

■ LG H&H Tax Policy

Enactment: May. 2015
Revision: Apr. 2023

LG H&H recognizes that complying with the spirit as well as the tax laws and fulfilling various tax liabilities and risk management are crucial to securing the interests of customers, expanding the interests of investors and stakeholders, and contributing to the nation, and they are essential to a sustainable company. To this end, LG H&H has established and operates transparent tax principles, policies, and risk management standards and procedures. For accurate tax payment and reporting, our tax executives and employees work under the principle of maintaining a transparent relationship with tax authorities.

LG H&H also conducts preliminary tax reviews on various matters arising in the course of its management activities.

We also stipulate that those significant matters falling under internal compliance issues, including tax strategies and policies, shall be reviewed and approved through the *ESG Committee within the BOD.

(*Regulations of the ESG Committee dated April 27, 2023 - Article 3 Committee Authority, Article 10 Subsidiary Matters amended.

'Material matters related to compliance control, including management of core compliance risks' added)

Tax Principles

Compliance with tax laws and regulations

01

- LG H&H manages tax risks by faithfully complying with domestic and foreign corporations' direct and indirect tax laws where our business sites are located.
- We also fulfill our social responsibilities, such as filing and paying taxes, by fulfilling our tax obligations responsibly. LG H&H always strives to maintain a constructive and cooperative relationship with tax authorities.

Compliance of Arm's Length Principle

02

- In terms of international transactions with overseas subsidiaries, LG H&H applies the transfer pricing policy that corresponds to the tax law in Korea and the OECD transfer price guidelines, as well as the Arm's Length Principle. If there is any expected conflict between different countries, we proactively respond to double taxation based the APA (Advance Pricing Arrangement) system. We also comply with duties for the documentation of transfer prices and the submission of a report by country under the BEPS (Base Erosion and Profit Shifting) project. LG H&H does not employ a tax structure that abuses the differences and loopholes in the tax system between different countries to unreasonably reduce its tax liabilities. We legally allocate the taxable income depending on values generated in each country where we operate our business. In particular, we prohibit the transfer of values, including intangible or financial assets, to any region with a loose tax jurisdiction, such as low effective tax rates.
- LG H&H prohibits the transfer of value to low-tax jurisdictions, particularly the transfer of intangible assets, financial assets, etc, to jurisdictions with lower effective tax rates.

Tax Principles

Prohibition on the use of tax havens

- LG H&H does not operate a legal entity, for the purpose of tax avoidance in a tax haven, where tax information cannot be shared, and without economic activity.
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Prohibition of transactions without a commercial substance

- LG H&H does not engage in transactions without commercial substance, such as actual business purposes, for the sole purpose of tax avoidance.
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Transparent information disclosure and risk management

- LG H&H discloses corporate tax information in the audit report publicly announced on DART (Data Analysis, Retrieval, and Transfer System) run by the Financial Supervisory Service. We disclose the standards for calculating corporate tax expenses, deferred tax assets, liabilities, the details of corporate tax expenses, and effective tax rates in the financial statement and annotations in the audit report.
- LG H&H continuously strengthens our tax management activities by conducting proactive management and monitoring and considering external expert opinions to do our best to reduce tax risks for shareholders and the country.