LG Energy Solution

Green Bond Annual Report

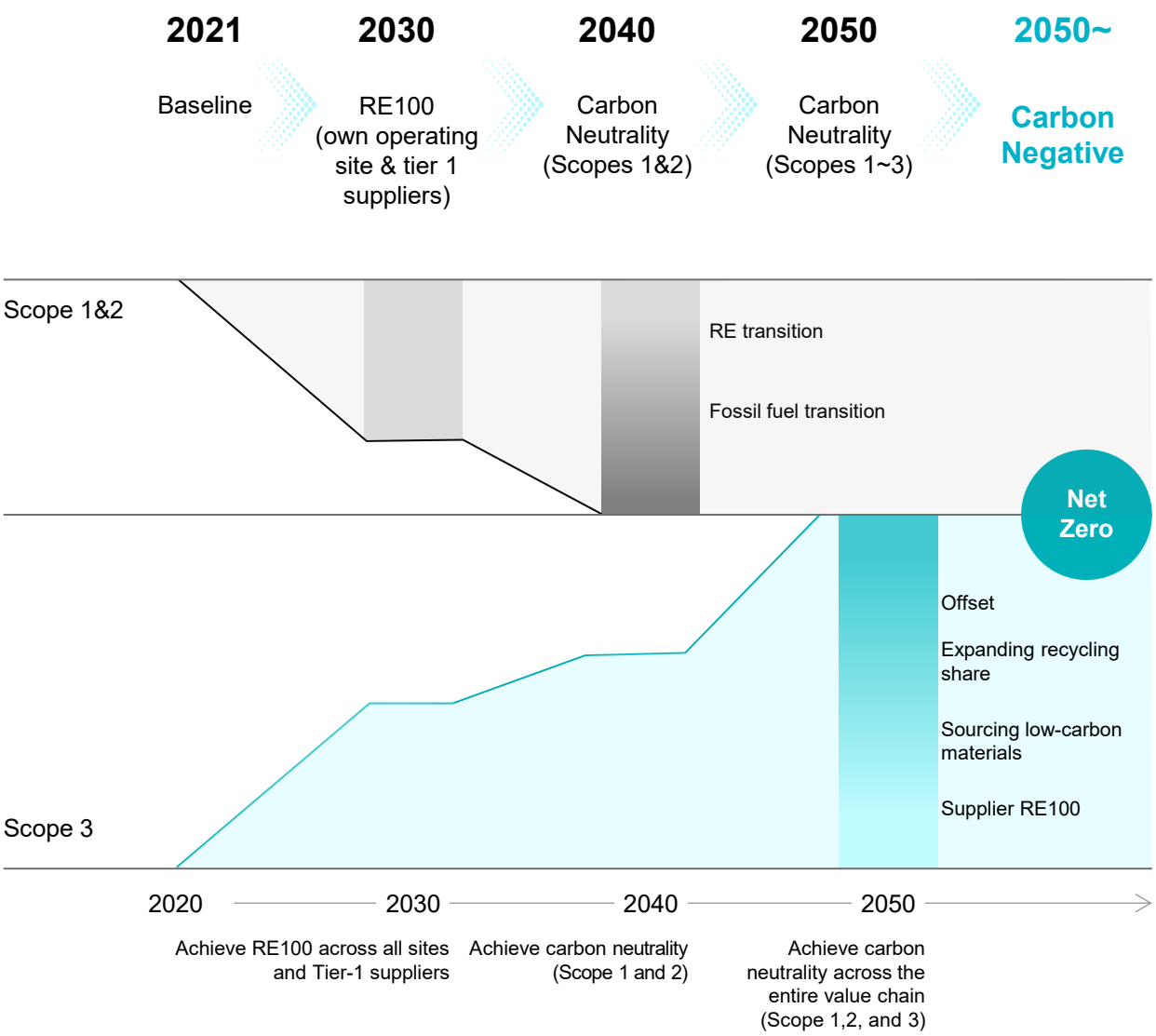


October 2026

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

LG Energy Solution

CARBON NEUTRALITY BY PHASE

Carbon Neutrality Strategy

- Most of the greenhouse gases generated in the battery manufacturing process result from the use of heat and electricity. Approximately 70–80% of the Company's total GHG emissions are indirect emissions (Scope 2) from electricity use and some external steam use, while the remaining 20–30% are direct emissions (Scope 1) from fuel combustion such as Natural gas and gasoline. To achieve carbon neutrality (net zero emissions), the Company continues to identify ways to minimize energy use in its processes and transition electricity consumption to renewable sources.

2030 | Complete RE100 Transition

LGES

- LGES has been actively advancing its climate action efforts since becoming the first company in the global battery industry to join both the RE100 and EV100 initiatives in April 2021.

Suppliers

- LGES aims to transition 100% of the electricity used by all Tier-1 suppliers in the supply chain for raw material and component production to renewable energy by 2030.

2040 | Achieve Scope 1&2 Carbon Neutrality

LGES

- LGES aims to reduce the use of fossil fuels, such as LNG, and fossil fuel-based energy to achieve company-wide carbon neutrality by 2040.

Suppliers

- LGES continuously conducts Life Cycle Assessments (LCA) across its battery supply chain. Based on these assessments, LGES has identified Tier-2 and upstream suppliers with high carbon emissions within key material supply chains as Carbon Reduction Hotspots and plans to support their transition to 100% renewable electricity in production processes.

2050 | Achieve Carbon Neutrality Across the Entire Value Chain

- **Strengthening Supply Chain Carbon Emission Management:** LGES plans to expand carbon emissions monitoring beyond Tier-1 suppliers to include upstream suppliers involved in activities such as mining, refining, and smelting. In addition, LGES will actively support suppliers' participation in RE100 and carbon reduction activities.
- **Establishing a Battery Circular Ecosystem:** LGES will gradually increase the use of recycled and low-carbon raw materials to reduce reliance on virgin materials derived from carbon-intensive mining activities.
- **Achieving Carbon Negative Through Stakeholder Collaboration:** LGES will contribute to climate action and community well-being by developing renewable energy generation facilities and ESS near its domestic and overseas sites.

Source: Company Information

LGES GREEN BOND SUMMARY

LG Energy Solution's 2025 Green Bond Details

- On April 2, 2025, LG Energy Solution issued its Green Bonds under the Green Financing Framework.
- The bond generated total proceeds of US$700mm, 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	April 2, 2025
Instrument	Senior Unsecured
Tenor	10Y
Issued Amount	**US700mm**
Coupon	5.875%
ISIN	US50205MAJ80 / USY5S5CGAR36
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

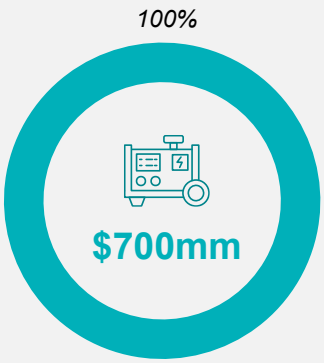
ALLOCATION & IMPACT REPORT

Green Bond Allocation Summary

As of September 30, 2026, the proceeds of US$700mm from the Green Bonds were fully allocated to construction of EV/ESS battery manufacturing facilities.

Total Allocation	US$700mm
New Financing %	100%

Allocation Breakdown by Project



Construction of EV/ESS Battery Manufacturing Facilities

Green Bond Impact Summary

Case Study: EV Battery Manufacturing Site

Total Project Capacity	36GWh/year
LGES Green Bond Share(1)	2.5GWh/year



Allocated **$228mm**	Project Size **$3,272mm**
SOP **2026**	Location **Arizona, USA**

Note: (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

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