



Tax Policy

Leading A Sustainable Future With Green Cable Solutions

Tax Policy

I. Overview

1. Purpose of Establishment

LS Cable & System establishes this policy to comply with domestic and international tax laws and minimize tax-related risks. Through the establishment and disclosure of this tax policy, it enhances the value of stakeholders and lays the foundation for the company's sustainable growth.

2. Scope of Application

The scope of this policy applies to all members of LS Cable & System. It also recommends that subsidiaries, partners, and contractors who do business with LS Cable & System comply with this policy or similar standards. However, if the matters covered in this policy conflict with the laws of the local country, the local laws will take precedence.

II. Basic Principles

(1) Compliance with Regulations

- LS Cable & System complies not only with domestic laws but also with the tax laws and regulations of each country in which it operates. It faithfully fulfills its tax obligations.
- It prohibits the transfer of income between countries by exploiting differences in tax structures and does not operate legal entities or use tax havens for the purpose of tax avoidance.

(2) Reporting and Payment

- All transactions are reported and tax obligations are fulfilled within the deadlines set by the laws of each country.
- If requested by the tax authorities of any country, LS Cable & System promptly provides the relevant facts and evidence.

(3) Tax Risk Management

- It conducts prior tax reviews on various tax-related issues that may arise from major business activities and continuously monitors tax policy revisions to manage them proactively.
- Where necessary, it seeks advice from external tax experts to establish the best response strategies.

(4) External Disclosure

- The company's tax information is transparently disclosed through the audit report in the electronic disclosure system of the Financial Supervisory Service of Korea.
- In the audit report, one can find information on the basis for calculating income taxes expenses, deferred tax assets and liabilities, and the breakdown of income taxes expenses. Its transparency and objectivity are ensured through external audits.

(5) Transfer Pricing Policy Implementation

- LS Cable & System adheres to the OECD Transfer Pricing Guidelines and the laws of each country in transactions with related parties, adhering to the principle of arm's length transactions. For transfer pricing transactions with foreign related parties, it manages the implementation status by preparing BEPS*) and transfer pricing reports with external tax experts.

*) Base Erosion and Profit Shifting: Tax planning strategies used by multinational companies to shift profits to low or no-tax jurisdictions, thereby eroding the tax base of higher-tax jurisdictions

Name	Tax Policy	Version	1.0
Date of Enactment	July 24, 2024	Date of Revision	-
Enacting Department	Accounting team	Managing Department	ESG Management Team

Reference

Policy	Reference
Tax Policy	<ul style="list-style-type: none">• Tax Law of the Republic of Korea• OECD Publications OECD Transfer Pricing Guidelines
Common	<ul style="list-style-type: none">• OECD Guidelines for Multinational Enterprises on Responsible Business Conduct