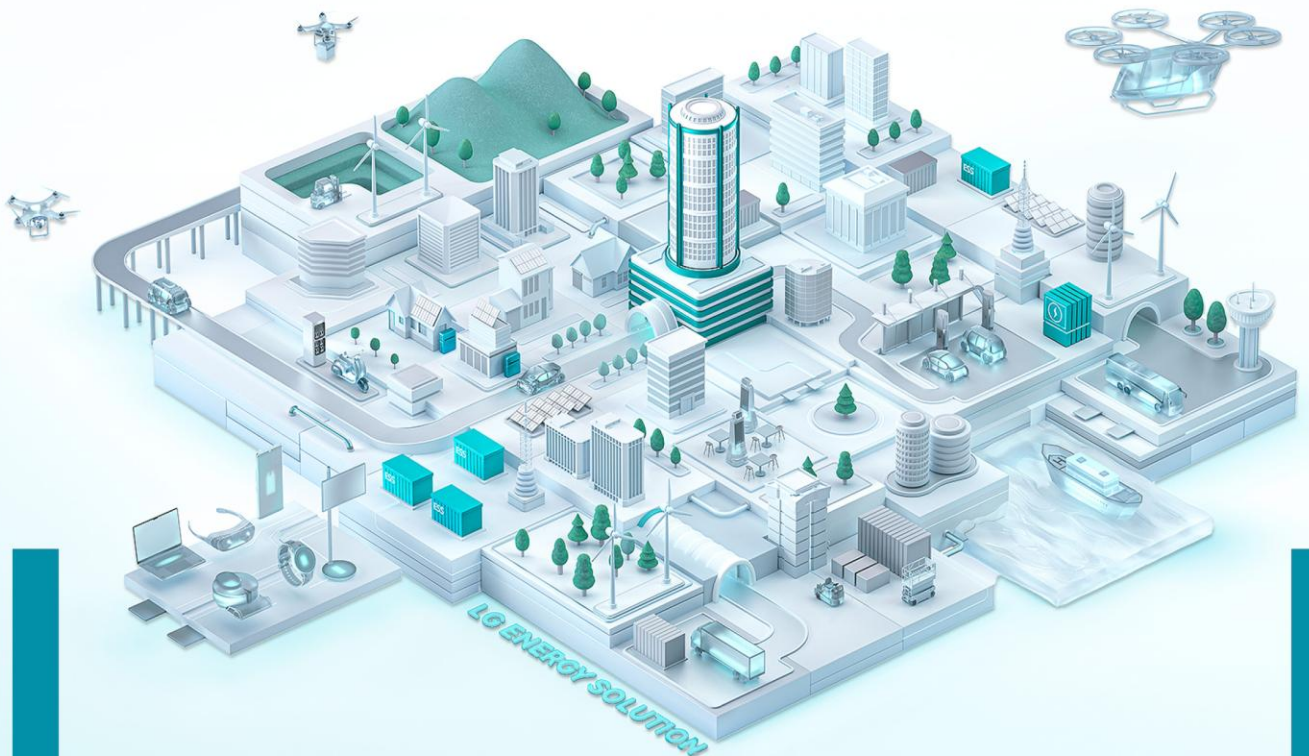




# Green Bond Annual Report

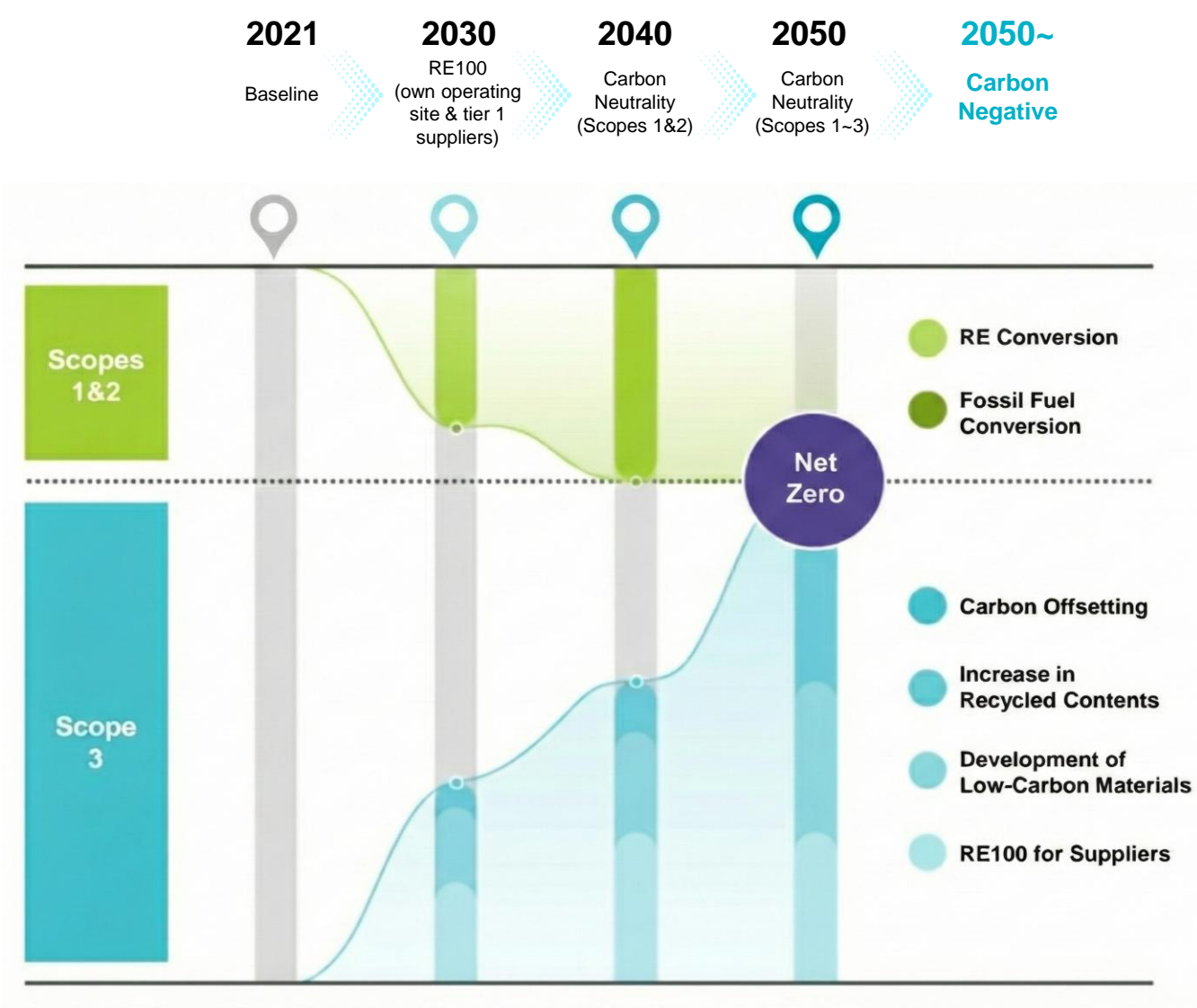


December 2025

# CARBON NEGATIVE STRATEGY

## Carbon Negative Strategy

- Joining global climate change response efforts, LG Energy Solution (“LGES”) has established a carbon negative strategy to achieve carbon neutrality across its value chain by 2050 and going carbon negative from 2050 onwards.
- The interim targets include reducing GHG emissions by 53% from the baseline of 2021 and achieving RE100 at all global sites by 2030 and achieving carbon neutrality within the scope of LG Energy Solution by 2040.



Source: Company Information

# CARBON NEUTRALITY BY PHASE

## Carbon Neutrality Strategy

- Approximately 30% of total GHG emissions are scopes 1 and 2 emissions and the remaining 70% scope 3 emissions. LGES continues to devise and implement measures to mitigate GHG emissions from its direct operations and regularly evaluate the effectiveness of mitigation measures and revise, as needed. Further, LGES engages with its suppliers and supports their commitment to RE100 and contribution to our carbon neutrality goal.



## 2030 Complete RE100 Transition

### LGES

- LGES will secure stable supply of renewable energy (i.e., solar, renewable energy certificates, power purchase agreement).

### Suppliers

- LGES plans to transition all electricity used in raw material production and components supplied by all Tier-1 suppliers to 100% renewable electricity by 2030.



## 2040 Achieve Scope 1&2 Carbon Neutrality

### LGES

- LGES is implementing projects to promote energy efficiency and optimize energy use, secure alternative green energy sources, and transition fuel into electric boilers.

### Suppliers

- LGES will continue to conduct Life Cycle Assessment (LCA) of the battery value chain to identify materials with high carbon emissions and help support the Tier-2+ upstream suppliers in transitioning to 100% renewable energy for the electricity used in their processes.
- LGES will use recycled metal in full compliance with requirements under EU Battery Regulation and procure low-carbon metals from critical material suppliers.



## 2050 Achieve Carbon Neutrality Across the Entire Value Chain

- LGES plans to expand the monitoring boundary of carbon emission from Tier-1 suppliers to Tier-N suppliers (mining, etc.), and support their participation in RE100 and carbon reduction activities.
- LGES will contribute to carbon reduction in batteries by gradually increasing the proportion of recycled raw materials with lower environmental impact than virgin materials and strive to build a closed loop of battery raw materials.
- LGES aims to achieve carbon neutrality by 2050 through external carbon reduction activities, such as developing renewable energy and installing ESS for communities near the business sites.

Source: Company Information

# LGES GREEN BOND SUMMARY

### LG Energy Solution’s 2024 Green Bond Details

- On July 2, 2024, LG Energy Solution issued its Green Bonds under the Green Financing Framework.
- The bond generated total proceeds of US\$1.3bn, which have been fully allocated to projects that support global climate change initiatives.

Issuer	LG Energy Solution Co., Ltd.	
Ratings at Issue	Baa1 by Moody’s / BBB+ by S&P	
Format	144A / Reg S	
Issue Date	July 2, 2024	
Instrument	Senior Unsecured	
Tenor	5Y	10Y
Issued Amount	US\$800mm	US500mm
Coupon	5.375%	5.500%
ISIN	US50205MAD11 / USY5S5CGAL65	US50205MAE93 / USY5S5CGAM49
Use of Proceeds	Finance or refinance, in whole or in part, new or existing projects related to (i) low carbon transportation and (ii) energy efficiency in accordance with LGES’ Green Financing Framework dated February 2023	

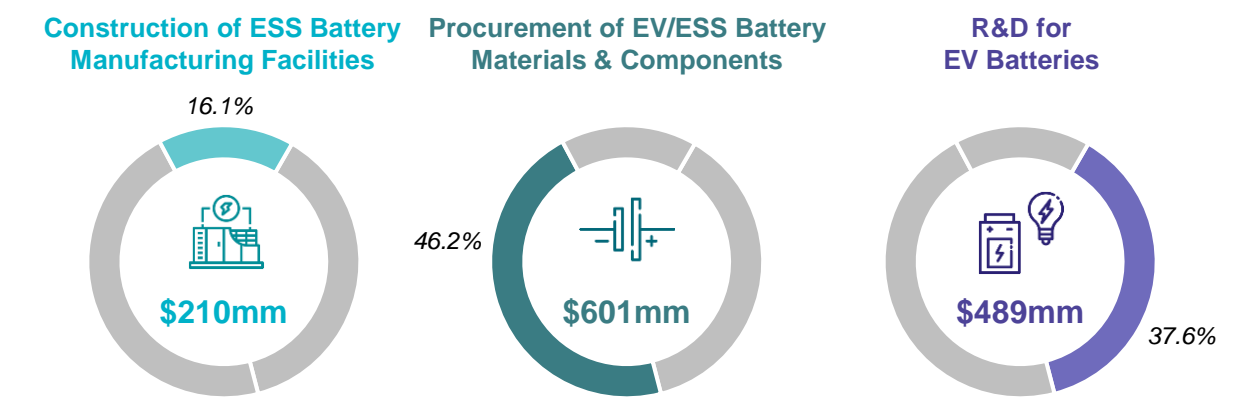
# ALLOCATION & IMPACT REPORT

## Green Bond Allocation Summary

- As of September 30, 2025, the proceeds of US\$1.3bn from the Green Bonds were fully allocated to construction of ESS battery manufacturing facilities, procurement of battery materials & components and R&D for EV batteries.



### Allocation Breakdown by Project



## Green Bond Impact Summary

### Case Study: ESS Battery Manufacturing Site

**TOTAL PROJECT CAPACITY**

**18GWh/year**

**LGES GREEN BOND SHARE <sup>(1)</sup>**

**1.4GWh/year**

**ALLOCATED**  
\$210mm

**SOP**  
2025

**PROJECT SIZE**  
\$2,677mm

**LOCATION**  
Michigan, USA

Note: Monthly average of USD/KRW FX rate applied for R&D expense incurred in each respective month  
(1) LGES Green Bond share is pro-rated according to LGES' share of green bond proceeds as a proportion to the total equity commitment in the project in percentage terms