and older	persons	1	4	6
	Overseas	Under 30 years old	persons	3	4	2
		30 to under 50 years old	persons	7	3	6
		50 years and older	persons	-	-	-
Total	Under 30 years old	%	29	31	29	
	30 to under 50 years old	%	71	66	68	
	50 years and older	%	1	3	3	
By Age (%)	Domestic	Under 30 years old	%	28	29	29
		30 to under 50 years old	%	71	67	68
		50 years and older	%	1	3	3
	Overseas	Under 30 years old	%	30	57	25
		30 to under 50 years old	%	70	43	75
		50 years and older	%	-	-	-

\*\* Scope of Data Collection for Overseas Business Sites: United States, China, Japan, and Taiwan subsidiaries / Excludes returning expatriates when counting overseas personnel (only resignations of locally hired employees are included)

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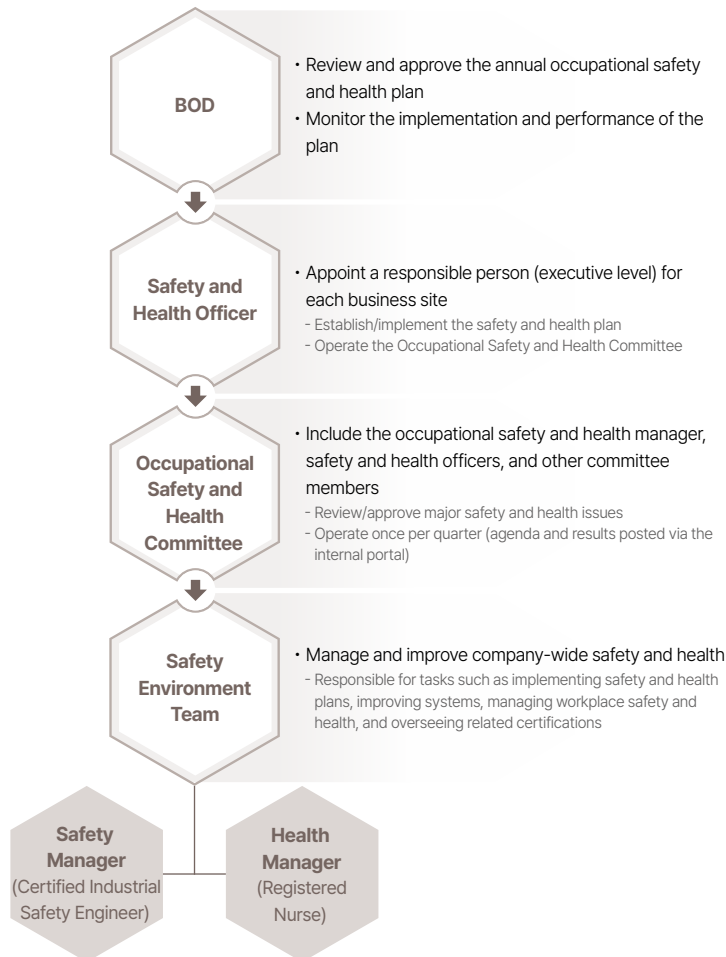
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# Social

## Strengthening Occupational Health and Safety

### Occupational Safety and Health Response System



### Occupational Health and Safety Policy

LX Semicon is committed to continuously improving the health and safety environment across all business sites to prevent accidents and enhance employee safety awareness. To this end, the company has established and disclosed a company-wide Occupational Health and Safety Management Policy based on ISO 45001. This policy applies not only to employees but also to non-regular workers at business sites, including subcontracted and dispatched personnel.

**LX Semicon**  
Occupational Safety  
and Health Policy

5 Key  
Occupational  
Safety and Health  
Management  
Policies

All LX Semicon employees recognize occupational safety and health as their highest priority and are committed to continuous improvement and implementation to create a safe and pleasant working environment, thereby preventing accidents and enhancing quality of life. Safety and health are regarded as the utmost core value and must be practiced through the following actions.

1. Comply with occupational safety and health laws and relevant regulations, and pursue continuous improvement
2. Establish a healthy and safe work environment to prevent employee injuries and illnesses
3. Actively support education and training to enhance all employees' understanding of occupational safety and health
4. Ensure all employees actively consult and participate in occupational safety and health activities and faithfully carry out their responsibilities and duties
5. Identify and eliminate risk factors to reduce the company's occupational safety and health risks

### Occupational Safety and Health Management Manual

LX Semicon has established and operates an occupational safety and health management manual to create a safe working environment. Based on this manual, the company strengthens accident prevention, compliance with safety and health-related laws and regulations, and its accident response system to enhance the overall level of safety and health management. This manual applies to all stakeholders who may be exposed to occupational safety and health risks due to LX Semicon's business activities, including employees, suppliers, and customers. The company continuously improves the manual to maintain a safe working environment through systematic management and preventive measures.

### Occupational Safety and Health System (ISO 45001 Certification)

Since 2022, LX Semicon has obtained ISO 45001 certification for all domestic business sites and verifies compliance through regular internal audits. Based on this certification, the company is strengthening its company-wide occupational safety and health management. ISO 45001 serves as a standard for evaluating potential risks at each business site, preventing occupational safety and health accidents, and continuously improving the working environment.

### Expansion of Occupational Safety and Health Training (Beyond Legal Mandatory Training)

At domestic business sites, LX Semicon is expanding occupational safety and health training by job level and campus to enhance safety awareness among all employees and strengthen accident prevention capabilities. Each campus designates a laboratory safety manager who provides chemical substance characteristics and hazard education (MSDS training) to laboratory users, helping them recognize and manage potential risks in advance. In addition, to enhance employees' emergency response capabilities, a CPR Academy has been established, offering regular training three times a year at each campus, with additional sessions provided upon request.

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## Strengthening Occupational Health and Safety

### Mid- to Long-Term Occupational Safety and Health Goals

LX Semicon has established a three-year mid- to long-term occupational safety and health management plan to prevent serious accidents and create a safe working environment, and is carrying out practical, field-oriented preventive activities. The key objectives are structured around five areas: improving the implementation rate of corrective actions from risk assessments, increasing the execution rate of emergency drills compared to planned schedules, enhancing participation in safety and health activities, strengthening inspections and training for vulnerable facilities, and advancing the health checkup rate and follow-up management system for individuals with medical findings. LX Semicon regularly monitors the annual implementation level and continuously works to improve performance. Through these efforts, the company aims to strengthen its organization-wide safety and health capabilities and establish a management system focused on effective risk reduction and prevention.

Division	2025	2026	2027
Corrective Actions from Risk Assessments	Achieve 90% implementation rate for identified hazards	Analyze recurring hazards and standardize improvement measures	Build a company-wide advanced risk assessment system
Emergency Drill Execution Rate	Achieve 90% or higher execution rate compared to plan	Introduce evaluation and feedback system for drills	Diversify drill scenarios and apply them company-wide
Occupational Safety and Health Participation Rate	Measure department-level participation rates and share best practices	Operate programs to boost engagement (e.g., contests)	Reflect participation rate in KPIs and establish a culture of voluntary involvement
Inspection and Training for Vulnerable Facilities	List high-risk equipment and strengthen regular inspections	Expand practical safety training content	Integrate safety management manuals for vulnerable facilities company-wide
Health Checkups and Follow-Up for Individuals with Findings	Achieve 100% health checkup and consultation rates for those with findings	Systematize history tracking and follow-up measures for individuals with findings	Introduce customized health management programs by job category

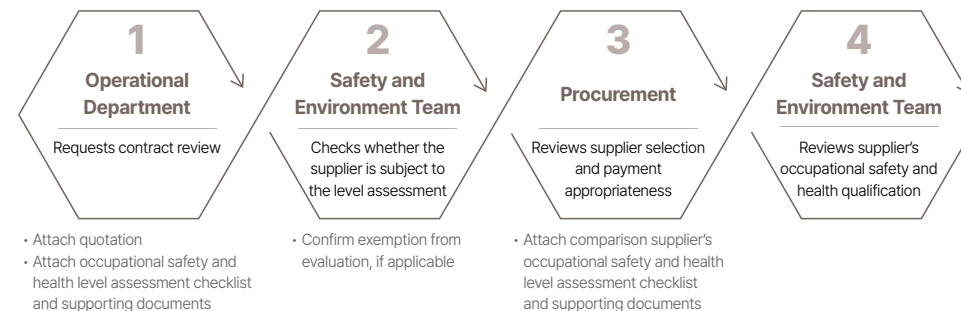
### Supplier Safety Competency Assessment

LX Semicon regularly conducts occupational safety and health qualification assessments of its suppliers to foster mutual growth and prevent industrial accidents while creating a safe working environment. These assessments target both internal and external suppliers performing construction and service work and evaluate their safety and health management levels. Based on the assessment results, the company takes follow-up measures such as identifying and addressing potential risks in advance. Suppliers scoring below 80 points are requested to make improvements and are required to submit relevant documentation upon completion to verify actual improvements. For suppliers scoring below 70 points, a warning letter is issued if such results occur more than once, and additional control measures are implemented. LX Semicon also provides guidance on establishing a safety and health management system, setting up risk assessment procedures, and preparing safe work procedures, helping suppliers build autonomous safety and health systems and ensuring the effectiveness and integration of these measures.

No	Occupational Safety and Health Management System	Key Inspection Items
1	Occupational Safety and Health Management System	Occupational safety and health management plan, occupational safety and health policy, enrollment in industrial accident compensation insurance, etc.
2	Operation of Occupational Safety and Health	Adequacy of occupational safety and health personnel, competency level of supervisors
3	Execution of Occupational Safety and Health Management	Risk assessment, safe work procedures, safety and health training, emergency response plans, etc.
4	Level of Accident Occurrence	Review of industrial accident records
5	Additional Points	ISO certification status, KOSHA risk assessment certification, history of serious accidents, etc.

### Advancement/Automation of Competency Assessment Process

LX Semicon evaluates its suppliers based on 12 criteria included in the safety and health level assessment checklist. The company collects supporting documentation for each item to verify the actual level of occupational safety and health management.



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# Social

## Strengthening Occupational Health and Safety

### Promotion of Occupational Safety and Health Culture

#### Operation of Safety and Health Bulletin Board

LX Semicon operates an internal “Safety and Health bulletin board” to enhance employees’ awareness of occupational safety and health and to manage these issues systematically. Through this platform, the company shares safety and health policies and management updates with employees, reinforcing a strong safety culture. Additionally, a “Voice of Employee (VOE)” section is available on the bulletin board for employees to submit safety and health improvement requests. Submitted items are reviewed and used to address risk factors at each business site through an established process.

#### Implementation of Collaborative Safety Culture Campaigns

To establish an occupational safety and health culture and raise employee awareness, LX Semicon conducts monthly awareness campaigns. These initiatives encourage employees to naturally practice safety and health measures in their daily tasks and help foster a corporate culture focused on maintaining a safe working environment.

### Employee Health Management Support

LX Semicon operates a variety of health management programs to promote employee well-being and create a safe working environment. General health checkups are provided to all domestic employees, and comprehensive medical checkups are additionally offered to those with over 5 years of service or aged 35 and older, enabling systematic health monitoring. The company also runs health programs aligned with themes such as smoking cessation and weight loss, and provides on-campus health management rooms and fitness centers to support employees in maintaining a healthier lifestyle. In addition, “Safety Participation Boxes” are installed in break rooms, allowing all employees to easily submit requests for occupational safety and health improvements. LX Semicon continues its efforts to drive meaningful improvements in the working environment through this system.

### Supplier Occupational Safety and Health Management

LX Semicon aims for “zero” safety incidents by establishing safety and health management standards for its suppliers and strengthening control through systematic operation. To achieve this, the company holds monthly regular safety and health councils with suppliers and conducts both scheduled and ad-hoc joint safety inspections at business sites to proactively prevent actual safety risks. In addition, LX Semicon provides safety management manuals and implementation plans to help suppliers strengthen their own safety controls. Through continuous monitoring and feedback, the company works collaboratively with its suppliers to create a safer working environment.

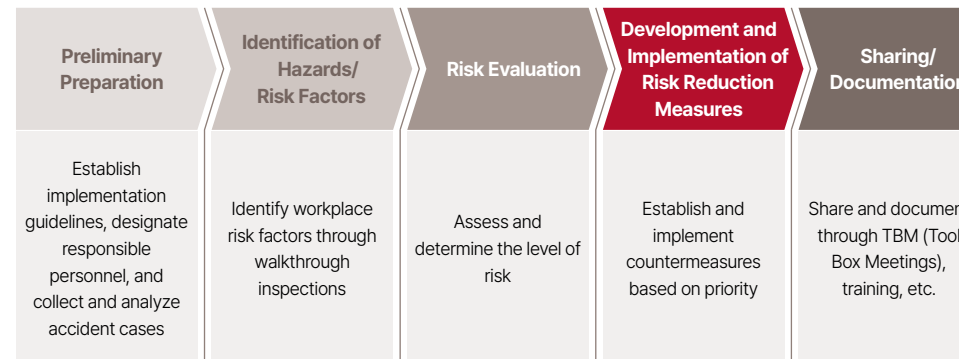
### Identification of Occupational Safety and Health Risks

LX Semicon conducts an annual occupational safety and health risk assessment to proactively identify and effectively manage potential risks. This process includes a comprehensive inspection of business sites and laboratories, and the findings are used to implement improvements that contribute to a safer working environment. Assessment items include facility safety, industrial accident prevention, employee health checkups, and hazardous substance management (including materials used at business sites and laboratories). Through systematic inspections and continuous improvement efforts, LX Semicon works to minimize occupational safety and health risks.

### Workplace Risk Assessment

LX Semicon conducts risk assessments at each business site to systematically manage occupational safety and health risks. Through this process, the company evaluates risk levels by site and strengthens preventive measures in advance. Risk assessments are categorized into three types: regular assessments (conducted annually), ad-hoc assessments (conducted as needed), and initial assessments (conducted when introducing new tasks, facilities, or equipment). Risk factors are identified across six categories, evaluated accordingly, and followed by actions to eliminate or mitigate the identified hazards. This approach allows LX Semicon to continuously improve safety levels at its business sites.

#### Workplace Risk Assessment Process Flow



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## Strengthening Occupational Health and Safety

### Laboratory Safety Management

#### Detailed Safety Inspections

LX Semicon conducts regular detailed safety inspections of laboratories to enhance safety management. Risk factors are identified based on pre-established risk levels, and immediate corrective actions are taken for any issues found. In particular, if a serious risk is detected, additional inspections are carried out, and corrective actions are required to be completed within three months under a structured management system.

#### Detailed Safety Inspection Rating Classification

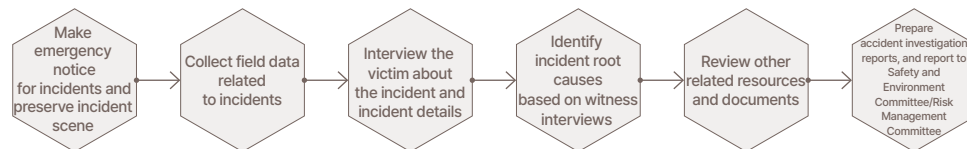
Rating	Assessment Criteria
1	No issues in the laboratory safety environment; safety is well maintained.
2	Minor defects found in the laboratory safety environment or research facilities that do not significantly impact safety but require improvement.
3	Defects found in the laboratory safety environment or research facilities that require safety environment improvements.
4	Major defects in the laboratory safety environment or research facilities, requiring restricted use.
5	Severe defects in the laboratory safety environment or research facilities with a high risk of accidents, requiring immediate suspension of use and corrective actions.

### Measurement of Laboratory Work Environment Risk

To protect employee health and create a safe working environment, LX Semicon conducts semiannual measurements of risk levels for hazardous agents. This process assesses the degree and level of exposure to harmful substances that could negatively affect workers, enabling detailed analysis of current conditions. Measurements are carried out according to a pre-established plan using personal sampling and analysis/evaluation methods.

### Safety Incident Investigation Process

LX Semicon conducts thorough investigations of all accidents, analyzing root causes and implementing corrective actions. Immediate response is prioritized to prevent recurrence of similar incidents and maintain a safe working environment. In the event of a serious accident, an accident investigation team is formed to conduct an in-depth investigation, clearly identify the cause, and establish preventive measures that are applied company-wide.



### Workplace Risk Assessment Results

LX Semicon conducts an annual regular risk assessment to systematically identify and address occupational safety and health hazards at each business site. In addition to the scheduled assessments, ad-hoc and initial risk assessments are carried out as needed. Through this process, the company proactively identifies potential workplace hazards and continuously implements improvement measures to create a safer working environment.

The risk assessments are conducted using a combination of employee surveys and on-site inspections. The surveys collect detailed information on hazard types, risk scenarios, likelihood of occurrence, and improvement suggestions. On-site inspections, which involve employees, supervisors, and safety managers, are used to evaluate actual safety risks and develop corrective actions.

Category	Unit	2024 Performance		
		No. of Reports	Cases Below Risk Threshold	Cases Requiring Improvement
Yangjae	cases	256	239	17
Gangnam	cases	232	221	11
Daejeon	cases	106	98	8
Siheung	cases	35	23	12
Total	cases	629	581	48

### Occupational Safety and Health Training\*

Category	Unit	2022	2023	2024
Training Hours	hours	39,408	37,614	31,662
Trained Participants	persons	1,545	1,520	1,483

\* Training Hours: Total of (training hours per course × number of Trained Participants) /Trained Participants: Average number of workers per quarter

### Status of Occupational Accidents\*

Category	Unit	2022	2023	2024
Employees**	Lost-time Incidents	cases	-	1***
	Accidents	%	-	0.06
	Illnesses	%	-	-
Suppliers	Lost-time Incidents	cases	-	-
	Accidents	%	-	-
	Illnesses	%	-	-

\* Based on domestic business sites \*\* Includes regular employees and in-house contract workers \*\*\* Minor injury unrelated to work

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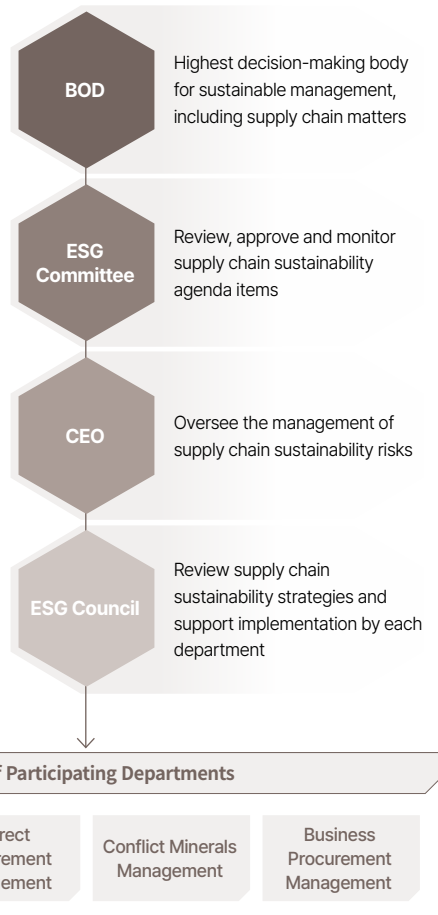
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## Sustainable Supply Chain Management

### Sustainable Supply Chain Response System

LX Semicon comprehensively manages both financial and non-financial risks to ensure a responsible supply chain operation. To efficiently manage a sustainable supply chain, the company has designated specialized teams for each area to oversee and implement related tasks.



### Establishment and Advancement of Supplier Identification System

LX Semicon has developed a supplier identification and management checklist to enable systematic supplier management. The company first established a clear definition of “supplier” and used this as the basis for classification. This classification process was carried out in alignment with the objectives and intended uses of supplier identification. The purpose of identifying suppliers is to comprehensively recognize not only on-site subcontractors but also upstream and downstream suppliers involved in LX Semicon’s overall business operations. Once suppliers are identified, LX Semicon determines priority levels based on management necessity, forming the foundation for systematic sustainability assessments and support activities. Following supplier identification, LX Semicon developed a supplier management checklist by referring to global guidelines, relevant laws, and ESG initiatives. This checklist enables the company to assess the sustainability management level of each supplier and establish a system for deriving necessary improvement measures.

### Identification of Supplier Risks

LX Semicon operates a supplier assessment system that reflects the characteristics of the semiconductor industry by defining key risk types and assessing supplier competitiveness accordingly. For financial risk management, the company conducts credit evaluations of suppliers twice a year (semiannually) to continuously monitor their financial integrity. In terms of non-financial capabilities and management, suppliers are assessed based on five key evaluation criteria: technology, quality, cost, delivery, and ESG. These evaluations are also conducted regularly on a semiannual basis.

#### Types of Risks

<b>Finance</b> Risks related to insolvency based on profitability, debt, and cash flow information	<b>Operation</b> Risks related to supply disruption and quality issues in technology, manufacturing, logistics, and product quality	<b>Commercial</b> Risks related to transaction conditions such as contract violations and payment issues
<b>Geopolitics</b> Risks related to supply chain disruption and suspension due to geopolitical conflicts	<b>ESG</b> Compliance risks related to environment, labor, safety and health, and ethics	

### Supplier Code of Conduct

LX Semicon actively manages its suppliers in consideration of various domestic and international supply chain initiatives and ESG requirements from clients. To promote responsible supply chain management, the company has publicly disclosed the “LX Semicon Supplier Code of Conduct,” which is based on the Responsible Business Alliance (RBA) Code of Conduct.

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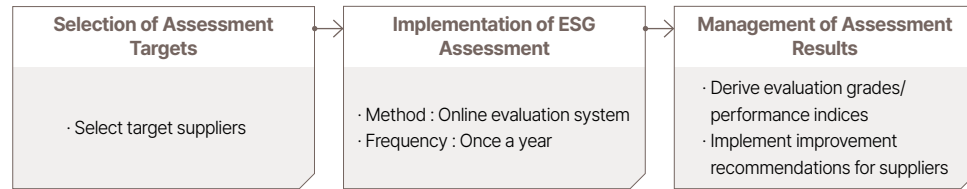
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## Sustainable Supply Chain Management

### Supplier ESG Assessment

LX Semicon operates an online ESG Assessment system to encourage supplier participation in ESG risk management. The evaluation criteria are structured across four main categories: Environment, Human Rights & Labor, Ethics & Governance, and Product & Service Responsibility. Evaluation results are shared with each supplier, and recommendations for improvement are provided for areas with a high potential for risk.

#### Supplier Assessment Process



#### ESG Assessment Criteria

Category	Details
Environmental	Environmental management system, GHG emissions, water and wastewater, waste, air pollutants
Human Rights & Labor	Human rights and labor standards and practices, workplace safety and health, labor in the supply chain
Ethics & Governance	Jeong-Do Management, ESG disclosure, governance structure
Product & Service Responsibility	Management of hazardous substances, sourcing of raw materials, use of renewable energy, etc.

#### Key Results of Supply Chain ESG Assessment\*

Category	Unit	2022	2023	2024
Total Suppliers	companies	23	22	18
Suppliers Subject to Supply Chain ESG Assessment	companies	23	22	18
	%	100	100	100
Suppliers Participating in ESG Assessment	companies	20	20	17
	%	87	91	94

\* Supply Chain ESG Assessments have been conducted since 2022, primarily through document-based assessments. Each year, at the beginning of the year, evaluation targets are selected from mass-production suppliers that meet a certain transaction volume and business significance, based on final input from relevant department personnel.

### Supplier ESG Due Diligence

In 2024, LX Semicon conducted a pilot ESG audit on three key suppliers with significant transaction volumes. This audit was carried out to closely examine the level of ESG management and to strengthen suppliers' capabilities in sustainable management. The ESG task force at LX Semicon collaborated with SCM personnel and an external professional consulting firm to jointly conduct the due diligence process. Prior to the due diligence, suppliers were provided with their online self-assessment results and the on-site audit schedule. To enhance suppliers' understanding of ESG, on-site education was conducted covering the importance of supply chain ESG management and global trends. The due diligence followed a structured process consisting of an ESG introduction and education session, document review, interviews with relevant personnel, workplace condition checks, and a closing meeting. Based on the self-assessment results, the audit team reviewed vulnerable areas and related supporting documents. As a result of the on-site pilot due diligence, no serious ESG risks were identified among the suppliers. However, improvement opportunities were found in areas such as human rights/labor, occupational safety and health, and Jeong-Do Management. LX Semicon collected feedback from the suppliers and provided consulting support to help address these areas.

Category	Examples of Improvement Tasks
ESG System	<ul style="list-style-type: none"> <li>Establish ESG decision-making structure and document ESG-related information to manage non-financial risks systematically</li> <li>Express top management's commitment to ESG management</li> <li>Conduct regular executive-level reviews of ESG issues and performance</li> </ul>
Governance	<ul style="list-style-type: none"> <li>Establish a policy prohibiting retaliation against whistleblowers</li> <li>Publicly disclose the whistleblower handling process</li> <li>Provide regular ethics training (e.g., anti-corruption, fair trade) for employees</li> <li>Ensure the BOD has the environment to effectively supervise and oversee management</li> </ul>
Social	<ul style="list-style-type: none"> <li>Establish a policy excluding suppliers (on-site subcontractors) from hazardous/dangerous work</li> <li>Conduct training to prevent accidents during process changes</li> <li>Provide safety and health information to foreign workers</li> <li>Conduct regular fire safety training and inspections of fire safety equipment</li> <li>Expand employee welfare programs to retain talent</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>Express top management's commitment to environmental management</li> <li>Promote public disclosure of the environmental management policy</li> <li>Conduct regular inspections on compliance with environmental regulations</li> <li>Continuously monitor updates to environmental regulations</li> </ul>

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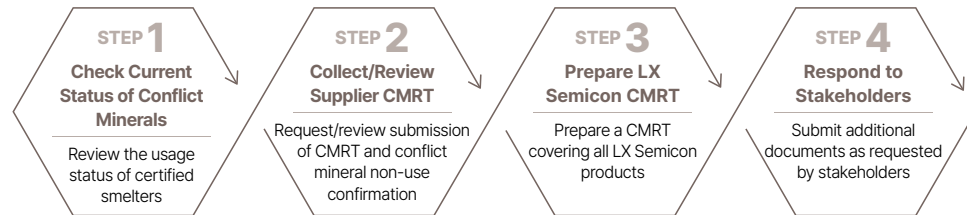
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## Sustainable Supply Chain Management

### Conflict Minerals Management

LX Semicon is committed to preventing the unethical mining and distribution of conflict minerals associated with human rights violations and environmental destruction. The company strives to avoid the use of conflict minerals such as tin, tantalum, tungsten, and gold. To this end, LX Semicon operates a conflict minerals management system based on its responsible minerals sourcing policy. The company continuously strengthens supplier monitoring and management to prevent conflict minerals from entering the supply chain. Through its conflict minerals policy, LX Semicon implements supplier oversight and monitoring to block the inflow of conflict minerals, including verifying supplier usage and requiring confirmation of non-use through formal documentation.



Category	Details
Responsible Minerals Sourcing Policy	<ul style="list-style-type: none"> <li>Public declaration of commitment to join international efforts to avoid the use of conflict minerals and ensure responsible management</li> </ul>
Conflict Minerals Management Policy	<ul style="list-style-type: none"> <li>Monitor and manage suppliers to prevent conflict minerals from entering LX Semicon's supply chain</li> <li>Request confirmation of non-use of conflict minerals and supporting documentation from suppliers</li> </ul>
Supplier Code of Conduct (Clause 6)	<ul style="list-style-type: none"> <li>Establish a policy to prohibit the use of raw materials procured through illegal, environmentally harmful, or unethical methods</li> <li>Include conflict minerals clauses in supply chain policies and ensure that minerals (Tantalum, Tin, Tungsten, Gold - 3TG) used in raw materials, components, and products supplied to LX Semicon do not directly or indirectly fund or benefit armed groups committing serious human rights abuses in the Democratic Republic of Congo or neighboring countries</li> <li>Make efforts to trace and verify the origin and supply chain of 3TG minerals used in raw materials, components, and products supplied to LX Semicon</li> <li>Cooperate in providing information such as the origin of 3TG minerals, smelters, and refiners upon request by LX Semicon or its customers</li> </ul>

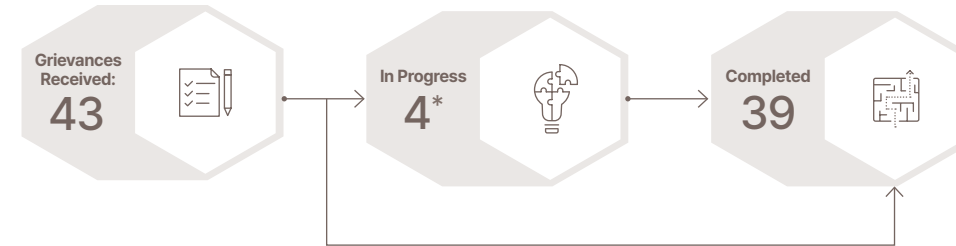
### Collaboration and Mutual Growth Activities

LX Semicon actively collects feedback from its suppliers and uses it to improve unreasonable systems, laying the foundation for mutual growth. The company receives suggestions and opinions from suppliers across various areas such as production operations (SCM), quality risk reduction, and technological advancement, and uses this input to drive meaningful improvements.

In 2024, a total of 43 supplier issues were identified, of which 39 were resolved, and 32 were reflected in actual operations, addressing suppliers' concerns. Through these efforts, LX Semicon supports the enhancement of supplier competitiveness by contributing to supply chain stability, improved operational efficiency, better quality, and strengthened technological capabilities, thereby promoting sustainable co-growth.

#### Details and Status of Grievance Handling

• 2024



\* Direct investigation of supply chain grievances began in 2024. The cases still in progress are taking more time due to changes such as supplier site relocation or restructuring.

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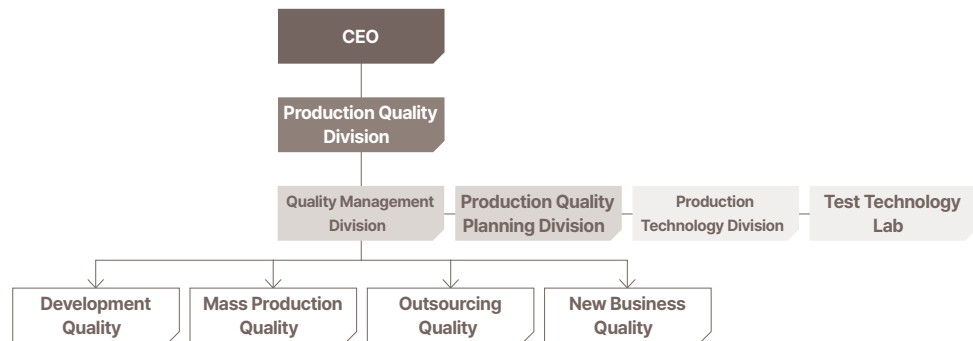
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## Product Safety and Quality Management

### Quality Management System

LX Semicon operates a three-pillar quality management framework encompassing development, mass production, and outsourcing, with the goal of achieving customer satisfaction. In particular, the company strengthens proactive validation in new business quality areas to secure quality in the mass production phase in advance. To effectively manage the intersection between production, quality, and testing organizations, LX Semicon has established an independent Production Quality Planning Team. This team is responsible for setting common strategic indicators and thoroughly monitoring their implementation.



### Quality Management Operations

LX Semicon operates a process-based quality management system to provide excellent products and services, and continues to advance this system. Through these efforts, the company supplies high-quality semiconductors that contribute to the system quality of its customers and actively promotes quality improvement across all stages-from design and development to production. Furthermore, LX Semicon strengthens its quality management capabilities by thoroughly implementing its quality management policy and code of conduct based on ISO 9001 principles.

**Quality Management Division Leader Code of Conduct**

• **Quality Management Division Leader**-A leader who builds a creative and proactive innovation-driven organization

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1. Be a leader who presents a clear vision and business direction and provides guidance and coaching.
2. Be a leader who respects team members and communicates honestly based on trust.
3. Be a leader who respects team members and communicates honestly based on trust.
4. Be a leader who leads by example in all matters.
5. Be a leader who combines care for persons with passion for work.

### Identification of Quality Risks

#### Preventive Management of Development Quality Risks

LX Semicon proactively identifies and addresses potential quality risks that may arise during mass production, including customer-related issues, process inefficiencies, and raw/sub-material defects. The company performs rapid root cause analyzes and implements countermeasures to prevent recurrence, thereby enhancing product reliability and continuously strengthening customer trust. To secure high-quality standards from the development stage, LX Semicon invests in preventive quality risk management by training international reliability experts and establishing reliability standards. These efforts reinforce pre-emptive reliability verification not only at the individual IC level but also based on customer module requirements.

#### Preventive Management of Development Quality Risks

For mass production quality control, LX Semicon systematically manages data processing and database integration through its internal Quality Management System (QMS) and Supplier Collaboration System (SCS). These platforms enable real-time tracking of all quality-related activities occurring during suppliers' production processes, thereby improving both transparency and efficiency. Additionally, LX Semicon establishes annual quality indicators for outsourced production and holds monthly quality meetings with suppliers. Through these reviews, Continuous Improvement Plan (CIP) items are identified and managed, helping to consistently elevate and standardize the quality level across all external manufacturing partners.

### Quality Risk Management

#### Renewal of Quality Management System (ISO 9001) Certification

LX Semicon maintains ISO 9001 certification to ensure continuous quality improvement, enhance customer satisfaction, and meet international quality requirements. The company is transitioning to globally recognized quality management standards to secure differentiated competitiveness. In response to business expansion and new business development, LX Semicon has also acquired IATF 16949 certification, the automotive quality management system standard, in addition to ISO 9001. Through this, the company is expanding its certifications across different fields, meeting global customer expectations, and building a more trusted quality management system.

**Quality Policy**

With a customer-first mindset and an unwavering spirit of challenge toward excellence, we foster a proactive work environment for all team members to secure essential and fundamental competitiveness. Through this, we create values for our customers.

---

1. Continuously strengthen responsiveness to customers to enhance customer values
2. Secure development quality competitiveness through enhanced preventive and recurrence-avoidance measures
3. Contribute to mass production quality stabilization by raising the standard of outsourced quality
4. Cultivate self-driven work capabilities to develop in-depth expertise across each area

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## Product Safety and Quality Management

### Quality Management System

LX Semicon applies strict verification standards to suppliers responsible for production and shipment, conducting process evaluations, approvals, registrations, and ongoing management. This system enables thorough assessment of suppliers' production capabilities and ensures stable quality assurance. All produced products undergo rigorous characteristic verification and in-process quality control to maintain a high level of quality at the shipment stage. Through this, LX Semicon continues to meet customer expectations while enhancing product reliability. To strengthen the quality competitiveness of its suppliers, LX Semicon promotes the training of VDA 6.3 auditors and conducts regular annual evaluations. Furthermore, based on the ISO 19011 audit guidelines, the company operates an objective and systematic audit process, supporting its suppliers in continuously complying with global quality standards through ongoing monitoring and improvement activities.

### Closed Loop of Quality



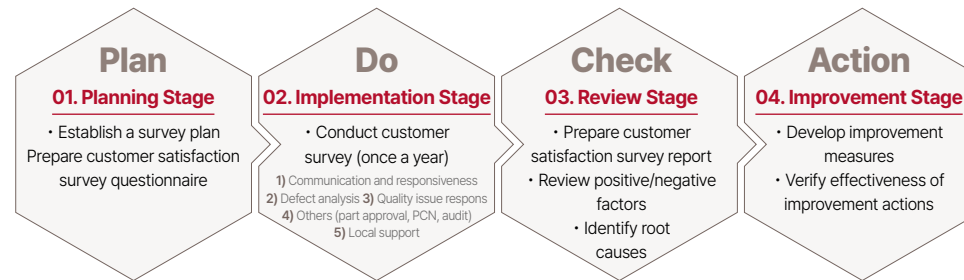
### Customer Complaint and Requirement Response

LX Semicon focuses on minimizing quality issues through prompt responses to product defects. When problems occur with delivered products, the company systematically traces and manages failure results and conducts defect analysis to implement fundamental improvements and preventive measures. To enable immediate responses to customer-reported defects, LX Semicon has established in-house analysis labs at domestic and international sites, supporting rapid action and enhancing product reliability and overall quality management. The company also actively strives to improve customer satisfaction by effectively addressing the demands of key customers. To ensure localized and proactive responses, quality representatives have been dispatched to major global locations, including the U.S., China, and Japan.

### Customer Satisfaction Survey Process

To systematically assess satisfaction with the products and services provided to customers, LX Semicon established the customer satisfaction survey process as an internal standard in 2011 and has conducted regular annual surveys ever since. The survey questionnaire includes items such as communication and responsiveness, defect analysis, quality issue response, part approval/PCN/audits, and local support. These areas are designed to thoroughly analyze customer feedback.

The survey results serve as essential data for improving the quality of products and services. LX Semicon continues to carry out improvement activities with the ultimate goal of delivering customer delight.



### Status of International Expert Development

To strengthen quality capabilities, LX Semicon is training international quality and reliability professionals certified by the American Society for Quality (ASQ). Through this initiative, the company enhances product competitiveness by applying advanced statistical quality control, data analysis techniques, and reliability testing methods. In addition, to internalize automotive quality systems, LX Semicon is developing functional safety experts as well as auditors specialized in automotive quality processes and products. By 2025, the company plans to secure two additional functional safety experts to ensure the appropriateness of evaluation results at each development stage.

Certification Title	No. of Experts
Certified Quality Engineer (CQE)	9
Certified Reliability Engineer (CRE)	3
Automotive Quality Process Audit Expert (VDA 6.3)	2
Automotive Quality Product Audit Expert (VDA 6.5)	2
Functional Safety Expert (FSE)	1

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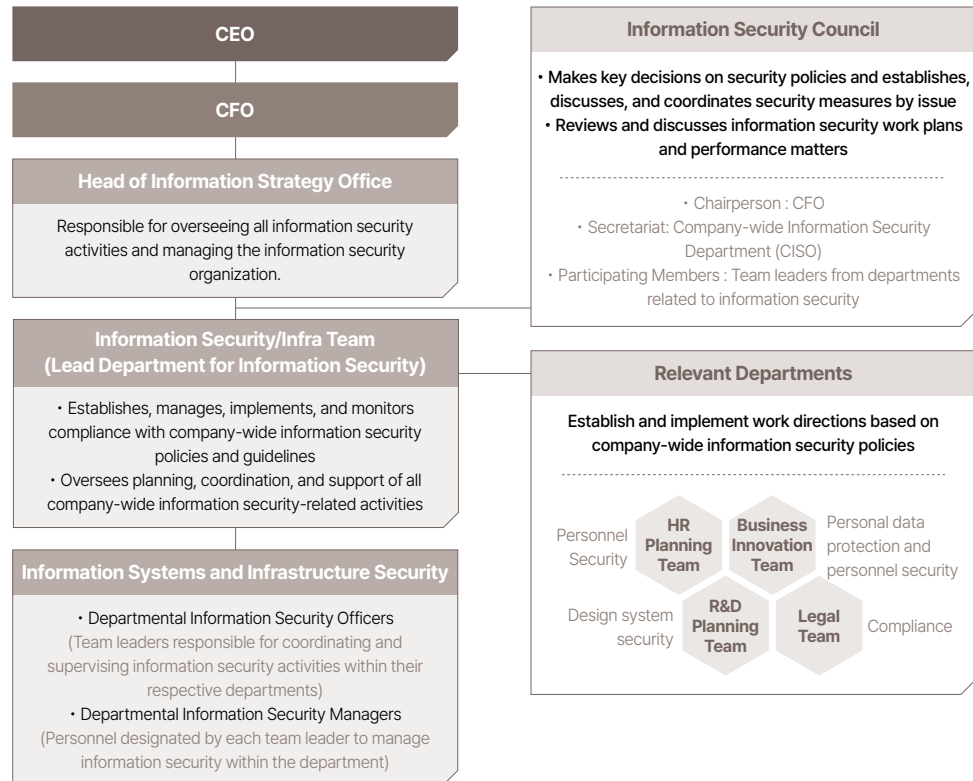
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## Strengthening Information Security

### Information Security Response System

LX Semicon has established company-wide information security governance and continues to strengthen its information protection system by operating a specialized organization to respond to technology leakage and external cyber threats. The company has developed security regulations and guidelines to consistently manage personnel security, IT security, and physical security in an integrated manner. To reinforce information security management, LX Semicon has appointed a Chief Information Security Officer (CISO) and operates an "Information Security Council" directly under the CEO. This council monitors the implementation and effectiveness of company-wide information protection policies and continuously drives improvements. In addition, a separate Chief Privacy Officer (CPO) has been designated to ensure compliance with the Personal Information Protection Act and to establish clear corporate responsibility through the development of internal privacy policies and procedures.



### Information Security and Personal Data Protection Policy

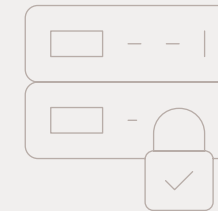
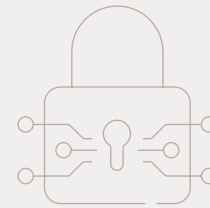
LX Semicon recognizes the importance of information security and operates a systematic information security management system that meets international standards. The company has obtained ISO/IEC 27001, the international standard for information security, and based on this certification, has established an Information Security Management System (ISMS) to carry out continuous and structured information protection activities.

#### Information Security Regulations

- Article 1. Purpose
- Article 2. Scope of Application
- Article 3. Basic Policy on Information Security
- Article 4. Responsibility for Information Security
- Article 5. Compliance Verification and Disciplinary Action
- Article 6. Review of Information Security Regulations
- Article 7. Related Guidelines

#### Information Security Guidelines

1. Operation of Information Security Organization
2. Information Asset Management
3. Personnel Security
4. Security Incident Response
5. Legal Compliance and Business-Specific Security Management
6. Security Audits
7. Physical Security
8. PC and Mobile Device Security
9. Information Technology Security
10. Protection of National Core Technologies
11. Project Security for Suppliers



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## Strengthening Information Security

### Protection of National Core Technologies

In 2021, LX Semicon’s “OLED DDI design technology for driving display panels” was designated as a National Core Technology by the Ministry of Trade, Industry and Energy. In response, the company has strengthened its security and protection measures for this technology. LX Semicon has established security management guidelines and appointed a technology management officer to operate a structured protection system. The company also conducts security training for related personnel and implements activities to prevent technology leakage. Additionally, LX Semicon participates annually in the National Core Technology Status Survey to assess the effectiveness of its protection measures and reflect any necessary improvements.

### Network Security

In 2021, LX Semicon’s “OLED DDI design technology for driving display panels” was designated as a National Core Technology by the Ministry of Trade, Industry and Energy. In response, the company has strengthened its security and protection measures for this technology. LX Semicon has established security management guidelines and appointed a technology management officer to operate a structured protection system. The company also conducts security training for related personnel and implements activities to prevent technology leakage. Additionally, LX Semicon participates annually in the National Core Technology Status Survey to assess the effectiveness of its protection measures and reflect any necessary improvements.

### Network Separation

LX Semicon strengthens its information security system to protect semiconductor design technologies and operates various security measures to prevent the leakage of core technologies. Design data is strictly separated between the business network and a dedicated design network, with data transfers controlled through an approval process to prevent external leakage. The company has also adopted a Virtual Desktop Interface (VDI)-based virtualization environment to separate the business network from local PCs, ensuring that information remains under internal control even during remote work. This security framework helps protect the company’s core assets while maintaining flexibility in work operations.

### Physical Security

LX Semicon operates a variety of control measures to protect internal information assets and enhance overall security. Access to business sites is restricted to pre-approved personnel through an access control system, and the use of X-ray scanners and metal detectors prevents unauthorized devices from being brought in or taken out. To secure documents, the company uses security paper and Electronic Article Surveillance (EAS) systems. For mobile devices, functions are restricted via a Mobile Device Management (MDM) system to maintain a high level of security. Additionally, business PCs are equipped with antivirus software and DLP (Data Loss Prevention) solutions. PCs identified as vulnerable are restricted from accessing the network through NAC (Network Access Control), thereby reinforcing the company’s overall security framework.

### Information Security for Overseas Subsidiaries

LX Semicon operates a standardized system to manage information security at its overseas subsidiaries, focusing on 11 key activities with detailed implementation guides. Security officers at each subsidiary perform self-checks using a shared checklist and submit results to headquarters. Headquarters conducts regular onsite inspections and provides feedback to ensure consistent and enhanced security.

### Response to Customer Security Requirements

LX Semicon strengthens its security framework to protect customer information assets and meet client standards. Confidential data is strictly safeguarded under Non-Disclosure Agreements (NDAs), with preventive and responsive measures in place to address potential threats during collaboration. These measures ensure information protection and maintain trust-based relationships.

### Supply Chain / Supplier Security

LX Semicon ensures secure cooperation with suppliers by specifying security requirements in contracts and conducting regular audits and site inspections. These activities reduce supply chain risks and build stable, trust-based relationships.

### Enhancing Employee Security Awareness

To raise company-wide security standards, LX Semicon provides annual information security training for all employees, with customized programs for high-sensitivity groups such as new hires, departing employees, suppliers, handlers of national core technologies, and personal data managers. A monthly Security Newsletter shares updates on hacking incidents and key security issues, while urgent cases are promptly communicated via the internal portal. Regular audits and real-world simulations (e.g., phishing email tests and malware downloads) strengthen response readiness. Compliance checks are conducted, and violations result in training or warnings, with repeat offenses subject to a security penalty system.

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## Strengthening Information Security

### Key Achievements and Plans for Strengthening Information Security

#### ISO/IEC 27001:2022 Version Renewal

In 2025, LX Semicon initiated the renewal audit of its Information Security Management System (ISMS) based on the updated 2022 version of the ISO/IEC 27001 standard. Through this process, the company aims to align its existing certification scope and level with the latest international standards, while promoting continuous improvement of its information security system and strengthening its organization-wide response capabilities.

#### Enhancing Data Leakage Monitoring

To prevent data leakage incidents in advance and enable swift response when they occur, LX Semicon plans to upgrade its real-time monitoring system. The company is working to improve system functionality for more accurate detection of sensitive information leaks and is developing measures to increase both the speed and precision of the entire response process—from anomaly detection to resolution.

#### Access Control Management and Optimization for Design Network

To enhance the security of the design network where critical technology assets are concentrated, LX Semicon plans to refine its access control system and introduce more efficient operational procedures. The company aims to fundamentally block unauthorized access and strengthen internal controls to further elevate the protection level of sensitive design data.

#### Company-Wide System Vulnerability Assessment and Process Establishment

To enhance company-wide response capabilities in the event of a security breach, LX Semicon plans to conduct regular training based on real-world scenarios. These exercises will simulate actual incidents to test the effectiveness of the company's incident response system. Any improvement areas identified during the training and testing will be promptly addressed to further strengthen the completeness and reliability of the response framework.

#### Strengthening DR (Disaster Recovery) Drills and System

To ensure rapid and accurate system recovery in the event of a disaster, LX Semicon will conduct DR (Disaster Recovery) simulation drills. These drills will help identify and address weaknesses in the recovery process. The company plans to continuously enhance its DR system by reviewing response frameworks for each recovery scenario and improving organization-wide disaster recovery capabilities.

#### Maintaining Information Security Continuity

To prepare for business disruptions caused by system failures, data breaches, or cyberattacks, LX Semicon has established crisis management regulations and response manuals. Based on these, the company has developed a Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP) to ensure rapid recovery in the event of an incident. Regular tests and simulations are conducted to verify the effectiveness of these response systems. Through these efforts, LX Semicon strengthens its ability to maintain business continuity and protect information assets even in unexpected crisis situations.

#### Enhancing Information Asset Protection

To safeguard critical corporate information assets, LX Semicon has implemented Azure Information Protection (AIP) label policies, strengthening access control over sensitive data. By introducing a label-based classification and permission system, the company prevents data leakage and systematically manages its security levels. This approach ensures the confidentiality, integrity, and availability of information. The AIP policy not only protects internal users but also serves as a fundamental defense against external threats. It is a key tool in LX Semicon's ongoing efforts to enhance its overall information protection capabilities.

#### Personal Data Management

LX Semicon strictly complies with the Personal Information Protection Act in Korea and operates a structured management system to ensure the safe handling of personal data related to customers and suppliers. Security standards are applied throughout the entire data lifecycle—from collection and use to storage and disposal. In addition, regular training and education are conducted in accordance with internal policies to raise employee awareness of personal data protection. These efforts help prevent risks such as data breaches and reinforce the company's ability to maintain external trust.

#### Employee Information Protection Training

Category	Unit	2022	2023	2024
Total Training Hrs.	hours	1,241	1,633	1,552
Trained Participants	persons	1,241	1,633	1,552

\* Information Protection Training + Personal Data Protection Training.

#### Status of Information Security Incidents

Category	Unit	2022	2023	2024
Information Breach	No. of Personal Data Breach Cases	-	-	-
	No. of Data Leakage Incidents	-	-	-
	Penalty Amount	-	-	-

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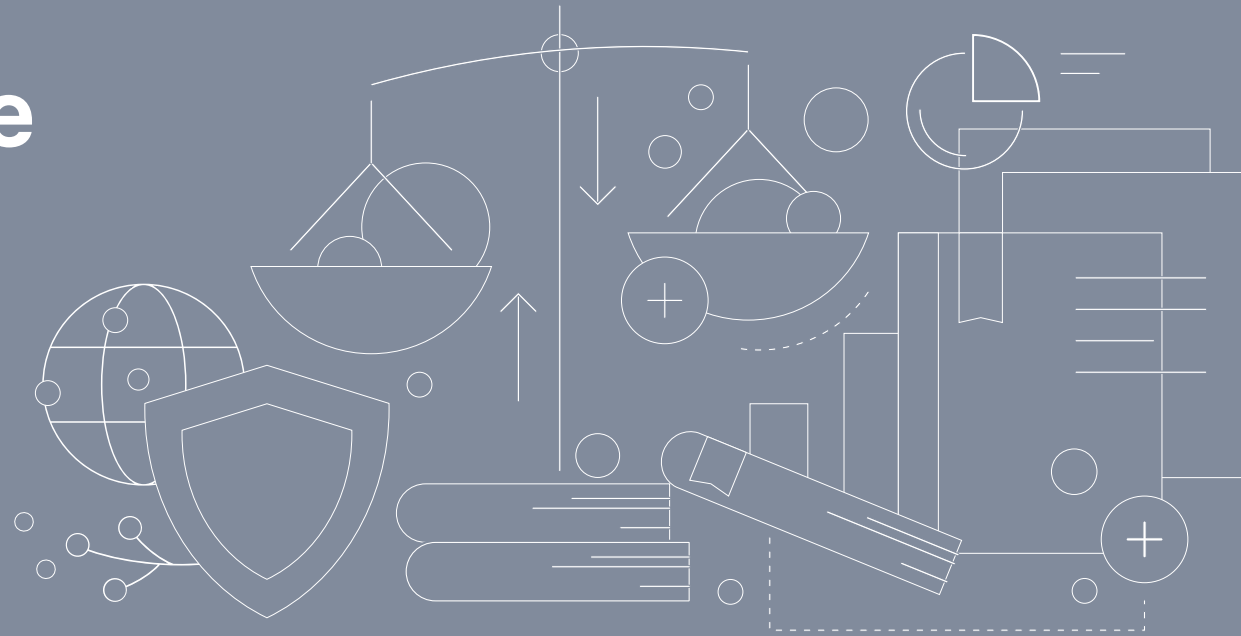
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## LX SEMICON APPROACH

LX Semicon, under the principles of ethical and compliance management, is committed to earning the trust of stakeholders through a transparent decision-making structure centered around the BOD. The company has established a code of ethics and internal control system to ensure that all employees practice LX's philosophy of "Jeong-Do Management." LX Semicon takes the lead in fostering an anti-corruption culture and creating a fair corporate environment. In addition, the company continuously strengthens systems to enhance the transparency and accountability of its governance, including the independent operation of the BOD led by Independent Directors, the establishment and operation of expert committees, and BOD evaluations. Going forward, LX Semicon will continue to uphold fair and responsible management based on laws and ethics and build a sustainable future in partnership with its diverse stakeholders.

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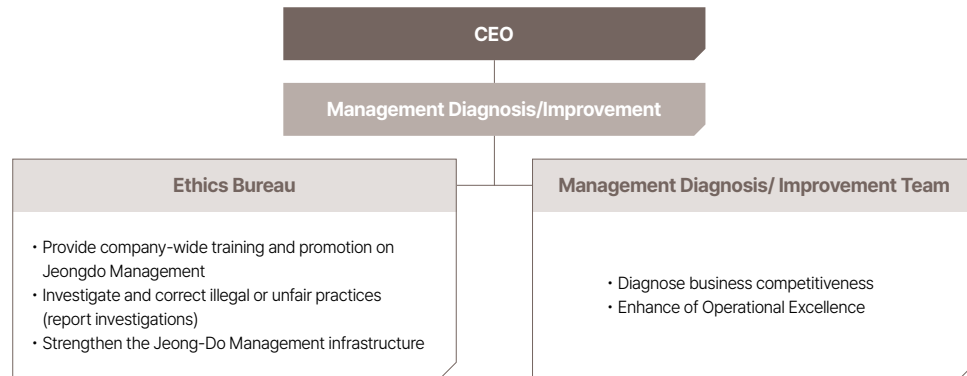
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# Governance

## Ethical and Compliance Management

### Jeong-Do Management System

LX Semicon operates the “Management Diagnosis/Improvement” team under the direct supervision of the CEO to continuously practice and embed Jeong-Do Management. This team strengthens the Jeong-Do Management infrastructure, leads various diagnostic and on-site support activities, and takes the initiative in putting Jeong-Do Management into practice. The Ethics Office is responsible for establishing and operating Jeong-Do Management policies, systems, and regulations. It also oversees Jeong-Do Management training, promotional activities, and the investigation and handling of reports. The Management Diagnosis/Improvement team conducts regular strategic diagnostics on business competitiveness and major value chains. The “Management Diagnosis/Improvement” team encourages all employees to voluntarily engage in Jeong-Do Management and focuses on preventing risks at business sites and securing business competitiveness.



### LX Jeong-Do Management

LX’s Jeong-Do Management refers to its way of doing business-cultivating capabilities based on ethical practices, competing fairly, and delivering results with integrity. LX Semicon encourages all members to actively adhere to Jeong-Do Management and is committed to enhancing and practicing this system to grow as a sustainable company.



### Jeong-Do Management Implementation Strategy

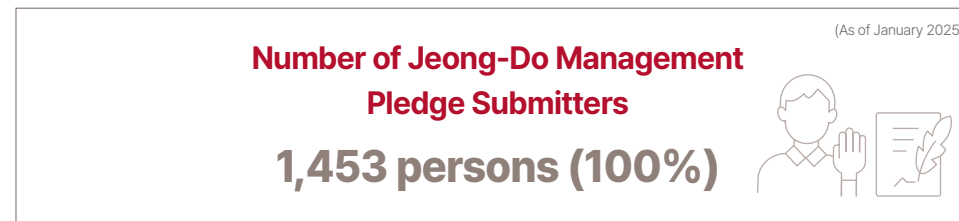
LX Semicon places ethical values at the core of its corporate management and has established a fundamental direction for LX Jeong-Do Management to ensure that all members prioritize these values in their actions. The LX Code of Ethics, created to recognize the importance of Jeong-Do Management and prevent corruption, serves as a guide for all employees to make sound decisions and act with integrity. LX Semicon is building a culture of Jeong-Do Management in which ethical values are upheld as the highest standard and actively practiced by all members. Training on Jeong-Do Management is provided to all employees, and awareness activities are conducted with suppliers to promote commitment to ethical practices. By pursuing free and fair competition, the company aims to create mutual value with all stakeholders based on trust and cooperation.

### LX Code of Ethics

1. Responsibility and Obligation to Customers (Respect for Customers, Creation of Value, Delivery of Value)
2. Fair Competition (Pursuit of Free Competition, Compliance with Laws and Regulations)
3. Fair Transactions (Equal Opportunity, Fair Transaction Procedures, Pursuit of Mutual Growth)
4. Basic Ethics of Executives and Employees (Fundamental Ethics, Fulfillment of Duties, Self-Development, Fair Performance of Duties, Avoidance of Conflicts of Interest with the Company)
5. Responsibility to Executives and Employees (Respect for Human Dignity, Fair Treatment, Encouragement of Creativity)
6. Responsibility to the Environment, Society, and Shareholders (Environmental Protection, Fulfillment of Social Responsibilities, Protection of Shareholder Interests)

### Jeong-Do Management Pledge

LX Semicon executives and employees annually participate in the “Jeong-Do Management Pledge,” affirming their commitment to upholding the Code of Ethics and practicing Jeong-Do Management. The pledge emphasizes the importance of Jeong-Do Management and includes content aimed at preventing corruption and unethical behavior. Suppliers also actively participate in the pledge to support LX Semicon’s Jeong-Do Management efforts and to ensure clean and transparent transactions.



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## Ethical and Compliance Management

### Jeong-Do Management Activities

LX Semicon continuously carries out a variety of activities to foster a company-wide culture of practice aimed at complying with Jeong-Do Management and raising anti-corruption awareness. Through these efforts, the company seeks to broaden employee consensus on Jeong-Do Management and to establish a responsible corporate culture across the organization.

### Jeong-Do Management Training

To proactively prevent misconduct, corruption, and other violations of Jeong-Do Management, LX Semicon provides all executives and employees-including non-regular workers-with engaging and practical training through “gamified Jeong-Do Management education.” As of 2024, 100% of employees have completed the training.

### Internalization of Jeong-Do Management

LX Semicon regularly publishes a monthly “Newsletter” and “Jeong-Do Management Stories in the Hyuzi Note” to help all executives and employees internalize Jeong-Do Management. In addition, a customized Jeong-Do Management newsletter is issued quarterly for overseas employees and all company leaders. Through these efforts, the company shares internal policies and systems to promote the establishment of an Jeong-Do Management culture.

### Operation of Gift and Entertainment Reporting System

LX Semicon mandates strict compliance with the LX Code of Ethics for all members and strictly prohibits all forms of unfair trade practices. In accordance with the Code of Ethics, the company enforces strict restrictions on the exchange of money, gifts, entertainment, and hospitality to maintain fair business relationships with suppliers. To reinforce a culture of transparency, a notice titled “No Giving or Receiving of Gifts” is sent in advance of holidays to all employees, suppliers, and business partners under the name of the CEO. Additionally, if money, gifts, or entertainment are offered, the principle is to immediately refuse and return them. In cases where return is not feasible, an internal procedure is in place requiring immediate reporting to the Ethics Bureau.

### Operation of Cyber Whistleblowing System

LX Semicon operates various online and offline reporting channels to ensure prompt and fair responses to violations of Jeong-Do Management. Online reports can be submitted through the Cyber Whistleblowing System, while offline reports can be made by visiting the Ethics Bureau or via mail, phone, or email.

Protecting the identity of whistleblowers is a top priority. All reports can be submitted anonymously, and reported cases are handled exclusively by personnel who have signed confidentiality agreements. LX Semicon strictly protects the identity of whistleblowers and internal reporters to prevent any external disclosure, strictly adhering to confidentiality principles.

All reported cases undergo a fact-checking investigation. If misconduct is confirmed, LX Semicon takes follow-up actions to prevent recurrence, including disciplinary measures, improvements to work processes, and enhanced Jeong-Do Management training.

### Anti-Corruption Risk Management

#### Pledge to Comply with Anti-Corruption Laws

To reinforce the company-wide commitment to preventing corruption, LX Semicon requires all domestic and overseas executives and employees, including the CEO, to annually sign and submit a “Pledge to Comply with Anti-Corruption Laws.” To accommodate employees working abroad, the pledge is provided in both English and Chinese, ensuring that consistent ethical standards are applied across all global business sites.

#### Fraud and Corruption Reporting Reward System

To enhance business transparency and eliminate fraudulent and corrupt practices that may undermine customer value, LX Semicon operates a fraud and corruption reporting reward system. This system fosters an environment in which not only internal members but also external stakeholders are encouraged to actively report any misconduct they become aware of. By promoting voluntary participation, the company continues to strengthen the foundation for practicing Jeong-Do Management.

#### Anti-Corruption Implementation Review and BOD Reporting

LX Semicon annually reports the internal audit department’s anti-corruption plans and the previous year’s performance to the Audit Committee. This process enhances the effectiveness of anti-corruption activities and strengthens the BOD’s oversight and supervisory functions.

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### Operation of Grievance Handling Channels

LX Semicon operates various grievance handling channels to ensure that all stakeholders can freely express concerns and report difficulties. Online, stakeholders can submit grievances through the “Grievance Now Talk” and “Sexual Harassment & Bullying Report” menus on the company intranet. Offline channels include visits to the Ethics Bureau, mail, phone, and email, enhancing accessibility for all users. All submitted reports are reviewed for factual accuracy within 40 days of receipt. When necessary, appropriate corrective actions are taken to ensure prompt and responsible resolution of issues.

### Reports and Disciplinary Actions

Category		Unit	2022	2023	2024	
Violations of the Code of Ethics	Total	cases	2	3	2	
	cases	Domestic	cases	2	3	2
		Overseas	cases	-	-	-
		Total	persons	2	3	2
	Headcount	Domestic	persons	2	3	2
		Overseas	persons	-	-	-
Total		cases	-	-	-	
Dismissal	Domestic	cases	-	-	-	
	Overseas	cases	-	-	-	
	Total	cases	1	-	-	
Forced Resignation	Domestic	cases	1	-	-	
	Overseas	cases	-	-	-	
	Total	cases	1	1	1	
Disciplinary Suspension	Domestic	cases	1	1	1	
	Overseas	cases	-	-	-	
	Total	cases	-	2	1	
Salary Reduction	Domestic	cases	-	2	1	
	Overseas	cases	-	-	-	
	Total	cases	-	-	-	
Warning	Domestic	cases	-	-	-	
	Overseas	cases	-	-	-	
	Total	cases	-	-	-	
Others (Recommended Resignation)	Domestic	cases	-	-	-	
	Overseas	cases	-	-	-	
	Total	cases	-	-	-	

### Application of Code of Ethics

Category	Unit	2022	2023	2024	
Code of Ethics Application Rate	Employees	%	100	100	100
	Contractors/Suppliers/Service Providers	%	100	100	100
Written Pledge	Employees	%	100	100	100
	Contractors/Suppliers/Service Providers	%	100	100	100

### Jeong-Do Management Training

LX Semicon provides regular Jeong-Do Management training for all executives and employees to strengthen ethical awareness and a culture of accountability within the organization. Training is conducted both online and offline, covering essential topics such as compliance with the Code of Ethics and the prevention of sexual harassment and workplace bullying. Additionally, training on anti-corruption awareness is also provided to ensure that Jeong-Do Management principles are naturally integrated into daily business practices.

Category	Unit	2022	2023	2024	
Jeong-Do Management Training Status	Training Hrs.	hour	2,225	2,212	2,180
	Trained Participants	persons	1,483	1,474	1,453

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### Compliance Management System

LX Semicon has established and operates an independent compliance system to promote a company-wide culture of adherence to laws and regulations. In particular, key matters that require the BOD approval under applicable laws, such as large-scale internal transactions, are submitted in advance for review and resolution to ensure strict procedural compliance.

The company also develops and executes annual compliance activity plans and continuously enhances internal control capabilities through regular monitoring and feedback. Each department conducts routine self-assessments of compliance risks to identify potential threats early. For any identified risks, proactive corrective measures are promptly implemented to further strengthen the foundation of compliance management.



### Operation of Compliance Reporting and Whistleblowing Center

LX Semicon operates a system that allows anonymous reporting of violations such as breaches of fair trade laws, infringement of trade secrets, violations of anti-corruption laws, and non-compliance with U.S. Department of Commerce regulations.

### Fair Trade Compliance and Ethics Implementation System

LX Semicon operates a compliance risk management system based on internal regulations such as the LX Code of Ethics/Implementation Guidelines and the Fair Trade Compliance Manual. Through this system, the company aims to strengthen legal compliance and establish an ethical and transparent management culture. LX Semicon's Fair Trade Compliance Manual defines the behavioral guidelines for executives and employees to prevent potential disadvantages resulting from violations of fair trade laws. All domestic and overseas employees are required to fully understand and comply with the contents of the "Fair Trade Compliance Guide" outlined in the manual, to ensure that neither the company nor its employees face sanctions from competition authorities in any country or suffer reputational damage due to violations. The "Fair Trade Compliance Guide" includes various topics such as its necessity, basic principles, and specific guidelines (e.g., prohibition of cartels, prevention of unfair trade practices).

### Fair Trade Compliance Manual

<b>Article 1.</b>	<b>Article 2.</b>	<b>Article 3.</b>	<b>Article 4.</b>	<b>Article 5.</b>
Scope of Application	Purpose	Basic Principles	Duties of Organizational Leaders	Responsibility for Violations of the Manual

### Enhancing Compliance Awareness

To improve employees' awareness of compliance and establish a culture of lawful management, LX Semicon publishes a monthly "Compliance Letter." In addition, during the first half of 2025, the company produced and distributed a booklet on preventing and protecting against trade secret leakage to strengthen security awareness among employees. During the same period, LX Semicon also provided online training on global semiconductor industry trends to enhance understanding of changes in the global semiconductor market and to strengthen strategic response capabilities.

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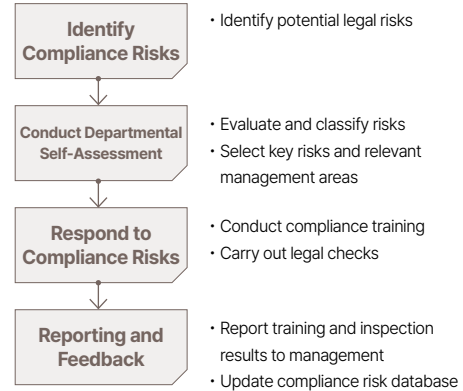
### Compliance Risk Management

LX Semicon regularly conducts self-assessments of compliance risks by department to proactively identify and evaluate potential risks. Risks identified through these assessments are followed by targeted actions such as training and monitoring, and the results are reported to senior management to ensure systematic management. In particular, to prevent legal violations in advance, compliance materials related to trade secret leakage and unlawful acquisition—specifically concerning the “first sanction for unfair clauses related to the confidentiality of technical data”—were distributed to organizational leaders. In addition, when requesting technical data from subcontractors, guidelines were provided on points to consider, along with instructions and behavioral guidelines for managers. Compliance materials were also distributed on key topics such as “insider trading that disrupts the securities market,” raising awareness and preventing employees from engaging in stock trading using material non-public information.

#### Key Risk Management Pool



#### Compliance Risk Management / Assessment Process



### Status of Legal Violations

LX Semicon has had no cases of legal violations in the past three years. The company will continue its efforts to prevent violations in advance and further strengthen employees’ awareness of compliance.

Category	Unit	2022	2023	2024
Number of Legal Violations	cases	-	-	-

### Compliance Training for Employees

LX Semicon conducts compliance training through both online and offline channels to prevent legal risks and establish a culture of compliance. These efforts aim to strengthen employees’ awareness of legal obligations and implement systematic compliance management across the organization. For members of the BOD, compliance training is provided through workshops for Independent Directors. For all employees, online compliance training is offered. In addition, departments with a higher likelihood of compliance risk are selected to receive tailored training, thereby enhancing their practical legal compliance capabilities.

	Category	Unit	2022	2023	2024
BOD	No. of BOD Members Targeted	persons	3	3	4
	No. of BOD Members Trained	persons	3	3	4

### Advanced Training for Relevent Departments

LX Semicon provides advanced training to departments where there may be substantial compliance risks, aiming to enhance understanding of trade secret leakage and unlawful acquisition. This training ensures that relevant departments are prepared to respond appropriately should any issues arise. Through this process, the company seeks to strengthen employees’ awareness of legal compliance and further reinforce its internal control system. In 2025, LX Semicon plans to develop a group-wide online compliance training program to expand online education for all employees.

	Category	Unit	2022	2023	2024
Fair Trade Training	Target Participants*	persons	-	400	30
	Trained Participants	persons	-	313	30
Subcontracting Act Training	Target Participants**	persons	-	34	-
	Trained Participants	persons	-	15	-
Trade Secret Leakage and Unlawful Acquisition Training	Target Participants	persons	-	-	32
	Trained Participants	persons	-	-	30
Serious Accidents Punishment Act	Target Participants	persons	-	-	19
	Trained Participants	persons	-	-	17

\* Executives and employees in Sales, Procurement, and Staff departments

\*\* Executives and employees in New Business divisions such as Production Operations, Business Operations, R&D, and Quality

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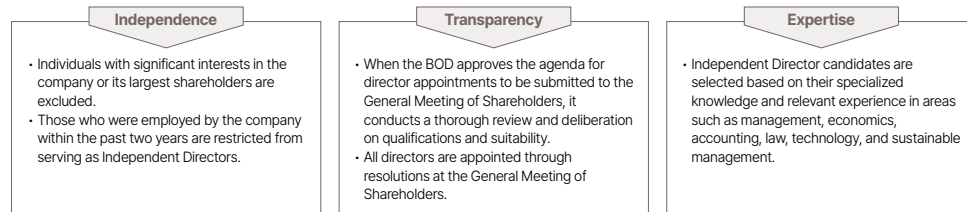
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## Transparency and Integrity of Corporate Governance

### BOD Composition

The BOD of LX Semicon deliberates on matters delegated by relevant laws, the Articles of Incorporation, and the General Meeting of Shareholders, and is responsible for key management policies and major decision-making. Through regular and special meetings, the BOD aims to effectively address the various challenges and issues the company faces. To enhance management transparency and support sound decision-making, LX Semicon appoints more than half of its BOD members as Independent Directors. The director nomination process is guided by the core principles of independence, diversity, and expertise, while ensuring a fair and unbiased procedure regardless of gender, race, religion, political orientation, or other cultural backgrounds.

### Criteria for Appointment to the BOD



### Process for Selecting Independent Director Candidates

LX Semicon receives recommendations for Independent Director candidates from various channels across a wide range of fields. The BOD Secretariat verifies whether the preliminary candidates meet the qualifications set forth by relevant laws and the Articles of Incorporation. Those deemed aligned with the interests of shareholders and the company are recommended as candidates through a fair and transparent process. When identifying the candidate pool, LX Semicon actively utilizes external advice and recommendations from shareholders, stakeholders, and external advisory institutions. Based on this process, the company conducts a thorough evaluation of the recommended candidates before selecting Independent Directors.

### BOD Skill Matrix

(As of May 2025)

Category	Yun-tae Lee	Hun Kim	Seong-ook Jung	Nam-soo Kim	Beom Kim	Sang-beom Han	Jin-soe Roh
	Executive Director	Executive Director	Independent Director	Independent Director	Independent Director	Independent Director	Other Non-Executive Director
Position	CEO, Chair of the BOD,	CFO, Member of Finance Committee	Member of Audit Committee, Member of ESG Committee	Member of Audit Committee, Member of ESG Committee	Chair of Audit Committee, Member of ESG Committee	-	-
Relevant Industry Experience	Chair of Finance Committee,		●	●		●	●
Management	Member of ESG Committee	●				●	●
Finance / Risk	●	●			●		
Accounting		●			●		
ESG			●		●		

### BOD Committees

To enhance efficient decision-making and management transparency, LX Semicon operates three BOD-level committees: the Audit Committee, the Finance Committee, and the ESG Committee. Each committee conducts in-depth reviews of key company matters based on its area of expertise. In accordance with the BOD and Committee Regulations, the results of deliberations and resolutions—except for those of the Audit Committee—are reported to the BOD. When BOD approval is required, the matter is submitted as a separate agenda item for review and resolution by the BOD, thereby supporting the BOD in fulfilling its role more effectively. (As of May 2025)

Category	Composition	Members	Function (Key Roles)
Audit Committee	3 Independent Directors	Beom Kim (Chair), Seong-ook Jung, Nam-soo Kim	<ul style="list-style-type: none"> <li><b>Purpose</b> : To perform internal oversight of management and enhance the transparency of financial information</li> <li><b>Authority</b> : Supervisory powers including investigation of company operations and financial status, and requests for business reports from management</li> </ul>
Finance Committee	2 Executive Directors	Yun-tae Lee (Chair), Hun Kim	<ul style="list-style-type: none"> <li><b>Purpose</b> : To enhance management efficiency by making prompt decisions on matters delegated by the BOD, pre-review items for BOD deliberation, and other routine financial matters</li> <li><b>Authority</b> : Deliberation and resolution on matters delegated by the BOD and other routine management issues</li> </ul>
ESG Committee	1 Executive Director, 3 Independent Directors	Yun-tae Lee, Seong-ook Jung (Chair), Nam-soo Kim, Beom Kim	<ul style="list-style-type: none"> <li><b>Purpose</b> : To achieve sustainable growth by implementing ESG management related to environment, society, and governance, and strengthening internal controls over intercompany transactions</li> <li><b>Authority</b> : Deliberation, resolution, and oversight on ESG management and intercompany transactions; review and supervision of material ESG issues</li> </ul>

### Conflict of Interest Prevention

In accordance with Article 397-2 of the Korean Commercial Act, LX Semicon requires directors to obtain prior approval from at least two-thirds of the BOD before pursuing any business opportunity—whether current or future—that may benefit the company for their own or a third party’s interest.

### Control of Related-Party and Self-Dealing Transactions

Pursuant to Article 11 of the BOD Regulations, LX Semicon manages “approval of transactions between directors and the company” as a matter requiring BOD resolution. To strengthen control over related-party and self-dealing transactions, such agenda items are first reviewed by the ESG Committee before being submitted to the BOD for final deliberation and approval. Furthermore, in cases where a director has a special interest in a transaction, their voting rights are restricted to reinforce oversight.

### BOD Support Organization

LX Semicon has designated the Legal Team under the CFO as the department responsible for supporting the BOD and Independent Directors to ensure the effective execution of their governance and oversight functions. The Legal Team systematically manages matters related to BOD operations and supports smooth decision-making, thereby strengthening the role of the BOD.

Department	Employees	Key Activities
Legal Team	8	<ul style="list-style-type: none"> <li>Provides prior explanations to Independent Directors on BOD agenda items</li> <li>Performs support tasks for requests related to the performance of duties by Independent Directors, including assistance, organizing director workshops, seminars, training sessions, and managing related schedules</li> </ul>

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### BOD Operations

LX Semicon operates on the principle of holding at least one regular BOD meeting per quarter. In 2024, the company convened a total of six BOD meetings, during which it thoroughly discussed and resolved 13 reporting items and 15 approval items across all areas of management, including financial performance, internal accounting, internal transactions, and ESG.

#### BOD Activities

Category		Unit	2022	2023	2024
No. of BOD Meetings		meetings	10	6	6
Agenda Items Review	Approved	cases	22	18	15
	Reported	cases	11	14	13
Attendance Rate	Executive Directors	%	100	94	83
	Independent Directors	%	96	100	100
	Other Non-standing	%	100	100	100
Overall		%	98	97	95

### BOD Evaluation

LX Semicon conducts regular internal evaluations to assess whether the BOD is faithfully fulfilling its roles and responsibilities. The BOD evaluation takes a multidimensional approach, reviewing attendance rates, level of contribution, independence, and expertise. Based on the results, the company continuously improves the efficiency of BOD operations.

In particular, evaluations of Independent Directors serve as a key criterion for determining their reappointment. Every Independent Director is evaluated at least once before the expiration of their term. In addition, LX Semicon regularly receives governance-related assessments from external institutions such as the Korea Institute of Corporate Governance and Sustainability and reports the results to the BOD. Based on these findings, the company implements further improvement measures.

### Compensation

LX Semicon's Executive Directors receive compensation consisting of a base salary and performance-based bonuses. The performance-based bonus is determined by a resolution of the BOD in accordance with the special bonus system stipulated in the "Executive Compensation Regulations."

Performance evaluations are based on both quantitative and qualitative indicators. Quantitative evaluation reflects financial performance such as annual sales and operating profit compared to the previous year, while qualitative evaluation considers the achievement of key tasks and progress on mid- to long-term strategic initiatives. In addition, the total compensation ceiling for all directors, including registered directors, is approved at the general shareholders' meeting to ensure transparency and appropriateness.

### BOD Training and Liability Mitigation

LX Semicon held a total of three workshops in 2024 on the topics of internal audit and internal accounting management to strengthen the expertise of Independent Directors. In addition, to enhance ESG capabilities, the company offered training programs led by external experts, continuously reinforcing the BOD's oversight role and professional competence.

LX Semicon has also subscribed to Directors and Officers (D&O) liability insurance to ensure independent decision-making and accountable management by directors and executives. Furthermore, the company has clearly defined the scope of legal indemnity by stipulating a provision on "Exemption of Directors' Liability to the Company" in its Articles of Incorporation. These efforts contribute to strengthening the risk management framework and fostering a transparent governance environment.

#### 2024–2025 Independent Directors Workshop Implementation Status

Date	Organizing Department(s)	Attending External Directors	Main Workshop Topics
2024.01.25	Legal Team, Ethics Bureau	Kyeong-woo Wee, Sung-wook Jung, Young-soo Shin	Report on performance and plans of the internal audit department
2024.02.28	Legal Team, Ethics Bureau	Kyeong-woo Wee, Sung-wook Jung, Young-soo Shin	Evaluation of 2023 internal accounting management system operations, review of 2023 internal control mechanisms, review of 2023 Audit Committee audit report
2024.07.25	Legal Team, Management Diagnosis & Improvement Team, Internal Control Team	Kyeong-woo Wee, Sung-wook Jung, Nam-soo Kim	Plan for evaluation of internal accounting management system operations, report on performance and second-half plans of the internal audit department
2025.01.22	Legal Team, Ethics Bureau	Kyeong-woo Wee, Sung-wook Jung, Nam-soo Kim	Report on performance and plans of the internal audit department
2025.02.18	Legal Team, Ethics Bureau	Kyeong-woo Wee, Sung-wook Jung, Nam-soo Kim	'Evaluation of 2024 internal accounting management system operations, review of 2024 internal control mechanisms, review of 2024 Audit Committee audit report

#### 2024–2025 Independent Director Training Implementation Status

Date	Main Topics	Organizing Department(s)	Attending External Directors
2024.04.11	Overview of ESG, understanding of latest ESG trends and keywords	Government Relations/ ESG Team, External Expert	Kyeong-woo Wee, Sung-wook Jung, Nam-soo Kim
2024.11.12	Understanding of the Thermal Substrate Business	ES Business Division	Sang-bum Han, Kyeong-woo Wee, Sung-wook Jung, Nam-soo Kim
2025.04.18	Overview of ESG, understanding of latest ESG trends and keywords	Government Relations/ ESG Team, External Expert	Sung-wook Jung, Nam-soo Kim, Beom Kim
2025.04.25	Role and legal responsibilities of directors	Legal Team	Sang-bum Han, Sung-wook Jung, Nam-soo Kim, Beom Kim

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### Dividend Policy

#### Shareholder Return Policy

LX Semicon has not publicly disclosed a separate official shareholder return policy; however, it operates its dividend policy based on the core principle of enhancing shareholder value. Dividend levels are determined through a comprehensive review of the company’s future strategic investment plans, financial structure including cash flow, and the overall business environment. Over the past three years, approximately 30% of net income has been returned to shareholders. This dividend approach is applied flexibly from a long-term perspective, reflecting changes in the business environment and future investment needs, with the aim of achieving both sustainable corporate growth and stable enhancement of shareholder value.

In addition, LX Semicon enhances dividend predictability by announcing the “Cash and In-kind Dividend Resolution” via the electronic disclosure system (DART) at least 6 weeks prior to the Annual General Meeting of Shareholders. In cases where a cash dividend is made from the start of the disclosure period to the time of report submission, LX Semicon ensures that the decision is finalized before the dividend record date so that all shareholders can secure sufficient prior information. To this end, the company has also completed revisions to its Articles of Incorporation. Immediately upon the dividend resolution, LX Semicon enhances transparency by disclosing the information through the electronic disclosure system (DART) and the official website, while also providing detailed explanations via various channels such as conference calls, IR meetings, and individual shareholder inquiries. Although a separate shareholder return policy in English is not provided, the company ensures that all domestic and international shareholders can easily access information by transparently disclosing historical dividend records on its English-language website.



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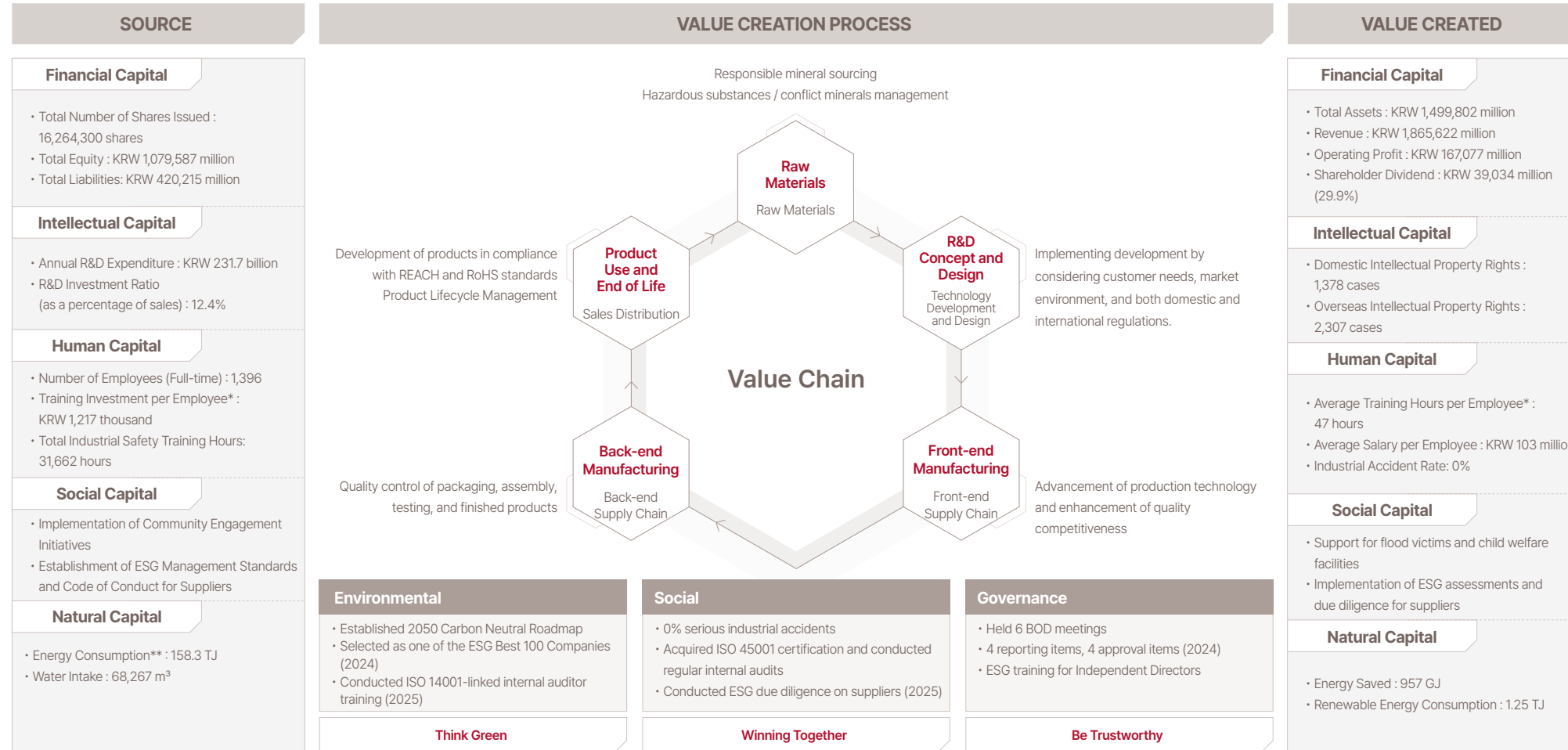
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# LX Semicon Value Creation Process

LX Semicon creates not only financial value but also non-financial value through its core business activities. To effectively communicate this, the company has conceptualized the process by which key capitals are transformed into economic, social, and environmental value through its unique business model, based on the Value Creation Process outlined in the Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC).



Environmental	Social	Governance
<ul style="list-style-type: none"> <li>Established 2050 Carbon Neutral Roadmap</li> <li>Selected as one of the ESG Best 100 Companies (2024)</li> <li>Conducted ISO 14001-linked internal auditor training (2025)</li> </ul>	<ul style="list-style-type: none"> <li>0% serious industrial accidents</li> <li>Acquired ISO 45001 certification and conducted regular internal audits</li> <li>Conducted ESG due diligence on suppliers (2025)</li> </ul>	<ul style="list-style-type: none"> <li>Held 6 BOD meetings</li> <li>4 reporting items, 4 approval items (2024)</li> <li>ESG training for Independent Directors</li> </ul>
<b>Think Green</b>	<b>Winning Together</b>	<b>Be Trustworthy</b>

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\* Based on 1,460 employees (as of end of 2024)

\*\* Total energy consumption across all domestic business sites and overseas subsidiaries (Americas, China, Japan, Taiwan)

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# Double Materiality Assessment

## Double Materiality Assessment Process

LX Semicon conducts a materiality assessment annually to identify key sustainability-related issues and communicate transparently with stakeholders. To capture both the financial impact of ESG issues on the company (Outside-In) and the company's impact on environmental and social sustainability through its business activities (Inside-Out), the company has adopted a Double Materiality approach. The assessment considers both the severity and likelihood of each issue to quantitatively evaluate the actual level of impact on the company. The material issues identified through this process are not limited to internal operations but are structured to analyze business issues across the entire value chain, including upstream and downstream activities. This approach aims to enhance the effectiveness and strategic responsiveness of LX Semicon's ESG management.

<p><b>Step 1.</b> <b>Development of Initial Issue Pool (Long-list) and Derivation of Short-list</b></p>	<p>LX Semicon conducted a comprehensive analysis of global ESG disclosure and assessment standards (GRI Standards 2021, ESRS, TCFD, SASB, DJSI, MSCI, KCGS), major global initiatives (UNGC, UN SDGs, WEF-IBC, etc.), and ESG Assessment indicators used by domestic and international pension funds to develop an initial long list of relevant issues. Subsequently, overlapping items were removed, and the list was refined to reflect overall ESG trends, including global disclosure standards, evaluation metrics, initiatives, investor requirements, and material issues relevant to peer industries. During this process, the indicators were analyzed and issues adjusted with reference to the topic titles defined in the ESRS, resulting in a finalized short list across the environmental, social, and governance domains, which can be utilized in the preparation of the sustainability report.</p>								
<p><b>Step 2.</b> <b>Identification of Impacts, Risks, and Opportunities (IRO)</b></p>	<p>For the material issues derived from the short-list, LX Semicon identified the impact, risk, and opportunity associated with each issue. A cross-analysis using internal data was conducted to preliminarily assess the characteristics and magnitude of each issue's impact on the company. The analysis was based on factors such as positive/negative impact, actual/potential status, timeframe (short-/mid-to-long-term), and classification as risk or opportunity. In particular, the identification of "positive/negative" and "actual/potential" characteristics was informed by ESG Assessment results from client-led supplier assessments, incorporating a more objective and data-driven perspective.</p> <table border="1" data-bbox="1096 730 2115 986"> <tr> <td data-bbox="1096 730 1212 788">Positive/ Negative</td> <td data-bbox="1212 730 2115 788"> <ul style="list-style-type: none"> <li>✓ <b>Definition</b> : Identified as positive or negative based on the previous year's response status</li> <li>✓ <b>Basis</b> : Qualitative analysis of the impact on LX Semicon, considering the previous year's response context</li> </ul> </td> </tr> <tr> <td data-bbox="1096 788 1212 844">Actual/ Potential</td> <td data-bbox="1212 788 2115 844"> <ul style="list-style-type: none"> <li>✓ <b>Definition</b> : Actual (confirmed impact) / Potential (expected future impact)</li> <li>✓ <b>Basis</b> : Analysis of the issue's impact on six stakeholder groups; marked as actual when stakeholder impact is high</li> </ul> </td> </tr> <tr> <td data-bbox="1096 844 1212 927">Timeframe</td> <td data-bbox="1212 844 2115 927"> <ul style="list-style-type: none"> <li>✓ <b>Definition</b> : Expected timing of future impact occurrence or duration of response to actual impact (Short-term: 1-3 years / Mid-term: 1-5 years / Long-term: over 5 years)</li> <li>✓ <b>Basis</b> : Qualitative analysis of temporal impact based on IRO at the company level</li> </ul> </td> </tr> <tr> <td data-bbox="1096 927 1212 986">Risk/ Opportunity</td> <td data-bbox="1212 927 2115 986"> <ul style="list-style-type: none"> <li>✓ <b>Definition</b> : Risk and opportunity factors by issue for LX Semicon</li> <li>✓ <b>Basis</b> : Analysis of risk/opportunity impact on six stakeholder groups; documented when impact is measured as high</li> </ul> </td> </tr> </table>	Positive/ Negative	<ul style="list-style-type: none"> <li>✓ <b>Definition</b> : Identified as positive or negative based on the previous year's response status</li> <li>✓ <b>Basis</b> : Qualitative analysis of the impact on LX Semicon, considering the previous year's response context</li> </ul>	Actual/ Potential	<ul style="list-style-type: none"> <li>✓ <b>Definition</b> : Actual (confirmed impact) / Potential (expected future impact)</li> <li>✓ <b>Basis</b> : Analysis of the issue's impact on six stakeholder groups; marked as actual when stakeholder impact is high</li> </ul>	Timeframe	<ul style="list-style-type: none"> <li>✓ <b>Definition</b> : Expected timing of future impact occurrence or duration of response to actual impact (Short-term: 1-3 years / Mid-term: 1-5 years / Long-term: over 5 years)</li> <li>✓ <b>Basis</b> : Qualitative analysis of temporal impact based on IRO at the company level</li> </ul>	Risk/ Opportunity	<ul style="list-style-type: none"> <li>✓ <b>Definition</b> : Risk and opportunity factors by issue for LX Semicon</li> <li>✓ <b>Basis</b> : Analysis of risk/opportunity impact on six stakeholder groups; documented when impact is measured as high</li> </ul>
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<p><b>Step 3.</b> <b>Conducting Materiality Assessment</b></p>	<p>Based on IRO (Impact/Risk/Opportunity) analysis, LX Semicon conducted an impact assessment of the material issues included in the short-list. For each issue, the identified elements of impact, risk, and opportunity were used to quantify severity and likelihood, enabling a numerical evaluation of materiality and the derivation of priorities. This analysis will serve as foundational data for the formulation and implementation of LX Semicon's sustainability management strategy.</p> <p><b>Financial Materiality</b></p> <ul style="list-style-type: none"> <li>ESG Indicator Analysis (SASB, MSCI), Stakeholder Survey, Peer Industry Benchmarking, ESG Management Status, ESG Regulation and Policy Analysis</li> </ul> <p><b>Impact Materiality</b></p> <ul style="list-style-type: none"> <li>ESG Indicator Analysis (GRI, ESRS, UNGC, ISO 26000, UN SDGs, KCGS, WEF, K-ESG, RBA), Stakeholder Survey and Supplier ESG Assessment Results, Media Analysis</li> </ul>								
<p><b>Step 4.</b> <b>Derivation of Material Issues</b></p>	<p>LX Semicon conducted a double materiality assessment on the short-listed issues by comprehensively analyzing both the social and environmental impacts and the financial impacts of each issue. The results of the assessment are reviewed and discussed with the relevant departments, after which the material issues are selected. For the identified material issues, LX Semicon strengthens its response framework and additionally discloses the corresponding management measures in the sustainability report.</p>								

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# Double Materiality Assessment

## Double Materiality Assessment Result

LX Semicon conducted a double materiality assessment by comprehensively analyzing both the social and environmental impacts and the financial impacts of each issue. Based on the results, the company finalized the selection of its material issues through review and consultation with the relevant and associated departments, as outlined below.

Category	Issue Name (Based on Short-list)	Social/Environmental Impact Level		Financial Impact Level		Double Materiality Result	
		Inside-out	Impact Level	Outside-in	Impact Level	Final Score*	Changes Compared to Previous Year's Material Issues
Environ-mental	Environmental Management	Environmental pollution and resource consumption that may occur during the production and use of products are identified as key impact factors. Accordingly, LX Semicon demonstrates sustainability through environmental certifications, thereby securing the trust of customers and investors. In addition, the company meets stakeholder expectations by transparently disclosing environmental information and strengthening environmental management.	●●●	If environmental management strategies are insufficient, there is a risk of declining trust and weakened partnerships with global clients. In addition, violations of environmental regulations may lead to legal risks and reputational damage, potentially resulting in reduced competitiveness in key markets. On the other hand, proactively obtaining environmental certifications can enhance credibility in global markets and create opportunities to secure long-term contracts.	●●●	●●○	New
	Talent Management and Capability Development	Talent management and capability development are recognized as key opportunity factors for technological innovation and strengthening competitiveness. LX Semicon fosters a positive organizational culture through fair recruitment and compensation systems, thereby promoting the long-term qualitative enhancement of its human capital.	●●○	The continued loss of key talent may pose a financial threat by weakening technological competitiveness and leading to a decline in market share. This can negatively affect the company's reputation and undermine the long-term stability of its human resources. Conversely, strengthening strategic investment in human capital presents an opportunity to secure growth drivers and lead technological innovation within the semiconductor market.	●●○	●●○	New
Social	Strengthening Occupational Health and Safety	Creating a healthy and safe working environment is a key impact factor in ensuring operational stability and enhancing employee satisfaction. The company strengthens trust with local communities and stakeholders by protecting worker health, preventing accidents, and complying with relevant regulations.	●●●	In the event of an accident in the workplace, there is a potential for financial losses such as legal disputes and fines, as well as operational disruptions due to production halts and reputational damage. On the other hand, by establishing a proactive health and safety system, the company can enhance employee satisfaction, prevent talent attrition, and strengthen its ESG leadership, leading to improved external reputation.	●●○	●●○	Maintained
	Strengthening Information Security	Information leakage is identified as a critical risk that can undermine corporate credibility and business continuity. To prevent this, the company is strengthening its information security systems and establishing a stable information protection environment to ensure long-term business continuity.	●○○	Customer data breaches represent a serious risk directly tied to corporate trust, with a high likelihood of reputational damage, legal sanctions, and fines. However, by adopting advanced security technologies and strengthening information security management, the company has an opportunity to build customer trust and enhance its competitive edge in information protection.	●●○	●●○	New

\* Final Score: The sum of the total scores for 'Impact Materiality' and 'Financial Materiality'

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# Double Materiality Assessment

## Material Issues Management Approach

Based on the results of the double materiality assessment, LX Semicon selected the top four issues as material issues. The company analyzed the business impact of these issues from a sustainability perspective and included corresponding response activities in the report. Going forward, LX Semicon will continue to identify timely material issues, respond proactively, and communicate both the process and outcomes transparently with stakeholders.

Issue Name (Based on Short-list)	I (Impact)	Positive/ Negative	Actual/ Potential	Impact Timeframe	R (Risk)	O (Opportunity)	Risk/ Opportunity	Risk/ Opportunity Timeframe	Progress Status
 Environmental Management	<ul style="list-style-type: none"> <li>Environmental pollution and resource consumption during production and use have both positive and negative impacts on society</li> <li>Sustainability is demonstrated through environmental certifications such as ISO 14001, which helps secure trust from customers and investors, while enhanced disclosure of environmental information and strengthened governance meet stakeholder expectations.</li> </ul>	Negative	Actual	Medium	<ul style="list-style-type: none"> <li>Without an environmental management strategy, there is a risk of losing the trust of global clients that emphasize ESG, potentially weakening cooperative relationships.</li> <li>Insufficient environmental certifications and inadequate disclosure of environmental information may increase legal risks and the likelihood of reputational damage.</li> <li>Failure to establish a sustainable environmental management system may lead to decreased competitiveness in key markets.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen sustainable management competitiveness through the establishment of systematic environmental policies and strategies.</li> <li>Maintain alignment with global standards to enhance credibility and secure long-term customers in the global market.</li> <li>Improve transparency for investors and clients by enhancing the disclosure of environmental information, thereby boosting reputation.</li> </ul>	Risk	Medium	<ul style="list-style-type: none"> <li>Revision of environmental management policy</li> <li>Internal auditor training linked to ISO 14001 certification</li> <li>Introduction of eco-friendly vehicles for 80% of all business-use vehicles across domestic and overseas sites, along with operation of charging stations</li> <li>Real-time monitoring of supplier compliance with hazardous substance regulations using a system</li> <li>Inclusion of environmental management indicators in key performance indicators for management-level positions and above</li> </ul>
 Talent Management and Capability Development	<ul style="list-style-type: none"> <li>Enhance technological innovation and corporate competitiveness by strengthening employee capabilities, while fostering a positive organizational culture through fair recruitment and compensation.</li> <li>Talent management and competency development can also contribute to achieving favorable ESG Assessment scores.</li> </ul>	Positive	Potential	Long	<ul style="list-style-type: none"> <li>Continued loss of key talent may weaken technological competitiveness and pose a risk of declining market share.</li> <li>Lack of diversity and an unfair compensation system can lead to internal dissatisfaction and employee turnover, negatively affecting corporate reputation.</li> <li>Inadequate talent development may ultimately result in diminished innovation and competitiveness over the long term.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen competitiveness by addressing workforce shortages in the semiconductor industry</li> <li>Enhance sustainability by increasing investment in human capital from an ESG perspective</li> <li>Greater potential to lead market growth and technological innovation in advanced semiconductor design</li> </ul>	Opportunity	Short	<ul style="list-style-type: none"> <li>Secure top talent through hiring-track internships, industry-academia scholarship programs, and participation in graduate school consortia</li> <li>Acquire global talent through internship programs at overseas sites such as Japan and India</li> <li>Establish a company-wide professional design training system and foster a continuous learning culture both online and offline</li> <li>Operate diverse work systems and welfare policies, including flexible work hours, remote work, encouraged vacation, and casual dress codes</li> </ul>
 Strengthening Occupational Health and Safety	<ul style="list-style-type: none"> <li>Creating a healthy and safe working environment leads to increased employee satisfaction and operational stability, while improving workplace safety can reduce industrial accidents.</li> <li>Strengthening occupational health and safety policies protects the physical and mental well-being of employees, ensures regulatory compliance, and prevents accidents, thereby earning trust from local communities and stakeholders.</li> </ul>	Negative	Actual	Medium	<ul style="list-style-type: none"> <li>In the event of safety incidents, there is a risk of legal disputes, fines, operational disruptions due to production halts, and damage to corporate reputation.</li> <li>Frequent industrial accidents may lead to employee turnover, difficulty in recruiting new talent, and a decline in overall organizational trust.</li> <li>Insufficient safety training and violations of safety regulations may result in legal sanctions and criticism from the local community.</li> </ul>	<ul style="list-style-type: none"> <li>Proactively establishing an occupational health and safety management system can enhance employee satisfaction and support talent retention.</li> <li>Strengthen ESG leadership and boost reputation through safety certifications and performance disclosures.</li> </ul>	Risk	Short	<ul style="list-style-type: none"> <li>Acquired ISO 45001 certification and conducted regular internal audits</li> <li>Expanded occupational health and safety training beyond legally mandated courses, including education on the characteristics and hazards of chemical substances</li> <li>Identified high-risk equipment and strengthened regular inspections</li> <li>Achieved 100% completion rate for health check-ups and follow-up consultations for individuals with abnormal findings</li> <li>Conducted annual workplace risk assessments and achieved a 90% implementation rate for corrective actions</li> </ul>
 Strengthening Information Security	<ul style="list-style-type: none"> <li>Prevent loss of trust due to data breaches and ensure business sustainability by strengthening information protection policies</li> <li>Security training for employees enhances the overall level of information security within the organization and contributes to the protection of digital assets</li> </ul>	Negative	Potential	Short	<ul style="list-style-type: none"> <li>Customer data breaches caused by cyberattacks may lead to reputational damage, legal issues, and potential fines.</li> <li>Leakage of confidential information of key clients may result in contract termination and financial losses.</li> <li>Failure to comply with international data protection regulations may lead to business restrictions and loss of trust in global markets.</li> </ul>	<ul style="list-style-type: none"> <li>Protect customer data and build trust by adopting the latest security technologies</li> <li>Strengthen competitiveness in the global market by implementing advanced information security systems and acquiring relevant certifications</li> </ul>	Opportunity	Short	<ul style="list-style-type: none"> <li>ISO/IEC 27001:2022 Version Renewal</li> <li>Refined and optimized access control system for design networks</li> <li>Conducted regular scenario-based response drills for security breach incidents</li> <li>Performed disaster recovery simulation training and reinforced the system</li> <li>Enhanced information security training and strengthened personal data management</li> </ul>

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# Financial Summary

## Consolidated Financial Statements

(Unit: KRW million)

Category	2022	2023	2024
<b>Current Assets</b>	1,009,649	902,885	1,124,303
Cash and Cash Equivalents	188,365	184,417	238,813
Short-Term Financial Instruments	130,501	120,514	160,000
Trade Receivables	143,347	204,968	448,799
Other Receivables	30,339	3,418	5,316
Other Current Assets	34,539	53,675	59,935
Inventories	482,556	335,891	211,440
<b>Non-Current Assets</b>	279,969	302,179	375,499
Long-Term Other Receivables	15,729	12,768	9,483
Investments in Associates and Joint Ventures	39,730	47,935	47,625
Tangible Assets	105,170	104,427	111,129
Right-of-Use Assets	17,009	21,512	37,621
Intangible Assets	63,798	73,937	84,392
Other Non-Current Assets	10,161	8,994	52,660
Net Defined Benefit Assets	18,301	9,689	5,795
Deferred Tax Assets	10,067	22,914	26,794
<b>Total Assets</b>	1,289,618	1,205,064	1,499,802
<b>Current Liabilities</b>	324,401	207,337	351,838
Trade Payables	196,211	97,600	153,444
Other Payables	68,951	44,464	102,576
Other Current Liabilities	10,732	32,386	50,866
Provisions for Product Warranty	0	0	13,643
Lease Liabilities	8,158	7,643	9,882
Current Income Tax Payables	40,347	25,242	21,427
<b>Non-Current Liabilities</b>	14,856	20,964	68,377
Other Non-Current Liabilities	2,001	1,825	34,506
Other Long-Term Payables	5,127	5,657	6,624
Lease Liabilities	7,727	13,481	27,245
Deferred Tax Liabilities	0	0	2
<b>Total Liabilities</b>	339,257	228,301	420,215
<b>Equity Attributable to Owners of the Parent Company</b>	950,360	976,763	1,079,587
Capital Stock	8,132	8,132	8,132
Capital Surplus	76,343	76,343	76,343
Other Components of Equity	(782)	1,072	152
Retained Earnings	866,667	893,361	994,960
Non-Controlling Interests	0	0	0
<b>Total Equity</b>	950,360	976,763	1,079,587
<b>Total Liabilities and Equity</b>	1,289,618	1,205,064	1,499,802

## Consolidated Income Statement

(Unit: KRW million)

Category	2022	2023	2024
Revenue	2,119,345	1,901,444	1,865,621
Cost of Sales	1,443,672	1,367,468	1,249,744
Gross Profit	675,673	533,976	615,877
Selling and Administrative Expenses	365,049	404,941	448,800
Operating Profit	310,623	129,035	167,076
Financial Income	11,958	12,985	19,737
Financial Expenses	12,873	24,997	33,787
Other Non-Operating Income	44,572	31,252	43,258
Other Non-Operating Expenses	52,214	24,993	28,230
Gains on Equity Method	1,903	3,003	(59)
Net Gain (Loss) on Disposal of Subsidiaries	303,970	126,286	167,995
Income Tax Expense	70,278	25,082	37,486
Net Profit	233,692	101,203	130,509
Profit Attributable to Owners of the Parent Company	233,692	101,203	130,509
Non-Controlling Interests	0	0	0
*Basic Earnings per Share	14,368	6,222	8,024
*Diluted Earnings per Share	14,368	6,222	8,024

\* Unit for Basic Earnings per Share, Diluted Earnings per Share : KRW per share KRW

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# GRI Index

GRI STANDARDS 2021		Remarks	
GRI 1 : STANDARDS 2021	Standard Statement of Use	LX Semicon reports ESG performance and data for the period from 01 January 2024, to 31 December 2024, in accordance with the GRI Standards. Some key performance areas include activities through the first half of 2025.	
	GRI 1 Used	GRI 1: Foundation 2021	
	Applicable GRI Sector Standards	Not applicable at this time (as of the publication date in June 2025, no sector standard has been issued for the industry to which LX Semicon belongs)	

GRI STANDARDS 2021		Disclosure	Location	Remarks
GRI 2 : STANDARDS 2021	2-1	Organizational Details	3	
	2-2	Entities Included in the Organization's Sustainability Reporting	8	
	2-3	Reporting Period, Frequency, and Contact Point for the Report	3	
	2-4	Restatements of Information	33, 37, 38, 56	
	2-5	External Assurance	74.76	
	2-6	Activities, Value Chain, and Other Business Relationships	9, 10, 63	No significant changes
	2-7	Employees	36	
	2-8	Workers Who Are Not Employees	37, Business Report 205p	
	2-9	Governance Structure and Composition	15, 59, Business Report 190p	
	2-10	Nomination and Selection of the Highest Governance Body	59, Business Report 190p	
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	2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	15, 59, Business Report 188-189p	
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	2-14	Role of the Highest Governance Body in Sustainability Reporting	15, Business Report 187p	
	2-15	Conflicts of Interest	59, Business Report 187p	
	2-16	Communication of Critical Concerns	28, 30, Business Report 188-189p	
	2-17	Collective Knowledge of the Highest Governance Body	60, Business Report 191-192p	
	2-18	Evaluation of the Performance of the Highest Governance Body	60	
	2-19	Remuneration Policies	60, Business Report 206-209p	
	2-20	Process to Determine Remuneration	60, Business Report 206-209p	
	2-21	Annual Total Compensation Ratio	-	Not disclosed due to confidentiality, in accordance with the company's policy.

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# GRI Index

GRI STANDARDS 2021	Disclosure	Location	Remarks	
GRI 2 : STANDARDS 2021	2-22	Statement on Sustainable Development Strategy	5	
	2-23	Policy Commitments	28, 33, 41, 45, 48, 50, 54	
	2-24	Embedding Policy Commitments	28, 33, 41, 45, 48, 50, 54, 55	
	2-25	Processes to Remediate Negative Impacts	30, 55, 56, 57, 58	
	2-26	Mechanisms for Seeking Advice and Raising Concerns	30, 55, 56	
	2-27	Compliance with Laws and Regulations	22, 56, Business Report 215-216p	
	2-28	Membership Associations	73	
	2-29	Approach to Stakeholder Engagement	17	
	2-30	Collective Bargaining Agreements	-	The company operates only a Labor-Management Council and a Grievance Handling Council.
	<b>Material Topics</b>			
GRI 3 : Material Topics 2021	3-1	Material Issue Determination Process	64	
	3-2	List of Material Issues	66	
	3-3	Management of Material Issues	66	
<b>Economic (GRI 200)</b>				
GRI 201 : Economic Performance 2016	201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	25	
GRI 205 : Anti-corruption 2016	205-2	Communication and Training About Anti-Corruption Policies and Procedures	45-46, 54-56	
	205-3	Confirmed Incidents of Corruption and Actions Taken	56, Business Report 215-216p	
GRI 206 : Anti-competitive Behavior 2016	206-1	Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices	58, Business Report 215-216p	
GRI 207 : Tax 2019	207-4	Country-by-Country Reporting	14, Business Report 86-87p	
<b>Environmental (GRI 300)</b>				
GRI 302 : Energy 2016	302-1	Energy Consumption Within the Organization	26	
	302-3	Energy Intensity	26	
	302-4	Reduction of Energy Consumption	26	
GRI 303 : Water and Effluents 2018	303-3	Water Withdrawal	22	
	305-1	Direct GHG Emissions (Scope 1)	74	
GRI 305 : Emissions 2016	305-2	Indirect GHG Emissions (Scope 2)	74	
	305-3	Other Indirect GHG Emissions (Scope 3)	74	
	305-4	GHG Emissions Intensity	26	
	305-5	Reduction of GHG Emissions	26, 74	
GRI 306 : Waste 2020	306-3	Waste Generation	22	
GRI 308 : Supplier Environmental Assessment	308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken	22, 45-46	

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# GRI Index

GRI STANDARDS 2021	Disclosure	Location	Remarks
<b>Social (GRI 400)</b>			
GRI 401 : Employment 2016	401-1	New Employee Hires and Turnover	39
	401-3	Parental Leave	38
	403-1	Occupational Health and Safety Management System	41-44
GRI 403 : Occupational Health & Safety	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	41-44
	403-3	Occupational Health Services	41, 43
	403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	41, 43
	403-5	Training for Workers on Occupational Health and Safety, and Training for Workers on Industrial Security and Health	28, 36, 43
	403-6	Promotion of Worker Health	43
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	41-44
	403-8	Workers Covered by an Occupational Health and Safety Management System	41-44
	403-9	Work-Related Injuries	44
	403-10	Work-Related Illness	44
	GRI 404 : Training and Education 2016	404-1	Average Hours of Training per Employee
404-2		Programs for Upgrading Employee Skills and Transition Assistance	34-36
404-3		Percentage of Employees Receiving Regular Performance and Career Development Reviews	33
GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	38, 59
	405-2	Ratio of Basic Salary and Remuneration of Women to Men	30
GRI 406 : Non-Discrimination	406-1	Incidents of Discrimination and Corrective Actions Taken	30
GRI 414 : Supplier Social Assessment	414-2	Negative Social Impacts in the Supply Chain and Actions Taken	45-46
GRI 418 : Customer Privacy 2016	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Loss of Customer Data	52

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# SASB Index

Category	Items	Code	2024 Data and Performance	Report Page
GHG Emissions	(1) Total Scope 1 Emissions	TC-SC-110a.1	1,027 tCO2eq	26
	(2) Total PFCs (Perfluorinated Compounds) Emissions		N/A	-
	Long- and Short-Term Strategies and Plans for Managing Scope 1 Emissions, Emission Reduction Targets, and Performance Analysis Against Targets	TC-SC-110a.2	The company has set a goal to achieve carbon neutrality by 2050 and has established a roadmap and reduction plan to implement this goal. To achieve this, it has joined the K-RE100 initiative, introduced on-site solar power generation facilities, and undertaken various eco-friendly activities. Moving forward, the company aims to achieve carbon neutrality through company-wide reduction efforts.	23-25
Energy Management	(1) Total Energy Consumption	TC-SC-130a.1	156.1 TJ	26
	(2) Percentage of Energy from Conventional Grid Electricity		99.2%	26
	(3) Percentage of Renewable Energy		0.8%	26
Water Resource Management	(1) Total Water Withdrawal	TC-SC-140a.1	68,267m³	22
	(2) Total Water Consumption		Not disclosed due to business reasons.	-
	(3) Proportion of Operations in Areas with High or Extremely High Water Stress		Based on the World Resources Institute (WRI) Water Risk Atlas, the company has identified that among its domestic business sites, the Daejeon Campus is located in a region with high water stress, while no sites are located in extremely high water stress regions.	22
Waste Management	Generation and Recycling Rate of Hazardous (Designated) Waste	TC-SC-150a.1	The company consigns the treatment of designated waste in accordance with the Waste Management Act through legally compliant procedures, and in the reporting year, the waste was processed using recyclable methods.	-
Occupational Health and Safety of Employees	Description of efforts to assess, monitor, and reduce employees' exposure to health risks	TC-SC-320a.1	The company conducts regular workplace risk assessments and carries out risk elimination and prevention activities based on the assessment results. In addition, to ensure laboratory safety, detailed safety inspections are performed, and corrective actions are taken for any identified potential hazards.	42-44
	Total monetary losses resulting from legal proceedings related to employee health and safety	TC-SC-320a.2	N/A	-
Global Talent Recruitment and Management	(1) Proportion of Employees with Foreign Nationality	TC-SC-330a.1	7%	38
	(2) Proportion of Employees at Overseas Business Sites		8%	37
Product Lifecycle Management	Revenue Ratio by Product Containing Declarable Substances under IEC 62474	TC-SC-410a.1	The company does not use substances regulated under IEC 62474.	-
	Processor Energy Efficiency (1) Server (2) Desktop (3) Laptop	TC-SC-410a.2	N/A	-
Raw Material Supply	Detailed information on risk management related to the use of critical materials.	TC-SC-440a.1	The company supports international efforts to prevent negative issues such as human rights violations and environmental destruction associated with mineral extraction in major conflict-affected regions. It actively participates in related initiatives and has established and operates a management system and processes to ensure that conflict minerals are not used in its supply chain and that no funds are directed to armed groups in conflict regions.	47
Intellectual Property Protection and Competitive Practices	Total monetary losses resulting from legal proceedings related to anti-competitive behavior regulations	TC-SC-520a.1	N/A	-

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# TCFD Index

Recommendations		Report Page
<b>Governance</b>		
a	BOD Oversight of Climate-Related Risks and Opportunities	15, 23
b	Management's Role in Assessing and Managing Climate-Related Risks and Opportunities	15, 23
<b>Strategy</b>		
a	Climate-Related Risks and Opportunities Identified Over the Short, Medium, and Long Term	25
b	Impact of Climate-Related Risks and Opportunities on the Organization's Business, Strategy, and Financial Planning	25
c	Resilience of the Organization's Strategy Considering Climate-Related Scenarios	25
<b>Risk Management</b>		
a	Processes for Identifying and Assessing Climate-Related Risks	23
b	Processes for Managing Climate-Related Risks	23
c	Description of How Climate-Related Risk Identification, Assessment, and Management Processes Are Integrated into the Organization's Overall Risk Management Framework	23
<b>Metrics and Targets</b>		
a	Metrics Used to Assess Climate-Related Risks and Opportunities	26
b	Scope 1, Scope 2, and Scope 3 (if applicable) GHG Emissions	26
c	Targets Used to Manage Climate-Related Risks, Opportunities, and Performance	26

# ISSB Index

Category	Key Provisions	Report Page
Governance	Name of the Responsible Decision-Making Body	20, 23, 28, 32, 41, 45, 48, 50, 54, 57, 59-61
	Delegated Authorities of the Decision-Making Body	
	Methods for Securing Competence	
	Reporting Frequency	
	Inclusion of Targets and Performance Indicators in Compensation Policies	
Strategy	Role of Management	20-22, 29-31, 33-36, 42-43, 46, 49, 51-52, 54-55, 57
	Material Sustainability-Related Risks and Opportunities	
	Impacts on the Company's Business and Entire Value Chain	
Risk Management	Impacts on the Company's Strategy and Decision-Making	21, 24-25, 29, 33, 43, 45, 48, 58
	Process for Identifying Sustainability-Related Risks and Opportunities	
	Process for Assessing Sustainability-Related Risks and Opportunities	
	System for Managing Sustainability-Related Risks and Opportunities	
Metrics and Targets	Integration of Sustainability Risk Identification, Assessment, and Management Activities into the Enterprise Risk Management System	22, 26, 30, 33, 35, 37-40, 44, 46-47, 52, 56, 58, 60
	Methods for Measuring, Monitoring, and Managing Sustainability-Related Risks and Opportunities	
	Sustainability-Related Targets	
	Sustainability-Related Performance Indicators	

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# The 10 Principles of the UNGC

Area	No.	Principle Description	Report Page
Human Rights	Principle 1	Support and respect the protection of internationally proclaimed human rights.	28
	Principle 2	Make sure that they are not complicit in human rights abuses.	29-31
Labor	Principle 3	Uphold the freedom of association and the effective recognition of the right to collective bargaining.	36, 45-47
	Principle 4	Eliminate all forms of forced and compulsory labor.	28-29, 45-47
	Principle 5	Effectively abolish child labor.	28-29, 45-47
	Principle 6	Eliminate discrimination in respect of employment and occupation.	28-29, 32, 38
Environmental	Principle 7	Support a precautionary approach to environmental challenges.	20-26
	Principle 8	Undertake initiatives to promote greater environmental responsibility.	20-26
	Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	20-26
Anti-Corruption	Principle 10	Work against corruption in all its forms, including extortion and bribery.	55, 57-58

# Certifications and Membership Associations

## Status of Domestic and International Certifications

Environmental	Energy	Occupational Health & Safety	Quality	Information Security
ISO 14001 (Environmental Management System)	ISO 50001 (Environmental Management System)	ISO 45001 (Occupational Health and Safety Management System)	ISO 9001 (Environmental Management System)	ISO 27001 (Information Security Management System)

## Membership Status

Organization			
Korea Semiconductor Industry Association	The Institute of Electronics and Information Engineers	UN Global Compact	Korea Listed Companies Association

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# GHG Emissions Assurance Statement

## Verification Opinion

### Scope

- The annual GHG emissions for 2024 calendar year
- Direct GHG emissions (Scope 1) and indirect emissions (Scope 2) of domestic business sites
- Other indirect GHG emissions (Scope 3) from employee commuting

### Data Verified

- Annual direct (Scope 1) and indirect (Scope 2) GHG emissions in 2024

(Unit : tCO<sub>2</sub>e)

Business Sites	Scope1 emissions	Scope2 emissions	Emissions in 2024
Daejeon Campus	66.697	543.202	609.899
Yangjae Campus	620.228	2,909.482	3,529.710
Gangnam Campus	325.311	1,211.873	1,481.208
Yangjae Gun Building	-	52.840	52.840
Siheung Campus	70.525	1,752.041	1,822.566
<b>Total amount</b>	<b>1,026.785</b>	<b>6,469.439</b>	<b>7,496.224</b>

- Annual other indirect (Scope 3) GHG emissions in 2024

(Unit : tCO<sub>2</sub>e)

Category	details	Emissions in 2024
Employee commuting	Excluding the use of personal vehicles and public transportation, the calculation was limited to commuter buses for which activity data can be collected.	950.784

\* Scope 3 GHG Emissions were accounted according to 'The GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard of WRI/WBCSD, and assumptions are described in the assurance report.

### GHG Criteria & Protocols used for Verification

The verification was carried out at the request of the LX Semicon Co., Ltd. using :

- Guideline for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme
- The GHG Protocol of the WRI/WBCSD
- ISO14064-1: 2018
- ISO 14064-3: 2019
- BSI GHGEV Manual

### Verification Opinion

BSI Group Korea's verification opinions on the result of carrying out verification in accordance with the GHG criteria and protocols mentioned above are as follows.

- This scope 1&2 verification for domestic business sites of LX Semicon was conducted to provide reasonable assurance level verification in accordance with the 'Guideline for Reporting and Certification of Emissions in the Greenhouse Gas Emissions Trading Scheme' and Scope 3 other indirect emissions were verified under the limited assurance level.
- Data quality was considered acceptable in meeting the key international principles for greenhouse gas emissions verification.
- No material misstatement during the verification process for emissions was found and no evidence could be found that the activity data and relevant evidence were not properly managed. Therefore, the BSI Group Korea Verification Team provides a verification opinion that is "appropriate".

For and on behalf of BSI:  
Issue: 22/04/2025

Managing Director Korea,  
SeongHwan Lim

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# Independent Assurance Opinion Statement

## To : The Stakeholders of LX Semicon

### Overview

The British Standards Institution (hereinafter referred to as the “Assurer”) was requested to verify the LX Semicon 2024-2025 Sustainability Report (hereinafter referred to as the “Report”). The Assurer is independent to LX Semicon and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the LX Semicon’s report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the LX Semicon. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate.

LX Semicon is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to LX Semicon only.

The Assurer is responsible for providing LX Semicon’s management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of LX Semicon. The Assurer will not, in providing this Independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the Independent assurance opinion statement may be read.

### Scope

The scope of engagement agreed upon with LX Semicon includes the following :

- Report contents during the period from January 1st to December 31st 2024 included in the Report, some data of 2025 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report’s compliance with the AA1000 AccountAbility Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

### Assurance Level and Type

The assurance level and type are as follows ;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

### Description and Sources of Disclosures Covered

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by LX Semicon.

[Universal Standards]  
 2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)  
 [Topic Standards]  
 201-2, 205-2-3, 206-1, 207-4, 302-1, 302-3, 302-4, 303-3, 305-1-5, 306-3, 308-2, 401-1, 401-3, 403-1-10, 404-1-3, 405-1-2, 406-1, 414-2, 418-1

### Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities ;

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a toplevel review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation.
- Review of the materiality issue analysis process and prioritization and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures.
- An assessment of LX Semicon’s reporting and management processes against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the KangNam Campus of LX Semicon to confirm the data collection processes, record management practices.

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# Independent Assurance Opinion Statement

## Limitations and Approach Used to Mitigate Limitations

The Assurer performed limited verification for a limited period based on the data provided by LX Semicon. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

## Competency and Independence

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with LX Semicon. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have indepth understanding of the BSI Group's assurance standard methodology.

## Opinion Statement

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain LX Semicon's approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards.

On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

## Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards is set out as below.

## Inclusivity : Stakeholder Engagement and Opinion

LX Semicon has selected shareholders and investors, executives and employees, customers, supply chains, communities, and media as key stakeholders. It operates a communication channel for each stakeholder, collects expectations and various opinions from each key stakeholder group through the stakeholder participation process, reflects the major issues derived in decisionmaking related to sustainability, and discloses the process through reports.

## Materiality : Identification and Reporting of Material Sustainability Topics

LX Semicon conducts an annual materiality assessment to identify key sustainability issues and communicate transparently with stakeholders. In order to consider both the impact of ESG issues from a corporate financial perspective and the impact of corporate inability, a double materiality assessment was conducted. A total of four key sustainability issues were selected by applying weights to "Business Relevance" and "Social Environmental Impact." Key issues derived from the double materiality assessment are disclosed to stakeholders through reports.

## Responsiveness : Responding to Material Sustainability Topics and Related Impacts

LX Semicon has established a management process for key reporting issues determined by the materiality assessment. In order to respond appropriately in a way that reflects the expectations of stakeholders, the background of strategies for key reporting issues, goals and policies, implementation status, activity performance, and response performance are disclosed through reports.

## Impact : Impact of an Organization's Activities and Material Sustainability Topics on the Organization and Stakeholders

LX Semicon has established a process to identify and evaluate the impact on organizations and stakeholders associated with key reporting issues. The analysis of impact, risk and opportunity factors on key reporting issues is used to make decisions for each issue's response strategy and goal establishment and performance evaluation, and the process is disclosed through reports.

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# Independent Assurance Opinion Statement

## Findings and Conclusions Concerning the Reliability and Quality of Specified Performance Information

Among the GRI Topic Standards, an assurance Type 2 were conducted against the following disclosurers based on the information and data provided by LX Semicon. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the Report were not found through assurance processes. The LX Semicon manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected and the Assurer confirmed the final version of the Report prior to its final publication.

- GRI Topic Standards : 302-1, 302-3, 305-1-3, 306-3, 403-8-10, 404-1, 404-3, 405-1-2, 406-1

## Recommendations and Opportunity for Improvement

The Assurer provides the following observations to the extent that they do not affect the assurance opinion ;

- As various global sustainability disclosure standards are announced, relevant global standards such as ESG framework need to be considered to make the organization's sustainability management more robust.
- Under the recognition that ESG management is an "innovation foundation for maintaining industrial competitiveness," LX Semicon has established an ESG vision to implement a better future through top-notch technology and ESG management, and has set "Think Green," "Winning Together," and "Be Trustworthy" as the top three ESG strategic directions to realize this. Continuous management of these ESG strategies and challenges through the activities of the ESG committee and dedicated organizations can help advance the sustainability management system.

## GRI-Reporting

LX Semicon has self-declared compliance with GRI Standards. Based on the data and information provided by LX Semicon, the Assurer confirmed that the Report is prepared in accordance with the GRI Standards, and confirmed there are no errors in the disclosures related to the Universal Standards and Topic Standards Indicators. No sector standard is applied.

**Issue Date : 19/05/2025**  
**For and on behalf of BSI (Brithish Standards Institution) :**

### BSI representative

Jong Ho Lee,  
Lead Assurer

Seonghwan Lim,  
Managing Director  
of BSI Korea



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