LS Mtron

LS Mtron
Sustainability Report
2024

Leading Solution for Sustainability

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About this report

Reporting Standard

This report has been prepared in accordance with GRI (Global Reporting Initiative) Standards 2021, the international guidelines for sustainability reporting, and meets the four principles of AA1000APS (Accountability Principles Standard): Inclusivity, Materiality, Responsiveness and Impact. It also reflects the disclosure guidelines of the SASB (Sustainability Accounting Standards Board).

Reporting Period

The reporting period for this report is from January 1 to December 31, 2024. The report also includes important non-financial performance up to the first half of 2025. Quantitative performance data covers three years from 2022 to 2024 to enable trend analysis. This is LS Mtron's 8th annual sustainability report, and presents the direction and key achievements of our ESG management and is published annually.

Reporting Scope and Boundary

The scope of this report includes LS Mtron's headquarters and domestic and global business sites. Financial information is presented on a consolidated basis and follows Korean International Financial Reporting Standards (K-IFRS). In cases where the reporting scope of certain data differs, the scope is specified in a footnote. Some indicators for domestic and global business sites have been excluded from the reporting scope due to physical limitations on data collection.

Data Assurance

This report has been verified by Korea Management Registrar (KMR), a third-party verification agency, ensuring its accuracy, objectivity and reliability. The verification statement can be found in the Appendix of this report. Financial information has been audited by EY Hanyoung, an independent auditing firm.

Forward-Looking Statements

This report contains "forward-looking statements" regarding future business conditions, financial performance, ESG goals, strategies and achievements based on the current expectations, plans, and assumptions of LS Mtron management. Forward-looking statements involve potential risks and uncertainties and may be changed without notice due to economic trends, changes in management strategy and other significant changes in the business environment. Actual future performance could differ from what is presented in forward-looking statements due to various factors, risks and uncertainties, and may also differ from management's expectations and plans.
Forward-looking statements are relevant only at the time they are made. LS Mtron does not assume any obligation to update forward-looking statements due to new information, future events, or other reasons.

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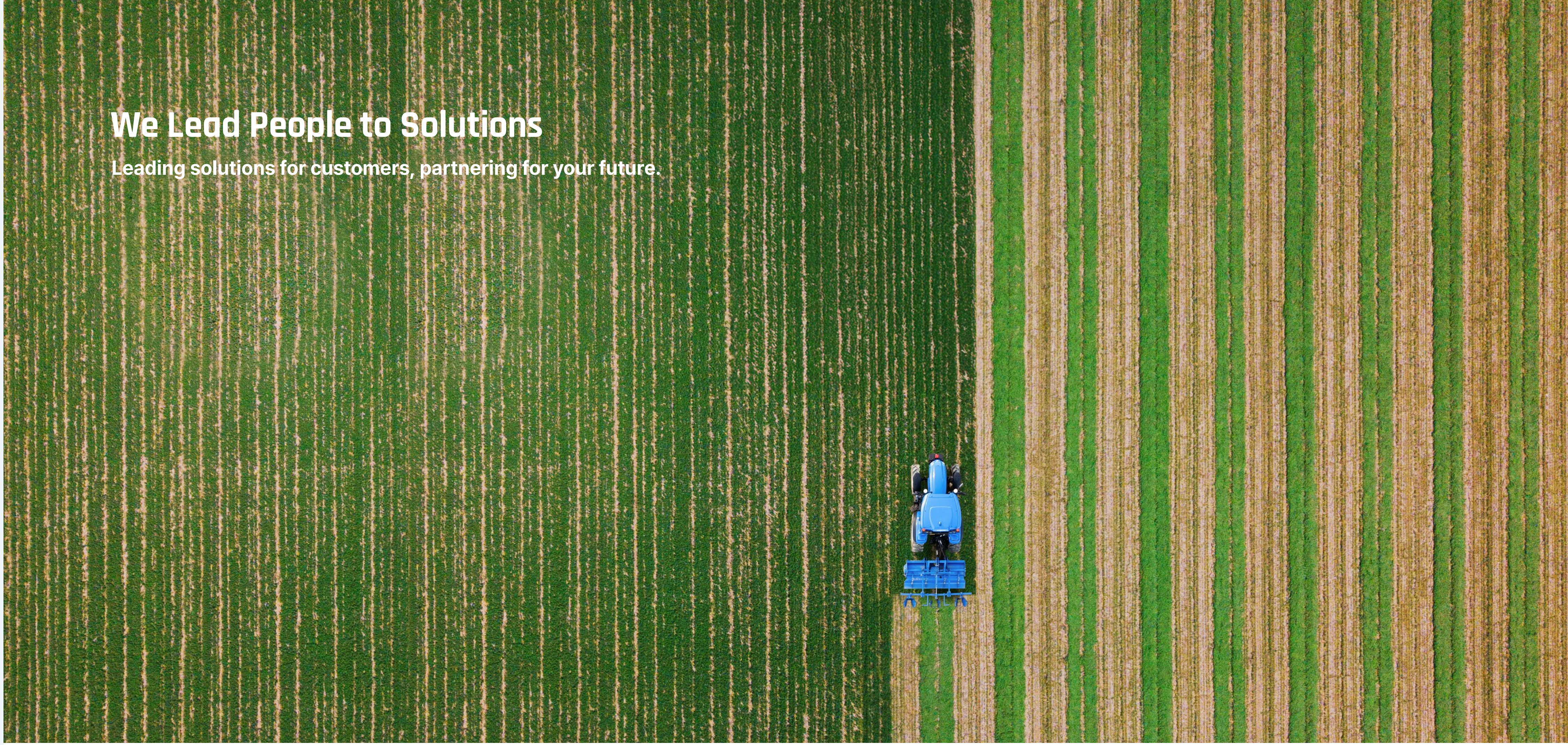

We Lead People to Solutions

Leading solutions for customers, partnering for your future.

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CEO Message

Be the ONE, Leading Solution for Sustainability

We will create a sustainable future by leading top-tier solutions for sustainability.

Dear Stakeholders, my name is Chai-Ho Shin, and I am the CEO of LS Mtron.

I would like to express my deepest gratitude for your continued interest in and support of LS Mtron. The world has been experiencing rapid economic, environmental and social changes due to rising protectionism, international trade disputes and economic uncertainty. Furthermore, the importance of ESG management has been increased through various ESG regulations such as the Carbon Border Adjustment Mechanism (CBAM) and EU Corporate Sustainability Due Diligence Directive (CSDDD) taking effect, as well as growing demands for ESG information disclosure.

To swiftly respond to and lead these global changes, LS Mtron continuously strives to provide differentiated value by thinking from the customer's perspective, guided by our customer-centered management philosophy that "customer choice determines our survival" and "solutions are found in the field."

As ESG management grows increasingly important, LS Mtron has established its ESG vision and strategy: "Be the ONE, Leading solution for sustainability." Based on this vision, we are focusing our capabilities on proactively implementing strategic initiatives across all ESG areas to both prevent and proactively manage risks, and to grow as a sustainable company that prospers together with its stakeholders through collaboration.

Environmental Responsibility Management

LS Mtron has established eco-friendly management strategies for future generations, while promoting carbon emission reduction and energy efficiency initiatives to meet our mid-to-long-term objectives. We lead sustainable industrial development through eco-friendly product innovation, and strive to fulfill our environmental responsibilities by maximizing resource efficiency.

Human-centered Management

LS Mtron strives to provide a safe and healthy working environment, while fostering a corporate culture that respects and protects human rights. We are committed to becoming a human-centered company that inspires its customers by providing safe products and services. Furthermore, we will strengthen ESG support for our partner companies through responsible supply chain management policies, establish mutual growth programs and create social value by enhancing cooperation with local communities through our social contribution activities.

Transparent Corporate Culture

We are committed to establishing transparent governance by enhancing ethical and compliance management. To be fully transparent with our stakeholders, we will implement advanced IT system management and grow as a responsible company that complies with global standards.

Developing our ESG expertise over the years since our first sustainability report was published in 2009, we have continuously reflected upon and refined our approach to establish a sustainable management culture that aligns with our business values. This year will be a pivotal moment for us to advance as a company that earns stakeholder trust and promotes mutual growth.

I would like to express my sincere appreciation to all of our stakeholders for their continued support and cooperation, and look forward to creating a sustainable future together.

Thank you.

May 2025 **CEO Chai-Ho Shin**

About LS Mtron

Company Overview

Since its establishment in July 2008[1], LS Mtron has been providing 'Leading Solutions' to customers as a specialized company in industrial machinery and cutting-edge parts. We are focusing on the industrial machinery business, which includes tractors, injection molding machines and track shoes, as well as the cutting-edge parts business, which consists of electronic components such as connectors and antennas. Through this approach, we have grown into a leading global solutions provider. With our innovative products and services as a foundation, we continuously enhance value for customers and society. We are committed to making a significant leap forward by operating our business with the goal of becoming a sustainable company that grows and develops together with its stakeholders.

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[1] Separated from LS Cable & System

Management Philosophy

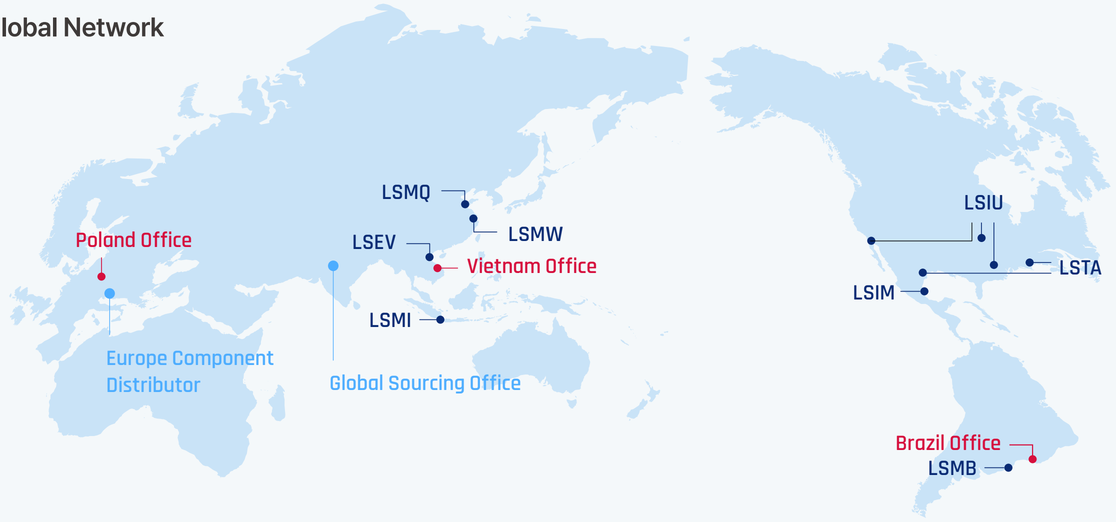
LSpartnership® is the management philosophy of LS, which creates 'Greater Value Together'. LSpartnership is about LS people with integrity and the highest competence achieving excellent performance through mutual respect, cooperation and growing constantly with all partners together. LSpartnership will become the core of the thoughts and actions of all LS employees, and the driving force that enables sustainable growth beyond LS's past success.

Greater value together!
LS partnership®

Management Overview (As of 2024)

Date Established	Jul. 01, 2008
No. of Employees	1,348 people
Sales	KRW 1,055.4 billion
Overseas Sites	16 locations

Global Network



Domestic Sites

HQ | Anyang-si, Gyeonggi-do
Jeonju Plant | Wanju-gun, Jeollabuk-do
LS Mtron Tower | Anyang-si, Gyeonggi-do
Tractor Engine Plant | Wanju-gun, Jeollabuk-do
Tractor PS Center | Wanju-gun, Jeonbuk-do
Jinju Plant | Jinju-si, Gyeongsangnam-do
Central Mega Center | Wanju-gun, Jeollabuk-do
Eastern Mega Center | Gimcheon-si, Gyeongsangbuk-do
Southern Mega Center | Naju-si, Jeollanam-do

Overseas Subsidiaries

LSTA |
Battleboro, NC, USA
Palestine, TX, USA
LSIU |
Atlanta, GA, USA
Chicago, IL, USA
San Diego, CA, USA
LSIM | Apodaca, Mexico
LSMQ | Qingdao, China
LSMW | Wuxi, China
LSMB | Garuva, Brazil
LSEV | Bac Ninh, Vietnam
LSMI | Cikarang, Indonesia

Overseas Branches

Poland Office | Wroclaw, Poland
Vietnam Office | Hanoi, Vietnam
Brazil Office | Sao Paulo, Brazil

Others

Global Sourcing Office | Gurugram, India
Europe Component Distributor | Ivanic Grad, Croatia

● LS Mtron overseas subsidiaries ● Others
● LS Mtron overseas branches (offices)

Business Areas

TRACTOR

01

LS Tractor, Leading Smart Farming Solutions

Since entering the tractor business in 1977, LS Mtron has been leading the global agricultural machinery industry. By independently developing not only tractors but also engines and implements, we provide total solutions. Leveraging a robust database built through years of experience, LS Mtron is emerging as an innovative leader in agriculture.

- Over 500 sales networks in more than 40 countries worldwide
- The first domestically commercialized autonomous tractor
- Remote monitoring service for managing tractors anytime, anywhere

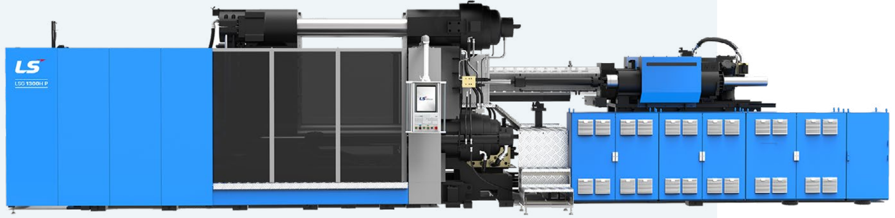
02

High-efficiency, high-precision injection system for a sustainable future

Since launching our injection molding business in 1969, LS Mtron has been leading the injection molding market for over 60 years, setting industry standards by developing Korea's first hydraulic and electric molding machines. In recent years, we have been driving innovation in global injection molding by enhancing resource efficiency and sustainability through our smart solution, "Molding 5.0" in line with the era of digital transformation.

- Providing customer satisfaction services based on our global network
- Developing customized product lineups for customers across various industries
- Enhancing process optimization and customer convenience through the integrated smart solution, Molding 5.0
- Achieving eco-friendly molding through high-speed injection, reduced energy and raw material consumption and low-noise operation

INJECTION MOLDING MACHINE



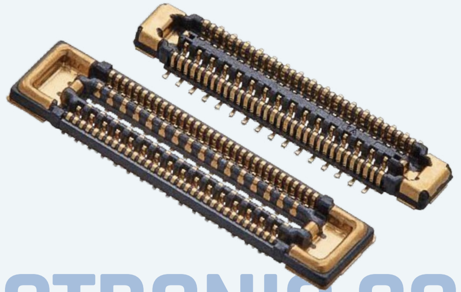
Business Areas

03

World's Smallest Pitch Connectors

Since 1986, LS Mtron has been connecting the world faster and smarter through innovative technology. From ultra-compact B2B connectors for smart devices to automotive antennas, we provide reliable, high-performance solutions that drive the AI and 5G era forward.

- World-class connector design technology
- Superior ultra-precision mass production technology based on advanced automation
- Product evaluation and verification system that ensures top performance and quality maintenance under extreme conditions



ELECTRONIC COMPONENTS

TRACK SHOE

04

Global Leading Track Shoe Maker

Since launching its military track business in 1974, LS Mtron has been Korea's only dedicated track manufacturer, focusing exclusively on track systems for more than 50 years. As a global leader capable of producing all three major track types—U.S., Russian and Korean standards—LS Mtron delivers outstanding mobility performance across all terrains, backed by world-recognized technology and reliability.

- The world's only full lineup of Korean, U.S. and Russian-type track systems
- Establishing customized independent design and development capabilities
- Certified by the Republic of Korea Ministry of National Defense (DQMS[1])
- Implementing advanced production systems

1) DQMS (Defense Quality Management System): A certification granted by the Ministry of National Defense of the Republic of Korea to defense industry companies that have established stable quality systems

R&D Innovation

R&D

LS Mtron is fully dedicated to technology development so that we can provide Leading Solutions to our customers and continuously enhance our product and service quality. We strive to foster future talent by improving our R&D environment and actively supporting the self-development efforts of our research professionals so that they can realize their full potential.

R&D Innovation

LS Mtron operates the M-PTRM[1] system by closely integrating market and environmental analysis, competitive product selection and core technology acquisition to flexibly respond to market changes and technological developments, and to make strategic decisions. The M-PTRM framework promotes product and technology innovation that aligns with customer and market needs, while playing a key role in supporting new product and technology development and enhancing our market competitiveness.

[1] M-PTRM : Market-Product-Technology Roadmap

Market Research and Analysis

- Forecasting market demand and growth potential
- Defining target market size and customer analysis
- Understanding competitor landscape and customer requirements

Analysis of Key Market Competitors

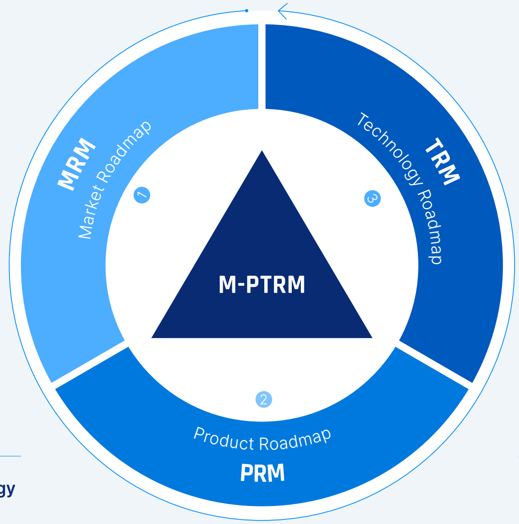
- Analyzing competitor product/service features and quality
- Evaluating competitor market entry and influence

Customer Segmentation and Targeting

- Identifying valuable markets/customers
- Defining product/service unit functions

Product Development Direction and Strategy Establishment

- Establishing a product development strategy based on market needs, technology trends and the competitive environment (key product development, launch schedules, etc.)



Product Planning and Risk Management /Response

- Defining product positioning, characteristics and applications
- Selecting product development importance and priorities
- Evaluating product's suitability for the market and responding to feedback

Technology Innovation Strategy Development

- Linking market and product technological requirements
- Establishing technology portfolio

Sustainable Technology Development

- Building technology development framework
- Integrated management of technology lifecycle
- Optimizing the necessary resources for technology development

Technology Collaboration and Partnership

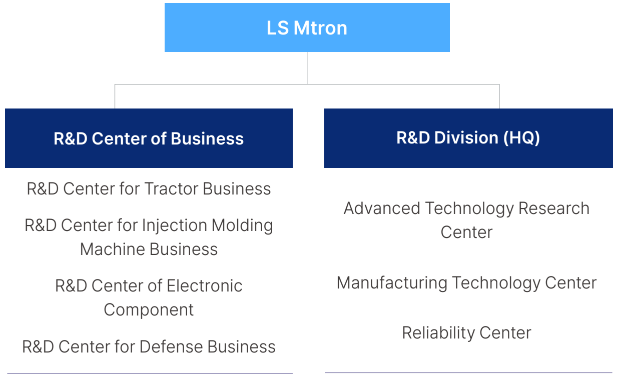
- Utilizing open innovation
- Building technology innovation networks

Product Development Implementation Definition

- Reviewing product's technical feasibility and necessity
- Confirming technologies required for each product function

R&D Governance

LS Mtron creates synergies by strengthening the collaboration between our business and R&D departments through efficient R&D governance. Through technology development and product innovation, we are positioning ourselves as a leader in industrial technology, while reinforcing our foundation for sustainable growth.

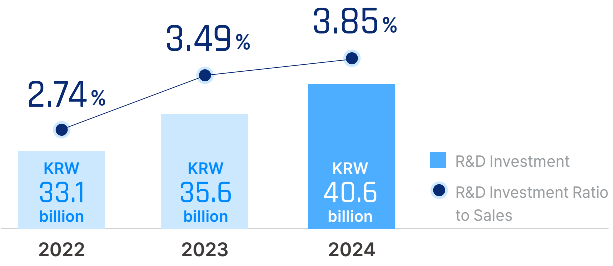


LS Mtron

R&D Center of Business
- R&D Center for Tractor Business
- R&D Center for Injection Molding Machine Business
- R&D Center of Electronic Component
- R&D Center for Defense Business

R&D Division (HQ)
- Advanced Technology Research Center
- Manufacturing Technology Center
- Reliability Center

R&D Investment



R&D Innovation

R&D

Environmental Product and Technology Development Achievements

LS Mtron simultaneously pursues economic, environmental and social benefits by advancing eco-friendly products and technologies through environmental regulatory compliance, enhanced resource efficiency and renewable energy utilization.

Electric Tractor

'EON3' Electric Tractor Concept Model

LS Mtron presents future technology for sustainable agriculture through our electric tractor concept model, EON3. With quiet yet powerful performance, efficient energy use and electrification technology that eliminates concerns about emissions even indoors, LS Mtron is opening up new possibilities for agriculture.

Autonomous Tractor

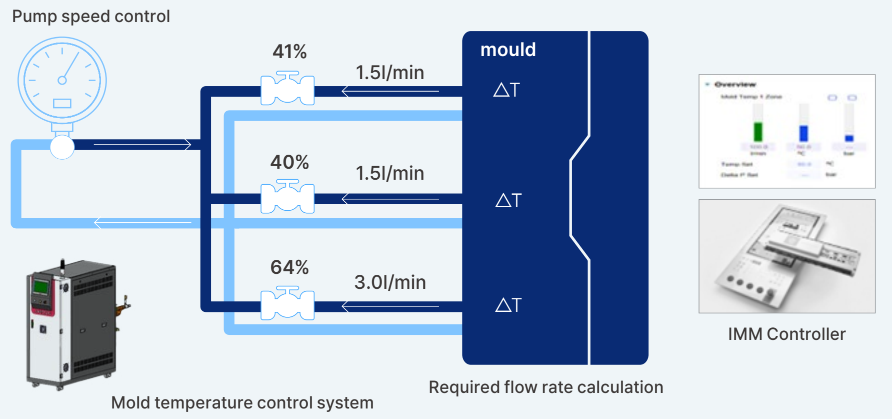
'SmarTrek' Autonomous Tractor

LS Mtron is leading agricultural innovation by commercializing the first autonomous tractor in Korea. Building on its 3.5-level unmanned autonomous driving technology equipped with obstacle detection and emergency stop functions, LS Mtron is accelerating the development of a fully unmanned, Level 4 autonomous work tractor. By reducing cultivation time and increasing work efficiency, LS Mtron's autonomous tractor technology is leading the future of agriculture.

Energy Savings for Injection Molding Peripheral Devices

LS Mtron is developing high-efficiency machinery and solutions to address global climate change. Through thermal energy management, drive systems and automation technologies, the company reduces energy consumption by up to 20%. LS Mtron is also continuously striving to improve energy-saving technologies through ongoing research and development.

Schematic Diagram of Injection Molding Temperature Control Technology



Energy Reduction

- Mold temperature controller operation control technology
- Injection machine drive system optimization through electrification
- Improved energy efficiency during customer material changes and standby periods
- Enhanced energy efficiency minimizes the risk of customer process misconfiguration and improves equipment preheating.

R&D Innovation

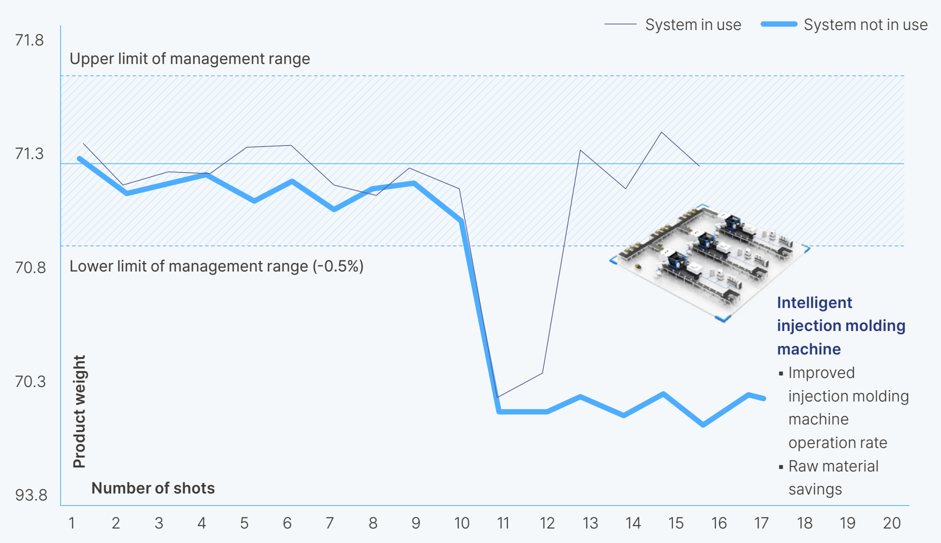
R&D

Environmental Product and Technology Development Achievements

Intelligent Injection Weight Control Technology

As an injection molding machine manufacturer, LS Mtron continuously develops technologies that reduce molding defects through AI and smart weight control systems, enabling the more stable use of recycled materials and increasing equipment utilization rates during night shifts. These efforts contribute to natural resource conservation and improved resource efficiency.

Graph of Defect Reduction through Automatic Weight Compensation



Resource Efficiency

- Reduction of defects in molded products using recycled materials through AI and smart weight control technology
- Improved recycling rates by using a higher proportion of recycled materials (injection molding materials) in molded products

Ultra-small B2B Connector

0.175mm Pitch B2B Connector "GB170"

LS Mtron contributes to resource conservation by enabling the miniaturization and weight reduction of electronic devices through the development of ultra-small 0.175mm Pitch B2B connectors. The ultra-small 0.175mm Pitch B2B connector is 40% smaller than existing 0.35mm Pitch products and 30% smaller than 0.3mm Pitch products. This reduces the quantity of raw materials required for production while also decreasing waste generation.As well, the compact electronic devices developed with these ultra-small connectors offer enhanced portability and convenience, making technology more accessible and usable for more people.

USB Type-C Connector

USB Type-C Connector "GW319"

LS Mtron is contributing to increased resource efficiency by developing enhanced-durability USB Type-C connectors. These connectors offer improved reliability by ensuring 12,000 insertion cycles, a 20% improvement compared to the standard USB Type-C durability specification of 10,000 cycles. Furthermore, the improved durability of our USB Type-C connectors extends the cable life cycle and reduces replacement frequency. This contributes to environmental protection by reducing the generation of electronic waste. We strive to ensure the reliable usage of our products for extended periods while enhancing user convenience.

R&D Innovation

R&D

Open Innovation

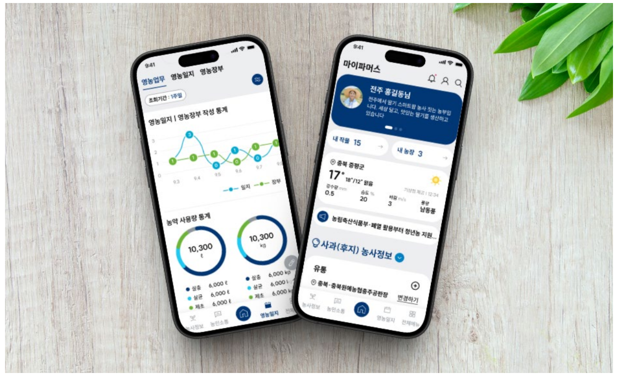
LS Mtron establishes strategic partnerships both domestically and internationally to explore new knowledge and technologies, aiming to expand our market opportunities and accelerate technological innovation. Through these efforts, we progressively expand the speed and scope of innovation to create sustainable results.

한화에어로스페이스
자율주행 트랙터 항법 시스템 개발 업무협약식
2024년 10월 14일 | LS엠트론 전주공장
LS Mtron

Signing MOU on Autonomous Tractor Technology Development

MOU Ceremony between LS Mtron and Hanwha Aerospace

LS Mtron and Hanwha Aerospace have signed an MOU for the development of fully autonomous tractor technology. Through this agreement, the two companies have committed to joint R&D initiatives to develop fully autonomous tractor technology based on an integrated navigation system. This research is expected to contribute to securing advanced technology for level 4 fully autonomous tractors, a step forward from the existing level 3.5 autonomous technology.



"MyFarmUs" Agriculture Portal Service

MyFarmUs Application

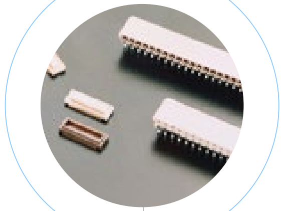
LS Mtron has launched "MyFarmUs," an agricultural portal service. Integrating a diverse range of agricultural data, the service provides various information tailored to each farmer's crops and cultivation environment, including price and distribution information, pest control guidance, government support policies and training programs. It aims to enhance communication with customers by supporting both PC and mobile platforms, allowing farmers to record and manage their agricultural activities at any time, from anywhere. The agricultural information function provides real-time income and expense tracking through a graphic user interface, enhancing management efficiency. In addition, the portal's pesticide and fertilizer management functions reflect our commitment to minimizing environmental pollution.In the second half of this year, we plan to introduce artificial intelligence (AI) for comprehensive data analysis, to provide customized agricultural solutions that offer practical support for farmers.

우수 창업기업 발굴 및 육성을 위한
LS엠트론 & 전북창조경제혁신센터 업무 협약식
2024. 12. 17.
LS Mtron

LS Mtron - CCEIs (The Centers for Creative Economy & Innovation) Joint Open Innovation

LS Mtron participated in a deep tech Meet-up event organized by CCEIs (The Centers for Creative Economy & Innovation), which aims to establish networks and foster cooperation between large/medium enterprises and startups.We actively collaborate with and support deep tech startups to secure sustainable future growth engines through mutual cooperation in innovative technology development across E-mobility, autonomous driving/robotics, AI data and eco-friendly technologies.

History of LS Mtron



Leading Solution
for Sustainability

1962 - 1994
LS Mtron founded

1962.05	Established Korea Cable Industry
1969.06	Started the injection molding machine business
1983.10	Took over the Gunpo Plant of Korea Heavy Industry
1986.05	Launched the connector business

1995 - 2002
Preparation for a leap forward

1995.02	Renamed LG Cable Co., Ltd.
1995.11	Exported the first tractor to Japan
1997.08	Developed the first Korean 0.5 mm ultra-small connectors
1998.09	Entered into a contract to supply USD 100 million in tractors in the U.S.

2003 - 2007
Acceleration of management innovation

2003.11	Separated from LG Group
2004.05	Established injection molding corporation in Wuxi, China
2005.03	Relocated Gunpo Plant to Jeonju
2005.11	Launched LS Group CI

2008 - 2019
Securing the foundation for a global company

2008.07	Launched LS Mtron
2009.01	Established US tractor corporation
2010.10	Established tractor plant in Qingdao, China
2013.04	Completed construction of an LS Mtron Tower (fmr. High Tech Center)
2013.10	Completed construction of tractor plant in Brazil
2014.10	Established an electronic parts corporation in Vietnam
2014.06	Completed construction of an Engine Plant
2019.06	Ranked No. 1 tractor business by the U.S. EDA for fifth consecutive year

2020 -
Growth into a solutions company

2020.11	First Korean company to demonstrate autonomous tractor
2022.06	Designated as the first Innovative Product by the Public Procurement Service in autonomous tractor industry
2022.12	Completed construction of a Parts & Solution (PS) Center for tractors
2023.02	Selected as a Qualcomm 5G B2B Connector supplier
2023.06	Completed construction of injection molding plant 2 in Wuxi, China
2023.06	Completed construction of Land Solution, a tractor and agricultural machinery manufacturer
2024.01	Development of world's smallest 0.175mm Pitch Quad Row B2B Connector

We Lead People to Solutions

We research sustainable technologies for future generations.

ESG Solution

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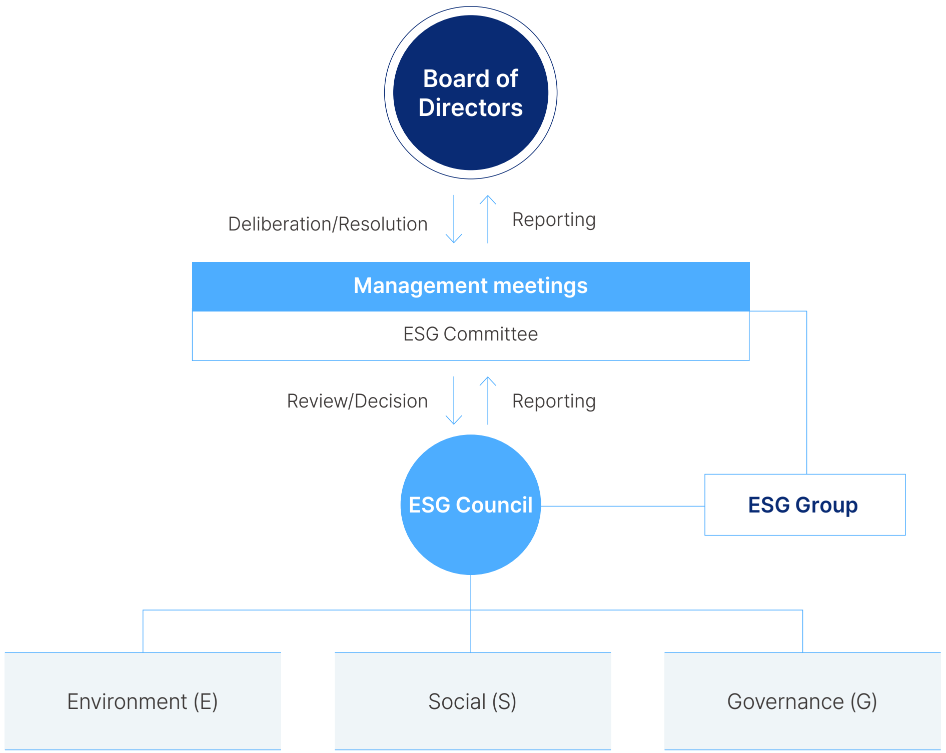
ESG Strategy

ESG Governance

ESG Management Framework

LS Mtron has established an in-house ESG Committee and ESG Council to ensure the application of a systematic and consistent ESG management system. The ESG Council identifies ESG-related issues and implements departmental initiatives, while items raised through the Council are reviewed and decided upon by the ESG Committee. Key ESG agenda items approved by the Committee are then deliberated on and resolved by the Board of Directors.

ESG Management Organization



ESG Strategy

ESG Strategy Framework

LS Mtron established a new ESG vision and strategy following an internal ESG management assessment in 2024. Based on our ESG vision of "Be the ONE, Leading Solution for Sustainability," we have defined three strategic objectives and nine strategic initiatives. The strategic objectives, utilizing the O/N/E concept from our vision, articulate specific goals spanning environmental, social and governance areas, and are focused on implementing sustainable management through sector-specific strategic initiatives.

ESG Strategy Framework

ESG Vision	**Be the ONE, Leading Solution for Sustainability**		
ESG Strategic Objectives	**O** Ownership for Planet	**N** New-Thinking for People	**E** Excellence in Trust
	Responsibility for the Planet	**People-Centered Thinking**	**Transparent Corporate Culture**
ESG Strategic initiatives	Enhancement of environmental management system	Establishment of sustainable supply chain	ESG Strategic Initiatives
	Minimization of environmental impact	Implementation of a people-centered culture	Establishment of enterprise-wide risk management system
	Strengthening of climate change response	Advanced customer satisfaction management	Enhancement of management transparency

2024 ESG Highlights

● Environment ● Social ● Governance

New Safety, Health and Environment(SHE) system
Established

Waste recycling rate
Increased to 80.3%

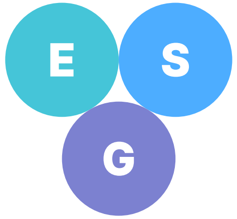
Biodiversity risk assessment
Conducted

Environmental regulatory violations
0 Cases

Energy audit
Conducted

Labor and human rights policies and guidelines
Expanded and Revised

Employee grievance resolution rate
100%



Information security violations and cybersecurity incidents
0 Cases

Human Rights Assessment
Conducted

Supplier code of conduct policy
Established

Green purchasing policy
Established

Conflict minerals response framework
Developed

Board of Directors attendance rate
100%

ESG Committee
Established

Double Materiality Assessment

Stakeholder Communication

LS Mtron gathers diverse opinions through communication with its internal and external stakeholders, including employees, customers, business partners, local communities, shareholders, investors and government organizations. Furthermore, we identify key issues and requirements through stakeholder-specific communication channels and strive to respond to them proactively.

Stakeholder

Employee

Key Interests
- Employee capability development
- Working environment and safety
- Fair performance evaluation and compensation

Communication Channel
- Employee portal
- Internal broadcasting
- Employee meet-ups (Communication and Empathy, Delivering Mentors, etc.)
- Labor Union and Labor-Management Council
- Occupational Safety and Health Committee
- Surveys
- Cyber Ethics Hotline

Partner Company

Key Interests
- Mutual growth
- Fair trade
- Long-term partnership
- Supply chain management

Communication Channel
- Partner company meet-ups
- Integrated purchasing system
- Supplier evaluation

Shareholder /Investor

Key Interests
- Economic Performance
- Establishment of ESG management system
- Securing New Growth Engines
- Risk management

Communication Channel
- Shareholders' meeting
- Board of Directors
- Business reports and disclosure materials
- Website

Customer

Key Interests
- Product safety and quality management
- Customer support
- Strengthening technological competitiveness
- Eco-friendly product development

Communication Channel
- Domestic and international exhibitions
- Customer meet-ups (Dealership workshops)
- Website
- Social Media Channels, pressreleases
- Customer centers (sales offices, online consultation, etc.)

Local Community

Key Interests
- Local community development and contribution
- Social contribution activities
- Reduction of environmental emissions
- Biodiversity protection

Communications Channel
- Global volunteer group (Happy Global Volunteers)
- Local community volunteer group (Hope Seed School, Volunteers for Loving the Rural Community, Volunteering Informal
- Local community welfare program

Governance

Key Interests
- Compliance with laws and regulations
- Regional economic revitalization
- Social and environmental responsibility

Community Channel
- Policy forums
- Press releases
- Participation in associations and academic seminars

Double Materiality Assessment

Double Materiality Assessment Process

LS Mtron conducted a double materiality assessment to identify key sustainability-related issues and communicate transparently with our stakeholders. Through this process, LS Mtron identified material issues by considering both the impact of our business activities on environmental and social sustainability (Inside-Out perspective) and the impact of ESG issues on the company's financial position (Outside-In perspective). Critically, we included the severity and likelihood of each issue as evaluation factors to assess their impact on the company, with the aim of substantively determining how these issues affect LS Mtron's business operations.

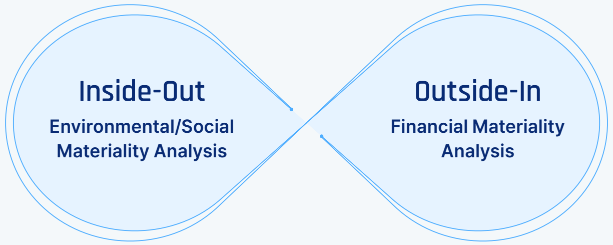
STEP 1
Development of ESG Issue-pool

The ESG issue pool was developed based on a comprehensive analysis of global ESG disclosure and evaluation standards (GRI Standards 2021, SASB, TCFD, KCGS, DJSI, MSCI, CDP, ESRS), global initiatives (UNGC, UN SDGs, ISO26000, WEF-IBC, K-ESG Guidelines, etc.).
After eliminating duplicate issues, a total of 18 issues across 4 areas were finally selected.

STEP 2
Implementation of ESG Issue Impact Assessment

Double Materiality Assessment

For the double materiality assessment, we conducted analyses of 'Environmental and Social Materiality (Inside-Out)' and 'Financial Materiality (Outside-In).'
The environmental and social materiality analysis examined the potential impact of each issue on the environment and society (human rights) both within and outside the company, focusing on the severity and likelihood of these impacts. The financial materiality analysis assessed how each issue could affect the company's financial value, focusing on the magnitude and probability of financial impacts.


Inside-Out
Environmental/Social Materiality Analysis
Outside-In
Financial Materiality Analysis

- Analysis of domestic and international ESG disclosure/evaluation guidance and initiatives
- Media analysis
- Survey of external stakeholders (employees of LS Group affiliates, customers, partner companies, research institutions/academia, government agencies/associations, ESG experts)

- Analysis of domestic and international ESG disclosure/evaluation guidance and initiatives
- Analysis of the latest global regulations and ESG policy trends
- Analysis of LS Mtron's current ESG management status
- Benchmarking of leading companies in the same industry, both domestically and internationally
- Survey of internal stakeholders (management and employees)

STEP 3
Selection and Verification of Material Issues

Based on the results of the double materiality assessment, we identified 6 out of 18 issues as material issues that have significant impacts on environmental/social and financial aspects. The prioritization of these issues was finalized through consultation with internal and external stakeholders and experts.
The reliability and transparency of this process were ensured through verification by an independent third-party organization.

Category	Issue
Environment	Climate change response
Environment	Eco-friendly business promotion
Social	Occupational safety and health enhancement
Social	Sustainable supply chain management
Social	Product safety and quality management
Environment	Minimization of environmental impact

Double Materiality Assessment

Results of Double Materiality Assessment

Through a management review of the environmental, social and financial impact assessments for each issue, six material issues were identified for LS Mtron: climate change response, eco-friendly business promotion, occupational safety and health enhancement, sustainable supply chain management, product safety and quality management and environmental impact minimization. LS Mtron manages these material issues at the enterprise level from both financial and non-financial risk perspectives.

● High ◐ Mid ○ Low

Priority	Category	Material Issue	Environmental · Social Materiality		Financial Materiality		Final result	Key Activities	Reported Pages	GRI Index
			Severity	Likelihood	Severity	Likelihood				
1	**Environment**	Climate change response	◐	●	●	◐	●	• Developing response systems and strategies to address international regulations and policies related to climate change • Identifying and analyzing climate change risks considering internal and external stakeholders • Reducing greenhouse gas emissions and energy consumption, etc.	23	GRI 201-2, 302-1, 3, 305-1, 2, 4, 7
2	**Environment**	Eco-friendly business promotion	◐	●	●	●	●	• Developing eco-friendly products, services and strengthening our green portfolio • Establishing and implementing green purchasing policies and standards • Operating environmental activities/campaigns and improving product efficiency, etc.	9, 20-21, 39, 56, 58	Non - GRI
3	**Social**	Occupational safety and health enhancement	●	●	●	◐	●	• Establishing policies to ensure the safety and health of internal and external stakeholders, and strengthening regular monitoring systems • Enhancing safety and health training programs and evaluating/addressing industrial disaster risks throughout the supply chain, including at partner companies • Establishing measures to prevent the recurrence of workplace accidents and work-related illnesses through transparent reporting	36-38	GRI 403-1, 2, 3, 4, 5, 6, 7, 9
4	**Social**	Sustainable supply chain management	◐	◐	◐	●	●	• Responding to customers' ESG requirements, managing suppliers' ESG risks and supporting their capacity-building efforts • Establishing policies and strengthening management oversight systems related to conflict minerals • Strengthening supplier code of conduct and expanding its application, including through sustainable raw materials procurement	39-40	GRI 308-2, 414-2
5	**Social**	Product safety and quality management	●	●	◐	◐	●	• Strengthening product safety and quality management systems for each business and operating customer grievance response procedures • Implementing consumer protection policies and remedies • Transparently disclosing product safety and quality information	43-45, 65	GRI 416-1, 2, 417-2, 3
6	**Environment**	Minimization of environmental impact	◐	◐	●	◐	●	• Establishing management and reduction measures for environmental pollutants in water, air, soil, etc. • Ensuring efficient use of energy and resources and reducing waste generation and hazardous chemical use • Implementing biodiversity conservation and natural habitat restoration activities	20-22, 24	GRI 303-1, 2, 3, 4, 5, 306-1, 2, 3, 4, 5

We Lead People to Solutions

We create positive change through open communication and transparent decision-making.

ESG Performance

20 Environment
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49 Governance

Responsible Action for Climate and Nature

Environment

21 Environmental Management
24 Climate Change Response
25 Biodiversity Management

Environmental Management

Environmental Management Framework

Environmental Management Organization

LS Mtron has established and operates a dedicated environmental management organization that handles key priorities such as developing strategies and objectives for environmental management, reviewing environmental technologies and planning environmental investments. The organization also works to ensure our compliance with environmental regulations such as the Clean Air Conservation Act, Waste Control Act and Chemical Substances Control Act while comprehensively managing the environmental aspects of our business operations, including through the proper operation of emissions facilities and pollution prevention facilities and by conducting management inspections.

Safety, Health & Environment Policy

LS Mtron operates its environmental management system based on the following mission statement: "We recognize safety, health & environment as top priorities in business management, protect the lives and safety of employees and stakeholders and strive to create safe and pleasant workplaces through continuous improvement, environmental protection and the implementation of a sustainable society."

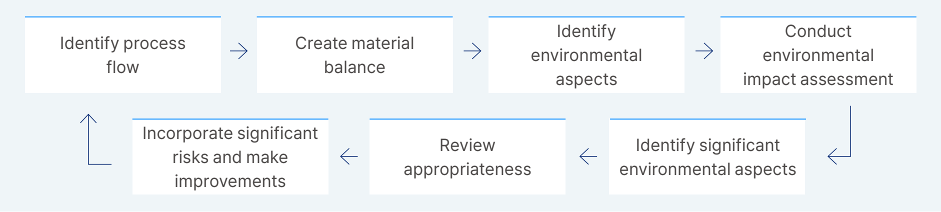
Mid-to-Long-Term Environmental Management Plan

To address climate change, LS Mtron is reducing its Scope 1 and 2 greenhouse gas emissions, while planning to calculate and manage Scope 3 emissions generated throughout the value chain. Furthermore, we are committed to minimizing environmental impact by reducing pollutant emissions, using energy and water resources efficiently and expanding waste recycling.

Environmental Management System

LS Mtron has obtained ISO 14001 certification for all its business sites. In addition, under our Environment & Safety Coordinator System, we designate dedicated environmental personnel for each department and conduct environmental impact assessments based on our environmental management system to identify impacts and implement improvement activities.

Environmental Impact Assessment Flow Chart


Identify process flow
Create material balance
Identify environmental aspects
Conduct environmental impact assessment
Identify significant environmental aspects
Review appropriateness
Incorporate significant risks and make improvements

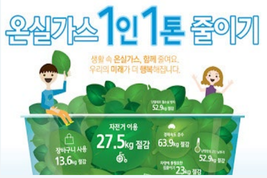
Environmental Management Implementation

Environmental Management Activities

LS Mtron conducts a range of eco-friendly activities to ensure a sustainable future. We contribute to environmental protection through sustainable practices.

Greenhouse gas reduction campaign

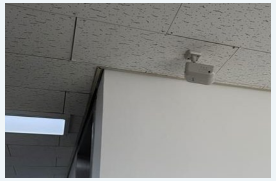
Conducting diverse promotional campaigns to reduce greenhouse gas emissions



Greenhouse gas reduction campaign

Energy conservation activities

Continuous efforts to prevent unnecessary energy use



Operation of sensor detectors on corridor lights

Energy-saving technology implementation

Optimizing energy use and reducing greenhouse gas emissions through the installation of inverters in air compressors

Operation of inverters installed in air compressors

Local clean-up activities

Clean-up activities around factories, one company-one stream clean-up activities

Clean-up activities around factories

Renewable energy utilization

Utilizing renewable energy through the installation of solar panels

Operation of installed solar panels

Waste reduction activities

Efforts to minimize waste generation through food waste reduction campaigns

Food waste reduction campaign

Environmental Management

Environmental Impact Minimization

Waste Management

LS Mtron legally manages the waste generated from business activities. To minimize our environmental impact, we strive to increase recycling rates and reduce waste generation throughout the product lifecycle, from manufacturing to disposal. As a result, our recycled waste volume increased by approximately 300 tons in 2024 compared to 2023, representing an increase in our recycling rate from 78.7% to 80.3%. Through efforts such as improving production efficiency and increasing our use of recyclable materials, we will protect the global environment and the local communities in which we operate from waste-related impacts.

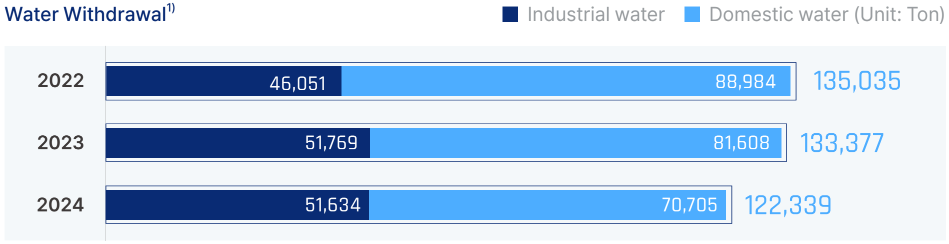
Product and Packaging Recycling Plan

LS Mtron fulfills its obligations and responsibilities as a manufacturer by ensuring its products and packaging materials are recyclable after their production, sales and usage phases. All tractor tires are recycled by specialized tire recycling companies. For plastic packaging materials, we plan to introduce methods to reduce packaging waste by utilizing recyclable materials or reducing packaging volume.

Water Resource Management

Water resources are vital to the environment and stakeholders, as they are used in manufacturing processes, cooling systems and for domestic purposes. At LS Mtron, we have reduced our water consumption by approximately 10,000 tons, down 7.9% from the previous year, through efficient water utilization and conservation activities. Due to climate change-induced weather anomalies, water supply risks are increasing, increasing the importance of water management. For this reason, LS Mtron is committed to improving water resource efficiency by developing systems for water reuse and investing in our facilities.

Water Withdrawal[1]



[1] Branch offices are not included

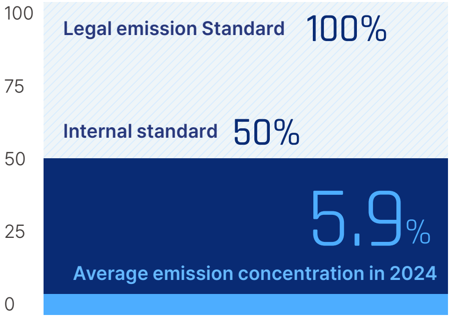
Air Pollutant Management

We strictly comply with all emission standards set by the Clean Air Conservation Act and are implementing targeted reduction strategies for each type of air pollutant to ensure a sustainable future. To effectively reduce major air pollutants generated during production such as dust, nitrogen oxides (NOx) and sulfur oxides (SOx), we have installed filters, wet scrubbers and low-NOx boilers. We have also installed Regenerative Thermal Oxidizers (RTO) that remove over 98% of Volatile Organic Compounds (VOCs) before emission. In addition, we have equipped our existing Gas Heat Pumps with reduction devices to decrease air pollutant emissions. At our Anyang plant, we have implemented IoT (Internet of Things) technology in our environmental pollution prevention systems to monitor our air emission facilities. For specific and general air pollutants, we measure concentrations twice monthly. Wastewater and Water Pollutant Management We manage process water from our facilities by applying internal standards that are stricter than the water pollutant emission standards stipulated in the Water Environment Conservation Act. For specific and general water pollutants, we measure their concentrations monthly.

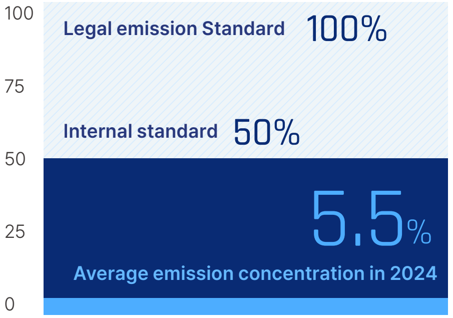
Wastewater and Water Pollutant Management

We manage process water from our facilities by applying internal standards that are stricter than the water pollutant emission standards stipulated in the Water Environment Conservation Act. For specific and general water pollutants, we measure their concentrations monthly. Through continuous efforts to improve our manufacturing processes and deionized water production using wastewater, we increase wastewater recycling and reduce pollutants. We also efficiently manage our wastewater treatment systems through ongoing facilities maintenance and investment.

Air Pollutant Emissions Compared to Regulatory Standards



Water Pollutant Emissions Compared to Regulatory Standards



Environmental Management

Environmental Impact Minimization

Chemical Management

LS Mtron applies an environmental safety pre-examination system to all new chemicals purchases. Only chemicals that have been verified for their regulatory compliance are approved for purchase. When importing chemicals from overseas, we comply with all regulations related to the registration of imported chemicals. To minimize environmental and safety impacts throughout the chemical lifecycle from purchase to disposal, we conduct a number of different activities, including chemical risk assessments, compliance with hazardous chemical handling standards, off-site impact assessments and training for all employees, including hazardous chemicals handlers. We have also established an emergency response team and conduct regular drills to ensure a swift response to chemical incidents.

Chemical Risk Assessment

When introducing new chemicals or changing existing ones, we conduct risk assessments to identify potential hazards and applicable regulations. In addition, we proactively perform regular risk assessments of our existing chemicals to identify potential hazards, implement improvements and prevent accidents.

Chemical Pre-examination Systems for Environmental Safety

STEP 1	**Pre-examination application** Submit application for chemical pre-examination before purchase
STEP 2	**Chemical review** Examine information including MSDS for chemicals requiring pre-examination
STEP 3	**Pre-examination process** Check chemical regulatory requirements and determine compliance
STEP 4	**Purchase and use** Procure and utilize chemicals after pre-examination approval
STEP 5	**Chemical management** Implement management throughout usage, storage and disposal phases; conduct employee training; address regulatory reporting requirements

Hazardous Chemical Training

To ensure the safe handling of hazardous chemicals and minimize their environmental impacts, we provide training for hazardous chemical managers and handlers. Due to the use of hazardous chemicals in the LS Mtron Tower, we conduct training for all personnel, including LS Mtron employees, partner companies and tenant companies.

Employee Training Related to Hazardous Chemicals

	2022	2023	2024
Manager training	1 Person	1 Person	2 Persons
Handler training	1 Person	7 Persons	3 Persons
Employee training	396 Persons	361 Persons	375 Persons
Employee training completion rate	100%	100%	100%

Climate Change Response

Climate Change Response

Climate Change Response Organization

LS Mtron has established an ESG Council and ESG Subcommittee under the Board of Directors to identify and manage our climate change-related risks and opportunities. Through quarterly meetings, we oversee major ESG issues, including climate change challenges and response strategies and report significant matters to upper management.

Greenhouse Gas and Energy Management

Scope 1 & 2 Emissions Management Under our SHE system, LS Mtron calculates and manages Scope 1 & 2 greenhouse gas emissions annually to monitor our environmental impacts. We reduce GHG emissions through energy conservation initiatives, such as installing electricity peak control devices and replacing equipment like air compressors, while setting additional reduction targets to proactively address climate change. Currently, we calculate emissions for our Headquarters, Anyang plant, Jeonju plant and research centers. We plan to expand the scope of these calculations to include our sales offices and other facilities, enhancing data reliability across all LS Mtron operations as part of our continuous climate response strategy.

Scope 3 Emissions Management Plan LS Mtron plans to gradually expand our emissions management to cover not only Scope 1 & 2 but also Scope 3 emissions generated throughout our value chain. Following the GHG Protocol's Scope 3 calculation guidelines (international standard for GHG emission measurement and reporting), we are developing plans to calculate emissions by selecting assessable categories from both upstream and downstream activities.

Climate Change Risk and Opportunity Management

Type		Risk and Opportunity	Financial Impact	Response Plan
Physical Risk	Acute	Extreme weather events (heatwaves, floods, typhoons, etc.)	• Facility damage recovery costs • Increased workplace accidents	• Identify risks by disaster type, develop and implement scenarios • Strengthen employee safety and health management
Transition Risk	Policies and Laws	Strengthened GHG emission regulations	• Increased costs for emission reduction • Increased compliance costs for global regulations such as CBAM	• Expand energy efficiency through process and facility improvements • Calculate and manage Scope 3 emissions
		Opportunity	• Expanded performance management through strengthened ESG management	• Develop and implement plans to enhance ESG data reliability
	Reputation	Increased stakeholder demands for ESG management	• Expanded negative impacts if requirements not met	• Publish sustainability reports • Respond to stakeholder requirements such as CDP
	Market	Rising energy costs	• Increased costs due to higher energy consumption	• Increase energy efficiency through equipment improvements
Opportunity	Product	Eco-friendly product development	• Increased business revenue	• Expand our development of eco-certified products
	Energy	Expanded use of eco-friendly energy	• Reduced energy costs and GHG emissions	• Verify feasibility of renewable energy usage

Biodiversity Management

Biodiversity Management

Biodiversity Risk Assessment

LS Mtron has conducted biodiversity risk assessments to analyze and mitigate the risks of ecosystem change caused by our business activities. We selected three major production facilities to identify protected species habitats and protected areas, utilizing the IBAT1) and endangered wildlife lists designated by the Ministry of Environment. In addition, we used the ENCORE2) tool to analyze the natural capital dependence and impact of our major production facilities.

LS Mtron is establishing measures to minimize our ecosystem dependence and impact by comprehensively reviewing our identified dependencies and influences. We are committed to continuously reducing risks arising from ecosystem dependence and minimizing our environmental impact by gradually expanding the scope of our biodiversity management.

1) Integrated Biodiversity Assessment Tool
2) Exploring Natural Capital Opportunities, Risks and Exposure

IBAT-based Protected Species and Protected Areas

Business Site Name		Jeonju Plant	LS Mtron Tower	Engine Plant
Red List Species	Critically Endangered (CR)	8	5	8
	Endangered (EN)	43	40	43
	Vulnerable (VU)	54	54	54
Natural Protected Areas	National Protected Areas	84	125	85
	Ramsar Wetlands	0	3	0
	Key Biodiversity Areas	4	9	4

Ministry of Environment Designated Endangered Wildlife

Business Site Name	Jeonju Plant, Engine Plant	LS Mtron Tower
Administrative District	**Wanju-gun, Jeollabuk-do**	**Anyang-si, Gyeonggi-do**
Mammals	Otter,1), Yellow-throated marten, Leopard cat, Flying squirrel	Leopard cat
Birds	Scaly-sided merganser1), White-tailed eagle1), Eurasian spoonbill, Cinereous vulture and 8 others	Eurasian Sparrowhawk, Eurasian hobby, Long-billed plover
Amphibians & Reptiles	Suweon tree frog1), Seoul frog, Boreal digging frog	Boreal digging frog
Fish	Black shinner1), Bull-head torrent catfish1)	-
Land Plants	Prickly waterlily	-

1) Class I Endangered Species, others are Class II

ENCORE Tool-based Dependency and Impact Assessment1)

● High ◐ Medium ○ Low

		Jeonju Plant	LS Mtron Tower	Engine Plant
Dependencies	Water supply (water purification, volume regulation)	◐	◐	◐
	Storm and flood damage prevention	◐	◐	◐
	Ecosystem disruption	◐	◐	◐
Impacts	Soil and water pollutant emissions	◐	●	◐
	Water consumption	◐	○	◐

1) Only medium or high-risk items in the 21 dependency and impact categories have been listed

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ESG PERFORMANCE
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Talent Management
Human Rights Management
Safety and Health
Sustainable Supply Chain Management
Social Contributions
Customer Value Creation
Information Protection
Governance
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Well-being & Safety for All Employees, Partnership & Positive Impact for Society and Customers

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Talent Management

Talent Recruitment

Fair Talent Recruitment

LS Mtron operates a transparent recruitment process to ensure equal opportunities for all candidates. Following open recruitment principles, we observe the Fair Hiring Procedure Act and role-specific evaluation criteria. In the initial job posting, we clearly disclose all requirements including job responsibilities, specific qualifications and preferred credentials. In addition, we apply objective evaluation criteria related to job performance to the document screening process. In our hiring decisions, we utilize an online AI competency assessment to objectively evaluate applicants' professional strengths/weaknesses, tendencies, values, interpersonal skills and organizational adaptability.

Talent Recruitment Process

- **STEP 1** Application submission →
- **STEP 2** Candidates selected following an examination of resumes and cover letters →
- **STEP 3** AI competency assessment, Interview with team managers →
- **STEP 4** Interview with the top management executives →
- **STEP 5** Final selection

Employment-Linked Internship Program We operate an employment-linked internship program for specific positions in which internship experience provides a more effective candidate evaluation, such as in planning, management and sales roles. Through this program, the company can effectively identify and develop suitable talent for specific roles within our organization, enabling quicker integration into our workforce. For the intern, the opportunity to directly experience their desired roles and adapt to the company's culture helps prevent their early resignation after they are hired. Interns perform basic practical tasks in their assigned departments while conducting a two-month project on a work-related topic. In the third month of the internship, a project presentation is given and an executive interview held. During this process, department heads and executives objectively evaluate the intern using absolute assessment methods, reviewing their professional competencies, job suitability, work attitude and alignment with our talent requirements.

Securing Excellent R&D Talent Through our industry-academic scholarship program, we proactively secure exceptional undergraduate, master's and PhD students while establishing channels for technological information exchange with their professors. From a mid-to-long-term perspective, this proactive approach contributes to securing essential R&D capabilities for product development. Notably, we conduct recruitment seminars targeting strategic universities and departments closely related to our core business (agricultural machinery). We also strengthen our industry-academic network through laboratory tours of strategic research facilities that possess core technologies. Based on these networks, we promote our company and receive recommendations for exceptional candidates, enhancing our application rate from high-quality candidates and maintaining a talent pool.

LS People

Positive

Energetic and optimistic individuals who work well with others and abide by our ethical codes.

Creative

Creative and innovative individuals who create value and lead our company as a Global Corporation.

Professional

Professional and passionate individuals who are globally competitive in their fields and strive to be the best.

Talent Management

Talent Development

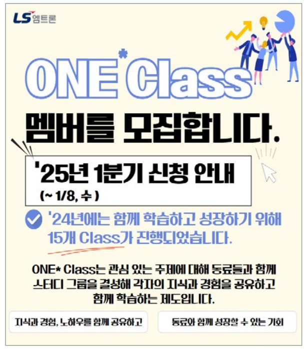
Employee Capability Development

LS Mtron operates a range of training programs based on our training system and Individual Development Plan (IDP) to enhance employee capabilities. We focus on developing leadership and role-specific competencies from team members to executives. Through talent development committees in each business division, we identify key talent and support their growth as next-generation leaders. To support this system, we provide mid-to-long-term training programs for core talent, including graduate degree programs and MBA courses. In addition to internal training courses, we support the external training programs required for specific roles. We also operate family-friendly programs for employees and their families, such as a 'father-child camping day'.

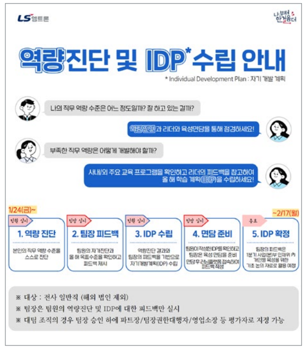
Fostering Self-Development Culture

LS Mtron is making a range of efforts to establish a culture of personal development within the company. At the beginning of each year, employees conduct individual competency assessments to establish their IDPs (Individual Development Plans), a process that assigns team members responsibility for their own development and team leaders responsibility for nurturing their team members. We have strengthened the implementation of these assessments by reflecting IDP establishment rates in executive evaluations and plan to introduce mid-term review sessions in 2025 to monitor IDP progress. In addition, we support employees' efforts to learn and share business-specific topics through ONE Class, a voluntary internal learning community. In 2024, 15 ONE Classes were established with a total of 230 participants.

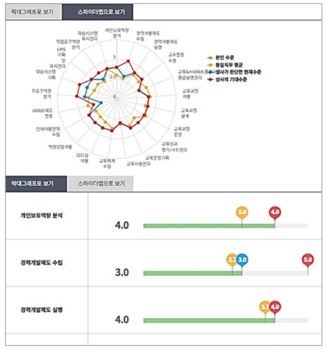
ONE Class Poster


LS엠트론
ONE* Class
멤버를 모집합니다.
'25년 1분기 신청 안내
(~ 1/8, 수)
☑ '24년에는 함께 학습하고 성장하기 위해 15개 Class가 진행되었습니다.
ONE* Class는 관심 있는 주제에 대해 동료들과 함께 스터디 그룹을 결성해 각자의 지식과 경험을 공유하고 함께 학습하는 제도입니다.
지식과 경험, 노하우를 함께 공유하고
동료와 함께 성장할 수 있는 기회

IDP Development Poster


LS엠트론
나부터 한걸음더
역량진단 및 IDP* 수립 안내
* Individual Development Plan : 자기 개발 계획
나의 직무 역량 수준은 어느 정도일까? 잘 하고 있는 걸까?
역량진단과 리더와 육성면담을 통해 점검하세요!
부족한 직무 역량은 어떻게 개발해야 할까?
사내/외 주요 교육 프로그램을 확인하고 리더의 피드백을 참고하여 올 해 학습 계획(IDP)을 수립하세요!
1/24(금)~
~2/17(월)
팀원 실시 1. 역량 진단: 본인의 직무 역량 수준을 스스로 진단
팀장 실시 2. 팀장 피드백: 팀원의 자가진단과 올 해 목표수준을 확인하고 피드백 제시
팀원 실시 3. IDP 수립: 역량진단 결과와 팀장의 피드백을 기반으로 자기개발계획(IDP) 수립
팀장 실시 4. 면담 준비: 팀원이 작성한 IDP를 확인하고 팀장은 육성 면담을 준비 면담 후 러닝플랫폼 접속하여 피드백 작성
종료 5. IDP 확정: 팀장의 피드백은 1분기 사업(본)부 인재위 內 개인별 육성을 위한 기초 논의 자료로 활용 예정
※ 대상 : 전사 일반직 (해외 법인 제외)
※ 팀장은 팀원의 역량진단 및 IDP에 대한 피드백만 실시
※ 대팀 조직의 경우 팀장 승인 하에 파트장/팀장권한대행자/영업소장 등 평가자로 지정 가능

Competency Assessment Screenshot



Leadership Development

LS Mtron emphasizes the importance of leadership in driving company performance and implements a number of leadership development activities for employees. We conduct multi-dimensional assessments of managers' leadership capabilities and provide them with the results. Based on the findings, we create opportunities for self-reflection and leadership development planning, which is accompanied by feedback from supervisors. In addition, we support leadership development through training courses and coaching for areas identified as needing improvement in the assessment results.

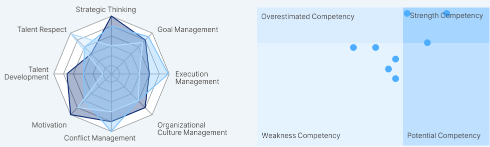
① Multi-dimensional assessments

Conduct leadership assessment of managers by supervisors, self and subordinates

Supervisor assessment (Executives/Managers) → Self-assessment (Managers) ← Subordinate assessment (Team Members)

② Provision of comparative assessment data

Present a comparison of self and peer assessment and the average results of managers across the company



③ Providing results-based reflection and feedback

Self : Write down thoughts, strengths, areas for improvement and support needs regarding the assessment results

Supervisors : Review the assessment results and reflection, communicate expectations and support commitments

④ Taking a results-based training program

Coaching Academy

- Coaching Basics
- Leadership Change
- Empathetic Communication
- Questioning Techniques
- Performance Coaching
- Conflict Management
- Self Awareness
- Motivation

Doctoral Degree Sponsorship Program

To strengthen the technical expertise of our employees, we select talented individuals through a fair selection process within our research institute and sponsor their doctoral degree programs by covering tuition costs. This program helps us to develop R&D talent by supporting their growth into core technology experts and outstanding R&D leaders.

Excellent R&D Talent Support

Industrial/academic scholarships for Master's/PhD students	PhD degree dispatch system
Support scholarships	Full payment of academic expenses

Talent Management

Employee Training

LS Mtron provides various training programs for employees in all positions, from team members to executives.

Employee Training Program

Leadership
- Executive
  - Insight forum
  - Executive seminars
  - New executives (Session 1-3)
- Director
  - Leadership assessment center
  - Leadership challenge program
  - Course for new directors
- Executive / Director
  - Insight online leaning
  - Future entrepreneur development program
- Manager
  - Office staff
    - Coaching academy
    - Team leader conference
    - Team leader online lecture
    - New team leader program
  - Field technical staff
    - Life compass program
    - Field leader workshop
    - Course for new field leaders
- Team member
  - LS MBA
  - Next-generation leader development program
  - Winning growth + Program
  - Field expert course
  - Self-leadership + Course
  - Orientation program for all technical staff

Value
- Way of working
  - Innovation jam program
  - Agile working
  - Innovation sprint
  - ChatGPT advanced
  - Collaboration facilitator training course
  - LS GPT
- Employee experience/pride
  - Bravo, my Life
  - Pre-wedding/newlywed class
  - Women's career forum
  - Filial piety feast
  - Fathers' camping day
  - Children's coding program
  - Children's day event
- Work shop
  - Team-based organizational development program
- New Entry
  - Experienced employee value camp
  - Experienced employee orientation
  - New employee future camp
  - New employee orientation

Skill
- DT
  - Expert Track
    - SQL basics/advanced for data analysis
    - Data analysis expert training
    - Predictive maintenance for failure point and type prediction
    - Machine learning for manufacturing AI
    - Statistics and machine learning
    - Python EDA* data analysis
    - Python data preprocessing
    - Python programming
  - Citizen Track
    - DT/AX trend preview
    - Power BI BI basic/advanced
    - Excel data analysis basic/advanced
- Job position
  - R&D: R&D basics | PM | PMP | NX CAD
Technology management | R&D accounting
  - Production: Production basics | Quality(7S problem-solving methodology, statistical and data analysis, product reliability analysis, supplier quality audit and guidance process, APQP)
  - HR: HR basics | HR conference
  - Purchasing: Purchasing basics | Purchasing conference
  - Finance: Financial strategy practical integration financial expert
  - Sales: Sales basics | Sales negotiation
Sales data analysis
  - Common: ERP | Product/technology basics
Planning enhancement | Basic accounting
  - Regular review of new course offerings based on internal needs

Global
- Resident employee
  - Returning employee on-boarding program
  - Global challenge program
  - Intensive course
  - Pre-dispatch basic course
- Foreign language
  - In-house class
  - Online language learning

Employee Training Satisfaction Metrics Improvement

For most of our internal training programs, LS Mtron conducts surveys on participant satisfaction and collects subjective feedback. The results of these are reported and utilized to improve future courses.

Training Satisfaction Results (5-point satisfaction scale)

Category		2024 Satisfaction[1]
Internal	Value	4.8
	Leadership	4.7
	Skill	4.7
	Global	4.6
Customer		4.7
Partner Company		4.5

[1] Satisfaction results adjusted according to the proportion of participants across 46 training programs

ESG Training

We publish quarterly ESG newsletters and plan ESG training for new employees to enhance our employees' understanding of ESG management and strengthen their capabilities. In addition, we are developing specialized training programs to build the expertise of ESG managers across different divisions.

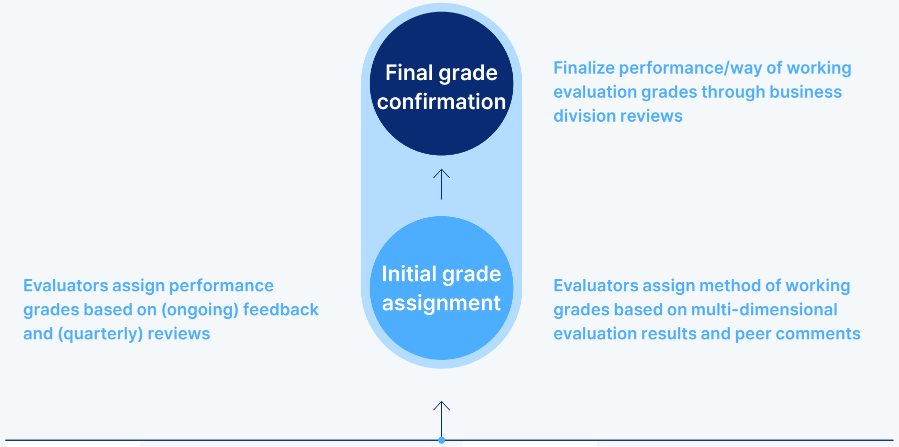
Talent Management

Fair Evaluation and Compensation

Evaluation

LS Mtron evaluates employee performance based on a continuous performance management system and peer evaluation. We implement fair and transparent employee performance assessments by considering both departmental and individual achievements aligned with organizational objectives, as well as evaluating the employee competencies and attitudes demonstrated during job performance and collaboration.

Employee Performance Evaluation Process


Final grade confirmation
Finalize performance/way of working evaluation grades through business division reviews
Initial grade assignment
Evaluators assign performance grades based on (ongoing) feedback and (quarterly) reviews
Evaluators assign method of working grades based on multi-dimensional evaluation results and peer comments

Task assignment	• Establish team goals and related tasks • Distribute work considering individual roles/responsibilities
Work registration	• Input performance data for work plans • Continuously monitor work progress
(Ongoing) Feedback	• Provide performance feedback on completed work
(Quarterly) Review	• Conduct quarterly performance reviews

Evaluation items	• Reflect internal and external perceptions of positive way of working
Multi-dimensional evaluator selection	• Select evaluators for collaboration partners • Evaluate 15 items spanning ownership, leadership/co-work and professionalism areas
Multi-dimensional evaluation	• Check strengths/improvement areas for each item

Compensation

LS Mtron's compensation system for office staff consists of base pay and performance bonuses. Base pay is calculated according to position, years of service and career experience, based on individual job competencies. Salary increase rates are adjusted annually based on internal and external factors and collective bargaining agreements. Compensation is linked to a comprehensive evaluation using the 9-Block Grid[1], which integrates individual performance and way of working assessments. These results are shared through employee briefing sessions. Performance-based compensation includes individual Performance Incentives (PI) based on the previous year's performance evaluation results, along with incentive bonuses and management performance bonuses based on the company's business results.

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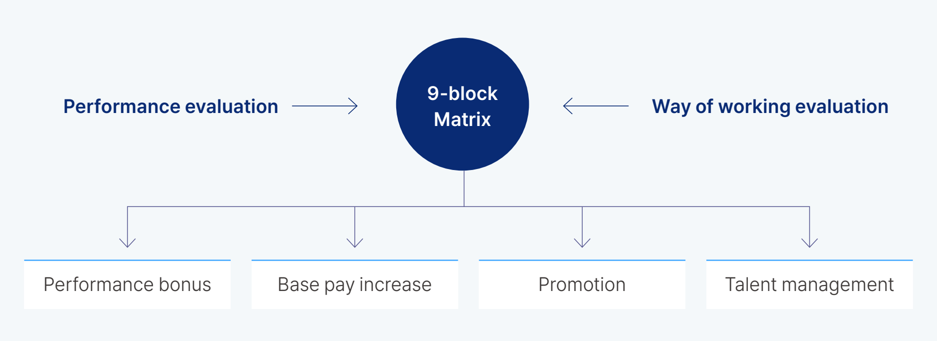
[1] 9Block Matrix: A comprehensive evaluation system that classifies individuals into 9 categories by evaluating their performance and way of working on 3-level scales.


Performance evaluation
9-block Matrix
Way of working evaluation
Performance bonus
Base pay increase
Promotion
Talent management

Reward system We create a motivating environment by recognizing employees who contribute to performance through the CEO's Award (presented by the CEO) and the Excellence Performance Awards, Excellence Awards and Encouragement Awards (presented by business division heads). We aim to establish an organizational culture of high performance through immediate and frequent performance-based rewards.

R&D Performance Rewards We promote R&D activities and enhance business performance by rewarding innovative R&D achievements. This reward system includes not only internal awards but also additional benefits such as the opportunity to participate in the group's Future Day (R&D performance sharing event), inspiring research motivation among R&D personnel. In addition, to encourage patent-related activities, we operate an invention promotion system that includes compensation for work inventions, work invention awards and support for intellectual property rights applications.

Talent Management

Healthy Organizational Culture

Cultural Activities

LS Mtron implements a range of initiatives to enhance communication and improve work methods.

CA Activities

- Selection and operation of Change Agents (CAs) for each business division
- Implementation of work efficiency improvements, workplace environment enhancements, collaboration-promoting workshops and team-building events based on employee feedback
- In 2024, 63 activities were conducted under the leadership of 32 CAs selected from various departments
- Three-year satisfaction rating[1] for CA activities (out of 5 points)

[1] The annual company-wide CA activity satisfaction data represents the average satisfaction ratings across all six business divisions

2022	2023	2024
4.49	4.73	4.68

'24년 LS엠트론 CA 여름수련회
한 해 동안 구성원들을 챙겼던 CA를 위해 준비한 〈CA 축제의 날〉
2024 LS엠트론 CA Closing Day

Family-Friendly Company

- Obtained Family-Friendly Company certification from the Ministry of Gender Equality and Family in 2014, a certification that was extended in 2017, renewed in 2019 and 2022 and maintained to the present day
- Active promotion of statutory family-friendly programs including parental leave, reduced working hours during pregnancy and paternity leave
- Support that exceeds the legal requirements and includes pregnancy congratulatory gifts, childbirth grants, family event support, children's education subsidies, employee medical expense support and employee welfare fund that extends benefits to employees' families

Mentoring Program

- One-on-one mentoring between new employees and outstanding senior to support early adaptation, both professionally and emotionally
- Reverse mentoring to foster generational understanding between leaders and younger employees

Management-Employee Communication

- We have implemented programs such as "Delivery Mentors," in which organizational leaders personally deliver popular local snacks to team members as an opportunity for bonding and communication and "50-50 Talk Tea Time," where employees and leaders meet to discuss various topics

We Talk Talk

- Anonymous grievance bulletin board launched in 2019 to strengthen communication among employees
- Relevant departments provide responses to all posts that receive more than five recommendations

HR Day

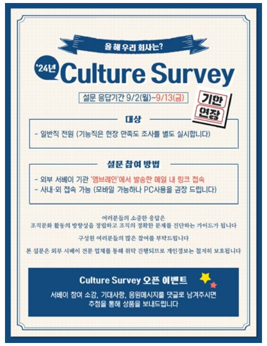
- Regular official channel through which HR department directly visits each business division to communicate with employees
- Addresses employee questions about HR policies and shares suggestions
- Collected opinions reported to management monthly
- 228 opinions collected in 2024
- Plan to expand operation to domestic sales offices and other locations in 2025

Organizational Culture Survey

LS Mtron holds an annual Culture Survey to evaluate the organizational culture. We measure employees' awarenesses in key areas that impact organizational culture, including strategic direction, systems, collaboration level, ways of working and leadership. The results inform our organizational management and set the direction for the following year's culture improvement initiatives. LS Mtron's Culture Survey obtains in-depth employee insights not only through online questionnaires but also through Focus Group Interviews (FGI) conducted within each business division.

Cultural Survey Process

STEP 1	Online survey
STEP 2	FGI by division
STEP 3	Results sharing
STEP 4	Development of improvement strategies



올해 우리 회사는?
'24년 Culture Survey
설문 응답기간 9/2(월)~9/13(금)
기한 연장

대상
- 일반직 전원 (기능직은 현장 만족도 조사를 별도 실시합니다)

설문 참여 방법
- 외부 서베이 기관 '엠브레인'에서 발송한 메일 내 링크 접속
- 사내·외 접속 가능 (모바일 가능하나 PC사용을 권장 드립니다)

여러분들의 소중한 응답은
조직문화 활동의 방향성을 정립하고 조직의 정확한 문제를 진단하는 가이드가 됩니다

구성원 여러분들의 많은 참여를 부탁드립니다

본 설문은 외부 서베이 전문 업체를 통해 위탁 진행되므로 개인정보는 철저히 보호됩니다

Culture Survey 오픈 이벤트
서베이 참여 소감, 기대사항, 응원메시지를 댓글로 남겨주시면
추첨을 통해 상품을 보내드립니다

Talent Management

Healthy Labor-Management Relations

Establishment of Value-Creative Labor-Management Relations

LS Mtron respects the right of its employees to freedom of association as specified in International Labor Organization (ILO) conventions and domestic labor laws, ensuring there are no restrictions on labor union activities. As of the end of December 2024, 428 employees (99.5%) have been registered as union members. These members are guaranteed voting and resolution rights.

Labor Union Membership and Ratio

Category	Unitil	2022	2023	2024
Number of employees eligible for labor union membership	People	436	446	430
Number of labor union members	People	434	444	428
Labor union membership rate	%	99.5	99.6	99.5
Collective agreement application rate	%	100	100	100
Number of labor-management council meetings	Times	5	5	5
Number of agenda items resolved by labor-management council	Cases	15	10	16
Total fines for labor law violations	KRW	0	0	0

Number of labor union members	Labor union membership rate	Total fines for labor law violations
428 employees	99.5%	0

Labor-Management Communication Culture

LS Mtron's management and labor union leadership share business performance and strategic direction through annual wage and collective bargaining and cooperation promotion councils, collaborating to enhance employees' working conditions and socioeconomic status. In addition, we operate workplace-level labor-management councils and hold practical consultations to address issues such as working conditions, in addition to monthly departmental labor-management trust council meetings to handle employee grievances and continuously improve the working environment. Thanks to the mutual understanding and trust built through these efforts, LS Mtron has maintained zero-dispute negotiations for 17 years since the company was founded in 2008.

Labor-Management Communication Activity

Communication and empathy Quarterly
Sharing company-wide management status, business performance and division-specific issues

Collective bargaining Annual
Negotiating wage increases, collective agreement revisions and other working conditions

Participation and cooperation promotion council Quarterly
Sharing management status and performance, discussing policies and working conditions

Labor-Management practical consultation As needed
Consulting on work environment and welfare improvements

Labor-management trust council Monthly
Discussing departmental issues and work environment improvements

Workplace Satisfaction Survey

LS Mtron conducts an annual workplace satisfaction survey of both labor and management to assess the satisfaction levels of technical staff and identify areas in which the work environment and the organizational culture can be improved. Based on the results of this survey, we identify and implement improvement initiatives.

Survey Overview

Survey Categories / 11 areas
Views on managers
Views on field leaders
Communication
Organizational culture, etc.

Frequency	Once/Year
Timing	August
Utilization of Results	Internal training materials (for field leaders, line managers), development of team strategic initiatives, etc.

Results

2022	2023	2024
68.8	68.7	68.9

Talent Management

Work & Life Balance

Welfare Systems

LS Mtron operates a range of employee welfare programs to ensure that employees have sufficient opportunities to refresh themselves, care for themselves and their families and maintain focus on their work.

Welfare Systems	Details	Welfare Systems	Details
Funding for Housing	· Homebuyer and rental assistance · Temporary apartments and dormitories while working at our Jeonju business sites	Welfare card	· Support for selective welfare (welfare card, etc.)
Financial support for schooling	· Full payment of junior high school/high school/college tuition for employees' children	Hotel and condominium support	· Support for domestic and international hotel/condo/resort/pension stays (5 nights/year)
Medical expenses support	· Medical expenses support for employees and their families	Long term employment reward/holidays	· Long-term employment rewards, holidays, gift cards and vacation based on the number of years of employment
Comprehensive physical exams	· For employees between the ages of 35 and 39, every other year · For employees who are 40 years or older, every year (Including once every other year for spouses)	Funeral services	· Support through professional funeral directors and necessary supplies
Self-development	· Foreign language academy support · Master's degree (evening graduate school) support	Insurance	· Enrollment in group term insurance
Family events	· Various condolence or congratulatory money cash gifts and holidays for various family events		

Flexible Working System

LS Mtron offers a number of flexible work arrangements to support work-life balance by accommodating the individual lifestyle patterns of our employees. Additionally, the company operates a PC-OFF system to encourage employees to leave work on time.

Flexible Working System		Automatic PC Shutdown
Flexible start and end times	**Flexible working hours system**	
Enhance productivity and employee satisfaction by offering multiple scheduling options beyond standard working hours	Allow employees to customize their working hours within two-week periods, enabling an adaptive response to fluctuating workloads	Promote a healthy work-life balance by automatically shutting down computers after working hours and on holidays

Support for Retirees

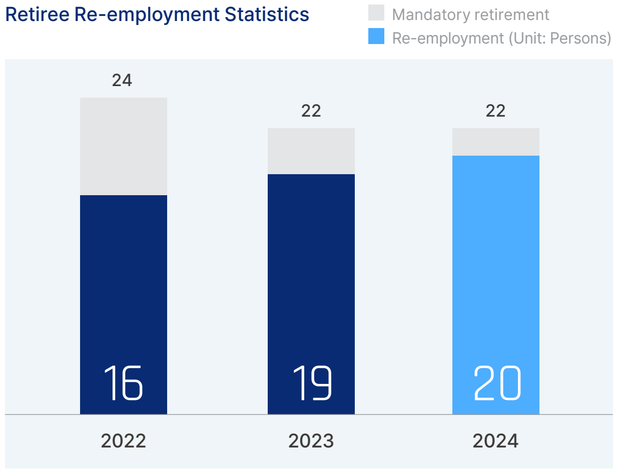
Retirement Preparation Program (Bravo My Life)

LS Mtron offers "Bravo My Life," a life and career planning program for employees facing involuntary retirement, in compliance with mandatory reemployment support service regulations. Expert instructors are assigned for each career/life planning module, with content customized to participants' needs. The program includes instruction and practical exercises on developing career plans. In addition, we provide job placement consulting or vocational training support for interested retirement-age employees.

Re-employment After Retirement

Since 2020, LS Mtron has operated a program that allows retirees to return as contract employees after they reach retirement age. This initiative maintains the company's productivity by leveraging skilled workers' expertise, facilitates knowledge transfer through mentoring junior employees and provides continued employment opportunities after the standard retirement age.

Retiree Re-employment Statistics



Human Rights Management

Human Rights Management Implementation Framework

Human Rights Management Principles

LS Mtron respects the freedom and human rights of all its stakeholders, including employees, partner companies, joint ventures, affiliates, customers and local communities. We prohibit discrimination based on race, nationality, gender, religion, regional origin, disability, marital status, or other protected factors. We do not permit child labor or forced labor. Our "Labor and Human Rights Policy" and "Labor and Human Rights Guidelines" are based on the International Labour Organization (ILO) Declaration, Labor Standards Acts and labor standards from international organizations such as the United Nations and the Organization for Economic Cooperation and Development (OECD). We strive to faithfully implement these labor rights policies in compliance with LS Mtron's Compliance Management Operating Regulations.

Prohibition of forced labor

We do not enter into labor contracts that violate local laws and regulations and do not require workers to pay deposits or recruitment fees. We require worker consent for all overtime work and do not psychologically or physically restrain employees.

Prohibition of discrimination

The company does not discriminate in hiring, promotion, training, wages or benefits based on race, age, gender, disability, religion, political affiliation, or other protected factors, and shall take appropriate action in the event of discrimination in accordance with company policies.

Protection of underage workers (minors)

Under no circumstances do we employ child workers under the age of 15. In our employment of workers under 18, we comply with the protective measures stipulated in our Rules of Employment.

Freedom of association

Workers have the right to form, join and organize labor unions and to collectively bargain through representative organizations.

Compliance with working hours rules

We do not enter into unfair labor contracts or make unreasonable demands in employment agreements. We do not exceed the maximum working hours stipulated by local regulations and provide annual leave, sick leave, maternity leave and rest breaks in accordance with local laws. Additionally, we ensure all workers can use such benefits without being subject to unfair treatment.

Ensuring industrial health and safety

To protect worker health and safety, we provide regular medical examinations and sufficient industrial safety training, and maintain workplace safety equipment and facilities.

Wages and welfare

We pay at least the minimum wage for regular working hours, and calculate overtime compensation based on gross wages or regular wages according to local regulations.

Protection of human rights of local community and local residents

We ensure local residents' human rights are not violated and protect their rights to safety, health and freedom of residence. We strive to prevent harm to customer life, health and property while taking measures to protect their privacy and personal information.

Humanitarian treatment

We treat all employees with dignity and respect and will not tolerate psychological, verbal, or physical coercion or violence.

Responsible supply chain management

We establish supply chain management policies, procedures, and responsible organizational structures for sustainable supply chain management. We regularly assess supply chain risks and require corrective actions when human rights violations are identified.

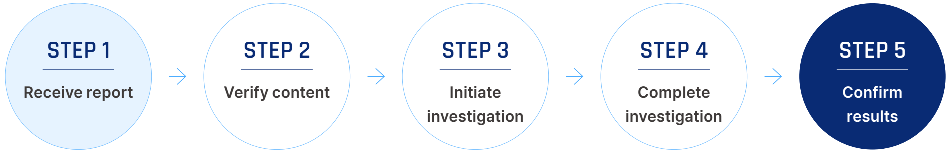
Human Rights Management

Human Rights Management Activities

Cyber Ethics Hotline

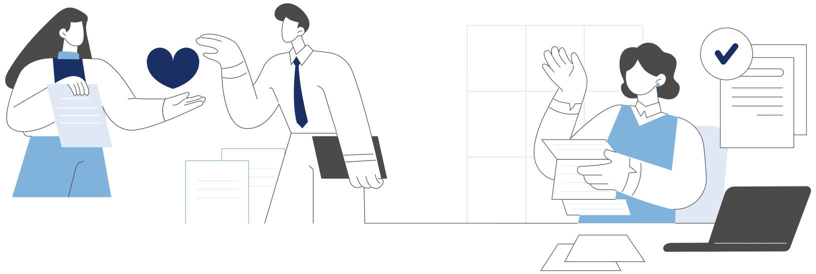
LS Mtron operates a Cyber Ethics Hotline system that allows all stakeholders, including employees, customers, shareholders and business partners, to submit their opinions and concerns. The hotline allows anyone to report issues such as corrupt activities demanding bribes & taking bribes, unfair business practices, unfair trade activities, unfair dealings with Stakeholders (such as unauthorized equity participation or financial loans), illegal or inappropriate use of company assets, sexual harassment and other behaviors that undermine a healthy organizational culture, as well as to make business improvement suggestions.

Cyber Ethics Hotline Process

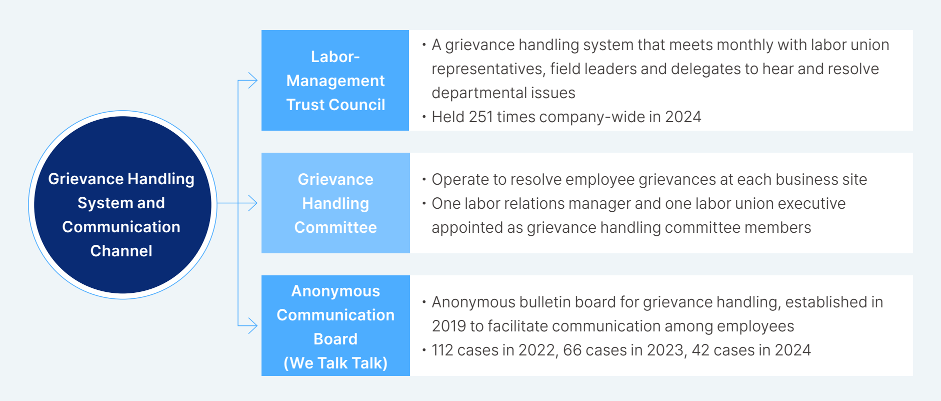


- STEP 1 Receive report
- STEP 2 Verify content
- STEP 3 Initiate investigation
- STEP 4 Complete investigation
- STEP 5 Confirm results

Informant Protection LS Mtron provides comprehensive protection for whistleblowers. We thoroughly safeguard information about whistleblowers and related stakeholders, including the whistleblower's identity, evidence provided, information collected regarding the report, information about stakeholders, details that could implicate suspects and follow-up measures taken after reporting. Reports are handled by a limited number of personnel who have been sworn to strict confidentiality. When individuals who have participated in unethical or illegal activities voluntarily report their involvement, we handle these cases reasonably, taking mitigating circumstances into full consideration.



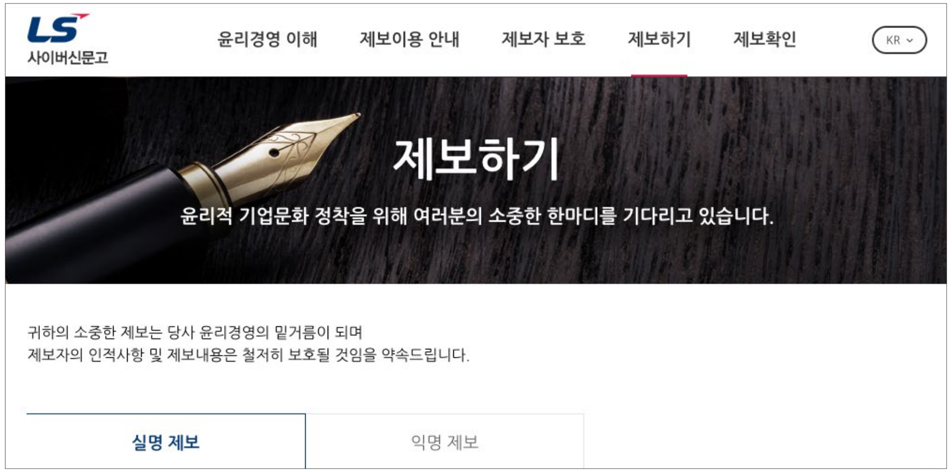
Active Operation of Grievance Handling System



Grievance Handling System and Communication Channel

Labor-Management Trust Council	• A grievance handling system that meets monthly with labor union representatives, field leaders and delegates to hear and resolve departmental issues • Held 251 times company-wide in 2024
Grievance Handling Committee	• Operate to resolve employee grievances at each business site • One labor relations manager and one labor union executive appointed as grievance handling committee members
Anonymous Communication Board (We Talk Talk)	• Anonymous bulletin board for grievance handling, established in 2019 to facilitate communication among employees • 112 cases in 2022, 66 cases in 2023, 42 cases in 2024

Cyber Ethics Hotline



제보하기

윤리적 기업문화 정착을 위해 여러분의 소중한 한마디를 기다리고 있습니다.

귀하의 소중한 제보는 당사 윤리경영의 밑거름이 되며
제보자의 인적사항 및 제보내용은 철저히 보호될 것임을 약속드립니다.

Human Rights Management

Human Rights Risk Management

Human Rights Due Diligence

LS Mtron conducted a human rights due diligence survey targeting domestic employees to assess their awareness of human rights management practices and identify areas for improvement. The survey consisted of 48 questions across 10 categories and was developed based on human rights guidelines, initiatives and best practices from leading companies. The human rights due diligence results confirmed that employees hold positive perceptions regarding the prohibition of forced/child labor, industrial health and safety standards and environmental rights protection. The findings indicated that employees place a significant value on compliance with labor conditions, prohibition of discrimination and harassment and the implementation of a comprehensive human rights management system. Based on the survey results, LS Mtron plans to implement a range of improvement measures, including enhancing the accessibility and anonymity of grievance processes and remediation procedures, to protect employees and other stakeholders from potential human rights violations. In addition, we will strengthen our human rights management training programs and awareness campaigns to enhance our governance capabilities, while continuously monitoring and improving our overall human rights management system through regular assessments and evaluations.

Human Rights Due Diligence Process

- STEP 1 Survey development →
- STEP 2 Implementation →
- STEP 3 Results analysis →
- STEP 4 Internal review →
- STEP 5 Disclosure of results

Establishment of Potential Human Rights Risk Management Framework

Through regular surveys and assessments conducted with employees and experts, we are committed to proactively identifying potential human rights risks, regularly verifying and enhancing our implementation of action plans and disclosing the results transparently, thereby securing employee and stakeholder satisfaction and trust while creating a virtuous cycle that incorporates diverse perspectives.

Human Rights Risk Management Framework

STEP 1 Human Rights Impact Assessment

Establish evaluation criteria that reflect the results of our human rights management survey, relevant regulations and current issues
Implement assessment with the participation of dedicated human rights management department

STEP 2 Development and Implementation of Improvement Measures

Identify potential human rights risks based on survey findings and impact assessment results and establish specific improvement measures and implementation plans to mitigate the identified risks

STEP 3 Human Rights Management Survey

Design survey targets and questions that reflect domestic and international regulations and current issues and provide survey through PC and mobile interface

STEP 4 Disclosure of Results (Sustainability Report)

Disclose human rights management status and activity results including human rights surveys, impact assessment outcomes and improvement achievements

Results of Human Rights Due Diligence

(out of 5)

Prohibition of forced/child labor	4.21
Employee health and safety	4.16
Compliance with working conditions	4.03
Protection of environmental rights	4.01
Right to freedom of association and collective bargaining	3.89
Human rights impact on business operations	3.87
Prevention of discrimination and harassment	3.68
Diversity and inclusion principles	3.60
Human rights management system	3.56
Grievance handling procedures	3.12
Overall score	3.81

INTRODUCTION
ESG SOLUTION
ESG PERFORMANCE
Environment
Social
Talent Management
Human Rights Management
Safety and Health
Sustainable Supply Chain Management
Social Contributions
Customer Value Creation
Information Protection
Governance
APPENDIX

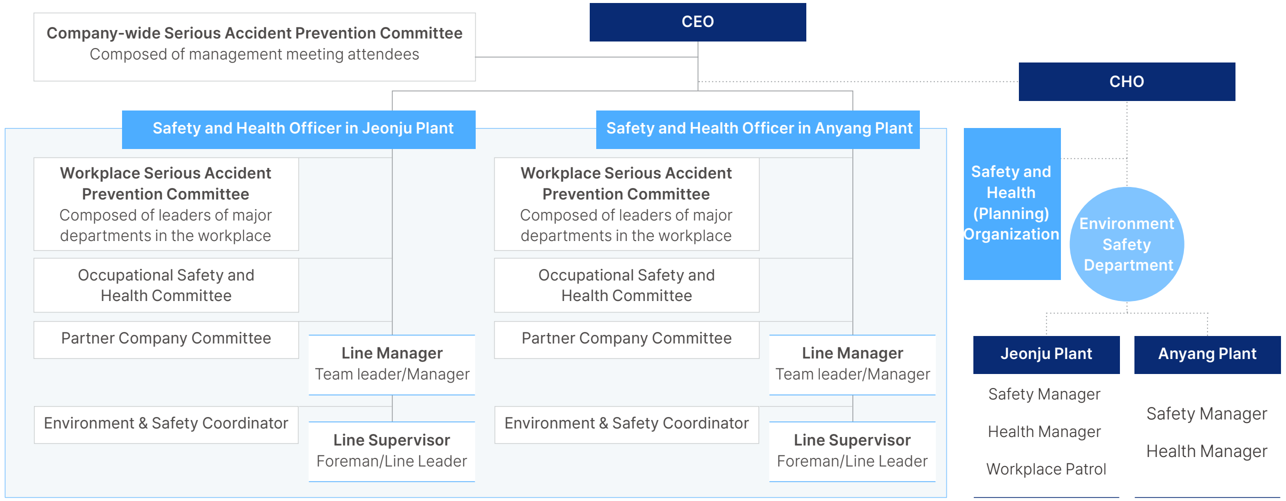
Safety and Health

Safety and Health Governance

Safety and Health Governance

LS Mtron has established and operates a safety and health management system that is under the leadership of the CEO, who serves as the Chief Safety and Health Management Officer and the CHO, who serves as the Chief Safety Officer. The two officers oversee dedicated safety and health management units throughout the organization. Each business site appoints a Safety and Health Manager, with the Environment & Safety Department exclusively responsible for managing safety and health operations at each location.

Safety and Health Governance


CEO
Company-wide Serious Accident Prevention Committee
Composed of management meeting attendees
CHO
Safety and Health Officer in Jeonju Plant
Workplace Serious Accident Prevention Committee
Composed of leaders of major departments in the workplace
Occupational Safety and Health Committee
Partner Company Committee
Environment & Safety Coordinator
Line Manager
Team leader/Manager
Line Supervisor
Foreman/Line Leader
Safety and Health Officer in Anyang Plant
Workplace Serious Accident Prevention Committee
Composed of leaders of major departments in the workplace
Occupational Safety and Health Committee
Partner Company Committee
Environment & Safety Coordinator
Line Manager
Team leader/Manager
Line Supervisor
Foreman/Line Leader
Safety and Health (Planning) Organization
Environment Safety Department
Jeonju Plant
Safety Manager
Health Manager
Workplace Patrol
Anyang Plant
Safety Manager
Health Manager

Operation of Serious Accident Prevention Committee

LS Mtron holds both company-wide and site-specific Serious Accident Prevention Committees quarterly as the highest decision-making bodies for safety and health. These committees deliberate on and resolve critical safety and health issues, enabling the Chief Safety and Health Officer to verify proper functioning of the safety and health management system. In these company-wide safety and health diagnostics, reports on regulatory compliance, accident risks and key safety issues are presented, followed by management reviews.

Occupational Safety and Health Committee

LS Mtron is committed to establishing a culture of workplace safety through active collaboration between management and labor. We facilitate a range of safety initiatives, including consultation on matters required by the Occupational Safety and Health Act, workplace improvement activities through joint labor-management inspections and safety awareness campaigns.

Safety and Health Management Framework

Safety and Health Management Policy

LS Mtron has established and implemented a Safety and Health Policy incorporating our management philosophy on safety and health across all business sites.

Safety and Health Policy

LS Mtron requires its employees and the employees of partner companies to observe five company-wide essential safety rules at all business sites to prevent accidents.

5 Company-wide Safety Rules

- Wear required personal protective equipment
- Use seat belts at all times
- Maintain safety devices properly
- No mobile phone use while walking
- Comply with waste sorting requirements

Safety and Health Management System

LS Mtron obtained OHSAS18001 certification in 2004 and transitioned to ISO45001 in 2025, which is currently implemented across all business locations. We have established expertise in system operation through our Environment & Safety Coordinator system, which assigns dedicated safety and health personnel in each department.

Safety and Health

Safety and Health Activities

Safety and Health Activities for Employees

Safety and Health Management Assessment Every quarter, we conduct departmental safety and health management assessments at each business site to assess our compliance with safety regulations and efforts to address hazardous risk factors. We aim to enhance the safety and health performance of each department through continuous improvement activities.

Safety Management of Hazardous Machinery For cranes, which pose the highest accident risk of all hazardous machinery, we conduct annual inspections on all cranes and hoists regardless of their capacity, in addition to the mandatory statutory safety inspections. We also strive to prevent forklift-related accidents by implementing a mandatory speed limit (5km/hr) and installing additional safety devices.

Company-wide Safety and Health Diagnosis We conduct company-wide evaluations of Serious Accidents Act implementation at least twice annually through both senior and operational management teams. These evaluations verify and improve safety and health management systems across all workplaces, with the results reported to executive management to ensure ongoing compliance with the Serious Accidents Act. We also provide safety and health technical support to subsidiaries upon request.

Digitalization of Risk Assessment To encourage employee participation in risk assessment, we have implemented a QR code-based system that enables the real-time registration of risk factors via mobile devices at any time or location, facilitating proactive hazard identification activities.

Improvement of High-Noise Processes We have achieved fundamental improvements by making capital investments in processes with excessive noise levels. By installing robotic automation and soundproof rooms, we have minimized worker exposure to noise, preventing occupational diseases.

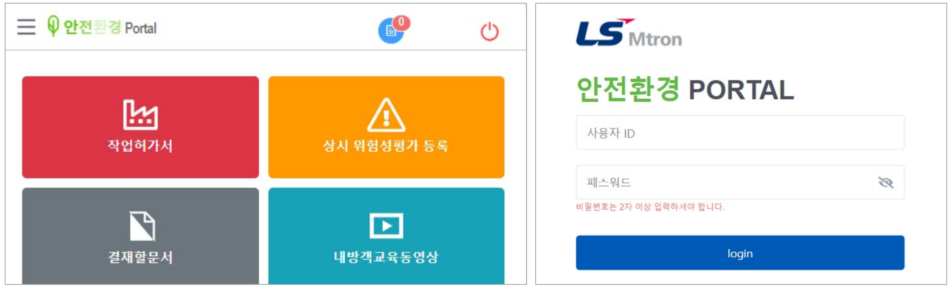
Operation of Safety and Health Suggestion System We have enhanced employee participation in safety improvements by establishing an independent safety and health suggestion system, separate from the previously integrated quality management system. This system is incorporated into our risk assessment process, promoting more active hazard identification activities.

Employee Safety and Health Training and Assessment We conduct safety training and health assessments during the recruitment process to prevent accidents and enhance safety awareness among new employees. For high-risk equipment such as overhead cranes, we have implemented an in-house operator qualification assessment system, granting operation qualifications only to personnel who successfully pass the evaluation. This comprehensive training and assessment framework is designed to elevate overall employee safety competency.

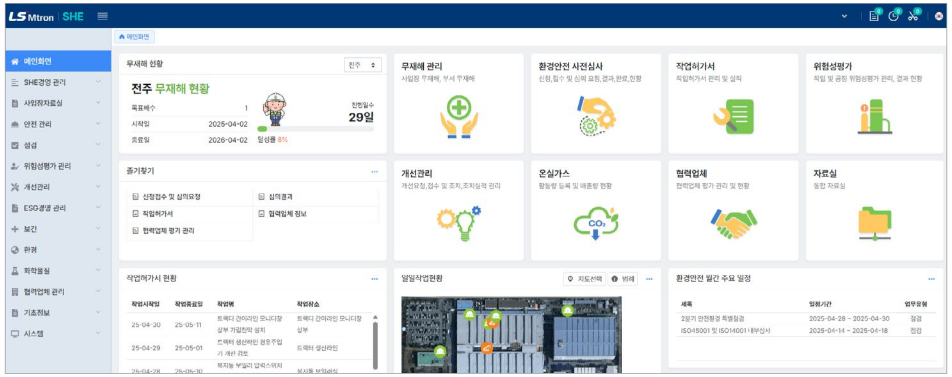
Establishment of New environmental Safety and Health System Reflecting the changing times, we have implemented a new digital system for efficient safety and health management, featuring computerized data management for environmental safety and health management systems and regulatory compliance, a user-friendly interface design and mobile accessibility. The system enhances the reliability of safety and health data while maximizing operational efficiency for employees handling environmental safety responsibilities.

Mobile Risk Assessment

Anyone, including primary contractors and all internal and external employees, can register risk factors via mobile devices. For any operational inquiries, please contact the Environment/Safety Team.



New Environmental Safety and Health system



Safety and Health

Safety and Health Activities

Safety Management Activities for External Stakeholders

Safety and Health Management of Partner Companies We continuously share safety and health information and conduct improvement activities through our monthly Partner Company Council meetings and quarterly joint inspections. We also support the establishment of autonomous safety management systems by our partner companies through providing safety and health management fees and participating in government-linked win-win cooperation projects with the Korea Occupational Safety and Health Agency. Our goal is to help our partner companies develop safety management systems comparable to those of prime contractors. In addition, we operate a reward program for partner companies that demonstrate excellence in safety management.

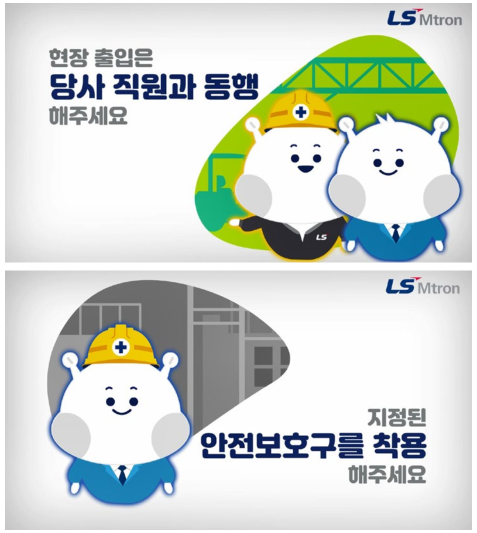
Partner Company Safety and Health Evaluation System We conduct pre- and post-assessments of in-house partner companies and subcontractors to select partners with strong safety and health capabilities. By improving the safety standards of all companies operating within our facilities, we strive to prevent safety incidents.

Serious Civic Accident Management LS Mtron has established a dedicated safety management plan to prevent serious public safety incidents at our public-use facilities and to enable a rapid response in the event of emergencies.Through this initiative, we have implemented effective safety inspection, maintenance, reinforcement and emergency response systems to safely manage and operate LS Mtron's public-use facilities. We work actively to ensure the safety of all personnel by communicating safety information to tenants, drivers of transport vehicles, trainees and general visitors.

Visitor Safety Education To enhance the safety of our visitors, we have developed video-based audiovisual educational materials, replacing the previous document-based approach. This improvement increases the effectiveness of education while providing greater convenience through the advance delivery of safety videos via text messaging.

Safety and health activities for employees and external stakeholders
「안전일터 조성의 날」 현장 점검
일자 : 2023. 10. 4.(수)
장소 : 엘에스엠트론(주)
LS Mtron
STOP DANGER
보행중 휴대폰 사용금지

Serious civic accident management activities


Visitor safety education video
LS Mtron
현장 출입은 당사 직원과 동행 해주세요
LS Mtron
지정된 안전보호구를 착용 해주세요

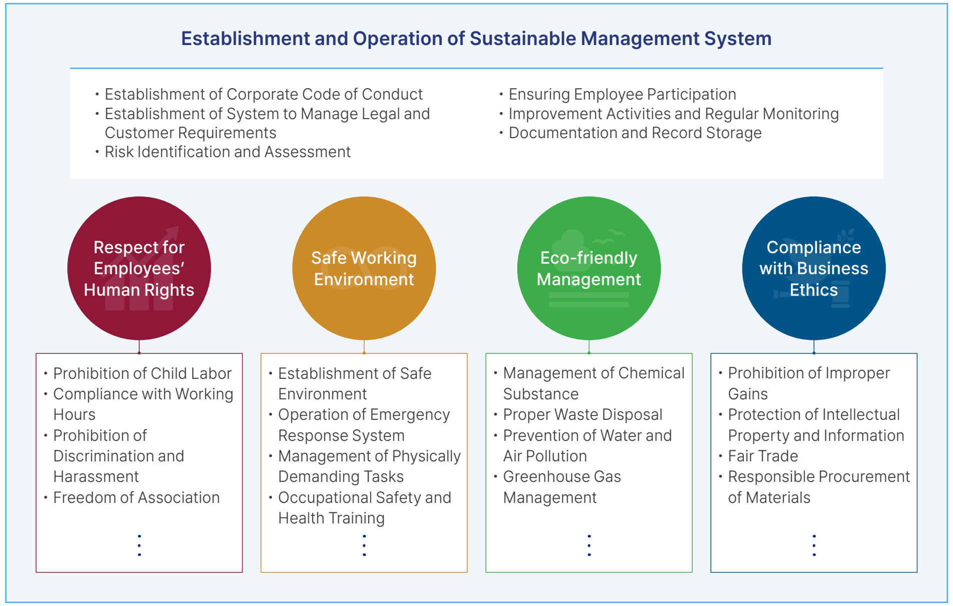
Sustainable Supply Chain Management

Supply Chain Sustainability Framework

Partner Company Code of Conduct

LS Mtron pursues mutual growth with partner companies while focusing on building a sustainable supply chain. Through this, we aim to embed sustainability into all activities with our partner companies and establish a foundation for mutual development. LS Mtron shares information on the principles of sustainability with its partner companies by publishing the Partner Company Code of Conduct through our integrated procurement system, which provides practical implementation guidelines.

Code of Conduct Requirements



Establishment and Operation of Sustainable Management System

- Establishment of Corporate Code of Conduct
- Establishment of System to Manage Legal and Customer Requirements
- Risk Identification and Assessment
- Ensuring Employee Participation
- Improvement Activities and Regular Monitoring
- Documentation and Record Storage

Respect for Employees' Human Rights

- Prohibition of Child Labor
- Compliance with Working Hours
- Prohibition of Discrimination and Harassment
- Freedom of Association

⋮

Safe Working Environment

- Establishment of Safe Environment
- Operation of Emergency Response System
- Management of Physically Demanding Tasks
- Occupational Safety and Health Training

⋮

Eco-friendly Management

- Management of Chemical Substance
- Proper Waste Disposal
- Prevention of Water and Air Pollution
- Greenhouse Gas Management

⋮

Compliance with Business Ethics

- Prohibition of Improper Gains
- Protection of Intellectual Property and Information
- Fair Trade
- Responsible Procurement of Materials

⋮

Green Purchasing Policy

LS Mtron is committed to implementing green purchasing practices that prioritize environmental sustainability. The full implementation scheduled for Q4 2025 will systematically track annual green purchasing performance, expand eco-friendly management practices and continue our practical efforts to minimize environmental impact.

Conflict Minerals Response Framework

LS Mtron has established a responsible response framework for addressing conflict minerals issues. We have developed a system for proposing and addressing concerns through our Internal Review Committee, and have incorporated the relevant provisions into our standard subcontracting agreements. Through these measures, we aim to minimize our risks associated with conflict minerals and maintain a sustainable supply chain.

Partner Company Selection and Evaluation Process

LS Mtron aims to achieve sustainable growth by building trust with our partner companies through a fair and transparent selection and evaluation process.

Partner Company Selection Process LS Mtron follows a reasonable and fair procedure for supplier selection. All partner companies are selected through a competitive bidding in accordance with our "Partner Company Selection Process." We maintain fairness and transparency through both open and restricted bidding methods.

Partner Company Evaluation Process Our evaluation and registration of partner companies is conducted through our internal integrated procurement system. Partner companies are assessed against rigorous predetermined criteria; only those that meet our evaluation standards are added to our Vendor Pool. This process ensures partner companies meet quality and sustainability requirements, enabling responsible supply chain management.

Actions Based on Partner Company Evaluation Results LS Mtron implements systematic measures based on evaluation results to enhance the quality of our collaborations. All evaluation results and histories are managed effectively through our integrated procurement system. Based on the evaluation results, we classify partner companies and take appropriate measures. For partner companies that receive conditional approval, we issue improvement requests and conduct a re-evaluation after one year to verify whether improvements have been implemented. Through this approach, LS Mtron continuously enhances the quality, performance and competitiveness of its partner companies.

Sustainable Supply Chain Management

Shared Growth with Partner Companies

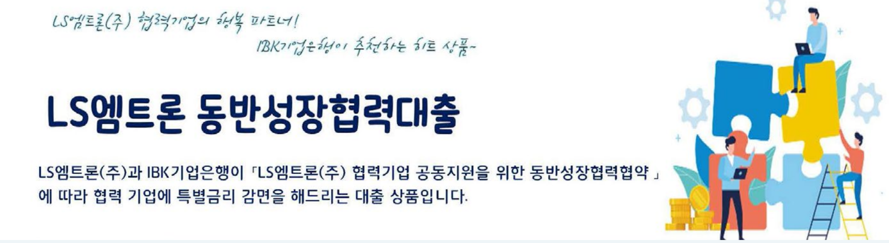
Shared Growth with Partner Companies

LS Mtron is committed to building a sustainable supply chain through shared growth with its partner companies. To achieve this goal, we implement various financial and non-financial support activities.

Financial Support Activities for Partner Companies

LS Mtron offers Shared Growth Cooperation Loans to support the stability and growth of our partner companies. Through this program, our partner companies can secure the funds they need to strengthen their management stability and expand their business opportunities.

	2022	2023	2024
Number of beneficiary companies	13	12	8
Support amount (KRW 1 million)	3,970	3,670	2,670



LS엠트론(주) 협력기업의 행복 파트너!
IBK기업은행이 추천하는 히트 상품~

LS엠트론 동반성장협력대출

LS엠트론(주)과 IBK기업은행이 「LS엠트론(주) 협력기업 공동지원을 위한 동반성장협력협약」에 따라 협력 기업에 특별금리 감면을 해드리는 대출 상품입니다.

Non-financial Support Activities for Partner Companies

LS Mtron carries out numerous non-financial support activities to strengthen ongoing partnerships with partner companies. We create opportunities for mutual communication through meetings with partner companies and training support programs. Through our M-partner event, which identifies and recognizes outstanding partner companies, and the LS CEO Forum, we acknowledge our partners' innovation and performance while promoting best practices throughout our supply chain.

	2022	2023	2024
Number of beneficiary companies	20	24	27
Support amount (KRW 1 million)	348	407	498

LS엠트론
LS Tractor
Partner's Day
LS partnership
2024. 12. 17 | LS엠트론 전주사업장 소통관

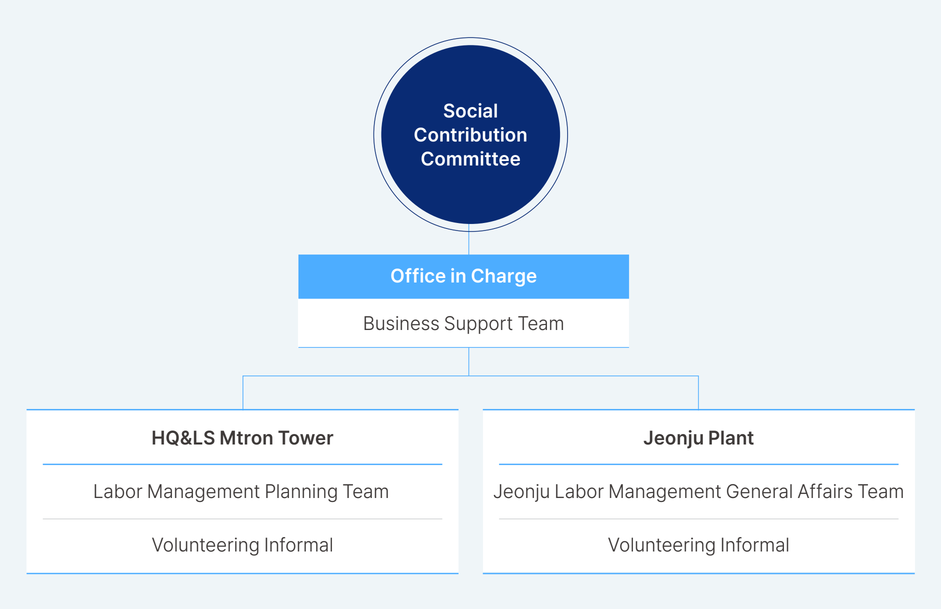
Future Center
2024 LS 협력사 CEO Forum
2024.10.10(木)

Social Contributions

Promotion of Social Contributions

Social Contribution Organization and Reporting Framework

LS Mtron pursues various social contribution initiatives, with key decisions made by the Social Contribution Committee chaired by the CEO.



Social Contribution Committee

Office in Charge

Business Support Team

HQ&LS Mtron Tower	**Jeonju Plant**
Labor Management Planning Team	Jeonju Labor Management General Affairs Team
Volunteering Informal	Volunteering Informal

Social Contribution Strategy

LS Mtron applies an ESG management philosophy that is based on the LS Group's management philosophy, LSpartnership. We are committed to fulfilling our corporate social responsibility and actively promote social contribution activities that foster coexistence and shared prosperity with local communities. We operate various volunteer programs at the corporate level while encouraging and supporting employees' voluntary participation. Moving forward, LS Mtron will continue to be a company that contributes to society and will cultivate an organizational culture dedicated to serving local communities.

Social Contribution Goals and Community Engagement Policy

In our social contribution activities, LS Mtron emphasizes three core principles: Beneficiary-centered, Sincerity and Sustainability. We actively promote several key initiatives: the Spread Hope School Program for underprivileged children in local communities, Volunteers for Loving the Rural Community supporting elderly and people with disabilities in rural areas and informal volunteer activities in each regional location. In addition, to fulfill our responsibilities as a global corporate citizen, we provide diverse educational opportunities for Vietnamese children through our Happy Global Volunteers, which sends employee volunteers to Vietnam.

Social Contribution

Social Contribution Activities

Local Community Welfare Business

We share warmth with our local communities

- Donating to Community Chest of Korea
- Developing support projects for vulnerable social groups (provide kimchi-making support for disability welfare centers near business sites during winter, etc.)
- Donating employee "Ussuri" funds and flea market proceeds

Volunteers for Loving the Rural Community

We revitalize aging rural communities

- Operating "Volunteers for Loving the Rural Community" program (supporting elderly who live alone and people with disabilities in rural areas)
- Providing free inspection of agricultural machinery, improving living environments, offering beauty services, capturing longevity photo sessions, serving meals, etc

Hope Seed School

We build dreams for children in need

- Providing education opportunities to marginalized children in local communities in cooperation with local children's centers and welfare institutions
- Supporting science classes, cultural classes, arts and physical activities, etc.

LS Mtron Volunteers (Volunteering Informal)

We lend a helping hand together with our colleagues

- Forming informal volunteer groups within areas near business sites
- Organizing picnic volunteer activities and donating goods (Anyang)
- Arranging children's movie day, BBQ parties, etc. (Jeonju)

M-Plogging Day

We create a sustainable environment for future generations

- Operating local environmental protection activities
- Supporting voluntary environmental improvement efforts by employees, such as plogging

Happy Global Volunteers

We send hope and love around the world

- Implementing an employee volunteer program in Vietnam
- Visiting Vietnamese elementary schools and conducting education based on various curricula
- Providing educational equipment such as computers and desks

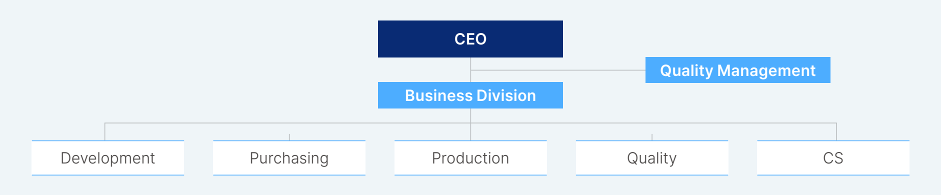
Customer Value Creation

Quality Management Framework

Quality Management Operation Framework

LS Mtron has established a quality organization that enables processes to be carried out as planned to achieve results in accordance with our quality management system. We clearly define responsibilities and roles to demonstrate comprehensive quality management, including customer-centered management and preventive activities to minimize risks to quality.

Quality Management Governance


CEO
Quality Management
Business Division
Development
Purchasing
Production
Quality
CS

Quality Policy

LS Mtron has established and operates a quality policy that aims to improve customers' quality consciousness and expectations, diversify requirements for products and services, secure product reliability, increase corporate social responsibility for quality and manage the potential impact of quality issues. All employees actively participate in related activities based on the company's quality policy and strive to achieve customer satisfaction.

LS Mtron Quality Policy

All employees shall prioritize creating customer value and providing products and services that deliver trust and satisfaction through continuous quality innovation. To implement this quality policy, all employees must faithfully fulfill the following responsibilities and obligations.

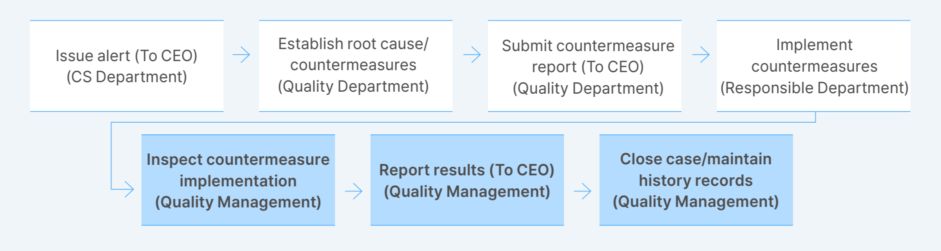
- Listen to customers and think from their perspective.
- See the field and make decisions based on data.
- Achieve the best result via detailed review and quick action.
- Adhere to principles and fundamentals, and standardize lessons learned.
- Thoroughly analyze the cause of the issue and prevent it from recurring.
- Communicate and collaborate to collectively improve quality.

To ensure the effective implementation of the quality policy, the Head of the Quality Management Department and the Head of the Quality Assurance Department shall maintain organizational independence from cost and delivery constraints. They shall have the responsibility and authority to maintain and improve the quality management system.

Customer Grievance Handling Process

In cases where customers are not satisfied with a product or service, or a clear defect is anticipated, we issue alerts and carry out improvement activities according to our major customer complaint process.

Major Customer Grievance Handling Process


Issue alert (To CEO) (CS Department)
Establish root cause/ countermeasures (Quality Department)
Submit countermeasure report (To CEO) (Quality Department)
Implement countermeasures (Responsible Department)
Inspect countermeasure implementation (Quality Management)
Report results (To CEO) (Quality Management)
Close case/maintain history records (Quality Management)

Quality Management System Certification

LS Mtron has acquired, renewed and maintained ISO9001 (Quality Management System) certification for our domestic and overseas business sites to ensure the reliability and stability of our products and services.
By applying our enhanced quality management system, we continuously practice company-wide quality management to meet customer expectations.

Customer Value Creation

Quality Management Activities

Internal Quality Audit and Evaluation System

We conduct annual internal audits and quantified quality evaluations across the entire Quality Chain to maintain stable quality and management standards. Through this process, we determine conformity with the quality management system (ISO9001:2015) and quality standards and proactively verify that requirements are being effectively implemented and maintained, pursuing an overall higher level of quality standardization.

Internal Quality Audit and Evaluation Process

Development Quality	Partner Company Quality	Component Quality	Process Quality	Shipment Quality	Customer Quality
• Development review/ management • Design guidelines • Initial flow management	• Partner company selection/evaluation • Partner company guidance • 4M change management	• Inspection operation/ management • Corrective action for nonconformities • Calibration management	• Standard work compliance • Process self-inspection • Equipment management	• Inspection operation/ management • Product reliability • Packaging management	• Before Service • Customer grievance management • Service lead time

Promotion of Workplace Innovative Activities

We have organized 33 quality circles to drive quality and production innovation at our manufacturing sites, conducting quality circle theme improvements, suggestion activities and 3C and 5S. Each year, we hold a company-wide quality circle performance sharing conference at which outstanding workplace innovation initiatives are showcased and recognized with awards.

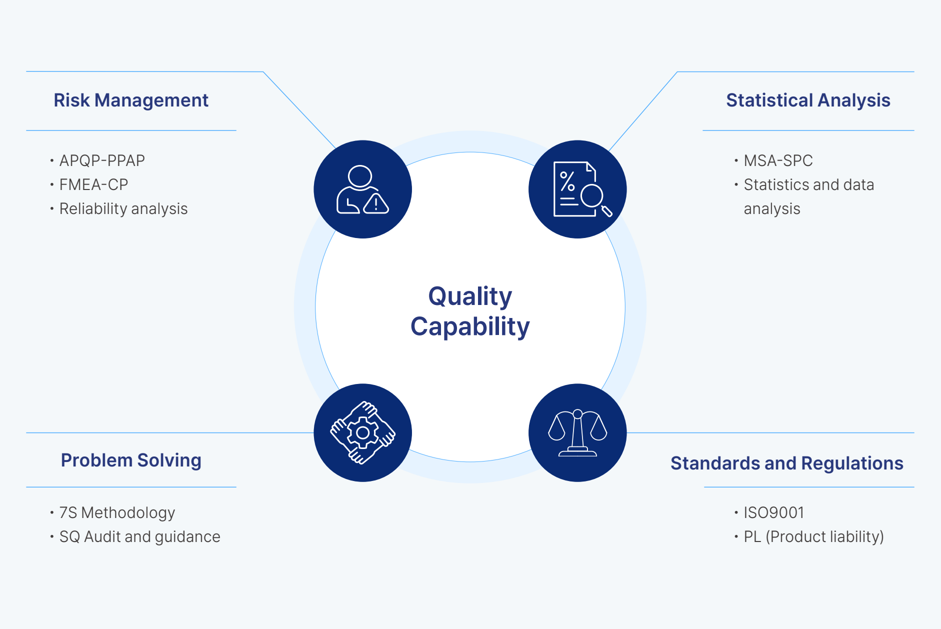
Promotion of Workplace Innovative Activities	Details
Quality circle activities	Themes are selected by category such as quality, cost, delivery and safety to enhance workplace competitiveness and induce a change in mindset among employees, serving as a catalyst for problem-solving and developing an active organizational culture at production sites.
Suggestion activities	A system in which employees propose improvement measures for issues identified during job performance at production sites, resulting in 6,774 improvements.
3C and 5S1)	A workplace improvement culture that aims for a "premium workplace" through adherence to basic values such as quality and safety.

1) Correct Product, Correct Quantity, Correct Location & Sort, Set in order, Shine, Standardize, Sustain

Quality Training

LS Mtron conducts regular quality training for general job groups to recognize the importance of quality company-wide and foster quality capabilities and culture. We have selected critical areas related to quality capability improvement for all personnel in quality departments and indirect quality departments (Development/Purchasing/Production/Production Engineering/CS/Testing) and provide carefully selected essential courses for each area.

Quality Training Courses



Risk Management
- APQP-PPAP
- FMEA-CP
- Reliability analysis

Statistical Analysis
- MSA-SPC
- Statistics and data analysis

Problem Solving
- 7S Methodology
- SQ Audit and guidance

Standards and Regulations
- ISO9001
- PL (Product liability)

Customer Value Creation

Quality Management Activities

Product Hazardous Substances Management

Management of Parts Material Information LS Mtron's Tractor Division receives material information for parts supplied from partner companies through LS chemical management system(LCMS[1]). Based on the collected data, we manage our compliance with hazardous substance regulations such as the EU's REACH[2] and the US TSCA[3], and are working to improve our products with eco-friendly materials.

1) LCMS : LS Mtron Chemical Management System
2) REACH : Registration, Evaluation, Authorisation and Restriction of Chemicals
3) TSCA : Toxic Substances Control Act

Partner Company Regulatory Training We conduct regulatory training for partner companies to support their efforts to strengthen their regulatory response capabilities. In addition to LCMS system training, we provide information on the latest regulatory trends and offer guidance to help partner companies establish their own management systems. With the initial implementation of the LCMS in 2022, training was provided to all partner companies. Subsequently, additional training has been conducted for key management targets, new partners and those requesting further training. Going forward, we plan to expand the scope of training to cover not only the management of hazardous chemicals in products but also regulations related to products and will provide this training to all partner companies.

Hazardous Substance Training for Partner Companies

2022	2023	2024
179 companies	78 companies	41 companies
(222 persons)	(90 persons)	(59 persons)

LS chemical management system

LS Mtron 물질정보통합관리시스템 (LCMS)

Regulation training for partner companies

Customer Satisfaction Strategy

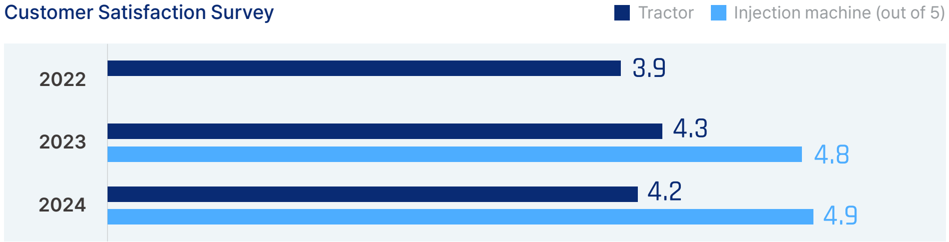
LS Mtron has established a customer satisfaction strategy around the following mission statement: "LS Mtron, the customer's choice with customer-centered services."

CS Vision	LS Mtron, the customer's choice with customer-centered services		
Implementation Strategy	Building a customer-centered culture	Strengthening customer communication channels	Continuous improvement based on customer
Implementation Initiatives	**Employee customer experience activities** Agricultural cultivation activities with tractors	**Operation of new media channels** Strengthening customer communication with social media	**Customer satisfaction surveys** Collecting dealer/customer feedback (VoC)
	Customer-oriented company slogan "Customer choice determines our survival"	**Strengthening customer contact points** Operation of Tractor Central Mega Center	**Continuous improvement and feedback** Operating VoC-based CS improvement tasks

Activities for Customer Satisfaction Improvement

LS Mtron prioritizes customers in all aspects of our corporate management and strives to be proactive in achieving customer satisfaction. We deliver not only After-Sales Service such as free on-site clinics, but also provide proactive service by visiting customers to ensure their satisfaction. In addition, we operate various online and offline channels to gather Voice of the customer(Voc) and incorporate it into our corporate management practices.

Customer Satisfaction Survey



Information Protection

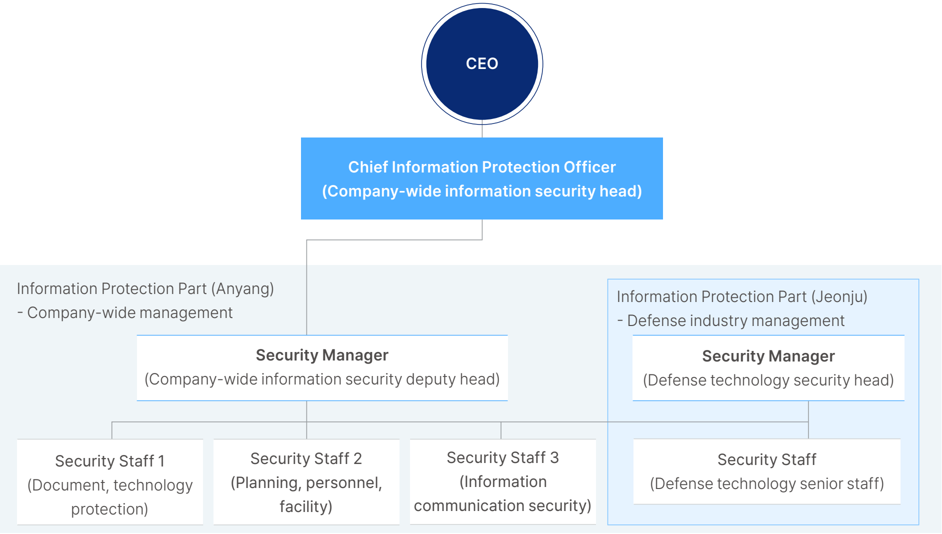
Information Protection Management Framework

Information Protection Organization

LS Mtron has appointed a Chief Information Security Officer (CISO) as required by law to strengthen our responsibilities and roles around information protection. We have established a dedicated organization to operate and manage a systematic information security management system.

Information Protection Reporting and Cooperation Framework

Under the leadership of the CISO, the Information protection part serves as the central security department, establishing company-wide security policies, planning security activities and functioning as the control tower for all administrative, technical and physical security measures. In particular, considering our involvement in the defense industry, we maintain a dedicated defense security organization operating in accordance with the Defense Industry Security Work Directive. We protect technologies through organic collaboration with R&D centers across business divisions handling national core technologies. Security issues and agenda items are reviewed through the Information Security Practices Committee, with matters subsequently discussed, actioned and advanced through the regular Information Security Committee meetings. These systematic activities ensure business continuity while serving as the cornerstone for preventing leakage of nationally important industrial technologies.


CEO
Chief Information Protection Officer
(Company-wide information security head)
Information Protection Part (Anyang)
- Company-wide management
Security Manager
(Company-wide information security deputy head)
Security Staff 1
(Document, technology protection)
Security Staff 2
(Planning, personnel, facility)
Security Staff 3
(Information communication security)
Information Protection Part (Jeonju)
- Defense industry management
Security Manager
(Defense technology security head)
Security Staff
(Defense technology senior staff)

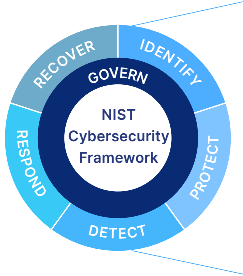
Information Protection Management Framework

LS Mtron's Information Protection policies are rooted in compliance with various regulations including the Defense Industry Security Work Directive and industrial security standards. We identify and respond to security threats through continuous risk management, while operating robust security policies and procedures to protect core information assets such as trade secrets, industrial technology, personal information and related systems. In addition, we continuously strengthen our security training and preventive measures to enhance the security awareness of all employees and prevent technology leakage.

Information Protection Management Process

Based on LS Mtron's unique Cyber Security Framework (CSF), our information protection management processes function through organic integration. Applying security policies that prioritize our organizational context, we systematically identify information assets, including IT systems, operational technology and personal data, assess associated risks and implement continuous improvement measures. We apply and enhance various administrative, technical and physical measures to prevent identified threats from evolving into risks. In addition, we operate management systems and processes for continuous analysis and monitoring, as well as incident management and rapid recovery.

NIST-based LSM CSF


NIST
Cybersecurity
Framework
GOVERN
IDENTIFY
PROTECT
DETECT
RESPOND
RECOVER

GOVERN	Organizational context, Risk management strategy, Security roles and responsibilities, Security policies, Security audits, Partner risk management
IDENTIFY	Asset management, Risk management, Improvement
PROTECT	User access control, Security awareness training, Platform protection, Infrastructure protection/restoration
DETECT	Continuous security monitoring, Security event analysis
RESPOND	Incident management, Incident analysis, Reporting and communication, Incident mitigation
RECOVER	Incident response execution, Incident recovery verification, Communication, Post-incident actions

Information Security System Certification

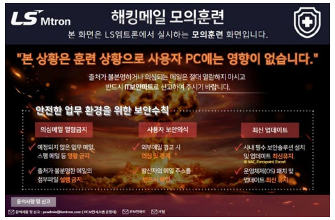
To address the growing number of increasingly sophisticated cyber threats and meet global information security requirements, we are pursuing ISO 27001 (Information Security Management System) certification, with the goal of obtaining it in 2025. We are continuously advancing our Operational Technology (OT; including production and process network security) activities to align with group standards, while also targeting CSMS certification to comply with the EU Cyber Resilience Act (CRA).

Information Protection

Information Protection Activities

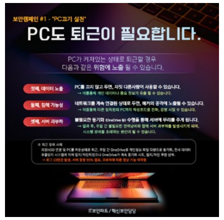
Information Protection Training

LS Mtron conducts regular security training through various channels to enhance company-wide security awareness. We alternate between online and offline training biannually, encouraging all employees, partner companies and overseas subsidiaries to internalize an awareness of security. These efforts are reinforced through ongoing security campaigns. We have institutionalized various measures to heighten our security awareness, including issuing CEO-signed warning letters to individuals who fail the phishing email simulation drill three or more times, followed by mandatory offline security training.

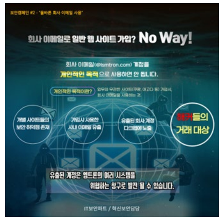


해킹메일 모의훈련
본 화면은 LS엠트론에서 실시하는 모의훈련 화면입니다.
"본 상황은 훈련 상황으로 사용자 PC에는 영향이 없습니다."
출처가 불분명하거나 의심되는 메일은 절대 열람하지 마시고
반드시 IT보안파트로 신고하여 주시기 바랍니다.
안전한 업무 환경을 위한 보안수칙
의심메일 열람금지
✓ 예정되지 않은 업무 메일, 스팸 메일 등 열람 금지.
✓ 출처가 불분명한 메일의 첨부파일 실행 금지.
사용자 보안의식
✓ 외부메일 경고 시 의심 및 경계
발신자의 메일 주소를 반드시 확인
최신 업데이트
✓ 사내 필수 보안솔루션 설치 및 업데이트 최신유지.
✓ 운영체제(OS) 패치 및 업데이트 최신 유지.
문의사항 및 신고

2024년도
보안교육
시행안내
12/4 (수) ~ 20(금)
"정보보안 - 사고사례를 중심으로"



보안캠페인 #1 - 'PC끄기 실천'
PC도 퇴근이 필요합니다.
PC가 켜져있는 상태로 퇴근할 경우
다음과 같은 위험에 노출 될 수 있습니다.
첫째, 데이터 노출
둘째, 침해 가능성
셋째, 서버 과부하
IT보안파트 / 혁신보안담당



회사 이메일로 일반 웹 사이트 가입? No Way!
회사 이메일(@lsmtron.com) 계정을
개인적인 목적으로 사용하면 안 됩니다.
유출된 계정은 엠트론의 여러 시스템을
위협하는 창구로 발전 될 수 있습니다.
IT보안파트 / 혁신보안담당

Information Protection Investment

To address the increasingly sophisticated cyber threats, LS Mtron continuously enhances its company-wide security management system. Through sustained investment, we implement various solutions for detecting and blocking personal information leakage, responding to behavior-based threats and collecting and analyzing integrated logs. Going forward, we plan to expand our investment in Operational Technology (OT) to address industrial security risks and evolve toward a more secure manufacturing environment.

PHASE 1	PHASE 2	PHASE 3
Implement Hot-Fix Measures / Establish OT Security Foundation	Implement Hot-Fix Measures / Establish OT Security Foundation	Enhance Security through OT Protection Technologies
Apply security measures to malware-infected assets	Implement physical segregation of OT networks and establish IDMZ	Establish OT network security monitoring framework
Restructure OT network IP address scheme	Configure secure connections between IT and OT networks	Secure OT infrastructure availability and safety
Conduct OT security awareness activities	Deploy access control systems for remote connections to OT networks	Implement detailed network segregation for each manufacturing process

Information Protection Risk Management

Establishment and Operation of Incident Response System

With the Group Security Strategy Team at the center, all affiliate companies communicate organically through the Group Security Steering Committee. This serves as the foundation for a smooth coordination system for both routine security operations and emergency incident response. We have established internal incident response processes with regular drills to prepare for various security incidents and system failures, which are operated and managed through the company-wide Information Security Steering Committee. In addition, we have built collaborative relationships with government agencies to strengthen our response capabilities in the event of security incidents.

Establishment of Security Incident Log Analysis and Continuous Monitoring System

LS Mtron operates a continuous monitoring system that enables real-time analysis of logs related to security events and anomalies, allowing for a prompt response in the event of a threat.

Operation of Information Security Risk Assessment and Inspection System

LS Mtron systematically identifies and analyzes information security risks at least once a year and conducts regular security inspections of key systems to address vulnerabilities, such as web and infrastructure vulnerability assessments.

Security Risk Assessment System for Partner Companies and External Personnel

LS Mtron strictly controls system access by partner companies and external personnel and applies a security risk management system that includes advance security agreements, minimization of access privileges and activity monitoring.

Personal Information Protection Training

All employees (personal information processors) complete mandatory annual personal information protection training as required by law. In 2024, we received zero improvement requests or complaints related to personal information protection from regulatory agencies or data subjects. We continuously monitor to ensure our compliance with the rapidly evolving Personal Information Protection Act while enhancing our systems and management framework. Going forward, we aim to further strengthen our personal information protection management system to better safeguard the personal information of our employees, customers and stakeholders.

Sound Management for Stakeholders

Governance

50 Sound Governance
51 Ethical and Compliance Management
53 Risk Management

Sound Governance

Shareholder Structure

Shareholder Structure

LS Mtron strives to maximize shareholder value by carefully considering the opinions of our major shareholders. LS Co., Ltd. serves as the major shareholder and exercises its rights within the boundaries defined by applicable laws and regulations.

Shareholder Name	LS Co., Ltd
Ownership Percentage	100%
Number of Shares	9,000,000 shares

Shareholder Value Enhancement

Dividends are distributed through resolutions of the Board of Directors and shareholder meeting in accordance with the company's Articles of Incorporation. Within the distributable profit range, decisions on dividends are made considering the investment needed for sustainable company growth, shareholder value enhancement and the prevailing business environment. Based on 2023 performance, we approved a cash dividend of KRW 2,799 million at the 2024 shareholders' meeting.

Board of Directors

Board Composition

LS Mtron's Board of Directors consists of two executive directors and one independent director. Each director makes decisions based on their duty of loyalty in accordance with the Commercial Act and the company's Articles of Incorporation, pursuing the enhancement of stakeholder benefits, including shareholders.

Board of Directors Operation and Remuneration

LS Mtron complies with the Commercial Act of the Republic of Korea and holds regular Board of Directors meetings according to the annual operating plan. Special board meetings are held when necessary to resolve important matters. In 2024, we held six board meetings, reviewing and resolving on a total of 29 resolution items and 4 reporting items through our professional governance process. Directors are remunerated within the total compensation limit approved by the shareholders' meeting. The compensation limit approved by the 2024 Annual General Meeting is KRW 4 billion. In addition, individual compensation of directors and auditors in excess of KRW 500 million is disclosed in the business report, in accordance with the relevant regulations.

Board of Directors

(As of April 2025)

Category	Name	Gender	Date of Appointment (Term)	Relevant Experience	Position	Board Chair
Executive Director	Chai-Ho Shin	Male	2025.04 (2028.03)	Formerly) CFO of Homeplus Formerly) Co-CEO of GeneChem Currently) CEO of LS Mtron	LS Mtron	
	Myoung-Ho Park	Male	2023.12 (2026.03)	Formerly) Head of Corporate Support Division (Senior Vice President) Currently) Head of Corporate Support Group (Executive Vice President)	LS Mtron	
Independent Director	Ja-Eun Koo	Male	2024.04 (2027.03)	Formerly) CEO of LS Cable & System Formerly) President of LS Mtron Currently) President of LS Group	LS Co., Ltd	●

Board Skills Grid

Category	Leadership	CEO Experience	Risk Management	Finance/Accounting	Policy/Administration	Industrial Expertise
Ja-Eun Koo (Independent Director)	●	●	●		●	●
Chai-Ho Shin (Executive Director)	●	●	●	●	●	●
Myoung-Ho Park (Executive Director)	●		●		●	●

Board of Directors Operation

Category	2022	2023	2024
No. of meetings held	12 meetings	10 meetings	6 meetings
Resolution	26 cases	26 cases	29 cases
Reported	2 cases	2 cases	4 cases
Average participation rate	100%	100%	100%

Ethical and Compliance Management

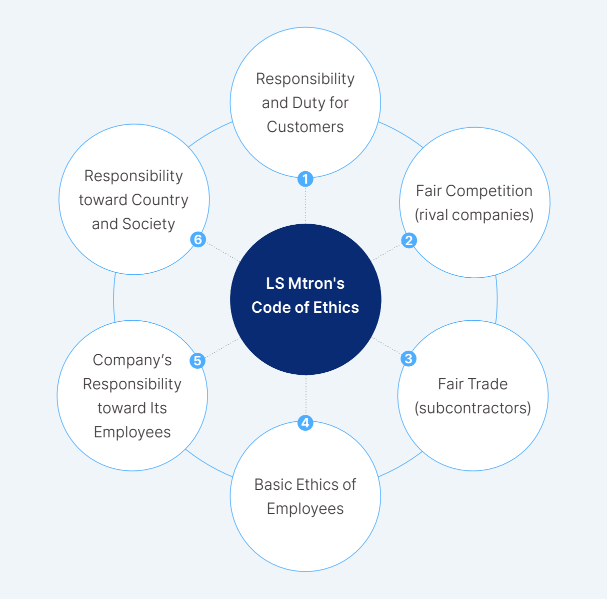
Ethical Management

For LS Mtron, the most critical of the key factors for our outcomes is integrity, which is why we adhere to the principles and basics of transparency and rational operation of all our businesses. We have established our ethical management system to help every employee apply corporate ethics in their everyday routine tasks.

Ethical Management Organization and Reporting Framework

LS Mtron's Internal Audit & Consulting Team strengthens ethical management by evaluating compliance with ethical practices in audited departments and providing training to employees on the Code of Ethics and implementation guidelines to minimize potential risks.

LS Mtron's Code of Ethics


Responsibility and Duty for Customers
①
Fair Competition (rival companies)
②
Fair Trade (subcontractors)
③
Basic Ethics of Employees
④
Company's Responsibility toward Its Employees
⑤
Responsibility toward Country and Society
⑥
LS Mtron's Code of Ethics

Ethical Management System

LS Mtron's ethical management system consists of the Code of Ethics, Practical Guidelines and practice systems to conduct systematic ethical management activities.

Code of Ethics Based on integrity, which is the underlying foundation of the LS management philosophy, we maintain the Code of Ethics and apply the guidelines for upstanding actions and values for every employee of the company, in our pursuit of active implementation and sustainable development.

Ethical Management Practice Guidelines LS Mtron has established the Code of Ethics Practice Guidelines to strengthen the ethical decision-making and behavioral principles for all members. All employees adhere to these guidelines when engaged in company business. The Ethical Management Practice Guidelines stipulate all necessary matters related to the "LS Code of Ethics," including regulations on gifts, entertainment, hospitality, convenience fees and reporting procedures.

Ethical Management Practice

Ethics Office

- Available for employees facing ethical dilemmas
- Provides consultation regarding general ethical knowledge, interpretation and application of the Code of Ethics and ethical conflicts related to job duties
- Maintains the confidentiality of all consultations

Morally Clean Company System

- Voluntary reporting system when employees unavoidably receive inappropriate gifts or entertainment
- Reporting methods include the submission of a form, by telephone and by E-mail
- For returnable items, explain ethical management principles before returning
- For non-returnable items, donate to social welfare facilities or religious organizations

Cyber Ethics Hotline

- Communication channel that is accessible to all stakeholders, including employees, customers and partner companies
- Ensuring thorough whistleblower protection

Report and Reward System

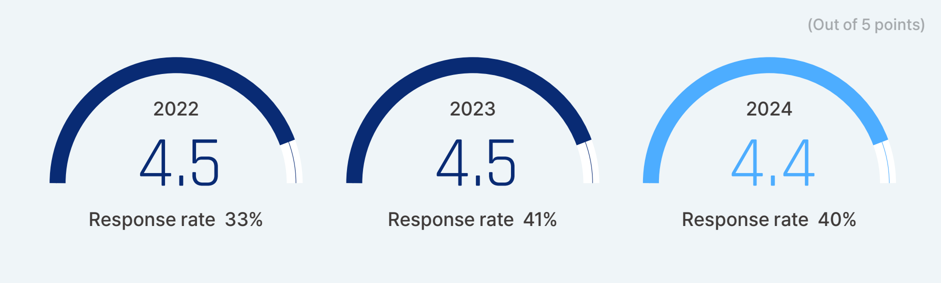
- Reward system for reporting of corrupt practices by oneself or others to foster a healthy organizational culture
- Proactively preventing ethical risks

Ethical and Compliance Management

Ethical Management

Ethical Management Activities

Ethics Survey for Partner Companies LS Mtron conducts annual ethics assessments to evaluate the ethical standards of our partner companies and identify areas for improvement and incorporates their findings into future ethical management activities. We conduct anonymous surveys with our partner companies regarding satisfaction with our ethical management practices, employee ethical standards and fair business operations. We utilize these evaluation results to enhance our ethical management training and promotional activities, thereby strengthening our implementation of ethical management.



Ethical Management Pledge Domestic partner companies establishing new contracts with LS Mtron must sign the Ethical Management Pledge, a commitment to comply with ethical management principles. We attach the Ethical Management Pledge to new partner company contracts to encourage ethical management practices. In addition, we work to establish transparent business processes by requiring all new employees to sign an ethical management pledge. We also post notices on our integrated purchasing system and internal bulletin boards each year before major holidays that remind employees of the need to ensure ethical management.

Ethics Management Training LS Mtron provides ethics training to expatriate staff and new employees. To prevent Code of Ethics violations by expatriates, we provide them with training on ethical management concepts and examples of code violations. For new employees, we introduce the Code of Ethics and Practice Guidelines, Ethical Management Practice Systems and case studies of ethical management violations.

Compliance Management

Compliance Management Organization and Reporting Framework

In January 2023, LS Mtron introduced Compliance Management Operating Regulations (Compliance Control Standards) to proactively address compliance risks arising from changes in internal and external environments. We have also designated compliance officers and compliance managers for each team to establish and operate a self-inspection system.

Compliance Management System

LS Mtron systematically manages and addresses compliance-related issues through a process of risk identification and assessment, implementation of improvements, evaluation of effectiveness and reporting to the CEO and Pre-Discussion Council. We have also introduced a fair-trade compliance framework based on our compliance management process and plan to operationalize it in the future.

Internalization of Compliance Management

Establishment of Compliance Management Declaration LS Mtron has established a Compliance Management Declaration as the first step toward firmly embedding a culture of compliance by providing guidelines that can serve as principles and standards for employees in their duties and enhancing compliance awareness through regular training. In addition, we collect compliance management pledges from employees to strengthen their commitment to compliance practices.

Compliance Management Training LS Mtron conducts a range of compliance training programs to help employees to proactively identify compliance-related risks and improve their ability to respond appropriately to different situations. In 2024, we conducted training on the Fair Agency Transaction Act and Fair Transactions in Subcontracting Act, key laws that are relevant to LS Mtron, as well as security training for personnel handling national core technologies. We also include compliance management content in the orientation training for new employees every year.

Risk Management

Risk Management Framework

Company-wide Risk Management

LS Mtron aims to establish a new company-wide risk management system by completely revamping our existing company-wide risk management framework. Through this initiative, we are strengthening our ability to identify and respond to risks, while further enhancing our corporate stability and sustainability.

Internal Control over Financial Reporting (ICFR)

LS Mtron places the highest priority on ensuring the transparency and reliability of financial information. To this end, we have implemented and are operating an ICFR system. We have formed a dedicated organization to systematically manage the internal accounting control system, with regular evaluations conducted each fiscal year. Our framework includes procedures to verify the adequacy of control environment design and operation, with the results of these evaluations reported to the Board of Directors, auditors and the general shareholders' meeting. Improvements identified during the evaluation process are implemented in consultation with the relevant departments, as part of a continuous effort to enhance the reliability and effectiveness of our internal controls.

Management of Key Internal Accounting Risks LS Mtron recognizes financial reporting errors, legal non-compliance and operational inefficiency as primary categories of internal accounting risks To minimize these risks, LS Mtron implements a number of different measures, which include strengthening our risk assessment frameworks, automating our internal accounting systems, operating capability enhancement programs for key personnel and improving communication with our stakeholders.

Financial Reporting Errors	Legal Non-compliance	Operational Inefficiency
Potential distortion of financial information due to deficiencies in internal controls	Potential violations of accounting and audit-related regulations	Reduction in the effectiveness of the internal accounting control system

Tax Strategy

LS Mtron recognizes that tax law compliance and tax risk management significantly contribute to stakeholder interests and are essential elements of sustainable management. We conduct transparent and diligent tax filing and payment in accordance with domestic and international regulations in all countries in which we operate. We proactively identify and manage our tax-related risks to ensure thorough compliance with both our social responsibility in taxation and all applicable laws and regulations.

Tax Management Principles LS Mtron adheres to the following principles, while strictly complying with all related laws and regulatory frameworks:

Compliance with tax laws and international regulations
We comply with the tax laws and regulations in each country where we do business, fulfilling our tax filing and payment obligations in good faith. We also strive to faithfully comply with international tax regulations.

Tax risk management
We conduct regular reviews on various tax issues that may arise from major business activities, continuously monitoring changes in tax-related regulations and policies in order to proactively identify and manage the associated risks.

Responsible tax Practices
LS Mtron faithfully fulfills its tax obligations through legitimate international transactions. We do not consider transactions or tax structures lacking commercial substance, such as utilizing tax havens or transferring profits to low-tax jurisdictions for the purpose of improperly reducing our tax obligations.

Building trust with tax authorities
We strive to establish constructive and cooperative relationships with the tax authorities based on mutual trust and respect.

Compliance with the Arm's Length Principle LS Mtron establishes and continuously monitors transfer pricing policies based on OECD guidelines to ensure that transactions with overseas related parties are conducted at arm's length and prevent tax issues from arising. Based on the arm's length principle, LS Mtron thoroughly identifies the details of transactions between overseas subsidiaries and calculates transfer prices to ensure taxable income is allocated consistently with the value created in each country where we conduct business activities. To this end, each overseas subsidiary works closely with local tax experts and tax authorities to proactively identify and share information, preventing potential transfer pricing issues and mitigating possible risks before they materialize.

Donut Chart
Comparison of Units Sold by Year
Column Chart
Stacked Column
Area Chart

Appendix

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70 UN SDGs Index
71 Certifications and Awards
73 Independent Assurance Statement

Financial Performance

Financial Performance

Consolidated Statement of Financial Position

(Unit: KRW 1 million)

Category	2022	2023	2024
Current assets	643,837	643,915	670,997
Cash and cash equivalents	52,043	37,233	27,966
Financial institution deposits	5,522	3,407	4,656
Accounts receivable	227,236	180,330	200,286
Other receivables	10,261	23,304	8,595
Financial assets at amortized cost	5,000	3,950	0
Derivatives financial assets	957	958	0
Inventories	310,480	365,084	395,853
Current corporate tax assets	165	2,153	2,173
Other current assets	32,173	27,495	31,468
Non-current assets	481,865	508,884	562,202
Accounts receivable	0	0	12,303
Other receivables	52,157	43,703	65,466
Financial institution deposits	16	16	16
Right-of-use assets	8,559	10,423	11,847
Property, plant and equipment	188,373	215,158	263,091
Intangible assets	27,563	34,701	41,578
Investment properties	29,001	28,214	27,565
Investments in subsidiaries, associates and joint ventures	61,430	53,749	15,051
Profit or loss - Financial assets at fair value	670	673	680
Other comprehensive income - Financial assets at fair value	2,254	2,254	2,254
Financial assets at amortized cost	77,943	83,151	81,682
Derivatives financial assets	1,202	631	1,446
Deferred tax assets	20,937	27,793	33,268
Net defined benefit assets	10,339	6,914	4,366
Other non-current assets	1,423	1,506	1,589
Total assets	1,125,702	1,152,799	1,233,199

Category	2022	2023	2024
Current liabilities	578,621	623,412	609,954
Accounts payable	134,655	127,145	139,565
Other payables	71,577	73,706	88,794
Lease liabilities	1,336	2,361	2,883
Borrowings	325,058	372,932	322,868
Derivatives financial liabilities	9,325	8,050	15,219
Provisions	14,004	11,464	11,754
Current corporate tax liabilities	3,028	83	5
Other current liabilities	19,637	27,671	28,865
Non-current liabilities	68,348	13,233	137,280
Lease liabilities	2,446	3,444	4,006
Borrowings	53,407	2,463	126,046
Derivatives financial liabilities	7,746	2,624	1,842
Net defined benefit liabilities	0	261	88
Provisions	4,427	4,440	5,298
Other non-current liabilities	323	0	0
Total liabilities	646,969	636,644	747,234
Equity attributable to owners of the parent	478,733	516,154	485,965
Share capital	45,000	45,000	45,000
Share premium	426,255	426,255	426,255
Accumulated other comprehensive income	5,669	4,923	(5,479)
Retained earnings (deficit)	1,808	39,976	20,189
Total equity	478,733	516,154	485,965
Total equity and liabilities	1,125,702	1,152,799	1,233,199

Financial Performance

Financial Performance

Consolidated Statement of Comprehensive Income

(Unit: KRW 1 million)

Category	2022	2023	2024
Revenue	1,209,497	1,019,091	1,055,400
Cost of sales	(921,197)	(776,083)	(795,029)
Gross profit	288,300	243,008	260,371
Sales and administration expenses	(238,120)	(203,736)	(232,667)
Operating profit (loss)	50,180	39,271	27,704
Other income	66,117	27,445	38,939
Other expenses	(71,406)	(27,814)	(42,704)
Financial income	10,581	15,626	8,804
Financial costs	(12,049)	(16,449)	(21,000)
Equity method earnings and losses	(6,413)	(5,824)	(23,319)
Other non-operating profits and losses	259	1,536	772
Net income before income tax expense	37,269	33,791	(10,805)
Corporate tax revenue (expense)	8,998	8,432	58
Profit from continuing operation	46,268	42,223	(10,746)
Loss from discontinued operations	(664)	(369)	(358)
Net income (loss)	45,604	41,854	(11,104)
Other comprehensive income (loss)	(11,469)	(4,432)	(16,286)
Items that are not reclassified as profit or loss	4,828	(3,685)	(5,884)
Re-measurement component of defined benefit liabilities	3,817	(3,034)	(4,472)
Change of retained earnings in equity method	1,011	(652)	(1,413)
Items that are not reclassified as profit or loss	(16,297)	(746)	(10,402)
Change in equity method	(4,849)	(1,205)	(13,966)
Gain(loss) on valuation of cashflow hedge	(3,334)	492	(914)
Exchange differences on overseas business translation	(8,114)	(33)	4,478
Total comprehensive income	34,134	37,422	(27,390)
Net income per share			
Basic earnings per common share from continuing operations (Unit: KRW)	5,141	4,691	(1,194)
Basic earnings per common share from discontinued operations (Unit: KRW)	(74)	(41)	(40)

Credit Rating

Category		2022	2023	2024
NICE investors service	Commercial paper	A2-	A2	A2
	Corporate bonds	A-/positive	A/stable	A/stable
Korea investors service	Commercial paper	A2-	N/A	N/A
	Corporate bonds	A-/stable	A-/positive	N/A
Korea ratings	Commercial paper	N/A	A2	A2
	Corporate bonds	N/A	A/stable	A/stable

Economic Value Distribution to Stakeholders1)

(Unit: KRW 1 million)

Category		2022	2023	2024
Customers	Revenue	1,067,881	883,759	871,019
Employees	Employee compensation	103,644	102,650	103,331
	Salaries and benefits	113,016	114,246	119,163
Partner companies	Procurement costs	830,608	594,516	577,682
Shareholders	Total cash dividend	0	2,799	0
Investors	Interest expenses on borrowings	7,860	9,479	12,394
Government	Tax and other taxes	1,726	(1,771)	5,880
Local community	Donations and social contribution expenses	173	910	155

1) Based on separate financial statements

R&D Investment

Category		Unit	2022	2023	2024
R&D expenses		KRW 1 million	33,116	35,640	40,585
R&D personnel		Persons	172	191	205
Number of patents and trademark registrations (cumulative)	Domestic patents	Cases	561	629	680
	Overseas patents	Cases	125	155	172
	Domestic trademarks	Cases	26	24	22
	Oversea trademarks	Cases	0	0	0

Financial Performance

Financial Performance

Shareholding

Category		Unit	2022	2023	2024
Ownership status	LS Co., Ltd.	%	100	100	100
Number of shares	Issued shares	Shares	9,000,000	9,000,000	9,000,000
	Outstanding shares	Shares	9,000,000	9,000,000	9,000,000

Share and Dividend

Category		Unit	2022	2023	2024
Total cash dividends		KRW 1 million	0	2,799	0
Dividend type		-	N/A	Cash	N/A
Cash dividend payout ratio		%	0	6.22	0
Cash dividend per share (common stock)		KRW	0	311	0
Voting system	Written voting system	-	Not implemented	Not implemented	Not implemented

Product Manufacturing

Category	Unit	2022	2023	2024
Tractor	Unit	29,805	23,079	17,605
Injection molding machine	Unit	916	544	631
Connector	EA	294,251,883	214,853,222	214,171,975
Antenna	EA	4,849,176	4,944,271	4,458,863
Track shoe	EA	153,199	150,784	274,836

Product Remanufacturing[1]

(Unit: KRW 1 million)

Category	2022	2023	2024
Tractor[2]	33,079	39,478	40,480
Track shoe[3]	4,711	4,114	4,553

1) Remanufactured Products: Products that maintain their original performance through processes of disassembly, cleaning, inspection, repair, adjustment and reassembly, or products that have received remanufactured product quality certification

2) Parts resale

3) Track shoe remanufacturing

ESG Data Book

Environment

Greenhouse Gas Emissions1)2)

Category	Unit	2022	2023	2024
Scope 1	tCO_2eq	3,915.79	3,435.34	4,843.78
Scope 2	tCO_2eq	12,155.60	11,627.29	12,940.62
Total greenhouse gas emissions	tCO_2eq	16,071.38	15,062.63	17,784.39
Greenhouse gas emission intensity3)	tCO2eq/KRW 100 million	1.50	1.70	2.04

1) Branch offices are not included
2) Emissions from incineration of gaseous waste are not included
3) Calculated based on separate (non-consolidated) revenue

Air Pollutant Emissions

Category	Unit	2022	2023	2024
Dust (PM10)	Ton	0.45	0.54	0.91
Nitrogen oxide (NOx)	Ton	0.45	0.76	0.83
Sulfur oxide (SOx)	Ton	0.04	0.03	0.02

Energy Consumption1)

Category		Unit	2022	2023	2024
Direct energy consumption	Gasoline	TJ	2.55	2.16	3.12
	Diesel	TJ	8.70	4.54	18.85
	LPG	TJ	0.18	0.14	0.15
	LNG	TJ	61.56	58.39	65.03
	Subtotal	TJ	72.98	65.22	87.14
Indirect energy consumption	Electricity	TJ	254.01	242.97	270.41
	Steam	TJ	0	0	0
	Subtotal	TJ	254.01	242.97	270.41
Total energy consumption		TJ	326.99	308.19	357.56
Energy intensity		TJ/KRW 100 million	0.03	0.03	0.04

1) Branch offices are not included

Water and Wastewater

Category		Unit	2022	2023	2024
Water withdrawal1)	Industrial water	Ton	46,051	51,769	51,634
	Domestic water	Ton	88,984	81,608	70,705
	Subtotal	Ton	135,035	133,377	122,339
Wastewater discharge	Wastewater	Ton	23,367	19,574	18,156
	Commissioned wastewater treatment	Ton	689	598	446
	Sewage	Ton	110,979	113,205	103,737
	Subtotal	Ton	135,035	133,377	122,339
Water consumption		Ton	0	0	0
Water reuse		Ton	0	0	0

1) Branch offices are not included

Hazardous Chemical

Category	Unit	2022	2023	2024
Hazardous chemical usage	Ton	99.96	81.36	102.61

※ Environmental data has been calculated based on all domestic business sites and where calculation standards differ, they have been separately noted.

ESG Data Book

Environment

Water Pollutant Emissions

Category	Unit	2022	2023	2024
BOD	Ton	0.08	0.12	0.02
TOC	Ton	0.10	0.10	0.04
SS	Ton	0.15	0.03	0.03
T-N	Ton	0.35	0.33	0.27
T-P	Ton	0.00	0.02	0.02

Waste

Category		Unit	2022	2023	2024
General waste	Recycling	Ton	1,044.35	1,000.74	1,295.52
	Crushing/shredding	Ton	109.63	69.53	52.28
	Incineration	Ton	59.29	48.96	45.52
	Compression	Ton	107.26	0.00	0.00
	Landfill	Ton	43.35	40.78	57.42
	Subtotal	Ton	1,363.88	1,160.01	1,450.74
Designated waste	Recycling	Ton	5.22	7.69	14.17
	Incineration	Ton	158.20	112.72	165.40
	Subtotal	Ton	163.42	120.41	179.57
Total waste generation		Ton	1,527.31	1,280.43	1,630.32
Waste recycling	Recycling amount	Ton	1,049.58	1,008.44	1,309.70
	Recycling rate	%	68.72	78.76	80.33

Environmental Training

Category	Unit	2022	2023	2024
Environmental training hours	Hours	4,778	4,815	4,935
Number of employees participated in environmental training	Persons	1,318	1,297	1,349

Environmental Management System[1]

Category	Unit	2022	2023	2024
Environmental Management System (ISO14001) certification rate	%	100	100	100
Number certified sites	EA	3	3	4

[1] Jeonju plant, engine plant, PS center, LS Mtron tower

Environmental Regulations

Category		Unit	2022	2023	2024
Number of environmental law violations	Number of legal regulatory violations	Cases	0	0	0
	Number of lawsuits filed	Cases	0	0	0
	Number of non-monetary sanctions	Cases	0	0	0
Total amount of fines		KRW	0	0	0

Eco-friendly Purchase and Sales

Category		Unit	2022	2023	2024
Purchase of eco-friendly products and services	Total purchase amount of products and services	KRW 1 million	830,608	594,516	577,682
	Purchase amount of eco-friendly products and services	KRW	648,698	808,754	1,460,173
	Ratio of eco-friendly products and services purchases	%	0.008	0.014	0.025

Environmental Investment

Category	Unit	2022	2023	2024
Environmental investments and expenditures	KRW 1 million	2,489	7,157	2,716

※ Environmental data has been calculated based on all domestic business sites and where calculation standards differ, they have been separately noted.

ESG Data Book

Social

Employee

Category			Unit	2022	2023	2024
Total employees[1]			Persons	1,315	1,295	1,348
By employment type	Full-time	Male	Persons	1,033	1,073	1,086
		Non-regular	Persons	33	35	35
		Percentage of non-regular employees	Persons	1,066	1,108	1,121
	Non-regular	Male	Persons	217	158	197
		Female	Persons	32	29	30
		Subtotal	Persons	249	187	227
	Percentage of non-regular employees	Male	%	17	13	15
		Female	%	49	45	46
External workers (dispatched)	External workers	Male	Persons	1	3	3
		Female	Persons	35	34	37
	Subtotal		Persons	36	37	40
By gender	Male		Persons	1,250	1,231	1,283
	Female		Persons	65	64	65
By age	Under 30		Persons	288	265	283
	30-50		Persons	765	776	813
	Over 50		Persons	262	254	252
By region	Domestic employees		Persons	1,286	1,265	1,310
	Overseas expatriates	China	Persons	6	7	6
		Vietnam	Persons	7	7	9
		Indonesia	Persons	2	1	1
		United States	Persons	10	11	15
		Poland	Persons	1	1	1
		Brazil	Persons	3	3	5
		Mexico	Persons	0	0	1

[1] Calculated based on employees at the end of each year (31 Dec), including expatriates but excluding dispatched workers

Category			Unit	2022	2023	2024
By position	Executive	Male	Persons	9	10	10
		Female	Persons	0	0	0
		Subtotal	Persons	9	10	10
	Director	Male	Persons	13	14	14
		Female	Persons	0	0	0
		Subtotal	Persons	13	14	14
	General manager	Male	Persons	253	275	299
		Female	Persons	0	1	1
		Subtotal	Persons	253	276	300
	Senior manager	Male	Persons	264	266	261
		Female	Persons	21	23	22
		Subtotal	Persons	285	289	283
	Manager	Male	Persons	67	72	82
		Female	Persons	12	11	12
		Subtotal	Persons	79	83	94
	Technical staff	Male	Persons	436	446	430
		Female	Persons	0	0	0
		Subtotal	Persons	436	446	430
	Non-regular (excluding executives)	Male	Persons	208	148	187
		Female	Persons	32	29	30
		Subtotal	Persons	240	177	217

ESG Data Book

Social

Employee Diversity

Category			Unit	2022	2023	2024
Female talents		Female employees	Persons	65	64	65
		Percentage of female employees	%	4.9	5	5
		Female managers[1]	Persons	21	24	23
		Percentage of female managers	%	3.9	4.2	3.9
Employment of socially vulneravle groups and foreigners	People with disabilities[2]	Number of persons with disabilities	Persons	17	15	17
		Percentage of persons with disabilities	%	1.29	1.16	1.26
		Employment rate of persons with disabilities	%	1.75	1.64	1.78
	National veterans	Number of national veterans	Persons	11	11	11
		Percentage of national veterans	%	0.8	0.8	0.8

[1] Senior manager level and above

[2] Data reported to Korea employment agency for persons with disabilities

New Recruits

Category			Unit	2022	2023	2024
Total number of new recruits			Persons	314	251	283
By employment type	Full-time	Office workers (New)	Persons	27	26	27
		Office workers (Experience)	Persons	61	40	37
		Technical staff	Persons	20	38	16
		Subtotal	Persons	108	104	80
	Non-regular		Persons	206	147	203
By gender	Male		Persons	287	235	260
	Female		Persons	27	16	23
By age	Under 30		Persons	224	178	209
	30-50		Persons	70	60	55
	Over 50		Persons	20	13	19

Turnover

Category			Unit	2022	2023	2024
Total turnover rate			%	21	21	17
Voluntary turnover rate			%	10	8	8
By gender	Number of voluntary turnover	Male	Persons	122	102	102
		Female	Persons	6	3	4
		Subtotal	Persons	128	105	106
	Number of turnover	Male	Persons	238	254	208
		Female	Persons	27	17	22
		Subtotal	Persons	265	271	230
	Rate	Male	%	90	94	90
		Female	%	10	6	10
By age group	Number of turnover	Under 30	Persons	139	159	140
		30-50	Persons	70	66	52
		Over 50	Persons	56	46	38
		Subtotal	Persons	265	271	230
	Rate	Under 30	%	52	59	61
		30-50	%	26	24	23
		Over 50	%	21	17	17

Average years of service

Category		Unit	2022	2023	2024
Average years of service of employees		Years	11.4	11.6	11.1
By employment type	Full-time	Years	13.6	13.1	12.9
	Non-regular	Years	2.3	2.9	2.2

ESG Data Book

Social

Parental Leave

Category			Unit	2022	2023	2024
Employees eligible for parental leave[1]	Male		Persons	304	290	282
	Female		Persons	17	15	10
	Subtotal		Persons	321	305	292
Employees who took parental leave[2]	Male		Persons	9	11	9
	Female		Persons	2	3	3
	Subtotal		Persons	11	14	12
Employees expected to return from parental leave	Number of employees	Male	Persons	7	7	6
		Female	Persons	0	3	2
		Subtotal	Persons	7	10	8
Employees returned to work after parental leave	Number of employees	Male	Persons	5	7	6
		Female	Persons	0	2	1
		Subtotal	Persons	5	9	7
	Rate	Male	%	100	78	86
		Female	%	0	22	14
Employees working for 12+ months after returning from parental leave	Number of employees	Male	Persons	4	5	6
		Female	Persons	2	0	1
		Subtotal	Persons	6	5	7
	Rate	Male	%	80	100	86
		Female	%	100	0	50

1) Employees with children aged 8 or under or in 2nd grade or below of elementary school
2) Number of employees on parental leave as of year-end (31 Dec)

Employee Training

Category		Unit	2022	2023	2024
Total number of employees participating in training		Persons	1,315	1,295	1,348
Gender	Male	Persons	1,250	1,231	1,283
	Female	Persons	65	64	65
By employment type	Full-time	Persons	1,066	1,108	1,121
	Non-regular	Persons	249	187	227
By position	Executive	Persons	22	24	24
	Manager	Persons	253	276	300
	Non-manager	Persons	1,040	995	1,024
Training costs	Total training costs	KRW 1 million	1,109	1,288	1,122
	Training cost per person	KRW 1,000	843	995	832
Training hours	Total training hours	Hours	67,856	80,672	80,216
	Training hours per person	Hours	51.6	62.3	59.5

Employee Benefits

Category	Unit	2022	2023	2024
Benefit costs	KRW 100 million	194	223	223
Number of employees enrolled in retirement pension	Persons	1,074	1,093	1,122

Performance Evaluation

Category		Unit	2022	2023	2024
Number of employees subject to performance evaluation[1]	Office staff	Persons	567	600	644
Number of employees received regular performance evaluation	Office staff	Persons	567	600	644
Percentage of employees received regular performance evaluation	Office staff	%	100	100	100
Number of employees subject to performance evaluation	Technical staff	Persons	429	441	428
Number of employees received regular performance evaluation	Technical staff	Persons	429	441	428
Percentage of employees received regular performance evaluation	Technical staff	%	100	100	100

1) Some employees excluded from evaluation, such as those on leave, resigned employees, mid-year hires, etc.

Labor Practices

Category	Unit	2022	2023	2024
Number of employees eligible for labor union membership	Persons	436	446	430
Number of labor union members	Persons	434	444	428
Labor union membership rate	%	99.5	99.6	99.5
Collective agreement application rate	%	100	100	100
Number of labor-management council meetings	Times	5	5	5
Number of agenda items resolved by labor-management council	Cases	15	10	16
Total fines for labor law violations	KRW	0	0	0

Labor-Management Communication

Category	Unit	2022	2023	2024
Number of employee grievances received	Cases	120	69	275
Number of employee grievances resolved	Cases	120	69	275
Employee grievance resolution rate	%	100	100	100

ESG Data Book

Social

Retirement Pension

Category		Unit	2022	2023	2024
Defined benefit retirement pension (DB)	Number of enrollees	Persons	910	922	950
	Enrollment amount	KRW 1 million	50,288	57,213	59,538
Defined contribution retirement pension (DC)	Number of enrollees	Persons	164	171	172

Shared Growth

Category		Unit	2022	2023	2024
Financial support programs	Number of beneficiary companies	EA	13	12	8
	Support amount	KRW 1 million	3,970	3,670	2,670
Non-financial support programs	Number of beneficiary companies	EA	20	24	27
	Monetized value of support	KRW 1 million	348	407	498

Partner Company

Category	Unit	2022	2023	2024
Total number of partner companies	Companies	1,025	1,000	980
Number of newly registered partner companies	Companies	128	153	139
Total purchase amount from partner companies	KRW 1 million	830,608	594,516	577,682
Total purchase amount from SMEs	KRW 1 million	583,837	381,922	342,627
Monetary value provided to partner companies	KRW 1 million	4,318	4,077	3,168

Partner Company Communication

Category		Unit	2022	2023	2024
Meetings with partner companies	Number of meetings held	Meetings	1	2	2
	Number of companies participated	EA	62[1]	140	114

[1] Substituted with video conferences due to COVID-19 impact

Supply Chain ESG Management

Category		Unit	2022	2023	2024
Partner companies signed contracts including ESG-related clauses	Total number of partner companies	EA	1,025	1,000	980
	Number of partner companies signed contracts including ESG-related clauses	EA	458	417	363
	Percentage of partner companies signed contracts including ESG-related clauses	%	44.7	41.7	37.0

Social Contributions

Category		Unit	2022	2023	2024
Donations	Total donation amount	KRW 1 million	173	910	155
	Employee donations	KRW 1 million	11	11	11
Employee volunteer activities	Total volunteer hours	Hours	2,016	1,400	2,924
	Volunteer hours per person	Hours	1.53	1.08	2.17
	Volunteer participation rate	%	6.54	5.09	7.82
Social contribution activities	Number of programs	EA	8	6	10
	Total number of participants	Persons	72	56	86
	Total number of beneficiaries	Persons	700	580	600

ESG Data Book

Social

Industrial Accidents

Category		Unit	2022	2023	2024
Number of industrial accident cases	Employees	Cases	1	1	0
	In-house partners	Cases	0	0	1
Number of serious accidents	Employees	Cases	0	0	0
	In-house partners	Cases	0	0	0
Industrial accident rate[1]	Accident	%	0.00	0.05	0.00
	Disease	%	0.05	0.00	0.00
	Total	%	0.05	0.05	0.00
LTIR (Lost Time Incident Rate)[2]	Employees	Persons/Million hours	0.45	0.46	0.00
Total working hours[3]		Hours	2,198,680	2,185,960	2,253,856

1) Korea Occupational Safety and Health Agency Industrial Accident Rate Result: [Number of victims (accident victims + disease victims)/Number of workers covered by industrial accident insurance] X 100

2) Lost Time Incident Rate (LTIR) = Number of lost time incidents / Total working hours (based on actual working hours) * 1,000,000

3) Total number of employees x Annual actual working days x Daily working hours

Safety and Health Management System

Category		Unit	2022	2023	2024
Occupational health and safety management system (ISO45001)	Number of sites subject to certification	EA	3	3	4
	Number certified sites	EA	3	3	4
	Certification rate	%	100	100	100

Occupational Safety Training

Category		Unit	2022	2023	2024
Number of participants in occupational safety training	Regular safety and health training	Persons	1,315	1,295	1,348
	Special safety training	Persons	724	719	718
	Supervisor training	Persons	65	94	102
	Training for new hires	Persons	267	228	235

Customer Satisfaction

Category		Unit	2022	2023	2024
Customer satisfaction surveys	Tractors	Points	3.9	4.3	4.2
	Injection machines[1]	Points	N/A	4.8	4.9

1) Customer satisfaction survey for the Injection Molding Machine Division has been conducted since 2023

Human Rights Management

Category		Unit	2022	2023	2024
Human rights grievance handling	Number of human rights violation grievance reported	Cases	4	2	3
	Number of reports under processing	Cases	0	0	0
	Number of completed reports	Cases	4	2	3
Human rights-related training[1]	Total training hours	Hours	2,620	2,560	2,626
	Training hours per person	Hours	2	2	2
	Total number of employees completed training	Persons	1,310	1,280	1,313

1) Sexual harassment prevention program and disability awareness improvement program

Product Management

Category	Unit	2022	2023	2024
Number of recalls	Cases	0	0	0

Information Protection and Cybersecurity

Category		Unit	2022	2023	2024
Information security investment ratio[1]		%	Less than 1%	4.11	8.93
Number of information protection violations or cybersecurity incidents		Cases	0	0	0
Fines imposed for information protection violations/ cybersecurity incidents		KRW 1 million	0	0	0
Personal information protection training	Training hours	Hours	1	1	1
	Number of participants	Persons	1,400	1,431	1,580

1) Ratio of personal information protection/information security investment to total IT budget

ESG Data Book

Governance

Board of Directors Operation

Category		Unit	2022	2023	2024
Board composition	Total number of directors	Persons	3	3	3
	Independent directors	Persons	0	0	1
	Executive directors	Persons	3	3	2
Gender diversity of the board	Male	Persons	3	3	3
	Female	Persons	0	0	0
Board meetings	Number of meetings held	Meetings	12	10	6
Board attendance rate		%	100	100	100
Average term of directors	Executive director	Years	3	3	3
BOD meeting agenda	Resolved	Cases	26	26	29
	Reported	Cases	2	2	4

Director remunerations

Category		Unit	2022	2023	2024
Director remunerations	Number of directors	Persons	3	3	3
	Total remuneration	KRW 1 million	1,079	1,297	1,970
	Average remuneration per person	KRW 1 million	360	432	657
CEO remuneration	Total CEO remuneration	KRW 1 million	471	868	1,377
Remuneration for all employees excluding CEO	Median	KRW 1 million	58	66	69
	Average	KRW 1 million	57	66	67
	Rate of change compared to median total annual remuneration	%	-3	14	5
Ratio of CEO remuneration to average salary of all employees excluding CEO	Median	%	12	8	5
	Average	%	12	8	5
Individual annual remuneration	Total remuneration for registered directors	KRW 1 million	1,079	1,297	1,970
	Average remuneration per registered director	KRW 1 million	360	432	657

Ethics and Compliance Management

Category			Unit	2022	2023	2024
Code of ethics application rate	Employee	Full-time	%	100	100	100
		Non-regular	%	100	100	100
Partner company ethics level survey assessment	Response rate		%	33	41	40
	Score		Points	4.5	4.5	4.4
Ethics management evaluation and violation reports/ measures	Number of cases submitted to cyber ethics hotline		Cases	8	3	5
	Completion rate of measures		%	62.5	100	100
Compliance management evaluation and violation reports/ measures	Number of compliance-related audits or risk assessments		Cases	2	4	2
	Reports and measures for compliance-related violations	Number of compliance-related reports	Cases	0	0	0
		Completion rate of measures	%	0	0	0
Regulatory violations and imposed fines	Unfair trade (Anti-competitive practices, monopoly, etc.)	Fines	KRW	0	0	0
		Number of violations	Cases	1	0	2
	Bribery or corruption	Fines	KRW	0	0	0
		Number of violations	Cases	0	0	0
	Domestic marketing activities	Fines	KRW	0	0	0
		Number of violations	Cases	0	0	0
	Customer information protection violations	Fines	KRW	0	0	0
		Number of violations	Cases	0	0	0
	Product information provision violations	Fines	KRW	0	0	0
		Number of violations	Cases	0	0	0
	Environmental laws and regulation violations	Fines	KRW	0	0	0
		Number of violations	Cases	0	0	0
	Violations of laws and voluntary regulations on health and safety impacts of products and services	Cases received fines or penalties	Cases	0	0	0
		Cases received warnings	Cases	0	0	0
		Cases violated voluntary regulations	Cases	0	0	0

Ethics and Compliance Training

Category		Unit	2022	2023	2024
Ethics training	Number of participants	Persons	57	64	68
	Training hours per person	Hours	1	1	1
Compliance training	Number of participants	Persons	280	220	300
	Training hours per person	Hours	2	2	3

GRI Standards Index

Universal Standards

Statement of use	LS Mtron applies the GRI Standards 2021 in reporting its sustainability management information, covering the period from January 1, 2024 to December 31, 2024 (including the first half of 2025 for some data).
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	Currently unavailable (as of the publication date in May 2025, standards for the Machinery and Equipment industry group applicable to LS Mtron have not been published)

Topic	Disclosure No.	Name	Reporting page	Remarks
GRI 2: General Disclosures 2021	2-1	Organizational details	1, 5	
	2-2	Entities included in the organization’s sustainability reporting	1	
	2-3	Reporting period, frequency and contact point	1	
	2-4	Restatements of information	1	First publication since 2015
	2-5	External assurance	73	
	2-6	Activities, value chain and other business relationships	5-7, 17th Business Report p12-13	
	2-7	Employees	60-61	
	2-8	Workers who are not employees	60-61	
	2-9	Governance structure and composition	50	
	2-10	Nomination and selection of the highest governance body	50	
	2-11	Chair of the highest governance body	50	
	2-12	Role of the highest governance body in overseeing the management	14, 50	
	2-13	Delegation of responsibility for managing impacts	14, 50	
	2-14	Role of the highest governance body in sustainability reporting	14, 18	
	2-15	Conflicts of interest	50	
	2-16	Communication of critical concerns	31, 52	
	2-17	Collective knowledge of the highest governance body	50	
	2-18	Evaluation of the performance of the highest governance body	50	
	2-19	Remuneration policies	50, 65	
	2-20	Process to determine remuneration	50	
	2-21	Annual total compensation ratio	65	
	2-22	Statement on sustainable development strategy	4	
	2-23	Policy commitments	21, 34, 37, 40, 44	
	2-24	Embedding policy commitments	21, 34, 37, 40, 44	
	2-25	Processes to remediate negative impacts	35	
	2-26	Mechanisms for seeking advice and raising concerns	35	
	2-27	Compliance with laws and regulations	52, 59, 65	
	2-28	Membership associations	71	
	2-29	Approach to stakeholder engagement	16	
	2-30	Collective bargaining agreements	32	

* GRI : Global Reporting Initiative

GRI Standards Index

Material Topics

Topic	Disclosure No.	Name	Reporting page
GRI 3: Material Topics 2021	3-1	Process to determine material topics	17
	3-2	List of material topics	18

Topic	Disclosure No.	Name	Reporting page
Climate Change Response			
GRI 3: Material Topics 2021	3-3	Management of material topics	24
GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	24
GRI 302: Energy	302-1	Energy consumption within the organization	58
	302-3	Energy intensity	58
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	58
	305-2	Energy indirect (Scope 2) GHG emissions	58
	305-4	GHG emissions intensity	58
	305-7	Nitrogen oxides (NO), sulfur oxides (SO) and other significant air emissions	58

Topic	Disclosure No.	Name	Reporting page
Eco-friendly Business Promotion			
GRI 3: Material Topics 2021	3-3	Management of material topics	11
Non GRI		Product remanufacturing revenue	57

Topic	Disclosure No.	Name	Reporting page
Occupational Safety and Health Enhancement			
GRI 3: Material Topics 2021	3-3	Management of material topics	37-39
GRI 403: Occupational Health & Safety	403-1	Occupational health and safety management system	37
	403-2	Hazard identification, risk assessment and incident investigation	38
	403-3	Occupational health services	38-39
	403-4	Worker participation, consultation and communication on occupational health and safety	38
	403-5	Worker training on occupational health and safety	38
	403-6	Promotion of worker health	38
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	38
	403-9	Work-related injuries	64

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Material Topics

Topic	Disclosure No.	Name	Reporting page
Sustainable Supply Chain Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	40-41
GRI 308: Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	40
GRI 414: Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	40

Topic	Disclosure No.	Name	Reporting page
Product Safety and Quality Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	44-46
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	44-45
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	65
GRI 417: Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	65
	417-3	Incidents of non-compliance concerning marketing communications	65

Topic	Disclosure No.	Name	Reporting page
Environmental Impact Minimization			
GRI 3: Material Topics 2021	3-3	Management of material topics	21-23
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	22
	303-2	Management of water discharge-related impacts	22
	303-3	Water withdrawal	58
	303-4	Water discharge	58
	303-5	Water consumption	58
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	22
	306-2	Management of significant waste-related impacts	22
	306-3	Waste generated	59
	306-4	Waste diverted from disposal	59
	306-5	Waste directed to disposal	59

SASB Index

Industry Sector: Industrial Machinery & Goods

Topic	SASB Code	Description	Unit	2024		Reporting page
Energy Management	RT-IG-130A.1	Total energy consumed	TJ	356.9		58
		Percentage grid electricity	%	75.6		
Workforce Health & Safety	RT-IG-320a.1	Fatality rate	%	0		64
Materials Sourcing	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	-	-		22, 40
Remanufacturing Design & Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	KRW 1 million	**Tractor**	40,480	57
				Track Shoe	4,553	
Activity Metric	RT-IG-000.A	Number of units produced by product category	Units, EA	**Tractor**	17,605	57
				Injection Molding Machine	631	
				Connector	241,171,975	
				Antenna	4,944,271	
				Track Shoe	150,784	
	RT-IG-000.B	Number of employees	Persons	1,348		60

* SASB : Sustainability Accounting Standards Board

UN SDGs Index

SDG Goals	LS Mtron Major Activities and Achievements	Page
No Poverty	• Donations to local community welfare projects	43
Good Health and Well-being	• Regular health checkups and medical expense support for employees • Supporting rural areas through the We Love Farming Village Volunteer Group	33, 43
Quality Training	• Operating training programs to strengthen employees' job expertise • Supporting underprivileged children's education through cooperation with local children's centers and welfare institutions	28-29, 43
Gender Equality	• Preventing gender discrimination through human rights management principles	34
Affordable and Clean Energy	• Utilizing renewable energy through solar panel installation at business sites	21
Decent Work and Economic Growth	• Operating fair and reasonable employee recruitment, evaluation and compensation systems • Building value-creating labor-management relations • Operating systems for work-life balance and supporting retirees • Building sustainable supply chains based on financial and non-financial support for suppliers	27, 30, 32-33, 41
Industry, Innovation and Infrastructure	• Technological innovation through systematic R&D operations	8-9
Reduced Inequalities	• Supporting marginalized groups through employee volunteer groups at each business site	43
Sustainable Cities and Communities	• Supporting rural areas through the We Love Farming Village Volunteer Group	43
Responsible Consumption and Production	• Establishing and operating a product hazardous substance management system	46
Climate Action	• Developing eco-friendly products and technologies such as electric tractors • Conducting greenhouse gas reduction promotion campaigns and energy saving activities	11, 21, 24
Life on Land	• Implementing cleanup activities around business sites • Analyzing and managing biodiversity risks at domestic business sites • Protecting the local environment through activities such as plogging	21, 25, 43
Peace, Justice and Strong Institutions	• Practicing transparent and responsible management through ethical and compliance management	51-52
Partnerships for the Goals	• Implementing employee volunteer programs in Vietnam	43

* SDGs : Sustainable Development Goals

Certifications and Awards

Membership Associations

Korea International Trade Association	Korea Association of Machinery Industry
The Federation of Korean Industries	Korea Chamber of Commerce and Industry
Korea Industrial Safety Association	Jeonju & Wanju Industrial Complex Fire Safety Manager Council
Jeonju Industrial Complex Safety Manager Council	Jeonbuk Environmental Engineers Council
Wanju Industrial Complex Environmental Engineering Council	National Green Company Council
Jeonbuk Corporate Environment Council	Anyang Local Environmental Engineers Council
Gyeonggi Environmental Engineers Association	Chemical Safety Community
Korean Standards Association	Korea Security Association for Emerging Military Technologies
Korea Defense Industry Association	

Certifications

Jeonju Plant ISO 14001

LS Mtron Tower ISO 14001

Jeonju Plant ISO 45001

LS Mtron Tower ISO 45001

Domestic ISO 9001

LSMQ ISO 9001

LSEV ISO 9001

LSMB ISO 9001

LSMW ISO 9001

Green Company Certification

Family-friendly Company Certification

Defense Quality Management System Certification

Certifications and Awards

Awards

Award Date	Award Name	Organization	Award Details
2024.12	2024 Employment and Labor Administration Merit	Ministry of Employment and Labor	Minister's Commendation
2024.11	National Quality Award for Outstanding Quality Circles	Ministry of Trade, Industry and Energy	Gold, Silver, Bronze Awards
2024.11	Good Design Award	Ministry of Trade, Industry and Energy	Grand Prize
2024.08	National Quality Innovation Competition	KSA (Korean Standards Association)	Gold, Silver, Bronze Awards
2024.07	2024 Korea Advertising Festival	Moneytoday	Excellence Award
2023.11	National Quality Management Merit Award	Ministry of Trade, Industry and Energy	Korean Agency for Technology and Standards Administrator's Award
2023.11	National Quality Award for Outstanding Quality Circles	Ministry of Trade, Industry and Energy	Gold, Bronze Awards
2023.10	Machinery/Robot/Aviation Industry (Machinery Field) Development Merit	Korea Association of Machinery Industry	Prime Minister's Commendation
2023.09	Employer Vocational Skills Development Training Excellence Case Competition	Ministry of Employment and Labor	Grand Prize
2023.08	National Quality Circle Competition	KSA (Korean Standards Association)	Gold, Bronze Awards
2022.12	Environmental Conservation Activity Excellence Award	Anyang City Hall	Commendation
2022.11	National Quality Award for Outstanding Quality Circles	Ministry of Trade, Industry and Energy	Gold, Bronze Awards
2022.11	Commendation for Pilot Operation of Supplier Price Indexation System	Ministry of SMEs and Startups	Minister's Commendation
2022.09	2022 Brand of the Year Award	Korea Consumer Forum	1st Place

Independent Assurance Statement

To readers of LS Mtron 2024 Sustainability Report

Introduction

Korea Management Registrar (KMR) was commissioned by LS Mtron to conduct an independent assurance of its 2024 Sustainability Report (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of LS Mtron. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with LS Mtron and issue an assurance statement.

Scope and Standards

LS Mtron described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.
Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards 2021
- Universal standards
- Topic specific standards
  - GRI 201-2
  - GRI 302-1, 302-3
  - GRI 303-1, 303-2, 303-3, 303-4, 303-5
  - GRI 305-1, 305-2, 305-4, 305-7
  - GRI 306-1, 306-2, 306-3, 306-4, 306-5
  - GRI 308-2
  - GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9
  - GRI 414-2
  - GRI 416-2
  - GRI 417-2, 417-3

As for the reporting boundary, the engagement excludes the data and information of LS Mtron's partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by LS Mtron to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with LS Mtron on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

- **Inclusivity**
  LS Mtron has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.
- **Materiality**
  LS Mtron has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.
- **Responsiveness**
  LS Mtron prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of LS Mtron's actions
- **Impact**
  LS Mtron identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with LS Mtron and did not provide any services to LS Mtron that could compromise the independence of our work.

April 2025 Seoul, Korea

CEO E. J Hwang

KMR SRV1000 Sustainability Committee Assurance AA1000 Licensed Report 000-129/V3-H5KD2

Global Network

Domestic Sites

HQ
11F, LS Tower, 127 LS-ro, Dongan-gu, Anyang-si, Gyeonggi-do

Jeonju Plant
886, Gwahak-ro, Bongdong-eup, Wanju-gun, Jeollabuk-do

LS Mtron Tower
39(Hogye-dong), LS-ro 116beon-gil, Dongan-gu, Anyang, Gyeonggi-do

Tractor Engine Plant
42, Udong-ro, Bongdong-eup, Wanju-gun, Jeollabuk-do

Tractor PS Center
200-10, Wanjusandan 5-ro, Bongdong-eup, Wanju-gun, Jeonbuk-do

Jinju Plant
81, Yeonkkot-ro, Jeongchon-myeon, Jinju-si, Gyeongsangnam-do

Central Mega Center
396, Bongdong-ro, Bongdong-eup, Wanju-gun, Jeollabuk-do

Dongbu Mega Center
16-1, Poa-ro, Apo-eup, Gimcheon-si, Gyeongsangbuk-do

Nambu Mega Center
6239-4, Yeongsan-ro, Sanpo-myeon, Naju-si, Jeollanam-do

Overseas Subsidiaries

LSMQ
South of Zhengyang Road, Xiazhuang Street, Chengyang Distrct, Qingdao of Shandong Province, China

LSMW
NO.7 Lexing Road, National High-Tech Industrial Development Zone, Wuxi City, Jiangsu Province, China

LSTA
- PO BOX 70, 6900 Corporation Parkway, Battleboro, NC 27809
- 2002 Tile Factory Rd, Palestine, TX 75801

LSIU
- 2150 Boggs Rd, NW Suite #400, Duluth, GA 30096
- 939 Aec Dr, Wood Dale, IL 60191
- 2177 Britannia Blvd, San Diego, CA 92154

LSMB
Rua Vereador Klaus Lennentz, 2103 - Palmital, Garuva, SC, Brazil, 89248-000

LSEV
No. 05, Street 11, VSIP Bac Ninh, Tu son Town, Bac Ninh Province, Vietnam

LSMI
JL.Samsung 2 Blok D3A Jababeka UKM Center Segitiga Emas, Kel. Mekarmukti, Kec. Cikarang Utara, Kab. Bekasi, Prov. Jawa Barat

LSIM
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Policies and Certificates

Environment	· Safety, Health & Environment Policy
Social	· Labor and Human Rights Policy · Labor and Human Rights Guidelines · Quality Policy · Supplier Code of Conduct
Governance	· Code of Ethics · Compliance Management Declaration
Certificates	· Quality Management System(ISO9001) · Environmental Management System(ISO14001) · Safety and Health Management System(ISO45001)

ESG Information Link

LS Mtron