

NATURE, HUMAN AND SPACE



ABOUT THIS REPORT

Report Summary

Since 2012, LX Hausys has been annually publishing a sustainability report that transparently communicates its ESG management activities and performance to stakeholders. In 2023, the report was renamed the ESG Report, and it includes LX Hausys's ESG vision and strategic framework, along with key performance and data on six core material issues identified through a double materiality assessment.

Reporting Scope

Environmental, social, and governance (ESG) performance has been reported primarily for LX Hausys's headquarters and domestic business sites, with partial inclusion of results from overseas operations (LX Hausys America, Inc. and LX Hausys (Wuxi) Co., Ltd). Financial information has been prepared on a consolidated basis in accordance with Korean International Financial Reporting Standards (K-IFRS), and the applicable reporting boundaries are distinguished through separate notations.

Reporting Period

This report primarily covers the quantitative and qualitative activities and performance from January 1, 2024 to December 31, 2024, and includes some key activities conducted during the first half of 2025. For quantitative performance indicators requiring trend analysis, data from the past three years has been disclosed.

Reporting and Assurance Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, and financial information has been reported on a consolidated basis in accordance with Korean International Financial Reporting Standards (K-IFRS). To ensure the reliability of this report, LX Hausys complied with the AA1000AS v3 assurance standard and underwent third-party assurance conducted by BSI. The assurance statement is provided on pages 95–96 of this report.

Publication and Contact Information

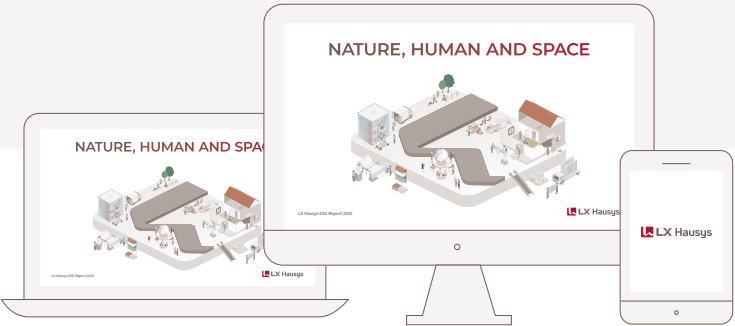
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Interactive PDF User Guide

LX Hausys ESG Report 2025 is published as an interactive PDF for enhanced readability. The hyperlinked text and icons will lead to relevant sections of the report, associated webpages, etc



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CEO Message



CEO, LX Hausys
Roh JinSeo

Greetings to all our valued stakeholders,

We would like to express our sincere gratitude to all our stakeholders for your unwavering interest and support, even amidst a challenging business environment marked by a prolonged slump in the domestic construction and real estate market and growing geopolitical uncertainties worldwide.

LX Hausys continues to advance ESG management based on three strategic directions: ‘Considering the Environment’ (Eco-friendly), ‘Moving Forward with Our Stakeholders’ (Shared value), and ‘Walking the Path of Jeong-do’ (Good governance). As a result, our ESG capabilities have been recognized globally—most notably, we were the only company in the building materials sector selected as an ‘Industry Mover’ in the S&P Global 2024 Corporate Sustainability Assessment. Going forward, we remain committed to the following efforts:

First, we will contribute to creating social value.

LX Hausys is dedicated to delivering social value through the development of sustainable products and engagement in community-based initiatives. We recently launched the industry’s first bio-based furniture film using plant-derived materials and initiated a new project to improve the residential environment of aging small-scale childcare facilities known as ‘group homes.’

Second, we will build a sustainable ecosystem through close partnerships with our suppliers.

We have newly established an ‘ESG Management of the Supply Chain’ policy to identify and respond to potential risks across the entire supply chain. By conducting ESG assessments of our suppliers and providing them with support, we aim to reduce shared risks and foster a long-term, sustainable partnership ecosystem.

Third, we will strengthen our competitiveness in preparation for the era of decarbonization.

In line with our 2050 carbon neutrality roadmap and mid-to-long-term strategy, we are actively pursuing greenhouse gas (GHG) reduction initiatives. Through process innovation and operational optimization, we are reducing energy consumption and reinforcing the foundation for carbon neutrality by setting emission reduction targets for each business division and enhancing our management systems.

Creating social value, building a sustainable partnership ecosystem, and driving innovation toward decarbonization—these are the core values that will continue to guide LX Hausys’s management going forward. We will remain steadfast in our commitment to responsible growth in line with the global movement toward sustainability.

We kindly ask for your continued interest and support as we pursue ‘Innovation for Customers, ESG for the Future.’

Thank you.

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General Overview

LX Hausys Overview

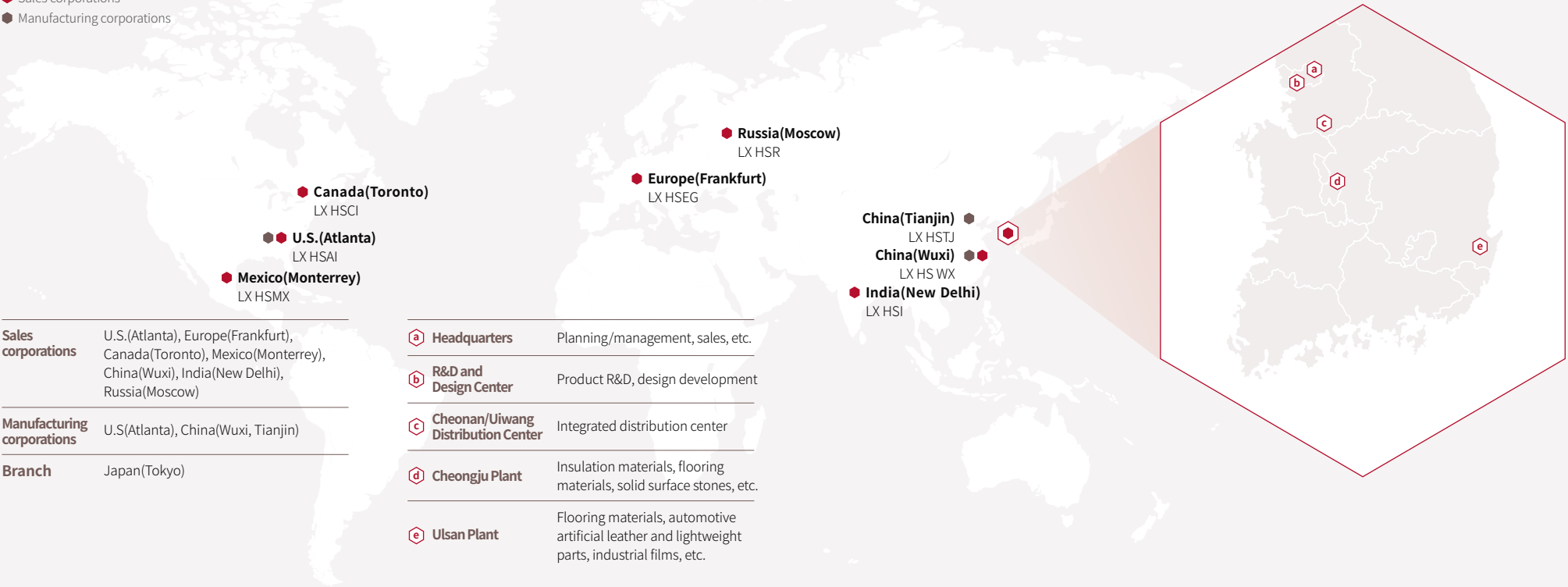
LX Hausys produces and sells construction and decorative materials, industrial films, and automotive materials and parts. Our main products include construction and decorative materials such as windows, flooring, wall coverings, insulation materials, solid surface stones or engineered stones. We also offer industrial films such as home appliance and furniture surface finishes, as well as automotive fabrics and parts.

Company name	Date of establishment	Chief Executive Officer	Address	Number of Employees
LX Hausys Co., Ltd.	April 02, 2009	Roh JinSeo, Han JuU (Appointed on March 26, 2025)	98 Huam-ro, Jung-gu, Seoul	2,848 staff in Korea, 829 staff overseas (As of the end of 2024)

Global Network

In addition to our headquarters and manufacturing plants in Korea, LX Hausys operates seven overseas sales corporations, three overseas manufacturing sites, and one overseas branch office, primarily in the United States, China, and Europe.

- Sales corporations
- Manufacturing corporations



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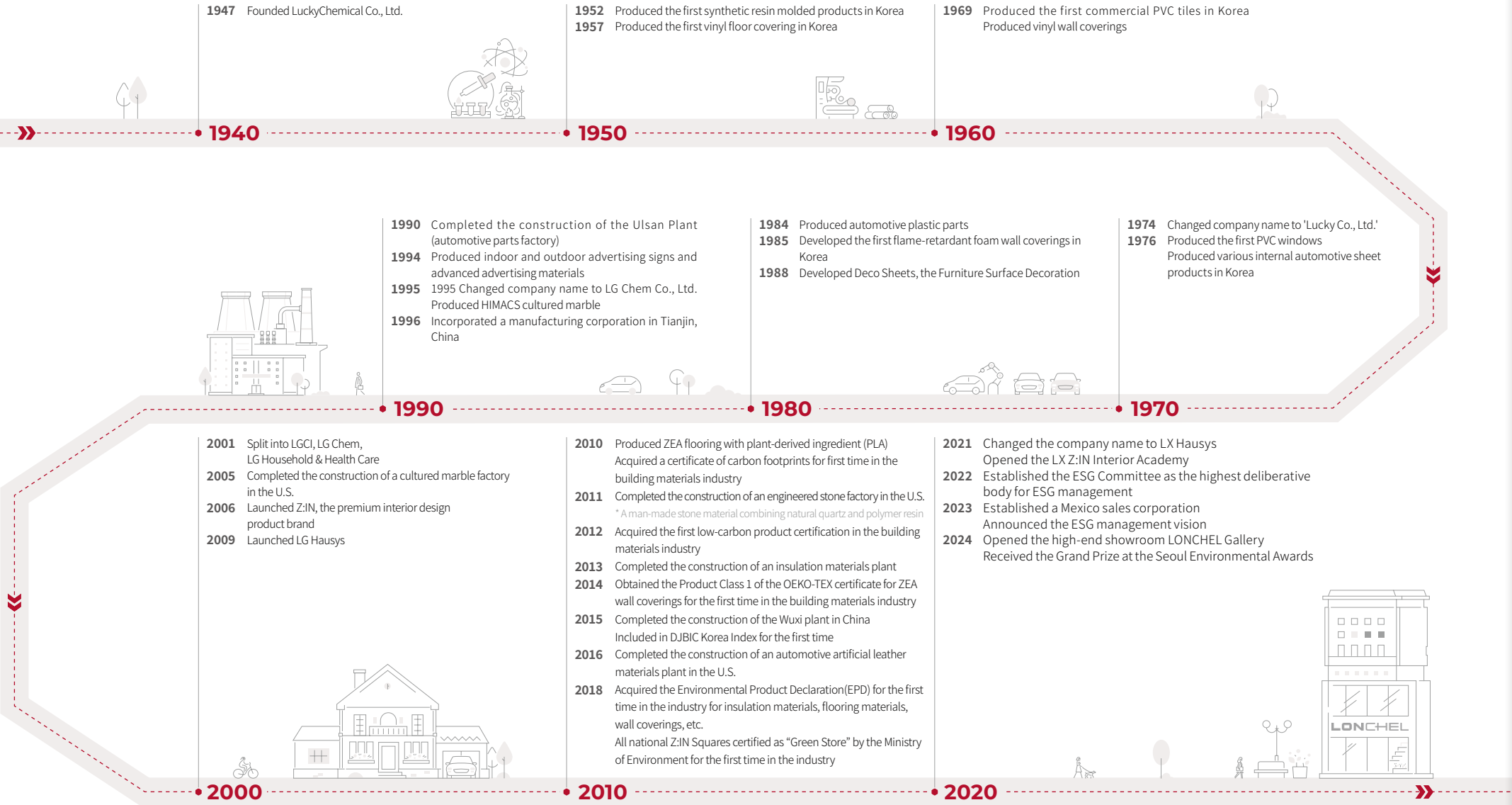
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Business Overview

Management Strategy and Achievement

Management Strategy

LX Hausys is pursuing its business activities in line with the strategic direction of 'Advancing the Business Portfolio and Reinforcing Operational Fundamentals'. In the Building & Decorative Materials Business, we are improving showroom operational efficiency in response to sluggish domestic market conditions, strengthening the distribution competitiveness of its B2C business, and expanding its lineup of high-value-added products such as insulation materials, engineered stone, and tile flooring. With our successful turnaround in the automotive materials and parts and industrial film fields, we are working to drive sales growth in the global market. LX Hausys will focus on enhancing solutions to increase customer value, conducting R&D activities based on market and customer needs, and implementing manufacturing innovations as a global leader, while strengthening business fundamentals with structural improvements across the entire value chain in preparation for future changes in the business environment.

STRATEGIC DIRECTION



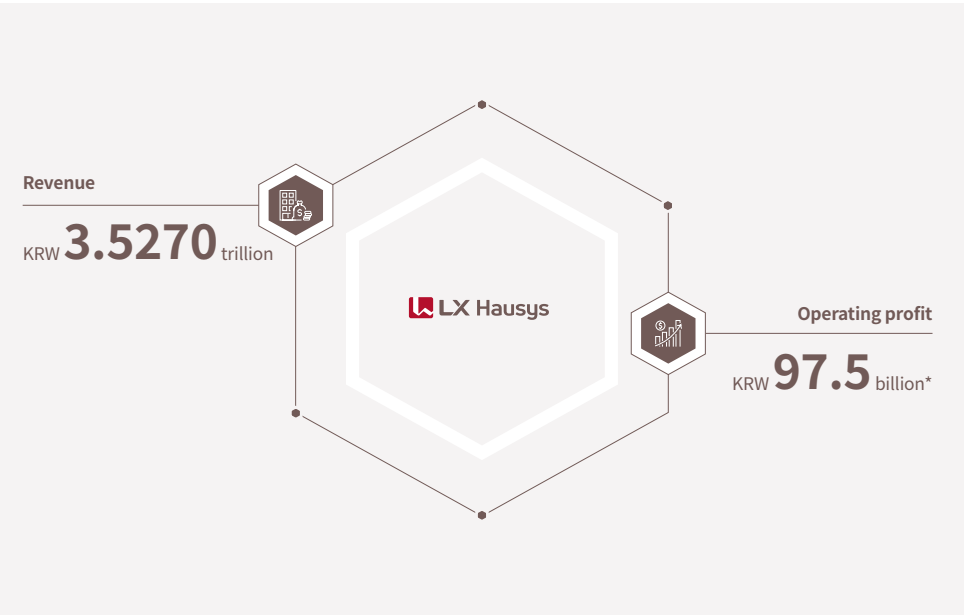
STRATEGIC FOCUS



Achievements & Goals

In 2024, LX Hausys recorded sales of KRW 3.5720 trillion, an increase of 1.3% year-on-year, while operating profit amounted to KRW 97.5 billion, down 11% compared to the previous year. Although the domestic construction and real estate market continued to contract, intensifying competition within the industry, we focused on improving profitability by expanding into overseas markets and increasing the share of high-value-added products. We plan to manage risks through agile crisis response management. In addition, we aim to strengthen the foundation for future growth by continuously developing differentiated products based on customer experience—especially those featuring eco-friendliness and energy-saving functions—and by enhancing our distribution network as well as construction and service capabilities.

2024 Financial Performance



*Rounded to the nearest KRW 10 million

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Business Area

Construction and Decorative Materials

LX Hausys produces and sells construction and decorative materials and interior products for residential and commercial spaces. We lead the market with products that enhance customer convenience and incorporate differentiated features and designs, including eco-friendliness and fire safety.

Business Strategy

To strengthen our competitiveness in the B2C business, LX Hausys has improved the performance of key products such as windows, flooring materials, and wall coverings, while also expanding its product lineup to include kitchen-related items. We operate large integrated showrooms in commercial areas with high customer accessibility. In addition, through the “LX Z:IN Interior Academy,” a consortium-based training institution designated under the National Human Resources Development Project, we are cultivating skilled professionals in installation and service. In response to the recent market slowdown, we are focusing on improving showroom operational efficiency while also expanding our online marketing efforts and strengthening the distributor and retail network through digital platforms.

Construction and
Decorative Materials

Automotive Materials and Parts

LX Hausys provides electric vehicle structural parts, trailer composite panels, and functional composite materials that contribute to improved energy efficiency through lightweight materials and optimized design. LX Hausys also creates safe and comfortable driving environments with eco-friendly, highly durable automotive fabrics and distinctively designed interior components.

Business Strategy

In response to increasing sales of eco-friendly vehicles and the trend of decorative materials becoming ever higher in quality, we at LX Hausys seek to improve our profit structure with a focus on the expansion of lightweight parts applications using various functional composite materials and decorative materials with differentiated surface printing technology and various real materials. We will expand our global OEM for automotive fabrics by developing various eco-friendly and recycled materials.

Industrial Films

LX Hausys leads the industrial film market with purpose-specific films that combine excellent performance—such as anti-fingerprint, weather resistance, flame retardance, and adhesion—with sophisticated design.

Business Strategy

We continue strengthening our global competitiveness in the industrial film market by offering various designs and eco-friendly products based on our excellent surface treatment and coating technology. We apply eco-friendly water-based coats and recycled bio-materials to our unmatched surface treatment technology, thus offering sustainable solutions.

Automotive Materials and Parts

Industrial Films

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Overseas Business

LX Hausys is accelerating our efforts to penetrate not only the domestic market but also key global markets such as North America, China, and Europe, with a strong focus on expanding our overseas business. In particular, we are developing products tailored to each region based on our production hubs in the United States and China, thereby steadily expanding our global network. With core products such as acrylic solid surfaces, engineered stones, and industrial films having already secured leading positions in global markets, LX Hausys is effectively responding to overseas demand. Amid intensifying industry-wide competition driven by the slowdown in the domestic construction and real estate sectors, we are prioritizing profitability through the expansion of high-value-added products and global market penetration. At the same time, LX Hausys is systematically managing risks through a crisis-responsive management strategy, while also focusing on the development of differentiated products that reflect customer experience and incorporate eco-friendly and energy-saving features. We are further reinforcing our distribution network and enhancing construction and service capabilities to establish a solid foundation for mid-to long-term growth.



North America
5,775



Europe
1,021



China
818



Other Regions
2,171



(Unit: KRW 100 million)

North America

In North America, the world's largest market for interior materials and automobiles, LX Hausys is pursuing a localization strategy focused on acrylic solid surfaces, engineered stones, and automotive fabrics. We operate production facilities for acrylic solid surfaces, engineered stones, and automotive fabrics in the state of Georgia, USA. In addition, we established a sales corporation in Canada in 2017 to build a business foundation capable of responding to markets across the entire North American region. For automotive fabrics, LX Hausys has increased our market share by obtaining product approvals from major automakers in the United States. In 2023, we further strengthened our supply capacity for automotive materials in the North American region by establishing a subsidiary in Mexico.

Europe

In the European market, LX Hausys has built a strong business foundation centered on acrylic solid surfaces and furniture films. In particular, we are intensifying our focus on the commercial acrylic solid surface market. In the furniture film segment, LX Hausys continues to drive growth by launching new products based on our differentiated technological capabilities. Additionally, by collaborating with major window manufacturers, we are actively promoting the growth of highly weather-resistant films, especially in Western Europe, thereby expanding our presence in the field of high-performance materials.

China

In the Chinese market, LX Hausys is focusing our business on flooring materials and industrial films. In particular, sheet flooring and interior films have achieved a high market share locally and are expected to continue growing in the future. Through the Wuxi production plant and partnerships in the tile and appliance film sectors, we provide localized products and services across the entire value chain, from production to distribution. In addition, LX Hausys is actively practicing environmental and safety management by continuously improving our management systems and production facilities in response to increasingly stringent environmental and safety regulations.

Other Regions

In India and Russia, LX Hausys is expanding our business in acrylic solid surfaces and industrial films, strengthening brand awareness through localized designs and marketing activities tailored to each region. In Japan, Australia, and Southeast Asia, we are broadening our market focus around acrylic solid surfaces, flooring materials, and interior films. By implementing differentiated marketing strategies tailored to each country, LX Hausys is offering products that meet the specific needs of diverse regions. These strategies are contributing to the company's growing competitiveness in the global marketplace.

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Sustainable Value Chain

Sourcing

Sourcing materials

- Purchase green products
- Increase the use of recycled materials
- Suppliers ESG assessment
- Support suppliers' shared growth

Development

Product and design development

- Enhance product quality and safety
- Develop products with eco-friendly and recycled materials
- Develop high energy efficiency products

Product Disposal/Recycling

Recycle partnership

- Establish a PVC recycling system
- Recycle waste

Production

Manufacturing facility

- Independent recycling of product materials
- Occupational safety and health management
- Minimize environmental impacts generated by business sites

Sales/Distribution

Sales channels

- Localize product manufacturing and distribution at overseas business sites
- Establish a differentiated distribution network

Transport

Domestic logistics · International logistics

- Measure GHG emissions generated by product logistics
- Localize product manufacturing and distribution at overseas business sites



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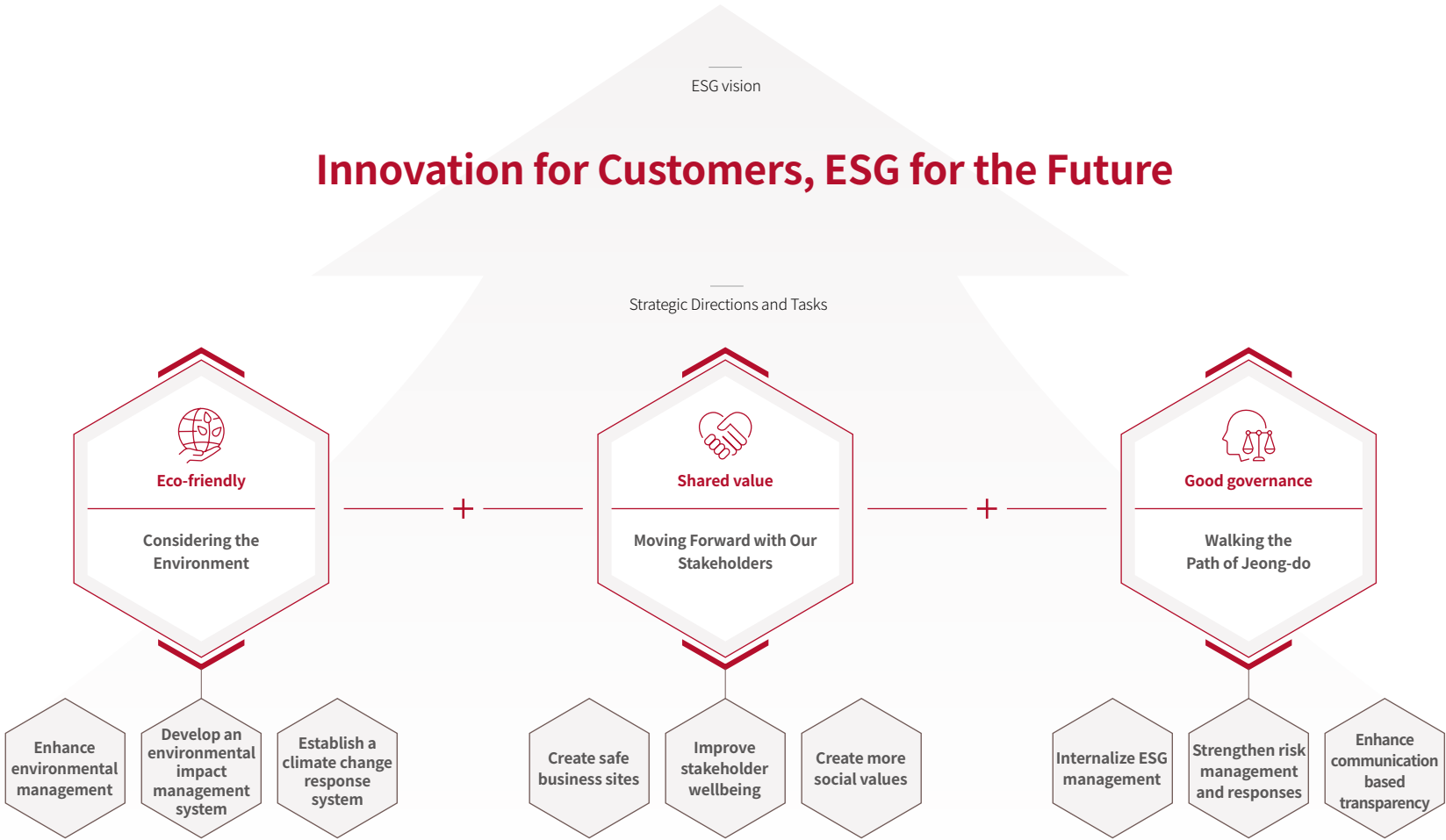


LX Hausys ESG

ESG Strategy System

LX Hausys established the ESG Committee in 2022 and, in 2023, formulated an ESG vision and strategic framework to systematize its ESG management, which was approved by the ESG Committee. Centered on the vision of ‘Innovation for Customers, ESG for the Future,’ we are promoting three strategic directions and nine strategic tasks to establish concrete implementation measures for ESG management. In 2025, LX Hausys plans to establish a human rights risk management system based on our ESG vision and strategic framework.

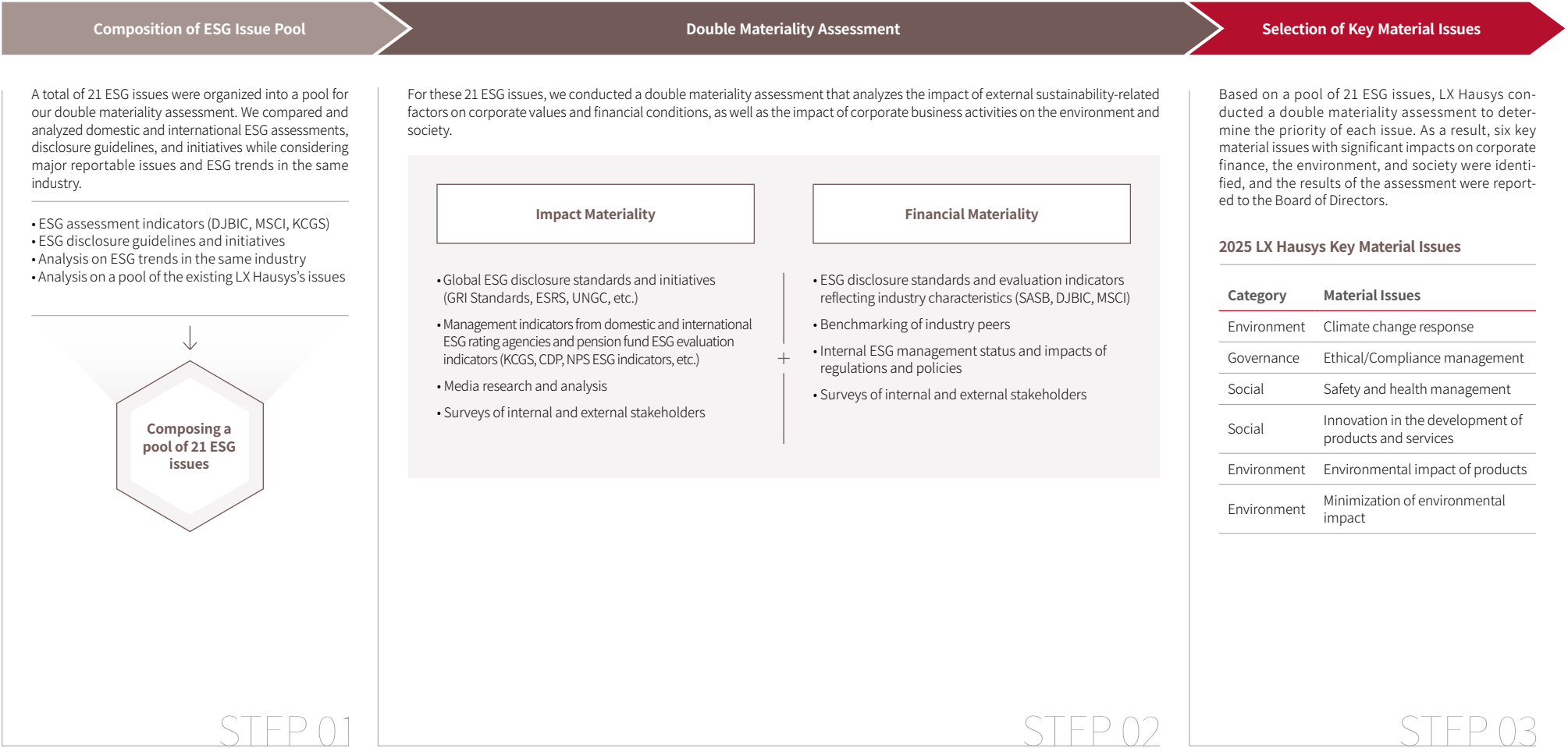
LX Hausys ESG Vision and Strategy System



Materiality Assessment

Double Materiality Assessment Process

LX Hausys conducts an annual materiality assessment to ensure effective ESG management. We have identified the priority of all ESG issues through a double materiality assessment, which considers both the extent to which external ESG factors affect corporate finance(financial materiality) and the extent to which the company's business activities affect the environment and society(impact materiality). The impacts and management measures of the top issues are outlined in this report. LX Hausys will continue to address key ESG issues to enhance our ESG management.



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Materiality Assessment

Double Materiality Assessment Process

Based on the results of its materiality assessment, LX Hausys identified six key material issues by evaluating both financial materiality and environmental and social impact. These issues are managed through an integrated approach to company-wide financial and non-financial risks. Going forward, LX Hausys will continue to strengthen its ESG management based on these material issues, transparently disclose related activities and performance to stakeholders, and actively collect feedback to reflect in its sustainable management practices.

Issue	Impact Materiality				Financial Materiality			
	Inside-out	Impact materiality assessment result			Outside-in	Financial materiality assessment result		
		Severity	Probability	Final score		Severity	Probability	Final score
Climate change response	Contribute to the transition to a carbon-neutral society by reducing direct and indirect greenhouse gas (GHG) emissions generated in the course of its business operations.				Incur increased response costs due to rising investment demands for climate change action, mandatory climate-related disclosures, and strengthened GHG emission regulations.			
Ethical/Compliance management	Practice ethical management by going beyond legal and regulatory compliance in its business regions through advanced compliance systems and proactive responses to legal and ethical risks.				Directly link corporate reputation to external stakeholders' trust in and expectations of ethical business operations and compliance management.			
Safety and health management	Ensure safe operation of business sites and safety risk management for suppliers.				Incur increased investment costs in safety facilities to address compliance risks related to occupational safety and health, including those under the Serious Accidents Punishment Act.			
Innovation in the development of products and services	Create a positive impact on customers and local communities by developing products that reflect social values and ensuring product quality and safety.				Expand a differentiated product portfolio by developing products and services that reflect diverse customer needs in response to evolving consumer trends.			
Environmental impact of products	Minimize negative environmental impacts by identifying environmental effects throughout the entire product lifecycle—from development and production to distribution, sales, use, and disposal.				Strengthen corporate competitiveness by developing products with eco-certifications and environmental labeling in line with global sustainability trends.			
Minimization of environmental impact	Minimize negative environmental impacts from business operations by managing air and water pollutants, waste, and hazardous chemicals generated at business sites.				Incur compliance risks and increased costs, including investments in environmental facilities, due to the tightening of environmental laws and regulations.			

* The list of key material issues for 2025 remains the same as in 2024, with some issue names updated to reflect current relevance.

Materiality Assessment

Key Management Issues

	 Environmental impact of products	 Innovation in the development of products and services	 Climate change response
Case	• Recognize the need to identify new opportunities for investment and growth in response to the transition to a sustainable economy • Increased demand for eco-friendly interior and construction decorative materials that contribute to reducing GHG emissions in the building sector	• Increased demand for value consumption that focuses on social values, contributing to community development • Drive business growth by innovating products and services that meet diverse customer needs as a B2C company offering interior products closely connected to customers' living spaces.	• Face increasing demands to establish corporate climate transition plans due to the implementation of the Nationally Determined Contribution (NDC) and the 2050 carbon neutrality goal • Experience growing impacts on business operations and supply chains due to strengthened climate-related laws and regulations, climate disasters, and other wide-ranging climate change issues
Impact	 REVENUE	 REVENUE	 RISK
Strategy	• Enhance eco-friendliness in product development and manufacturing by developing LCA-based products and using recycled and reused materials • Expand the range of products with green certifications and environmental labels to meet increasing stakeholder demand for environmentally conscious products and services	• Meet broad customer needs by strengthening product quality and safety and developing products that incorporate social values	• Manage GHG emissions and reductions in advance to proactively respond to changes in emissions allocations under the GHG Emission Trading Scheme • Systematically manage GHG emissions and energy consumption by improving energy efficiency and optimizing production processes
Goal/Indicator	• Expand acquisition of green certifications and environmental labels by 2030 • Develop 100% eco-friendly industrial films by 2030	• Strengthen market presence of engineered stones, flooring materials, and automotive fabrics in international markets • Continuously develop high-quality products with designs that reflect customer needs	• Aim to achieve Net Zero by 2050, compared to the base year of 2018
Progress and Performance	• Acquired 160 green certifications and labels by 2024 • Applied rPET(Global Recycled Standard v4.0) to furniture films	• Launch new insulated windows with slimmer profiles and improved thermal performance, reflecting the latest interior trend of minimalist design	• Reduced GHG emissions by 2,218 tons in 2024

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Stakeholder Communication

Stakeholder Communication Channels

LX Hausys categorizes stakeholders into employees, shareholders/investors, customers, contractors/suppliers, local communities, academics and experts, and government bodies. We operate communication channels tuned to the characteristics of each stakeholder group and collect their opinions to incorporate them into our management practices.

	 Employees	 Shareholders/ Investors	 Customers	 Suppliers	 Local communities	 Academics and experts	 Government bodies
Expectations	• Cooperative labor-management relations • Enhancement of welfare benefits • Reinforcement of occupational safety and health • Protection of human rights and labor rights	• Long-term growth/development • Precise and transparent disclosure of information • Creation and distribution of profits	• Quality competitiveness and differentiated value • Product and service satisfaction • Listening to customer feedback	• Building cooperative partnerships • Management support and cooperative activities	• Strategic social contributions • Investment in local communities	• Technology development • Academy-industry cooperation	• Compliance with fair trade regulations • Shared growth • Compliance with environmental safety regulations
Communication Channels	• Management presentations • Labor-Management Council • Company newsletter • Occupational Safety and Health rights Committee	• Company presentations • General Meetings of Shareholders • Electronic disclosure • Investors' meeting	• Customer satisfaction survey • Receive customers' opinions • LX Z:IN showroom	• Management/technical support programs • Purchasing Council	• Social contribution and cooperative projects • Occupational Safety and Health Committee	• Joint research • Technical advice	• Advice on industrial policies • Roundtable meeting

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LX Hausys Approach

As the shift toward a sustainable society accelerates, LX Hausys is committed to fulfilling our corporate responsibility for sustainable management. With the goal of achieving carbon neutrality by 2050, we are strengthening our climate response capabilities by systematically managing greenhouse gas (GHG) emissions and identifying and mitigating climate-related risks. Based on our environmental management system, we comprehensively manage various environmental impacts that occur at our business sites—including those related to water resources, air, waste, and hazardous chemicals—and strive to reduce our environmental footprint through the efficient use of energy and resources. Furthermore, by establishing a resource circulation system across the entire product lifecycle—from development to disposal, including PVC recycling—we are also contributing to the creation of an eco-friendly ecosystem. Going forward, LX Hausys will continue to actively respond to key environmental challenges such as climate change and environmental impacts, while faithfully carrying out our responsibility to build a sustainable future.

2024 HIGHLIGHTS

Zero

Cheongju Plant general waste incineration rate



Waste management

KRW 7 billion

Environmental investment



Enhancement of environmental management

Cheongju Plant 98%

Ulsan Plant 81%

Recycling Rate



Management of environmental impact

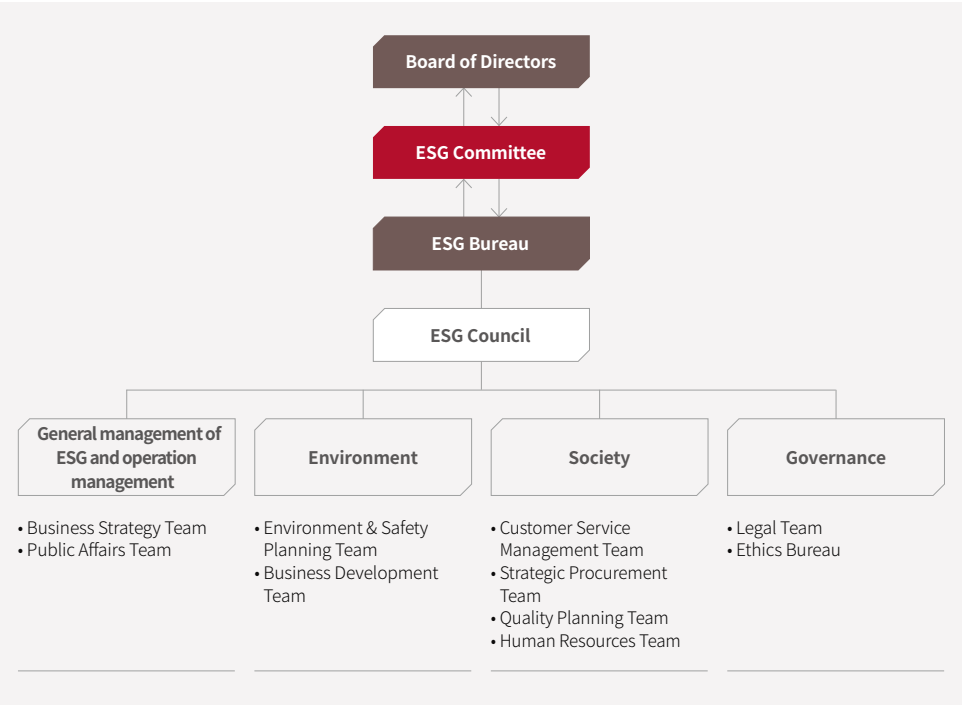
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Role of the BoD

Since 2022, LX Hausys has operated the ESG Committee as the highest-level deliberative body for ESG management under the Board of Directors. The committee convenes semi-annually and consists of three independent directors and one internal director. In line with the company-wide ESG direction, the ESG Committee reviews and approves mid-to long-term climate change response strategies and greenhouse gas (GHG) reduction plans.

Category	Agenda
2024 ESG Committee agendas related to climate change	Re-establish a roadmap and strategies in response to changes in the trends of carbon neutrality



Role of Management

The management at LX Hausys acknowledges our corporate responsibility for climate change and makes final decisions on policies and directions on relevant issues, such as GHG emission trading schemes and investments in energy management and GHG emission reduction, in response to climate change and environmental conservation. GHG emissions and reduction plans are reported to management through regularly held company-wide environmental and safety meetings, and the management makes decisions based on a comprehensive review of the reports.

ESG Bureau

LX Hausys operates a dedicated ESG Bureau under the ESG Committee, composed of team leaders from key departments, to promote company-wide integration of ESG management. The ESG Bureau focuses on managing ESG-related tasks—including climate change response—and supports the establishment of mid-to long-term goals and management indicators, performance management, and external communications.

ESG Council

To internalize ESG management, LX Hausys has established the ESG Council, comprising 27 teams from departments related to key ESG issues. The council is made up of working-level personnel across the company and, in principle, meets semi-annually to support the development and implementation of detailed action plans aligned with ESG objectives.

Performance Evaluation and Compensation for Climate Change Responses

LX Hausys has enhanced the existing greenhouse gas (GHG) emissions management system, which had previously been monitored on a quarterly basis, in order to improve management efficiency and strengthen environmental accountability. A more systematic management framework was established by setting reduction targets for each business division. From 2023 to 2024, a pilot GHG-related KPI system was implemented to assess operational status. Beginning in 2025, GHG emissions performance will be directly incorporated into each division's KPIs, thereby strengthening employee accountability in responding to climate change.

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Climate Change Response

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Climate Change Risks and Opportunities

As part of our non-financial risk management, we identify climate change risks and opportunities and take preemptive actions against risks that may arise from our business operations, customers, and suppliers. Based on TCFD recommendations, we classify climate change risks into transition risks and physical risks. Additionally, we manage climate change opportunities by categorizing them into resource efficiency, resilience, and new products and services.

Category		Period ¹⁾			Risk	Potential Financial Impact	Response Plan
		Short-term	Mid-term	Long-term			
Transition risk	Policies and Laws	●	●	●	- Establishment of Nationally Determined Contributions(NDC) for carbon neutrality - Enhancement of GHG emissions trading scheme - Enhancement of global standards related to sustainability disclosure, including climate change response, and expansion of legislative requirements	Increased cost due to the increase in the price of GHG emissions permit	- Establishment of mid-to-long-term GHG reduction targets and implementation strategies - Monitoring of GHG emissions for compliance with the domestic emissions trading scheme - Development and execution of annual GHG emissions reduction projects - Monitoring of global ESG and climate-related policies and regulations (e.g., EU Carbon Border Adjustment Mechanism)
	Technology		●	●	- Increased needs for development and introduction of green/low-carbon technology - Growing customer demand for the adoption of green and low-carbon technologies	- Development of substitute gases for manufacturing and reduction of GHG emissions during production processes - Weakening of price competitiveness due to increased investment in green and low-carbon technologies	- Development of eco-friendly foaming gases with low ozone depletion and global warming potential - Replacement of facilities with energy-efficient equipment and transition to low-carbon fuels - Support for supplier facility investment and energy efficiency improvements through shared growth programs
	Market		●	●	- Expansion of stakeholders—including customers and investors—demanding corporate-wide contributions to carbon neutrality through GHG reduction at business sites, life cycle assessment-based products, and carbon footprint reduction - Increased demand for products that can be applied to infrastructure for the transition to low-carbon society	Potential sales decline due to unmet expectations for energy efficiency and resource circularity	Management of carbon footprint values for certified products to maintain and expand low-carbon product certifications
	Reputation			●	●	Reputational deterioration of high GHG-emitting companies due to growing public consensus on the severity of climate change	Formation of a negative corporate image
Physical risks	Short-term	●	●		Potential physical damage to business sites caused by extreme weather events such as typhoons, floods, and wildfires	Decrease in production volume and revenue due to damage to business sites	- Installation of self-generation facilities at business sites - Regular implementation of disaster recovery training
	Long-term		●	●	- Changes in lifestyle and product demand due to shifting climate patterns - Fluctuations in raw material prices across the supply chain due to changing climate patterns	- Long-term decline in revenue - Loss of price competitiveness due to rising raw material costs in the supply chain	Fulfillment of stakeholder needs through the development of products using eco-friendly/recycled materials and energy-efficient technologies

1) Short-term: by 2025, 2) Mid-term: by 2030, 3) Long-term: by 2050

Category		Potential Financial Impact	Response Plan
Opportunities	Resource efficiency	• Resource recycling and recycling market vitalization	• Implement measures to enhance waste recycling at business sites
	Resilience	• Generating profits through the sale of tradable GHG emission allowances with reduced GHG emissions from processes	• Replace facilities to enhance energy efficiency in the plants, which will reduce energy costs and GHG emissions
	New products and services	• Increased sales from eco-friendly products that meet various customer needs (e.g., low-carbon, energy efficiency, resource recycling, etc.)	• Renew eco-friendly product certificates(e.g., low-carbon certified products) and increase the number of certificates

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Climate Change Response

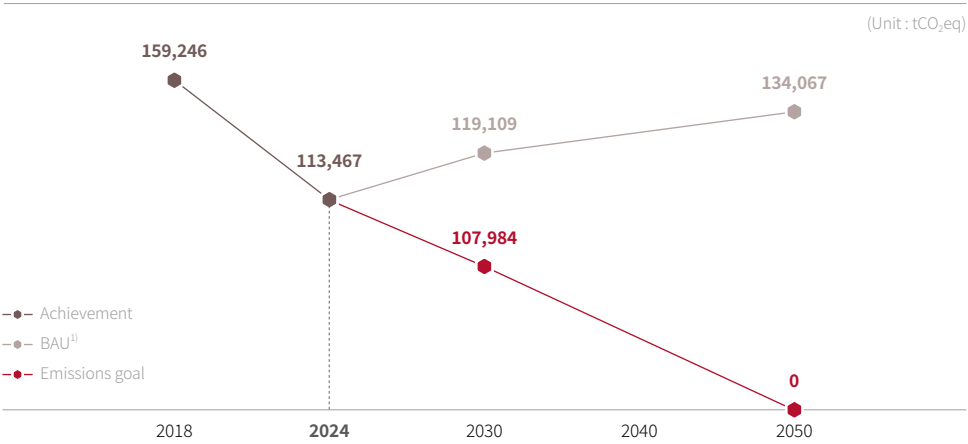
Strategy

2050 Carbon Neutrality

Under the Paris Agreement, the world as a whole agreed to limit the increase in global temperature to 1.5°C. As a member of global society, companies should also actively participate in addressing climate change by reducing greenhouse gas emissions and producing low-carbon products. At LX Hausys, we will set company-wide environmental safety goals to minimize GHG emissions and strive to achieve sustainable development for future generations.

Net Zero Roadmap | LX Hausys has estimated its mid-to long-term greenhouse gas (GHG) emissions through 2050 by reflecting the national 2050 carbon neutrality declaration and the targets set under the Nationally Determined Contribution (NDC). Based on the characteristics of its GHG emissions and applicable reduction measures, we aim to achieve Net Zero by 2050. We continuously monitor policy trends from both the LX Group and the government, and annually update our Net Zero roadmap and associated financial forecasts based on the latest business developments. Based on this strategy, LX Hausys will rigorously manage GHG emissions in alignment with the third planning period’s allocation targets and the NDC, while making continuous investments in emissions reduction.

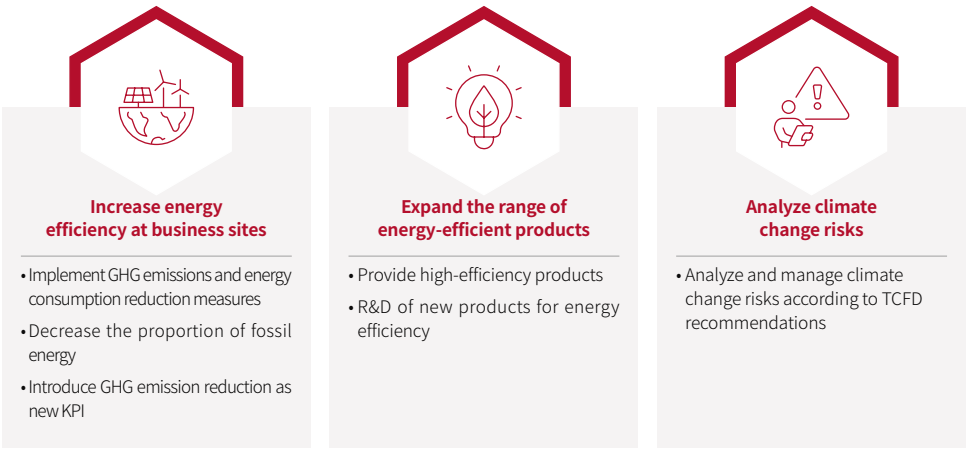
Net Zero Roadmap



1) Business As Usual : Estimated emissions

Climate Change Response Strategy

To mitigate risks arising from climate change and respond effectively from a mid-to long-term perspective, LX Hausys has established our own climate change response strategy and is implementing a wide range of related initiatives. As a company subject to the GHG Emissions Trading Scheme, we are actively conducting emission reduction activities to comply with allocated emission allowances. These efforts help prevent additional costs and non-financial risks associated with GHG emissions. In addition, we are continuously researching and developing new products that maximize energy efficiency and reduce emissions, thereby reinforcing our climate change response through product innovation.



GHG Emissions Management System

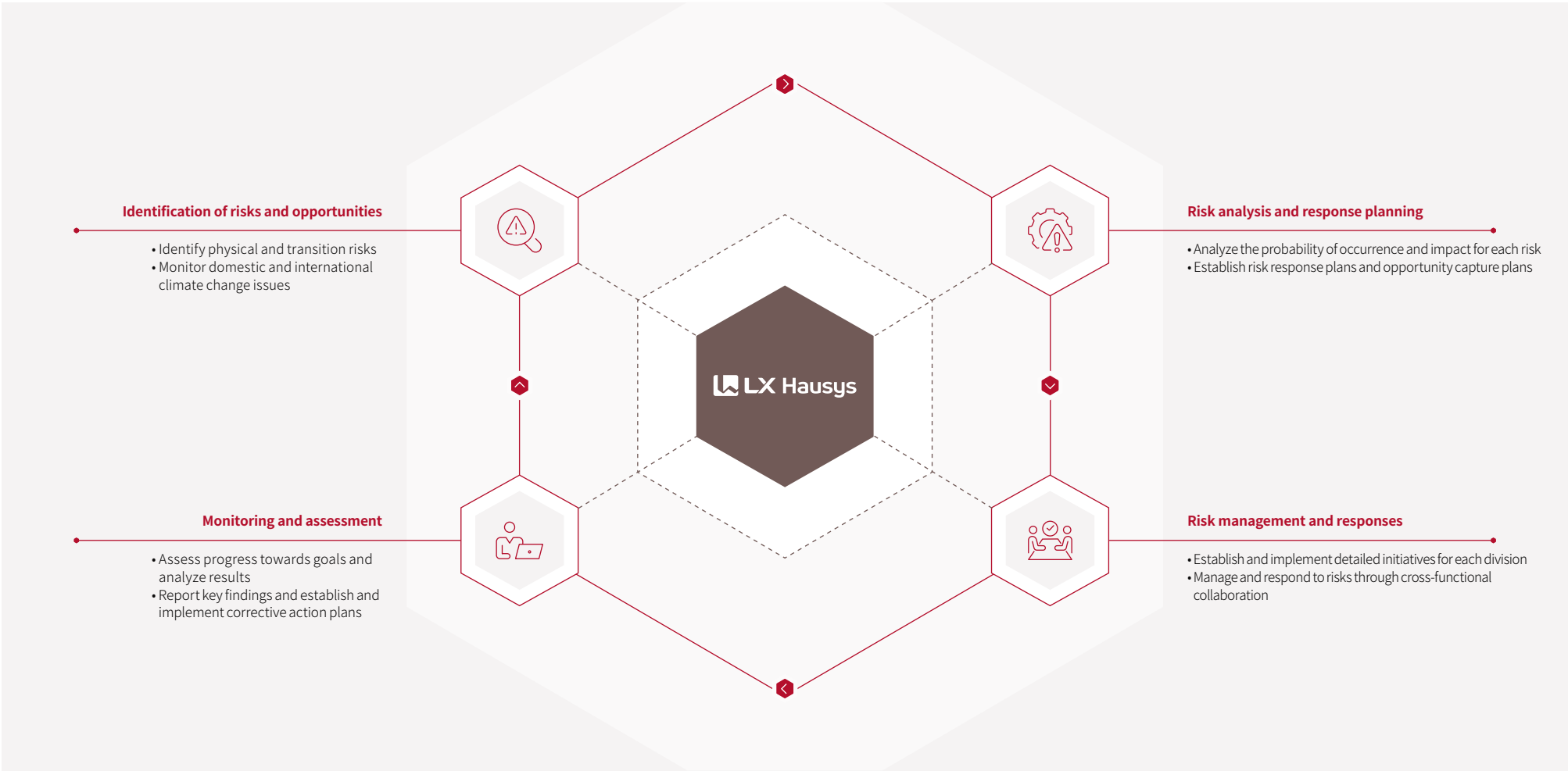
Under the GHG emissions trading scheme, LX Hausys undergoes an annual independent assessment of GHG emissions by a credible assessment agency and reports the results to the CPO. As the importance of managing Scope 3 emissions in addition to Scope 1 and 2 is increasing, we improved our tools for controlling Scope 3 emissions through consultation in 2022. LX Hausys will continue to strengthen our management of Scope 3 emission sources. In addition, we transparently disclose GHG emissions in our ESG report and business report and faithfully provide data on our climate change response system and current status to domestic and foreign investors through the DJBIC (Dow Jones Best-In-Class Indices) and CDP (Carbon Disclosure Project) reports.

Climate Change Response

Risk Management

Risk Management Process

At LX Hausys, we have established a comprehensive risk management process to take strategic actions against climate change. We identify, analyze, and manage both internal and external climate change risks and opportunities, such as policy regulations, global trends, and customer(market) demands in relation to climate change.



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Climate Change Response

Risk Management

Enhancement of GHG Emissions Reduction

To achieve the greenhouse gas (GHG) reduction targets, LX Hausys continuously upgrades our facilities and actively manages energy consumption. In 2024, we sold 13,040 tons of surplus emission allowances under KAU231) through the Korea Exchange. Moreover, we were recognized for our proactive approach to climate change with a grade of B- from CDP, a project that discloses organizations’ climate change response systems and current status. This grade is higher than the global and industry average.

1) KAU23: Emission allowances allocated in Korea in 2023

Process Innovation and Operational Optimization

At LX Hausys, we are reducing energy consumption through process innovation and operational optimization while decreasing energy costs and GHG emissions by introducing external heat sources. In 2024, the Ulsan Plant continuously replaced small boilers to reduce fossil fuel consumption year over year and upgraded its RTO ceramic media, effectively reducing both air pollutant emissions and energy consumption. At the Cheongju Plant, large-scale replacements of aging low- and high-pressure boilers significantly improved utility energy efficiency. In addition, the plant implemented an optimized THC2 reduction system, achieving simultaneous reductions in air pollutants and energy use—similar to the results at the Ulsan Plant. Furthermore, monthly energy consumption is monitored, shared, and analyzed with both management and production departments. During the facility investment review phase, GHG emissions are evaluated to guide the adoption of energy-saving equipment.

THC (Total Hydrocarbons): A category of gaseous air pollutants consisting of various compounds formed by carbon and hydrogen.

Targets and Metrics

Mid-to Long-Term Climate Change Response Targets

Achievement of Carbon Neutrality

by 2050

Achieve carbon neutrality through market participation and improvements in facilities and institutional frameworks



GHG Emissions

(Unit : tCO ₂ eq)				
Category	2022	2023	2024	2024 Target
Scope 1	42,439	37,626	43,065	-
Scope 2	71,057	73,820	70,408	-
Scope 1&2	118,534	111,501	113,467	107,426

Energy Consumption

(Unit : TJ)					
Category		2022	2023	2024	2024 Target
Energy consumption	Direct energy	694	607	703	-
	Indirect energy	1,593	1,640	1,483	-
	Total	2,287	2,247	2,186	2,121
Renewable energy consumption		0.0366	0.0511	0.0517	-

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Environmental Management Governance

LX Hausys established a company-wide environmental safety organization under the CEO, which reports ESG-related environmental management policies and GHG emissions reduction plans to the ESG Committee. The environmental safety organization also establishes company-wide goals and approaches for environmental management and reports them to the CEO. Based on these, each business site sets its own independent goals and conducts a quarterly performance review to verify its achievements. Furthermore, the environmental safety organization incorporates environmental accidents and GHG emissions into organizational goals to enhance the accountability of management and key decision-makers.

Dedicated Environment & Safety Organization



Environmental Safety Decision-making System

Meeting	Frequency	Participant	Description
Board Meeting	1 time/year	Directors	- Occupational safety and health plans - ESG-related environmental response plans and achievements
Company-wide Environmental Safety Meeting	2 times/year	CPO, Environmental Safety Officer, etc.	- Trends and response plans on environmental safety policies - Levels of Environmental Safety KPIs and Environmental Impact Factors
Environmental Safety Operation Review Meeting	1 time/one months	CPO, Environmental Safety Officer, etc.	Work plans and implementation results for company-wide environmental safety
Occupational and Environmental Safety Meeting	1 time/two months	Occupational and Environmental Safety Officer, Head of Occupational and Environmental Safety Division, Production Team Leader, Facility Team Leader, etc	Work plans and implementation results for environmental safety at each business site

Strategy

Environmental Management Strategy System

We established two strategies “operation of sustainable business sites” and “Climate change response” to fulfill our environmental management vision of “Aligning Business Activities with Environmental Safety and Health.” Furthermore, we set five sub-tasks to achieve these strategies and implement relevant activities in accordance with our annual plans.



Environmental Safety and Health Policy

LX Hausys is keenly aware that environmental safety and health management are vital aspects of the business for sustainable development. To this end, we have established and implemented LX Hausys's "Environmental Safety and Health Policy" to build trust and credibility within society by practicing zero-accident and eco-friendly management for mutual growth and development



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Risk Management

Identification and Management of Environmental Risks

LX Hausys regularly reports environmental risks and corresponding response strategies to management and has established a system to promptly report newly identified risks, their potential impacts, and response measures as needed.

Environmental Risk Response Strategy | In 2024, LX Hausys conducted a regular environmental risk assessment in which we identified that non-compliance with environmental laws and regulations on nitrogen oxide emissions and GHG emissions may have a significant impact on our business. Therefore, we have established response strategies for each risk.

Risks	Response Group	Response Strategy
Non-compliance with environmental laws and regulations ¹⁾ may lead to an administrative order or damage to corporate reputation	Environment & Safety Planning Team Site Environmental Safety Department	- Conduct a regular compliance assessment(biannually) - Establish company-wide environmental management goals and manage achievements - Implement an environmental management system and conduct a self-inspection at each business site
NOx emissions regulations result in financial losses for exceeding the allocated amount	Environment & Safety Planning Team Site Environmental Safety Department Business/Facility Division	- Set NOx emissions goals and manage achievements - Identify NOx emissions reduction measures and improve processes
GHG emissions regulations results in financial losses for exceeding the allocated amount	Environment & Safety Planning Team Business/Facility Division	- Establish and implement the Carbon Neutrality Roadmap - Establish carbon emissions goals for each business unit and manage achievements - Identify energy conservation measures and improve processes - Improve forecast accuracy through enhanced GHG emissions modeling

1) Act on the Integrated Control of Pollutant-Discharging Facilities, Clean Air Conservation Act, Water Environment Conservation Act, Chemical Substances Control Act, etc

Analyzing Environmental Regulatory Trends | We analyze environmental regulatory trends using our environmental risk identification system on a quarterly basis. Our response plans for regulatory changes in 2024 are as follows.

Regulation	Description	Response Strategy
Water Environment Conservation Act	Clarification of exemption from the application of ecological toxicity discharge standards	Request ecological toxicity analysis for facilities exempt from installing treatment equipment
Water Environment Conservation Act	Amendment of regulations on approval for inflow of wastewater and installation of drainage facilitie	Revise internal procedures for reviewing relevant facilities under the new regulation
Special Act on The Improvement of Air Quality In Air Control Zones	Change in reporting procedures for facilities expansion and replacement by total pollutant management operators	Reflect the second-year allocation process for nitrogen oxides
Act on the Allocation and Trading of Greenhouse Gas Emissions Permits	Changes related to additional allocation and cancellation of emission permits	Submit opinion to the Ministry of Environment to prevent cancellation of excessive allocations
Waste Control Act	Change in management of waste toxic substances due to revised definition of toxic substances	Verify revisions related to toxic waste substances when discharging designated waste

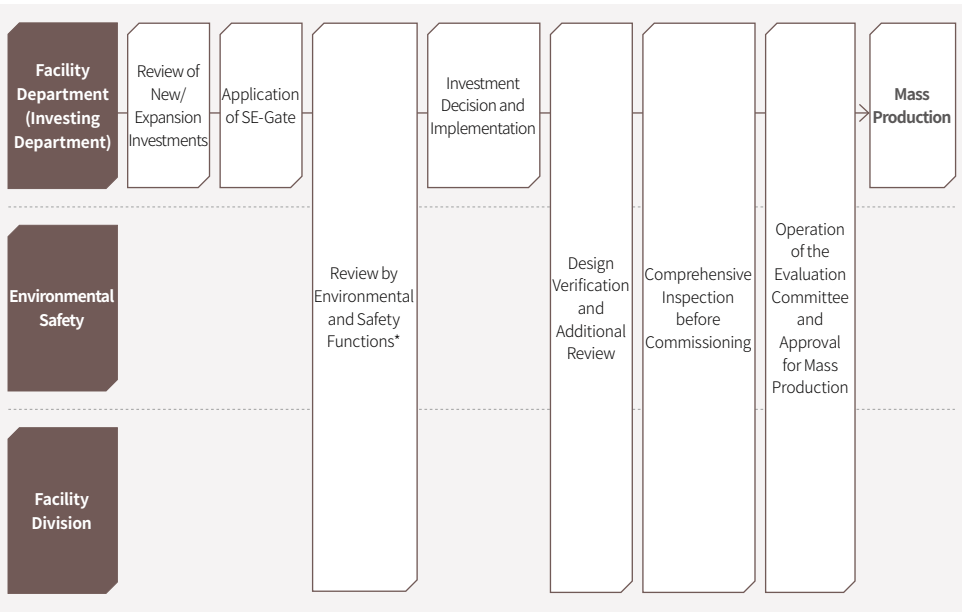
Environmental Risk Review for New Investments

SE-Gate is a process designed to ensure environmental and safety compliance by incorporating essential requirements into the design and commissioning stages of new and expanded investments. For all company-wide investments—regardless of the amount—SE-Gate is applied during the review phase. The process includes verifying the inclusion of critical environmental and safety elements such as the handling of hazardous chemicals, potential pollutant emissions and community impact, applicability of process safety management, and the presence of required safety and environmental equipment, thereby enabling the management of environmental safety risks from the investment planning stage.

In response to increasingly stringent environmental regulations on carbon emissions, LX Hausys added a GHG emissions review item to its business feasibility assessment process beginning in 2025. This allows for early estimation of expected daily GHG emissions¹⁾, as well as thorough consideration of facility improvement plans and project impact assessments aimed at reducing emissions.

1) Expected Daily GHG Emissions = Rated Capacity (kW) × Operating Time (h) × Emission Factor (kgCO₂/kWh)

SE-Gate Process



* Permits, company-specific impact, etc. (review body)

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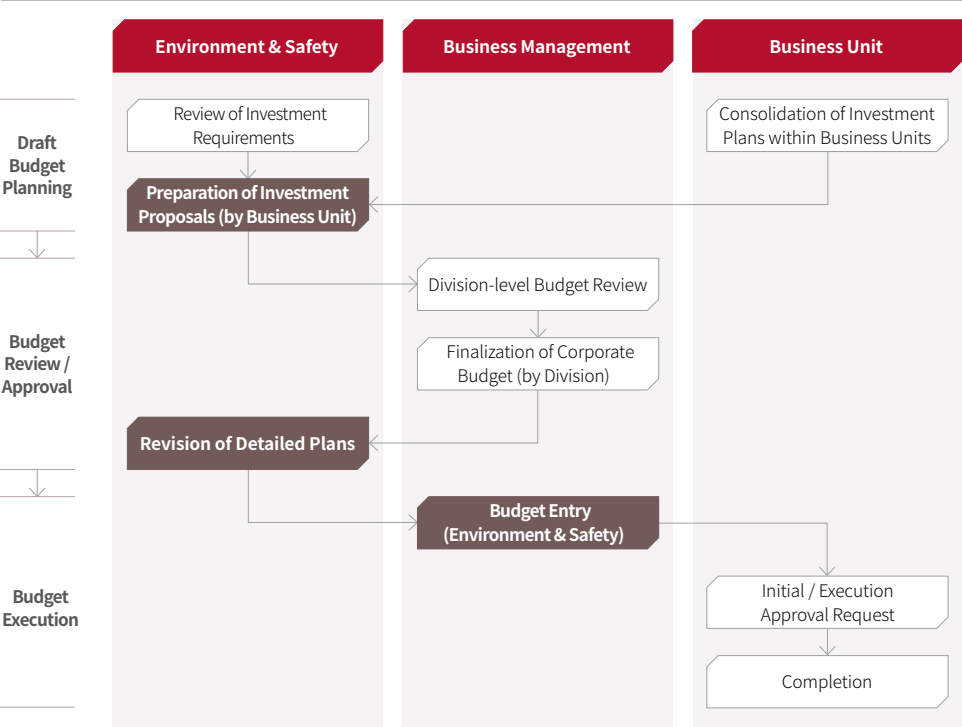
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Environmental Investment

In 2024, LX Hausys invested approximately KRW 6.4 billion to reduce the environmental impact of our business activities. In compliance with the Act on the Integrated Control of Pollutant-Discharging Facilities, the Cheongju Plant invested around KRW 1.25 billion to improve air pollution control facilities in response to Total Hydrocarbon (THC) regulations and to meet the legal emission limits. That same year, through a shared growth pilot program, the plant replaced two wide-type electric dust collectors to ensure compliance with air emission standards. As a small-scale air-emitting site (Class 5), the Magok Plant installed IoT-based monitoring devices on its control facilities to establish an automatic monitoring system and ensured compliance with the Clean Air Conservation Act. The Ulsan Plant invested approximately KRW 440 million to improve the flow equalization tank at its wastewater treatment facility. This helped restore aging structures and ensured proper treatment of water pollutants, as well as preparedness for potential environmental accidents.

Environmental Investment Planning Process



Environmental Safety Training

LX Hausys ensures that responsible personnel at our business sites complete required environmental and safety training each year. In 2024, the company operated a total of 15 training programs, including regular environmental and safety training for workers and training for hazardous chemical managers. In addition, specialized training—such as ISO audits and chemical accident response—as well as external CPR training are provided to enhance employees’ technical expertise and emergency response capabilities. At manufacturing sites, environmental newsletters are distributed quarterly, and safety-related information is shared through bulletin boards and video channels to raise environmental awareness among employees in their daily work environments.

Management of Environmental Impact on Local Communities

The Ulsan Plant regularly monitors noise levels in surrounding areas on a quarterly basis to manage their potential impact. It also analyzes the water quality of nearby streams to ensure compliance with the Framework Act on Environmental Policy. To manage odors, the plant operates 11 monitoring devices and conducts diffusion simulations when odors occur to analyze their sources and implement improvements. Both the Ulsan and Cheongju Plants have signed voluntary agreements with local governments to reduce fine dust emissions. In addition, they provide annual guidance to local residents on proper actions and potential risks in the event of hazardous chemical accident

Environmental Management System Certification

To minimize the negative environmental impacts of its business activities, LX Hausys has implemented an organization-wide environmental management system. We conduct internal audits twice a year to assess the system’s operational adequacy and maintain the ISO 14001 certification through annual third-party external audits.

Workplace	Validity period
Ulsan	Dec 30, 2023 – Dec 29, 2026
Cheongju	Dec 02, 2024 – Dec 01, 2027
Georgia	Sep 17, 2024 – Sep 19, 2027

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Water Resource Management System

The Ulsan Plant sources 69% of its total water usage from the Hoeya River, while the Cheongju Plant uses tap water and industrial water supplied by local governments. Water use is managed by the facility departments at each plant, which check monthly industrial water usage and establish annual reduction targets and savings plans for implementation. The volume of river water used is reported annually to local authorities to monitor its impact, and we conduct quarterly water quality assessments of the Hoeya River to track potential environmental effects.

Water Usage and Conservation

At LX Hausys business sites, water is primarily used as cooling water and wash water during product manufacturing. Cooling water is recirculated and reused; however, a certain amount is replenished and discharged daily to maintain water quality. The discharged water is treated at the company's wastewater treatment facility to minimize environmental impact. Manufacturing sites continue to invest in enhancing water and steam usage efficiency by descaling thermal medium boilers and upgrading or replacing old boilers. In addition, improvements to cooling towers and aging pipelines are being implemented to reduce water consumption and minimize energy loss at the same time.

Water Pollutant Management System

LX Hausys treats all wastewater generated during the production process at our in-house wastewater treatment facilities and discharges it to water quality improvement facilities operated by local governments. For discharge water management, we use our own equipment to analyze major water quality indicators such as TOC (Total Organic Carbon), TN (Total Nitrogen), and TP (Total Phosphorus). We also commission accredited testing agencies to conduct full analyses of regulated water pollutants in accordance with national regulations. As a result, all pollutant concentrations to remain below 50% of the legal discharge limits based on internal company standards.

Since 2009, the Ulsan Plant has conducted quarterly water quality surveys of 10 locations along the Hoeya River basin to assess the ecological impact of discharged water. The survey includes five key parameters such as COD (Chemical Oxygen Demand), DO (Dissolved Oxygen), and pH. In addition, the plant distributes quarterly environmental newsletters to educate employees and raise awareness on environmental issues. In 2024, the Ulsan Plant invested KRW 500 million to replace an aging flow equalization tank at its wastewater treatment facility, thereby strengthening its management system. At the Cheongju Plant, wastewater and rainwater pipelines have been separated to allow more effective control of discharge sources.

Air Pollutant Management System

To improve air quality, LX Hausys actively adopts new technologies and replaces existing facilities with high-efficiency air pollution control systems to minimize emissions of air pollutants. The main control facilities include regenerative thermal oxidizers (RTOs) and electric dust collectors, and the company has established a real-time monitoring system to check the operational status of these facilities.

In addition, the concentration of air pollutants is measured at least once a month to regularly verify that emissions are managed at or below 50% of the legal limits, based on internal standards. In 2024, the Magok Research Center installed new IoT-based monitoring devices to enhance oversight and control of air emission sources. At the Ulsan and Cheongju Plants, emission sampling points were upgraded in accordance with process testing standards to improve the accuracy and reliability of air pollutant measurements.

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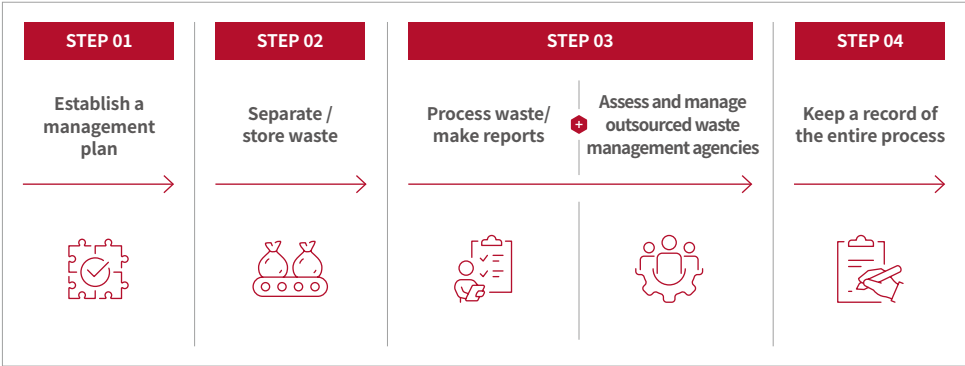
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Waste Management System

LX Hausys has established and operates a company-wide waste management system to minimize the waste generated from increased production volumes and the resulting environmental impacts. Each business site sets annual unit waste discharge targets and monitors monthly performance to drive continuous improvement. For divisions that fall short of their targets, we support internal corrective actions. In addition, separate waste storage areas are designated at each business site to manage storage and disposal in compliance with regulations. Waste stored in these areas is inspected daily to verify proper separation and legal disposal. We also conduct semiannual audits to ensure compliance with waste-related laws and regulations.

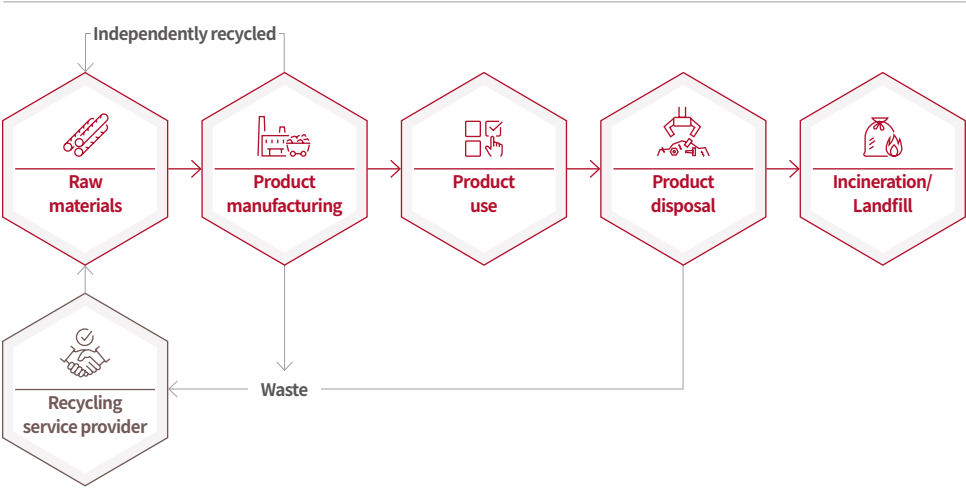
As a result of these efforts, the Cheongju Plant achieved zero incineration of general waste in 2024, and the Ulsan Plant reduced its total waste generation by more than 5% compared to the previous year. LX Hausys remains committed to leading the circular economy by enforcing strict waste management practices and expanding recycling efforts.



Recycling System

LX Hausys designs our products to incorporate recycled PVC from the development stage in order to reduce the environmental impact of plastic materials. To expand the use of recycled materials, we have established an in-house recycling system that transports manufacturing byproducts to partner recyclers, where they are reprocessed into raw materials and reused in our production processes. In addition, we collaborate with industry peers and the Korea Construction Materials Recycling Cooperative, a corporation authorized by the Ministry of Environment, to continuously improve the national PVC recycling rate and contribute to building a sustainable recycling ecosystem.

PVC Recycling System



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Risk Management

Hazardous Chemicals Management System

LX Hausys’s domestic business sites handle 13 types of hazardous chemicals, including methyl ethyl ketone (MEK). To reduce the use of such substances, we are conducting research and development aimed at replacing raw materials containing hazardous chemicals with more eco-friendly alternatives. To prevent fires, explosions, and leaks caused by hazardous chemicals, safety devices such as containment walls and gas detectors have been installed in storage and containment facilities. Additionally, a hazardous chemical manager is appointed for each designated zone, and weekly facility inspections are conducted to ensure thorough on-site safety management. All employees receive regular chemical safety training to improve their understanding of the substances they handle. We also update our emergency response plans annually and conduct chemical accident drills to strengthen employee preparedness and raise awareness of potential risks.

Review on Regulation of New Raw Materials | As chemical substance policies and supervision continue to tighten, regulatory compliance has become increasingly critical. To address this, LX Hausys conducts regulatory reviews through its Chemical Management System (CMS) prior to purchasing new raw materials. These reviews cover both domestic and international regulations, including the Chemical Substances Control Act, Act on the Registration and Evaluation of Chemical Substances, and the Consumer Chemical Products and Biocides Safety Control Act. In addition, in accordance with the amended Occupational Safety and Health Act, we continuously monitor newly manufactured or imported raw materials to determine whether they are subject to the pre-approval requirements for Material Safety Data Sheets (MSDS).

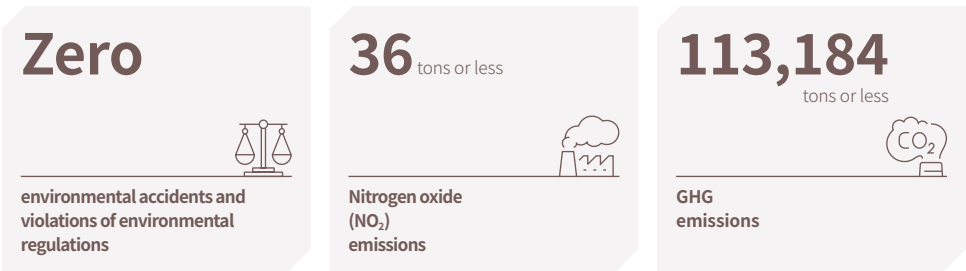
Activities to Replace Hazardous Chemical Substances | LX Hausys is gradually transitioning from oil-based raw materials to eco-friendly water-based alternatives in our production processes to reduce the use of hazardous chemical substances and enhance product sustainability. In 2024, we replaced methyl ethyl ketone (MEK), previously used in certain automotive fabric products, with water-based raw materials—resulting in a reduction of approximately 200 tons compared to 2022.

Community Risk Management for Hazardous Chemicals | At the Cheongju Plant, LX Hausys provides information to local residents at least once a year regarding the hazardous chemicals handled at the facility. We communicate the potential risks of these substances, along with emergency response procedures, evacuation alerts, methods, and designated shelters, in advance. Additionally, all domestic business sites—including the Magok Research Center, Cheongju Plant, and Ulsan Plant—are enrolled in environmental liability insurance. In the event of a chemical accident, this insurance supports the company’s ability to assess and respond to both personal and property-related impacts in the surrounding communities, including schools, hospitals, residential areas, public facilities, livestock farms, fisheries, and farmland. These efforts are part of LX Hausys’s commitment to minimizing damage and demonstrating responsible environmental stewardship.

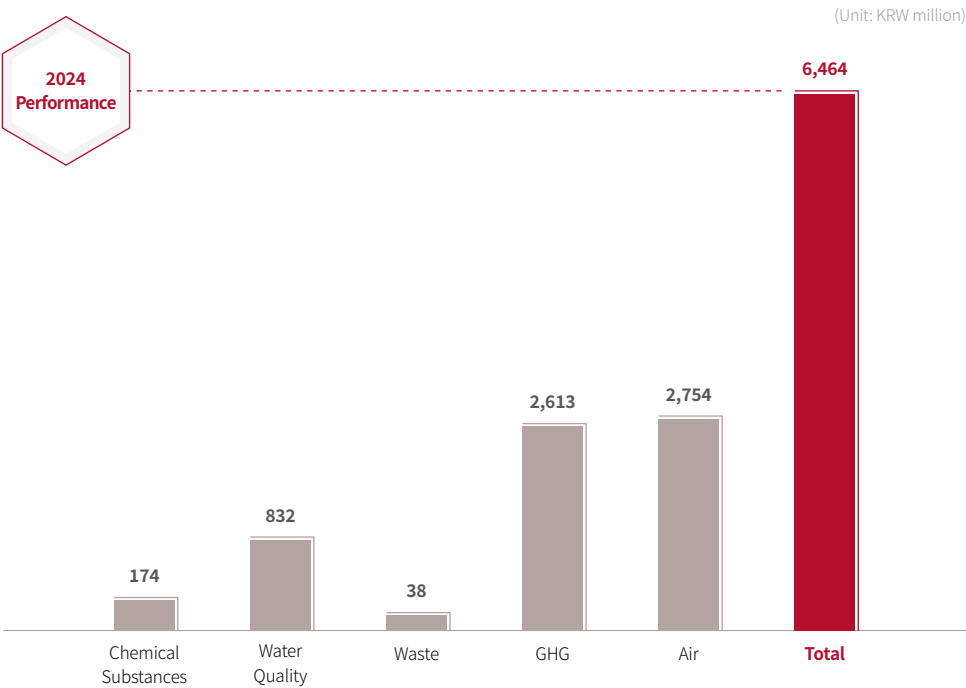
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Environmental Management Targets

Company-wide Environmental Management Targets for 2024



Environmental Investment Amount



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Social

LX Hausys Approach

LX Hausys upholds the protection and respect of all stakeholders’ rights as a core value and aims to become a company that grows together by creating a healthy and safe workplace and promoting mutual happiness. To this end, we have established a Safety and Health Management System across all business sites to strengthen the safety and well-being of our employees.

We also conduct ESG risk assessments of our suppliers and operate a variety of shared growth programs to promote sustainable development across the supply chain. In addition, we strive to go beyond customer satisfaction to deliver customer delight by developing products that reflect environmental and social values and by providing differentiated quality services.

2024 HIGHLIGHTS

KRW **1** billion

Social contribution spending



Contribute to the local community

No. **1** for **4** consecutive year

Awarded for the Residential Building Materials category in KCSI (Korea Customer Satisfaction Index)



Improve stakeholder wellbeing

KRW **15** billion

Implemented Win-Win Growth Fund



Create social values

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 - ESG Management of the Supply Chain
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Safety and Health Management

Governance

Safety and Health Management Governance

Composition of Safety and Health Organization System | LX Hausys has established a company-wide environmental and safety organization under the Chief Executive Officer (CPO), separating the functions of environment, safety, and health to ensure specialized execution. In compliance with the Serious Accidents Punishment Act, we operate an independent safety and health organization to oversee and manage related responsibilities in a structured and systematic manner. Each business division assigns a Safety Engineer to proactively manage environmental and safety risks. Senior executives conduct regular on-site inspections, and the results are reflected in KPIs to reinforce accountability. In accordance with the Occupational Safety and Health Act, an annual safety and health plan is developed and reported to the board of directors. Additionally, we hold a Company-wide Environmental and Safety Meeting each year to review the status of annual tasks and to discuss plans for the following year. The dedicated safety and health organization also conducts semiannual evaluations to review the implementation of the safety and health management system and legal compliance, reporting the results to the management. Furthermore, through monthly CPO Operation reviews, we share and monitor key external issues and performance to ensure focused and continuous improvement.

Occupational Safety and Health Committee | LX Hausys has established the Occupational Safety and Health Committee to review and deliberate on key workplace safety and health matters. The committee convenes quarterly and is composed of an equal number of labor and management representatives to ensure that employees' voices are heard. The committee includes employee representatives and honorary occupational safety supervisors, and deliberates and makes decisions on important issues related to workplace safety and health. In addition, labor and management conduct joint on-site inspections to collaboratively address safety and health issues and work together to create a safer and more comfortable working environment.



Strategy

Safety and Health Management Vision and Strategy



Safety and Health Management Policy

Environmental Safety and Health Policy | LX Hausys has established our Environmental Safety and Health Policy under the core values of Connection, Future, and People. All regulations and policies are applied equally to all employees as well as to members of our partner companies. The policy is finalized each year following a report to the board of directors and is officially communicated to all employees.

8 Absolute Safety Rules | Recognizing that 'Accidents can Happen at Any Time', LX Hausys has identified eight absolute safety rules. These rules are actively displayed and promoted throughout the workplace to ensure they are easily visible and internalized by employees—anytime, anywhere.



Safety and Health Management

Risk Management

Identification and Management of Safety Hazards

Environmental Safety Assessment I LX Hausys regularly conducts themed environmental and safety assessments to proactively manage potential issues. Any deficiencies identified during these assessments are addressed through targeted improvement plans, which are managed and continuously monitored through the company-wide environmental and safety management system. All inspection and assessment plans and results are reported monthly to senior management, incorporating feedback to enhance effectiveness. In 2024, LX Hausys conducted two rounds of company-wide environmental and safety inspections at its U.S. business site. These inspections included a review of the company’s internal EHS (Environment, Health, and Safety) management system as well as compliance with local regulations such as OSHA. Through this process, numerous improvement tasks were identified and supported. In addition, we strengthened local capabilities by providing remote training programs for local environmental and safety departments.

Category	Description	Target
Inspection of accident-/risk-prone facilities	- Inspect facilities prone to serious accidents and those processing and storing hazardous materials/chemicals - Implement follow-up steps after accidents	- Cheongju Plant and Ulsan Plant - Overseas business sites - R&D Centers, etc.
Legal compliance check	Check compliance with laws and internal regulations related to environmental safety	Manufacturing and non-manufacturing business sites
Assessment of emergency drills	Assess the performance of emergency drills and the Emergency Response Committee	Manufacturing and non-manufacturing business sites
Assessment of in-house suppliers/outsourced toll processors	Conduct comprehensive assessments on key suppliers' compliance with safety rules, etc.	Key suppliers at Cheongju and Ulsan, Korea
Comprehensive assessment of overseas business sites	Conduct comprehensive assessments, including on-site inspections, management system operations, compliance with local regulations, emergency responses, etc.	Business sites at Wuxi China and Georgia, USA

Hazard Improvement Activities I LX Hausys conducts risk assessments¹⁾ to identify and prevent accidents such as fires, explosions, and injuries in advance. Hazardous factors with high-risk ratings are registered in the company-wide environmental and safety management system for improvement and tracking. At each stage—including hazard identification, risk level assessment, and high-risk factor management—the participation of the Safety and Health Team is required for support and review, ensuring a more robust and systematic improvement process.

In addition, to prevent accidents during confined space work, LX Hausys redefined the selection criteria, enhanced the existing program by strengthening the work permit process, and improved personal protective equipment (PPE) and monitoring devices. We also introduced a system for regularly evaluating whether such procedures are being consistently implemented.

In addition, LX Hausys conducted on-site inspections and improvement activities by directly visiting both in-house partner companies and outsourced toll processors to prevent serious accidents and enhance facility safety. Moving forward, we will continue to implement targeted safety and health initiatives for each type of risk, further advancing the level of our safety management system.

1) Improvement management through the company-wide environmental safety system are limited to business sites in Korea.

Category	Activities to mitigate accident hazards	
Fire prevention	- Define a checklist to manage electricity or LNG usage and overheating facilities - Operate a disaster prevention center and establish a fire detection/alarm system	- Check whether fire detection facilities and emergency escape devices are working as intended - Conduct fire drills and site-/plant-level emergency response training
Oil mist/static electricity elimination	Install static electricity eliminators, oil mist detector, and industrial humidifiers	Change raw material processing and monitor static electricity/oil mist on a daily basis
Identification/mitigation of occupational hazards	- Identify hazards through the 'non-process accident prevention program' and establish improvement plans - Identify and mitigate hazards in manual processing	- Identify occupational hazards for each workroom on a monthly basis - Analyze risks and mitigate hazards - Regularly inspect facilities with hazards such as fires, explosions, and leaks - Provide training for working in confined spaces
Enhancement of disaster prevention system	Increase emergency escape devices and expand alarm/monitoring systems	Reinforce extinguishing facilities for vulnerable areas
Environmental safety and health inspection	Inspect hazardous material/chemical storage areas on a weekly basis	- Conduct comprehensive environmental safety assessments on a monthly basis - Inspect construction sites to ensure security during holidays

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Identification and Management of Safety Risks

Enhancing Workplace Accident Prevention Systems | Starting in 2024, LX Hausys has been operating the Company-wide Internal Regulation Management Committee. Previously, key environmental and safety regulations were defined at the corporate level, while detailed procedures and operations were managed independently at each business site. To standardize safety processes across all sites, we formed specialized subcommittees by site and function, appointing experts to comprehensively establish 29 internal regulations. Beginning in 2025, the committee will hold regular meetings to more actively respond to internal and external safety issues.

To prevent accidents during non-routine tasks across all processes, we introduced the ‘Safety Map’ manual. This manual is placed at the forefront of existing safety work instructions to clearly identify non-routine tasks in specific processes and provide safe work methods. It is also utilized in employee training and risk assessments. In particular, it enhances the accessibility of fool-proof improvements for non-routine work.

In addition, equipment with fire or explosion hazards is categorized into high, medium, and low risk levels. For high-risk equipment—such as LNG supply systems, reactors, and low flash point storage facilities—we strengthened our accident prevention system by conducting pre-construction inspections, operating dedicated task force meetings, and redefining fire and explosion work plans in collaboration with relevant departments and contractors.

Emergency Responses Related to Environmental Safety

The LX Hausys Emergency Response Committee pre-establishes specialized response teams for each category to ensure swift and effective actions in the event of a major incident. These teams operate under the direction of the Chair of the Emergency Response Committee. The committee convenes twice a year in conjunction with company-wide emergency response drills held at each business site. Regular training exercises are conducted based on seven predefined emergency scenarios: fire/explosion, safety accidents, leaks and spills, power outages, infectious disease outbreaks, earthquakes, and wartime emergencies. Additionally, joint and site-specific drills, led by the Production Team, are conducted on a regular basis to refine and improve response scenarios. The emergency response manual is updated annually to maintain system readiness. All employees receive training based on the updated manual and the results of emergency drills to strengthen their response capabilities. In the event of an incident, LX Hausys follows a structured process to investigate the cause and extent of damage, and to develop measures to prevent recurrence.

Category	Host	Cycle
Comprehensive emergency response drills	Environment & Safety Team Leader at Business Site	2 times/year
Joint emergency drills	Production Team Leader	1 time/year
Workroom-specific emergency drills	Supervisor · Operation Leader	1 time/quarter

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Health and Safety Management Certification

LX Hausys operates tailored health and safety management systems at Cheongju and Ulsan plants, as well as at U.S. and China subsidiaries, to continuously enhance workplace health and safety standards. To prevent industrial accidents, we have established health and safety policies and operational standards, and set annual performance improvement goals for implementation. To verify the adequacy of the system's operation, we conduct internal audits twice a year and maintain ISO 45001 certification through annual third-party expert assessments.

Assessment of Safety Culture

Since 2018, LX Hausys has been promoting safety initiatives aimed at fundamentally preventing accidents by improving employees' awareness and behavioral habits. Based on the PDCA cycle (Plan-Do-Check-Act), we conduct an annual quantitative survey of all employees, assessing four areas: safety values, operations, training, and communication. This allows us to identify perception gaps between executives, managers, and staff, and analyze results by site and division to establish improvement actions for the following year. Beginning in 2022, the scope of the assessment was expanded to include in-house partner employees. In 2024, the company-wide safety culture score recorded 4.19 out of 5. Going forward, we plan to further advance our corporate safety culture by continuing site-level monitoring and targeted improvement activities focused on areas of weakness.

Employee Safety and Health Training and Campaign

To internalize a strong safety culture, LX Hausys promotes active safety communication among employees and provides training and awareness initiatives on environmental and safety management systems. In addition to mandatory training programs—such as regular occupational safety and health training for workers, training for supervisors, safety and health managers, and hazardous chemical managers—we also provide external specialized training to strengthen professional competencies. These include ISO internal auditor certification, Process Safety Management (PSM), and firefighting courses. We produce and deliver accident case-based training videos to all employees once a year. On 'Company-wide Environmental and Safety Day', each plant hosts tailored training sessions and promotional events. For example, the Magok R&D Center runs campaigns such as "Safety Photo Booth" and "Safety Roulette," while the Cheongju Plant organizes safety quizzes and slogan contests to foster a stronger safety culture across the organization.

Health Management Programs

LX Hausys places the highest priority on the health and safety of our employees and operates a variety of health promotion programs. In 2024, we launched a company-wide walking challenge to encourage walking habits and promote physical activity. We also conducted CPR (Cardiopulmonary Resuscitation) training at all business sites, focusing on hands-on practice based on the latest guidelines to strengthen emergency response capabilities. Moving forward, we plan to further enhance employees' competencies through regular refresher training.

Employee health clinics at our major business sites support everyday health management and provide rapid response in emergency situations. Through medical consultations and checkups, these clinics help prevent disease, maintain wellness, and support programs to promote a safe and healthy working environment.



Category	Key content
Health check-up	• Offer comprehensive health check-ups • Offer general health check-ups or special screenings and pre-employment or post-employment medical assessments • Offer cancer screenings
Cancer screening	• Offer gastroscopy/abdominal ultrasound/thyroid ultrasound/blood test
Management of individuals with abnormal findings	• Provide consultations with an occupational health physician for employees with abnormal findings based on general health check-up results • Provide individual health management plans
Management of individuals with abnormal findings related to noise exposure	• Provide consultations for noise-induced hearing loss and face-to-face education to prevent hearing loss
Exercises planned by exercise physiologist	• Provide exercise prescriptions to employees with musculoskeletal complaints once a week
Medical devices	• Electric hot pack, low-frequency therapy device, paraffin therapy devices, etc.

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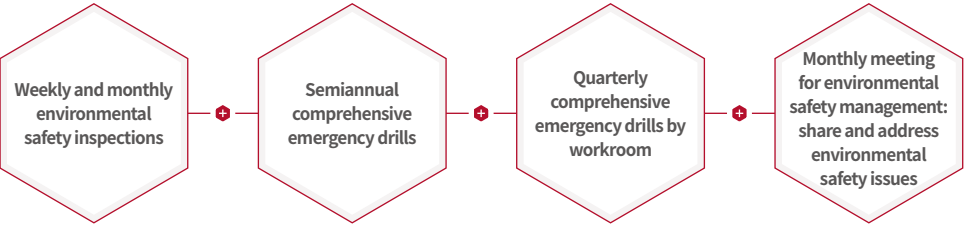
Enhanced Environmental Safety Management Activities at U.S. Corporation

LX Hausys U.S. Corporation is actively implementing localized accident prevention initiatives by thoroughly complying with Occupational Safety and Health Administration (OSHA) regulations, including mandatory safety training, Lockout/Tagout (LOTO) procedures, position-specific training, and risk assessments. The U.S. team also holds quarterly video conferences with the domestic Environmental Safety organization to share company-wide initiatives and global issues while monitoring progress. The results are reflected in KPIs to enhance safety awareness among U.S. executives. In 2024, with on-site support from the domestic Environmental Safety organization during the first and second halves of the year, the U.S. Corporation improved its competitiveness in Environmental Safety management. Key improvements included enhancements to the permit-to-work procedures, establishment of inspection systems, and refinement of risk assessments and work manuals. Additionally, an evaluation of the emergency response system was conducted in the second half of the year to assess and reinforce the level of preparedness.

Category	Description	
Environmental safety activity framework	• Host Korean environmental safety video conferences	• Report progress and plans related to environmental safety tasks
	• Provide 90-day environment & safety training for new hires	• Provide environmental safety training and enhance safety awareness
	• Conduct Emergency Response Drills for Environmental Safety	• Familiarize emergency response teams with their roles and improve the emergency response manual
Fire prevention	• Conduct quarterly/annual fire system inspections	• Authorize safety work permit, establish safety patrol system, and implement fire monitoring activities
	• Conduct on-site inspections with fire stations, etc.	
On-site inspection	• Conduct regular environmental and safety inspections	• Manage overall environmental safety, including safety, environment, and firefighting
	• Inspect safety devices and Lockout/Tagout (LOTO) procedures	• Verify proper functioning of safety devices and implementation of LOTO procedures
	• Check risk factors for fire, explosion, and leakage	• Manage and operate high-risk facilities to prevent serious accidents

Environmental Safety Inspection/Training/Sharing Activities at Chinese Corporation

At the beginning of each year, LX Hausys Chinese Corporation sets its environment and safety goals and establishes execution plans under the leadership of the head of the corporation. Like the U.S. Corporation, it holds quarterly environmental safety video conferences to share company-wide activities and international issues and to review the current status. The Chinese Corporation continuously conducts environmental safety inspections and emergency drills to pursue a ‘zero-accident’ record. As of the end of 2024, it successfully recorded 2,522 consecutive accident-free days (10th milestone achievement).



Metrics and Targets

Mid-to Long-term Safety and Health Targets



Industrial Accident Rate

Category		Unit	2022	2023	2024
Number of industrial accidents		cases	2	10	10
Accident rate		%	0.06	0.35	0.35
Employees	Lost-time injury frequency rate (LTIFR)	-	2.87	1.28	3.77
	Number of fatalities	Persons	0	0	0
Non-employees (e.g., contractors)	Lost-time injury frequency rate (LTIFR)	-	10.62	2.41	1.26
	Number of fatalities	Persons	0	0	0

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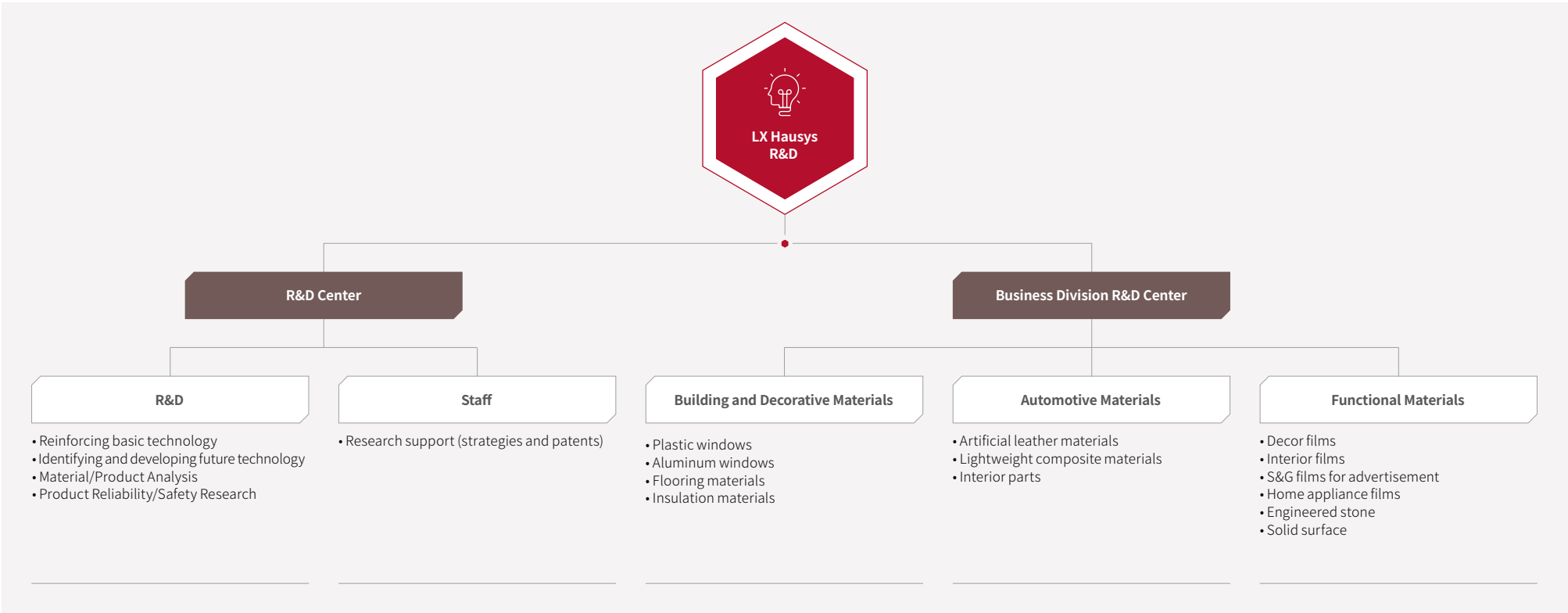
R&D System

The LX Hausys R&D Center continuously discovers new business areas to drive future growth while reinforcing the competitiveness of our existing businesses. Focusing on the fields of construction and decorative materials, functional materials, and automotive materials, we are dedicated to developing differentiated and eco-friendly products that reflect customer needs. We also identify and nurture core technologies necessary for the corporation's future-readiness and new business development.

By designating next-generation construction and decorative materials and automotive materials as key growth areas, we are accelerating the development of innovative products based on our core capabilities, including material synthesis, surface treatment, composite material design and processing, and process design. At the same time, we are expediting the technological advancement of existing products and providing comprehensive support for

research and business activities through company-wide quality analysis and reliability assessments.

LX Hausys operates a dual-track R&D structure consisting of a central Research Center and Business Division Research Centers. The Research Center leads advanced research and the development of foundational technologies based on professional R&D personnel, sustained investment, and partnerships with academia and industry. Meanwhile, the Business Division Research Centers focus on conducting product differentiation research tailored to the specific needs of each business segment.



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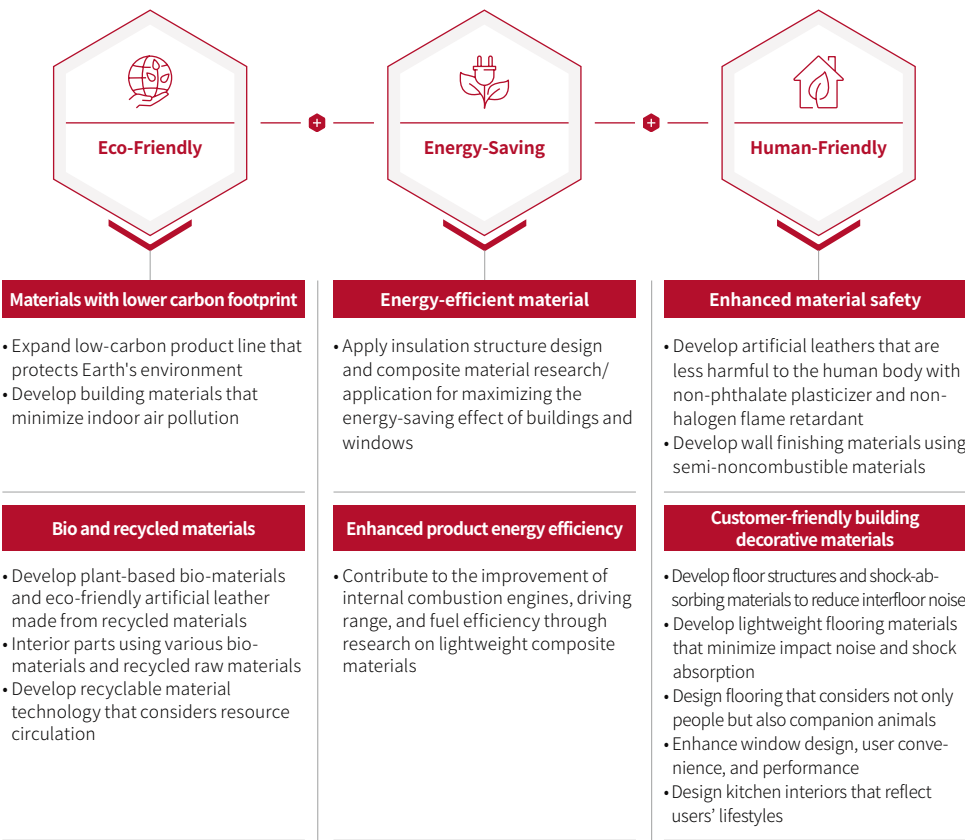
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R&D Strategy

At LX Hausys, we are strengthening our research and development capabilities by actively attracting and nurturing outstanding R&D talent both domestically and internationally. We operate tailored research programs in collaboration with top universities in Korea and promote product development through partnerships with external organizations such as Korea Land and Housing Corporation (LH) and construction companies. Furthermore, we closely monitor market trends and regulations related to sustainability and eco-friendliness, while continuously securing differentiated technological competitiveness through business diversification and the identification of new growth drivers.

Key Research Areas



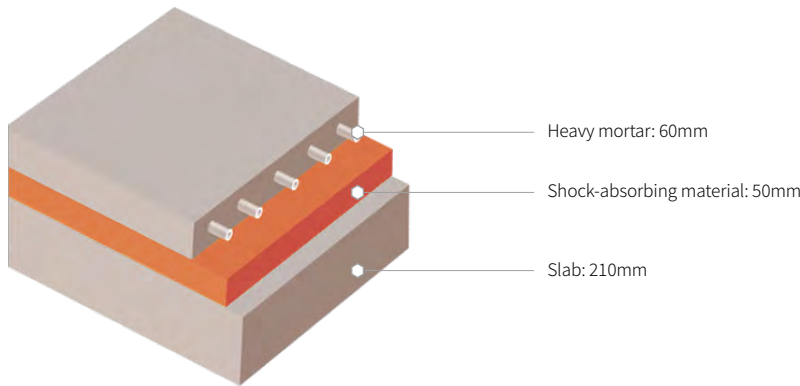
CASE STUDY

Development of Grade 1 Floor Structure for Interfloor Noise Reduction

In August 2022, the Ministry of Land, Infrastructure and Transport (MOLIT) of Korea introduced the 'Post-Construction Interfloor Noise Assessment System', allowing authorities to recommend remedial construction or compensation if an apartment records more than 49 dB of impact noise after completion. As a result, demand for high-performance flooring structures that reduce noise transmission is growing rapidly.

In response to this policy and the growing societal need for noise reduction, LX Hausys developed a 'Grade 1 floor structure' designed to mitigate interfloor noise. The system incorporates an in-house developed high-performance urethane foam shock absorber with excellent sound insulation and impact absorption properties. In floor impact noise performance tests conducted by Korea Land and Housing Corporation (LH) at two multi-family housing construction sites, the system achieved a heavyweight impact noise level of 36 dB and a lightweight impact noise level of 32 dB, thereby qualifying for Grade 1, which is awarded when the transmitted noise is below 37 dB. This structure consists of a 210 mm concrete slab topped with the urethane foam shock absorber and heavyweight mortar. The specially developed urethane foam plays a key role in blocking low-frequency vibrations generated by footsteps and running. LX Hausys was the only company among the participants to achieve Grade 1 ratings for both heavyweight and lightweight impact noise, and the performance of this flooring structure has been proven through real-world pilot testing at actual construction sites.

LX Hausys Floor Impact Sound Insulation Structure



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Strategy

Development of Sustainable Products

LX Hausys strengthens our competitiveness by innovating products and services that consider both people and the environment. To this end, we have clearly defined the procedures for developing new products and core/foundation technologies, as well as the roles of each organization by development phase. We also operate a standard development process tailored to each product category—such as building decorative materials and interiors, industrial films, and automotive materials and components. In the development phase, we enhance Q·C·D (Quality, Cost, Delivery) competitiveness and conduct pre-assessments of social and environmental risks. Furthermore, we operate a development process that incorporates customer needs and pain points to deliver products aligned with their expectations. Moving forward, LX Hausys will continue to develop sustainable products that meet evolving customer needs while fulfilling our environmental and social responsibilities.



* The process is applied to all new products and basic/fundamental technology of building and decorative materials, industrial film, automotive materials and components, and interior product(kitchen and bath) categories developed by LX Hausys

LCA Process

At LX Hausys, we apply Life Cycle Assessment (LCA) to quantify and provide environmental impact data throughout the entire product life cycle—from manufacturing and distribution to use and disposal. Since 2017, we have obtained Environmental Product Declaration (EPD) certifications based on LCA evaluations, and we plan to continue expanding the scope of product categories managed under this system.

7 Impact Categories of Environmental Product Declaration(EPD)

Category	Definition
 Carbon footprint	Impact of GHG emissions in the air on Earth's climate change
 Water footprint	Impact of human activities on water resources such as water quality and volume
 Impact on ozone layer	Impact of ozone-destroying matters emitted into the air in the ozone layer of the stratosphere
 Acid rain	Impact of airborne acidifiers (e.g., NOx, SOx, etc.) mixing with rain and contaminating the health of humans and ecosystems
 Eutrophication	Impact caused by over-concentration of organic matter in the air, water, or soil in ecosystems
 Photochemical smog	Impact on human and ecosystem health due to pollutants on Earth's surface produced by the reaction between active matters generated by human activities and light
 Resource footprint	Global impact from the development and consumption of mineral and fossil fuels

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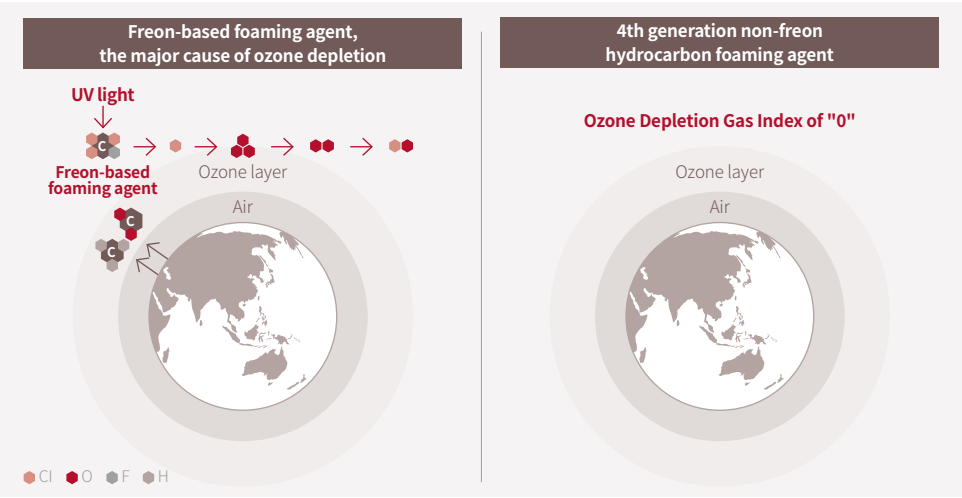
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Eco-friendly Products

Insulation and Flooring Material for Less Air Quality Impact: Using Eco-friendly Foaming Agents I With the introduction of the Kigali Amendment to the Montreal Protocol that restricts emissions of ozone-depleting substances, we must reduce hydrofluorocarbon(HFC), the third-generation coolant substance, by 80% of the 2024 emissions by 2045. As a preemptive measure, we have transitioned to using fourth-generation hydrocarbon(HC), an eco-friendly foaming agent, to produce our insulation materials. This eco-friendly approach gives us additional points in the Green Standard for Energy and Environmental Design(G-SEED) assessment. Furthermore, we incorporate environmentally verified foaming agents into our flooring materials to reduce environmental pollutants. Embracing eco-friendly products is the first step in reducing impacts on the ozone layer from the perspective of building life cycle assessment(LCA) while contributing to the increase in green buildings.



Sustainable Automotive Artificial Leather: Environmental Impact Assessment I As global regulations increasingly adopt Life Cycle Assessment (LCA) frameworks for managing greenhouse gas (GHG) emissions in the automotive sector, demand for eco-friendly development based on LCA data for individual components is rapidly rising. LX Hausys has obtained Environmental Product Declaration (EPD) certification from the Korea Environmental Industry & Technology Institute for its PVC-based automotive artificial leather. This certifies environmental performance across seven key categories: carbon footprint, resource footprint, ozone depletion, acidification, eutrophication, photochemical smog, and water footprint. Going forward, we plan to actively incorporate a range of post-consumer recycled (PCR) materials—such as plasticizers, fillers, and woven fabrics—as well as recycled content sourced from End-of-Life Vehicles (ELVs), to establish a Car-to-Car resource circulation system. Through these efforts, we aim to further reduce carbon emissions and strengthen our ESG management practices.

Decorative Films in a Virtuous Cycle of Resources: Furniture Films Made with Recycled PET Bottles I Since launching furniture films made with recycled PET materials for the first time in Korea in 2018, we have provided “Recycled Furniture Film” products in global markets, including Europe and North America. In 2023, we spurred our marketing efforts in the Korean market and supply furniture films to large-scale apartment complexes in Busan by the end of 2025. By applying recycled films to kitchen furniture, we can recycle approximately 70 plastic bottles for every 84m² apartments. With this supply contract, we expect to achieve the equivalent of recycling about 1.2 million PET bottles.



Interior Design Products for Environmental Footprints: Eco-friendly and Recycled Materials I LX Hausys actively incorporates eco-friendly and recycled materials to enhance the sustainability of interior products commonly found throughout living spaces. We were the first in the domestic flooring industry to obtain Environmental Product Declaration (EPD) and low-carbon certifications. From kitchen and storage furniture made with E0-grade eco-friendly particleboard (PB), to doors made of recycled synthetic resin, and solid surface products certified by SCS for recycled content, we are broadly applying low-footprint raw materials across a wide range of products.

Category	Eco-friendly Materials
Kitchen / built-in storage	Kitchen and built-in storage furniture made with E0 ¹⁾ particleboard(PB) as main materials
Door	Door surface materials and foam door frames made from 100% recycled ABS and PVC synthetic resins
Solid surface	Solid surface stone with SCS Recycled Content Certification
Wall covering	Eco-friendly silk wall coverings with plant-derived PLA coating
Flooring Materials	Flooring products certified with both eco-label (Environmental Label) and low-carbon certification

1) Eco-friendly material grade with formaldehyde emissions ranging from 0.3 to 0.5 mg/ℓ(SEO: 0.3mg/ℓ or less, E1: 1.5mg/ℓ or less, E2: More than 1.5mg/ℓ)

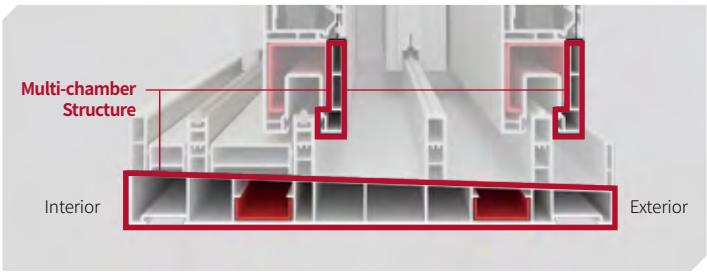
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High-efficiency Products

Enhanced High-insulation Window Design: 28mm-thick Glasses and Multi-chamber Frame Structure | The ‘LX Z:IN VEU FRAME’ window system features a significantly enhanced high-insulation design, contributing to improved energy efficiency in buildings. It achieves Grade 1 energy consumption efficiency even with a single pane of low-emissivity (Low-E) glass in 26mm or 28mm thickness for double-glazed windows. In addition, multi-layered insulation chambers have been added not only to the window frame but also inside the sash to form additional air pockets, which effectively block the inflow of external cold air.



Energy-saving Insulation Materials: LX Hausys PF Board | The LX Hausys PF Board delivers equivalent insulation performance at a thinner thickness than the legally required ‘Grade A’ standard, enabling more efficient use of interior space in multi-family housing. It is the first PF insulation material in Korea to obtain both the Environmental Product Declaration (EPD) and Low-Carbon Product Certification. In addition, it has been named a ‘Green Product of the Year’ for 11 consecutive years by the Korea Green Purchasing Network.

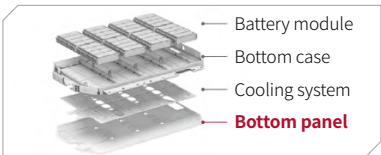
Enhanced Safety Products

Enhanced Fire Safety: Semi-noncombustible Insulation Materials | In response to increasingly stringent fire safety standards, LX Hausys has introduced the ‘LX Hausys PF Board Semi-Noncombustible Core’, designed to suppress fire spread and minimize harm caused by toxic gases. We offer three fire performance grades—fire-retardant, semi-noncombustible, and semi-noncombustible Core. In particular, our PF boards made from composite materials not only meet the safety standards for each individual component but also secure semi-noncombustibility in the core itself, thereby enhancing fire safety compared to previous products.

Enhanced Safety of Living: VEU FRAME (Wide-width single-pane window with a hidden striker and flat bottom) | To enhance safety when opening and closing French windows, the new “VEU FRAME” windows feature a thinner and flatter striker, reducing the risk of collision with the previously protruding part of the frame. Additionally, the wide-width single-pane version of VEU FRAME incorporates a flat bottom design by lowering the bottom rail and frame height. This improvement prevents discomfort from stepping or tripping on the lower frame. As a result, the product offers not only a refined design but also enhanced usability and safety, achieving a high level of completeness across all aspects.



Enhanced Safety Performance of Electric Vehicles: Development of Material that Delays Thermal Runaway of Battery | As the adoption of electric vehicles (EVs) continues to expand, battery safety technology is becoming increasingly important. To protect EV battery packs from underbody impacts and external flames, LX Hausys has applied its proprietary lightweight composite material and laminated structure to the bottom panels of battery packs for seven EV models in Korea. We have also developed flame-retardant and fire-resistant composite materials designed to delay ‘thermal runaway’—a rapid increase in internal battery temperature that can lead to explosions during fires. These materials offer improved resistance to intense flames and high-pressure environments compared to conventional products, helping to secure critical time for driver evacuation and firefighting efforts. LX Hausys plans to further diversify and enhance the performance of its composite materials, gradually expanding their application beyond automotive parts to industrial uses.



EV battery pack bottom panel

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Products that Reflect Social Values

Window Handle Indicating Internal & External Air Quality: Smart Handles I As interest in maintaining a pleasant indoor environment continues to grow, LX Hausys is steadily introducing products that help consumers manage air quality with ease. The IoT-based ‘Smart Handle’ is a grip-type device attached to windows that displays both indoor air quality and outdoor fine dust levels, guiding users on the optimal time for ventilation. By evolving the window from a simple opening-and-closing mechanism into a service platform that delivers invisible indoor and outdoor air quality data, LX Hausys is enhancing the overall quality of residential spaces.



Smart Handle

Social Issues in Living Spaces: Noise between Floors and Accidents in Residential Spaces I In response to growing societal interest in issues such as inter-floor noise and slip-related safety accidents in everyday living spaces, LX Hausys is offering flooring materials with enhanced anti-slip functionality and shock absorption performance. Our high-performance floor impact sound-reducing underlayment, which incorporates LX Hausys’s proprietary sound insulation technology, received a top rating (Grade 1) in evaluations conducted at Korea Land and Housing Corporation (LH) multi-family housing sites—earning high praise from the construction and building materials industry. In addition, we are expanding our residential product lineup with flooring and wall covering products that have obtained Pet Product Safety Certification (PS), ensuring safe use for the entire family, including companion animals. Going forward, we will continue to advance our research and commercialization of related technologies to provide customers with safe and comfortable living environments.



Pet Product Safety(PS) Certification

Better Animal Welfare: Vegan-certified Automotive Artificial Leather I As public awareness of animal welfare continues to grow, the demand for vegan-certified products is rapidly increasing. In January 2023, LX Hausys obtained a vegan certification from PETA (People for the Ethical Treatment of Animals) for all of our automotive artificial leathers. This certification officially confirms that no animal testing was conducted during the development or testing of these products. LX Hausys remains committed to ethical product development that respects animal welfare.



PETA-Approved Vegan Certification

Metrics and Targets

Products with Eco-friendly Certification and Environment Labeling

As more consumers seek not only product quality and safety but also environmental consideration, LX Hausys continues to introduce products that have obtained various environmental certifications by reflecting environmental impact across the entire product life cycle, from manufacturing to disposal. Through these efforts, we contribute to both healthier lifestyles for our customers and the protection of the global environment, while also supporting informed decision-making by providing accurate information on our major product lines.

Category	Definition
Eco-Label	Flooring materials, wall coverings, and industrial films designed to reduce energy and resource consumption and minimize pollutant emissions throughout the entire product life cycle(raw materials > production > distribution > use > disposal).
Environmental Product Declaration(EPD)	Insulation materials, flooring materials, wall coverings, industrial films, automotive artificial leathers, window materials, and solid surface materials that provide accurate and transparent information about the environmental impacts of substances generated throughout their production processes, including sourcing raw materials, production, logistics, and distribution.
Low-carbon Product Certification	Insulation materials, flooring materials, wall coverings, and window materials that fall under the category of EPD products with reduced carbon emissions and with lower average carbon emissions compared to other products in the same industry
SPS Mark	Building sealants, insulation materials, flooring materials, wall coverings, interior films, acrylic solid surfaces, and engineered stones with low emissions of organic compounds (TVOC, HCHO) used in construction materials.
GRS Certification	Furniture films made with recycled PET
SCS Certification	Solid surface stone certified to be made with recycled materials
ISCC PLUS Certification	Flooring materials and solid surfaces made with a variety of sustainable raw materials—including biomass, recycled materials, and non-bio-based renewable energy—demonstrating product sustainability through ISCC PLUS certification.
GREENGUARD Gold	Flooring materials that meet strict standards for low emissions of harmful substances, including volatile organic compounds (VOCs), formaldehyde, and fine dust, as verified through GREENGUARD Gold certification.
HPD Certification	Flooring materials are certified under the Health Product Declaration (HPD), which evaluates the health and environmental impacts of building materials and products to help consumers and professionals select safe and eco-friendly options.

2024 Eco-friendly Certificate and Environment Label Acquisitions

Index	Unit	2022	2023	2024
Sales of eco-friendly products	KRW billion	1,123	1,129	1,021

Index	Unit	SPS Mark	Environmental Product Declaration(EPD)	Eco-Label
Eco-friendly certificate and environmental label acquisitions	Case	27	44	89

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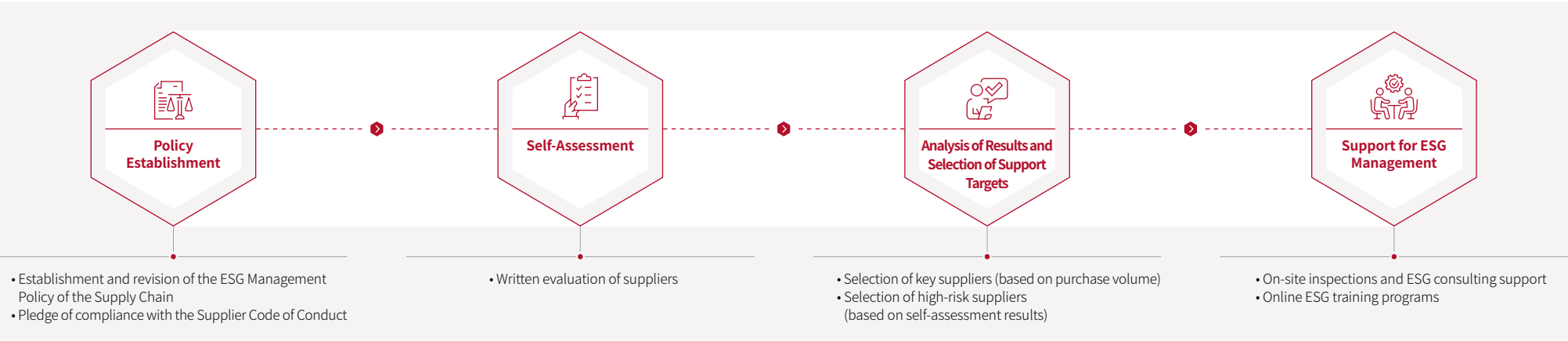
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ESG Management of the Supply Chain

Supplier ESG Management System

ESG Management Process of the Supply Chain



ESG Management Policy of the Supply Chain

LX Hausys practices ESG management in compliance with internationally recognized standards, such as the UN Guiding Principles on Business and Human Rights and ILO Conventions. In addition, the company has established an ESG Management Policy of the Supply Chain to build a sustainable supply chain and enhance its management system. Based on this policy, LX Hausys works to proactively identify and respond to potential risks across the entire supply chain and strives to create greater value in collaboration with its suppliers.

[ESG Management Policy of the Supply Chain](#)

Self-Assessment

To enhance the sustainability of our supply chain, LX Hausys actively encourages our suppliers to manage ESG risks and conducts ESG evaluations based on the Supplier Code of Conduct. All new supplier candidates are required to undergo an ESG evaluation, and the results are reflected in the supplier selection process. In addition, existing suppliers with an annual purchase amount of KRW 100 million or more in the previous year are also subject to ESG evaluations, which are considered when renewing contracts. Suppliers scoring below 70 out of 100 points in the evaluation may be excluded from future transactions.

Category	2022	2023	2024
Number of new suppliers subject to ESG evaluation	78	34	37

Selection of Key Suppliers in the Supply Chain

LX Hausys's suppliers consist of manufacturers responsible for processing and producing raw materials across our business areas, including industrial films, windows and doors, wallcoverings, flooring, automotive components, and interior products. To ensure a stable supply of high-quality products, we systematically manage our suppliers and select key suppliers through a comprehensive evaluation of annual transaction volume, strategic importance, and dependence on LX Hausys. Specifically, suppliers are classified as key suppliers if they meet one or more of the following criteria: ▲ Annual transaction volume of KRW 5 billion or more ▲ Supply of core or irreplaceable components ▲ Large-scale companies with strong competitiveness in the global market ▲ Suppliers with high dependence on LX Hausys for their sales. As of the end of 2024, LX Hausys has a total of 38 key suppliers, with total annual transactions with all suppliers amounting to approximately KRW 2 trillion.

Support for ESG Management

LX Hausys conducts ESG training programs for supplier employees to improve their overall understanding of ESG practices. Additionally, we offer financial support for consulting services provided by credible third-party institutions, enabling suppliers to undergo comprehensive assessments of their environmental, social, governance, and health & safety systems. The assessment results and areas for improvement are delivered in the form of a report, helping suppliers develop concrete improvement plans and continuously enhance their ESG performance.

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ESG Management of the Supply Chain

Sustainable Procurement

Supplier Code of Conduct

As a responsible member of the global community, LX Hausys provides sustainable solutions that contribute to addressing social and environmental issues. We are committed to establishing and thoroughly implementing principles that must be upheld throughout all stages of our business operations. The LX Hausys Supplier Code of Conduct was established based on international standards, norms, and applicable laws and regulations. All new suppliers are required to sign this Code when entering into contracts. LX Hausys expects both itself and its suppliers to faithfully implement the Code of Conduct and jointly achieve internationally recognized standards for sustainable growth.

 [Supplier Code of Conduct](#)

Responsible Mineral Sourcing Policy

LX Hausys upholds the protection of human rights and preservation of the environment as our top priorities, and seeks to enhance supply chain sustainability through responsible mineral sourcing. We strictly comply with internationally recognized standards to exclude supply chains containing conflict minerals and are committed to continuously building and operating a transparent sourcing process.

 [Responsible Mineral Sourcing Policy](#)

Green Purchasing Policy

LX Hausys has established a dedicated ‘Green Purchasing Policy’ within our internal procurement guidelines to clearly define the scope of green products and to ensure their prioritized selection and purchase. According to the Green Purchasing Policy, ‘green products’ refer to products certified under various domestic and international laws, including Eco-Label certified products, Excellent Recycled (GR) certified products, and low-carbon certified products. The policy applies to raw materials, consumables, and construction materials purchased at all LX Hausys business sites.

Shared Growth Support Framework

Shared Growth Support Framework

At LX Hausys, we strive to strengthen cooperation with our manufacturing sites based on the belief that our suppliers' product competitiveness is the key to our product competitiveness. We support our suppliers' production facilities and technologies to increase their production stability and product quality. Since 2014, we have consistently invested in the Win-Win Fund for shared growth to help our suppliers improve their productivity. We have also implemented a magic circle model based on effective investments to drive manufacturing innovation at our suppliers.

Shared Growth Organizational Structure



Shared Growth Support System

Support for Supplier Manufacturing Innovation and Productivity Improvement I In 2024, LX Hausys contributed KRW 600 million to the Win-Win Cooperation Fund to support suppliers in on-site innovation and facility automation. Using this fund, we supported suppliers in implementing automation and facility improvement initiatives, and shared the resulting achievements after the improvements were completed. Additionally, the fund was used to help reduce suppliers’ quality failure costs and enhance their productivity.

Enhancing Capabilities for Production Innovation

Support for suppliers' production site innovation and facility automation

Performance sharing model	- Invested KRW 500 million in the Win-Win Cooperation Fund for shared growth - Supported for eight suppliers in manufacturing innovation, productivity improvement, facility automation, etc.
Quality improvement fund	- Invested KRW 100 million in the Win-Win Cooperation Fund for shared growth - Invested KRW 100 million for six suppliers to mitigate defect rates

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Sustainable Procurement

Shared Growth Support Program

LX Hausys offers various financial and non-financial support programs to achieve shared growth with our suppliers.

Financial Support Program¹⁾

Program	Description	Key Performance
Win-Win Growth Fund	• LX Hausys and financial institutes pool KRW 15 billion worth of funds to offer low-interest loans to suppliers.	42 companies benefited
Network Loans	• An indirect financial support system that enables suppliers to get loans from financial institutes based on their supply history with LX Hausys to produce and deliver products	5 companies received agreements totaling KRW 2.11 billion
Win-Win Payment System	• A Win-Win Payment System is implemented to ensure that the payment from the large company for goods to a tier 1 supplier smoothly flows to tier 2 and 3 suppliers.	Implemented promotional activities to spread the Win-Win Payment System to Tier 2 and 3 suppliers as well as Tier 1 suppliers
Incentives(Rewards) for Outstanding Suppliers	• Rewards for outstanding suppliers that perform well in the regular comprehensive assessment of quality, delivery, ESG aspects, etc.	KRW 50 million rewarded
Support for Consigned Materials	• Sourcing and providing major chemical raw materials and construction materials for suppliers to ease their financial burden and material shortages	Paid KRW 666.5 billion for customer-directed materials
Free Lease of Metallic Molds	• Free Lease of Metallic Molds and Equipment Manufactured with Company Funds to Suppliers	87 suppliers benefited
Improved Payment System	• Purchases under KRW 3 million are paid in cash. Efforts are made to increase the proportion of cash payments to support suppliers' business activities.	Maintained 100% cash ²⁾ payments

1) Based on the 2024 Fair Trade Agreement implementation results

2) Promissory note substitute payment methods with maturities of more than 1 day and up to 60 days, including cash and win-win payment systems

Non-financial Support Program

Program	Description	Key Performance
Support for quality/ technological development	• Actively apply for joint patents to protect suppliers' technology • Provide commission for technology escrow • Support suppliers' facility investment and improvement, productivity improvement, production stabilization, and system infrastructure	Applied for 3 joint patents Provide commission for technology escrow in 1 case
Enhancement of communication with suppliers	• Hold Partner's Day at home and abroad to share business plans and reinforce communication • The management and purchasing officer visit suppliers to listen to their pain points and suggestions for improvement	Shared business plans and quality policy directions, and invited economic experts for lectures
Others	• Fair trade agreement: Sign a fair trade agreement between tier 1 to 3 suppliers to establish voluntary fair trade order and build a healthy ecosystem for shared growth • Welfare mall for suppliers' employees: Operate a separate online welfare mall for suppliers' employees under the same conditions to expand the welfare and benefits services for LX Hausys's employees to suppliers' employees	

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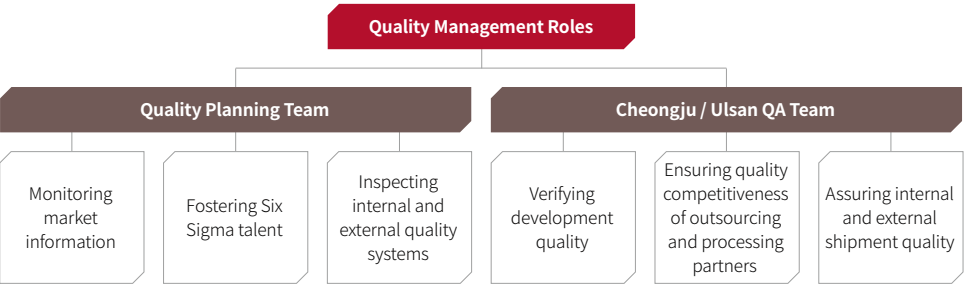
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Quality Management

Quality Management System

Dedicated Quality Management Organization

To provide excellent and consistent products and construction services, LX Hausys operates a dedicated quality management organization. This organization swiftly monitors market information to identify issues and link them to improvement activities, while enhancing in-house Six Sigma capabilities to strengthen preventive quality management. In addition, as the quality assurance provider throughout the development and production stages, the organization continuously enhances product quality competitiveness by establishing and optimizing a robust quality assurance system.



Quality Management System Certification

LX Hausys prioritizes customer satisfaction and pursues systematic quality management. All domestic and overseas plants have acquired ISO 9001 (Quality Management System) certification, which is regularly renewed. In addition, the Ulsan Plant has obtained IATF 16949 (International Automotive Quality Management System) certification, further strengthening its manufacturing expertise. Going forward, LX Hausys will continue to maintain and advance a robust quality management system to consistently deliver customer satisfaction.

Quality Control Process

To deliver products and services that fully reflect customer needs, LX Hausys manages quality comprehensively from the development stage through to actual product use. In particular, to preemptively eliminate potential risks that may arise in customer usage environments, we rigorously apply FMEA (Failure Mode and Effects Analysis) and Q-Gate (a quality verification procedure for new product development) throughout all new product development processes.

Quality Control Process

Quality planning	Quality strategies - Establish mid- to long-term quality strategy - Manage quality indicators - Improve quality control processes	Quality check - Assess quality system by business unit (Domestic/ overseas business sites and suppliers) - Verify process compliance - Manage and monitor international certificates and regulations	Quality data analysis Guide quality analysis
Development (design) quality control	Q-Gate for new products - Verify development quality - Verify long-term reliability - Verify hazardous substances	Development of testing method for customer's actual use environment - Design test specifications and verify quality - Plan certification tests - Strengthen quality evaluation criteria	Check early-stage liquidity management
Production quality management	Raw materials/subsidiary materials warehousing inspection - Conduct outgoing quality control(OQC) for raw materials/ subsidiary materials - Daily OQC report management - Plan and implement regular internal inspections for eco-friendliness	Production process quality management - Manage changes in internal 4M method - Manage key processes characteristics - Monitor facility operating conditions	Operation of the Quality Improvement Council Hold working-level meetings for each plant/product
Suppliers and construction quality management	Supplier quality assessment and guidance - Conduct regular and ad-hoc quality assessments - Sign Quality Inspection Agreements - Ensure shipment quality assurance by suppliers	Operation of the Quality Improvement Council - Operate processing and construction quality councils - Improve and standardize construction methods	
Quality in use management	Analysis of customer complaints Identify projects to address quality issues	Management of customer consultation quality	Service quality management

Quality Management

Quality Management System

Product Safety Verification Process¹⁾

At LX Hausys, we implement product quality and safety verification processes across all our production processes, from raw materials to finished products, to provide safe products for our customers. In 2023, we established internal regulations for the follow-up management of eco-friendly products to reinforce our quality verification process. In April 2024, we also set forth internal regulations for the follow-up management of product standards verification to expand the management scope for eco-friendly standards and product standards, preventing potential product quality risks throughout the product life cycle.

1) The process of assessing/managing all products as stipulated in the regulations to ensure product safety as well as user safety and health



Quality Management

Quality Management System

Integrated Quality Information Management System

At LX Hausys, we strive to effectively manage any changes in raw materials, facilities, and processes so that resultant updates to our development and production process do not affect the quality of finished products. To this end, we have established an IT system to set up a process for verifying whether product development and production processes meet our quality standards. We continuously invest in IT and facilities to systematically collect and manage quality information created during the production process, using a manufacturing execution system(MES) for systematic production planning and manufacturing history management, a utility monitoring system(UMS) for real-time monitoring of production conditions and facilities status, and an automated testing system that employs various sensors. In addition, we collect and manage all quality information in an integrated system to enable prompt response by tracking product production history and conditions in case of complaints.

Internalization of Six Sigma Methodology

We strive to develop internal quality experts who can accurately identify customer needs, incorporate them into our products, and implement clear and effective quality improvements. We aim to have all team leaders certified as Master Black Belts(MBB)¹⁾ and to continue implementing quality improvement measures across LX Hausys. We have also established mandatory improvement measures for each division and have applied these measures to three projects that required management due to chronic defect issues in each product line. MBBs in the Quality Division participate in improvement measures for each division and verify performance to raise the reliability of the quality improvement process.

1) MBB(Master Black Belt): An expert and officer responsible for managing Six Sigma in business activities. MBBs lead Six Sigma practices such as project execution and establishment of quality system in business activities, drawing on their business knowledge and expertise in the Six Sigma methodology.

Supplier Quality Management

In April 2024, LX Hausys completed the establishment of the Supplier Quality Assurance System (SQAS), which enables integrated management of supplier quality control and evaluations through an IT-based system. Previously managed offline by each supplier, data such as shipment and buyer inspection results, as well as supplier quality evaluation outcomes, were difficult to analyze and share due to manual processing. With the implementation of this system, all supplier quality management processes have been digitized and integrated, allowing for faster response in the event of quality issues. Additionally, the digitalization of regular quality evaluations enables real-time sharing of results and feedback.

Enhancing Supplier Capabilities

LX Hausys provides Six Sigma training for suppliers subject to regular quality evaluations to strengthen their internal quality management capabilities. To foster quality management talent among suppliers, the company launched Green Belt (GB) training in 2023 and, starting in 2024, introduced an advanced practical quality management course to further support capacity building for supplier quality personnel. Supplier quality evaluations are conducted annually and consist of three stages: Phase 1: Inspections of incoming materials, processes, and shipments, Phase 2: The above inspections plus evaluation of the supplier's quality assurance system, Phase 3: Assessment of compliance with 4M changes (Man, Machine, Material, Method) and performance results. Through these evaluations, LX Hausys continuously assesses the level of suppliers' quality assurance systems under their own management. The evaluation criteria are revised annually to ensure that suppliers' quality assurance frameworks are consistently improved and standardized across the board.

Schedule	Detailed Items	
Evaluation Preparation	November	Revise the evaluation items for the regular quality evaluation.
	December	Select suppliers subject to regular quality evaluation and provide training to those who underperformed in the previous year.
Regular Quality Evaluation	January – March	Phase 1 evaluation: inspections of incoming materials, processes, and shipments.
	April - July	Phase 2 evaluation: Phase 1 items plus assessment of the quality assurance system.
	August – September	Phase 3 evaluation: check compliance with 4M changes and evaluate performance.
Evaluation Summary	October	Summarize the results of the regular quality evaluation and select outstanding suppliers

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Customer Satisfaction

Principle of Customer Service Provision

At LX Hausys, we announce the warranty periods of each product and the paid/free services for products on our service website. In addition, we collect customer opinions through various channels and take real-time actions to protect consumer rights that may be infringed due to product defects. Complaints collected through these channels are assigned to the regional service engineers of the AS subcontract in real time. In principle, service engineers will contact customers within 24 hours for visits and offer call-out services. Along with the changes in consumer-related laws and policies, we will continue to enhance our services to address any inconvenience that our consumers may experience.

Protection of Consumer Rights and Response to Damages

We continue to identify changes in relevant regulations and policies in order to protect consumer rights and provide relevant information based on these changes, while announcing the warranty periods of each product and the paid/free services for products on our service website. If customers suffer from physical or property damages due to product quality or safety issues, we provide prioritized after-sales services to protect consumer rights. In addition, we provide free call-out services to veterans, persons of merit, and persons with disabilities. Reports for damages are received through our customer communication channels such as phone calls, service websites, and Kakao Chatbot. Once reports are received, they are assigned to regional officers in charge in real time, and they call customers within 24 hours to schedule visits. After service completion, we conduct a customer service satisfaction survey and share the results with AS subcontractors with which the regional officer is affiliated. Based on this, services that need improvements are addressed through improvement activities.

Enhancing Consumer Trust

LX Hausys continues our efforts to provide products that consumers can use with confidence. The Korea Green Product of the Year is an award designed to promote the green product market, where both experts and consumers participate in the selection process to recognize products that excel in environmental and commercial performance. In 2024, four LX Hausys products were selected as ‘Korea Green Product of 2024’: LX Hausys PF insulation, LX Z:IN ViewFrame windows, LX Z:IN ZEA Fabric wallcoverings, and LX Z:IN Editone Collection. In addition, the company received the ‘Green Masterpiece Award’, which is given to companies that have won Green Product of the Year for over 11 consecutive years and are selected through a separate screening process. Going forward, LX Hausys will continue to develop environmentally friendly interior products, contributing to the creation of safe and sustainable living spaces for consumers.

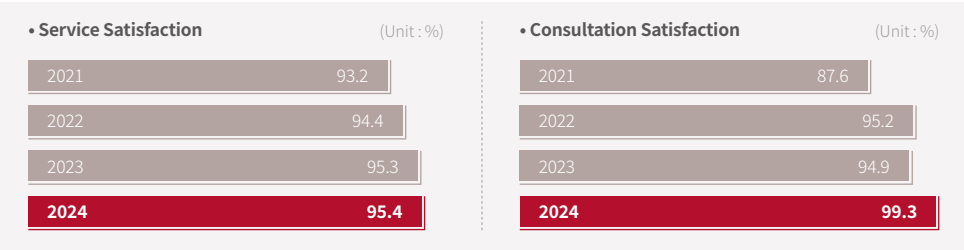
Enhanced Communication with Customers

In 2020, LX Hausys began to provide services through the official service website. In 2022, we established a hotline and Kakao Chatbot linked to the service website to reinforce our customer communication channels. Our Chatbot service offers enhanced customer convenience with the provision of Z:IN Square(show-room) locations, product and construction examples, as well as regular consultations. Kakao Chatbot’s accuracy is being continuously improved with real-time database updates facilitated by customer Q&A pattern analysis by the Chatbot manager. We also added a shortcut menu to LX Hausys website and LX Z:IN Mall to enhance access to consultation for interior decorative products.

Category	Inquiries	Complaint	AS request received	Z:IN Empathy	Interior-related consultation	Z:IN Mall/N Store	Commercial	Home shopping	LX Z:IN ON	Total
Total cases in 2024	85,883	2,906	50,796	343	296	2,148	2,400	5,520	72	150,364
Weight	57.1%	1.9%	33.8%	0.2%	0.2%	1.4%	1.6%	3.7%	0.1%	100%

Client Satisfaction Level Management

We conduct customer satisfaction surveys on a regular basis. The indicators identified in these surveys are duly considered in product development and production and service quality enhancement. In the KCSI survey conducted in 2023, we were selected as the top company in residential building materials for four consecutive years (2021-2024). We will provide differentiated customer values at every stage of interior decorative construction, providing high-quality products, construction, and after-sales services, to impress our customers, going beyond simple customer satisfaction.



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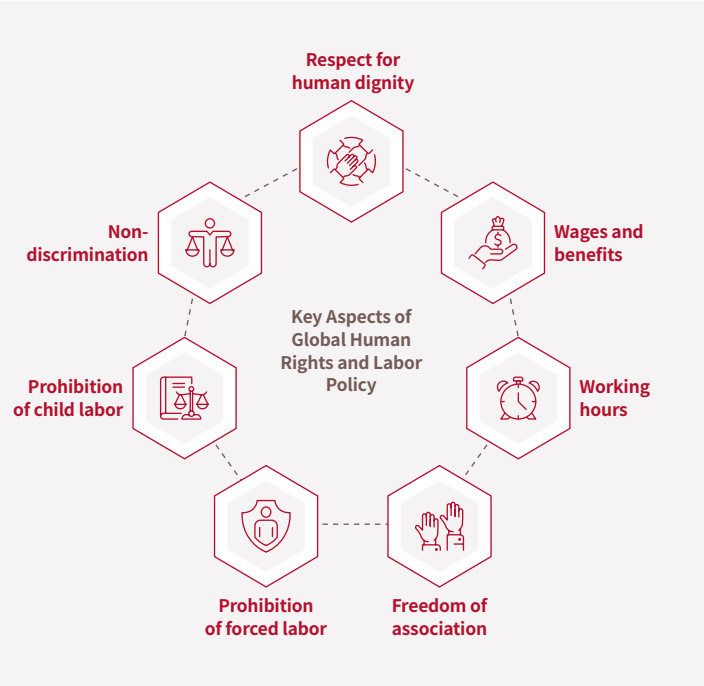
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Human Rights Management System

Global Human Rights and Labor Policy

At LX Hausys, we have established the “LX Hausys’s Global Human Rights and Labor Policy” based on the human rights and labor standards and regulations set forth by international institutes and organizations, including relevant provisions by the International Labor Organization(ILO) and UN Guiding Principles on Business and Human Rights, and have disclosed its entirety on the official website. We respect all employees as individuals, treat them fairly based on their capabilities and achievements, and help them fully draw out their creative potential. We also recognize every employee’s personality with faith in and love for humankind, and encourage them to find pride and fulfillment through their work with an entrepreneurial mindset.

 Global Human Rights and Labor Policy



Human Rights Impact Assessment

To strengthen its human rights management system and identify and manage human rights risks, LX Hausys established a human rights impact assessment process and conducted its first assessment in 2025. The initial assessment identified key human rights issues and mapped actual and potential risks across business operations and value chain activities through stakeholder surveys. In-depth interviews were also conducted to gather feedback on possible improvement directions. LX Hausys plans to expand the scope of future assessments and continuously advance its human rights management system through the implementation of risk mitigation and remediation measures.

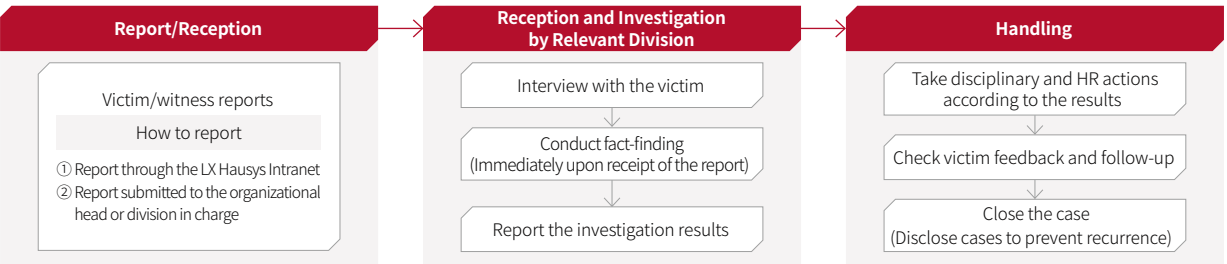
Human Rights Impact Assessment Process

Human Rights Risk Review	Derivation of Improvement Areas	Mitigation and Remediation Measures	Monitoring
- Identify key human rights issues based on fundamental principles and policies - Conduct stakeholder surveys and in-depth interviews	- Identify actual and potential human rights risks and vulnerable groups - Analyze results and derive areas for improvement	Implement improvement actions related to key human rights risk issues	- Conduct periodic reviews and follow-ups - Systematically and regularly assess risks related to potential human rights issues
Key Human Rights Issues	Establishment of a human rights management system , Operation of the human rights management system, Humane treatment, Prohibition of forced labor, Prohibition of child labor, Prohibition of discrimination, Compliance with working hours, Provision of fair wages and benefits, Freedom of association and collective bargaining, Guarantee of occupational health and safety, Protection of environmental rights, Responsible supply chain management, Protection of consumer rights, Protection of community rights		
Stakeholder Groups Considered in the Assessment	LX Hausys employees* (including women and pregnant workers), Suppliers*, Affiliates, Local communities, Customers, Shareholders and investors		

* Stakeholder groups identified as relatively vulnerable to human rights risks

Management of Labor and Human Rights Risks

LX Hausys is committed to fostering a healthy working environment by actively listening to employee grievances and taking improvement measures. To support this, we operate a personal grievance-handling program on our internal intranet, which allows employees to submit 1:1 inquiries and receive direct responses. Leaders also conduct ongoing one-on-one meetings with team members to address concerns and enhance communication. In 2024, a total of three grievances were received through the personal grievance-handling program, all of which were successfully resolved, achieving a 100% resolution rate.



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Labor and Human Rights Protection and Diversity

Culture of Respect for Human Rights and Diversity

Promotion of a Culture of Respect for Human Rights and Diversity

LX Hausys’s Global Human Rights and Labor Policy is designed to uphold and respect the dignity, freedom, and happiness of all our stakeholders as our fundamental values. The policy applies to domestic and overseas business sites to protect employees’ labor and human rights. We encourage all our stakeholders, including customers and suppliers, to strictly observe this policy. We continuously manage and monitor relevant risks such as child labor, forced labor, and violations of freedom of association and collective bargaining under our global human rights and labor policies. In addition, we conduct regular training on disability awareness, sexual harassment prevention, and workplace bullying prevention to enhance employees’ awareness about human rights protection and to promote our culture of mutual respect.

Training Program	Content	Frequency	Target Participants
Awareness Training on Disabilities in the Workplace	Definition and legal framework of disabilities, types of disabilities, etiquette, and how to live and work together with persons with disabilities	1~2 times per year	All employees
Prevention of Sexual Harassment in the Workplace	Relevant laws, procedures and response measures, counseling and remedies for victims, and prevention practices		
Prevention of Workplace Bullying	Background and related laws, types and examples of workplace bullying, case studies, and procedures for handling such incidents		

Enhancement of Diversity and Inclusiveness Through Greennuri

We run various programs aimed at promoting the recruitment of people with disabilities to fulfill our corporate social responsibility and build a corporate culture that embraces diversity. Since 2018, we have been operating “Greennuri,” a standard subsidiary-type business site, to foster a harmonious workplace where people with and without disabilities can work together. As of 2024, we have 93 staff members, including 52 with disabilities and 41 without disabilities. Through Greennuri, we will provide a solid foundation of independence for people with disabilities and realize mutual growth in our community.

Date of Establishment	Jan. 01, 2018
No. of Employees	93 persons(52 persons with disability and 41 persons without disability as of the end of Dec. 2024)
Jobs	Cleaning, working at cafe and store, landscaping, and facility management
Location	• Cheongju Main Store (within LX Hausys Cheongju Plant) • Ulsan Branch(within LX Hausys Ulsan Plant) • Seoul Branch(within LX Hausys Headquarters) • Magok Sales Office (within LX Hausys Magok Research Center)

Labor-Management Communication

Labor-Management Relationship

At LX Hausys, we strive to foster a communal labor-management relationship that contributes to social development based on continuous performance enhancement through partnerships built upon participation and cooperation. To realize this goal, we are committed to improving employees’ quality of life and have implemented our unique 3-dimensional Model for Labor-Management Relationships. This model, which consists of business management, work environment, and collective bargaining, promotes organic participation and cooperation between the labor forces and management. Furthermore, we regularly communicate with the labor union to build a culture of mutual trust and respect, and to discuss relevant and necessary aspects. As of the end of 2024, 99.8% of technical staff are union members.

Promotion of Labor-Management Communication

LX Hausys pursues a labor-management relationship based on mutual respect, where employees and management engage with one another as equal partners. To this end, the company’s executives regularly hold employee dialogue sessions and executive town hall meetings. Labor-management communication is further strengthened through workplace-specific organizational activation events held annually. In addition, quarterly labor-management council meetings are held to discuss common issues, share business performance, and deliberate on the improvement and expansion of employee welfare facilities. In 2025, LX Hausys plans to operate an official channel to further promote employee participation in executive meetings, thereby supporting more active communication between labor and management.

Labor-Management Council Operation Performance



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Human Resources Management

Talent Recruitment and Development

Talent Recruitment Process

At LX Hausys, we have established and implemented the Human Resources Principles as part of our efforts to recruit talented individuals who live up to our vision of ideal employees through appropriate processes. We provide interviewers with training on the Fair Hiring Procedure Act, types of assessment errors, and remedies to ensure professional and clear recruitment processes. In addition, we operate R&D centers for academic-industry collaboration, internships in natural science and engineering, and on-site practice programs to attract talented individuals with expertise in various fields.

Ideal Employee of LX Hausys

Passion	Innovation
Individuals who strive to be the best in the world with dreams and passion	Individuals who continuously innovate with a focus on customers
Teamwork	Competitiveness
Professionals who work autonomously and creatively while keeping teamwork in mind	Professionals who compete fairly while consistently enhancing their capabilities

Direction of Talent Development

LX Hausys believes that the growth of its employees through the development of expertise directly leads to the company's success. Accordingly, we align our talent development direction with our business objectives and provide training programs to strengthen competencies in each functional area. Our talent development strategy focuses on three core areas: 'Leadership Development' to cultivate competent leaders within the organization, 'Global Future Entrepreneur Development' to nurture future business leaders with global competitiveness, 'Job Expertise Enhancement' to help employees effectively perform their roles based on a deep understanding of their responsibilities. Based on the firm belief that continuous talent development is essential to corporate growth, LX Hausys strives to foster professionals with job-specific expertise tailored to each employee's career stage.



Human Resources Management

Employee Capability Development Program

Job Expertise Enhancement Program

To systematically strengthen job expertise, LX Hausys offers specialized training programs by job category—such as R&D, engineering, and sales/marketing—to enhance the necessary competencies and skills. We also operate internal learning communities to support continuous knowledge sharing and skill development across functions.

Course	Target	Description
Research training	Researchers	Open Innovation Seminars, domestic and international academic conferences, and more
Engineer training	Engineers	Introductory courses for engineers, production management, on-site innovation, cost control, manufacturing quality, market understanding, TRIZ, and more
Do Learn Do Learn Learning Circles (Do Learn Do Learn)	Voluntary participants among employees	Small-group learning based on topics of interest, such as knowledge sharing or solving business/collaboration issues, formed through voluntary participation

Leadership Enhancement Program

LX Hausys provides various leadership development programs to help position-holders strengthen the leadership competencies required for their roles.

Course	Target	Description
New Team Leader Onboarding	New team leader	Provide training and a four-week onboarding program to support new team leaders in performing their roles effectively.
Team Leader Leadership Camp	Current Team Leader	Select key leadership topics each year and deliver company-wide training for all team leaders.
Leadership Clinic		Facilitate voluntary coaching sessions where team leaders share cases with professional coaches to address leadership issues identified through leadership assessments.
Leadership Jump-Up Coaching		Offer small-group coaching to high-performing team leaders to further enhance leadership competencies and drive stronger performance.
New Division Head Coaching		Conduct coaching for division heads and executives focused on role awareness, strategic capabilities, and leadership development.

Performance of Employee Capability Development Program

Course	Positive impact of the program on the company	Quantitative impact of the program on the company
New Employee Onboarding	Early adjustment and retention of high-potential new hires by operating an onboarding program designed to support smooth organizational integration and increase work engagement.	Voluntary turnover rate decreased by 3.1% in 2024.

Six Sigma Training

At LX Hausys, we develop our quality experts through the Six Sigma Program to reflect customer demands on our products and improve product quality. The Six Sigma Program is a quality-driven mindset building program that provides scientifically verified tools and methods based on systematic procedures, with certification belts at GB¹⁾, BB²⁾, and MBB³⁾ levels.

- 1) GB(Green Belt): A member of a Six Sigma Project team at a level where a person can apply Six Sigma methodology to create performance.
2) BB(Black Belt): A leader/initiator of a Six Sigma Project team at a level where a person can apply Six Sigma methodology on site to methodically solve problems and create outstanding performance.
3) MBB(Master Black Belt): An officer at a level where a person can lead Six Sigma activities for a business division based on expertise.

Six Sigma Training Program I We offer training programs for each role and phase to improve quality, enhance productivity and cost control, and develop new products. Through this program, we reduce costs incurred due to quality issues and improve customer quality satisfaction through strengthened quality control.

Category	GB course	BB course	MBB course
Training details	6σ process / Statistical thinking / Advanced statistics / Summary		
Training method	Online video training	Online real-time training	Online real-time training
Training period	1 month	4 days	6 days

Six Sigma Belt Certification System I We operate a GB/BB/MBB certification system based on capabilities in the production/technology/R&D/ quality divisions. In 2024, the Six Sigma program applied to 38 projects. 343 of 348 employees in the production/technology/R&D/quality divisions acquired belt certification at each level.

Category	GB course	BB course	MBB course
Role	6σ task team member	6σ task team leader	Identify and guide identification of 6σ tasks, develop 6σ talents
Certification target	Production/Technology/R&D/Quality jobs		
	No Belt	Existing GB-certified staff	Senior or higher staff with existing BB certification
Persons acquired certification	143 persons(41%)	143 persons(41%)	57 persons(16%)

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Human Resources Management

Employee Benefits

LX Hausys provides competitive salaries and top-tier employee benefits based on a meritocratic HR philosophy that respects individual creativity and autonomy. To help employees manage workplace stress and maintain a healthy work-life balance, we offer a variety of welfare programs. Key benefits include encouraging the use of paid leave, access to leisure facilities, rest areas within office buildings, support for employee clubs, and discounts on LX Hausys products. In addition, LX Hausys actively supports employees' self-development by providing financial support for obtaining certifications and offering qualification allowances, helping employees grow not only in their job-related areas but also in diverse fields.

Support for Work-Family Balance

LX Hausys actively supports government policies that promote work-family balance and is committed to fostering a family-friendly corporate culture. For pregnant employees, we offer shortened working hours during pregnancy, prenatal check-up leave, and maternity leave. To support childcare after childbirth, parental leave and reduced working hours for child-rearing are also provided. Maternity and parental leave are available to male employees as well, enabling more employees to achieve harmony between their work and family life.





Childcare facility

Operate in-house childcare centers at each business site for child-rearing support



Nursing room

Operate in-house nursing rooms(including women's lounge) to create child-rearing environments for female employees



Paid parental leave system

Comply with legal standards (up to 1 year for each parent who raises a child under the age of 8) provide a parental leave system for work-family balance



Family care leave

Provide family care leave to look after parents, spouse, children, or parents of a spouse due to illness, accidents, old age (provide up to 90 days a year in compliance with legal standards)

Employee Welfare and Benefits Programs

Stress and Health Management

Category	Details
Stress Management	Counseling office for stress control
PTO encouragement	Setting a monthly boss-free day after divisional agreement, Encouraging employees to take time off
Support for sport clubs	Support for various in-house sport clubs(e.g., hiking, baseball, soccer)
Medical expense supports	Support for medical expenses for employees, their spouses, and children

Marriage, Childbirth, and Childcare Promotion Systems

Category		Details
Marriage	Congratulatory payments/ Leave	Congratulatory payments and leave for marriage
Childbirth	Support for infertility treatment	Six days of infertility treatment leave (including three days of paid leave)
	Congratulatory gift for childbirth	Infant items for employees who gave birth
	Paternity Leave	Twenty days of paternity leave for male employees upon childbirth
Childcare	Paid parental leave	One year of paid parental leave (extendable up to 18 months if legal extension criteria are met)
	School-entry congratulations support	Congratulatory payment for employees' children entering elementary/ middle/high schools

Various Customized Welfare and Benefits

Category	Details
Flexible working hours	Flexible working hours that employees can select for efficient work
Discounted company products	Discounted company products for employees to raise their pride and sense of affiliation
Support for license acquisition and payment for qualification benefit	Support for work-related and non-related self-development of employees

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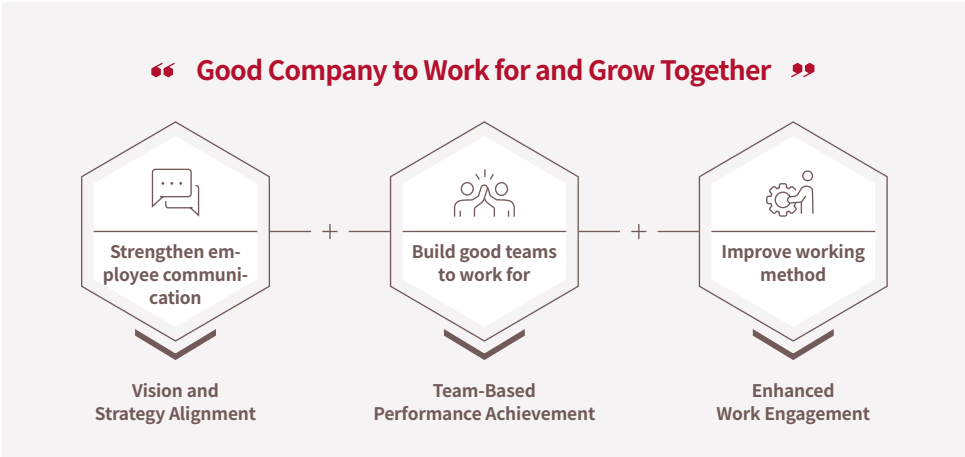
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Human Resources Management

Activities to Improve Organizational Culture

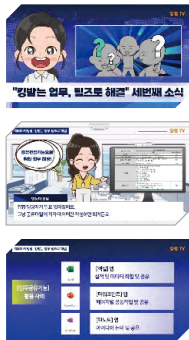
Good Company to Work for and Grow Together

At LX Hausys, we share the core value of "teamwork based on individual strengths" with our stakeholders to realize our management philosophy and vision. With this core value in mind, we run individual-/team-/divisional-level programs to build a corporate culture that promotes the growth of teams and individuals and creates a "good company to work for and grow together."



Improvement of Working Method

LX Hausys is driving innovation in our way of working by utilizing the online collaboration platform, Teams. In 2024, we conducted a total of eight Teams activation campaigns to help employees experience a smarter and faster work environment. As a result, 1,989 office employees—equivalent to 70% of all office staff—are now actively using Teams. LX Hausys continues to discover and share best practices to foster a culture of smart working across the organization.



Strengthened Employee Communication

Employee Satisfaction Survey

In 2024, LX Hausys conducted a company-wide survey targeting office employees to assess trends in organizational culture and the level of engagement in cultural activities. The survey evaluated four key areas that influence performance—Direction, Consistency, Autonomy, and Adaptability—along with employees’ perceptions of organizational culture at the division, team, and individual levels, to identify areas for improvement. The response rate was 63%, with 1,219 participants. The average scores in each category were as follows: Direction: 73, Consistency: 71, Autonomy: 74, Adaptability: 72, Work Engagement: 83.

Trends in Organizational Culture	Direction (9)	Clarity and shared understanding of the organization’s goals and vision
	Consistency (9)	Alignment between organizational values and behaviors
	Autonomy (9)	Degree of employee participation in decision-making and respect for opinions
	Adaptability (9)	Organizational responsiveness to external changes such as customer and market trends
Perception of Organizational Culture Activities	Division Level (2)	Internal and external communication within and across divisions
	Team Level (6)	Vision and goal-setting, task management, feedback, motivation, team development, and team culture building
	Individual Level (5)	Improvement in working methods and implementation of core values
	Overall Satisfaction (6)	Work engagement, grievance experience, turnover considerations, strengths, and areas for improvement

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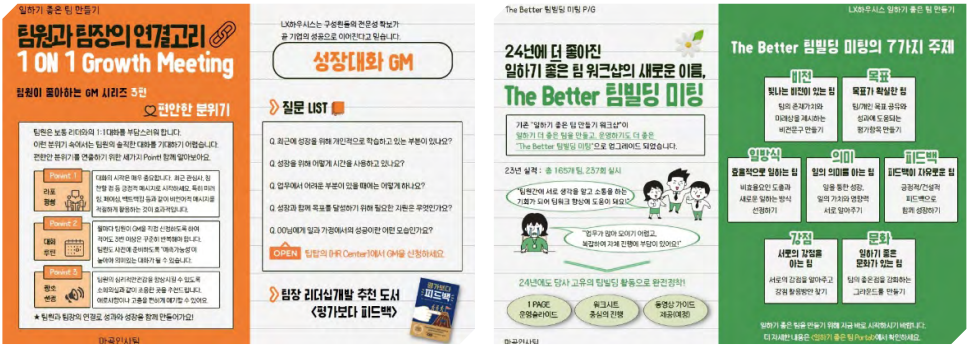
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Human Resources Management

Strengthened Employee Communication

Building Good Teams to Work for

LX Hausys believes that good teams are built on smooth communication, and that strong communication within teams is the foundation for high performance. To support this belief, we promote monthly ‘1-on-1 Growth Meetings’ between team leaders and members, encouraging open dialogue and feedback on a range of topics, including but not limited to work-related issues. In 2024, a total of five activation campaigns were conducted to promote this practice, including the provision of timely conversation prompts based on discussion themes. LX Hausys also operates an organizational development program titled ‘The Better Team-Building Meeting’, which supports team leaders in creating strong, collaborative teams through topic-based sessions. In response to the 2023 organizational culture survey results, the program toolkit was completely revamped to ensure a more meaningful and user-friendly experience. Six promotional campaigns were also carried out to share seasonal themes and best practices. As a result, the participation rate for ‘The Better Team-Building Meeting’ in 2024 reached 70%, with 138 teams conducting a total of 246 sessions. Moving forward, LX Hausys will continue to actively support communication between team leaders and members—further growing from ‘Good Teams to Work For’ to a ‘Good Company to Work For.’



Vitalizing Employee Communication (Vision Talk & Open Talk)

Vision Talk serves as a key communication channel between executive management and employees to strengthen internal dialogue within the company. The initiative involves the CEO, other members of the executive team, and the Green Board—LX Hausys’s employee consultative body—coming together to facilitate two-way communication. Through Vision Talk, management delivers the company’s business direction and policies, while employees are encouraged to voice their opinions and suggestions directly to leadership. This two-way dialogue fosters a more transparent and engaged workplace, enabling LX Hausys to build an organizational culture in which the company and its people grow together based on a clear and shared vision.



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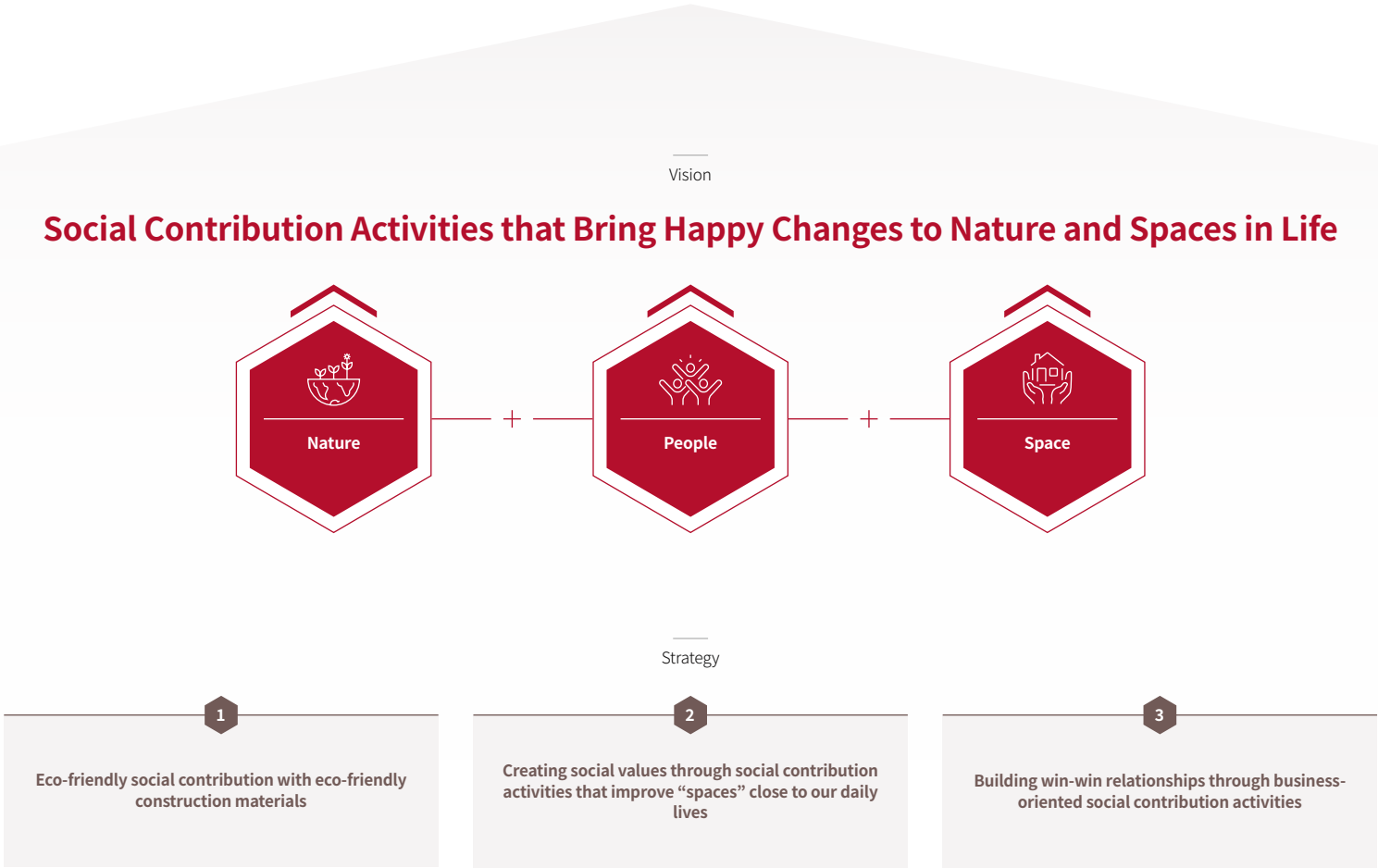
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Social Contribution

Social Contribution Strategy

At LX Hausys, we have been implementing social contribution activities under the slogan of “Social Contribution Activities that Bring Happy Changes to Nature and Spaces in Life,” based on our business traits and strengths, as we work toward building a win-win relationship with local communities. We will continue creating social values through consistent contribution activities and become a company that creates positive change in local communities.



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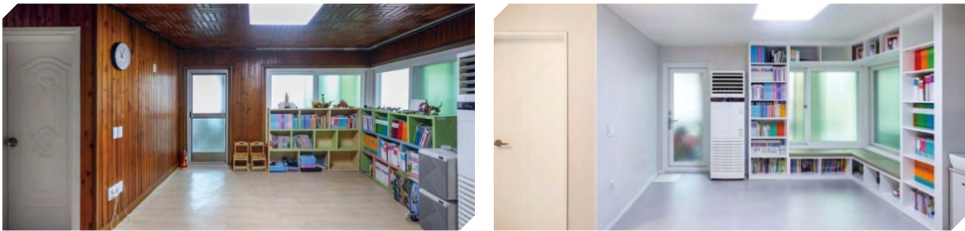
Social Contribution

Support Activities for Children and Youth

Creating Happy Spaces – Group Home Residential Environment Improvement

LX Hausys has continued the Creating Happy Spaces social contribution program to support the dreams and hopes of children and youth—the next generation of our society. Starting in 2024, the scope of the program was expanded to include residential environment improvements for group homes in poor condition and difficult to repair due to aging infrastructure. In collaboration with Habitat for Humanity Korea and the Korea Association of Group Homes for Children and Youth, LX Hausys carried out customized renovations over three to four weeks at two selected group homes. The first site, ‘Namoo-ya’ Group Home, was suffering from serious leakage on the second floor and widespread aging of the building. Over a three-week period, LX Hausys transformed the space into a bright and warm environment by installing new windows, flooring, wallpaper, doors, and interior films. The second site, ‘Haetsal-Gounjip’, faced safety issues such as mold on the ceiling and walls and malfunctioning front and internal doors. Over the course of a month, we carried out renovations using our own products to improve the overall interior, creating a clean and comfortable environment where children can feel safe and at ease.

LX Hausys will continue to leverage its core expertise in products, design, and construction to create safe and inspiring spaces where children and youth can grow and pursue their dreams.



Public-Private Partnerships for Creating Social Values

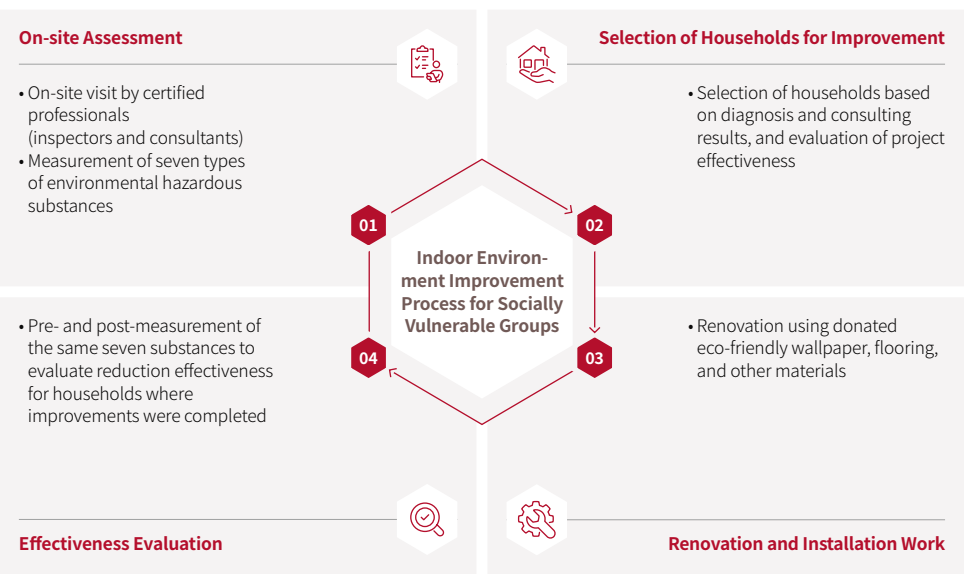
Support for Improvement of Indoor Living Quality for the Socially Marginalized Groups

LX Hausys has been participating in the Indoor Environmental Improvement Project for the Socially Vulnerable for ten consecutive years, in collaboration with the Ministry of Environment and the Korea Environmental Industry & Technology Institute (KEITI). This government-led initiative aims to assess and improve residential environments for environmentally vulnerable groups—such as low-income children and the elderly—who are more susceptible to environmental diseases like atopic dermatitis, asthma, and allergic rhinitis.

In 2024, the program targeted approximately 500 households for indoor air quality assessments and improvements. LX Hausys contributed to the quality enhancement of these residential spaces by donating eco-friendly wallpaper and flooring certified with the Korea Eco-Label.

Since first joining the initiative in 2015, LX Hausys has consistently supported the project by leveraging its sustainable materials and products. We remain committed to creating healthy and comfortable living environments while delivering both environmental and social value through our CSR efforts.

Indoor Environment Improvement Process for Socially Vulnerable Groups



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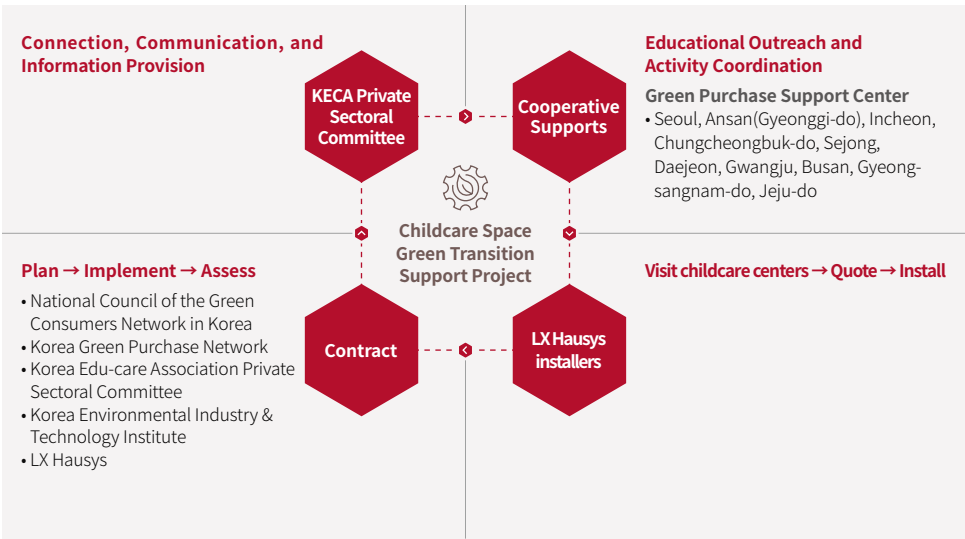
Social Contribution

Public-Private Partnerships for Creating Social Values

Childcare Space Green Transition Support Project

Following amendment to the Enforcement Decree of the Environmental Health Act in July 2021, it became mandatory for childcare centers to replace their interior finishings and flooring materials with those containing lower levels of heavy metals(e.g., lead) and phthalates by 2026. The “Childcare Space Green Transition Support Project” is a social contribution project with private-public partnerships to support childcare centers that have been struggling to replace outdated flooring materials for over a decade due to limited budget or other issues. As of 2024, LX Hausys has been part of the support project for three consecutive years and has formed a private-public council for the “Childcare Space Green Transition Support Project” in partnership with the Korea Environmental Industry & Technology Institute(KEITI), which falls under the Ministry of Environment, and civic groups such as the Korea Edu-care Association, National Council of the Green Consumers Network in Korea, Korea Green Purchase Network, and Green Purchase Support Center. Through this project, we donated three Eco-Label certified flooring material products to 18 private childcare centers in 20 regions, including Seoul, Gyeonggi-do, Busan, Gwangju and more, covering 2,500m² of flooring area.

Overview of Childcare Space Green Transition Support Project



Sharing in Local Communities

Social Contribution Activities by Business Site

Employees at LX Hausys' Ulsan and Cheongju Plants have continued to participate in 'LX Happy Day', an annual year-end volunteer event dedicated to sharing and supporting the local community. 'LX Happy Day' is a donation-driven initiative in which employees collect funds throughout the year to support neighbors around the plant sites. In 2024, employees at the Ulsan Plant delivered Happy Boxes—containing tumblers, three-fold umbrellas, portable batteries, hand creams, and socks—along with kimchi and boiled pork to five nearby community facilities, including workshops for people with disabilities and local children's centers. Employees at the Cheongju Plant also delivered 'Happy Boxes' and kimchi to local children's centers and orphanages, and provided coal briquettes to households in need, including low-income families and elderly residents who rely on coal for heating during the winter.



Workplace	Activity	Description
Cheongju Plant	One Company, One Village	Support for events in neighboring villages
	Children Support	Partnership with ChildFund Korea to support marginalized children in the community
Ulsan Plant	LX Happy day	Provision of kimchi to local children's centers and briquettes to the elderly living alone
	One Company, One Village	Support for events in neighboring villages and purchases of agricultural produce from them, etc.
	One Company, One River	Conducting clean-up efforts and water quality testing near the Hoeya River
	LX Happy day	Provision of kimchi, everyday items, and more to workshops for people with disabilities and local children's centers

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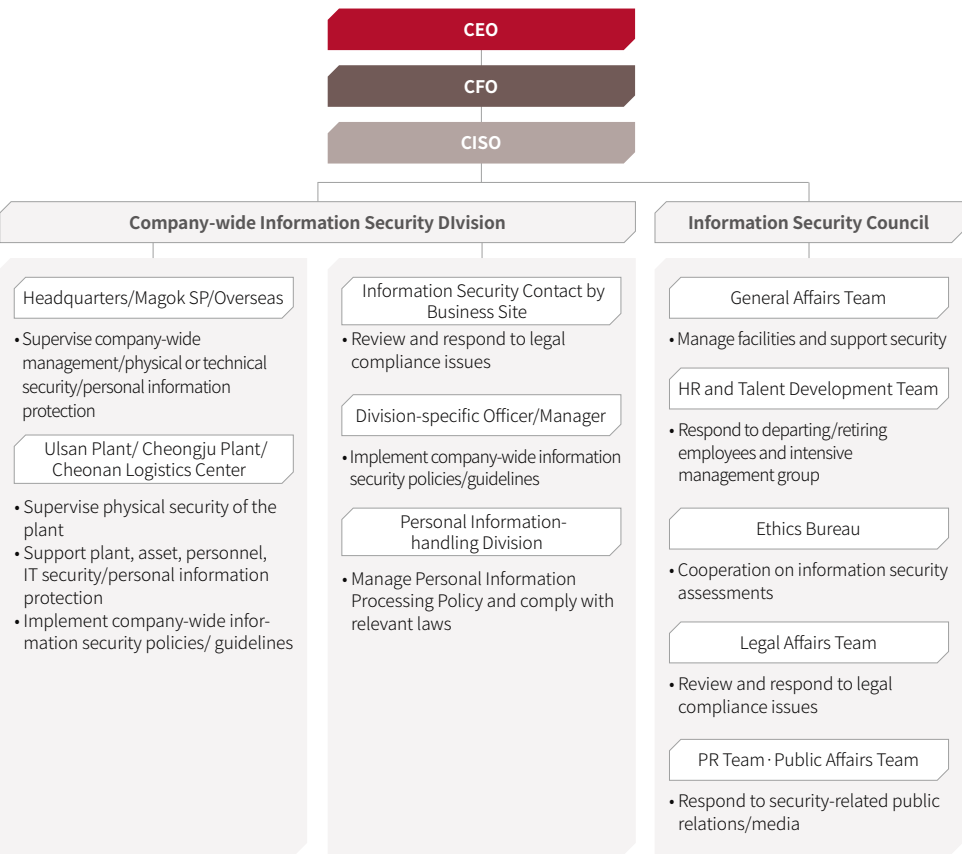
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Information Security and Personal Information Protection

Information Security and Personal Information Management System

Information Security Governance

LX Hausys has established a systematic information security governance framework and appointed a Chief Information Security Officer (CISO) to oversee company-wide information security strategies. Under the CISO, a dedicated information security organization has been formed to plan and implement security initiatives, monitor performance, and respond to key issues. All major decisions are closely communicated with top management. To ensure effective governance, an Information Security Council may be convened as needed depending on the severity and urgency of the matter. The council serves as a platform to deliberate on security measures and policy improvements that affect the organization as a whole. Going forward, LX Hausys will continue to strengthen strategic communication between top management and information security-related departments, and enhance its sustainable and trustworthy information protection framework.



Information Security Management System

LX Hausys has established and operates an Information Security Management System (ISMS) to protect the company's information assets and systematically respond to security risks. This system incorporates administrative, technical, and physical safeguards to ensure the confidentiality, integrity, and availability of information, and is continuously improved in alignment with the company's enterprise-wide information security strategy. The system also encompasses a range of elements, including the development of internal policies and procedures, operation of a dedicated information security organization, regular risk analysis and assessments, security training and simulations, and a structured incident response system. Through these efforts, LX Hausys maintains a high level of company-wide information security and strengthens trust with customers and stakeholders, while creating a stable and sustainable business environment.

Compliance Response System

LX Hausys strictly complies with the Personal Information Protection Act and all relevant laws and guidelines, recognizing the protection of personal data belonging to customers, employees, and all stakeholders as a core corporate responsibility. To fulfill this responsibility, the company adheres to legal standards at every stage of the data lifecycle—including the collection, use, storage, provision, and disposal of personal information. LX Hausys enforces a robust internal management system based on principles such as data minimization, prohibition of use beyond the intended purpose, and the safeguarding of data subject rights. In addition, we continuously strengthen technical and administrative safeguards for data protection. Through regular audits and training programs, LX Hausys promotes security awareness among employees and proactively works to prevent personal data breaches. Going forward, LX Hausys will remain deeply committed to protecting personal information by upholding not only legal compliance but also higher ethical and social responsibilities.

Disclosure of Information Security Reporting

As a company subject to mandatory information security disclosure, LX Hausys transparently provides annual updates on its information security governance system, investment status, security activities, and major accomplishments through the Integrated Information Security Disclosure Portal, in accordance with applicable laws and regulations. Through these disclosures, we clearly communicate our information security posture and ongoing improvement efforts to customers and stakeholders, thereby enhancing trust and fulfilling our social responsibility to ensure a safe and secure information environment.

[Integrated Information Security Disclosure Portal](#)

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Information Security and Personal Information Protection

Information Security Activities

Cloud Security Enhancement Activities

In line with our digital transformation strategy, LX Hausys has migrated all on-premises business systems to the cloud. While the cloud offers high openness and scalability, it also poses increased risks of external cyberattacks and internal vulnerabilities. To address these challenges, we established and implemented a comprehensive enterprise-level cloud security policy. All cloud-based systems undergo security vulnerability assessments and verifications before deployment. After deployment, continuous security is ensured through regular inspections and monitoring. As a result, LX Hausys has successfully minimized the risk of external intrusions and ensured service continuity and data integrity. We will continue to update our cloud security policies and proactively adopt the latest security technologies and trends to build a more advanced information protection framework in our cloud-based digital work environment.

Information Security Monitoring Activities

To proactively respond to various cyber threats, LX Hausys operates a 24/7 external security monitoring service in partnership with a professional cybersecurity firm. This service enables real-time monitoring of security events such as hacking attempts, malware infiltration, and abnormal traffic, while continuously enhancing the threat detection and response system. More recently, LX Hausys has also adopted dark web monitoring for critical systems to track any potential leaks or exposures of sensitive information. These efforts help minimize the risk of data breaches and ensure stronger protection of information assets.

Employee Information Security Awareness Activities

LX Hausys provides information security training to enhance employee awareness and strengthen their sense of responsibility for protecting company data. We develop and deliver our own training content focused on the internal information security policies, compliance guidelines, and recent security incidents relevant to the manufacturing industry. As a result, we achieved a completion rate of over 98%, significantly improving employee awareness of security practices. In addition, LX Hausys conducts annual phishing simulation exercises to help employees identify and respond to malicious emails based on realistic scenarios, thereby improving their practical response capabilities to cyber threats.

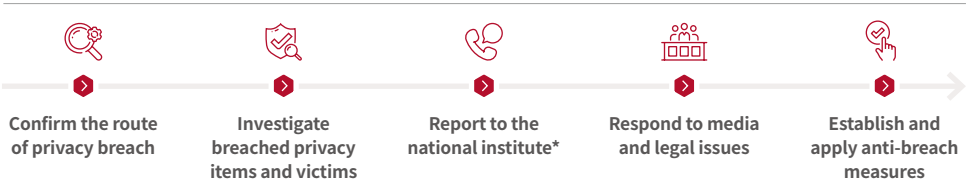
Customer Privacy Protection Activities

LX Hausys prioritizes enhancing the security of customer personal information processing systems and continuously strengthens both technical and administrative safeguards across its systems. Regular security assessments are conducted to identify potential vulnerabilities in advance, and follow-up actions are taken to improve the overall security of personal information processing systems. To prepare for potential risks such as business disruption or data leakage caused by security threats, we have established a response framework in collaboration with IT team and key stakeholders. Scenario-based simulations and response strategies are reviewed on a regular basis to ensure prompt and organized action in the event of an incident, thereby maintaining business continuity. Furthermore, LX Hausys has taken out personal information liability insurance to reinforce our commitment to protecting customer data and to provide institutional safeguards that ensure customer trust even in unexpected situations.

Data Breach Response Process

LX Hausys has established and operates a structured data breach response process to minimize damage and enhance the effectiveness of post-incident actions. In the event of a data breach, immediate response measures are taken to prevent the spread of damage. A thorough investigation and root cause analysis are conducted in close coordination with relevant internal departments and external authorities. Based on the findings, we establish preventive measures to avoid recurrence and promptly implements corrective actions. These efforts are part of LX Hausys's commitment to protecting its information assets and restoring customer trust through rigorous response and mitigation.

Privacy Breach Response Process



* Securing evidence of protective measures and notifying affected individuals of the breach

Trade Secret Breach Response Process



* Internal closure of the case or referral to investigative authorities

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LX Hausys Approach

At LX Hausys, we practice sustainable management based on Jeong-do management and compliance, guided by our core value of ‘respect for humanity’. Through our Jeong-do management practices, we aim to earn the trust of various stakeholders and fulfill our corporate social responsibilities. Furthermore, we are committed to strengthening sustainable management by enhancing the expertise and independence of the Board of Directors and establishing an integrated ESG risk management system to ensure sound and transparent governance.

2024 HIGHLIGHTS

0

cases

No. of social and economic violations



Reinforce Jeong-do management and compliance management

100

%

Ratio of Jeong-do management training provision



S&P Global CSA
Selected as

Industry Mover

External ESG Assessment



Increase transparency through communication

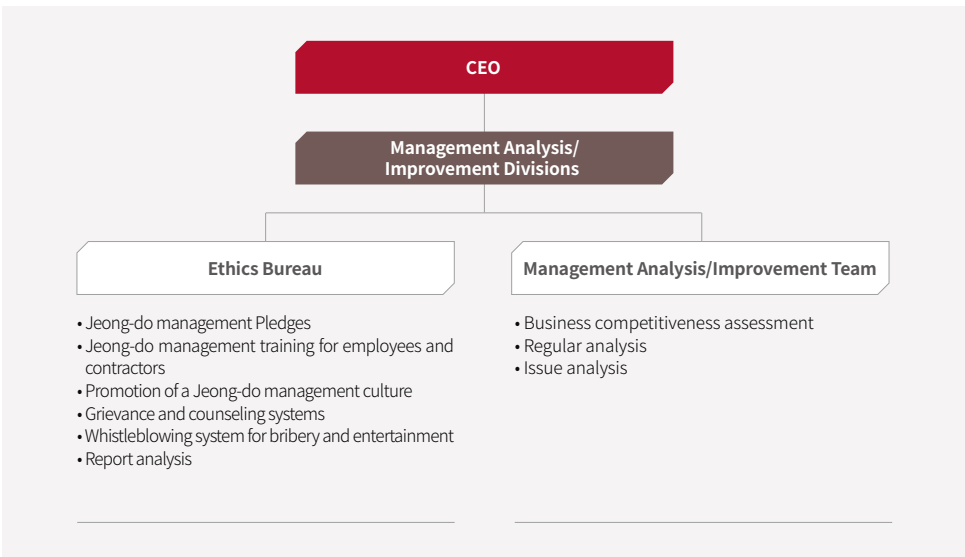
Jeong-do Management and Compliance Management

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LX Hausys has established a dedicated organization for Jeong-do management to ensure that our business activities are conducted based on the principles of honesty, fair treatment, and merit-based fair competition—fulfilling the company's ethical responsibilities. Led by the Management Diagnosis and Improvement Division, LX Hausys has built a structured Jeong-do management framework and continues to promote our values across the organization through activities such as Jeong-do management pledges, training for employees and business partners, and company-wide awareness initiatives. These efforts aim to firmly embed Jeong-do management as a core part of the company's culture.

LX Hausys Organizational Chart for Management Analysis/Improvement Divisions



Strategy

LX Hausys Jeong-do Management

LX Hausys is keenly aware that Jeong-do management is not optional: it is a requirement for a company's survival. To this end, we guide our employees in the right direction, encouraging them to practice Jeong-do management and comply with our Code of Ethics in their daily work. This approach helps prevent corruption and irregularity within our organization and promotes a culture of employee-centered Jeong-do management.

Components of Jeong-do management



LX Code of Ethics

We have established our Code of Ethics to help our employees make the right decisions when faced with ethical dilemmas during their work. All employees are encouraged to practice the LX Code of Ethics as the key standard for all sound behavior and value recognition. Based on this Code, we can guide our employees to carry out their work fairly and ethically and promote Jeong-do management based on respect for humankind and the environment.

LX Code of Ethics		
Responsibilities and obligations to customers	Fair competition	Fair transaction
• Respect customers • Create values • Provide values	• Pursue free competition • Comply with laws and regulations	• Equal opportunity • Fair transaction process • Pursue mutual growth
Basic ethics of employees	Responsibilities for employees	Responsibilities to the environment, society, and shareholders
• Basic ethics • Accomplish missions • Self-development • Fairly fulfill the work • Avoid conflict of interests with the company	• Respect for humankind • Fair treatment • Promote creativity	• Conserve the environment • Comply with social responsibilities • Protect shareholder returns

Jeong-do Management and Compliance Management

Risk Management

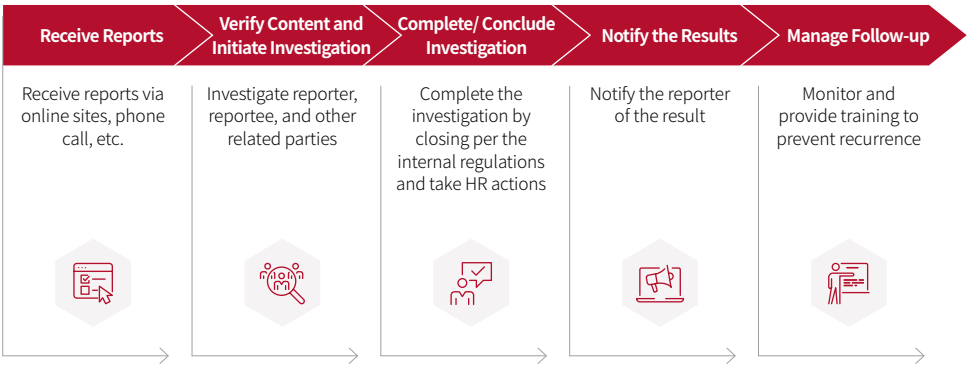
Reporting and Whistle-blowing System

LX Hausys operates a ‘Shinmungo (public petition and reporting) system’ year-round to correct unfair practices and promote fair and transparent partnerships. Through this system, any stakeholder may report illegal or unethical conduct by employees—such as unfair business practices, bribery, or other violations that undermine Jeong-do management.

To ensure accessibility, we operate multiple reporting channels, including an online website, internal system, dedicated phone and fax lines, mail, and in-person visits. Reports are reviewed promptly and fairly by a dedicated division, which investigates the matter and establishes preventive measures to avoid recurrence. LX Hausys strictly protects the identity of all whistleblowers under our internal whistleblower protection policy. No identifying information is disclosed without the reporter’s consent, and if any disadvantage arises from a failure to protect their identity, appropriate remedies and restitution measures are taken.

In 2024, a total of 22 reports were submitted—including customer complaints and supplier grievances. For all cases verified as true through investigation, appropriate actions were taken in accordance with internal policies.

Report Handling Process



Promotion of Jeong-do Management Culture

We offer various programs to solidify Jeong-do management as part of our corporate culture. We conduct Jeong-do management training for all our domestic and overseas employees and suppliers and send them related promotional materials. In particular, we provide position-specific training programs for officers, new recruits, and organizations to raise their awareness of Jeong-do management. We also encourage each business unit and division to take voluntary training and promotion and prevention activities, thus solidifying employee-centered Jeong-do management. To promote employees’ understanding of Jeong-do management, we use various materials such as webtoons, newsletters, and quizzes. In addition, we strive to maintain mutually trusting and cooperative relationships with our suppliers through fair and transparent transactions. To this end, we annually conduct Jeong-do management pledges with employees and suppliers to raise their awareness of ethics and compliance. We take a friendly approach to communicate with them, using mobile webtoons and messages to promote Jeong-do management and enhanced work ethics for supplier employees, thereby contributing to internal and external efforts to promote a Jeong-do management culture.

Fair Trade Agreement

LX Hausys is committed to establishing a fair trade order with our suppliers and achieving shared growth by strictly complying with relevant laws such as the Monopoly Regulation and Fair Trade Act and the Fair Transactions in Subcontracting Act, in accordance with the ‘Fair Trade and Shared Growth Agreement’. Since being designated in 2012 as a company subject to the Shared Growth Index evaluation, LX Hausys has been objectively assessed each year by the Korea Fair Trade Commission and the Korea Commission for Corporate Partnership for our performance in shared growth initiatives. As a result, we have maintained an ‘Excellent’ grade for ten consecutive years, earning recognition as a model company for win-win cooperation. LX Hausys has signed fair trade agreements not only with over 100 Tier 1 suppliers but also with Tier 2 and Tier 3 suppliers, operating various support programs to help improve their management stability and capabilities. These include enhancements to payment methods, financial assistance, technology protection, and training support. Notably, Tier 1 suppliers have also signed secondary agreements with approximately ten Tier 2 suppliers to shorten payment terms and promote the use of the Win-Win Payment System, thereby contributing to the expansion of a fair trade culture throughout the entire supply chain.

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Jeong-do Management and Compliance Management

Risk Management

Fair Trade Compliance Program

We are committed to ingraining a culture of fair trade in LX Hausys by complying with fair trade laws and regulations. To this end, we have independently established and implemented our Fair Trade Compliance Program since 2010.

Program	Description
Internal Inspection	• Conduct fair trade inspections for core business divisions and business sites.
Regulatory Review	• Raise employees' awareness of fair trade and promote a culture of fair trade. • Distribute fair trade manuals and training materials. • Conduct regular internal/external training.
Preliminary Review	• Review all business areas, including planning, sales, marketing, purchasing, and finance. • Prevent violations of competition laws and regulations. • Employ a fair trade expert to review projects before implementing them.
Internal Review of Subcontracts	• Establish a system to prevent and monitor unfair subcontracts with suppliers. • Organize and operate the "Subcontract Internal Review Committee," whose members include a purchasing manager.

Fair Trade Program Performance

LX Hausys is committed to strengthening our employees' compliance awareness by placing a strong focus on fair trade education. Each year, we provide training on fair trade and subcontracting regulations for business divisions, procurement departments, and worksites, while also conducting regular inspections to prevent related risks. Ongoing training is provided to both new and experienced employees on topics such as cartel prevention, unfair trade practices, and sales compliance. In addition, internal assessments on fair trade practices are conducted across business and sales units to ensure that a culture of regulatory compliance is firmly embedded within the organization. LX Hausys also operates a standing advertising and labeling advisory system to proactively prevent unfair or misleading advertising.

Metrics and Targets

Jeong-do Management Communication and Compliance Training Completion Rate

We offer Jeong-do management and compliance training to all our employees and suppliers, encouraging all employees to complete the training.

Communication and Education for Jeong-do management



Completion of Compliance Training



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Governance

Composition of the Board of Directors and Committees

Composition of the Board

As of March 2025, the LX Hausys Board of Directors consists of three executive directors, one non-executive director, and five independent directors, thereby meeting the minimum legal requirements regarding the number of independent directors. Of the nine board members, five are independent directors with verified expertise. This composition ensures rational and balanced decision-making through mutual checks and balances among the board members.

(As of March 26, 2025)

Category	Name (gender)	Date of initial appointment (tenure)	Role	Major experience
Executive director (CEO)	Roh JinSeo (Male)	Mar. 26, 2025 (Newly Appointed)	Chair of the Board of Directors Chair of Finance Committee Member of ESG Committee	• Current CEO, LX Holdings Corp. • Current CEO, LX Hausys Co., Ltd. • Former Chief Strategy Officer (CSO), LX Holdings Corp.
	Han JuU (Male)	Mar. 26, 2025 (Newly Appointed)	CPO	• Current CEO, LX Hausys Co., Ltd. • Former Head of Changwon Production Group, COO Division, LG Electronics Inc. • Former Head of Procurement Center, COO Division, LG Electronics Inc.
Executive director (CFO)	Park JangSoo (MALE)	Mar. 24, 2023 (2 years)	Member of Finance Committee	• Current CFO, LX Hausys Co., Ltd. • Former CFO, LX Holdings Corp. • Former Senior Managing Director, Finance and Economy Team, LG Co., Ltd.
Other Non-executive Director	Choi SungKwan (Male)	Mar. 26, 2025 (Newly Appointed)	Chair of Independent Director Candidate Recommendation Committee	• Current CFO, LX Holdings Corp. • Former CFO, LX Semicon Co., Ltd. • Finance and Economy Team, LG Co., Ltd.
Independent Directors	Ha YoungWon (Male)	Mar. 25, 2021 (4 years)	Member of the ESG Committee	• Current Professor Emeritus, Faculty of Business Administration, Sogang University • Former President, Korean Marketing Association • Former Dean of Sogang Graduate School of Business
	Suh SwookYung (Female)	Mar. 25, 2021 (4 years)	Member of the Audit Committee / Chair of the ESG Committee	• Current Professor, Environmental Design, College of Fine Arts, Sookmyung Women's University • Current Co-CEO, Climate Change Center • Current President, The Korean Institute of Culture Architecture
	Won JongHoon (Male)	Mar. 26, 2025 (Newly Appointed)	Chair of Audit Committee	• Former CEO, Hyundai Patex Co., Ltd. • Former Head of Planning & Coordination Division 3, Hyundai Motor Company • Former Head of Corporate Management Analysis Team, Hyundai Motor Company
	Yoon DongSik (Male)	Mar. 22, 2024 (1 year)	Member of Audit Committee Member of the Independent Director Candidate Recommendation Committee	• Current Professor, Architectural Design, Graduate School of Architecture and Urban Design, Hongik University • Current Director, the Architectural Institute of Korea • Current Auditor, the Korean Institution of Interior Design
	Chun EuiYoung (Male)	Mar. 26, 2025 (Newly Appointed)	Member of ESG Committee Member of the Independent Director Candidate Recommendation Committee	• Current Professor, Department of Architecture, Kyonggi University • Former General Director, Seoul Architecture Festival • Former President, Korea Institute of Architects

1) Chair of the Board of Directors(His strong understanding of the business is fit for the strategic operations of the Board of Directors.)

Committees under the Board of Directors

Audit Committee I The Audit Committee of LX Hausys is composed of three independent directors, all of whom meet the eligibility requirements under the Korean Commercial Act. The Committee is chaired by Independent Director Won JongHoon, a seasoned expert in finance and corporate management. He previously served as Executive Vice President and Head of Corporate Strategy at Hyundai Motor Company and as Head of Finance at Hyundai Capital and Hyundai Investment & Securities. The Audit Committee is responsible for auditing the company's financial affairs and overall operations, as well as overseeing the Board of Directors to ensure rational and transparent execution of duties. In 2024, the Committee held a total of five meetings to carry out its duties faithfully.

Independent Director Candidate Recommendation Committee I The Independent Director Candidate Recommendation Committee is composed of one non-executive director and two independent directors. In accordance with relevant laws and the committee's internal regulations, the committee evaluates the professional qualifications and independence of each candidate. When recommending candidates for independent directorships, the committee conducts a comprehensive review of the individual's practical experience, area of expertise, and any potential conflicts of interest with the company.

ESG Committee I The ESG Committee was established to enhance ESG management and foster sustainable growth at LX Hausys. The committee reviews basic policies and strategies for ESG management, sets mid-to long-term goals, and discusses various agendas, such as carbon emissions and environmentally hazardous substances control, development of eco-friendly products, working conditions, and fair trade. In 2024, the committee held two meetings in total.

2024 ESG Committee Operation and Activities

Category	Agenda	Approved/Reported
1st meeting (Mar. 06, 2024)	1. Redefinition of the Carbon Neutrality Roadmap and Strategy in Response to Evolving Trends	Reported
	2. Plan for the Publication of the 2024 ESG Report	Reported
2nd meeting (Nov.12, 2024)	1. Report on the Status of ESG Management Implementation	Reported
	2. Report on 2024 Internal Transactions	Reported
	1. Appointment of the Chair of the ESG Committee	Approved
	2. Approval of Trademark License Agreement with LX Holdings Corp.	Approved
	3. Approval of Self-Dealing Transactions with Affiliates	Approved
	4. Approval of the Total Transaction Limit with Related Parties	Approved

Finance Committee I The Finance Committee was established to enable prompt and flexible responses to changes in the business environment and interest rates. It is composed of the CEO and one executive director. In 2024, the committee approved two financial agenda items, including the issuance of non-guaranteed bonds and the arrangement of long-term financing.

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Operation of the Board of Directors

Operation of the Board of Directors

The Board of Directors of LX Hausys conducts resolutions on major corporate matters and oversees the execution of duties by executives and directors in accordance with applicable laws and the company's Articles of Incorporation. The Board convenes as needed whenever issues requiring board resolution arise. In 2024, the Board held a total of six meetings, during which it reviewed and resolved 29 agenda items, including business plans and executive appointments. The average attendance rate of board members for these meetings was 100%.

Appointment of Directors

At LX Hausys, the entire process of appointing directors complies with the Commercial Act and other relevant laws, and the appointment of directors is made at general shareholders' meetings. We ensure that shareholders can submit proposals and express their opinions during the director selection and appointment process, providing an environment where they can freely ask questions and demand explanations. In principle, the tenure of a director is three years, and their re-appointment is decided in consideration of their activities and performance on the Board of Directors. There are no long-term independent directors who have served for more than six years. The CEO also serves as Chair of the Board of Directors to ensure the effective and strategic operation of the Board of Directors with his deep understanding of the business.

Responsibility and Role of the Board of Directors

The Board of Directors resolves key matters of business and supervises the directors' work. In addition, the Board of Directors makes decisions on the items stipulated by laws and regulations or the Articles of Incorporation and those authorized by the General Shareholders' meetings to facilitate our development and uphold our stakeholders' interests.

Resolution of the Board of Directors

Under Article 12 of the Board of Directors Regulations, resolutions carried out by the Board of Directors require the attendance and voting of the majority of the Board members unless otherwise specified by relevant laws. Directors with vested interests are restricted from practicing their voting rights to prevent potential conflicts of interest.

Independence of the Board of Directors

To ensure the independence of the Board of Directors, we have established the "Criteria for Disqualification of Independent Directors" and changed the composition of the Board by stipulating the tenure of a member as one year. The independent directors that make up the majority of the Board of Directors are appointed through the Independent Director Candidate Recommendation Committee to ensure that they have no conflict of interest with LX Hausys and meet the standards for expertise in our business. Through these measures, LX Hausys maintains the independence of the Board of Directors and ensures that the Board can fairly conduct their responsibilities, including reviewing various agendas and monitoring management's work.

Disqualification Grounds for Independence of Independent Director

- Standing directors, executive officers, employees who are working at LX Hausys, or those who have worked for LX Hausys in the last two years
- LX Hausys's largest shareholder and their spouse and lineal ascendants/descendants
- Directors, auditors, executive officers, employees who are working for the largest shareholder's entity
- Spouses and lineal ascendants/descendants of those directors, auditors, and executive officers
- Directors, auditors, executive officers, and employees who work for LX Hausys's parent company or subsidiaries
- Directors, auditors, executive officers, and employees of the entity who have significant conflicts of interest in transactions with LX Hausys
- Directors, auditors, executive officers, and employees of another company whose director, executive officer, or employee is working at LX Hausys



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Operation of the Board of Directors

Diversity and Expertise of the Board of Directors

The Board of Directors of LX Hausys is composed of experts from a range of fields, including economics, business (marketing), environmental design, and architectural materials. To enhance diversity within the Board, one female director has been appointed, and the company continues its efforts to expand representation. The Board Secretariat, an internal support body, assists independent directors in effectively exercising their expertise within both the Board and its subcommittees. To ensure sufficient preparation, agenda materials are distributed in advance of meetings, and separate briefing sessions are held when necessary. Key issues are also shared on an ongoing basis. To deepen directors' understanding of the company's operations, regular visits to domestic and overseas business sites are conducted. In addition, ESG risk management training is scheduled for outside directors in the first half of 2025.

Training Status for Independent Directors

Date	Provided by	Attendee	Reason of absence	Description
Mar.14, 2024	Board Secretariat	Ha YoungWon	-	Director's roles, legal responsibilities, etc.
		Kim YoungJoo	-	
		Suh Sookyung	-	
Apr.01, 2024	Board Secretariat	Yoon DongSik	-	

Board Skills and Expertise Matrix

(As of Mar. 26, 2025)							
Category	Name	Industry		Management	Finance / Risk	Accounting	ESG
		Building Materials	Automotive Parts				
Executive Director (CEO)	Roh JinSeo			●	●		●
	Han JuU	●	●				●
Executive Director (CFO)	Park JangSoo				●	●	●
Non-Executive Director	Choi SungKwan				●	●	●
Independent Director	Ha YoungWon			●			●
	Suh Sookyung	●					●
	Won JongHoon		●	●	●	●	●
	Yoon DongSik	●					●
	Chun EuiYoung	●					●

Performance Assessment and Remuneration for the Board of Directors

At LX Hausys, we annually calculate and pay directors' remuneration based on their performance on the Board of Directors, the inflation rate, and the competitiveness of remuneration for external directors. The remuneration for directors is paid within the total directors' remuneration limit deliberated at the shareholders' meeting. Any adjustments to remuneration should be placed on the agenda for discussion and require approval by the Board. The remuneration for executive directors includes an annual salary, role-based pay, and performance-based pay, which is determined by their performance assessment as stipulated in the special bonus provisions of the executive remuneration regulations resolved by the Board. Performance is appraised by comprehensively considering the previous year's financial performance and core tasks, implementing mid-to long-term expectations for the future, etc. For the remuneration of independent directors, the same amount is paid to all independent directors within the total director remuneration limit deliberated at the general meeting of shareholders. We disclose a list of directors and auditors who receive remuneration of KRW 500 million or more in our business report as required by relevant laws and regulations.

Category	Basis for payment	Remuneration system	Assessment items
Executive Directors	HR Management Rules for Executive Directors	Annual salary, role-based pay, and performance-based pay	• Annual salary: Inflation rate, external competitiveness, and financial performance, etc. • Role-based pay: Importance of title/position and role • Performance-based pay: Business and individual performance
Independent Directors (excluding Audit Committee Members)	Remuneration Standards for Independent Directors	Fixed monthly payment	• In consideration of LX Hausys's management performance and external competitiveness, the remuneration for independent directors is paid based on standards set forth by the Board of Directors within the remuneration limit deliberated at the shareholders' meeting.
Members of the Audit Committee	Remuneration Standards for Independent Directors	Fixed monthly payment	• In consideration of LX Hausys's management performance and external competitiveness, the remuneration for independent directors is paid based on standards set forth by the Board of Directors within the remuneration limit deliberated at the shareholders' meeting.

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Protection of Shareholders’ Rights

Shareholder Composition and Status

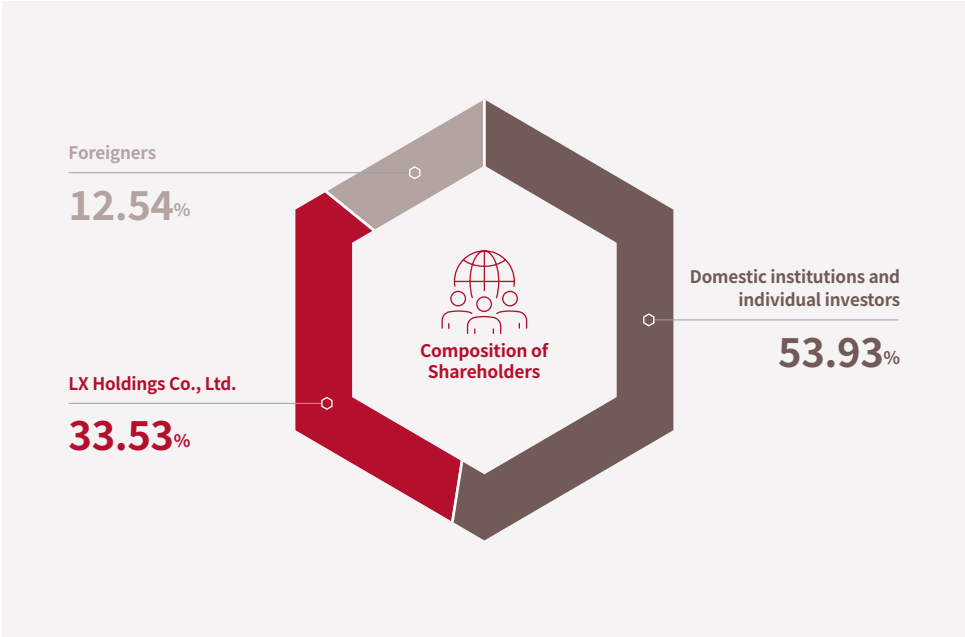
We ensure our sustainability by enhancing our corporate credibility through the establishment of fair and stable governance.

Status of Issued Shares

Total Number of Authorized Shares	Cancellation of Treasury Shares (or Profit-based Cancellation)	Total Number of Issued Shares	Treasury Shares	Number of Outstanding Shares (or Shares in Circulation)
35,000,000	0	10,000,000	20,268	9,979,732

Composition of Shareholders

(As of Dec. 31, 2024, common stocks)



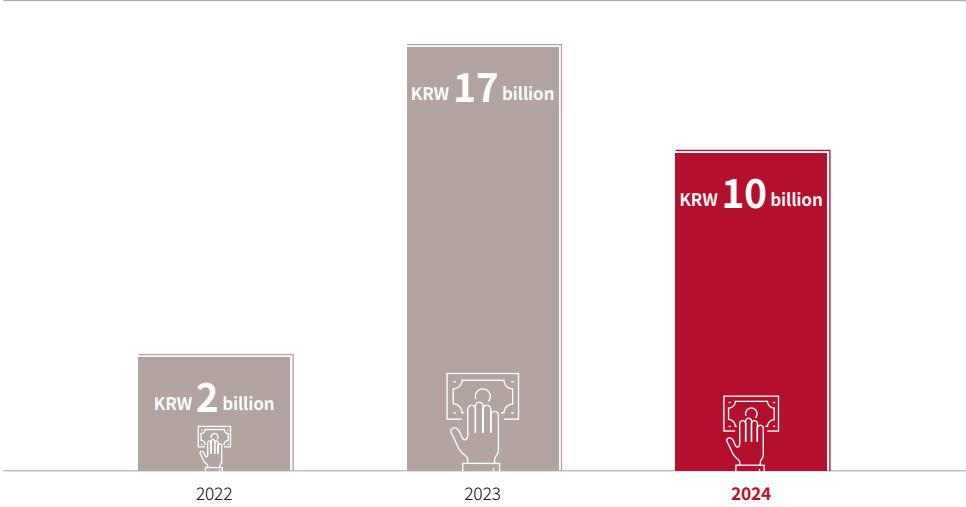
Shareholder Rights Protection

We disclose key management information through the Data Analysis, Retrieval, and Transfer System(DART) and our official website, enabling our stakeholders to easily access information at any time. In 2021, we introduced an e-voting system to facilitate shareholder participation. We also make efforts to ensure that shareholders can exercise their legitimate rights by informing them of dividend-related information before the general shareholders' meeting through the "Cash and In-Kind Dividend Decision" disclosure.

Return Policy

LX Hausys has established and implements a shareholder return policy aimed at distributing profits to its shareholders. Dividends are determined through a comprehensive review of investment plans, cash flow, capital structure, and dividend stability, with the goal of achieving sustainable growth and enhancing shareholder value. To align its dividend policy with global standards, the company amended its Articles of Incorporation at the 15th Annual General Meeting of Shareholders. As a result, the process has been improved so that shareholders are determined after the dividend amount is finalized and announced. Starting in 2025, investors will be able to make investment decisions based on confirmed dividend amounts.

Dividend Trend



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Integrated Risks Management System

Risk Management System

We have established and implemented a risk management system to prevent corporate crises that may jeopardize our business activities and to effectively respond to risks when they arise. We have developed and implemented a documented crisis management manual that outlines related policies, organizations, and processes for effective risk responses. To this end, managers at our working-level business units identify potential and actual risks that may have financial and non-financial impacts, such as quality, environmental safety, supplier management, working conditions, external communication, and customer grievances, and then they provide reports on current status. In the event of a crisis, we immediately organize a Crisis Management Task Force centered on the Crisis Management Committee and other working-level organizations, where relevant officers sit, to respond to the crisis accordingly. Our internal audit organization regularly reviews and audits internal policies and management systems for major risks such as those related to compliance and operation. We share information and management status regarding major risks, including environmental safety and ESG issues, with our employees and offer training to enhance their risk-managing competence.

MI (Market Intelligence) I We collect and analyze market information, including changes in the laws and policies related to eco-friendliness and energy, as well as forecasts in downstream sectors and design trends, and then apply the analysis results to our business operations. We will strengthen company wide market intelligence(MI) activities to increase and refine the scope of collected information, enhance risk response capabilities, and heighten business performance.

Risk and Crisis Management Organizations



Crisis Response Process

Occurrence of crisis		The person who detects a crisis takes initial action (e.g., rescue victims, evacuate, extinguish the fire, call emergency service)
Initial response		Each business site takes measures to notify the officer in charge under its independent regulations and manuals(immediately).
Report and notification		After the crisis analysis, the officer in charge reports to the CEO and notifies the Management Strategy Officer, PR managers, and Public Affairs managers(immediately) in case of serious accidents. * The report or notification includes basic information such as accident date and time, status, cause, and extent of damages
Establishment and implementation of responses		- The CEO: Determine whether to call for a Risk Management Committee meeting. - The Crisis Management Committee: Take action on the comprehensive decision-making and establish responses. - The Management Strategy Division: Notify and call committee members. - The Crisis Management Task Force: Follow up with each stakeholder. - PR and Public Affairs managers: Frequently share responses to the media through reports and communication systems.
Close and assessment of the case		- Implement follow-up measures. - Review results. - Discuss or implement a recovery program.

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Risks Management Activities

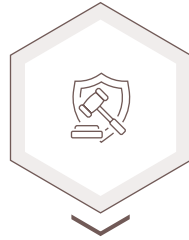
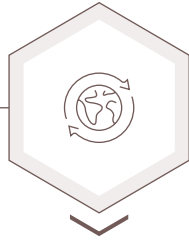
Financial Risk

Credit risk	We manage credit risk by reviewing credit limits and adjusting collateral levels of counterparties through regular re-evaluation of their creditworthiness.
Foreign exchange risk	The companies within LX Hausys's consolidated entity directly manage foreign exchange risk for their respective functional currencies. Accordingly, each company manages foreign exchange risk arising from forward-looking transactions and recognized assets and liabilities in consultation with the central treasury division.
Liquidity risk	To prevent breaches of borrowing limits or covenants, we monitor our liquidity forecasts on an ongoing basis to ensure that our unused borrowing capacity is adequate to meet our working capital needs. Our liquidity forecasts take into account our funding plans, compliance with covenants, and legal requirements such as our internal target financial ratios and currency restrictions.
Interest rate risk	To minimize the risk of interest rate fluctuations, we reduce high-interest borrowings, improve the structure of long-term and short-term borrowings, analyze borrowing terms with fixed versus floating interests, monitor domestic and international interest rate trends, establish responses, etc.

Non-financial Risk

Political and legal risks	The business environment is subject to constant changes in construction and environmental regulations, international trade agreements, etc. To ensure our effective response, we monitor policies that may have an impact on LX Hausys and regularly report them to the management. In addition, we have implemented a legal risk review system centered on the legal team to take preemptive responses.
Technical risk	Technological advancements in manufacturing and supply of building materials continue to evolve. In line with this technological progress, we are committed to developing new technologies by anticipating changes in trends, discovering new products, and continuously investing in R&D activities.
Ethical risk	There is a growing emphasis on corporate social responsibility, leading to higher ethical standards for companies. To meet these standards, we practice Jeong-do management under our LX Code of Ethics, striving to protect the rights of our employees, improve working conditions, and eliminate unfair practices and fraudulent behavior.

Potential Risk

		
Potential Risk	Reinforced ESG regulations on supply chain including human rights and environmental risks	Changes in global supply chains due to geo-economics showdowns
Description	• There is an increased need to enhance corporate responsibility for negative impacts, including human rights violations(e.g., life and liberty) and environmental degradation(e.g., ecosystem pollution and resource depletion) caused by corporate business activities. • The EU defines the obligation for companies to mitigate negative impacts on human rights and the environment.	• U.S.-China trade tensions and the Russia-Ukraine war have changed supply chain trends. • Economic measures by countries to undermine their geo-economic competitors are leading to restrictions on products, knowledge, technology, etc.
Impact	• Concerns arise regarding potential sanctions from key stakeholders when impacts such as human rights violations and environmental degradation occur within the supply chain. • There is a growing likelihood of requests for supply chain due diligence from European companies, and failure to respond appropriately could result in trade disruptions.	• The U.S., China, and others are strengthening their trade policies to protect their economies, and we are concerned about restrictions on our exports to the U.S. market. • We are pursuing a localization strategy in North America, the world's largest decorative materials and automotive market, with a focus on solid surface, engineered stones, and automotive artificial leathers. These protectionist trade policies and supply chain reorganizations may impact our revenues.
Response	• Establish a response process for supply chain due diligence. • Strengthen cooperation with supply chain partners and provide them training on human rights, environment, and other issues. • Conduct human rights impact assessments to manage internal human rights risks.	• Promote technological innovation to develop superior products and services, ultimately enhancing our competitiveness.

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ESG Policy

Environmental Management Policy

Chapter 2: Basic Principles

We shall minimize our environmental impact throughout our value chain(e.g., supply chain, production, R&D, distribution, logistics).

Article 5(Climate Change Response)

- 5.1 We shall establish and implement a plan to achieve our Net Zero goal by 2050 in response to climate change.
- 5.2 We shall gradually increase the proportion of renewable energy to achieve the goal in Item 5.1.
- 5.3 We shall cooperate with our suppliers of raw and subsidiary materials, as well as those providing goods and services to LX Hausys, to establish and implement plans aimed at reducing greenhouse gas emissions.

Article 6(Minimization of Impacts on Air/Water Environments)

- 6.1 We shall control the generation of air and water pollutants and minimize their emissions as much as possible.
- 6.2 We shall set and implement goals and plans to minimize the impact of our business activities on air and water environments

Article 7(Water Management)

- 7.1 We shall establish and implement goals and plans to minimize water consumption in our business activities.
- 7.2 We shall prioritize the reuse of wastewater generated from our business activities to minimize water consumption.

Article 8(Waste)

- 8.1 We shall limit the generation of waste as much as possible and minimize waste discharge.
- 8.2 We shall prioritize the recycling of produced waste. If recycling is not possible, then we shall prioritize incineration. If incineration is also not possible, then waste shall be disposed of in a landfill.
- 8.3 We shall set and implement goals and plans to minimize the generation of waste from our business activities.

Article 9(Basic Policy on Resource Circulation)

As a major supplier and consumer of building materials, automotive materials, and industrial materials, and as an entity using the planet’s resources for production, we shall comply with the following basic policies to minimize the environmental impact of resource use in our business activities.

Article 9.1(Eco-friendly Product Design)

- 9.1.1 When designing products, we shall consider the life cycle of our products and design them to minimize environmental impact.
- 9.1.2 We shall design our products to be easy to repair when designing.

Article 9.2(Minimization of Resource Use)

- 9.2.1 We shall prioritize using recycled materials or reusing materials for those used in our business activities.
- 9.2.2 We shall minimize the transportation distance when procuring materials used in our business activities.

Article 9.3(Activation of Resource Circulation)

- 9.3.1 We shall prioritize recycling of generated waste. If recycling is not possible, then we shall prioritize incineration. If incineration is also not possible, then waste shall be disposed of in a landfill.
- 9.3.2 We shall establish and implement goals and plans to minimize the generation of waste from our business activities.

Article 10(Chemical Substances)

- 10.1 We shall minimize the use of chemical substances and prioritize those with low hazardous risks to human health or the environment over those with high hazardous risks.
- 10.2 We shall manage chemical substances required for our business activities to prevent spills/leaks.
- 10.3 We shall establish and implement goals and plans to minimize the use of chemical substances required for our business activities.

Article 11(Soil Environment)

- 11.1 We shall regularly identify changes in the soil environment caused by our business activities.

Article 12(Biodiversity)

- 12.1 We shall minimize the reduction of biological species and populations in local ecosystems due to our business activities and confirm the results through environmental impact assessments.
- 12.2 We shall proceed with biodiversity restoration activities if the reduction of biological species and populations is confirmed through the environmental impact assessments or if there is a risk of reduction.
- 12.3 We shall cooperate with suppliers of raw and subsidiary materials, as well as those providing goods and services to LX Hausys, to conduct impact assessments and restoration activities for biodiversity conservation.

Article 13(Prevention of Deforestation)

- 13.1 We shall minimize deforestation caused by its business activities, make every effort to restore any destroyed forests, and avoid establishing new business sites that cause deforestation.
- 13.2 We shall cooperate with suppliers of raw and subsidiary materials, as well as those providing goods and services to LX Hausys to carry out activities to prevent deforestation.

Global Human Rights and Labor Policy

Based on our management philosophy of "People-oriented Management," LX Hausys practices the basic value of ensuring and respecting the rights to human dignity, freedom, and happiness. We comply with the labor standards of international organizations related to human rights and labor, such as the United Nations(UN) and International Labor Organization(ILO), and adhere to labor laws in all countries and regions where we operate. This Global Human Rights and Labor Policy applies to all our business sites worldwide, and we constantly monitor and improve any human rights and labor risks. Furthermore, we will share this policy with all stakeholders directly affected by our business activities, including employees, customers, and suppliers, and work to improve and promote their awareness.

Respect for Human Dignity

We respect all employees as individuals and strive to create a safe working environment free from inhumane treatment or threats, including mental or physical coercion and verbal abuse.

Prohibition of Forced Labor

We will not unreasonably restrain mental or physical freedom, including assault, intimidation, confinement, human trafficking, or slave labor, nor force employees to work against their will. We will not require the surrender of an individual's original identification, passport, or work permit as a condition of employment.

Prohibition of Child Labor

We comply with local labor laws regarding the minimum age of employment and prohibit child labor below the age of 16. We do not assign duties, including night shifts and overtime work, that are hazardous to health and safety when employing youth under the age of 18.

Non-discrimination

We provide all employees with equal opportunities for recruitment, promotion, wages, compensation, and training, and we prohibit any form of discrimination based on gender, age, race, religion, union activity, disability, pregnancy, marital status, and social status.

Working Hours

We comply with local regulations on working hours(regular/overtime hours, holidays) set forth by national and local laws, and we do not force employees to work beyond their regular working hours. If employees work overtime within the limits set by laws, we will pay them overtime wages in accordance with applicable laws.

Wages and Benefits

All employees shall be paid above the minimum wage prescribed by national and local laws.

Freedom of Association

We recognize the right to freedom of association and collective bargaining as guaranteed by national and local laws and create an environment where employees can communicate with LX Hausys without fear of intimidation or retaliation. Employees will not be disadvantaged for forming, joining, or participating in labor unions.

LX Hausys’s ESG Management Policy for Supply Chain

LX Hausys practices ESG management in accordance with internationally recognized standards and guide-lines, including the UN Guiding Principles on Business and Human Rights and ILO Conventions. To build a sustainable supply chain, the company has strengthened its ESG management efforts and established the ESG Management Policy for the Supply Chain. Based on this policy, LX Hausys identifies potential risks across the supply chain, formulates response plans, and strives to create greater shared value in collabora-tion with its suppliers.

Article 1. Supplier Selection Criteria

LX Hausys prioritizes the selection of suppliers that meet ESG management standards, including ethical and legal require-ments, across its entire supply chain. The company strives to ensure that all procured items are sourced in a sustainable manner. Through this approach, LX Hausys aims to build a responsible supply chain and strengthen partnerships with sup-pliers that adhere to ESG principles.

Article 2. Responsibilities and Scope of Management of Suppliers

LX Hausys’s suppliers shall comply with the LX Hausys Supplier Code of Conduct and the ESG Management Policy of the Supply Chain in all aspects of their management and business operations. LX Hausys reserves the right to conduct assess-ments and audits, within the bounds of applicable law, to verify the supplier’s compliance with the requirements set forth in the Code of Conduct and ESG policy.

Article 3. ESG Management Areas for Suppliers

The ESG management areas required of LX Hausys’s suppliers are defined as follows:

- ① Ethics: Anti-corruption, prevention of conflicts of interest, prohibition of unfair trade practices, and information protec-tion
- ② Health and Safety: Establishment of a health and safety management system, emergency response, safety management of machinery and equipment, and prevention of industrial accidents
- ③ Human Rights and Labor: Compliance with labor laws, prohibition of discrimination, management of working hours, prohibition of child and forced labor, and operation of grievance mechanisms
- ④ Environmental Management: Establishment of an environmental management system, energy and greenhouse gas management, and control of hazardous chemicals and environmental pollutants

Article 4. ESG Evaluation System for Suppliers

LX Hausys promotes supplier awareness of responsible supply chain management through regular sustainability assess-ments and is committed to supporting their sustainable management practices. Supplier ESG evaluations are conducted via email or the company’s online procurement system. Responses submitted by suppliers are assessed under the assumption that the information provided is accurate, and additional supporting docu-mentation may be requested if necessary. The results of the written evaluation serve as a basis for ESG risk assessments and may be used to develop improvement plans. Based on the outcomes of these evaluations and audits, LX Hausys focuses on mitigating risk factors and implementing corrective actions, aiming to continuously improve supply chain management across its entire network.

Article 5. Stakeholder Communication

LX Hausys maintains continuous communication with internal and external stakeholders to effectively manage ESG risks across its supply chain. In the event of actual or potential concerns related to responsible supply chain practices, stake-holders may report such issues through various communication channels, including the company’s Cyber Whistleblowing System. LX Hausys is committed to supporting grievance resolution for suppliers and to fostering a collaborative system for shared growth.

Responsible Minerals Sourcing Policy

LX Hausys places the highest priority on protecting human rights and preserving the environment, and is committed to enhancing the sustainability of its supply chain through responsible sourcing of minerals. The company adheres to internationally recognized standards to exclude conflict minerals from its supply chain and strives to operate a transparent sourcing process. This policy applies to LX Hausys and all of its suppliers and covers tin, tantalum, tungsten, gold (3TG), as well as any other raw materials that require responsible sourcing practices.

Based on the Responsible Minerals Sourcing Policy, LX Hausys will make the following efforts:

- ① Enhance monitoring and improve processes related to the management of conflict minerals by complying with interna-tional standards and regulations concerning the prohibition of conflict minerals.
- ② Actively support the policies and initiatives of the Responsible Minerals Initiative (RMI) related to the prohibition of con-flict mineral use.
- ③ Make efforts to identify the names and locations of smelters in the event conflict minerals are found in the company’s supply chain, and request written confirmations from suppliers through conflict minerals reporting templates and dec-larations of non-use.

LX Hausys requires all of its suppliers to fully understand conflict minerals–related regulations and to strictly comply with the company’s ‘Responsible Minerals Sourcing Policy’ to ensure consistent application of the policy throughout the supply chain. Accordingly, LX Hausys suppliers are expected to implement the following procedures:

- ① Suppliers shall establish a documented conflict minerals management policy and procedure to ensure that products supplied to LX Hausys do not contain conflict minerals.
- ② Suppliers shall make good-faith efforts to identify the names and locations of all smelters within their supply chains where conflict minerals may have been sourced.
- ③ Upon request from LX Hausys, suppliers shall provide the necessary information in a timely manner, ensure the accu-racy of the information submitted, and take prompt corrective actions if any risks are identified within their own supply chains.

LX Hausys is committed to actively participating in global efforts to eliminate the use of conflict minerals in cooperation with customers and suppliers. Furthermore, the company will do its utmost to ensure responsible mineral sourcing by avoiding the use of unethical min-erals that may negatively impact human rights and the environment.

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LX Hausys Supplier Code of Conduct

As a member of the global community, LX Hausys aims to fulfill its role and responsibility to become a company that grows hand-in-hand with society. To this end, LX Hausys delivers sustainable solutions that contribute to addressing social/environmental issues while sincerely complying with the basic and fundamental principles required in conducting its business. The ‘LX Hausys Supplier Code of Conduct’ was developed to present LX Hausys’ expectations of its suppliers with high hopes that they also join hands with the company in the fulfillment of its social responsibility and its commitment to doing so, on the basis of relevant international norms and standards as well as legal requirements. LX Hausys expects that the company and its suppliers live by this Code of Conduct through mutual endeavors so as to satisfy internationally recognized requirements in meeting their social responsibility, generating sustainable and quality outcomes, and pursuing mutual growth.

- 1. In accordance with the Jeong-Do management policy of LX Hausys, any unfair trade, dishonesty, and corruption are prohibited. Gifts, bribery, embezzlement, solicitation, and other means to obtain improper benefits must not be promised, offered, or permitted, and we will continuously crack down and monitor
- 2. We prohibit the employment of children under the minimum legal working age, and concerning youth workers, comply with relevant regulations governing the minimum legal working age, work hours and work conditions.
- 3. We prohibit forced labor, sweated labor and all other types of labor that go against the voluntary will of workers, and prepare labor contracts that clearly specify labor conditions
- 4. We prohibit any type of discrimination on the grounds of race, skin color, age, gender, origin, disabilities, pregnancy, religion, political preference, labor union membership, and marriage status in such employment practices as recruitment, promotion, compensation, and educational opportunities.
- 5. We respect the dignity of workers, and create a work environment free from any inhumane treatment or threats ranging from sexual harassment, abuse, corporal punishment to psychological/physical coercion or verbal violence.
- 6. We abide by relevant legal criteria set forth concerning maximum work hours/days, minimum wage, welfare and benefits, labor hours and compensation.
- 7. We acknowledge the freedom of association and the right to collective bargaining that are guaranteed by law, and create an environment where workers can communicate with the management on labor conditions without any fear on discrimination, retaliation, threat or harassment.

- 8. We bear the responsibility to ban any type of corruptive practices such as bribe-taking (including receiving gifts) and embezzlement through corporate policy, and to constantly monitor and crack down on such practices. Furthermore, we guarantee the protection and confidentiality of whistleblowers.
- 9. We take legally-required actions to ensure that workers work and live (if residence is provided) in a safe and healthy environment, ranging from assessing and eliminating risk factors and offering continued training and emergency drills to providing personal protective equipment.
- 10. We do our utmost to obtain and update necessary environmental approvals and to minimize any negative impact of our manufacturing process – hazardous materials, waste and wastewater, air pollution and the use of resources - on the environment and local communities.
- 11. We ban the use of raw materials sourced through illegal and serious human rights infringements and other unethical methods, including Conflict Minerals, and should be able to provide due diligence data on materials’ country of origin and suppliers if deemed necessary.
- 12. Calculate energy consumption and greenhouse gas emissions on a company-wide and business site basis, and record/ manage them. In addition, we strive to develop sustainable products by improving energy efficiency and reducing energy consumption and greenhouse gas emissions.
- 13. It is recommended to deliver the contents of this Code to sub-suppliers related to LX Hausys and to check whether the sub-suppliers are making efforts to comply with the requirements of this Code.

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LX Code of Ethics

Chapter 1. Responsibilities and Duties to Customers

LX believes that customers are the foundation of its business. We always respect our customers’ opinions and strive to create and deliver value that truly benefits them, thereby earning their unconditional trust.

1. Respect for Customers

(1) We always listen to our customers, believe that their genuine needs are valid, and place the customer at the center of all our decisions and actions.

2. Creation of Value

(1) We recognize that the growth of our customers leads to our own growth, and we continuously strive to identify the value they need.
(2) We are committed to creating meaningful value that delivers real benefit and satisfaction to our customers.

3. Delivery of Value

(1) We always speak the truth to our customers and uphold all our commitments.
(2) We provide the highest quality products and services at reasonable prices and respond to our customers’ legitimate demands promptly and accurately.

Chapter 2. Fair Competition

LX complies with the applicable laws and regulations of each region in which it operates around the world and strives to secure a competitive advantage through legitimate and ethical means.

1. Pursuit of Free Competition

(1) In line with the principles of free competition, we respect the order of the market economy in all global markets and earn customer trust through the quality of our products and services.
(2) We engage in fair and honest competition based on true competence, without infringing upon the interests of our competitors or unfairly taking advantage of their weaknesses.

2. Compliance with Laws and Regulations

(1) All business activities, both domestic and international, are conducted in full compliance with the applicable laws and regulations of the relevant countries and in respect of local business customs.

Chapter 3. Fair Transactions

All transactions shall be conducted in accordance with the principles of free competition, under conditions that ensure equal opportunity for participation. Through transparent and fair dealings, we aim to build relationships based on mutual trust and cooperation, thereby pursuing joint growth from a long-term perspective.

1. Equal Opportunity

(1) LX provides all qualified companies with equal opportunities to register and be selected as a supplier.
(2) Supplier registration and selection are conducted through reasonable methods, based on objective and fair evaluation criteria.

2. Fair Transaction Procedures

(1) All transactions are conducted on an equal and fair basis, with sufficient consultation on terms and procedures.
(2) We do not engage in any form of unfair practices by abusing a superior position.
(3) Necessary information is exchanged through appropriate procedures and in a timely manner. Transaction results are evaluated regularly based on fair standards and mutually improved.

3. Pursuit of Mutual Growth

(1) LX actively supports suppliers’ long-term growth and competitiveness through technical support and business guidance, and shares the benefits of innovation.
(2) We work together with our suppliers to establish a clean business environment and maintain a fair trade order.

Chapter 4. Basic Ethics of Employees

Employees shall establish sound values as members of LX, guided by a belief in honesty and fairness. They shall fulfill their duties through continuous self-development and the fair performance of their responsibilities.

1. Fundamental Ethics

(1) Employees shall take pride in being part of LX and maintain an attitude of honesty and fairness at all times.
(2) With a strong sense of ethics, employees shall strive to uphold personal dignity and protect the reputation of LX.

2. Fulfillment of Duties

(1) Employees shall faithfully carry out their assigned responsibilities in accordance with the company’s vision and policies.
(2) All duties shall be performed to the best of one’s ability through legitimate means and in compliance with all applicable laws and regulations.
(3) Employees shall safeguard company assets and protect confidential information obtained in the course of their work.
(4) They shall enhance work efficiency through active cooperation and smooth communication with colleagues and related departments.

3. Self-Development

(1) Employees shall define a model of the ideal talent and make ongoing efforts to align themselves with it through continuous self-development.

4. Fair Job Performance

(1) Employees shall carry out all duties with honesty and fairness and strive to foster a sound corporate culture.
(2) Employees shall not accept any form of monetary or other benefit from stakeholders that may compromise the fairness of their judgment in work-related matters.
(3) Employees shall refrain from any immoral or unethical behavior in both their professional duties and personal lives that may be subject to social criticism.

5. Avoidance of Conflicts of Interest with the Company

(1) Employees shall avoid any activities or relationships that may create a conflict of interest between themselves and the company.
(2) Company property shall not be used for personal gain without authorization.

Chapter 5. Responsibilities to Employees

LX respects all employees as individuals, treats them fairly based on their abilities and achievements, and strives to create an environment in which their creativity can be fully exercised.

1. Respect for Human Dignity

(1) LX treats each employee as an independent individual, based on mutual trust and genuine care for people.
(2) We strive to help employees develop a sense of ownership and achieve pride and fulfillment through their work.
(3) We take all necessary measures, including the establishment of systems, education, and guidance, to enable employees to fulfill their duties through legitimate means.

2. Fair Treatment

(1) Employees are given equal opportunities based on their abilities and qualifications.
(2) Performance and capabilities are evaluated according to fair standards, and employees are rewarded accordingly.

3. Promotion of Creativity

(1) LX endeavors to create an environment that encourages original thinking and autonomous action among employees.
(2) We actively support the development of employees’ capabilities and foster talent with a long-term perspective.
(3) We respect individual privacy and build a mature organizational culture based on mutual trust and understanding.

Chapter 6. Responsibilities to the Environment, Society, and Shareholders

LX fulfills its responsibilities to the environment and society through honest and transparent management, contributing to human well-being and sustainable development.

1. Environmental Protection

(1) LX makes every effort to prevent environmental pollution and protect nature in order to preserve a clean and healthy environment.

2. Fulfillment of Social Responsibilities

(1) As a member of the community, LX respects social values and conducts its business in a socially responsible manner.

3. Protection of Shareholder Interests

(1) LX enhances corporate value and protects shareholders’ interests through rational and transparent management.

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Economy

Consolidated Financial Statement

(Unit: KRW million)

Category	2022	2023	2024
Current assets	1,078,800	1,105,282	1,082,160
Notes and accounts receivable	466,612	459,323	487,087
Inventory assets	374,560	336,486	354,498
Non-current assets	1,404,929	1,279,510	1,272,137
Tangible assets	1,096,652	1,012,757	976,160
Assets held for sale	0	0	0
Total assets	2,483,729	2,384,792	2,354,297
Current liabilities	1,060,606	1,041,605	974,232
Non-current liabilities	643,180	510,205	510,190
Total liabilities	1,703,786	1,551,810	1,484,422
Capital stock	50,000	50,000	50,000
Capital surplus	615,840	615,840	615,840
Other capital items	△8,189	△8,189	△8,189
Accumulated other comprehensive income(loss)	△3,650	△31	22,316
Retained earnings	125,942	175,362	189,908
Non-controlling interest	0	0	0
Total equity	779,943	832,982	869,875
Total liabilities and equity	2,483,729	2,384,792	2,354,297

Consolidated Profit and Loss Statement

(Unit: KRW million)

Category	2022	2023	2024
Sales	3,611,151	3,525,807	3,572,036
Cost of goods sold	2,851,053	2,685,184	2,715,899
Gross profit	760,098	840,623	856,137
Selling, general, and administrative expenses(SG&A)	745,158	730,801	758,672
Operating income	14,940	109,822	97,465
Non-operating income	△120,883	△39,270	△48,568
Net income from continuing operations before income taxes	△105,943	70,552	48,897
Corporate income tax(profit)	5,366	6,616	4,585
Income from discontinued operations	△6,412	△2,150	0
Profit for the year	△117,721	61,786	44,312

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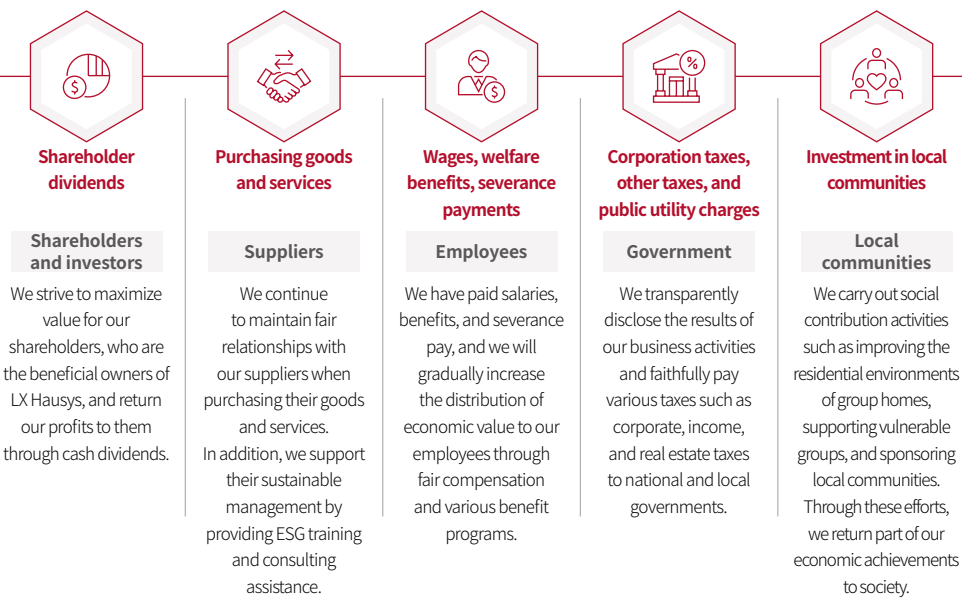
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Economy

Distribution of Economic Value



Category		Unit	2022	2023	2024
Shareholders and investors	Dividend per share	KRW	200	1,700	1,000
	Earnings per share(EPS)	KRW	△11,738	6,186	4,435
	Total dividend	KRW 100 million	20	170	100
Employees	Wages	KRW 100 million	3,345	3,405	3,393
	Benefits	KRW 100 million	754	750	771
	Severance payments	KRW 100 million	321	165	234
Government	Corporation income taxes, other taxes, and public utility charges ¹⁾	KRW 100 million	325	301	303
Suppliers	Purchase of goods and services	KRW 100 million	22,128	20,341	21,093
Local communities	Investment in local communities	KRW 100 million	8	10	10

1) Including headquarters and overseas corporations

Environmental

Environmental Investments and Regulations

Category		Unit	2022	2023	2024
Environmental investment	Amount of environmental investment	KRW million	6,975	8,364	3,851
	Environmental investment plan	KRW million	4,910	10,648	5,363
Violation of environmental laws and regulations ²⁾	No. of violations	Case	0	0	0
	Penalty	KRW million	0	0	0

(2) Cases involving fines of KRW 10 million or more in the relevant year are disclosed, along with other violations, through the business report.

Sales of Eco-friendly Products³⁾

Category		Unit	2022	2023	2024
Sales of eco-friendly products		KRW billion	1,123	1,129	1,021
Proportion of sales of eco-friendly products per total sales		%	31	32	29

3) SPS Mark, EPD, Eco-Label

Use of Key Raw Materials

Category		Unit	2022	2023	2024
Raw materials consumption ⁴⁾	PVC	Ton	51,288	46,474	50,348
	Calcium carbonate	Ton	65,749	62,316	63,417
	Plasticizer	Ton	16,010	14,673	16,394
	MMA	Ton	10,655	8,247	9,078
	Total	Ton	143,702	131,711	139,237
Consumption of recycled materials ⁵⁾	Recycle(scraps, etc.)	Ton	14,871	13,715	12,937
Ratio of recycled materials used per key raw materials used		%	10.3	10.4	9.3
Packaging materials used		kg	94,368	84,271	94,645

4) Materials consumption: Consumption of key non-renewable materials from all materials(e.g., PVC, plasticizers, coal, MMA)

5) Consumption of recycled materials: Amount of raw materials used that have undergone recycling or reprocessing.

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Environmental Training

Category		Unit	2022	2023	2024
Environmental training performance ¹⁾	Total no. of training participants	Person	1,630	1,300	1,508
	Total training hours	Hour	7,522	3,806	7,024

1) 2022 figures exclude data from the Ulsan Plant.

Non-polluting Vehicles

Category	Unit	2022	2023	2024
Ratio of non-polluting vehicles ²⁾ per the total no. of vehicles held	%	65	51	53

2) Electric vehicles, hydrogen-fuel vehicles, hybrid vehicles

Environmental Pollutants

Category		Unit	2022	2023	2024
Discharge of water pollutants	BOD	ton	0.136	0.160	0.175
	COD ³⁾	ton	0.178	0.139	0.160
	TOC	ton	0.679	0.549	0.543
	SS	ton	0.398	0.237	0.214
	TN	ton	0.231	0.180	0.501
	TP	ton	0.060	0.008	0.014
	Other pollutants ⁴⁾	ton	0.165	1.285	1.336
	Total ⁵⁾	ton	1.848	2.559	2.943
Emission of air pollutants	NOx	ton	25.55	26.34	29.44
	SOx	ton	0.08	1.56	0.53
	PM	ton	11.55	10.46	13.55
	THC	ton	38.36	28.65	46.52
	HAP	ton	9.07	11.80	9.58
	ODS ⁶⁾	ton	0	0	0

3) Due to the change of organic substance measurement indicator from COD to TOC, COD is measured at Cheongju Plant and Magok Research Center only.

4) Increase in water pollutants due to the increase in wastewater generation caused by increased use of water provided by the local government for experimental facilities from the second half of 2023.

5) Increased discharge of water pollutants with the additional inclusion of TOC(Ulsan Plant, Cheongju Plant, and Magok Research Center) from 2023.

6) Based on substances used in production and processes(however, some refrigerants in freezers for cooling and air conditioning contain HCFCs)

Greenhouse Gas and Energy⁷⁾

Category			Unit	2023	2024	2024
Scope 1 & 2 GHG emissions	Direct GHG emissions(Scope 1)		tCO ₂ eq	42,665	37,626	43,065
	Indirect GHG emissions(Scope 2)		tCO ₂ eq	76,076	73,883	70,408
	GHG emission intensity ⁸⁾		tCO ₂ eq/KRW 100 million	3.29	3.16	3.22
	Greenhouse gas emissions per unit ⁸⁾		tCO ₂ eq/KRW 100 million	0.44	0.40	0.73
	Total scope 1 & 2 emissions		tCO ₂ eq	118,741	111,509	113,467
GHG emissions reduction performance	Scope 1+2 reduction		tCO ₂ eq	1,473	773	2,218
Scope 3 GHG emissions	Waste generated		tCO ₂ eq	543	342	409
	Water resources used		tCO ₂ eq	67	68	60
	Transportation and distribution	Upstream	tCO ₂ eq	2,767	6,982	2,055
		Downstream	tCO ₂ eq	27,526	26,474	26,838
	Products and services purchased		tCO ₂ eq	58,374	57,491	59,419
	Downstream lease properties		tCO ₂ eq	0	0	0
	Total Scope 3 GHG emissions		tCO ₂ eq	89,278	91,357	88,781
Energy	Key energy consumption	Electricity	TJ	1,576	1,533	1,461
		LNG	TJ	667	580	681
		Diesel	TJ	24	25	20
		Gasoline	TJ	3	2	1
		Steam	TJ	17	93	22
		Other	TJ	0	14	0
		Total	TJ	2,287	2,247	2,186
	Energy consumption	Direct energy	TJ	694	607	703
		Indirect energy	TJ	1,593	1,640	1,483
		Total	TJ	2,287	2,247	2,186
	Consumption of renewable energy		TJ	0.0366	0.0511	0.0517
	Energy intensity ⁸⁾		TJ/KRW 100 million	0.06	0.06	0.06
	Reduction of energy consumption ⁹⁾	Reduction goal	TJ	55	172	206
		Amount saved	TJ	55	172	233

7) Calculated in accordance with the Guidelines(No. 2023-221) on Emissions Reporting and the Certification of the Greenhouse Gas Emission Trading Scheme and approved by the DNV. Covers a total of 15 business sites including the LX Hausys headquarters.

- Manufacturing Plants: 2 plants(Ulsan and Cheongju) / Business offices: 6 offices(Daejeon, Gwangju, Daegu, Busan, Northern Gyeonggi, and Western Gyeonggi)
 - Headquarters and Others: 7 offices (HQ, Onsan Plant, Magok Research Center, Gimhae Logistics Center, Cheonan Logistics Center, Uiwang Logistics Center, and Distribution Store)
- 8) Energy intensity is calculated based on consolidated financial statement revenue, and unit energy consumption is calculated based on the company's production volume.

9) Reduction of annual energy consumption(fuel/electricity) by improvement of manufacturing processes and facilities such as boilers and freezers

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Water Usage and Wastewater

Category		Unit	2022	2023	2024
Water withdrawal	Ulsan	Public water supply	ton	118,489	104,001
		Heavy water	ton	0	0
		Industrial water	ton	0	25,859
		Stream water	ton	343,758	295,298
	Cheongju	Public water supply	ton	57,915	59,960
		Heavy water	ton	0	0
		Industrial water	ton	110,563	109,911
		Stream water	ton	0	0
	Magok	Public water supply	ton	19,320	17,618
		Heavy water	ton	894	795
		Industrial water	ton	0	0
		Stream water	ton	0	0
	Total ¹⁾	ton	650,939	613,442	
Water consumption		ton	595,319	557,210	
Water recycled	Water recycled	ton	0	0	
	Water recycling rate	%	0	0	
Wastewater	Wastewater discharged ²⁾	ton	55,620	56,232	

1) The indicator was previously labeled as Water Usage in earlier ESG reports, but has been revised to Total Water Withdrawal for clarity. There is no change in the reported data values.

2) Discharged wastewater is processed by the company in its entity and discharged to treatment facilities operated by local government for secondary treatments.

Chemical Substances

Category		Unit	2022	2023	2024
Chemical Emissions		ton	47	43	
Hazardous Chemical Emissions	MEK	ton	1,198	700	
	EA	ton	2,403	1,088	
	DMF	ton	282	0	
	Phenol	ton	21,602	24,678	
	Paraformaldehyde	ton	14,257	16,347	
	Other	ton	424	465	
	Total	ton	40,166	43,278	

Waste

Category		Unit	2022	2023	2024	
Waste discharged ³⁾	General waste	Recycled ⁴⁾	ton	24,545	25,276	23,719
		Incineration	ton	2,234	666	1,431
		Landfill	ton	356	330	59
		Other	ton	1,352	413	799
		Total	ton	28,488	26,685	26,008
	Hazardous waste	Recycled ⁴⁾	ton	623	638	702
		Incineration	ton	428	568	532
		Landfill	ton	0	0	0
		Other	ton	261	163	123
		Total	ton	1,313	1,369	1,357
Total waste emissions		Total	ton	29,800	28,054	27,365
Waste recycled	Amount of waste recycled		ton	25,168	25,914	24,421
	Waste recycling rate ⁵⁾		%	84.5	92.4	89.2

3) The entire discharged waste is consigned for processing.

4) Total amount of waste recognized as recyclable by disposal method under the “Wastes Control Act”

5) Divide the total amount of recycle waste discharged by the total waste discharged and then multiplied by 100.

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Social

Employee status

Category		Unit	2022	2023	2024
Number of employees	Total no. of employees		4,000	3,716	3,677
	No. of overseas employees ¹⁾		908	830	829
	No. of Korean employees ²⁾		3,092	2,886	2,848
Age group	Aged 20-29	Person	400	311	269
	Aged 30-39		1,067	1,022	991
	Aged 40-49		837	761	748
	Aged 50-59		777	788	835
	Aged 60 and older		11	4	5
Gender	Male	Person(%)	2,624	2,468	2,425
	Female(ratio)		468 (15.1)	418 (14.5)	423(14.9)
Employment type	Full-time employee	Male	2,582	2,432	2,401
		Female	431	417	422
		Total	3,014	2,849	2,823
	Contract ³⁾ (Ratio)	Male	42(1.6)	36 (1.5)	24(1.0)
		Female	37 (7.9)	1 (0.2)	1(0.2)
		Total	78 (2.5)	37 (1.3)	25(0.9)
Job position	Executives		31	18	19
	Employees		3,061	2,868	2,829
Job category	Office staff		2,197	2,034	2,016
	Technical staff		895	852	832
Region	Headquarters(Seoul)	Person	862	807	847
	Cheongju Plant		671	664	663
	Ulsan/Onsan Plant		887	839	806
	Magok		316	306	287
	Other		356	270	245

※ According to the number of employees in Korea by age group, gender, employment type, job position, job category, region, research center/design center personnel, people with disabilities, and veterans

- 1) Excluding employees dispatched to overseas branches
- 2) Excluding registered directors and employees dispatched to overseas corporations; including employees dispatched to overseas branches
- 3) Contract employees

Category			Unit	2022	2023	2024
No. of staffs in key business site	No. of overseas employees (the US)	Dispatched employees	Person	17	15	16
		Local employees		578	530	540
	No. of overseas employees (China)	Dispatched employees		15	12	9
		Local employees		191	162	151
	Ratio of senior-level employees among local hires	No. of local employees		769	692	691
		No. of senior-level employees among locally hired employees ⁴⁾		248	236	237
		Ratio of senior-level managers		%	32.2	34.1
No. of employees at labs/design centers ⁵⁾		Person	278	253	243	
People with disabilities	No. of staff(ratio)	Person(%)	34(1.1)	30(1.0)	27(0.9)	
Veteran	No. of staff(ratio)	Person(%)	75(2.4)	71(2.5)	70(2.5)	
Unaffiliated workers ⁶⁾	Male	Person	493	463	476	
	Female		46	31	51	
	Total		539	494	527	

- 4) Staff at leadership level or higher
- 5) Central research institute, design center, research project and design project of the business unit.
- 6) Workers hired by other business entity and works(e.g., dispatch, subcontracts, etc.) in business sites(corporation)

Ratio of Female Employees⁷⁾

Category	Unit	2022	2023	2024
Executive position or higher	%	6.5	5.6	5.3
Managerial level or higher ⁸⁾		6.2	5.9	4.1
Leadership level or higher ⁹⁾		9.1	9.8	10.4
Staff and senior level ⁹⁾		23.8	21.6	21.9
Office managers ¹⁰⁾		11.3	12.1	12.7
STEM ratio ¹⁰⁾		19.9	20.3	20.6

- 7) Per domestic employees(including employees dispatched to overseas)
- 8) Executives and leadership level staffs(including researchers, specialists, technical advisers, advisers, sales advisers, division heads)
- 9) Leadership level or higher refers to positions ranging from Assistant Manager to Executive level, while Staff and senior level includes Staff through Senior positions.
- 10) Office managers refer to office-based employees at the Leadership level or or Executive position, and STEM refers to employees who majored in Science, Technology, Engineering, or Mathematics.

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Recruitment and Turnover of Employees

Category			Unit	2022	2023	2024
Recruitment	New recruits	All	Person	128	66	87
		Recruitment cost	KRW million	31	126	98
	Recruits by age group	Aged 20-29		60	55	59
		Aged 30-39		48	8	15
		Aged 40-49		12	2	5
		Aged 50-59	Person	5	1	7
		Aged 60 and older		3	0	1
	Recruits by gender	Male		101	52	67
		Female		27	14	20
		Ratio of female hires to male hires	%	26.7	26.9	29.9
Turnover	Total turnover ¹⁾		Person	358	272	125
	Total turnover Rate		%	11.6	9.4	4.4
	Voluntary turnover		Person	251	129	73
	Voluntary turnover rate		%	8.1	4.5	2.6
	Voluntary turnover by age group	Aged 20-29		96	42	15
		Aged 30-39		97	64	35
		Aged 40-49		41	17	14
		Aged 50-59	Person	17	6	9
		Aged 60 and older		0	0	0
	Voluntary turnover by gender	Male		194	94	58
		Female		57	35	15
	Turnover rate of key personnel ²⁾		%	23.1	9	3
Average year of service		Year	14.3	15	15.5	

1) Including non-voluntary turnover

2) Young HPI, Biz Talent, Pro Talent

Maternal Leave³⁾

Category		Unit	2022	2023	2024
Employees who took parental leave	Male		34	27	33
	Female	Person	29	28	34
	Total		63	55	67
Parental leave utilization rate	Male		14	5	5
	Female	%	60	70	77
	Total		20	19	18
Employees retained for 12+ months after return from parental leave	Male		32	21	31
	Female	Person	27	26	26
	Total		59	47	57
Users of reduced working hours for childcare		Person	6	10	4
Users of paternity leave		Person	76	78	75

3) Data revised based on a change in calculation standards in accordance with business report disclosure requirements.

Labor Practice

Category		Unit	2022	2023	2024
Ratio of employees subject to labor union and collective bargaining	No. of employees with membership	Person	889	850	830
	No. applicable employees (for technical professionals)	Person	895	851	832
	Ratio of union membership	%	99.3	99.9	99.8
	Pre-notification period for any changes in management	weeks	8	8	8
	Ratio of application of group agreement	%	100	100	100
Company-recognized strike/shutdown		Case	0	0	0

Information Security

Category		Unit	2022	2023	2024
Investment in information security		KRW million	2,381	2,555	2,399
Information security training	Participation rate	%	91.9	98	98.5
	Training hours per person	Hour	1	1	1
Information security violations and incidents	Number of customer personal data breaches	Case	0	0	0
	Total amount of fines paid	Currency Unit	0	0	0

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Equal Salary and Performance Evaluation

Category		Unit	2022	2023	2024
Equal Salary ¹⁾	Executives		81.1	78.5	81.7
	Managerial level (annual salary)	%	88.9	88.9	90.0
	Managerial level (annual salary + bonus)		88.4	88.5	91.6
	Sub-managerial level		89.6	92.3	95.8
Staffs subject to regular performance appraisal and career development	No. of total staffs ²⁾	Person	2,127	1,983	1,978
	By gender ³⁾	Male	100	100	100
		Female	100	100	100
	By employee type	Office staff	100	100	100
		Technical staff ⁴⁾	0	0	0

1) Ratio of basic salary and remuneration of women to men; managerial level: Leadership level workforce(excluding manager-level staff)
2) Per domestic office staff(excluding executives and manager-level staff)
3) The calculation method was revised from using the gender ratio of all employees to using the percentage of male/female employees who actually underwent regular performance evaluations and career development reviews, resulting in data revision.
4) Regular performance appraisal not conducted for technical staff

Employee Training

Category		Unit	2022	2023	2024
No. of employees participated in training		Person	4,164	5,167	4,804
Total training hours		Hour	78,205	82,339	76,891
Total training cost		KRW million	2,488	1,673	1,673
Average training hours per person	Employee average	Hour	25	29	27
	By gender	Male	23	27	26
		Female	36	38	34
	By employment type	Full-time employee	25	29	27
		Contract	17	27	28
	By job position	Top manager	19	44	27
		Middle manager	22	36	34
		New recruits and non-managerial staffs	29	22	21
	By job category	Executives	-	44	27
		Office staffs	31	38	34
		Technical staffs	9	6	9

Human Rights Training

Category		Unit	2022	2023	2024
Training hours		Hour	8,789	7,798	8,541
No. of persons trained		Person	3,139	2,888	2,847
Ratio of employees received training		%	100	100	100

Supply Chain Management

Category		Unit	2023	2024	
Supplier composition	Tier 1 supplier	Total no. of Tier 1 suppliers	unit	738	870
		Total no. of core Tier 1 suppliers	unit	38	38
		Ratio of total payment to core Tier 1 suppliers from all Tier 1 suppliers	%	29.9	30.7
	No. of core Tier 2 or higher suppliers	unit	0	0	
	Total no. of core suppliers (including Tier 1 and 2 or higher)	unit	38	38	
Supplier assessment and corrective actions	Total no. of suppliers underwent ESG risk assessment		unit	410	393
	Ratio of suppliers underwent ESG risk assessment		%	55.6	45.2
	No. of suppliers confirmed to have actual/potential negative impacts		unit	0	0
	No. of suppliers confirmed to have negative impacts with plans to make improvements		unit	0	0
	No. of suppliers confirmed to have negative impacts and whose contract was terminated		unit	0	0
Support for corrective actions	Total no. of suppliers supported for corrective actions		unit	0	0
	Total no. of suppliers supported for corrective actions confirmed to have negative impacts		unit	0	0
Supplier capability enhancement program	No. of suppliers supported with Capability Enhancement Program		unit	199	236
	Ratio of core suppliers supported with Capability Enhancement Program		%	64.3	62.7
Financial values provided to suppliers	Subsidies ⁵⁾		KRW million	600	600
	Grants ⁶⁾		KRW million	50	50

5) Mutual Growth Win-Win Partnership Fund
6) Rewards for outstanding suppliers

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Safety and Health

Category		Unit	2022	2023	2024
Number of industrial accident ¹⁾		Case	2	10	10
Rate of accidents ²⁾		%	0.06	0.35	0.35
Employees	Frequency of near misses	%	5.74	3.72	1.09
	Injury occurrence rate (Injury frequency rate) ³⁾		0.48	2.40	1.30
	Occurrence rate of work-related illness (injury intensity rate) ⁴⁾		0.04	0.26	0.15
	Absentee Rate ⁵⁾	-	0	0.01	0
	Lost-Time Injuries Frequency Rate (LTIFR) ⁶⁾		2.87	1.28	3.77
	Total Recordable Injury Frequency Rate (TRIFR) ⁷⁾		0.57	0.26	0.75
	Work-related deaths	Person	0	0	0
Indirect employees	Frequency of near misses	%	5.9	2.41	0.13
	Injury occurrence rate (Injury frequency rate)		4.72	2.41	1.89
	Lost-Time Injuries Frequency Rate (LTIFR)	-	10.62	2.41	1.26
	Total Recordable Injury Frequency Rate (TRIFR)		2.12	0.48	0.25
	Work-related deaths	Person	0	0	0
	No. of persons with symptoms of silicosis		0	0	0
	No. of persons with noise deafness		0	0	0
	No. of persons with musculoskeletal system disorders	Person	0	0	0
	No. of persons with diseases caused by night shifts		0	0	0
	Number of employees represented by joint labor-management health and safety committee		20	20	20

1) Excluding the number of accidents by suppliers

2) Based on industrial accident occurrence report standards

3) Frequency of injuries based on the total hours worked at manufacturing site((No. of accidents X 1,000,000)/Total annual work time)

4) Frequency of work-related diseases based on the total hours attended at manufacturing site((No. of working days lost X 1,000)/total working hours in a year)

5) Actual number of absenteeism; percentage of the total days that workers were meant to work in the same period ((no of absent days at work × 100) / total working hours in a year)

6) The number of cases of more than 1 day of work lost from among the total working hours at manufacturing site(number of cases of more than 1 day of work lost x 1,000,000)/total no. of working hours/year)

7) Number of accidents / Total working hours in a year (No. of work-related accidents x 200,000 total working hours at manufacturing site)

Governance

Structure of the Board of Directors

Category		Unit	2022	2023	2024
Composition of the Board of Directors	Executive directors	Person	2	2	2
	Independent directors		4	4	4
Board Gender Diversity ⁸⁾	Male		3	3	3
	Female		1	1	1

8) Including independent directors not executive directors

Performance of the Board of Directors

Category		Unit	2022	2023	2024
Activities	No. of meetings held	Time	7	7	6
	No. of reviews of ESG items		8	7	8
	No. of reports made on key items ⁹⁾		10	10	10
Attendance rate	Executive directors	%	100	79	100
	Independent directors		100	96	100
	All		100	92	100

9) Reports on business performance, internal accounting system operation status, compliance control system, etc.

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Governance

Remuneration of the Board of Directors and Employees

Category			Unit	2022	2023	2024
The Board remuneration payment status	No. of persons		Person	6	8 ¹⁾	7
	Total remuneration		KRW million	1,431	1,724	2,123
	Average remuneration per person		KRW million	238	497	303
CEO ²⁾ remuneration	Total annual remuneration ratio		%	9.1	12.6	15.1
Employee remuneration	Total compensation of all employees excluding the CEO (or equivalent position)	Median	KRW million	74	84	86
		Average	KRW million	79	88	89
	Ratio of CEO compensation to the average employee compensation (excluding the CEO or equivalent position)	Median	%	9.3	12.6	15.1
		Average	%	8.8	12.2	14.8

1) Including former directors
2) highest-paid individual

Jeong-do Management and Compliance Management

Category		Unit	2022	2023	2024
Ratio of Code of Ethics application	Board members	%	100	100	100
	Workers	%	100	100	100
	Tier 1 suppliers	%	100	100	100
Ratio of Ethical/ Compliance Management Training Provision	Board members	%	43	43	43
	Employees	%	100	100	100
	Supplies	%	100	100	100
No. of persons received Ethical/ Compliance Management training	Board members	Person	3	3	3
	Workers	Person	2,160	2,167	2,234
	Total	Person	2,163	2,170	2,237
Corruption risk assessment	No. of business sites completed assessment ³⁾	unit	6	6	6
	Ratio of business sites completed assessment compared to those subject to evaluation	%	100	100	100

3) Domestic business sites and overseas production corporations

FairTrade ComplianceTraining

Category		Unit	2022	2023	2024	
Fairtrade compliance training for employees	No. of persons completed	Subcontract	45	74	98	
		Cartel and unfairtrades	Person	206	161	224
		Total		251	235	322
	No. of sessions	Subcontract	5	5	5	
		Cartel and unfairtrades	Case	14	14	15
		Total		19	19	20

Regulation/Voluntary Violation⁴⁾

Category			Unit	2022	2023	2024
Legal and regulatory violations and fines imposed	Unfair transactions such as anti-competition and monopoly	Penalty	KRW million	0	0	0
		No. of violation	Case	0	0	0
	Violation of domestic marketing activities ⁵⁾	Fine	KRW million	0	0	0
		No. of violation	Case	0	0	0
	Violation of legal/voluntary regulations regarding the safety and health impact of products and services	Cases subject to fines or penalties	Case	0	0	0
		Cases subject to warnings	Case	0	0	0
		Cases of voluntary code violations	Case	0	0	0
	Other social & economic violations ⁶⁾	Penalty	KRW million	0	0	0
		No. of violation	Case	0	0	0
No. of non-monetary sanctions	No. of other social/economic sanctions		Case	0	0	0

4) Cases involving fines of KRW 10 million or more in the relevant year are disclosed, along with other violations, through the business report.
5) No. of violation of the Act on Fair Labeling and Advertising
6) See p.79 <Amount of Environmental Investments and Regulations> for violation of environmental regulations and resulting sanctions

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General Disclosures

Statement of use	LX Hausys has reported the information for the period from January 1, 2024 to December 31, 2024 in accordance with the GRI Standards 2021, using the in accordance with reporting principle.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	The applicable GRI Sector Standards for LX Hausys, based on its GICS and industry classification, had not been published as of the report date and therefore were not applied.

Category	Metrics		Page	Remarks
GRI 2: General Disclosures 2021	2-1	Organizational details	6	
	2-2	Entities included in the organization's sustainability reporting	2, 6	
	2-3	Reporting period, frequency and contact point	6	
	2-4	Restatements of information	-	Items re-written compared to previous report are described with separate footnotes
	2-5	External assurance	95-96	
	2-6	Activities, value chain and other business relationships	6~11	
	2-7	Employees	82	
	2-8	Workers who are not employees	82	
	2-9	Governance structure and composition	66, 85	
	2-10	Nomination and selection of the highest governance body	66~67	
	2-11	Chair of the highest governance body	66~67	
	2-12	Role of the highest governance body in overseeing the management of impacts	20, 66~67	
	2-13	Delegation of responsibility for managing impacts	20	
	2-14	Role of the highest governance body in sustainability reporting	20, 66	
	2-15	Conflicts of interest	63, 67	

Category	Metrics		Page	Remarks
GRI 2: General Disclosures 2021	2-16	Communication of critical concerns	17, 20, 66	
	2-17	Collective knowledge of the highest governance body	68	
	2-18	Evaluation of the performance of the highest governance body	68	
	2-19	Remuneration policies	68	
	2-20	Process to determine remuneration	68	
	2-21	Annual total compensation ratio	86	
	2-22	Statement on sustainable development strategy	5	
	2-23	Policy commitments	73~77	
	2-24	Embedding policy commitments	27, 35~36, 50, 61, 64	
	2-25	Processes to remediate negative impacts	23, 64, 70	
	2-26	Mechanisms for seeking advice and raising concerns	64	
	2-27	Compliance with laws and regulations	79, 86	16th Business Report, p.300
	2-28	Membership associations	93	
	2-29	Approach to stakeholder engagement	17	
	2-30	Collective bargaining agreements	83	

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GRI 3: Material Topics 2021	3-1	Process to determine material topics	14
	3-2	List of material topics	15
Material topics : Development Innovation of Products and Services			
GRI 3: Material Topics 2021	3-3	Management of material topics	16, 37
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	47
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	86
Material topics : Environmental Impact Management of Products			
GRI 3: Material Topics 2021	3-3	Management of material topics	16, 67
GRI 301: Materials	301-1	Materials used by weight or volume	79
	301-2	Recycled input materials used	79
Material topics : Climate change response			
GRI 3: Material Topics 2021	3-3	Management of material topics	16, 20
GRI 302: Energy	302-1	Energy consumption within the organization	24, 80
	302-2	Energy consumption outside the organization	24, 80
	302-3	Energy intensity	80
	302-4	Reduction of energy consumption	24, 80
GRI 305: Emissions	305-1	Direct(Scope 1) GHG emissions	24, 80
	305-2	Energy indirect(Scope 2) GHG emissions	24, 80
	305-3	Other indirect (Scope 3) GHG emissions	24, 80
	305-4	GHG emissions intensity	24, 80
	305-5	Reduction of GHG emissions	80
Material topics : Minimizing environmental impact			
GRI 3: Material Topics 2021	3-3	Management of material topics	25
GRI 305: Emissions	305-7	Nitrogen oxides(NOx), sulfur oxides(SOx), and other significant air emissions	28, 80

Category	Metrics	Page	Remarks
Material topics : Minimizing environmental impact			
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	29
	306-2	Management of significant waste-related impacts	29
	306-3	Waste generated	81
	306-4	Waste diverted from disposal	81
	306-5	Waste directed to disposal	81
Material topics : Safety and Health Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	32
GRI 403: Occupational Health & Safety	403-1	Occupational health and safety management system	32, 93
	403-2	Hazard identification, risk assessment, and incident investigation	33
	403-3	Occupational health services	34
	403-4	Worker participation, consultation, and communication on occupational health and safety	32
	403-5	Worker training on occupational health and safety	34
	403-6	Promotion of worker health	54
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	33
	403-8	Workers covered by an occupational health and safety management system	34, 93
	403-9	Work-related injuries	85
	403-10	Work-related ill health	85
Material topics : Ethical and Compliance management			
GRI 3: Material Topics 2021	3-3	Management of material topics	63
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	86
	205-2	Communication and training about anti-corruption policies and procedures	64~65
	205-3	Confirmed incidents of corruption and actions taken	64
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	86

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Economy

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GRI 201 : Economic Performance	201-1	Direct economic value generated and distributed	78~79	
	201-2	Financial implications and other risks and opportunities due to climate change	21	
GRI 202 : Market Presence	202-2	Proportion of senior management hired from the local community	82	
GRI 203 : Indirect Economic Impacts	203-1	Infrastructure investments and services supported	44~45, 58~59	
	203-2	Significant indirect economic impacts	58~59	
GRI 207: Tax	207-1	Approach to tax	74	
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	207-4	Country-by-country reporting	79	

Environment

Category	Metrics		Page	Remarks
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	28	
	303-2	Management of water discharge-related impacts	28	
	303-3	Water withdrawal	28, 81	
	303-4	Water discharge	28, 81	
	303-5	Water consumption	28, 81	
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	43	
	308-2	Negative environmental impacts in the supply chain and actions taken	84	

People

Category	Metrics		Page	Remarks
GRI 401 : Employment	401-1	New employee hires and employee turnover	83	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	54	
	401-3	Parental Leave	54, 83	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	84	
	404-2	Programs for upgrading employee skills and transition assistance programs	52~53	
	404-3	Percentage of employees receiving regular performance and career development reviews	84	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	82, 85	
	405-2	Ratio of basic salary and remuneration of women to men	84	
GRI 406 : Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	50	
GRI 414 : Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	43	
	414-2	Negative social impacts in the supply chain and actions taken	84	
GRI 417: Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	86	
	417-3	Incidents of non-compliance concerning marketing communications	86	
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	83	

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Under the industry-specific sustainability accounting standards issued by the Sustainability Accounting Standards Board(SASB), LX Hausys discloses key ESG information for the construction material industry that have has potential for high financial impacts.

Sustainability Announcement Topics and Accounting Indicators

Topic	Code	Accounting Metric(s)	Page
GHG emissions	EM-CM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	80
	EM-CM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	22, 24
Air Quality	EM-CM-120a.1	Air emissions of the following pollutants: (1) NOx(excluding N2O), (2) SOx, (3) Particulate matter(PM10), (4) Dioxins/Furans, (5) Volatile organic compounds(VOCs), (6) Polycyclic aromatic hydrocarbons(PAHs), and (7) Heavy metals	80
Energy Management	EM-CM-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage alternative (4) Percentage renewable	80
Water Management	EM-CM-140a.1	(1) Total fresh water withdrawn (2) Percentage recycled (3) Percentage in regions with High or Extremely High Baseline Water Stress	81
Waste Management	EM-CM-150a.1	Amount of waste generated, percentage hazardous, percentage recycled	81
Biodiversity Impacts	EM-CM-160a.1	Description of environmental management policies and practices for active sites	28~29
	EM-CM-160a.2	Terrestrial acreage disturbed, percentage of impacted area restored	-
Workforce Health & Safety	EM-CM-320a.1	Full-time employees' and contract employees' (1) Total recordable incident rate(TRIR) and (2) Near miss frequency rate(NMRF)	85
	EM-CM-320a.2	Number of reported cases of silicosis	85
Product Innovation	EM-CM-410a.1	Percentage of products that qualify for credits in sustainable building design and construction certifications	42
	EM-CM-410a.2	Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	39~42
Pricing Integrity & Transparency	EM-CM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	-

TCFD Index

Under the recommendations of the Task Force on Climate-Related Financial Disclosures(TCFD), we disclose our decision-making structure and response strategies related to climate change, our performance against these strategies, and the metrics and targets to measure such performance.

Recommendation	Page
Governance	The Board's oversight of climate change-related risks and opportunities
	Management's role in assessing and managing climate change-related risks and opportunities
Strategy	Climate-related risks and opportunities the organization has identified over the short, medium, and long term
	Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning
	Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario
Risk management	Organization's processes for identifying and assessing climate-related risks
	Organization's processes for managing climate-related risks
	How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management
Metrics and targets	Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
	Scope 1, Scope 2, and Scope 3 greenhouse gas(GHG) emissions and the related risks
	Targets used by the organization to manage climate-related risks and opportunities and performance against targets

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UN SDGs

LX Hausys embraces the spirit of the Sustainable Development Goals(SDGs) set forth by the United Nations and strives to achieve those goals. To this end, we set goals in consideration of the nature of our business and carry out various activities to ensure a sustainable future for our company and society



UN Global Compact

LX Hausys embraces the ten principles of human rights, labor, environment, and anti-corruption by the United Nations Global Compact(UNGC) and consistently implements relevant activities to comply with these principles.

Topic	Principles	Response and Direction	Page
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.	Based on our global human rights and labor policies, we consistently implement measures to protect the human rights of all stakeholders, including employees.	50~51
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.	We provide relevant training to create an equal and non-discriminatory work environment and operate a fair performance evaluation and compensation system. In addition, we include the elimination of child labor and forced labor in our human rights and labor policies.	52, 73
Environment	Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.	We analyze the environmental impact of our products through their entire life cycle by obtaining and renewing environmental certificates. We also continue our efforts to minimize these impacts and have established a new roadmap for carbon neutrality by 2050, which involves reducing greenhouse gas emissions and increasing the use of renewable energy.	20~30
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	We thoroughly implement ethics and compliance management in line with our Jeong-do management philosophy. To prevent corruption and bribery, we require all our employees to comply with the LX Code of Ethics and operate a whistleblowing system through the Cyber Shinmungo channel.	63~65

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Certification and Membership

Certification and Assessment

ESH & Quality Certification

Country	Corporation/ Business Site	Address	Certification Status			
			Environment ¹⁾	Energy	Safety and Health ¹⁾	Quality
Korea	Ulsan Plant	Ulsan	ISO 14001	ISO 50001	ISO 45001	ISO 9001, IATF 16949
	Cheongju Plant	Cheongju	ISO 14001	-	ISO 45001	ISO 9001
China	LX Hausys (Wuxi) Co., Ltd	Wuxi	-	-	ISO 45001	ISO 9001
USA	LX Hausys America, Inc.	Atlanta	ISO 14001	-	ISO 45001	IATF 16949

1) Applicable to both employees at LX Hausys plants and employees of in-house suppliers

ESG Assessment Result

LX Hausys has not only been continuously included in the “DJBIC (Dow Jones Best-in-Class) Korea” index, but also received an overall “A” grade in the 2024 ESG evaluation conducted by the Korea Institute of Corporate Governance and Sustainability (KCGS). Recognizing the materiality of climate change, we have consistently responded to the Climate Change category of the Carbon Disclosure Project (CDP), achieving a “B” rating. These achievements demonstrate LX Hausys’s capabilities in ESG management. Going forward, LX Hausys will continue to acknowledge the importance of non-financial areas in achieving sustainable growth and transparently disclose ESG activities and results through its ESG reports and official website to enhance communication with stakeholders.

2024 Assessment Results from Korea Institute of Corporate Governance and Sustainability

Integrated	Environmental	Social	Governance
A	A	A	B+

Membership Association

LX Hausys does not contribute to any political campaigns, political groups, lobbyists, or lobby groups in accordance with the relevant laws. The total membership fee paid to affiliated organizations in which LX Hausys is a member is KRW 722,763,556 as of the end of 2024

2024 Key Membership Fee Payments Made

(Unit: KRW)

Group name	Membership Fee
Korea Chamber of Commerce & Industry	179,065,000
Korea Association for Exterior Insulation	170,000,000
Korean Institute of Architects	100,000,000
Korea Specialty Contractors Association	32,074,700
Korea Enterprises Federation	30,900,000

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GHG Verification Statement

LX Hausys Co., Ltd.

Introduction

DNV Business Assurance Korea Ltd. (“DNV”) was commissioned by LX Hausys, Ltd. (“Company”) to perform third party verification of the Company’s Greenhouse Gas statement for the calendar year 2024. The company is responsible for the preparation of the GHG statement on the basis set out within the guidelines on the operation of GHG emission trading scheme (“ETS”) (Notification No. 2024-155 of Ministry of Environment). The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or responsibility for any decisions, based upon the verification opinion.

Scope of Verification

The GHG emissions data covered by our verification is based on the GHG statement submitted to the competent authority.

- Organizational boundary: Domestic business sites of LX Hausys
- Operational boundary: Direct Emissions (Scope 1) and Indirect Emissions (Scope 2)
- Reporting period: 2024.01.01 ~2024.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the guidelines on the operation of GHG-ETS (Notification No. 2024-155 of Ministry of Environment) and the verification guideline for GHG-ETS (Notification No. 2024-169 of Ministry of Environment) based upon a reasonable level of assurance.

DNV planned and concluded our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG statement is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification conducted, the information related to the GHG statement has been properly calculated and reported.

- DNV presents an ‘Unmodified’ opinion on Greenhouse Gas Emissions

Category	Greenhouse Gas Emissions (tCO ₂ eq.)			Energy Consumption (TJ)
	Direct emission (Scope 1)	Indirect emissions (Scope 2)	Total emissions	
LX Hausys	43,065.153	70,407.933	113,467	2,180

※ In order to report the GHG emissions and Energy consumption as an integer, the value on the opinion might be different from the actual number with ± 1 tCO₂-eq.

May 27, 2025
Seoul, Korea

Lee JangSup
Country Representative
DNV Business Assurance Korea Ltd.



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To: The Stakeholders of LX Hausys, Ltd.

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the "Assurer") was requested to verify the LX Hausys ESG Report 2025 (hereinafter referred to as the "Report"). The Assurer is independent of the LX Hausys and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the LX Hausys report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by the LX Hausys and the assurance was carried out under the assumption that presented the information and data were complete and accurate.

LX Hausys 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 Hausys only.

The Assurer is responsible for providing LX Hausys management 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 Hausys. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than LX Hausys in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

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

- Reporting contents during the period from January 1st to December 31st 2024 included in the Report, Some data included first half of 2025.
- 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.
- In Accordance with the four principles of AA1000 AccountAbility in the Report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the Report.

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 and other report.

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018)

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 Hausys.

• 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

201-1~2, 202-2, 203-1~2, 205-1~3, 206-1, 207-1~2, 207-4, 301-1~2, 302-1~4, 303-1~5, 305-1~5, 305-7, 306-1~5, 308-1~2, 401-1~3, 403-1~10, 404-1~3, 405-1~2, 406-1, 414-1~2, 416-1~2, 417-2~3, 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;

- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staffs on organization's approach to 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 materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results.
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available.
- An assessment of the company's reporting and management processes concerning this report against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the HQ of LX Hausys to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment certification body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with LX Hausys. 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 in-depth understanding of the BSI Group's assurance standard methodology.

Independent Assurance Opinion Statement

Opinion Statement

The assurer was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered to provide sufficient evidence that LX Hausys's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

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). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

• Inclusivity: Stakeholder Engagement and Opinion

LX Hausys defined employees, shareholders/investors, customers, suppliers, local communities, academia/experts and government bodies as a Key Stakeholder Groups. In order to collect opinions by each stakeholder groups in the context of sustainability, operated the stakeholder engagement process. LX Hausys conducted a review of the stakeholder engagement process at the monitoring the status of improvement activities, in order to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. LX Hausys disclosed the results related to the process in the Report.

• Materiality: Identification and reporting of material sustainability topics

LX Hausys implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. LX Hausys conducted global reporting standards analysis, benchmarking and media analysis, identified financial impact and social/environmental impact, and determined key issues for the reporting year through expert review of the impact. LX Hausys derived 6 material issues through the relevant process, and disclosed GRI topic standards disclosures related to materiality issues in the Report.

• Responsiveness: Responding to material sustainability topics and related impacts

LX Hausys operated a management process for material issues in the context of sustainability derived from the materiality assessment. LX Hausys established mid-to long-term sustainability plans and goals in according to the management methodology established to effectively reflect the expectations of key stakeholders. LX Hausys disclosed the process including policy, indicator, activity and response performance on material issues in the Report.

• Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

LX Hausys identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. The impact of each material issue was reviewed by the ESG governance system. LX Hausys established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material issues, disclosed mid-to long-term plans and strategic system in the Report.

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

- It may be helpful to lead sustainability management by advancing the environmental impact/performance calculation criteria that can occur throughout the LCA process, such as renewable raw material input and water consumption.
- It may be helpful to lead the sustainability management system by strengthening internal control procedures for sustainability indicators.

GRI-reporting

LX Hausys provided us with their self declaration of compliance within GRI Standards. Based on our review, The Assurer confirm that social responsibility and sustainable development indicators with reference to the GRI Index. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by LX Hausys and the sector standard was not applied.

Issue Date: 21/05/2025

For and on behalf of BSI (British Standards Institution)

Lee JungWoo
Lead Assurer, LCSAP



Lim SeongHwan
Managing Director of BSI Korea



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