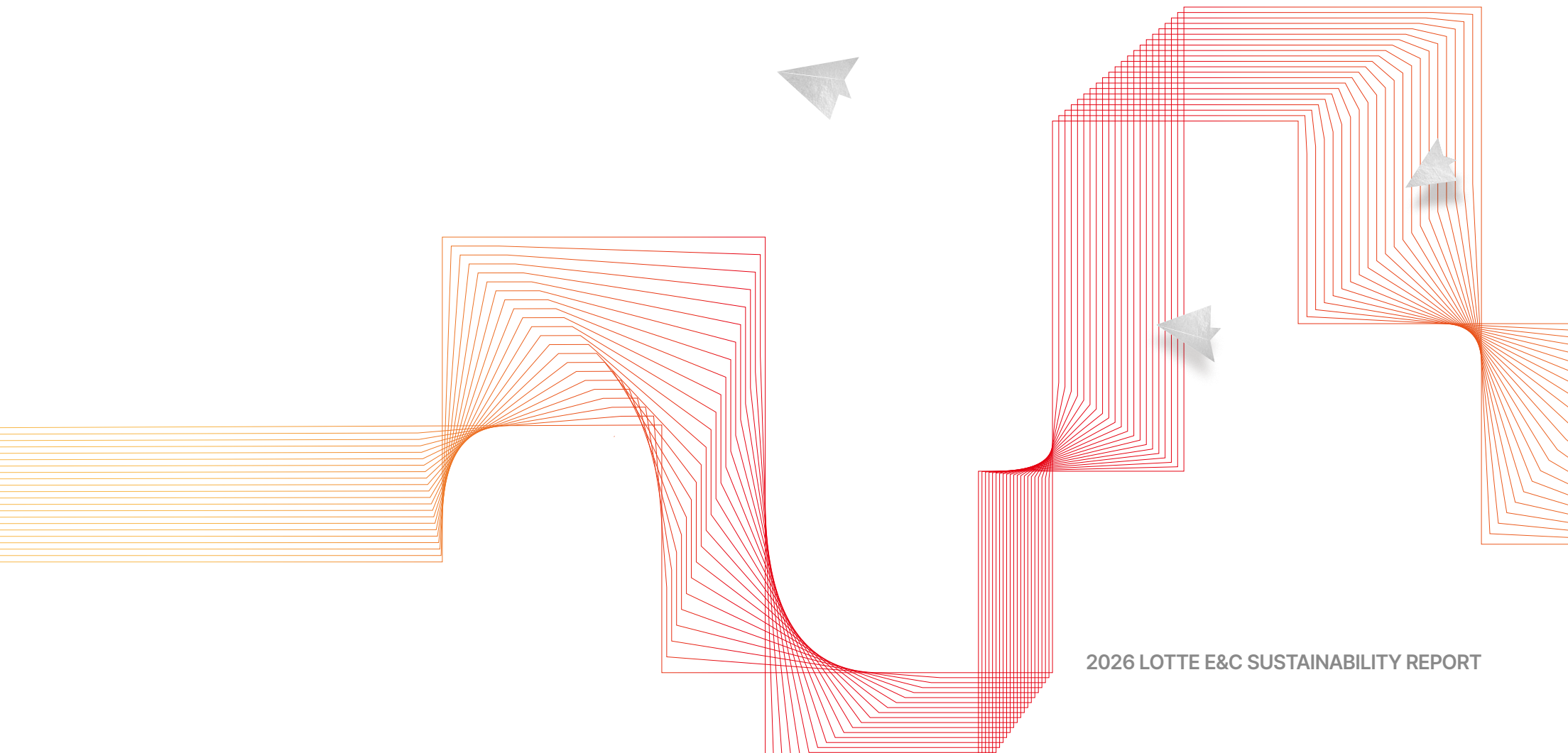
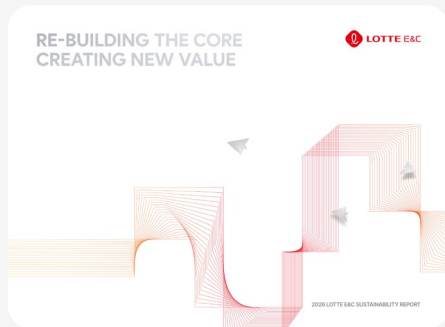


RE-BUILDING THE CORE CREATING NEW VALUE



About This Report

LOTTE Engineering & Construction (E&C) has been transparently disclosing its sustainability activities and performance across economic, environmental, and social areas through its annual Sustainability Report since 2013. The report outlines the Company's sustainability management direction and strategy, responses to key issues, business performance, and sustainable revenue information based on the K-Taxonomy, providing stakeholders with essential information for decision-making. The report also highlights communication activities with main stakeholders and the Company's efforts and achievements in pursuing the UN Sustainable Development Goals (SDGs) to demonstrate the Company's responsibility and commitment to a sustainable future.



COVER STORY

The layered lines of the skyline symbolize LOTTE E&C's trust and stability, while the paper airplane soaring above represents the Company's commitment and determination to move toward a sustainable future through responsible management and eco-friendly technologies.

Publication Date	June 2026
Address for Contact	29, Jamwon-ro 14-gil, Seocho-gu, Seoul 06515, Korea
Contact Team	Strategic Planning Team, Strategic Planning Division, LOTTE E&C lottenc_csr@lotte.net
E-Mail	http://www.lottecon.co.kr
Website	

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and IFRS Sustainability Disclosure Standards S1 and S2, as well as the Korea Sustainability Standards Board (KSSB) Sustainability Disclosure Standards 1 and 2. It covers our governance, strategy, risk management, metrics, and targets on key issues. Furthermore, based on the nature of the construction industry, the Company has referenced the industry-specific standards of the Sustainability Accounting Standards Board (SASB), and has incorporated recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), the European Sustainability Reporting Standards (ESRS), and the UN Sustainable Development Goals (SDGs).

Reporting Period and Scope

This report covers the period from January 1 to December 31, 2025, and includes selected activities and achievements through the first half of 2026. Financial data in this report are presented in accordance with Korean International Financial Reporting Standards (K-IFRS), reflecting consolidated performance across major domestic and overseas business sites. Non-financial qualitative and quantitative performance across governance, social, and environmental areas is primarily based on the domestic operations of LOTTE E&C, while certain items also include performance from overseas branches and project sites. Environmental and social performance is reported in consideration of the specific characteristics of the construction industry, and any exceptions or limitations in the reporting boundary are indicated through separate explanatory notes.

Reporting Assurance

To ensure the suitability of reporting criteria and the reliability and fairness of the data, this report has undergone third-party verification by BSI, an independent external assurance provider, at a Moderate Level under the AA1000 Assurance Standard

Type 2. Furthermore, to ensure the accuracy of greenhouse gas (GHG) emissions data, verification was conducted through Lloyd's Register Quality Assurance (LRQA) in accordance with the ISO 14064-3:2019 standard. This verification was performed in compliance with the 'Guidelines for Validation and Verification of Greenhouse Gas Statements' at a limited assurance level and under a materiality threshold of 5%. The verification results are disclosed in the Independent Assurance Statement (p. 166) of this report.

Materiality Assessment and Selection of Reporting Issues

LOTTE E&C conducts a Double Materiality Assessment to ensure the objectivity of the report and identify stakeholder needs in a detailed manner. The key issues identified through the assessment are classified as core tasks within the ESG strategy framework to strengthen implementation. Going beyond the simple identification of issues, the Company analyzes the impact of each topic on its business value chain and financial performance, and reflects the results in its management indicators (KPIs) and decision-making processes.

Reporting Cycle and Additional Information

LOTTE E&C publishes its sustainability report annually to transparently disclose ESG management performance. Following the previous year's report released in July 2025, the Company continues to disclose financial and non-financial information in an integrated manner through official channels, including its corporate website and the Financial Supervisory Service's Data Analysis, Retrieval and Transfer System (DART). Going forward, LOTTE E&C will continue to actively incorporate stakeholder feedback into its reports and further strengthen the reliability and completeness of disclosed information.

Contents

About This Report	02
Contents	03
CEO Message	04

INTRODUCTION	05
LOTTE E&C Corporate Philosophy	06
Company Overview	07
Value Creation Progress	09

OUR CORE BUSINESS STREAMS	11
Development	12
Civil Works	14
Plants	16
Overseas	18
Core Strategies for Creating Future Value	20

ESG MANAGEMENT	23
ESG Governance	24
ESG Strategy	26
Materiality Assessment	28
Stakeholder Engagement	30

FOCUS ON THE CORE	31
Core 1. Safety and Health of Employees and Partners	32
Core 2. Climate Change(TCFD)	44
Core 3. Quality Management	56
Core 4. Shared Growth with Partners	63

SOLID CORE	75
Board of Directors	76
Shareholder-Friendly Management	78
Ethical Management	79
Compliance Management	82
Information Security	86
Integrated Risk Management	91

GREEN CORE	93
Environmental Management	94
Environmental Impact Management	96
Strengthening New Growth Engines	98
Biodiversity Management	101

HUMAN CORE	107
Human Rights Management	108
Talent Management	113
Organizational Culture	117
Community Engagement	119
Customer Communication Activities and Satisfaction	123

ESG DATA PACK	125
Financial Data	126
Environmental Data	128
Social Data	134
Governance Data	144

APPENDIX	149
GRI Content Index	150
SASB Index	154
IFRS Index(TCFD)	156
ESRS Index	157
UNGP Human Rights Report Index	160
Greenhouse Gas Verification Statement	161
Third-Party Assurance Statement	166
Awards and Memberships	169
Acknowledgement	170

Interactive PDF

This report has been published as an interactive PDF file that includes functions such as links to relevant pages within the report and shortcuts to related web pages.

CEO Message

We enhance efficiency through Re-Building and create differentiated New Value to achieve sustainable growth.



Dear Valued Stakeholders,

LOTTE E&C continues its journey toward a sustainable future, actively responding to the rapidly changing global environment. Over the past year, through our officers and employees' dedicated efforts to reinforce internal stability and fundamental capabilities, we achieved meaningful results and built a springboard for a new leap forward despite challenging conditions.

Building upon the internal strength we have cultivated, LOTTE E&C is now reaching a crucial turning point toward sustainable growth, in which profitability and social value are harmoniously balanced. Accordingly, we designate 2026 as the first year of qualitative growth driven by the re-establishment of our management systems. Grounded in 'integrated governance' that aligns ESG values with our business strategy, we will achieve our established goals and prove our commitment through performance.

First, Strengthening Safety and Health Management and Refining Compliance Systems

On-site safety is our top priority, one that admits no compromise. Guided by the principle, "If it is not safe, we do not work", we will strive to prevent all serious accidents and build a robust safety system through strict adherence to and daily practice of safety management standards. Furthermore, we will elevate compliance awareness, ensure fairness in our operations, and further refine our compliance management framework. By thoroughly upholding fundamental principles in our daily operations and making transparent, fair business processes a signature strength of LOTTE E&C, we will transform into a company that earns the deep trust of our stakeholders.

[→ Go to Strategic Activities](#)

Second, Expanding Efficiency through an Integrated Enterprise Management System

We will maximize overall efficiency by organically integrating core management systems, including finance, procurement, and cost management. We will establish accurate

business profitability forecasting and a framework for rapid decision-making based on real-time data analysis. At the same time, we will strictly assess business risks in advance to solidify a cash-flow-centered business structure. Under this integrated management framework, we will optimize resource allocation and establish a stable operational foundation, thereby delivering tangible results that fulfill the expectations of our stakeholders.

[→ Go to Strategic Activities](#)

Third, Strengthening Expertise to Secure Future Growth Capabilities

We will dramatically enhance our domain expertise by clearly separating the roles of sales and business development from those of engineering. Based on this, we will go beyond simply elevating construction execution capabilities to build an unrivaled competitive edge in future high-value projects and new business areas. Furthermore, we will reshape our core business portfolio with a focus on profitability and strengthen our cost and quality competitiveness in the market to firmly secure the capabilities needed for future growth.

[→ Go to Strategic Activities](#)

LOTTE E&C remains dedicated to fulfilling its corporate social responsibility and forging a sustainable future where economic performance and social value reinforce one another in a virtuous cycle. Driven by management innovation through "Re-Building," we will transform into a leading global enterprise that delivers differentiated value to our customers and serves as a trusted partner to society.

We wish all our stakeholders good health and happiness.
Thank you.

June 2026
CEO of LOTTE E&C
Il Geun Oh



INTRODUCTION

06 LOTTE E&C Corporate Philosophy

07 Company Overview

09 Value Creation Progress

LOTTE E&C Corporate Philosophy

Re-Building, 2026 LOTTE E&C

LOTTE E&C annually establishes and shares core management slogans and tasks to achieve sustainable growth. Following its efforts to improve its organizational fundamentals through "New Spirit" in 2025, the Company has set "Re-Building the Core, Creating New Value" as its 2026 slogan, with the goal of "strengthening the fundamental management structure through a shift in the management paradigm and change." Accordingly, LOTTE E&C plans to pursue three major management policies: putting safety first, efficiency-oriented management through Re-Building, and Securing Medium-to Long-Term Growth Capabilities. LOTTE E&C will continue to strengthen its safety- and compliance-centered decision-making system, while improving its financial structure and reorganizing its portfolio to transform into a resilient organization capable of overcoming crises. Through these efforts, the Company will advance as a global leader that creates new value.

Re-Building, Core Keywords



2026 LOTTE E&C Management Policy

2026 Slogan

2026 Management Policies

Action Plans

Strengthening the fundamental management structure through a shift in the management paradigm and change

Safety First



Safety- and Compliance-Centered Decision-Making

- Thoroughly embedding safety management standards and principles into everyday practice
- Strengthening the real-time collaboration system between sites and head-quarters
- Enhancing compliance awareness and ensuring fairness in business processes

Safety Paradigm Shift

- Pursuing fundamental safety based on technological innovation
- Securing a competitive edge in safety

Efficiency-Oriented Management



Focused Improvement of Financial Structure

- Stabilizing the business structure
- Strengthening preemptive reviews of business risks
- Securing profitability through cost structure improvements

Enhancing Work Efficiency and Flexibility

- Innovating work methods and streamlining the organization
- Securing flexible collaboration across departments and organizational agility

Securing Mid- to Long-Term Future Growth Capabilities



Portfolio Reorganization and Promotion of New Growth Engines

- Selecting and focusing on high-profit core businesses
- Identifying future high-value-added businesses

Strengthening Technical Capabilities and Expertise

- Securing technology-based quality and cost competitiveness
- Pursuing technological differentiation and securing growth drivers for new business areas

Ongoing Operational Tasks

Establishing a Fair, Performance-Based HR Culture

- Building mutual trust and driving innovation through fair and transparent HR practices
- Fostering top talent and providing growth opportunities that enable employees to realize their potential

+ Building a Corporate Culture Based on Breaking Conventions and Formalities and Promoting Communication

- Fostering active communication and listening by breaking down barriers between positions and departments
- Boosting employee pride by improving the corporate culture

Company Overview

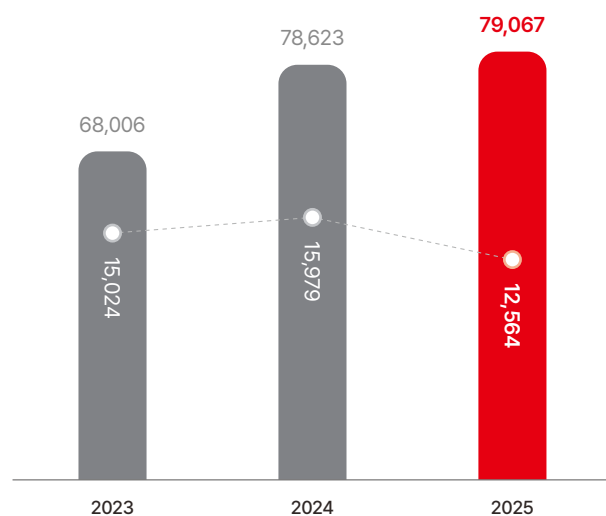
Company Overview

Founded in 1959, LOTTE E&C has grown into a global comprehensive construction company that contributes to enriching people's lives under its vision of "Lifetime Value Creator." The Company has built a solid portfolio by successfully carrying out core projects in all areas of national infrastructure and industrial facilities, including roads, bridges, plants, residential facilities, and community facilities. In particular, LOTTE E&C demonstrated its world-class high-rise construction capabilities by completing LOTTE World Tower, Korea's tallest building. Today, LOTTE E&C continues to provide differentiated living experiences and premium value through its high-end residential brands, "LOTTE Castle," "LE-EL," and "LUMINI." In addition, the Company is actively integrating low-carbon materials and eco-friendly construction technologies into its project sites to create sustainable spaces. Through these efforts, LOTTE E&C is committed to achieving its "2040 Carbon Neutrality" goal and fulfilling its corporate social responsibility.

Key Financial Performance

(Unit: KRW 100 million)

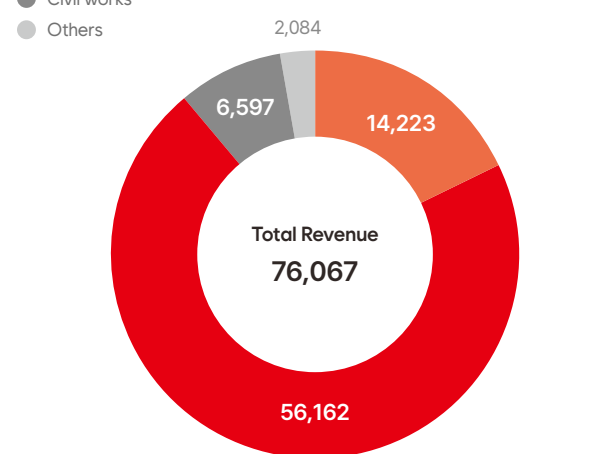
- Revenue
- Sustainable Product Revenue



Revenue by Business Division in 2025¹⁾

(Unit: KRW 100 million)

- Development
- Plants
- Civil works
- Others

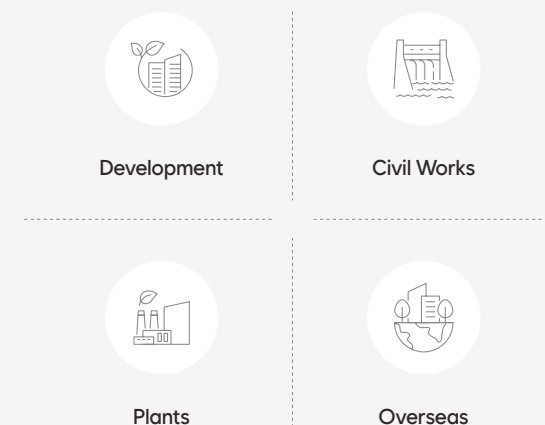


1) Based on separate financial statements as of December 2025)

(Based on separate financial statements as of December 2025)

Company name	LOTTE Engineering & Construction Co., Ltd
Date of Establishment	February 3, 1959 (Acquired by LOTTE Group in 1978)
CEO	Il Geun Oh (Inaugurated in December 2025)
Head Office	29, Jamwon-ro 14-gil, Seocho-gu, Seoul, Korea
Key Businesses	Development, Civil Works, Plants, and Overseas Business
Major Shareholder	LOTTE Chemical Corporation (Stake: 14,819,985 shares / 44.02%)
Number of Employees	3,743 employees
Branches / Subsidiaries	Domestic: 1 corporation / 1 branch Overseas: 5 corporations / 8 branches
Revenue	KRW 7,906.7 billion
Operating Profit	KRW 103.6 billion
Credit Rating	A+ (NICE Investors Service and Korea Ratings, assessment date: Oct. 15, 2025)

Key Business Areas



Company Overview

Global Networks

LOTTE E&C operates on a global scale, carrying out order-winning activities worldwide and strengthening its presence in the global market. Supported by a network spanning 11 countries, including South Korea, the Company operates one corporation in Korea, as well as eight branches in eight countries and five corporations in five countries overseas. Backed by decades of proprietary technologies and construction expertise, LOTTE E&C is focusing its capabilities on identifying high-quality projects. In particular, the Company is concentrating its efforts on global projects to expand its business territory, mainly in Southeast Asian countries such as Vietnam and Indonesia.



Domestic

1 Corporation

Overseas

8 Branches in **8** Countries

- Vietnam
- Indonesia
- Japan
- Singapore
- Pakistan
- Moscow
- the Philippines
- Australia

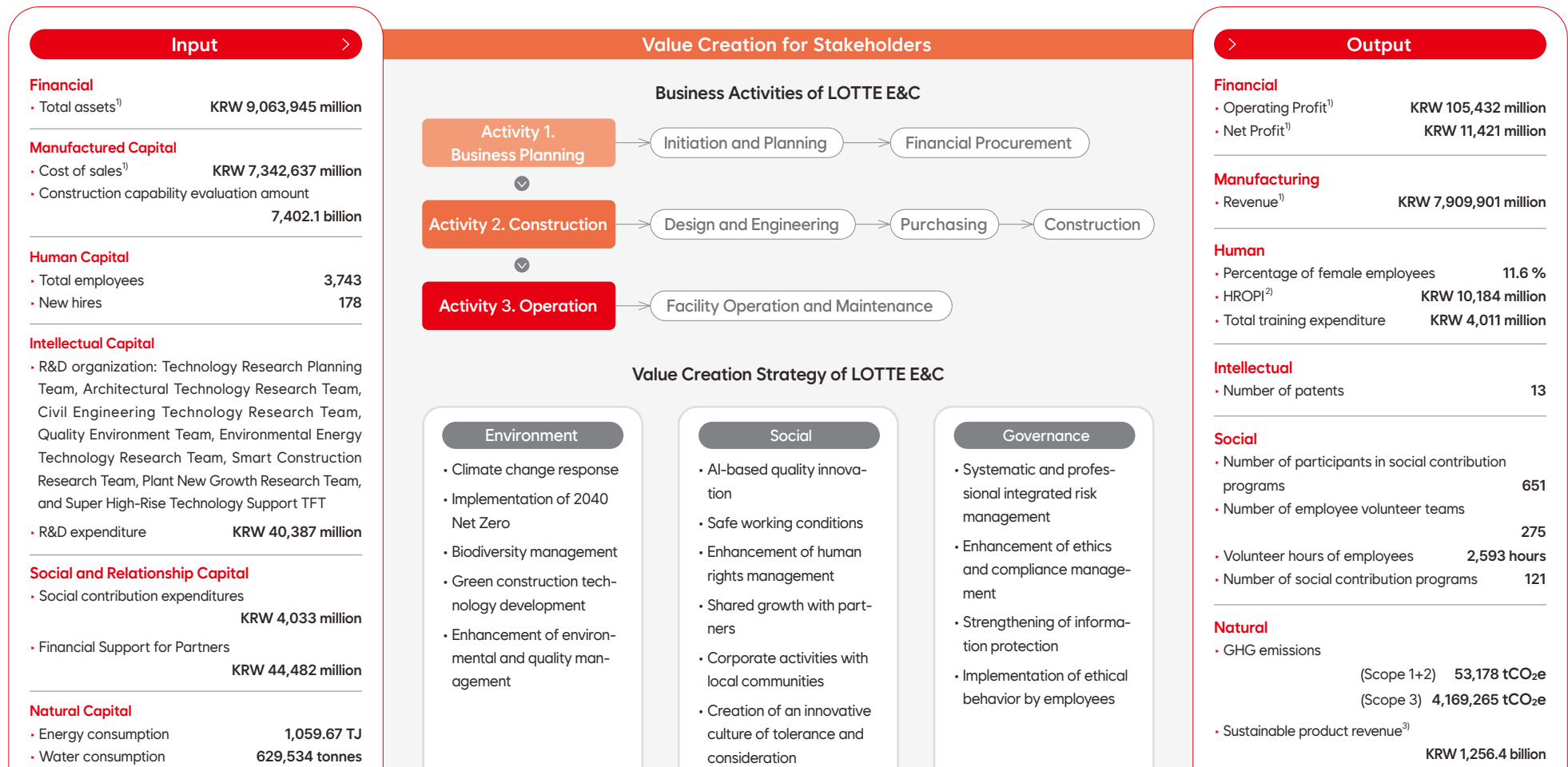
5 Corporations in **5** Countries

- Shenyang
- LOTTE Land Vietnam
- LOTTE Land Indonesia
- LOTTE Land India
- LOTTE Land Malaysia

Value Creation Progress

LOTTE E&C creates diverse values—including customer satisfaction, technological innovation, job creation, and shared growth with partners—through the successful completion of projects, thereby contributing to sustainable social development. The Company also recognizes potential negative impacts that may arise in the course of its management activities and continuously pursues efforts to minimize them. Going forward, LOTTE E&C will continue to deliver positive value to all stakeholders, enhance the value generated through capital utilization, and make every effort to achieve sustainable growth as a global leader that provides total solutions.

Value Creation System



1) Consolidated Financial Statement basis

2) Sales - [Operating Expenses - (Salaries + Benefits)] / (Salaries + Benefits)

3) Calculated based on 2025 sustainable product revenue from three business divisions on a separate basis under the K-Taxonomy

Value Creation Progress

Our Sustainability Legacy

Since its establishment in 1959 and its integration into the LOTTE Group in 1978, LOTTE E&C has led innovation in Korea's construction industry and laid the foundation for sustainable growth under the Group vision, "Lifetime Value Creator," which seeks to deliver the highest value throughout the entire customer life cycle. LOTTE E&C's journey through 2026 reflects a history of growth and reflection built on trust with stakeholders, as well as a solid foundation for creating greater value. Building on its past achievements, LOTTE E&C will continue to build a sustainable future that delivers greater value to customers and society by shifting to a new management paradigm aligned with the changing social needs and realizing proactive growth toward future goals.

1959~1977

- 1959. 2 • Established Pyong Hwa Construction, Inc.
- 1970. 11 • Entered overseas construction market
(Won a road construction contract in Saudi Arabia)

1978~1998

- 1978. 9 • LOTTE Group acquired management rights
- 1979. 9 • Merger of LOTTE E&C Co., Ltd. (Foundation Day)
- 1981. 3 • Changed name to LOTTE E&C
- 1986. 9 • Established the LOTTE E&C Technology Research Institute
- 1995. 6 • Acquired ISO 9001
(Quality Management System, Germany TUV)
- 1996. 11 • Acquired ISO 14001
(Environmental Management System, BVQI, UK)

1999~2023

- 2000. 11 • Established the Ethics Secretariat
- 2002. 5 • Received the grand prize at the Korea Service Grand Prix in the apartment housing category
- 2002. 7 • Obtained Korea's first "Construction KOSHA program" certification
- 2003. 7 • Ranked 8th in the Construction Capability Evaluation
(Entered the top 10)
- 2010. 5 • Established an ethical management pledge system for partners
- 2012. 11 • Launched the CSR Committee
(Currently, Sustainability Management Council)
- 2013. 7 • Published the first Sustainability Report
- 2017. 3 • Opened LOTTE World Tower
- 2017. 8 • Acquired the Information Security Management System (ISMS) certification
- 2017. 12 • Established an ethical management section in regular evaluation for partners
- 2019. 3 • Opened LENCIS 4.0, the next-generation ERP system
- 2020. 3 • Held an Emergency Management Code of Conduct and Ethical Management Oath Ceremony
- 2021. 9 • Established a dedicated ESG Team
- 2021. 10 • Obtained KOSHA-MS transition audit certification
- 2022. 2 • Opened "Safety On," a health and safety training center
- 2022. 8 • Became the first company in the construction industry to acquire ISMS-P certification, a personal information protection management system
- 2022. 10 • Obtained ISO 37001 certification
(anti-corruption management system)
- 2022. 11 • Launched 'CASTLing', a service brand for customer satisfaction

2024

- 2023. 7 • Won the Korea Service Grand Prize (Apartment Category) for the 22nd consecutive year
- 2023. 9 • Recognized by the Mayor of Seoul for the Seoul Eco-friendly Construction Site Operation Agreement
- 2023. 10 • Opened Situation Room for Safety
- 2023. 11 • Received the LACP Gold Award; Selected as a 2023 Community Contribution Certified Company
- 2024. 7 • Received the grand prize at the Korea Service Grand Prix in the apartment housing category for 23 consecutive years
- 2024. 11 • Won the grand prize at the LACP Spotlight Awards 2024
• Received Bronze prizes in two sectors of the Good Design Award 2024
• Won two Innovation Prizes in "the 2024 Smart Construction Challenge" held by the Ministry of Land, Infrastructure and Transport of Korea
- 2024.12 • 2024 Recognized as a company for the 2024 Corporate Social Responsibility in the Community for two consecutive years

2025

- 2025. 4 • Received a commendation from the Chairperson of the Korea Fair Trade Commission at the 24th Fair Trade Day Ceremony
- 2025. 7 • Received the Grand Prize in the apartment housing category at the Korea Service Grand Prix for 24 consecutive years
• Received the Integrated Grand Prize in the construction brand category at Social i-AWARD 2025 for two consecutive years
- 2025. 10 • Simultaneously obtained ISO 37001 Anti-Bribery Management System certification and ISO 37301 Compliance Management System certification
• Received the Minister of the Korea Forest Service Award in the private sector at the 15th Korea Landscape Awards 2025
- 2025. 11 • Received the Grand Prize in the Corporate YouTube category at the 11th SNS Awards 2025
• Received the Customer Satisfaction Grand Prize at the 18th Korea Communication Awards for two consecutive years
• Received the Bronze Prize for Angel Seat at the Good Design Award
- 2025. 12 • Obtained an AA rating in the Compliance Program (CP) for three consecutive years
• Received Excellence Awards in the Marketing/Campaign and Digital Creative categories at the Korea Digital Advertising Awards for "OK LOTTE Castle" and "Mom's Time"
• Received the Grand Prize in the eco-friendly category at the 16th Korea Green Construction Awards
• Won Platinum at the LACP Spotlight Awards for two consecutive years



OUR CORE BUSINESS STREAMS

- 12 Development
- 14 Civil Works
- 16 Plants
- 18 Overseas
- 20 Core Strategies for Creating Future Value

Development

LOTTE E&C is continuously expanding its business areas beyond simple construction into development and asset operations, based on its super high-rise construction capabilities and exceptional technical talent. In particular, by integrating the operations of its Housing Business Division and Architecture Business Division, the Company is maximizing synergies with LOTTE Group-linked projects. It is also strengthening its strategic position as a developer by providing integrated solutions covering the entire process from planning, permits and approvals, and financing to construction. Under the brand philosophy of "Build Home, Beyond House," the housing business division is presenting a new paradigm for residential spaces. Led by its high-end residential brand "LE-EL," LOTTE E&C has built a segmented brand portfolio that includes "LOTTE Castle," urban residential brand "LUMINI," and senior-specialized residential brand "VL," leading a residential culture tailored to customers' lifestyles. The architecture business division is also successfully carrying out large-scale development projects in Korea and overseas, realizing a business model that combines stability and profitability. Going forward, LOTTE E&C will continue to create sustainable future value based on innovative technologies and customer-tailored solutions.

2025 Key Performance

Received the Grand Prize in the apartment housing category at the Korea Service Grand Prix for 24 consecutive years

Received an award in the high-end apartment category at the Korea Brand Hall of Fame 2025

Received the 2025 Seoul Residential Culture Award



Haeundae Centum Mixed-Use Development Project

Period	Nov. 2024 – May 2030 (planned)
Location	856-6 Jaesong-dong, Haeundae-gu, Busan, Korea
Size	6 basement floors, 67 floors above ground, 7 buildings / 2,070 units



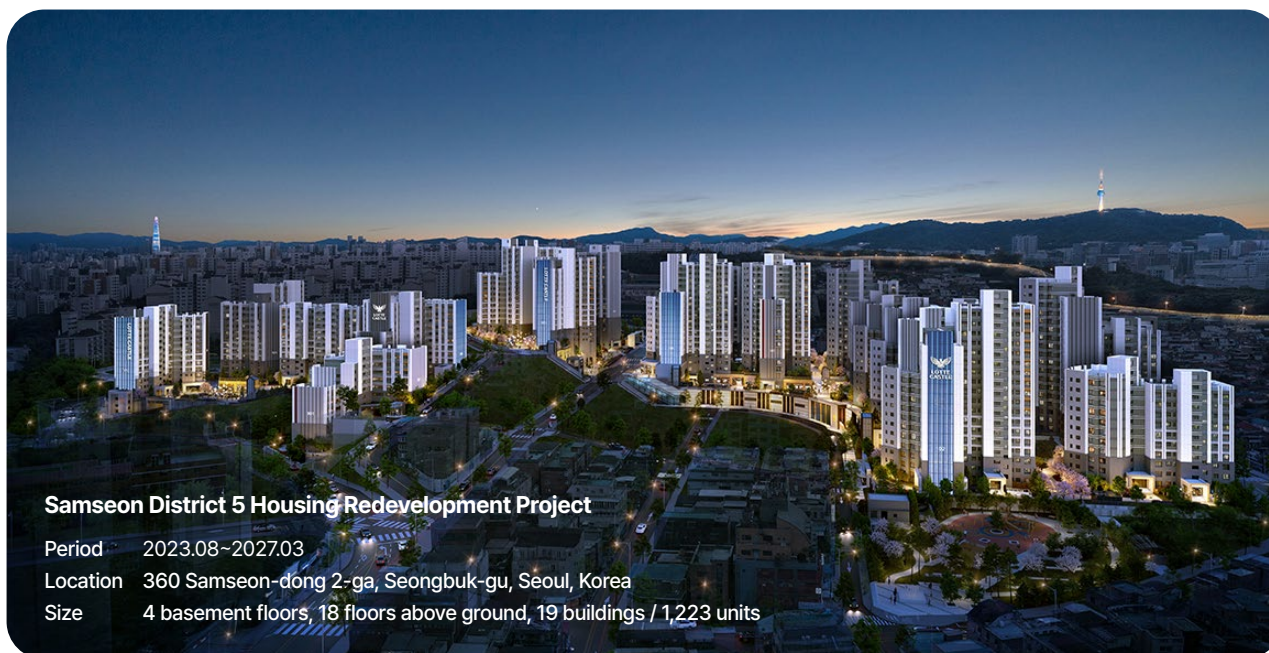


Daegu LOTTE Shopping Town Development Project

Period May 2021 – Jun. 2027 (TBD)

Location Commercial distribution area in Suseong Alpha City, 885 Daeheung-dong, Suseong-gu, Daegu, Korea

Size 2 basement floors, 5 floors above ground 9 floors in the parking building



Samseon District 5 Housing Redevelopment Project

Period 2023.08~2027.03

Location 360 Samseon-dong 2-ga, Seongbuk-gu, Seoul, Korea

Size 4 basement floors, 18 floors above ground, 19 buildings / 1,223 units

Our Strengths & Strategy:

LOTTE E&C proactively responds to rapidly changing consumer trends and lifestyles by proposing residential solutions that expand the essential functions of space. In the residential sector, the Company redefines the role of the home as a multifaceted living environment that reflects individual lifestyles and stories, going rather than merely a place for rest. To this end, LOTTE E&C has developed and is applying its new interior style, “4.0 MUZE,”¹⁾ which embodies this concept. In non-residential sectors, including office facilities and hotels, the Company identifies the core value of each space from a user-centered perspective and implements customer-tailored engineering strategies that reflect these values throughout the entire process from design to construction. Going forward, LOTTE E&C will continue to enhance residential quality based on its differentiated brand competitiveness and product planning capabilities, while continuously creating premium spatial value that exceeds customer expectations.

Core Development Technologies

Utilization of AI Technologies

- Development of AI technologies related to safety management, quality, and design

Development and Expanded Application of OSC²⁾

- Promotion of steel-frame modular construction through collaboration among affiliates, Expanded application of precast concrete parking structures, with pilot application in 2025

Expansion of BIM

- Training BIM specialists, Strengthening BIM collaboration, Operating cloud-based linkage between sites and headquarters, Developing BIM modeling automation software

Floor-Impact Noise Reduction Technology

- Development of new high-performance floor structures and inter-floor noise reduction devices, Pilot application at demonstration sites and expansion to all sites

Diversification of Operating Products and Expansion of Group-Linked Services

- Car sharing, breakfast service, home care and home appliances, etc.

1) MUZE (My Untitled Zone Edit story): LOTTE E&C's new interior style that reflects the idea of a home filled with one's own story

2) Off-Site Construction: Construction method performed away from the project site

Civil Works

LOTTE E&C has successfully carried out major domestic and international infrastructure projects, including roads, railways, airports, and ports, demonstrating its total solution capabilities across both public and private projects. In particular, the Company is leading the land transportation infrastructure market based on its distinguished construction experience and technological capabilities in roads and railways. LOTTE E&C is also contributing to the development of national environmental infrastructure through its sophisticated design and construction capabilities for water treatment facilities, while strategically expanding its business scope into waste recycling and bioenergy sectors. Going forward, LOTTE E&C will expand the share of environmentally friendly businesses and diversify its portfolio to contribute to the qualitative development of national infrastructure and the improvement of quality of life in local communities.

2025 Key Performance

Promoting High-Competency Infrastructure Projects and Diversifying Environmental Businesses



Water Reclamation Center Modernization Project - Jungnang, Phase 2-1

Period	Dec. 2024 – Nov. 2032
Location	64, Jadongchasijang 3-gil, Seongdong-gu, Seoul, Korea
Size	Improvement of No. 2 and 4 treatment plants, improvement of the reject water treatment facility, and construction of a new sewage treatment facility





Suseo-Gwangju Double-Track Railway Construction Project - Section 3

Period Mar. 2025 – Feb. 2030
Location Seongnam, Gyeonggi Province – Gwangju, Gyeonggi Province, Korea
Size L = 19.7 km (New construction of 14.3 km and improvement of existing line of 5.4 km)



Period Jul. 2026 – May 2032
Location Gwacheon, Gyeonggi Province – Dongjak-gu, Seoul, Korea
Size L = 5.52 km, four-lane road
 One rainwater storage and drainage facility
 (Multi-utility tunnel, rainwater storage and drainage tunnel, etc.)

Our Strength & Strategy

LOTTE E&C advances specialized capabilities in complex transportation infrastructure, including long-span bridges and underwater tunnels, while securing proprietary water-treatment technologies via internal R&D and external joint research. Leveraging this technological edge, the Company drives quality-driven growth in high-value civil engineering projects in high-value civil works while ensuring efficiency and safety across project lifecycles.

Core Technologies of Civil Works

Trimble Site Vision (AR Construction Management)

- Real-time verification of construction status based on augmented reality technology
- Real-time on-site review of construction results for above-ground structures, such as roads and bridges, and underground facilities, based on 3D BIM design and GNSS¹⁾ technology

3D Laser Scanning

- Automatic calculation of 3D coordinates of surrounding facilities through laser-scanning technology
- Automation of wide-area surveying and improved accuracy, reducing work time and building precise spatial information data

3D Scanning Technology for Underground Spaces

- Analysis of initial deformation behavior during excavation and prediction of changes in underground space stability through the acquisition of two-dimensional structural data

Drone-Based Surveying

- Rapid surveying and construction status monitoring of large-scale construction areas through aerial photography and orthophoto generation using drones
- Safe data acquisition even in areas with limited accessibility

AI-Based Schedule and Quality Management

- Establishment of optimal construction schedules through construction data analysis and early identification of potential quality issues
- Minimization of schedule delay risks and establishment of a data-based decision-making system

Smart Safety Management System

- Real-time monitoring of workers' safety status using video recognition, wearable devices, and location tracking technologies
- Automatic detection of access to hazardous areas, failure to wear safety equipment, abnormal behavior, and other risk factors to prevent accidents

1) GNSS(Global Navigation Satellite System): A global navigation satellite system that provides location, altitude, and velocity information of objects on the ground using radio waves from satellites

Plants

LOTTE E&C plays a key role in building industrial infrastructure, including petrochemical production facilities and power plants, and provides optimized integrated services across the entire plant value chain, from planning, design, and construction to operation. Based on its experience in carrying out large-scale projects in the petrochemical plant sector, the Company is expanding its market share in domestic and international markets. Recently, LOTTE E&C has also been focusing on securing strengthening its EPC competitiveness by integrating FEED¹⁾ capabilities into project development in new eco-friendly industries, including battery-materials manufacturing and plastics recycling. Furthermore, the Company will diversify its business portfolio into the Group's new growth engines, such as CDMO²⁾ facilities and clean-energy projects such as fuel-cell facilities, thereby establishing a foundation for sustainable growth.

- 1) FEED (Front End Engineering Design): A key stage following conceptual design and prior to detailed design, in which the technical requirements, estimated costs, major equipment specifications, layout, and other core elements of a project are defined.
- 2) CDMO (Contract Development and Manufacturing Organization): A business that provides specialized services by undertaking the entire process of drug development, analysis, and production on behalf of pharmaceutical and bio companies.

2025 Key Performance

Expansion of businesses in petrochemical specialties and new bio and eco-friendly business areas



LOTTE Biologics Project PROVIDENCE

Period	Jun. 2024 – Jul. 2026
Location	Bio Complex, Songdo-dong, Yeonsu-gu, Incheon, Korea
Size	124,000 L production capacity


S-OIL SHAHEEN PKG-2, 3

Period Jan. 2023 – May 2026

Location S-OIL Onsan Plant, Onsan-eup, Ulsu-gun, Ulsan, Korea

Size Utility & Offsite of Polymer Plant, 21 tanks


Indonesia LINE Project

Period Jan. 2022 – Apr. 2025

Location Cilegon, Banten Province, Java Island, Indonesia

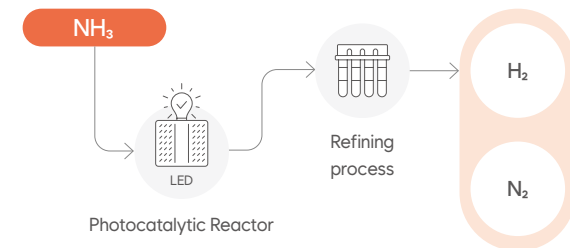
Size PP 250,000 tons/year, BD 140,000 tons/year, BTX 400,000 tons/year, 11 buildings, 34 units of tankage, 3 berths, and utilities

Our Strength & Strategy

LOTTE E&C's Plant Business is driving innovation in technological competitiveness and project execution systems across all areas of the plant business in response to the global energy transition and industrial advancement. Based on its extensive EPC experience in traditional plant sectors, including petrochemical and power generation, the Company has secured proven technical capabilities and execution expertise, while focusing on reshaping its business portfolio toward higher-value and future-oriented industries. In particular, LOTTE E&C has defined low-carbon new industries, such as CDMO, secondary battery materials, carbon capture, utilization, and storage (CCUS), and sustainable aviation fuel (SAF), as future growth engines. The Company is also differentiating its competitiveness in securing new projects through the strategic linkage of FEED and demonstration projects. Based on its accumulated engineering capabilities, LOTTE E&C will continue to strengthen its execution capabilities in building industrial infrastructure for the realization of carbon neutrality.

Core Technologies of Plants

Photocatalytic Ammonia Cracking Technology



- Features**
- Produces hydrogen through light-based reactions through light-driven photocatalytic reactions
- Effects**
- An eco-friendly process that produces no direct carbon dioxide emissions
 - Expected to contribute to the sustainable energy transition and has the potential to reduce lifecycle carbon emissions when compared to existing fossil fuel-based hydrogen production methods

Overseas

LOTTE E&C is securing differentiated competitiveness in the global market by undertaking technology-intensive construction work and complex development projects in collaboration with LOTTE Group affiliates, in strategic countries, particularly Vietnam and Indonesia. The Company actively incorporates global eco-friendly certifications and solutions, including GGBS, LEED, and EDGE, across its products and services to enhance both project quality and environmental performance and sustainability. In particular, starting with the MEP (J121) project at the Jurong Integrated Transport Hub in Singapore, LOTTE E&C is establishing an advanced management system that meets international standards, including ISO 9001 (Quality Management System) certification. The Company will continue to demonstrate its global ESG management performance by driving site-level process innovation and establishing a responsible management practices across its overseas operations.

2025 Key Performance

Higher consumer satisfaction through wider application of eco-friendly and smart technology design at overseas sites

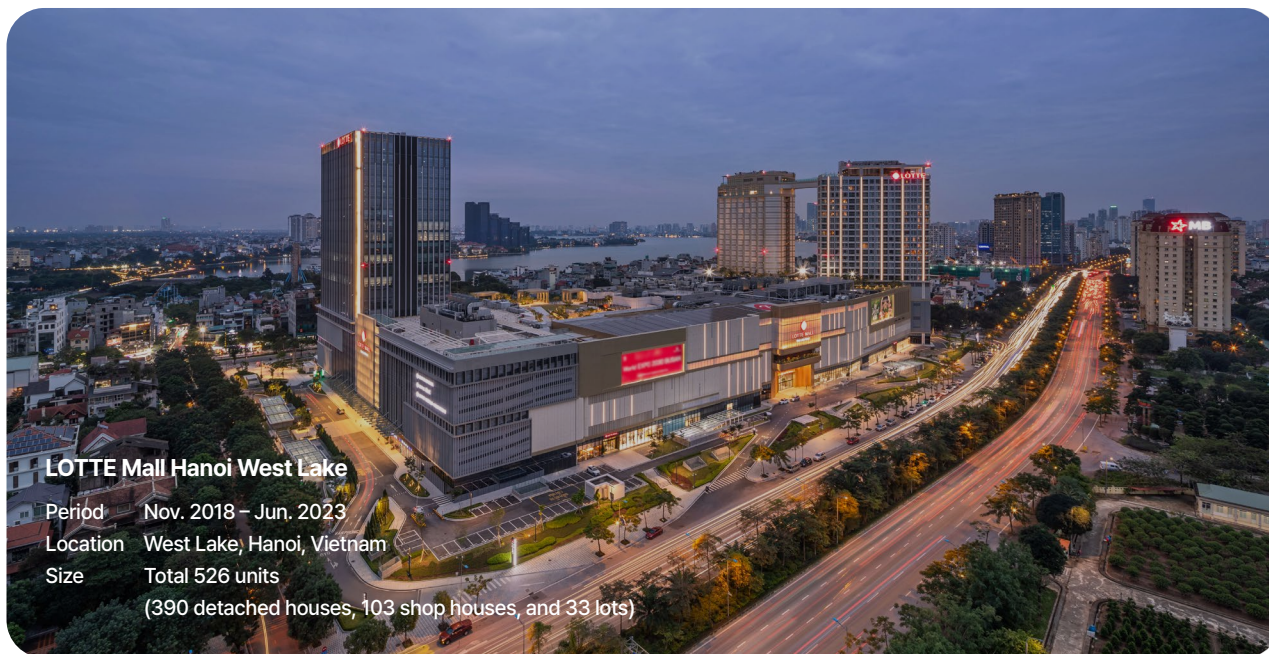


Development Project at Sawangan, Indonesia (Phase 1)

Period Jul. 2024 – 2028.2Q

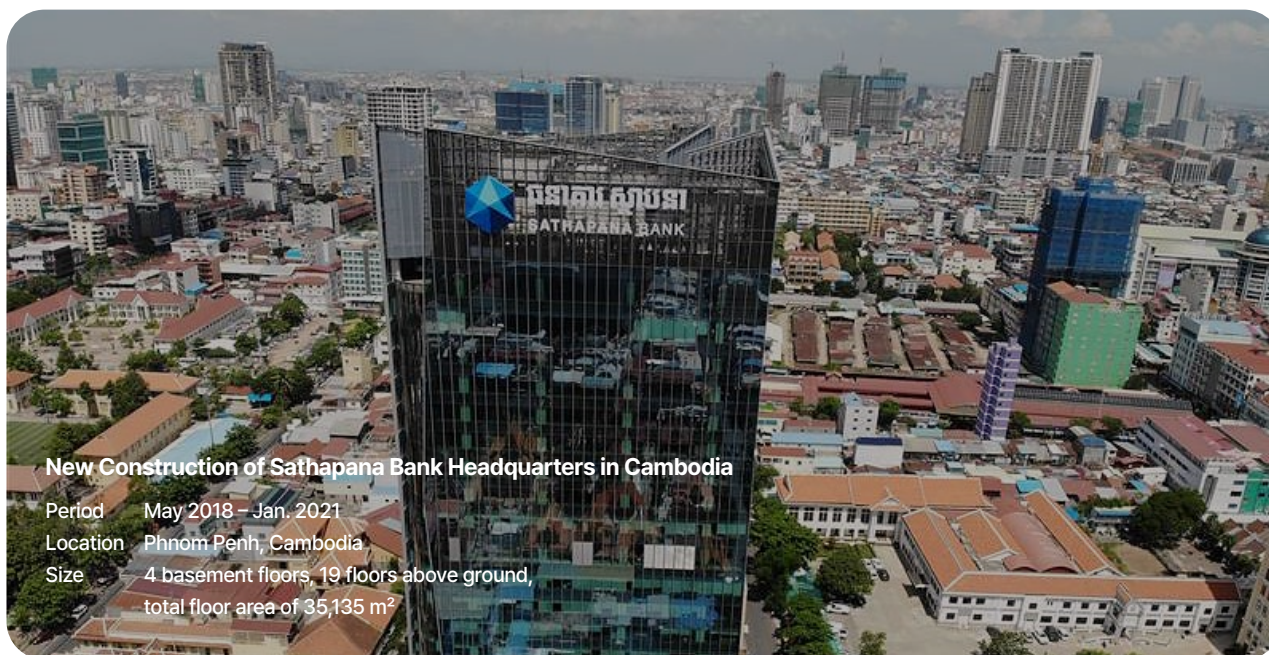
Location Sawangan, Depok, Indonesia

Size Total 164 units
(110 detached houses, 54 shop houses)



LOTTE Mall Hanoi West Lake

Period Nov. 2018 – Jun. 2023
Location West Lake, Hanoi, Vietnam
Size Total 526 units
 (390 detached houses, 103 shop houses, and 33 lots)



New Construction of Sathapana Bank Headquarters in Cambodia

Period May 2018 – Jan. 2021
Location Phnom Penh, Cambodia
Size 4 basement floors, 19 floors above ground,
 total floor area of 35,135 m²

Our Strength & Strategy

In response to ESG requirements from global clients and the rapidly growing demand for eco-friendly infrastructure, LOTTE E&C is proactively establishing quality management systems, mainly in strategic countries such as Vietnam and Indonesia. From the construction stage, the Company actively incorporates international green certification standards, including LEED GOLD¹⁾ and EDGE²⁾, to maximize the lifecycle value of buildings. In particular, LOTTE E&C is focusing its capabilities on advance preparations to successfully obtain certification and meet global quality standards for a large-scale project in Ho Chi Minh City, Vietnam, scheduled to begin construction in 2026. Based on its quality-driven ESG execution capabilities, LOTTE E&C will continue to strengthen its competitiveness in winning high-value-added projects in the Southeast Asian market.

- 1) LEED GOLD: An upper-level certification under LEED, a global green building certification system operated by the U.S. Green Building Council (USGBC).
- 2) EDGE (EDGE Buildings - IFC): A system developed by the International Finance Corporation (IFC) to promote sustainable buildings by reducing energy, water, and embodied energy in materials.

Core Technologies of Overseas

Smart Technology

- Automatic indoor air ventilation system
- Remote water meter reading and energy monitoring
- Vehicle entry notification and visitor vehicle reservation
- Integrated control monitoring

Eco-friendly Technology

- Reduction of building energy consumption through solar power utilization
- Water-saving system using rainwater
- Light energy saving through sensors and dimming systems

Core Strategies for Creating Future Value

Strategic Evolution by Business Division

Since 2013, LOTTE E&C has published sustainability reports and disclosed business-division-specific strategies to respond to rapidly changing market conditions and customer needs. Based on the expertise and competitiveness of each business division, the Company has expanded and evolved the focus of its strategies, thereby building a foundation for sustainable growth. In 2026, LOTTE E&C adopted “Re-Building the Core, Creating New Value” as its management direction and designated the year as a new phase of transformation, systematically organizing the evolution of strategic changes by business division. Through this, the Company aims to transparently share its future direction and vision with stakeholders.

	2013~2015	2016~2018	2019~2021	2022~2025	2026 onwards
Development	- Secured competitiveness centered on redevelopment and reconstruction projects - Created a premium residential culture - Secured technologies and talent in high-rise construction	- Strengthened overseas and rental housing businesses centered on ASEAN markets - Expanded asset management business - Enhanced capabilities to carry out the entire urban development process	- Launched the high-end brand “LE-EL” - Launched the urban residential brand “LUMINI” - Advanced capabilities to execute high-rise, complex, and distribution facility projects	- Developed products based on the energy transition of fuel-cell housing - Expanded customized brands tailored to lifestyles, including the premium senior housing brand “VL LEWEST”	- Diversify revenue models through housing-based service platforms - Continue to pursue projects in collaboration with Group affiliates - Advance AI-BIM¹⁾-based smart construction systems
Civil Works	- Strengthened comprehensive management capabilities and achieved overseas sewage treatment and hydropower project performance - Led domestic and overseas infrastructure development	- Planned renewable energy and privately financed projects - Secured financing and made direct investments - Promoted projects based on strong performance and design capabilities - Provided facility maintenance and other services after completion	- Strengthened leadership in the land transportation facilities sector and secured differentiated competitiveness - Enhanced technology proposal and private investment project capabilities - Expanded development of specialized water treatment technologies for water supply, sewage, and wastewater	Reviewed business expansion and market expansion into transportation infrastructure, site development, logistics facilities, ports, and municipal infrastructure based on accumulated know-how in road, railway, and underground railway projects	- Expand market share by focusing on areas with strong capabilities - Diversify business types based on risk management and trend analysis - Secure a leading position in the civil works sector by advancing technological capabilities
Plants	- Secured performance in large-scale power generation projects - Expanded industrial plant orders	- Expanded overseas plant orders - Secured performance in high-value-added plant projects, including NCC revamping and cracking heaters	- Established a foundation for large-scale project orders by expanding the scale of EPC projects - Explored participation in eco-friendly businesses, including resource recycling centers, biomass, secondary batteries, and plastic recycling	- Established a large-scale EPC execution system through MEGA projects - Diversified business through participation in eco-friendly and bio-related new businesses, including fuel cells, ammonia, and solar power	- Expand the overall EPC business by entering the petrochemical specialist and tank terminal sectors - Promote participation in related fields based on the successful execution of bio projects
Overseas	- Advanced into V.R.I.Cs* markets and pursued localization strategies - Minimized risks through joint entry with the Group	- Strengthened differentiated flagship products - Expanded into 21 countries based on advanced construction capabilities	- Expanded investment and development projects based on technological capabilities, orders, and localization - Advanced into Singapore and secured orders in advanced markets	Monitored and introduced major eco-friendly certification systems and policies by country, including GGBS, LEED, and EDGE	- Secure stable orders and high-quality overseas projects through a selective and focused approach - Accumulate know-how in development projects and pursue new orders for contract-based projects

1) Building Information Modeling

Core Strategy for Future Value

Business ESG Approach

Development	Civil Works	Plants	Overseas
 Creating Sustainable Spaces Through ESG Management New Technologies Phased Implementation of Low-Carbon Construction Methods and Energy-Efficient Design • Application of technologies to reduce carbon emissions across the entire building lifecycle Certification and Systems Expansion of Green Building Certification • Realization of sustainable residential value through eco-friendly technologies Expanded Adoption of Renewable Energy System • Introduction of BIPV-based district cooling and heating systems to contribute to the achievement of national carbon neutrality goals Data Systematic Data Analysis and Management Incorporating Quantitative ESG Indicators into Decision-Making • Data-based decision-making using GHG emissions, resource recycling rates, and other indicators	 Promoting High-Competency Infrastructure Projects and Diversifying Environmental Businesses Enhancing Construction Capabilities Continuous Pursuit of High-Competency Infrastructure Projects • Advancing construction capabilities focused on high-difficulty work types such as long-span bridges, long tunnels, and subsea tunnels in the land transportation sector Diversifying Environmental Business Lines Driving Portfolio Diversification • Diversifying the environmental business portfolio through incineration facility and buffer storage facility projects Strengthening Capabilities Building Human Resources and Technical Capabilities for Pumped-Storage Hydropower • Laying the foundation to participate in pumped-storage power projects, such as nurturing specialized talent, to expand market presence in future energy infrastructure	 Establishing an Eco-Friendly Industrial Ecosystem Based on High-Efficiency, Low-Carbon Processes Carbon Emissions Reduction Setting Standards for Low-Carbon Industrial Infrastructure • Expanding participation in eco-friendly ESG sectors, such as EV battery electrolyte plants and fuel cell projects Developing Environmentally Sustainable Industrial Facilities Acquiring Green Certifications and Expanding Use of Low-Carbon Materials • Securing green certifications and facility maintenance economic efficiency across key sites, including LOTTE BIOLOGICS and S-OIL SHAHEEN Providing Sustainable Building Solutions Leaping Forward as an 'ESG Engineering Partner' • Providing optimal green building solutions to clients based on accumulated experience	 Realizing Global Shared Growth through Integration with Local Communities Community Engagement in Overseas Markets Business Expansion Focused on Key Strategic Hubs (Vietnam, Indonesia) • Creating tangible non-financial (ESG) value through integration with local communities Shared Growth with Local Communities Expanding Local Hiring and Operating Transparent HR Systems • Contributing to the revitalization of local economies by expanding local hiring and providing industry-leading compensation Supporting Shared Growth Enhancing Local Employee Capabilities and Protecting Safety & Human Rights • Providing systematic training, establishing safe working environments, and enhancing employee welfare Strengthening Global ESG Management Practices • Solidifying community trust through genuine talent management and labor-management culture

1) BIPV(Building-Integrated Photovoltaic): an eco-friendly system that directly uses solar modules as building exterior materials—such as roofs, exterior walls, and windows—to generate electricity.

Core Strategy for Future Value

Core Insight

Energy Savings During the Building Use Stage through the Replacement of Fossil Energy

LOTTE E&C is expanding the application of eco-friendly construction technologies to reduce GHG emissions. By applying solutions that minimize energy consumption during building operation, the Company is strengthening its capacity to support Net Zero goals. In 2025, LOTTE E&C applied these technologies to approximately 13 projects, contributing to energy savings of approximately 5,689 kW/year.

Examples of ESG-Related Projects

VL LEWEST



Application of a Building-Integrated Photovoltaic (BIPV) System

Project Period August 2022–September 2025
Project Location 16 Magokjungang-ro, Gangseo-gu, Seoul, Korea
Project Scale Six basement levels, 15 above-ground floors, four buildings, and 810 residential units

SDGs Goal 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

SDGs Goal 7.3 By 2030, double the global rate of improvement in energy efficiency.



Securing Process Innovation Technologies for a Low-Carbon Industrial Ecosystem

LOTTE E&C is proactively introducing next-generation process technologies that maximize energy transition efficiency to fundamentally reduce carbon emissions from industrial infrastructure. The practical application of TC2C technologies, which improve feedstock processing efficiency, and waste heat recycling systems serves as a key driver for minimizing direct emissions (Scope 1 & 2) at the process stage. These high-efficiency engineering capabilities support customers in achieving Net Zero, while also serving as a distinctive technological asset that secures the environmental soundness of plant facilities across their entire lifecycle.

SDGs Goal 9.4

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



LOTTE E&C's Track Record of Applying Eco-Friendly Construction Technologies

Photovoltaic (PV) Power Generation System

A system that converts sunlight into electricity using photovoltaic cells

- LOTTE Castle East Pole (775 kW)
- Jamsil LE-EL (557 kW)
- VL LEWEST (281 kW)
- D-Mark Dangsan (209 kW)
- Siwha Banwolseom LUMINI LOTTE Castle (170 kW)
- Siheung Triple Metro LUMINI (150 kW)
- Dalseo LOTTE Castle Central Sky (147 kW)
- Wonju LOTTE Castle Signature (128 kW)
- Dobong LOTTE Castle Golden Park (84 kW)
- Cheonan LOTTE Castle The Dujeong (51 kW), etc.

Fuel Cell System

Power generation system based on a hydrogen-oxygen chemical reaction

- LOTTE Castle East Pole (290 kW)
- Jamsil LE-EL (120 kW)
- Suji-gu Office Station LOTTE Castle Hive L (61 kW)
- Dalseo LOTTE Castle Central Sky (50 kW), etc.

Building Integrated Photovoltaic System

Solar module-building exterior integrated system

- LOTTE Castle East Pole (730 kW)
- VL LEWEST (561 kW)
- Jamsil LE-EL (189 kW)
- D-Mark Dangsan (187 kW), etc.

Ground-Source Heat Pump System

A heating and cooling system that uses stable underground temperatures

- Sosa Station LOTTE Castle The Newel (441 kW)
- Dobong LOTTE Castle Golden Park (439 kW)
- LOTTE Castle Signature Central (69 kW), etc.

Cases of ESG-Linked Projects

S-OIL SHAHEEN Project (PKG-2, 3)

Expansion of Participation in Eco-Friendly Businesses through Participation in High-Efficiency Petrochemical Projects and Acquisition of Green Building Certification

Project Period January 2023–June 2026
Project Location 360 Onsan-ro, Onsan-eup, Ulju-gun, Ulsan, Republic of Korea
Project Scale [PKG-2] Utilities and Offsite Facilities for the Polymer Plant
[PKG-3] Construction of 21 Storage Tanks



ESG MANAGEMENT

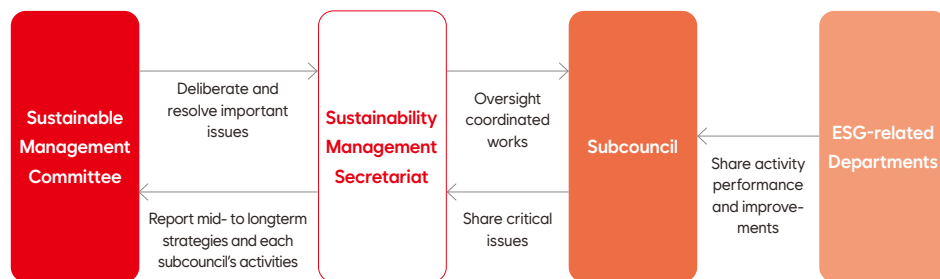
- 24 ESG Governance
- 26 ESG Strategy
- 28 Materiality Assessment
- 30 Stakeholder Engagement

ESG Governance

Sustainable Management Committee

LOTTE E&C operates a CEO-led Sustainable Management Committee to strengthen its ability to respond to ESG risks and practice responsible management. The Committee consists of seven subcouncil chairs, including the Chairperson, the CEO, and the Head of the Secretariat, the Head of the Strategic Planning Division, and deliberates and makes decisions on major economic, environmental, and social issues. Global ESG issues, including climate change, are closely reviewed and monitored at the executive level, while each subcouncil holds regular meetings semiannually to share activity performance and improvement measures. In 2025, the Committee presented a total of seven key agenda items to enhance the effectiveness of ESG management. Meeting minutes are disclosed internally as a rule to ensure management transparency, while major decisions are managed so that they can be actively shared with external stakeholders.

Reporting Structure



2025 ESG Agenda Reporting Status

Date	Highlights
Jan. 2025	Progress on annual ESG strategic tasks Status of internal and external human rights risk management
Jul. 2025	Status of biodiversity policy and risk management Report on the publication of the Sustainability Report
Aug. 2025	Report on performance in strengthening clean technology capabilities Safety and Health Management Meeting, including on-site safety management support and disaster prevention activities
Oct. 2025	Status of partner ESG risk management, including partner self-assessments and partner due diligence

Sustainability Management Secretariat

The Sustainability Management Secretariat of LOTTE E&C serves as the executive arm of the Sustainable Management Committee and establishes mid- to long-term ESG strategies as well as detailed implementation strategies for each subcouncil. The Secretariat oversees and coordinates specific ESG activities carried out by relevant departments and provides support to ensure the practical and effective implementation of LOTTE E&C's sustainable management framework. Beyond simple operational support, the Secretariat helps embed ESG management across all departments and ensures that the outcomes achieved are organically reported to the Sustainable Management Committee.

Organization Chart and Management Details by Subcouncil

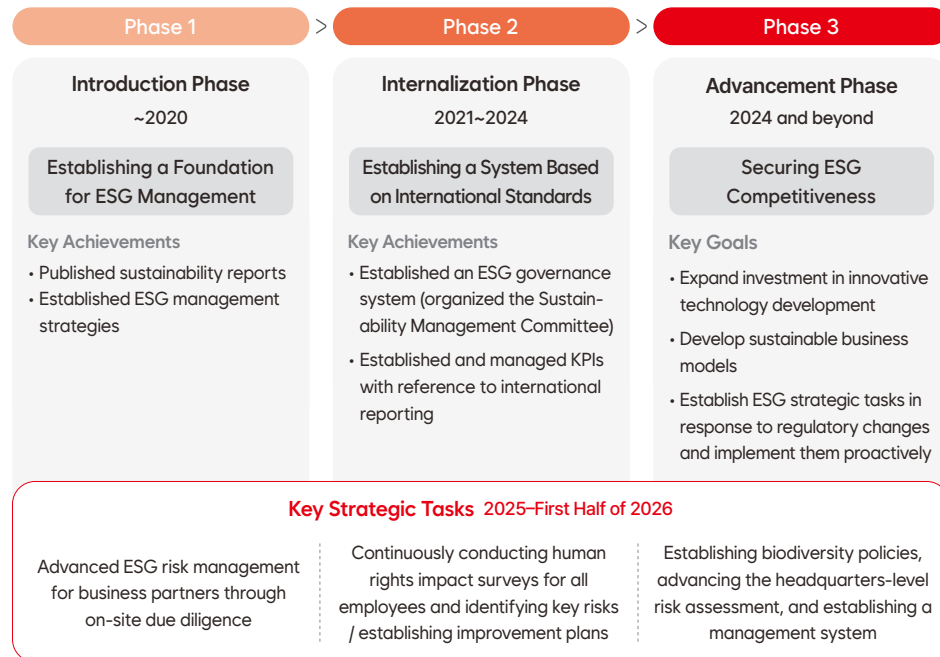
Sustainable Management Committee	Chairperson: CEO
Sustainability Management Secretariat	Strategic Planning Team within the Strategic Planning Division
Ethical Management	Audits, Ethical Management, Non-Discrimination Planning and Operations, Awareness-Raising Initiatives, etc.
Safety and Environment Management	Climate Change Response, Eco-Friendly Technology Development, Green Design Application, Eco-Friendly Construction, Green Purchasing, Environmental Management, Environmental Performance Management, Health and Safety Planning and Operation, etc.
CS Management	Customer Satisfaction, Prevention of Defect Recurrence, Customer Information Protection, Communication, Customer VOC Management and Response, Customer-Oriented Design-Related Planning and Operations, Awareness-Raising Activities, etc.
Shared Growth	Fair Business, Partner Contracts and Management, Planning and Implementation of Shared Growth Initiatives, Partner Sustainable Management, Awareness-Raising Activities, etc.
Social Contribution	Social Contribution Activity Planning and Operations, Awareness-Raising Activities, etc.
Human Resources	Employee Recruitment, Training, Management, Welfare, Working Conditions, Grievance Handling, Planning and Implementation of Labor-Management Relations, Planning and Operations of Personal Policies for Socially Vulnerable Groups, Awareness-Raising Activities, etc.
Compliance Management	Compliance Management, Compliance-Related Planning and Operations, Awareness-Raising Activities, etc.

ESG Governance

LOTTE E&C's ESG Management Strategy Advancement

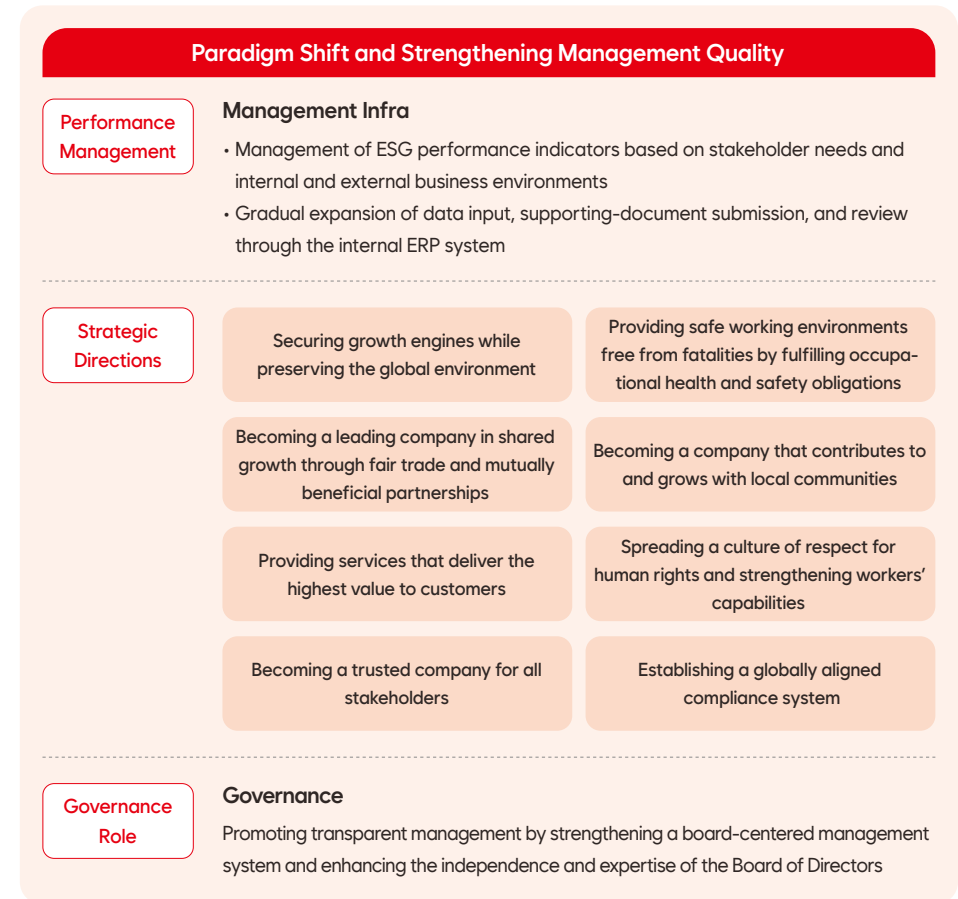
LOTTE E&C has established an ESG management roadmap to ensure sustainable growth and is executing it in phases. In 2025, the Company defined key strategic tasks and mobilized enterprise-wide capabilities to enter the advanced stage of ESG management. In particular, as LOTTE E&C has been subject to the national greenhouse gas emissions trading scheme since 2025, the Company is continuously establishing carbon reduction targets and managing implementation progress based on systematic identification of emission sources. Each year, LOTTE E&C also voluntarily calculates other indirect greenhouse-gas emissions (Scope 3), obtains independent third-party verification, and discloses the results in its sustainability report. To manage risks across the supply chain, the Company continuously conducts ESG self-assessments of its partners, while also providing company-wide training to strengthen human rights management and awareness of biodiversity issues. LOTTE E&C will continue to monitor its impacts on the environment and society and strengthen the foundation for implementing sustainable management.

LOTTE E&C ESG Management Roadmap



ESG Strategy Implementation System of LOTTE E&C

Under the Group's vision of "Lifetime Value Creator", LOTTE E&C has adopted its 2026 ESG strategy slogan, A Shift in the Management Paradigm and Strengthening of Core Management Fundamentals to drive systematic and sustainable ESG performance, and is implementing it across its management activities. The Company is actively responding to a rapidly changing business environment and strengthening the implementation of ESG management, while maximizing the efficiency of performance management by establishing a transparent management system.



ESG Strategy

A Shift in the Management Paradigm and Enhanced Management Quality

Safeguard the Global Environment and Develop New Growth Engines

Strategic Tasks

- Expand participation in eco-friendly certifications and programs
- Achieve zero environmental accidents
- Innovate and implement green technologies and practices

Key Performance Indicators

- Environmental management certification and verification
- Expansion of eco-friendly product purchasing

2025 Key Performance

Calculation of emissions and third-party verification

External disclosure completed

Uphold Health and Safety Standards to Ensure a Safe Working Environment Free from Fatalities

Strategic Tasks

- Fortify health and safety governance
- Increase safety investment budget
- Expand SMART health and safety technologies
- Refine health and safety education and training across all organizational levels

Key Performance Indicators

- Safety investment expenditures
- Employee safety and health education and training

2025 Key Performance

Total recordable injury rate (TRIR)

Employees: 0 / Supply chain: 0.77

Promote Shared Growth Through Fair Trade and Mutually Beneficial Partnerships

Strategic Tasks

- Cultivate fair trade relationships
- Reinforce support mechanisms for partners
- Develop partner ESG evaluation systems

Key Performance Indicators

- Partner ESG evaluations
- Support for shared growth with partners

2025 Key Performance

Completion of written ESG evaluations for partners

19 companies

Grow Together with Local Communities and Contribute to Their Well-Being

Strategic Tasks

- Expand flagship initiatives for social contribution
- Implement beneficiary-centered social contribution initiatives
- Encourage a culture of voluntary employee engagement

Key Performance Indicators

- Community engagement activities
- Management of community investments and services

2025 Key Performance

Total social contribution expenditures in 2025

KRW 4,033 million

*Increased by 19.39% compared to the previous year

Provide Services That Deliver the Greatest Value to Customers

Strategic Tasks

- Practice transparent and ethical marketing communication
- Reinforce product and service safety
- Strengthen customer information protection systems

Key Performance Indicators

- Customer information protection monitoring
- Training to strengthen information protection awareness

2025 Key Performance

- Mandatory employee information protection training 4 times per year, once every quarter

Achievement of training completion rate above the target for personal information protection training

1st round: 110% (303 employees)

2nd round: 107% (314 employees)

Promote Human Rights and Empower Employees

Strategic Tasks

- Enhance awareness of human rights management through ongoing Human Rights Management Surveys
- Conduct human rights impact assessments and identify and manage risks
- Build a global talent management ecosystem
- Improve the optional welfare system

Key Performance Indicators

- Monitoring of human rights risks
- Employee human rights training

2025 Key Performance

Employee human rights training, excluding legally mandatory training

Conducted a total of three times

*Average completion rate: 88.4%

Become a Company Trusted by All Stakeholders

Strategic Tasks

- Expand and activate stakeholder communication channels
- Establish KPIs for implementing socially responsible management

Key Performance Indicators

- Transparent information disclosure through publication of Sustainability Reports

2025 Key Performance

Voluntary disclosure of information protection

External disclosure completed

Establish a Globally Aligned Compliance System

Strategic Tasks

- Advance fair business and internal transaction compliance systems
- Enhance employee awareness of compliance and ethical management
- Internalize ethical management through regular ethics training

Key Performance Indicators

- Conduct anti-corruption impact assessments
- Comply with laws and regulations related to ethical management

2025 Key Performance

ISO 37301 Compliance Management System certification
Newly obtained

Fair Trade Commission CP Rating

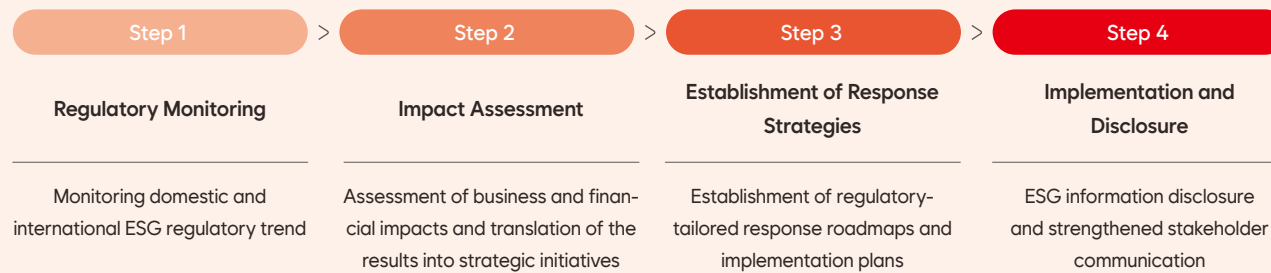
AA rating obtained for three consecutive years

ESG Strategy

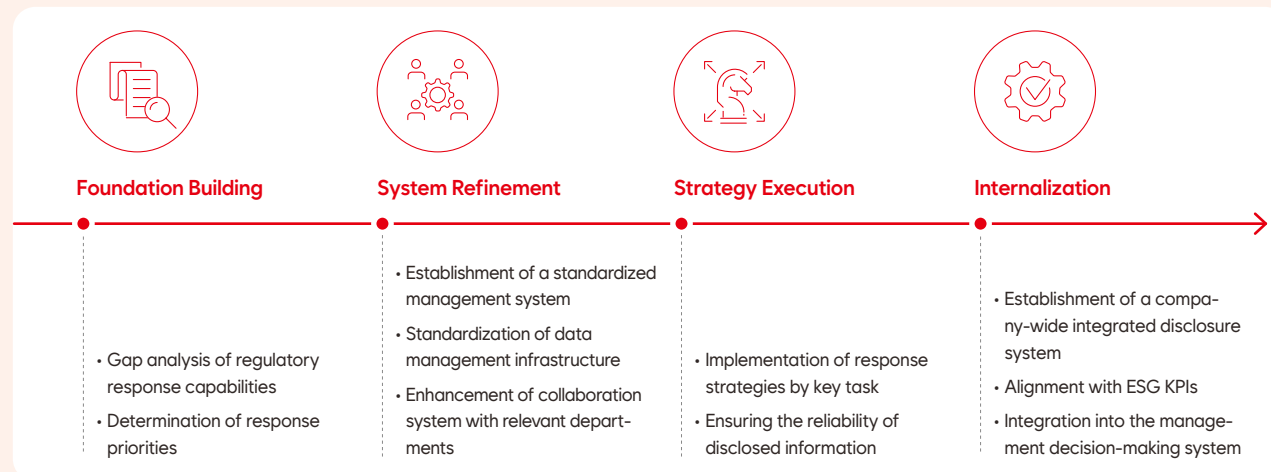
KSSB Sustainability Disclosure Standards

LOTTE E&C is refining its sustainability disclosure system based on the four core elements required by the KSSB. With respect to climate-related disclosures, under the oversight of the Board of Directors, we review our “2040 Carbon Neutrality Roadmap” and operate a system to identify and respond to climate risks as part of its enterprise-wide risk management process. Furthermore, by proactively managing greenhouse gas (GHG) emissions (Scope 1, 2, and 3) across the entire construction value chain, we enhance the reliability of disclosed information and transparently share climate performance with our stakeholders.

LOTTE E&C ESG Regulatory Response System



ESG Regulatory Response Roadmap



Core Insight

Status of Key ESG Regulatory Responses

KSSB Sustainability Disclosure Standards

LOTTE E&C is refining its sustainability disclosure system based on the four core elements required by the KSSB. Specifically regarding climate disclosures, under the oversight of the Board of Directors, we review our 2040 Carbon Neutrality Roadmap and operate a system to identify and respond to climate risks within our enterprise-wide risk management process. Furthermore, by proactively managing greenhouse gas (GHG) emissions (Scope 1, 2, and 3) across the entire construction value chain, we enhance the reliability of disclosed information and transparently share climate performance with our stakeholders.

Guidelines for the Greenhouse Gas Target Management System

In accordance with the government’s Guidelines for the Greenhouse Gas Target Management System, LOTTE E&C systematically measures greenhouse-gas emissions and energy consumption arising from its corporate activities each year, and establishes and implements management targets. In 2025, the Company expanded the application of the Greenhouse Gas Target Management System standards to value chain analysis, identifying greenhouse gas emission sources and energy-saving factors that may arise throughout the entire process, including business operations and material procurement, while further advancing its management system.

EU Corporate Sustainability Due Diligence Directive (CSDDD)

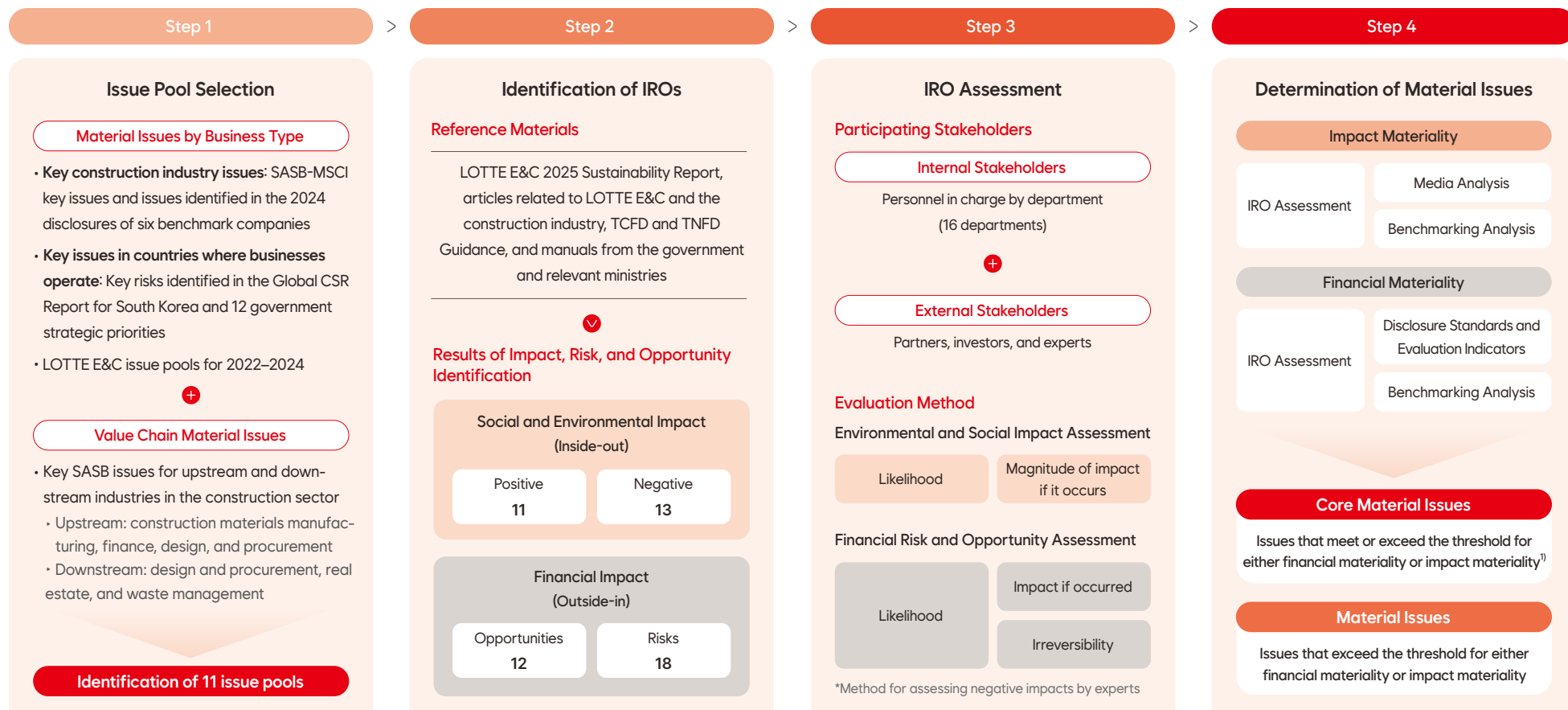
In response to the EU Corporate Sustainability Due Diligence Directive (CSDDD), which mandates human rights and environmental due diligence across the entire value chain, LOTTE E&C is advancing its partner risk management system. Starting with the establishment of its ESG Code of Conduct and supply chain management policy in 2023, the Company developed a tailored self-assessment checklist and conducted its first on-site due-diligence assessment in 2025. Through these efforts, LOTTE E&C is building a sustainable supply chain ecosystem by proactively identifying and responding to potential risks in its supply chain.

Materiality Assessment

Double Materiality Assessment

LOTTE E&C conducts a Double Materiality Assessment annually to systematically incorporate changes in the business environment and stakeholder needs into its business strategy. This assessment analyzes both impact materiality, which refers to the impacts of corporate activities on the environment and society from an inside-out perspective, and financial materiality, which refers to the impacts of external sustainability factors on the Company's financial condition from an outside-in perspective, in accordance with the implementation guidance of the European Sustainability Reporting Standards (ESRS). Based on the assessment results, the Company identifies material sustainability issues and links them to LOTTE E&C's sustainability strategy and key initiatives to advance its decision-making process. Going forward, LOTTE E&C will continue to maintain a materiality assessment system aligned with global standards and transparently disclose its performance on the identified key issues, thereby continuously enhancing the Company's resilience and future competitiveness.

Double Materiality Assessment Process



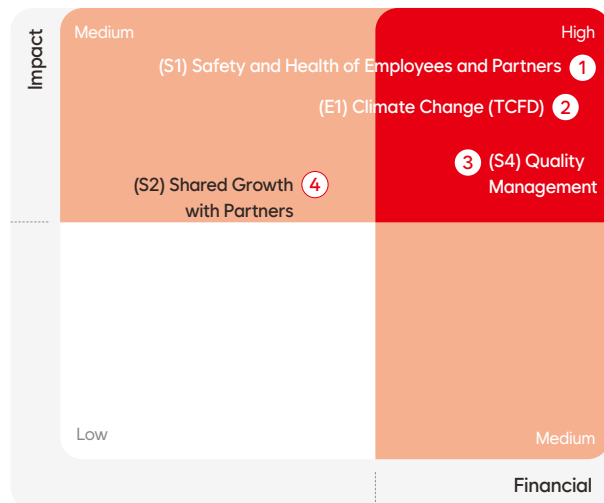
1) Scores exceeding the average score of all items in each subcategory of financial and impact materiality by more than 10%

Materiality Assessment

2026 Materiality Assessment Results

LOTTE E&C selected key issues based on an evaluation model that comprehensively considers likelihood and impact, focusing on topics with high impact materiality and financial materiality or where individual importance exceeded established thresholds. From an environmental and social impact perspective, occupational health and safety for employees and business partners, climate change (TCFD), quality management, and mutual growth with supplier partners were derived as focus management issues. From a financial perspective, occupational health and safety for employees and supplier partners, climate change (TCFD), and quality management were identified as corporate risk and opportunity factors, ensuring alignment with our business strategy. Meanwhile, the exclusion of human rights management compared to the previous year signifies that as its management framework has reached a stable stage through specialized training and regulatory compliance, the associated risks are being systematically managed within our routine operational systems.

Top 4 Material Issues



2026 Materiality Assessment Detailed Results

Topic	Occurrence		Type	Identification of Risks, Opportunities, and Impacts	LOTTE E&C Management Strategy	YoY Rank Change
	Up	Own Down				
Safety and Health of Employees and Partners	●	●	R	External Factor Stricter penalties under government occupational safety policies and the Serious Accidents Punishment Act, and substantial expansion of prime contractor responsibility scope	Financial Impact Criminal liability for management personnel and bidding restrictions in case of accidents, and increased costs due to schedule delays from site shutdowns	Maintained
	—	—	O	Corporate Activity Expansion of safety management requirements from project owners and stakeholders	Financial Impact Revenue decline and increased financing costs due to safety-related bidding restrictions and credit rating drops	
Climate Change (TCFD)	—	●	O	External Factor Tightening regulations on eco-friendly buildings, such as mandatory Zero Energy Building (ZEB) standards	Financial Impact Increased R&D costs and construction expenses to apply high-performance building envelopes and high-efficiency renewable energy equipment/control systems	1▲
	●	●	R	External Factor Increasing frequency and intensity of extreme weather events (heatwaves, heavy rain, blizzards, heavy snowfall, etc.)	Financial Impact Damage to facilities and restoration costs, losses due to work suspension, rising insurance premiums and legal costs, raw-material price volatility caused by supply-chain disruptions, and productivity loss	
Quality Management	—	●	R	External Factor Stricter quality-control inspections and expansion of punitive administrative measures (business suspension, etc.) for major defects	Financial Impact Decreased public/private orders due to PQ penalty points and bidding restrictions, potentially creating liquidity risks	1▼
	—	●	O	Corporate Activity Quality management improvement based on ISO 9001	Financial Impact Improving profitability by minimizing risks and unnecessary costs through ISO 9001-based quality management	
Shared Growth with Partners	—	●	O	Corporate Activity Operating mutual growth programs, including selecting outstanding partners and operating financial support programs	Socio-Environmental Impact Contributing to the growth of small and medium-sized enterprises (SMEs) by fostering a shared-growth ecosystem	Maintained

R Risk

O Opportunity

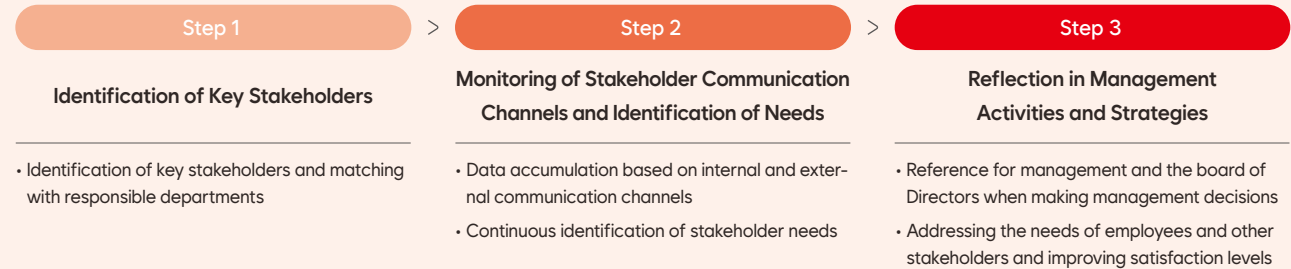
N Negative Impact

P Positive Impact

Stakeholder Engagement

LOTTE E&C operates communication channels that span the entire value chain, engaging stakeholders that both affect and are affected by the Company's financial and non-financial performance, through advisory input and collaboration throughout the business process. The Company strengthens strategic partnerships with stakeholders that are directly or indirectly related to sustainability management, thereby proactively responding to potential risks. In addition, LOTTE E&C continuously advances the effectiveness of its ESG management system by incorporating stakeholder feedback into its management strategies.

Stakeholder Engagement Process



Main Stakeholder Categories and Communication Channels

Employees

Stakeholders within an organization who are the subject of corporate activities and directly influence and are affected by the Company's performance

Responsible Department Human Resources, Welfare, Ethics, Compliance Management, and Safety Planning

Communication Strategy Promote shared growth by protecting employees' rights and developing their capabilities and welfare

Communication Channel Grievance channels, Cyber Grievance Channel, junior board, safety communication center, and YouTube channel

Main Issues of Interest Human resource development, welfare benefits, ethical management, human rights management, and health and safety

Shareholders and Investors

Stakeholders who provide financial capital to establish and implement business strategies

Responsible Department Strategic Planning and General Affairs

Communication Strategy Share management performance transparently by utilizing investment capital

Communication Channel Website, Sustainability Report, and electronic disclosure system (DART)

Main Issues of Interest Transparent information disclosure and corporate governance

Customers

End users of products and services

Responsible Department Marketing and C/S

Communication Strategy Reflect customer opinions in business strategies and activate communication channels

Communication Channel Website, YouTube channel "OK LOTTE Castle," model houses/sales offices, Happy Call service, and CASTLing service

Main Issues of Interest Customer satisfaction, product quality, and personal information protection

Local Communities

All individuals or organizations that are affected economically, environmentally, and socially by the Company's business activities

Responsible Department Strategic Planning, CSV, and Public Relations

Communication Strategy Operate channels to collect opinions from local communities and carry out social contribution activities that address the needs of local communities

Communication Channel Residents' briefing sessions, Charlotte Volunteer Group, social contribution programs, grievance channels, and website

Main Issues of Interest Social contribution and biodiversity

Partners

Partners for mutual growth through raw material supply and technical cooperation

Responsible Department Procurement Planning and Purchasing

Communication Strategy Realize shared growth through win-win cooperation

Communication Channel Regular meetings with partners and partner portal

Main Issues of Interest Shared growth and fair business

Government Agencies

Agencies overseeing licensing, policies, and regulations for business operations

Responsible Department Sustainability Department

Communication Strategy Risk management based on monitoring results of construction-related laws and regulatory trends

Communication Channel Agencies governing construction laws and regulations, such as MOLIT, MOEL, and MoCC

Main Issues of Interest Occupational health and safety, fair business, and climate response



Strengthening Empathetic Communication through Digital Platforms

Based on its brand philosophy of "Build Home, Beyond House," LOTTE E&C aims to go beyond simply providing information and develop its communication channels into interactive platforms that reflect customers' lifestyles and values. Accordingly, LOTTE E&C's YouTube channel, "OK LOTTE Castle," has established itself as a platform that builds deeper emotional bonds with stakeholders and communicates the brand's sustainability values through differentiated content aligned with current trends. Going forward, LOTTE E&C will further strengthen its position as a "digital communications partner" that shares social values and lifestyle changes with stakeholders.

Grand Prize in the construction category at the Korea Social Media Awards for two consecutive years

501,000

Cumulative Subscribers

*As of December 2025



FOCUS ON THE CORE

LOTTE E&C is focusing its capabilities to create sustainable future value and fulfill its social responsibility. By strengthening the safety and health management system for employees and business partners — which is the top priority across all business activities — we are securing environmental resilience and low-carbon transition momentum through climate-change response strategies aligned with global standards. Furthermore, through technological innovation, we are implementing quality management that maximizes the value of buildings and structures, while building a healthy industrial ecosystem through shared growth with business partners that promotes mutual cooperation across the entire value chain. Based on these four key pillars, we will proactively control risks and further enhance our business competitiveness.

32 Core 1. Safety and Health of Employees and Partners

44 Climate Change (TCFD)

56 Core 3. Quality Management

63 Core 4. Shared Growth with Partners

CORE 1

Safety and Health of Employees and Partners

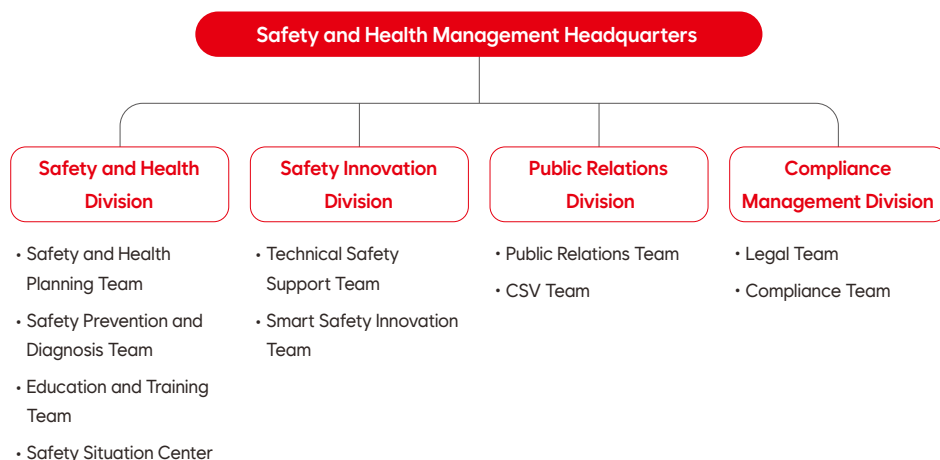
Governance

Safety and Health Governance

Safety and Health Management Headquarters

LOTTE E&C has established the Safety and Health Management Headquarters, a dedicated safety and health organization centered on the Chief Safety Officer (CSO). By granting the organization prompt decision-making authority for accident prevention, the Company is strengthening its on-site safety management execution capabilities and professional expertise. In 2026, through organizational restructuring, the Compliance Management Division and the Public Relations Division were transferred to and reorganized within the Safety and Health Management Headquarters. Through this, the Company aims to respond proactively to safety and health risks by strengthening safety and health management, preventing legal risks, and enhancing internal and external safety communication. The Safety and Health Management Headquarters reports annual safety and health plans and performance to the Board of Directors and holds monthly Safety and Health Management Meetings, enabling executive leadership to directly review implementation status and practice responsible management.

Organizational Chart of the Safety and Health Management Headquarters



Safety & Health Management Activities

LOTTE E&C establishes annual safety and health plans and reports them to the Board of Directors. To advance its safety and health management system, the Company systematically operates targeted management activities — with clearly defined participants, agendas, and schedules — to strengthen site-management alignment, enhance operational effectiveness, and proactively mitigate risks across project sites.

Category	Team	Task	Key Activities
Safety and Health Division	Safety and Health Planning Team	Planning	Plan establishment & performance management; policy development & operational improvement
		Budget	Management of budget execution at headquarters and project sites
		Personnel	Workforce recruitment and evaluation; workforce deployment management
		System	Safety & health system establishment; SAPA compliance; partner capability assessment & consulting
	Safety Prevention and Diagnosis Team	Diagnosis / Inspection	Worksite safety & health inspections; special inspections for high-risk accident types
		Equipment	Special equipment inspections, equipment training, and high-risk equipment review
		Health	Hazardous chemicals management, work environment control, and employee health management
		Accident Cases	Accident trend analysis and development of preventive case-study content
	Education and Training Team	Legal Training	Training management for site managers, supervisors, safety and health managers, and headquarters employees
		Mandatory Training	Training for executive safety mindset enhancement, mandatory online training for promotion eligibility, and training for site managers to cultivate successors
		Competency	Main Daily safety and health training, safety and health training that reaches every corner of the organization, and training for international workers
		Content	Video content, including "Safety Site That Protects Us," self-directed learning content such as "1,000 Safety and Health Questions," and operation of an AI translation program
	Safety Situation Center	Monitoring	On-site risk monitoring and distribution of safety-training materials for high-risk work
	Regional Inspection Center	Inspection	Detailed inspections at sites with insufficient performance, weekend and holiday inspections, and inspections before seasonal holidays
Safety Innovation Division	Safety Experience Center	Education and Training	Operation of basic, practical, and specialized safety experience courses
		Support	Pre- and mid-construction adequacy reviews; guidance on construction & safety impact assessments
	Technical Safety Support Team	S-Meister	On-site technical guidance by development stage; review of technical proposals for major construction methods and visualization materials
		Development	R&D on methods to reduce the on-site workforce, including PC, OSC, and mechanization
	Smart Safety Innovation Team	Technology	Identifying & applying smart safety technologies, including AI, robotics, drones, and IoT

Governance

Safety and Health Governance

Segmentation of Safety and Health Management Activities

Overview of LOTTE E&C's Safety and Health Management Activities

Category	Attendees	Frequency	Purpose and Main Agenda
Safety and Health Management Meeting	CEO, CSO, executive leadership, etc.	Monthly	- Report on monthly key safety and health activity performance and implementation plans - Conduct on-site safety inspections and collect safety and health feedback
Site Safety Manager Assignment System	Executive leadership	Weekly	- Assign executives to responsible sites and conduct site inspections - Inspect vulnerable work zones and check management issues at sites
Safety and Health Executive Council	CSO, safety personnel from each business division, and personnel in charge by division	As needed	- Review personnel and budget allocation required for disaster prevention - Key matters related to maintaining and promoting the safety and health of site workers
Internal Safety and Health TF Meeting	Head of Safety and Health Management Division, safety personnel from business divisions, and safety team leaders	Weekly	- Make decisions on safety and health-related issues and pending matters - Analyze nonconformities and establish improvement measures
Occupational Safety and Health Committee	Workers and employers, composed in equal numbers	Quarterly	Deliberate on or resolve safety and health-related matters in accordance with Article 24 of the Occupational Safety and Health Act
Joint Labor-Management Safety Check	LOTTE E&C, partners, and workers	Monthly	Conduct site patrol inspections and check the implementation of safety and health measures in accordance with Article 29 of the Occupational Safety and Health Act

Key Agenda Items of the Board of Directors

1 Management policies on safety and health	2 Composition, personnel, and roles of the safety and health management organization
3 Safety and health-related budget and facility status	4 Safety and health activity performance and activity plans

Safety and Health Management System Certification

LOTTE E&C is thoroughly implementing its Safety and Health Policy to foster a safety culture in which all employees participate in safety and health and respect for life. The policy and related regulations are transparently disclosed on the Company's website and apply equally to all employees, personnel at project sites and partners. In particular, to prevent serious accidents, the Company is enhancing its management system by establishing an AI-based safety system and actively introducing AI and SMART safety and health technologies. In addition, LOTTE E&C systematically manages the level of implementation by incorporating safety and health indicators into its Key Performance Indicators (KPIs) and Balanced Scorecard (BSC¹⁾) assessments and expanding their weighting in evaluations. The Company strengthens the reliability and transparency of its safety and health management system through annual external audits to maintain its KOSHA-MS and ISO 45001 certifications. Improvement items identified during the audit process are implemented company-wide, enabling LOTTE E&C to continuously strengthen its safety and health management capabilities.

1) BSC (Balanced Scorecard): A performance management framework that evaluates organizational performance in a balanced way across four perspectives, incorporating both financial and non-financial indicators.



ISO 45001 Certification



KOSHA-MS Certification

Strategy

Safety and Health Strategy

Corporate Strategy and Business Interactions

LOTTE E&C defines the fulfillment of safety and health obligations not merely as regulatory compliance, but as a core management condition for sustaining its business. Safety and health are top-priority business issues that determines the Company's sustainability. Accordingly, LOTTE E&C is strengthening practical risk control by establishing a data-driven safety and health management system throughout the entire business process. In particular, the Company proactively incorporates strengthened legal requirements, including the Serious Accidents Punishment Act, and reinforces a transparent and consistent foundation for safety and health management across its overall management system. Through these strategic responses, LOTTE E&C enhances internal and external trust while pursuing a safety and health management strategy that establishes a distinctive management standard combining legal compliance with execution capability.

Identification of Key Risks and Opportunities and Analysis of Financial Impacts

RISK 1

Legal Risks under the Serious Accidents Punishment Act

Type	Policy and Legal
Relevant Stakeholders	Shareholders and investors / Customers
Potential Financial Impact	Likelihood ●●●●● Scale ●●●●○
Impact on the Company	- Strengthened obligations to establish and implement corporate safety and health management systems under the enforcement of the Serious Accidents Punishment Act - Accelerated social and legal demands regarding accountability for safety and health implementation
Financial Impact	LOTTE E&C is proactively preventing business-wide risks that may arise from insufficient fulfillment of legal obligations. In 2025, the Company strengthened its management capabilities by executing approximately KRW 139.0 billion in safety and health budgets across its headquarters and worksites, including costs related to the expansion of safety facilities and reinforcement of dedicated personnel to comply with laws and regulations.
Response Strategies and Performance	LOTTE E&C operates a safety management system led by the Safety and Health Management Headquarters under the direct supervision of the Chief Safety Officer (CSO). In 2025, the Company established the Safety Innovation Division to advance safety management based on smart construction technologies and concentrate organizational capabilities on preventing serious accidents. At the beginning of each year, LOTTE E&C establishes annual safety and health plans and obtains approval from the Board of Directors, demonstrating strong, accountable management led by executive leadership. This indicates that the Company's safety policy is managed not only at the operational level, but also at the governance level. In addition, through continuous monitoring of compliance with legal obligations by dedicated organizations and the prompt implementation of improvement measures at project sites, LOTTE E&C continues to advance its autonomous safety and health management capabilities beyond regulatory response.

OPPORTUNITY 1

Growing Stakeholder Demand for Safety Management

Type	Market
Relevant Stakeholders	Shareholders and investors, customers
Potential Financial Impact	Likelihood ●●●●○ Scale ●●●●○
Impact on the Company	- Safety and health standards serve as a key indicator of competitiveness in securing contracts, and failure to meet requirements may result in restrictions on bidding - Safety accidents at partner companies may lead to lower supply chain reliability and delays in material delivery
Financial Impact	As stakeholder expectations for safety and health continue to increase, LOTTE E&C is managing long-term revenue decline risks, such as bidding restrictions and lost order opportunities that may result from insufficient management capabilities, while strengthening its order competitiveness. Recognizing that a decline in brand value may lead to lower corporate credibility and higher financing costs, the Company is securing investor trust through proactive legal compliance and innovation in safety culture. In particular, LOTTE E&C is reinforcing its cooperation system with partners to prevent safety accidents at partner companies from escalating into direct financial risks, such as lower supply chain reliability or delays in material delivery, while securing both site profitability and operational stability.
Response Strategy and Performance	LOTTE E&C manage safety performance by incorporating safety and health indicators into its Key Performance Indicators (KPIs) and Balanced Scorecard (BSC) assessments and expanding their weighting in evaluations. The Company conducts regular external audits every year to maintain KOSHA-MS and ISO 45001 certifications, thereby securing the objective reliability and transparency of its safety and health management system. Through these efforts, LOTTE E&C demonstrates differentiated management capabilities that meet stakeholder expectations. In addition, by actively introducing smart safety technologies and deploying them at project sites, the Company plans to establish an advanced safety culture, prevent accident risks, and create a sustainable construction environment.

Strategy

Safety and Health Strategy

Safety and Health Implementation Strategy

LOTTE E&C has set the achievement of "Zero Serious Accidents" as its safety and health goal and is strengthening site-centered execution capabilities by embedding a participatory safety culture in which all members take part. Based on the active participation of all employees in safety and health and the value of respect for life, the Company is advancing its safety management system and carrying out site-centered safety awareness activities to prevent accidents. Going forward, LOTTE E&C will continue to establish a safety-first corporate culture that regards safety as the top priority.

2026 Safety and Health Goal and Management Policy

Goal	Zero serious accidents!		
Slogan	Strengthening Site-Centered Execution Through the Establishment of a Participatory Safety Culture!		
Core Strategies	Establishing Site-Centered Execution Capabilities	Advancing Safety Awareness & Capabilities	Work Innovation & Efficiency Enhancement
Key Initiatives	- Upward standardization of site safety levels - Establishing a system to strengthen site execution capabilities - Embedding site-centered safety practices into daily routines	- Nurturing specialized safety personnel by job tier - Enhancing autonomous safety capabilities of partners - Driving practical safety participation among workers	- Building an integrated safety and health platform - Shifting the safety paradigm - Advancing smart safety management
Management Principles	- Management places safety and health as the top corporate value and leads by example in preventing accidents. - All members identify and mitigate hazards and risk factors, sharing knowledge through training.	- We provide sufficient human and material resources for workplace safety and health management. - We guarantee worker participation in all safety and health activities and actively incorporate gathered feedback.	- We internalize safety management standards and principles into daily practices, adhering strictly to "no construction without safety." - We strive to create a mutually beneficial safety culture practiced together by executives, employees, partners, and workers.

STRATEGY 1. Embedding Site-Centered Execution Capabilities

Strengthening the Worker Health Management System

LOTTE E&C recognizes workers' health as a core value directly linked to the Company's sustainability. In collaboration with specialized health management centers, the Company operates systematic health checkups and follow-up programs and focuses on preventing occupational diseases. In addition to providing customized individual counseling based on health checkup results and occupational disease prevention training, LOTTE E&C practices integrated care for both physical and mental health through programs for cardiovascular disease prevention and job-stress management. In particular, the Company provides customized guidelines in response to seasonal health risks, including heat waves and cold waves, and encourages workers' voluntary participation in health management by operating the Worker Health Checkup Application System.



Worker Health Care Center

Campaigns to Create a Safe Working Environment

LOTTE E&C operates site-specific safety culture campaigns every year to ease the physical fatigue of construction workers and support health management during vulnerable periods caused by weather conditions, such as summer and winter. During the hot season, the Company operates snack trucks that provide ice cream, shaved ice, and beverages, while during the cold season, it provides practical support, including winter supplies, to improve working conditions at sites. These activities are based on LOTTE E&C's "I Respect U" safety culture, which embodies the value of respect for people, and aim to foster a culture of respect for life across all worksites, rather than simply providing supplies.



Summer Snack Truck Support



Winter Cold-Weather Gear Support

Strategy

Safety and Health Strategy

• Management of Vulnerable Worker Groups

LOTTE E&C classifies elderly workers and workers with underlying diseases as vulnerable worker groups and manages them in an integrated manner, thereby minimizing blind spots in health management. To enable immediate health checks and prompt responses during site inspections, the Company operates an identification system using safety helmet colors, and has strengthened its continuous monitoring capabilities by establishing a consultation system that operates at least once a week. In addition, in response to environmental changes caused by the climate crisis, LOTTE E&C operates a site-oriented response system that ensures practical protection for workers, including mandatory rest periods to prevent heat-related illnesses during hot seasons and the proactive reassignment of outdoor workers during winter.

• Monthly Safety Check Day

LOTTE E&C regularly operates a monthly Safety Check Day led by the CEO to spread an enterprise-wide safety culture and strengthen an effective communication system between headquarters and construction sites. Through this initiative, we intensively inspect high-risk work types and equipment operation zones, comprehensively reviewing the status of safety facilities, worker compliance with rules, and the practical implementation of accident prevention measures. During these inspections, we not only conduct specialized training to prevent serious accidents but also strengthen bonds with workers through site encouragement activities, such as providing tailored health beverages and supplies during vulnerable periods like extreme heatwaves.



Safety Check Day



STRATEGY 2. Advancing Safety Awareness and Capabilities

• Diversification of Safety Training Content

LOTTE E&C is leading a paradigm shift in training content by fully introducing generative AI technologies to advance the safety and health management system at construction sites. Moving away from conventional text-based training methods, the Company focuses on improving workers' engagement in training by providing AI-based customized content that maximizes visual and behavioral learning. In particular, emotionally engaging safety videos produced using AI technologies, featuring catchy melodies and themes such as safety songs, the importance of family, and colleagues, go beyond delivering safety rules and help workers deeply internalize safety awareness.



AI-Produced Safety Training Content

• Operation of a Self-Directed Learning Platform for Employees

LOTTE E&C operates "1,000 Safety and Health Questions," a self-directed learning platform that covers four core areas: the safety and health management system, relevant laws and regulations, internal safety rules, and daily training content. The platform is designed to foster employees' voluntary safety awareness and standardize professional knowledge. By applying strict completion evaluation standards, learners who score below 60 points are marked as incomplete, while individual reports analyzing incorrect answers and retake opportunities are provided. Through this mastery learning system, LOTTE E&C maximizes learning effectiveness. In addition, by conducting pre- and post-competency tests linked to company-wide training programs, the Company precisely measures learning outcomes and manages them based on data, thereby quantitatively strengthening each employee's safety and health response capabilities.

Strategy

Safety and Health Strategy

• Training to Internalize Safety Awareness

LOTTE E&C has been fully implementing its On-Air Safety and Health Training Program for all employees since November 2025 to fundamentally enhance employees' accident prevention capabilities and integrate safety practices into their daily work. The program consists of a 14-hour curriculum and is designed to enable employees to systematically acquire essential safety and health knowledge tailored to their roles. By September 2026, LOTTE E&C plans to sequentially offer online courses tailored to each employee level as well as offline courses. In particular, the Company has moved away from the conventional one-way video-based training method and fully introduced an interactive training system in which learners directly solve questions and confirm key content. Through this, employees can independently identify potential risks at worksites and explore solutions, thereby maximizing the effectiveness of training.

• Safety Training for Site Managers

LOTTE E&C operates a systematic professional training system to strengthen the practical capabilities of safety and health managers and construction team leaders, who are key personnel in on-site safety management. In addition to intensive in-depth training conducted once a year, the Company also provides monthly video-based training to maximize training accessibility. Through these efforts, LOTTE E&C is standardizing the level of safety management across all worksites.

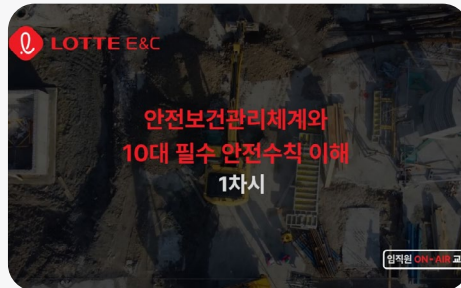
In particular, the training curriculum moves beyond a fixed framework and promptly reflects timely topics, such as the latest amendments to laws and regulations, new safety systems, and analyses of industrial accident trends. This enables site managers to enhance their practical risk response capabilities.

• Practical Site-Centered Safety Training

LOTTE E&C has newly introduced and operates a training program for construction-equipment specialists to fundamentally prevent equipment-related accidents at construction sites and maximize the effectiveness of its safety management system. The program was designed to strengthen managers' practical equipment operation capabilities and support the on-site implementation of the safety system in response to the increasing mechanization and scale of construction sites. By July 2026, LOTTE E&C plans to conduct intensive capability-building training for approximately 120 key personnel over a total of four sessions. To enhance practical applicability, the training curriculum adopts a three-stage structure consisting of theory, practice, and supplementary training, covering relevant laws and regulations, equipment inspections and situation-based response exercises, and the sharing of the latest technology trends in a systematic manner. Through this professional training program, LOTTE E&C is standardizing the capabilities of site managers and eliminating blind spots in equipment management, thereby establishing a proactive safety response system.



Site-Focused Safety Management Training



Site-Focused Safety Management Training



Strategy

Safety and Health Strategy

• Experiential Training Based on the Safety Experience Center

LOTTE E&C practices its management philosophy that safety is the highest value that cannot be compromised, based on the value of respect for people. As part of these efforts, all headquarters executives, including CEO Oh Il-keun, completed advanced safety training at the Safety Experience Center, "Safety On," thereby reinforcing strong safety and health leadership led by executive management. This training provided an opportunity for executives to develop a sense of urgency regarding safety management and share a strong sense of responsibility for protecting workers' lives through hands-on experience with VR simulations of high-risk accident situations and practical CPR training. In particular, CEO Oh emphasized the importance of practicing the principle of protecting both one's own family's safety and the safety of others' families, and declared that the principle of "No work unless it is safe" should be established as the behavioral philosophy of all members. Based on this firm commitment from executive leadership, LOTTE E&C plans to strengthen its practical safety management system and create a sustainable construction environment where a proactive safety culture is embedded in daily work, with the goal of achieving zero serious accidents.



SAFETY ON High-Sensitivity Safety Training



Safety Training Participation for All Executives

• Customized Foreign Language Safety Guides for Partner Workers

Considering the characteristics of construction sites where multinational workers work together, LOTTE E&C regards organic communication and the establishment of trust between site managers and foreign workers as key priorities in safety management. To this end, the Company produces and distributes simple foreign language guides containing basic construction terminology and daily conversations frequently used at worksites, thereby improving the accuracy of instruction delivery, building emotional rapport with workers, and maximizing communication efficiency. In particular, LOTTE E&C provides focused training on five practical expressions and five prohibited expressions to avoid in situations requiring immediate awareness through practice-oriented basic safety terminology training. Through this, the Company encourages rapid responses in emergency situations and proactively prevents human errors caused by communication gaps.



Multilingual Safety Guide



Basic Safety Terminology

• Operation of a Comprehensive Safety Evaluation System for Partners

LOTTE E&C operates a comprehensive safety evaluation and consulting system for 178 partners that perform 15 high-risk construction activities to fundamentally strengthen partners' autonomous safety management capabilities. The Company closely reviews the adequacy of partners' headquarters-level safety and health systems and their actual implementation at worksites. For partners with unsatisfactory evaluation results, LOTTE E&C provides customized capability-building consulting to support system establishment and encourage active participation in safety activities.

Strategy

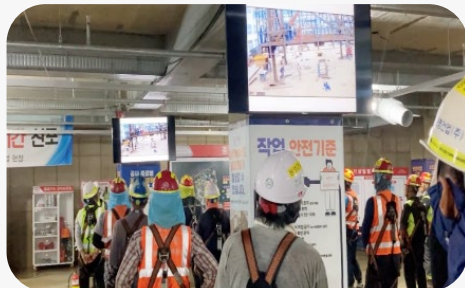
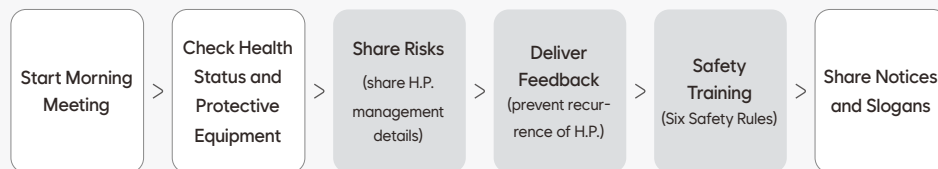
Safety and Health Strategy

STRATEGY 3. Work Innovation and Efficiency Enhancement

• Digital Safety Management Monitoring through the Introduction of Smart Morning Meetings

LOTTE E&C systematically conducts monthly and daily risk assessments to enhance the objectivity and effectiveness of the risk-assessment process. In particular, the Company manages risks in detail by digitizing equipment-specific risk indices through AI technologies. To maximize the delivery of safety information at worksites, LOTTE E&C has introduced smart morning meetings across all sites, providing visualized information through large screens and column-mounted screens. The Company also operates an AI-based real-time interpretation service for foreign workers to eliminate communication blind spots. Since the second half of the previous year, LOTTE E&C has strengthened the system for assigning and managing work supervisors across all sites. At the same time, the Company has changed the existing standing morning meeting format to a seated format with individual tables and chairs to create an environment that enables more focused TBM (Tool Box Meeting) activities. The status of smart morning meeting operations and work supervisor assignment data are tracked and managed in real time, while regular surveys and inspections are conducted to continuously verify on-site implementation and enhance the effectiveness of safety management.

Safety Morning Meeting Flow



Introduction of Smart Morning



• Strengthening the Worker Health Management System

LOTTE E&C has completed the development of a non-contact health check application that measures vital signs through smartphone facial recognition for the first time in the construction industry, and has introduced it across all sites, leading the era of smart health management. This technology uses a smartphone camera without separate equipment to detect changes in skin color and quickly measure pulse, blood pressure, fever, and oxygen saturation within approximately 15 seconds. Through this, LOTTE E&C has significantly improved the efficiency of automatic recording of measurement results and the management of vulnerable workers, including those with high blood pressure and underlying diseases. In addition, to prevent musculoskeletal disorders and cardiovascular diseases, the Company has produced video content featuring stretching exercises optimized for each body part and uses the content during morning safety meetings, thereby providing effective health management training.



Non-Contact Vital Sign Sensing Technology



Health Exercise Video

• Advancing the Smart Safety Communication System

LOTTE E&C is expanding the scope of safety management by developing an AI interpretation program that incorporates cutting-edge technologies to ensure smooth communication with foreign workers and eliminate safety blind spots at worksites. From June to September 2025, the Company conducted pilot testing at 15 sites and improved the technical completeness of the program. From October, LOTTE E&C fully deployed a translation solution supporting 194 languages across all sites. This initiative fundamentally addresses misinterpretation of safety rules and communication gaps caused by language barriers, creating an environment in which foreign workers can accurately understand instructions in their native languages and respond to on-site situations in real time.



Safety Training for Foreign Workers

Risk Management

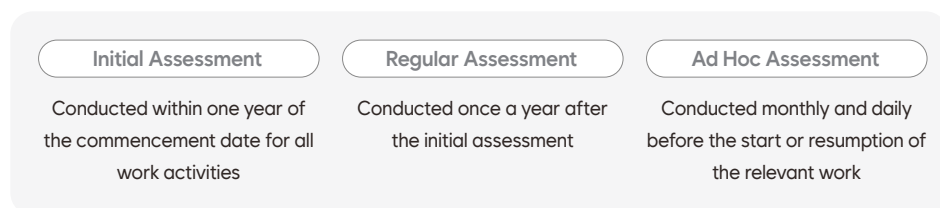
Safety Risk Management

Segmentation of Risk Assessments

LOTTE E&C conducts risk assessments by classifying them into initial, regular, and ad hoc assessments according to work procedures to systematically manage hazardous factors and risks. The Company determines risk levels by work activity based on the likelihood of accidents and the severity of potential damage, and automatically manages them by risk level. In addition, LOTTE E&C identifies additional risk factors through TBM¹⁾ activities, safety inspections, and the collection of worker feedback, while enhancing management effectiveness by providing feedback on implementation status. The effectiveness of the risk assessment process is verified through semiannual performance measurement and internal audits, and the results are reflected in safety and health policies and goal-setting to enable continuous monitoring.

1) TBM(Tool Box Meeting): Pre-work safety briefings led by supervisors, where workers review and discuss work details and safety protocols.

Risk Assessment Classification Process



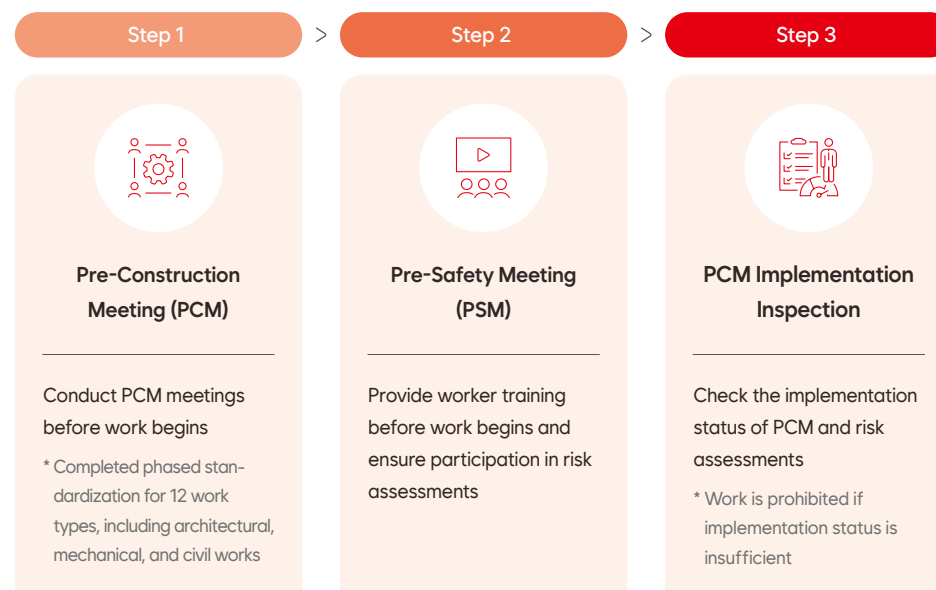
Detailed Process for Initial Risk Assessment



Establishing an Implementation System for Pre-Work Planning at Sites

LOTTE E&C operates PCM and PSM, step-by-step meeting procedures conducted before the start of work, to establish a system for developing and implementing pre-work plans at sites. PCM is a construction safety meeting that reviews construction procedures, methods, potential risk factors, and safety measures in advance. PSM is a safety communication activity that provides practical training and instructions to workers based on the reviewed details and collects feedback from the site. Through these step-by-step operating procedures, all personnel, including LOTTE E&C employees, partners, work supervisors, and workers, participate in risk assessments. Based on actual site conditions, the Company accurately identifies practical risk factors and establishes and implements effective accident prevention measures.

Site Work Planning Process



Risk Management

Safety Risk Management

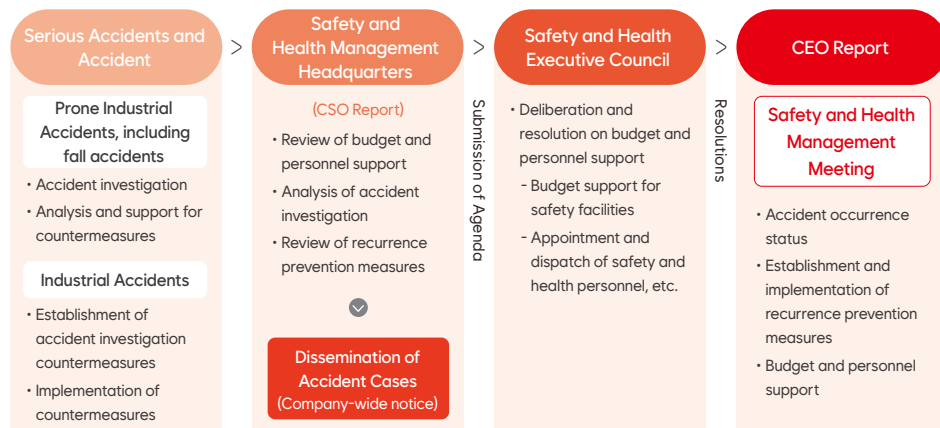
Strengthening the Disaster Response and Recurrence Prevention System

In accordance with relevant laws and regulations, including the Occupational Safety and Health Act and the Serious Accidents Punishment Act, LOTTE E&C immediately suspends work and evacuates workers as a safety measure when an industrial accident occurs or when there is an imminent risk of an accident. Accidents are classified and managed as serious accidents, fall accidents, accident-prone industrial accidents, and industrial accidents. When an accident occurs, the Company establishes recurrence prevention measures through prompt follow-up actions and thorough cause investigations, and strictly implements them at worksites. After an accident, LOTTE E&C continuously checks whether response measures are being implemented effectively and encourages employees and workers to participate in accident prevention activities. Through these efforts, the Company is embedding a prevention-oriented safety culture that goes beyond post-accident response.

Classification of Disaster Types

Serious Accidents	Serious industrial accidents and serious civil accidents as defined under the Occupational Safety and Health Act and the Serious Accidents Punishment Act
Fall Accidents	Industrial accidents involving falls
Accident-Prone Industrial Accidents	Equipment-related accidents, falling objects, accidents involving two or more casualties, and technical industrial accidents related to temporary facilities and structures, including earth retaining structures
Industrial Accidents	All accidents involving injuries, including work-related personal illnesses

Disaster Investigation and Reporting Procedure



Strengthening On-site Safety Inspections and Support System

LOTTE E&C has established a continuous assessment system based on on-site safety and health inspections to precisely diagnose the level of safety management and continuously strengthen execution capabilities for accident prevention. At the early stage of project commencement, the Company conducts close guidance inspections to support the early establishment of the safety and health management system. As construction progresses, LOTTE E&C proactively identifies and addresses potential risk factors by conducting comprehensive safety diagnoses, special inspections, and inspections during vulnerable periods. In particular, to systematically manage identified risks, the Company operates follow-up inspections and a constant monitoring system centered on regional safety centers. Through customized personnel deployment and budget support tailored to the characteristics of each site, LOTTE E&C maximizes the effectiveness of safety management.

Safety Inspection Activities

Category	Criteria	Key Details
Close Guidance Inspection at the Early Stage of Construction	Less than 3% progress rate	Support inspection for the early establishment of the safety and health management system [System / Administration / Risk Assessment / Execution / Equipment / Health]
Comprehensive Safety Diagnosis / Assessment	Once every six months	Safety diagnosis and inspection of the site safety and health system [System / Administration / Health / Execution / Equipment]
Special Inspection / Assessment	Once every half year; ad hoc inspection	- Special inspection for execution during the active period of high-risk work Conducted in parallel when the relevant work is active - Activity inspection at sites where accident-prone disasters occurred Prevention Diagnosis Team + Safety Team of the relevant business division
Inspection During Vulnerable Periods	Thawing season, rainy season, typhoon season, and winter season	Safety Team of the relevant business division, including technical inspections, and Technology Research Institute
Follow-up Inspection [F/B]	Safety grade B or below	- Fundamental cause analysis and establishment of immediate support measures - Safety Prevention and Diagnosis Team / Regional Safety Inspection Center / Safety Team of the relevant business division
Regional Safety Center Inspection	At all times	- Establishment of a regular inspection system by region — continuous patrols - HOLD-POINT improvement inspections when issues occur - Weekend inspections

Risk Management

Safety Risk Management

Emergency Response Drills

LOTTE E&C has established and operates a systematic emergency response drill system to prevent serious industrial accidents and minimize damage in the event of an accident. Based on guidelines for serious industrial accident risks, we conduct both comprehensive drills and departmental (partial) drills in parallel, increasing drill intensity to enable immediate reporting and response during emergencies. Comprehensive drills simulate major onsite disaster scenarios—such as falls, fires, and equipment overturns—and are conducted twice a year for all personnel. Departmental drills focus on work stoppage and evacuation during hazards specific to work types and zones, thereby strengthening practical response capabilities. Furthermore, hands-on practice in AED¹⁾ use and CPR²⁾ enhances lifesaving capabilities in emergency situations. Areas for improvement derived from the drills are immediately reflected in manuals and procedures, and key outcomes are reported monthly through the Safety and Health Management Council.

1) AED (Automated External Defibrillator): An emergency device that applies electric shocks to patients in cardiac arrest to help the heart beat normally

2) CPR (Cardiopulmonary Resuscitation): An emergency first-aid procedure that maintains breathing and blood circulation through artificial respiration and chest compressions during cardiac arrest

Examples of Imminent Risks

- When there is a high risk of falling due to the absence of work platforms, safety handrails, or other protective facilities in areas where work is performed at a height of 2 meters or more
- When temporary facilities, such as scaffolding, temporary enclosures, or earth-retaining structures, are improperly installed or inappropriate materials are used
- When there is a high risk of collapse due to deformation of excavations, structures, or other facilities
- When there is a risk of fire or explosion due to hot work being performed in areas where combustible or flammable materials are handled
- When there is a risk of chemical leakage due to the failure or deformation of facilities that handle hazardous or dangerous chemical substances
- When oxygen concentration is not measured before work in confined spaces
- When local exhaust ventilation systems are not installed for facilities that emit hazardous chemical substances
- When there is a risk of falling materials, collisions, or entrapment during equipment work involving cranes, excavators, or other machinery
- Other cases determined to involve imminent risks

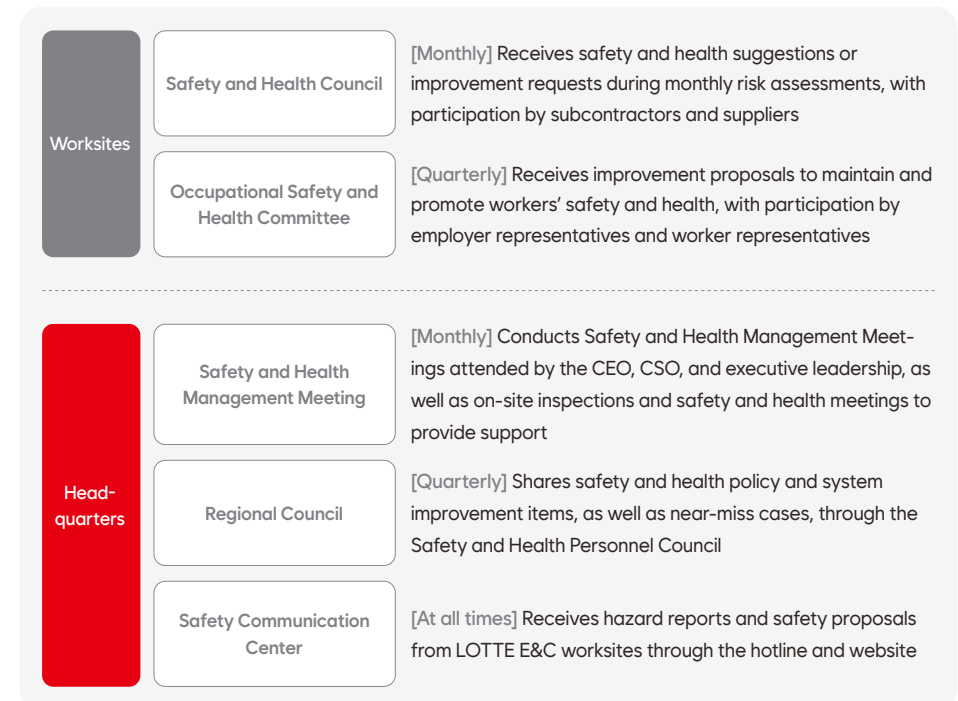


Emergency Response Drills

Diversifying Channels for Channels for Collecting Safety and Health Feedback from Workers

LOTTE E&C operates various feedback channels to create an environment in which workers are recognized not merely as subjects of management, but as active participants in safety management. Based on smooth communication and organic collaboration between managers and workers, the Company carries out safety and health activities that reflect actual site conditions, thereby eliminating habitual unsafe work practices. In particular, LOTTE E&C actively encourages workers to voluntarily practice a safety culture and focuses on establishing a responsible culture in which workers protect their own safety, rather than relying solely on regulation-based safety.

Channels for Collecting and Health Feedback from Workers



Risk Management

Safety Risk Management

Participation in Safety and Health Culture and Reward System

LOTTE E&C operates a systematic reward system covering worksites, workers, and partners to encourage voluntary safety practices and strengthen safety awareness among all members. Based on the "Zero Accident 365+" initiative, in which all site members participate to achieve the goal of zero accidents, the Company implements a behavior-based safety management reward system that identifies and encourages proactive safety behaviors by workers and supervisors on an ongoing basis, thereby promoting the daily practice of safe behaviors. In addition, LOTTE E&C selects and rewards partner leaders who have carried out outstanding safety and health activities and construction teams with high implementation rates for high-risk work prevention activities on a semiannual basis, thereby establishing a virtuous cycle in safety management. The Company also operates a system that encourages employees to obtain safety-related certifications, strengthening professional capabilities in safety and health.

Safety and Health Reward System

Category	Target	Timing	Details
Zero Accident 365+	Worksites	Upon achievement	Activities to achieve the zero-accident goal by all site members, including employers, supervisors, and workers
Behavior-Based Safety Management Reward	Workers and supervisors	At all times	A system that encourages safe behaviors by observing and identifying workers' proactive safety behaviors and recognizing and rewarding safety activities
Outstanding Safety Management Leader Award	Partners	Semiannually	A system that identifies and rewards proactive partner leaders who carry out outstanding safety and health activities
Safety Accident Prevention Activity Award	Supervisors	Semiannually	A system that identifies and rewards construction teams with outstanding implementation rates for safety accident prevention activities for high-risk work
Safety Certification Acquisition Encouragement System	Employees	Upon acquisition	A system that enhances all employees' safety awareness and safety-related work capabilities by encouraging the acquisition of safety certifications, including Construction Safety Engineer and Construction Safety Industrial Engineer certifications

Targets & Metrics

Safety and Health Targets & Metrics

Occupational Safety and Health Target Management

LOTTE E&C sets ambitious safety and health targets every year and reviews the implementation system to proactively manage high-risk accident types across the entire work process. Following the 2025 target of "Zero Serious Accidents and 100% implementation of pre-work planning," the Company will further strengthen its commitment to achieving zero serious accidents in 2026 and promote site-centered execution capabilities through the establishment of a participatory safety culture. To this end, LOTTE E&C continues to strengthen its efforts to improve the safety level of worksites based on three core strategies: site-centered, prevention-centered, and efficiency-centered management.

Serious Accident Management Indicators

Based on its philosophy of respect for life, LOTTE E&C regards safety and health management as the top priority in all management activities and strengthens serious accident prevention activities to realize accident-free business sites. To achieve zero serious accidents, the Company has advanced both qualitative and quantitative indicators and strictly reflects them as key management indicators for dedicated departments and worksites. Under the leadership of executive management, LOTTE E&C is investing sufficient human and material resources to prevent accidents. In particular, the Company encourages all members to participate in identifying and improving hazardous factors and risks, and actively reflects the collected feedback in safety indicator management and training, thereby achieving practical risk reduction.

Serious Accident Management Indicators

Accident Fatality Rate

The number of accident-related fatalities per 10,000 full-time workers
 (Accident Fatality Rate(‰) = (Accident-related fatalities/Full-time workers) × 10,000)

 LTIR¹⁾

The number of lost-time injuries per 200,000 working hours

1) LTIR: Lost-Time Incident Rate

CORE 2

Climate Change(TCFD)

Governance

Climate Change Response Governance

Sustainable Management Committee

The Sustainable Management Committee of LOTTE E&C is the highest ESG decision-making body that deliberates and resolves company-wide ESG strategies and policies, including climate change response. Chaired by the CEO, who serves as Chairperson, the Committee reviews key climate change issues every year, establishes specific response strategies, and regularly assesses and manages progress toward GHG reduction. To practice responsible management, significant climate-related issues are presented to the Board of Directors and closely linked to the Board. Through its subcouncils, the Committee establishes a climate change response system and regularly reviews its operations. In particular, the Safety and Environmental Management Subcouncil contributes to creating practical GHG reduction outcomes by focusing on the development of eco-friendly technologies and support for the promotion of green buildings.

Sustainability Management Secretariat

The Sustainability Management Secretariat of LOTTE E&C is a working-level dedicated organization that provides comprehensive support for the systematic decision-making and role fulfillment of the Sustainable Management Committee. The Secretariat establishes mid- to long-term strategies for climate change response and oversees company-wide communication so that working-level departments can implement detailed action plans without disruption. In particular, it continuously monitors key ESG issues, including climate change response, to ensure that effective ESG agenda items are deliberated and reviewed at the C-Level Council, and regularly reports the results to senior management. In addition, the Secretariat systematically collaborates with relevant departments and oversees improvement activities so that the Company can promote integrated ESG management at the company-wide level, including compliance with environmental laws and regulations and responses to the needs of customers and ESG-related investors, while strategically responding to climate change.

Role of the CEO

The CEO of LOTTE E&C serves as Board Chairperson under Board regulations, holding final accountability for company-wide ESG issues, including climate change. To drive an effective response, the Company defines senior management roles, conducts governance performance evaluations, and incorporates non-financial ESG indicators into executive KPIs. Leveraging this responsible management foundation, LOTTE E&C systematically manages performance to advance sustainable management, including climate data systems, eco-friendly procurement, and green investments.

Structure of Climate Change Organization

Sustainable Management Committee

- Deliberates, reviews, and approves matters related to Environment (E), Social (S), and Governance (G) issues
- Chairperson: CEO
- Decision-making on overall sustainable management
- Develop improvement measure for each sustainable management issue
- Review and evaluate sustainable management performance
- Complement sustainable management policies and systems

Sustainability Management Secretariat

- Strategic Planning Division
- Establish sustainable management plans and strategies
- Identify sustainable management issues and place relevant agenda items on the agenda for discussion
- Manage sustainable management activities and performance of subcouncils, including climate change response
- Plan sustainable management education for employees

Subcouncil

- Safety and Environmental Management
- Establish and operate climate change response-related systems
- Manage performance against major environmental indicators through environmental management system certification
- Develop eco-friendly technologies and conduct eco-friendly procurement
- Support the promotion of green buildings

Working-level Departments

- Technology Research Institute, Strategic Planning Division

Strategy

Climate Change Response Strategy

Corporate Strategy and Business Interaction

LOTTE E&C defines climate change response not merely as regulatory compliance, but as a core management environment directly linked to the Company's survival. As a top-priority business issue that determines the Company's sustainability, climate change is being addressed through a data-driven GHG management system established across the entire process, thereby strengthening practical risk control capabilities. By responding to enhanced legal requirements, including the emissions trading scheme and the mandatory adoption of Zero Energy Buildings (ZEB), LOTTE E&C is reinforcing transparency and eco-friendliness across its overall management system.

Climate Impact Analysis Process



Identification of Climate Change Risks and Opportunities

LOTTE E&C selected a total of seven key climate change-related risk and opportunity factors based on the IFRS S2 recommendations and TCFD guidelines. Based on the draft KSSB Sustainability Disclosure Standards, the Company analyzed its overall business model and value chain, and assessed the qualitative impact of each factor on its business by categorizing the timing of occurrence into short-term (within one year), medium-term (one to five years), and long-term (beyond five years). The Company qualitatively analyzed the impact of each risk and opportunity factor on its financial position, and plans to strengthen the reliability and expertise of climate risk disclosure by calculating financial impacts from a quantitative perspective, covering revenue, profit and loss, assets, liabilities, equity, and financing.

Analysis of Climate Change-Related Risks and Opportunities

Category	Description	Occurrence			Response Strategies	Expected Financial Impact
		Short-term	Medium-term	Long-term		
Physical Risk	Acute Extreme temperature events such as heat waves		●		Establish a pre-inspection and risk management system for climate change risks by project	Increased break times due to heat waves, work stoppages, compensation for delays, and worker injuries, including heat-related illnesses
	Increased frequency and intensity of extreme weather events such as heavy rain, torrential rain, and snowfall		●			Work stoppages due to heavy rain, heavy snowfall, and snowfall, loss of leased assets, delay compensation, and worker injuries
	Chronic Rise in sea levels and average global temperature			●		- Decline in asset value due to temperature rise - Increased quality management costs due to deteriorating concrete quality and weakening of material durability
Transition Risk	Policy and Legal Increased carbon price		●		- Adopt an internal carbon pricing system - Strengthen GHG Target Management System compliance - Ensure third-party verification of GHG emissions	Increased carbon-related cost burden due to reduced emission allowance allocations and rising prices
	Inclusion in the emissions trading scheme	●				Increased administrative costs and labor costs associated with establishing a system to collect and manage site-specific energy consumption and carbon emissions data
	Market Increased energy and raw material prices	●				- Increased costs for eco-certifications and regulations due to low-carbon materials, energy-saving tech, and renewable energy facilities - Deployment of personnel for administrative procedures to obtain green building certifications - Potential project schedule delays and design changes due to stricter regulatory standards
Opportunity	Products and Services Expansion of Zero Energy Building (ZEB) regulations		●		Transition to low-carbon technologies and utilize low-carbon alternatives	- Expansion of new orders driven by growth in the green and high-efficiency building market - Increase in revenue through the expansion of low-carbon construction materials and projects incorporating ZEB standards

Strategy

Climate Change Response Strategy

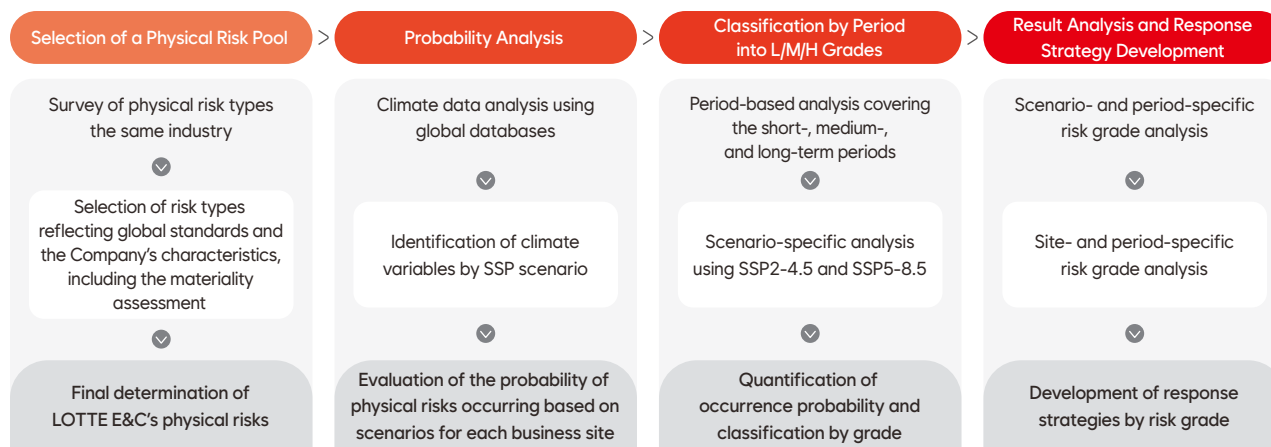
Physical Risk Analysis

To identify the practical impacts of climate change on construction sites, LOTTE E&C has designated floods, typhoons, heat waves, and heavy rains as physical risks and has established a foundation for systematically evaluating the resulting financial impacts. Physical risk analysis is conducted through a comparative analysis using the SSP1-2.6 Lowest-emission scenario, SSP2-4.5 "Middle of the road" or medium pathway, and SSP5-8.5 Highest-emission scenario presented in the IPCC Sixth Assessment Report (AR6). Scenario-specific analysis uses 10-year climate data and is further divided into short-term (2020s), medium-term (2030s), and long-term (2040s) periods to closely track trends in climate variables. The results will be used as a foundational asset for developing tailored response strategies for each business site in the future.

Overview and Assumptions per Scenario

Category	Overview	Assumptions
Lowest-emission scenario (SSP1-2.6)	A scenario in which GHG reduction policies and low-carbon technology transition are actively implemented based on a sustainable development pathway	Assumes that fossil fuel use is minimized through the advancement of renewable energy technologies and that environmentally sustainable economic growth is achieved
"Middle of the road" or medium pathway (SSP2-4.5)	A scenario in which the pathway continues gradually and GHG reduction measures are implemented at a moderate level	Assumes that climate change mitigation and adaptation efforts are implemented to a certain extent, but the pace of response differs by region and industry, maintaining a medium-level emissions pathway
Highest-emission scenario (SSP5-8.5)	A high-emission scenario in which fossil fuel-based economic growth continues and GHG reduction policies are implemented only to a limited extent	Assumes that industrial development and increasing energy demand lead to expanded fossil fuel use, delaying the low-carbon transition and significantly increasing the impacts of climate change

Physical Risk Analysis Process



Physical Risk Analysis Results

Based on the scenarios provided in the IPCC Sixth Assessment Report, LOTTE E&C selected 10 major core business sites and identified risk levels arising from exposure to climate phenomena using a three-grade classification system. The results of this analysis will be used as a strategic asset to assess the environmental resilience of each business site amid the coming climate crisis and to establish effective risk response strategies. According to the scenario-specific analysis, the business sites reviewed are generally located within areas affected by abnormal climate conditions. However, risks other than heat waves, heavy rain, and heavy snowfall were found to have relatively limited impacts and are being stably controlled through the existing management system. Nevertheless, as potential risk factors remain depending on regional and area-specific climate characteristics, LOTTE E&C plans to further advance tailored response strategies for each site based on the results of this analysis.

Physical Risk Analysis Results by Scenario

Category	SSP1-2.6			SSP2-4.5			SSP5-8.5		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Heat waves	L	M	M	M	M	M	L	M	M
Heavy rain / torrential rain / snowfall	L	L	L	L	M	L	L	L	L
Temperature rise	M	H	H	M	H	H	H	H	H

● Low
 ● Medium
 ● High

Strategy

Climate Change Response Strategy

Identification of Major Physical Risks and Financial Impact Analysis

LOTTE E&C recognizes that physical risks arising from climate change, such as heat waves, heavy rain, heavy snowfall, and temperature rise, may lead to financial impacts, including construction schedule delays, work stoppages, higher costs for safety and health response, asset recovery, and quality management. Accordingly, the Company has selected “strengthening resilience to climate change risks” as a strategic task and proactively identifies and assesses physical risks and opportunity factors by country, region, and business site across all stages before project investment and execution. Key agenda items identified are reviewed and managed through the C-Level Council and the Sustainable Management Committee, while an integrated response system is operated at the company-wide level. In addition, LOTTE E&C analyzes GHG emission forecasts (BAU) and environmental indicators under the “2040 Carbon Neutral Roadmap,” promotes a low-carbon transition across the entire value chain, and strengthens business stability and sustainability by advancing scenario-based forecasting strategies.

RISK 1

Increased Frequency and Intensity of Extreme Weather Events, Including Heat Waves, Heavy Rain, Torrential Rain, and Snowfall

Type	Physical Risk (Acute)
Relevant Stakeholders	Employees, Shareholders and Investors, Local Communities
Expected Financial Impact	Probability ●●●●○ Magnitude ●●●●○
Impact on the Company	- Need for a preemptive identification and management system for acute extreme weather factors that may occur throughout the entire project process - Growing need to review climate change risk factors identified by country, region, business site, and organization
Financial Impact	The average annual potential financial impact from acute extreme weather events, such as heatwaves, heavy rainfall, and heavy snowfall, is estimated at approximately KRW 5.2 billion–6.0 billion in the short term, KRW 6.0 billion–6.5 billion in the medium term, and KRW 7.0 billion–8.8 billion in the long term. These events can lead to work stoppages, site flooding, equipment and material damage, and project delays, ultimately affecting project execution stability, worker health and safety, and business predictability.
Response Strategies and Performance	LOTTE E&C proactively identifies climate issues across all project stages and minimizes their impact through a company-wide risk management process. We thoroughly evaluate climate risks and opportunities identified by country, region, worksite, and organization starting from the pre-investment and pre-execution phases, while operating an integrated management system under C-Level committee review. Moving forward, we will enhance our scenario-based predictive strategies to ensure both business stability and long-term sustainability.

RISK 2

Rise in Sea Levels and Average Global Temperature

Type	Physical Risk (Chronic)
Relevant Stakeholders	Shareholders and Investors, Regulatory Agencies, Local Communities
Expected Financial Impact	Probability ●●●○● Magnitude ●●●●○
Impact on the Company	- Increased uncertainty in future business due to chronic increases in global average temperature and changes in climatic conditions - Potential climate impacts that may hinder sustainable growth and growing need for continuous monitoring
Financial Impact	The annual average potential financial impact of temperature rise was analyzed to be approximately KRW 17.8–22.3 billion in the short term, KRW 14.3–18.2 billion in the medium term, and KRW 10.9–13.9 billion in the long term. An increase in average temperature may affect asset value, material durability, concrete quality management, and maintenance costs, potentially resulting in additional management burdens during construction and operation.
Response Strategies and Performance	LOTTE E&C has selected “strengthening resilience to climate change risks” as a core strategic task to drive sustainable growth amid rapid environmental changes and uncertainties caused by climate change. To this end, the Company precisely calculates its GHG emissions across Scope 1, 2, and 3 every year and continuously monitors its GHG emissions to accelerate the low-carbon transition across the entire value chain. By linking climate risk response performance to the key performance indicators (KPIs) of senior management, including the CEO, LOTTE E&C has strengthened its company-wide responsible management system.

Strategy

Climate Change Response Strategy

Identification of Major Physical Risks and Financial Impact Analysis

LOTTE E&C recognizes that physical risks arising from climate change, such as heat waves, heavy rain, heavy snowfall, and temperature rise, may lead to financial impacts, including construction schedule delays, work stoppages, higher costs for safety and health response, asset recovery, and quality management. Accordingly, the Company has selected “strengthening resilience to climate change risks” as a strategic task and proactively identifies and assesses physical risks and opportunities by country, region, and business site throughout all stages of project investment and execution. Key agenda items identified are reviewed and managed through the C-Level Council and the Sustainable Management Committee, while an integrated response system is operated at the company-wide level. In addition, LOTTE E&C analyzes GHG emissions forecasts (BAU) and environmental indicators under the “2040 Carbon Neutral Roadmap,” promotes a low-carbon transition across the entire value chain, and strengthens business stability and sustainability by advancing scenario-based forecasting strategies.

RISK 3

Identification of Major Transition Risks and Opportunities and Financial Impact Analysis

Type	Policy and Legal
Relevant Stakeholders	Regulatory Agencies, Shareholders and Investors
Expected Financial Impact	Probability ●●●●○ Magnitude ●●●●○
Impact on the Company	- Pressure from rising carbon prices due to the global carbon neutrality trend and the government's national GHG reduction policies - Accelerated demand for transition to a company-wide low-carbon business model and expanded investment toward carbon reduction
Financial Impact	The annual average potential financial impact of increased carbon prices due to GHG reduction policies was analyzed to be approximately KRW 1.1–1.4 billion in the short term, KRW 4.2–12.0 billion in the medium term, and KRW 4.0–42.3 billion in the long term. Rising carbon prices and reduced free emission allowances may lead to higher costs for purchasing emission credits, which could affect LOTTE E&C's medium- to long-term cost burden.
Response Strategies and Performance	LOTTE E&C participates in the national GHG reduction policy through GHG emissions calculations and thorough monitoring. To ensure company-wide execution of the “2040 Carbon Neutral Roadmap,” the Company has selected renewable energy generation and consumption, as well as investment budgets for achieving reduction targets, as key performance indicators (KPIs) and manages them systematically. In addition, LOTTE E&C has established Group-level governance by closely linking major environmental indicators, including GHG emissions and energy consumption, to KPIs and periodically providing evidence and explanations through close communication channels with the LOTTE Corporation Eco-Friendly Promotion Group.

RISK 4

Risk from Strengthened GHG Emissions and Climate Disclosure Regulations

Type	Policy and Legal
Relevant Stakeholders	Shareholders and Investors, Regulatory Agencies, Employees
Expected Financial Impact	Probability ●●●●○ Magnitude ●●●●○
Impact on the Company	- Reduced GHG emission allowances and increased regulatory response burden following the implementation of the Fourth Emissions Trading Scheme - Strengthened requirements for climate information disclosure across the supply chain (Scope 1–3) due to mandatory KSSB climate-related disclosures
Financial Impact	Strengthened legal regulations related to GHG emissions may increase financial burdens, including costs for third-party verification of emissions, costs for purchasing offset emission credits, and investment costs for GHG reduction.
Response Strategies and Performance	LOTTE E&C identifies and prioritizes climate-related risks based on environmental indicators, including GHG emissions, throughout the entire project process. The Company also analyzes GHG emission forecasts (BAU) every year and operates an integrated monitoring system, while major agenda items are reported to the CEO through the Sustainable Management Committee. Based on this management system, LOTTE E&C is establishing and implementing investment plans for climate change response and GHG reduction in 2026, proactively responding to regulatory changes, and continuously managing potential future financial impacts.

Strategy

Climate Change Response Strategy

Identification of Major Physical Risks and Financial Impact Analysis

LOTTE E&C is turning climate change response into an opportunity for technological innovation and business portfolio diversification, going beyond the scope of simple regulatory compliance. To reduce its dependence on fossil fuels and improve long-term energy self-sufficiency, the Company is accelerating the introduction of renewable energy infrastructure at business sites, thereby achieving tangible reductions in operating costs. In addition, LOTTE E&C recognizes the mandatory certification of Zero Energy Buildings (ZEB) and the demand for carbon emissions control across the entire value chain (Scope 3) as an opportunity to gain a competitive edge in the market. Accordingly, the Company plans to secure distinctive market leadership in the green building market by expanding R&D investment in high-efficiency systems and managing its raw material supply chain.

RISK 5

Increased Raw Material Costs

Type	Technology and Market
Relevant Stakeholders	Shareholders and Investors, Customers
Expected Financial Impact	Probability ●●●○○○ Magnitude ●●●●○○
Impact on the Company	• Increase in the costs of carbon-intensive materials due to strengthened global climate policies and rising carbon prices • A heavier burden of manufacturing and construction costs and greater procurement instability due to deepening short- and long-term volatility in raw material prices
Financial Impact	The annual average potential financial impact of increased raw material purchase costs was analyzed to be approximately KRW 0.2 billion in the short term, KRW 0.7 billion in the medium term, and KRW 1.6 billion in the long term under the Current Policies scenario. The analysis found that the financial impact may increase as carbon neutrality policies and regulatory levels become stronger. In particular, under the Net Zero 2050 scenario, the impact may increase to approximately KRW 230.9 billion in the long term, indicating that rising carbon prices and increased supply chain costs may affect the the costs of procuring major construction materials.
Response Strategies and Performance	LOTTE E&C has established a risk monitoring system based on market analysis to proactively respond to volatility in raw material prices. The Company systematically analyzes domestic and international regulatory trends and supply chain cost trends to optimize the timing of material procurement, while minimizing price uncertainty by expanding long-term supply contracts and diversifying suppliers. In addition, LOTTE E&C is actively responding to the risk of future increases in carbon regulatory response costs by reviewing the introduction of green and low-carbon materials and strengthening resource circulation processes.

OPPORTUNITY 1

Expansion of the Green Building (ZEB) Market

Type	Products and Services
Relevant Stakeholders	Shareholders and Investors, Customers
Expected Financial Impact	Probability ●●●●○○ Magnitude ●●●●●○
Impact on the Company	• Opportunity to capture the explosive growth of the green building market and create a high-value-added new market as mandatory Green Building (ZEB) certification is expanded in stages • Enhanced green brand competitiveness and expanded green financing opportunities by proactively responding to carbon emissions control requirements
Financial Impact	The expansion of ZEB regulations may act as a financial opportunity linked to new orders, stronger sales competitiveness, and the expansion of a low-carbon building portfolio over the medium to long term, in line with growing market demand for green and high-efficiency buildings.
Response Strategies and Performance	LOTTE E&C is maximizing climate change-related opportunities by focusing on the transition to low-carbon technologies and the utilization of low-carbon alternatives. The Company is expanding the on-site application of low-carbon alternative materials, including green concrete such as carbon dioxide reaction-hardening cement, and is developing energy-efficient building exterior technologies to realize Zero Energy Buildings. In particular, through continuous R&D investment, LOTTE E&C has secured proprietary high-efficiency energy reduction technologies and is continuously expanding its technological competitiveness to respond to the government-mandated ZEB policy.

Strategy

Climate Change Response Strategy

Climate Change Response Strategies

LOTTE E&C is pursuing advanced climate change response strategies to comply with the GHG Target Management System to achieve national GHG reduction targets and to realize the vision of the Company's "2040 Carbon Neutral Roadmap." By analyzing market conditions for each business division from multiple perspectives, LOTTE E&C is deriving low-carbon action tasks optimized for the characteristics of each business area, including housing, architecture, and plants. With eco-friendly technology development led by the Technology Research Institute at the core, the Company is making broad-based investments, including the creation of an eco-friendly ecosystem with upstream supply chain partners and the incorporation of environmental investment budgets at the company-wide business planning stage, thereby accelerating its carbon neutrality execution capabilities.

LOTTE E&C Eco-Friendly Technology Investment Carbon Emission Abatement Technology

Development of CO₂ Reaction Hardening Cement



To respond to environmental risks in the cement industry, LOTTE E&C has developed and is expanding the on-site application of eco-friendly "carbon dioxide reaction hardening cement (CSC)" technology, which significantly reduces carbon emissions compared to conventional cement and hardens through a reaction with carbon dioxide. This technology reduces limestone usage by 30% and lowers the calcination temperature by 200°C compared to conventional cement, thereby reducing carbon emissions from the production stage. In 2025, LOTTE E&C completed performance verification equivalent to conventional cement through monitoring of pavement blocks and other applications, as well as an economic feasibility review through analysis of an LCA- and CCUS-linked business model. Based on this, in 2026, the Company plans to diversify applicable product groups and strengthen on-site demonstrations to promote the full-scale commercialization of carbon-neutral construction materials.



Development of CO₂ Reaction Hardening Cement

In-Situ Carbonation Technology



Since 2021, LOTTE E&C has participated in a national research project on "in-situ carbonation technology," which reduces cement consumption by approximately 3% by capturing and refining carbon dioxide from industrial facilities and injecting it into the ready-mixed concrete production process. To this end, the Company established material performance requirements and quality standards, completed test demonstrations in August 2024, and completed Korea's first field verification in November of the same year using a 1 m³ mixer equipped with a CO₂ injection device. Going forward, in 2026, LOTTE E&C plans to conduct additional field verification at three project sites while pursuing new construction technology certification, thereby gradually expanding the scope of application.



Development of In-Situ Carbonation Technology

Development of Energy-Efficient Building Exterior¹⁾ Technology for Zero Energy Buildings



To meet mandatory Zero Energy Building (ZEB) standards, LOTTE E&C is developing high-performance Building Integrated Photovoltaic Systems (BIPV systems²⁾) that combine exterior functions with power generation. The Company developed POE encapsulation materials and the Glass to Steel (GtoS) method, evaluated performance at its headquarters, and verified cost reduction and constructability via the Glass to Glass (GtoG) method and a mock-up at its Dangjin Plant. Moving forward, LOTTE E&C will expand the application of BIPV as a convergence technology linked with energy storage and insulation to lead the future energy-efficient building market.



Zero Energy Building (ZEB) – Energy-Efficient Building Exterior and Insulated Shutter Hybrid Model

1) Energy-efficient building exterior: A modular building exterior that combines the insulation and airtightness performance of building exteriors with energy production, storage, and utilization functions.

2) Building Integrated Photovoltaic System (BIPV): A building exterior photovoltaic power generation system that utilizes building exteriors as solar panels.

Strategy

Climate Change Response Strategy

Climate Change Response Strategies

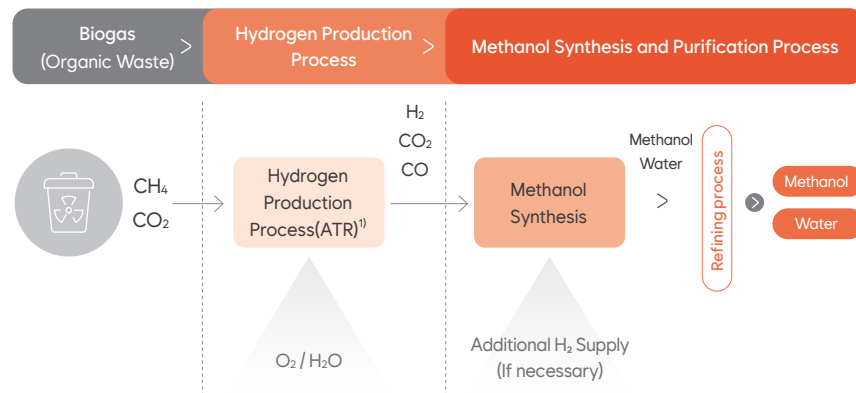
LOTTE E&C Eco-Friendly Technology Investment Hydrogen and CCUS Sector

Development of GHG Reduction Bio-Methanol Synthesis Technology



LOTTE E&C is conducting research on the development of GHG-reducing methanol synthesis technology as a joint research institution for the national project, "Demonstration Project for the Production Technology of Market-Leading Strategic CCU (Carbon Capture and Utilization) Products." The Company has completed the construction of a pilot plant capable of producing 40 tons of methanol annually using biogas from sewage treatment plants and is currently conducting demonstration tests. In addition, LOTTE E&C has derived a commercial process design package capable of producing approximately 13,000 tons of methanol annually, and is establishing integrated process improvement measures based on economic and environmental evaluations of the developed process. Going forward, based on the outcomes of this research, the Company plans to secure proprietary technology and fully promote the commercialization of bio-methanol production technology at a commercial scale.

Methanol Synthesis Technology Process



Application of Mobile Vertical Photovoltaic Technology to Achieve Carbon Neutrality at Construction Sites



LOTTE E&C Technology Research Institute is conducting demonstration tests of "mobile vertical photovoltaic technology," which overcomes limitations in securing land, to achieve carbon neutrality at construction sites. This technology is characterized by maximizing on-site solar power generation capacity by utilizing the vertical wall space of existing temporary noise barriers, taking into account the characteristics of construction sites where idle land is limited. In particular, the technology is being advanced into a modular power generation facility that can be easily installed and dismantled in line with the characteristics of sites operated on a three-to four-year cycle. Through these efforts, LOTTE E&C aims to simultaneously reduce construction costs and expand the introduction of renewable energy. The Company is also conducting structural stability verification and research to improve power conversion efficiency to expand the applicability of this technology to various temporary facilities in the future. Furthermore, by linking a precision analysis system that monitors power generation performance data in real time, the Company is establishing power generation patterns according to climate conditions and promoting the standardization of an energy-self-sufficient site model that prioritizes supplying electricity to temporary site offices and lighting facilities. Through the development of these site-oriented eco-friendly technologies, LOTTE E&C Technology Research Institute is leading the establishment of a sustainable energy ecosystem in the construction industry.



Mobile Vertical Photovoltaics



Risk Management

Climate Change Response Risk Management

Climate Change Risk Management Process

LOTTE E&C proactively identifies climate change risks and opportunities by country, region, and business site from the pre-investment stage through the project execution stage based on its "2040 Carbon Neutral Roadmap," and integrates them into its company-wide risk management process. Through the Sustainability Management Secretariat, the Company is operating an integrated monitoring system based on key environmental indicators, including GHG emissions, BAU analysis, energy usage, and waste emissions, while reviewing practical emission reduction measures. Key agenda items and the status of climate change risk management selected through this monitoring process are reported to the CEO following deliberations by the C-Level Council and the Sustainable Management Committee, enabling thorough company-wide tracking, oversight, and integrated management.

LOTTE E&C Risk Management Process



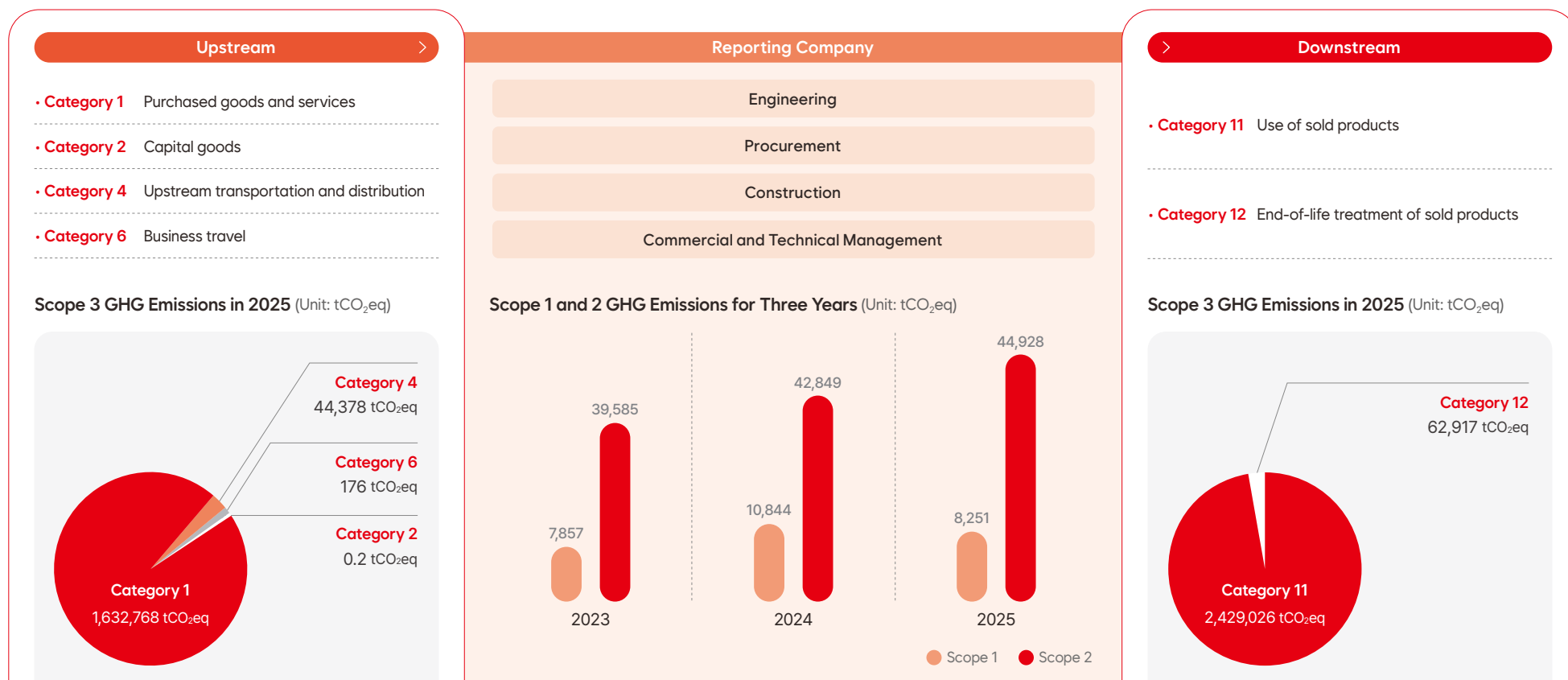
Targets & Metrics

Climate Change Response Targets & Metrics

GHG Emission Management through the Construction Industry Value Chain Analysis

LOTTE E&C identifies and manages opportunities for energy efficiency and cost savings across the entire value chain of the construction industry through precise calculations of Scope 3 emissions, going beyond the management of Scope 1 and Scope 2 emissions generated at its own business sites. The Company analyzed its value chain by taking into account the characteristics of the construction industry and its business activities, and defined the Scope 3 reporting boundary for a total of six categories in accordance with the GHG Protocol. As a result of establishing the inventory, emissions from "Category 1 (Purchased goods and services)," related to raw material procurement, were found to account for the largest share of total Scope 3 emissions. LOTTE E&C plans to systematically respond to carbon-emission risks across the value chain by expanding its climate change response system to the entire supply chain, including upstream partners and downstream distribution networks, as well as directly owned and operated business sites.

Value Chain Analysis and GHG Reporting Scope for the Construction Industry



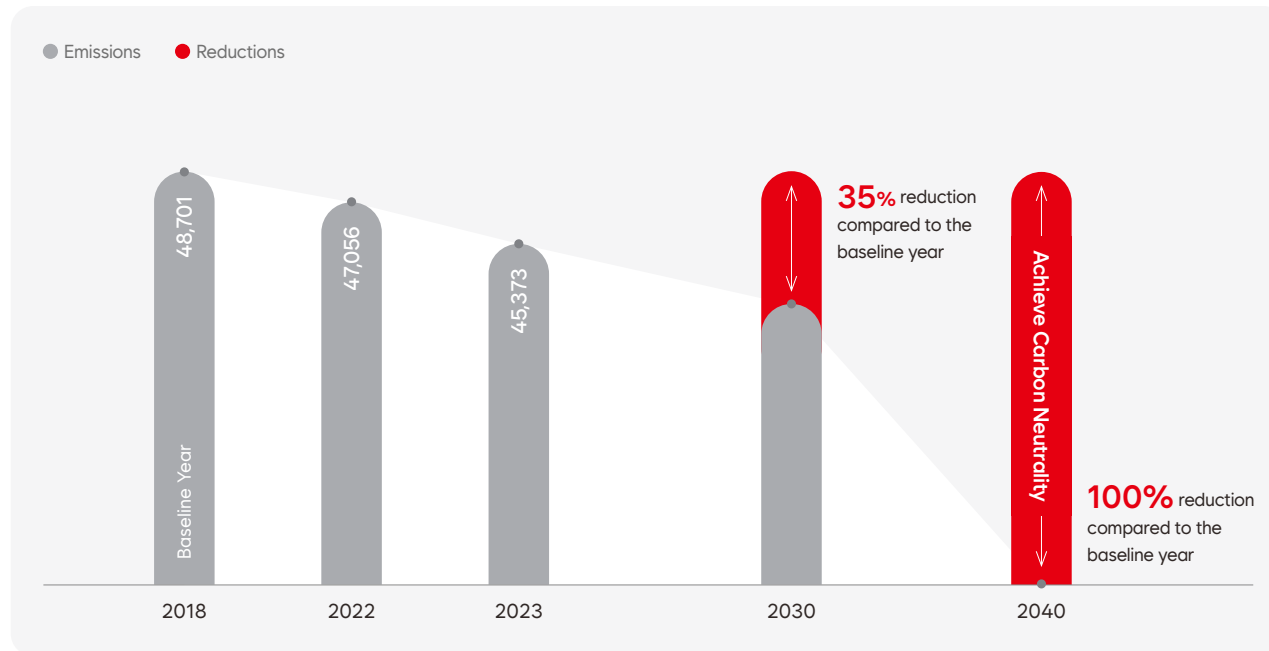
Targets & Metrics

Climate Change Response Targets & Metrics

2040 Carbon Neutral Roadmap

LOTTE E&C has selected renewable energy generation and consumption, as well as investment budgets for achieving reduction targets, as key performance indicators (KPIs) and manages them systematically to ensure the company-wide execution of its "2040 Carbon Neutral Roadmap." In addition, with 2018 set as the baseline year, the Company is carrying out practical carbon-emission-reduction activities, including expanding the installation of solar power panels across all business sites and converting company vehicles used by employees for business purposes into eco-friendly vehicles.

LOTTE E&C 2040 Carbon Neutral Roadmap



Linkage of Climate Change Management with KPI

LOTTE E&C organically links key environmental indicators, including GHG emissions and energy consumption, to key performance indicators (KPIs) to proactively respond to climate change risks and successfully drive green projects. The Company has established systematic and objective governance at the Group level by periodically providing evidence and explanations for these performance indicators through close communication channels with the LOTTE Corporation Eco-Friendly Promotion Group. To achieve "2040 Carbon Neutrality", LOTTE E&C aims to contribute to the transition to a sustainable carbon-neutral society by accelerating the shift to a low-carbon business model and expanding the application of eco-friendly technologies across project sites.

Key Performance Indicators

Achievement of carbon emission reduction targets

Achievement of the target investment budget for GHG reduction

Reduction rate of carbon intensity compared to the previous year, including GHG emissions per revenue

Targets & Metrics

Climate Change Response Targets & Metrics

GHG Reduction Initiatives

LOTTE E&C is supporting national GHG reduction policies through the voluntary calculation of GHG emissions and thorough monitoring. Since 2019, the Company has fully converted the fuel for on-site concrete curing from light oil to kerosene, and has applied practical energy-saving activities at project sites, including the replacement of lighting with high-efficiency LED lamps. In addition, LOTTE E&C is maximizing energy efficiency company-wide by gradually expanding initiatives every year, including the conversion of company vehicles at all business sites to eco-friendly vehicles, improvement of insulation performance in temporary site offices, and the introduction of renewable energy generation facilities. Based on these strong execution capabilities, the Company plans to accelerate sustainable reduction activities to reduce GHG emissions by more than 35% by 2030 compared to 2018 levels and fully achieve carbon neutrality (Net Zero) by 2040.

Enhancement of Scope 3 Data Management

To maximize the accuracy and reliability of Scope 3 emissions data, LOTTE E&C conducts regular monitoring and has developed and implemented a "Scope 3 Calculation Definition". The definition has been prepared based on the global GHG Protocol and systematically sets out the applicable scope and standard calculation methodology reflecting the characteristics of the construction industry value chain. LOTTE E&C plans to enhance data consistency and advance its calculation methodology. To minimize potential errors and omissions arising from the vast amount of supply chain data, the Company will further specify its strategy for achieving the "2040 Carbon Neutrality" target by establishing a management system, including ERP system upgrades and calculation formula automation.

GHG Emission Reduction

(Unit: tCO₂eq)

Category	2023	2024	2025
Scope 1 Reduction amount (replacement of concrete curing fuel)	2,629	3,364	2,724
Scope 1 Reduction Actual kerosene purchase volume (usage) × [kerosene gross calorific value (HHV) / light oil gross calorific value (HHV) × light oil GHG emission factor - kerosene GHG emission factor]			
Scope 2 Reduction amount (Establishment of on-site solar power generation facilities)	0	0	4
Scope 2 Reduction Solar power generation × electricity GHG emission factor			

CORE 3

Quality Management

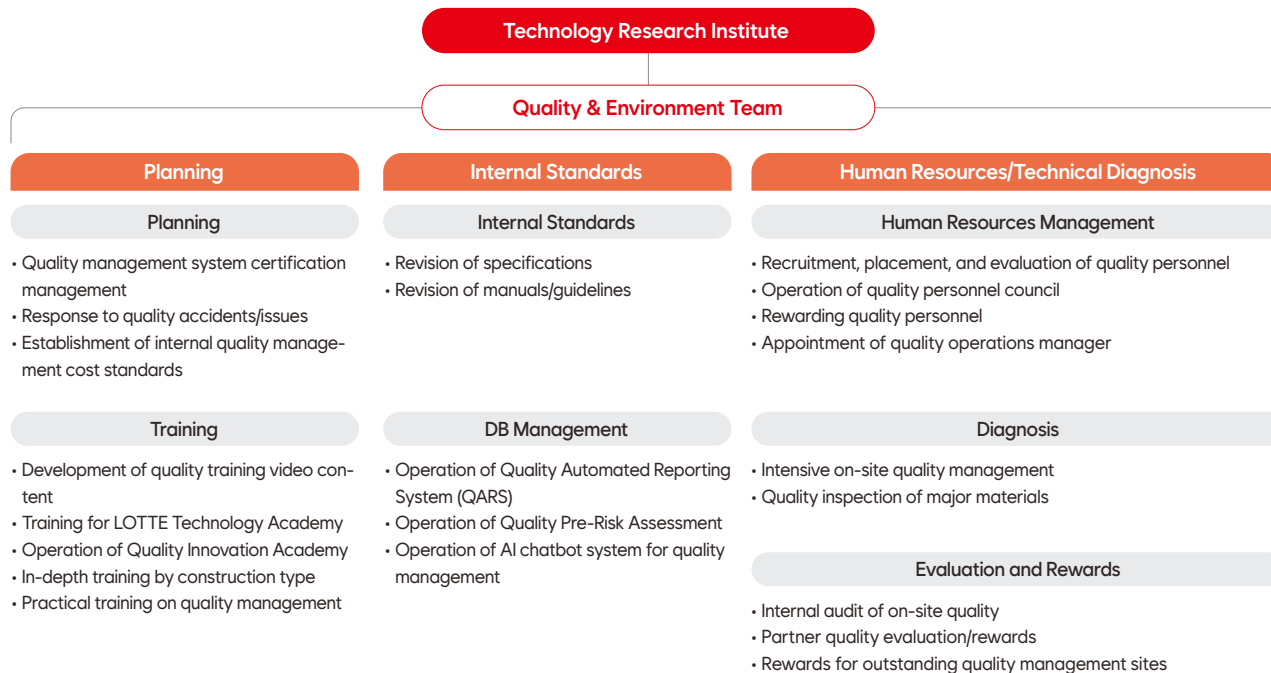
Governance

Quality Management Governance

Quality Management Governance

LOTTE E&C has established company-wide standard guidelines based on its quality management system (ISO 9001) and comprehensively manages quality issues throughout the entire process, from design and construction to post-construction management. Through this, the company strives to standardize work processes and secure quality reliability. In particular, LOTTE E&C has established a data-driven decision-making system and carries out proactive risk management activities to prevent potential defects in advance. The company also conducts three-dimensional analyses of issues at each site and implements effective recurrence prevention measures. Furthermore, by providing technical training to strengthen employees' professional capabilities and promoting differentiated technological innovation, LOTTE E&C continues to advance its quality governance and create sustainable value that customers can trust.

Quality Management Organization



Establishing a Quality Management Collaboration System

LOTTE E&C has established an organic collaboration system among its quality management organization, quality council, and site teams to standardize quality management company-wide. The company promptly communicates regulatory changes, evaluates performance, and shares real-time site issues. Site teams enforce site-oriented management using standardized manuals. In particular, through the Quality Pre-Risk Assessment, which will be introduced in 2026, LOTTE E&C plans to minimize recurring risks and build a quality management model that prevents defects by utilizing a database of best practices and nonconforming cases.

Quality Management Roles by Department

Company-wide Quality Management Organization

- Prompt communication of changes in relevant laws, regulations, and systems
- Measurement and evaluation of performance based on the quality management system

Quality Council

- Sharing on-site quality issues and supporting resolution
- Joint development of training materials
- Operation of quality inspection support system
- Implementation of quality management mentoring

On-site Quality Teams

- Conducting on-site quality management in accordance with company-wide quality work guidelines
- Reviewing and incorporating design and construction manuals and guidelines
- Enhancing technical quality and construction quality

Strategy

Quality Management Strategy

Corporate Strategy and Business Interaction

LOTTE E&C aims to provide customers with reliable residential value through quality management. The company recognizes quality as a core strategy directly linked to corporate survival, beyond technical standards, and as an opportunity to secure financial stability by reducing defect repair costs and enhancing brand value. As in the previous year, quality management was identified as a key issue affecting LOTTE E&C's business model this year. Accordingly, the company operates a data-driven quality management system integrated across all business processes. Going forward, LOTTE E&C will actively utilize identified quality risks and closely link them with its business strategy to deliver residential value that customers can trust and feel secure in.

Identification of Key Risks and Opportunities and Financial Impact Analysis

RISK 1

Strengthening Compliance with Quality Regulations

Type	Policy and Regulation
Relevant Stakeholders	Shareholders and investors, customers
Expected Financial Impact	Likelihood Scale
Impact on the Company	- Increasing need to manage risks related to corrective orders from central administrative agencies and local governments - Violation of regulations may affect business continuity and brand image
Financial Impact	LOTTE E&C prevents risks of direct cost expenditures, such as fines, through a proactive regulatory compliance system. In particular, in the event of PQ point deductions or bidding restrictions due to regulatory violations, financial risks may arise from a decrease in public and private orders and difficulties in financing. To prevent such risks, LOTTE E&C carries out effective quality management with complete quality assurance and customer trust as its top priorities. The company proactively manages the possibility of financial risks arising from recently strengthened quality regulatory compliance obligations. Accordingly, LOTTE E&C has estimated potential future risks by setting the defect repair provision at KRW 35.9 billion and is strengthening its response system.
Response Strategies and Performance	LOTTE E&C has introduced and operates the Smart Construction Management System to improve construction quality and productivity. This system shares complex processes and detailed option status in real time and is linked with the existing ERP system (LENCIS), enabling efficient monitoring and work instructions even in a non-face-to-face environment. Through this, LOTTE E&C strengthens real-time communication with project owners and partners and secures construction reliability based on advanced data-driven quality management capabilities. In particular, all sites in the Seoul area comply with the Seoul Public Construction Site Policy by recording construction processes on video, and the company is expanding this practice to private-sector projects to carry out quality management.

OPPORTUNITY 1

Improving Quality Management Based on ISO 9001

Type	Corporate
Relevant Stakeholders	Shareholders, Investors, and Customers
Expected Financial Impact	Likelihood Scale
Impact on the Company	- Enhancing operational efficiency through standardized quality management processes - Strengthening market competitiveness and brand value through improved quality reliability
Financial Impact	LOTTE E&C systematically manages quality risks across all processes through ISO 9001-based task standardization and quality management systems, thereby managing the risk of incurring unnecessary quality costs. By establishing systems for quality improvement through operational efficiency, we manage financial opportunity factors driven by the resulting profitability improvements. In 2025, we spent approximately KRW 21.8 billion on defect repairs for quality management. Detailed information can be found in the 2025 LOTTE E&C Business Report.
Response Strategies and Performance	Based on data and know-how accumulated since acquiring ISO 9001 certification, we optimize standardized quality management processes to suit the specific characteristics of each site, improving operational efficiency and preventing management blind spots. By advancing our annual internal and external audits beyond simple inspections into a site-tailored diagnostic system, we secure construction precision and continuously update enterprise-wide quality guides for digital environments. Furthermore, all executives and employees internalize a quality-first mindset as an action principle to solidify quality reliability, thereby securing market leadership, defect-free residential value trusted by customers, and sustainable competitiveness.

Strategy

Quality Management Strategy

Quality and Environmental Management Implementation System

Quality and Environmental Management Implementation System

Strategic Goal	Quality and Environmental Risk ZERO!		
	People- and Role-Centered Organizational Capability Enhancement	Data- and Evaluation-Centered Execution Capability Enhancement	Prevention-Centered Risk Management
Implementation Strategy	- Establishment of quality and environmental technical standards - Clarification of responsibilities and roles - Strengthening job expertise and execution capabilities	- Data-based quality and environmental management - Performance evaluation through implementation and measurement - Improvement actions through continuous feedback	- Mandatory preliminary design review - Construction risk monitoring - Strengthened material verification and approval procedures
Key Tasks			

Quality and Environmental Management Policy

Creating Sustainable Values by Strengthening Management Quality

LOTTE E&C establishes management policies to ensure operational efficiency and secure future growth capabilities, thoroughly executing them.

- Establish a quality and environmental management system by complying with standards and principles.
- Improve work efficiency by establishing a data-based decision-making system.
- Strengthen prevention-centered risk management activities throughout all stages of construction.
- Provide training to enhance employees' technical capabilities and foster outstanding talent.
- Secure future competitiveness through differentiated technological advancement.

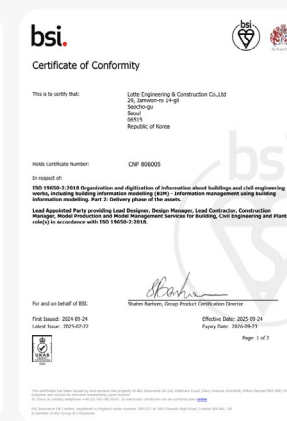
STRATEGY 1. People- and Role-Centered Organizational Capability Enhancement

Quality Management System Certification

LOTTE E&C has continuously maintained certification to build customer trust and establish a foundation for sustainable growth. Through regular annual internal and external audits, the company continuously improves its quality management processes, thereby enhancing work efficiency and the precision of quality management. In particular, in 2024, LOTTE E&C additionally obtained ISO 19650 international standard certification in recognition of its globally advanced BIM (Building Information Modeling) management system and execution capabilities. This certification evaluates information management and collaboration capabilities by project participants. Based on standardized processes and project execution performance, LOTTE E&C satisfied all relevant requirements and demonstrated advanced technological competitiveness. Going forward, the company plans to lead sustainable construction innovation by strengthening standardized technical capabilities and enhancing the expertise of professional personnel throughout the design and construction process.



ISO 9001 certification



ISO 19650 (BIM) certification

Strategy

Quality Management Strategy

STRATEGY 2. Strengthening Execution Capabilities Focused on Data and Evaluation

• Introduction of Smart Construction Management System

To improve construction quality and productivity, LOTTE E&C developed and introduced a Smart Construction Management System in collaboration with LOTTE Innovate and Chaeum Solution. The system provides customized integrated management functions for all residential construction sites, enabling employees to share real-time construction work status. It allows users to intuitively identify complex processes and optional construction status for each household at residential construction sites, and is linked to the existing ERP system, LENCIS, which enables efficient monitoring and work instructions even in a remote working environment. Through the Smart Construction Management System, LOTTE E&C strengthens real-time communication with project owners and partners and continues to enhance its sustainable quality management capabilities. In compliance with Seoul's public construction policy, all construction sites in the Seoul area record construction processes on video for quality management, and the company is expanding this practice to the private sector to improve construction reliability.

Expected Effects of the Smart Construction Management System

Simplified management process

Datafication of construction status

Simplified management of option status by household

Improved efficiency in work instruction management

Sharing of construction status with project owners and partners



Real-time sharing of
construction status with
partners through portals and
mobile applications

• Accelerating Digital Transformation in Quality Management through AI

LOTTE E&C is accelerating digital transformation by introducing an AI-based chatbot system to ensure consistency in quality management standards and efficiently share technical know-how. Based on LOTTE Group's AI platform, AiMember, the system provides a wide range of information in real time, including on-site construction cases, quality management standards, and work manuals. This reduces the time required to search complex documents and maximizes the efficiency of quality management tasks. In particular, LOTTE E&C has established a secure operating system using its own server to fundamentally prevent the risk of information leakage. The company also operates an advanced chatbot system optimized for practical use and comparable to the latest language model, GPT-4o, and continues to advance its AI-based smart quality management system.

aimember
롯데건설 챗봇



LOTTE E&C Chatbot AiMember Screen

• Introduction of AI-Based Insulation Design Review Technology

LOTTE E&C, in collaboration with the industrial AI startup Two Eyes, jointly developed INScanner and filed a patent application for it, an AI-based insulation design review program. The system uses an AI model trained specifically on insulation information to automatically recognize and classify key elements on design drawings, such as concrete walls, insulation materials, and windows, and detect whether insulation has been omitted. Through this, LOTTE E&C automates the previously manual and complex insulation design review process, achieving both defect prevention and quality improvement. Starting in 2025, the company is conducting beta tests of INScanner at residential construction sites.

Strategy

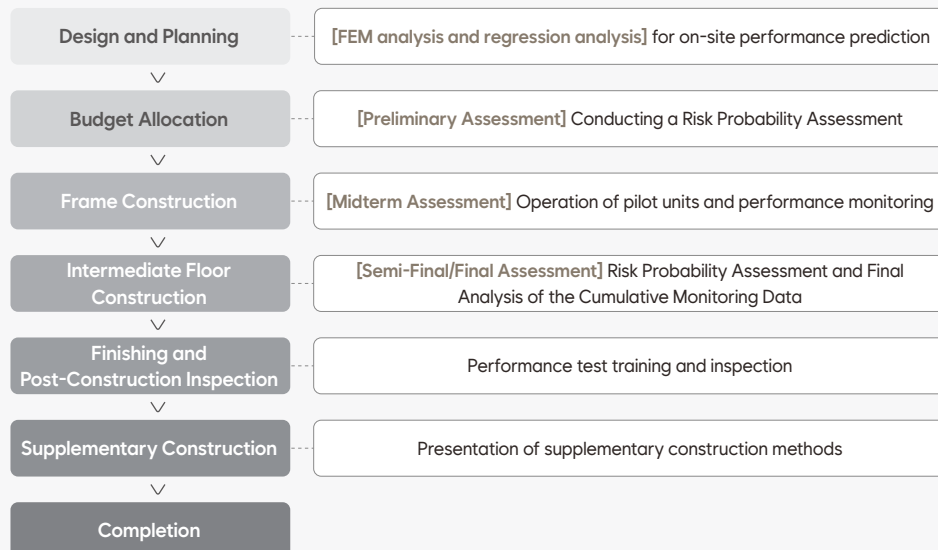
Quality Management Strategy

STRATEGY 3. Prevention-Centered Risk Management

Strengthening the Management System for Floor Impact Sound Performance

LOTTE E&C operates a company-wide quality management process to fundamentally prevent floor impact sound, a key factor determining residential quality in apartment housing. From the design stage, the company conducts preliminary design-based performance prediction using FEM analysis, focusing on eliminating risks before construction. During the construction stage, LOTTE E&C has introduced an intermediate verification process consisting of pilot unit operation and performance monitoring, enabling real-time management of variables arising from different site conditions. By combining the analytical capabilities of the Technology Research Institute with on-site construction management capabilities, the company minimizes the risk of performance shortfalls that may occur at the completion stage. In addition, to prepare for cases where final performance test results do not meet standards, LOTTE E&C establishes guidelines in advance for supplementary construction methods, such as ceiling-mounted sound reduction devices, thereby practicing responsible quality assurance.

LOTTE E&C On-site Floor Impact Sound Performance Assurance Process



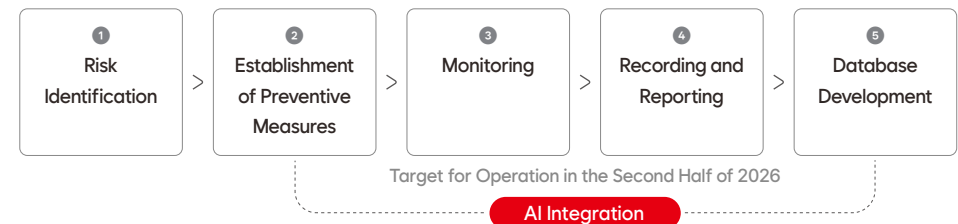
Risk Management

Quality Management Risk Management

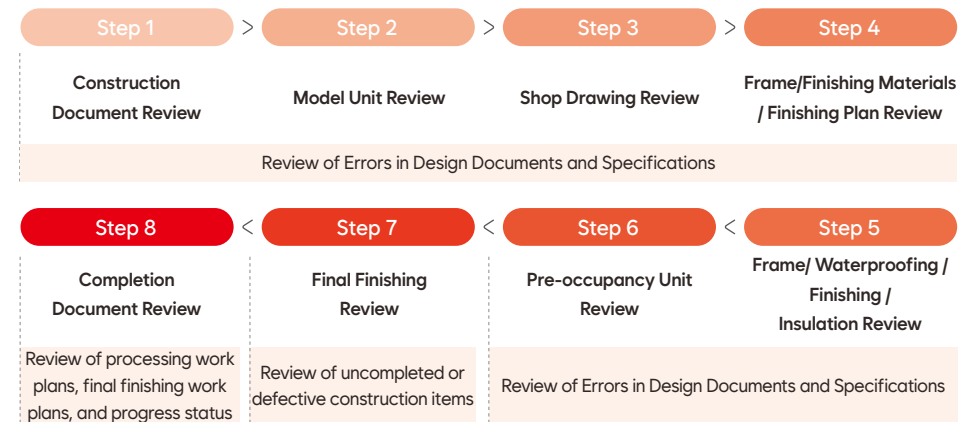
Quality Inspection Process

To implement quality management that faithfully reflects customer requirements, LOTTE E&C thoroughly conducts quality inspections, evaluations, analyses, and monitoring across all processes from construction commencement to completion, based on its company-wide quality management system. At each stage, the company focuses on proactively identifying potential risks through precise design document verification and completion document review. In particular, quality risks identified during inspections are immediately compiled into a database and linked with the Quality Automated Reporting System (QARS), enabling systematic management to prevent the recurrence of the same quality defects. Through this data-based proactive management system, LOTTE E&C continues to improve overall construction quality and strengthen customer trust.

Quality Inspection Process



Detailed Flow of Quality Inspection for Residential Projects



Risk Management

Quality Management Risk Management

Quality Inspection Process

2025 Quality Inspection Performance

Category	Detailed Task	Task Description
Quality Inspection	Regular Quality Inspection	Evaluation of on-site construction quality and systems/documents
	Model Unit Inspection	Geomdan New Town 101 and others
	Pre-occupancy Unit Inspection	KT Gwangyeok Segwon and others
	Frame / Waterproofing / Finishing / Insulation Inspection	Magok CP1, Busan Bukhang and others
	Final Finishing Inspection	Magok CP1, Busan Bukhang and others
Quality Improvement	Sharing Defect Cases	Sharing major defect cases from managed sites and preparing response measures
Landscape Management	Landscape Maintenance Work	Landscape maintenance at apartment sites completed between 2023 and 2024

Internal Audit Performance of the Quality Management System

LOTTE E&C conducts annual internal audits of its quality management system under the supervision of the Quality & Environment Team to ensure compliance with company regulations, verify conformity, and implement continuous improvement measures. The audit program is designed in accordance with the ISO 9001:2015 international standard and includes objective and quantitative assessments across seven areas, including organizational context, leadership, planning, and support, using detailed checklists for each target department. In 2025, LOTTE E&C conducted audits of 15 departments and identified a total of 34 findings. The company completed corrective actions for all identified findings and will continue to enhance its company-wide quality competitiveness through thorough follow-up management and feedback.

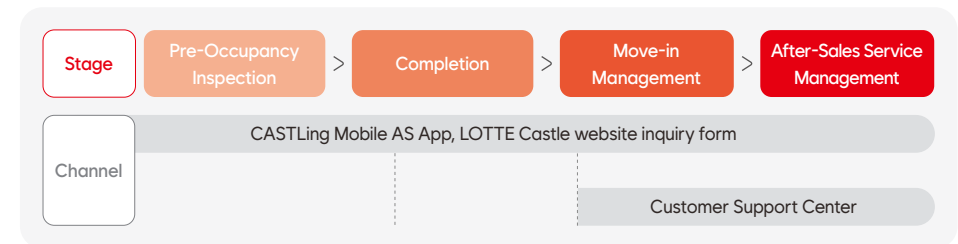
2025 Internal Audit Findings and Corrective Actions by Organization

Target Departments	Findings	Actions Taken	Completion Rate
15	34	34	100%

Complaint Handling Process

LOTTE E&C operates multifaceted communication channels across both online and offline platforms to actively incorporate customer feedback and resolve inconveniences promptly and transparently. LOTTE E&C has significantly improved accessibility and convenience by combining in-person reports via site visits and customer service centers with non-face-to-face mobile channels. In particular, LOTTE E&C's CS service brand, 'CASTLing', serves not only as a communication app providing information on community events within complexes, but also functions as an integrated after-sales service (AS) platform through a mobile app. Customers can report defects directly by attaching photos through the application, monitor processing progress in real time, and receive prompt updates on final results. Going forward, LOTTE E&C will continue to advance its communication system by integrating digital technologies to proactively resolve customer pain points and deliver a differentiated residential experience tailored to the lifestyles of our residents.

Complaint Handling Process



Operating CASTLing for Customer Grievances

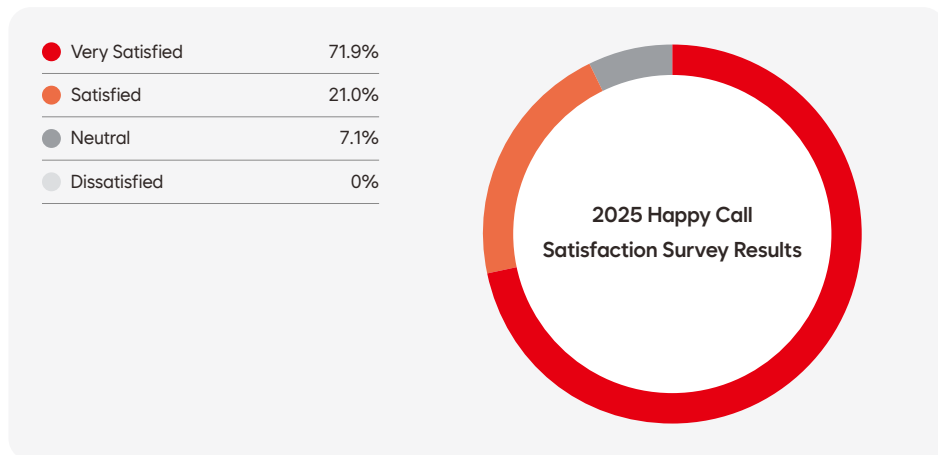


Targets & Metrics

Quality Management Targets & Metrics

Customer Satisfaction Survey

LOTTE E&C regularly conducts surveys on customer satisfaction with its services and on customer complaints, and systematically converts collected feedback into data for use as key input for improving products and services. In the 2025 Happy Call satisfaction survey, the company received positive evaluations, with 71.9% of respondents answering “Very Satisfied” and 21.0% answering “Satisfied.” LOTTE E&C maintains courteous and transparent approach to communication to enhance customer service satisfaction. The company goes beyond treating quantified customer feedback merely as indicators and actively reflects it in improving practical product competitiveness and service quality. Going forward, LOTTE E&C will closely analyze customer feedback at each contact point and continue to deliver differentiated value that is unique to LOTTE Castle.



Mid- to Long-Term Quality Management Targets

LOTTE E&C quantifies performance management based on KPIs and the BSC to advance its evaluation system. In addition, the company operates internal quality audits and on-site joint support processes to intensively manage vulnerable sites, and links evaluation results with reward and penalty systems to improve and standardize the overall quality level across the organization. LOTTE E&C places the highest priority on site-centered risk management and focuses on proactively eliminating potential concerns at project sites. Through these efforts, the company will minimize uncertainty in management activities and strengthen the stability of quality and safety, thereby creating sustainable future value.

Targets

Establishing the Quality Work System and Strengthening Capabilities

Strengthening the Prevention-Centered Quality Management System

Establishing a Quality Risk Management System

Detailed

- Establish a quality risk management system by clearly defining quality management duties and implementing a performance evaluation system
- Foster outstanding quality management personnel and secure expertise through systematic training

- Prevent defective construction by strengthening quality standards for key materials and preliminary review procedures
- Standardize site quality levels through comprehensive quality diagnosis and support

- Establish a management system through the operation of a quality risk preliminary assessment system
- Enable prompt responses through real-time sharing of quality issues

CORE 4

Shared Growth with Partners

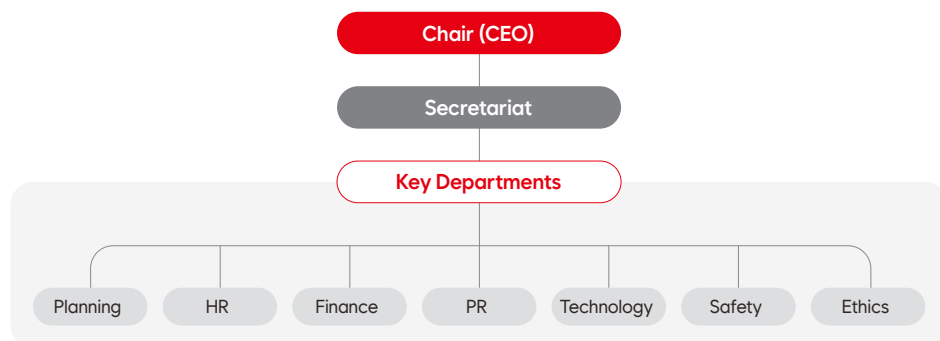
Governance

Shared Growth Management Governance

Shared Growth Promotion Office

Since 2010, LOTTE E&C has operated the Shared Growth Promotion Office, a dedicated organization under the direct supervision of the CEO, to promote practical shared growth with partners. With the CEO serving as chairperson, the Company has established an organic system in which key departments across the organization, including planning, human resources, finance, technology, and safety, closely collaborate. Through this structure, LOTTE E&C is systematically and professionally carrying out strategic tasks for shared growth.

Organizational Chart of the Shared Growth Promotion Office



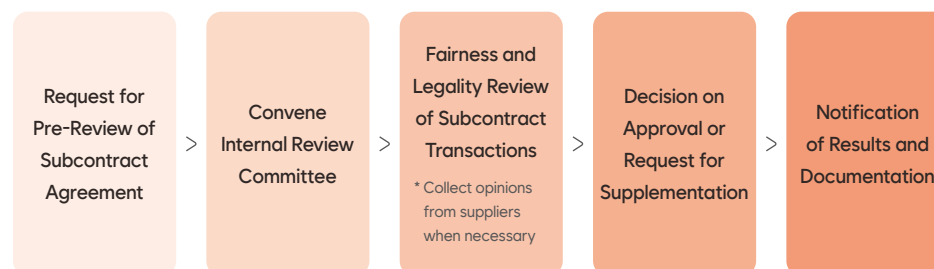
Shared Growth Partnership

LOTTE E&C defines partners, internal employees, government agencies, and relevant institutions as four key stakeholder groups for shared growth. The Company's shared growth strategy focuses on fulfilling social responsibility based on balanced partnerships among key stakeholders surrounding the Company, while sharing and creating practical value through shared growth with each partner. Through this approach, LOTTE E&C is moving beyond simple win-win cooperation and creating a healthy industrial ecosystem that strengthens the sustainable competitiveness of the entire supply chain.

Internal Review Committee

LOTTE E&C operates an internal review committee to create a fair transaction environment with partners and ensure fairness and legality in subcontract transactions. Chaired by the executive in charge of subcontracting, the committee is composed of experts from relevant departments and regularly reviews key issues through monthly regular meetings and ad hoc meetings. The committee handles agenda items related to subcontracting that are important from the perspective of legal compliance and fairness, and complies with fair and transparent review procedures to protect business partners and establish a fair transaction order.

Internal Review Committee Procedure for Subcontracting



2025 Regular Meeting Agenda of the Internal Review Committee (Total 42 Meetings)

Date	Agenda
Mar. 2025	Review of regular partner evaluations and outstanding partner selections (2 agenda items)
Jun. 2025	Final review of the classification of partner registrations
Scheduled	Reviews of partner-developed projects (32 agenda items), contract reviews and other related matters (7 agenda items)

Strategy

Shared Growth Strategy

Enhancing Sustainability by Linking Shared Growth with Business Strategy

LOTTE E&C aims to build a sustainable industrial ecosystem by growing together with its partners across the entire construction value chain. The Company recognizes shared growth with partners not merely as a means of reputation management, but as a key driver for securing financial soundness and long-term growth, and promotes it as a major management strategy. "Shared Growth with Partners" was once again identified as a key issue this year that affects the Company's management strategy and business model, and based on this, LOTTE E&C is integrating its shared growth promotion system across the overall business model. In particular, the Company is paying close attention to internal and external environmental changes that are strengthening the chain responsibility of construction sites for labor and human rights issues within partner companies. To proactively respond to financial risks arising from these regulatory changes and the mandatory implementation of global supply chain due-diligence requirements, LOTTE E&C is strengthening strategic partnerships supported by the programs of the Shared Growth Committee and the Fair Trade Committee. By selecting outstanding partners and operating financial support programs, the Company contributes to the growth of SMEs, while using the benefits secured through these efforts, including additional points in public bidding and exemptions from direct construction inspections, as financial opportunities to expand its share of public-sector orders. Going forward, based on the strategy that the stable operations and ESG capabilities of partners capable of shared growth are LOTTE E&C's differentiated competitive advantage, the Company will continue to closely link identified risks and opportunities with its business strategy and manage them accordingly.

Identification of Key Risks and Opportunities and Analysis of Financial Impacts

RISK 1

Expansion of Legal Scope Related to the Supply Chain

Type	Regulatory and Legal Risk
Relevant Stakeholders	Partners, employees, government and regulatory agencies
Potential Financial Impact	Likelihood ●●●●○ Scale ●●●●○
Impact on the Company	Legal responsibility of parent companies for labor and human rights issues among partners may expand across construction sites
Financial Impact	Delays in construction caused by supply chain risks may lead to direct financial impacts, including higher project operating costs and liquidated damages. LOTTE E&C is proactively managing potential risks by advancing the labor and human rights management system for partners and strengthening the shared growth support system.
Response Strategy and Performance	LOTTE E&C operates a risk management system to minimize compensation, settlement, legal response costs, and operating losses resulting from construction delays when supply chain-related issues occur.

RISK 2

Legalization of Supply Chain ESG Management

Type	Regulatory and Legal Risk
Relevant Stakeholders	Partners, employees, government and regulatory agencies
Potential Financial Impact	Likelihood ●●●○○ Scale ●●○○○
Impact on the Company	- Due to the globalization of ESG regulations, including the EU Corporate Sustainability Due Diligence Directive (CSDDD), supply chain due diligence is emerging as a requirement for business continuity - Violation of supply chain due diligence obligations or insufficient risk management may restrict global project orders and business participation
Financial Impact	If ESG due diligence is insufficient, capital recovery by global investors and higher financing rates may occur. As global ESG due diligence grows in importance, LOTTE E&C proactively manages financial and non-financial risks arising from changes in the regulatory landscape. While meeting global client standards, the Company responds flexibly to future uncertainties and strengthens partner ESG self-assessment and due diligence to enhance overall supply chain sustainability.
Response Strategy and Performance	LOTTE E&C operates a supply chain due diligence process that leads to written assessments, on-site due diligence, and the identification of improvement tasks to proactively identify and manage supply chain risks. In 2025, the Company conducted in-depth self-assessments of 19 outstanding partners with high strategic importance, thereby quantifying their level of risk response.

Strategy

Shared Growth Strategy

Identification of Key Risks and Opportunities and Analysis of Financial Impacts

OPPORTUNITY 1

Strengthening the Support System for Shared Growth in the Supply Chain

Type	Regulatory and Institutional Opportunity
Relevant Stakeholders	Partners, employees, government and regulatory agencies
Potential Financial Impact	Likelihood ●●●○○○ Scale ●●●○○○
Impact on the Company	- Formation of long-term, solid, trust-based relationships with partners - Proactive establishment of a management environment aligned with the roadmap of the Shared Growth Committee
Financial Impact	By securing additional points in public procurement bidding during procurement, LOTTE E&C can expand order opportunities and contribute to revenue growth. At the same time, the Company can reduce administrative burdens and potential legal costs through exemptions from fair trade direct investigations.
Response Strategy and Performance	Based on weaknesses identified through partners' ESG self-assessments, LOTTE E&C provides one-on-one management consulting, going beyond simple performance evaluation to support the establishment of practical improvement tasks and long-term management capabilities. Through these efforts, the Company helps partners manage actual ESG standards and contributes to raising the overall ESG level of the supply chain. In addition, LOTTE E&C operates diverse shared growth programs, including financial support and joint technology development. In 2025, the Company used KRW 44,482 million to support partners.

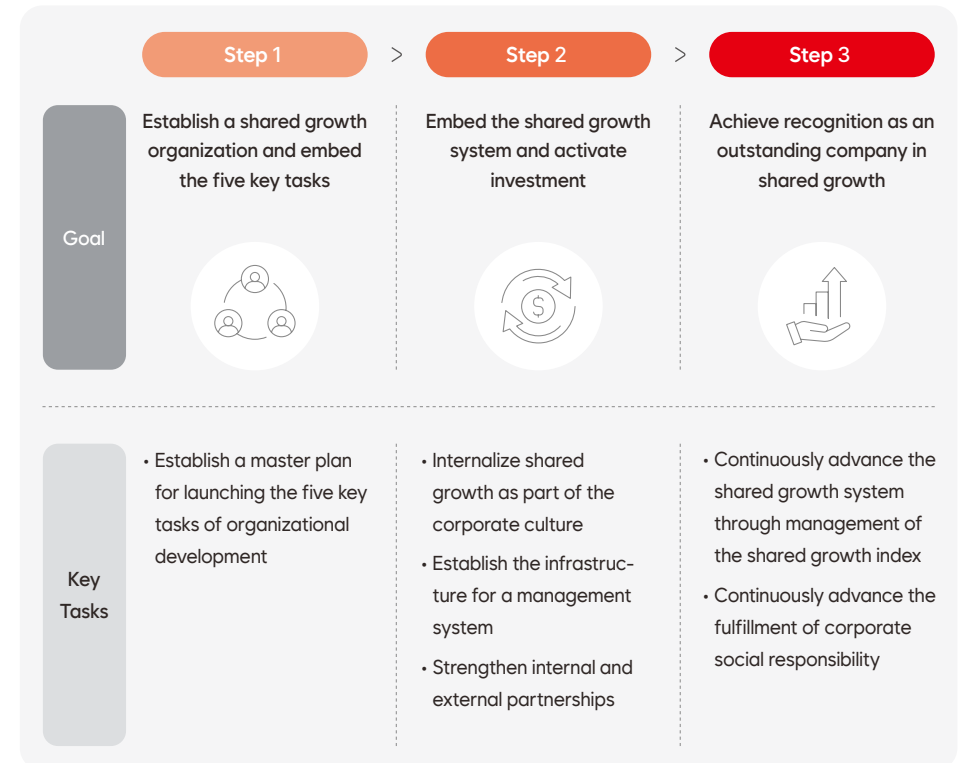
Partner Financial Support Status for the Last Three Years (Unit: KRW million)

2023	44,221
2024	44,585
2025	44,482

Shared Growth Promotion System

LOTTE E&C has established “becoming a leading company in shared growth based on fair trade and mutual exchange” as its strategic goal. To achieve this goal, the Company has set three strategic directions: establishing fair trade relationships, strengthening the partner support system, and building trust with partners. Based on its shared growth promotion system, LOTTE E&C continues to implement diverse win-win programs, including financial, human resources, and technical support, training, and expanded exchanges. Through these efforts, the Company is creating a sound and sustainable cooperative ecosystem that grows together with partners.

LOTTE E&C Mid- to Long-Term Roadmap for Shared Growth

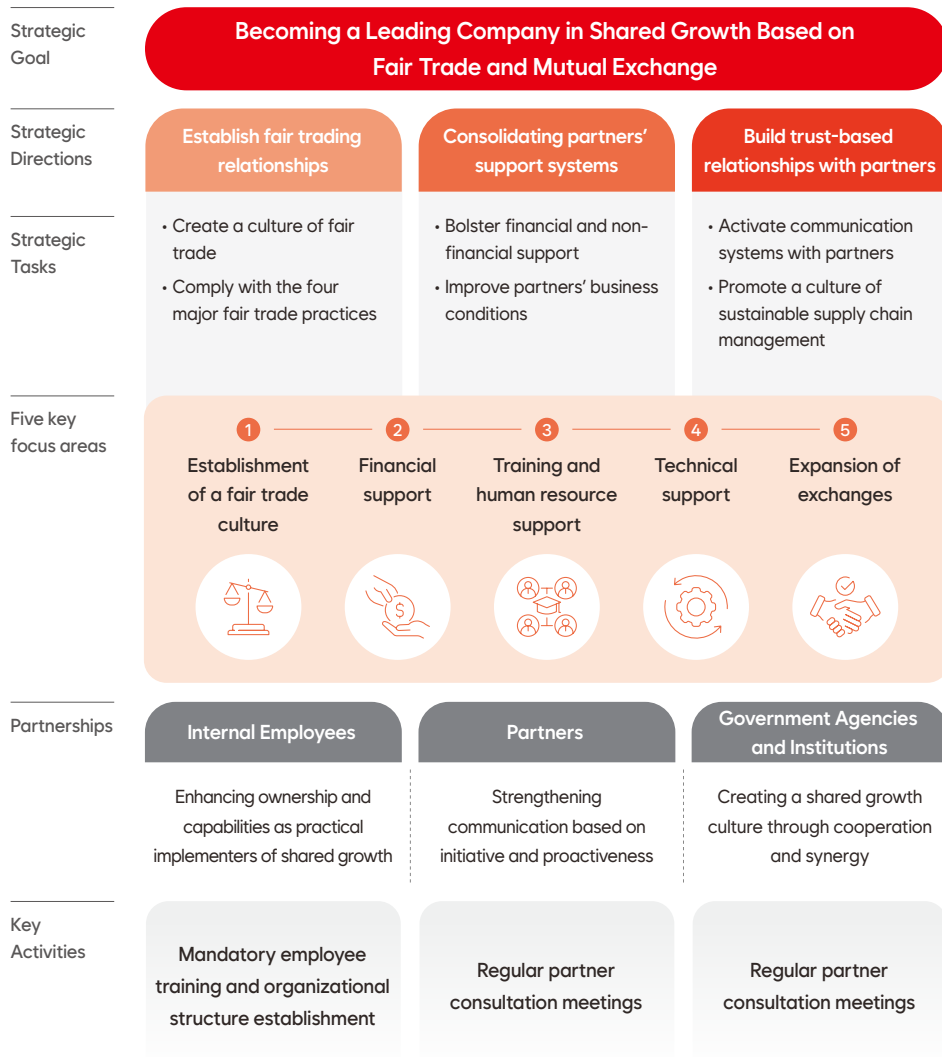


Strategy

Shared Growth Strategy

Shared Growth Promotion System

Shared Growth Promotion System



STRATEGY 1. Establishing Fair Trade Relationships

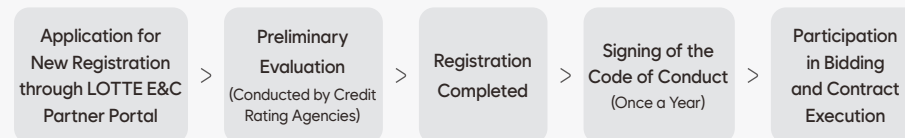
• Fair Partner Selection and Evaluation

LOTTE E&C classifies partners by business type into outsourcing, including construction and services, and purchasing, including materials and equipment, and manages them professionally. All partners are selected through a transparent process, and relevant standards and results are made available at all times through the partner portal to ensure procedural transparency. In particular, LOTTE E&C applies the same criteria to both new and existing partners without discrimination, thereby guaranteeing fair opportunities. When a partner is not selected, the Company provides written notice of the reason and enhances reliability through re-evaluation in the event of an appeal. In addition, LOTTE E&C conducts regular comprehensive evaluations and provides practical incentives, such as expanded transactions and rewards, to outstanding partners, thereby creating a virtuous cycle of shared growth.

Partner Selection Details and Evaluation Criteria

Partner Selection Notice	Partner Selection Results
Guidance on Selection Criteria and Procedures - Notice provided at least 30 days before the expiration of the partner registration validity period or registration, including renewal registration - Disclosure on the partner portal website for at least 15 days from 30 days before the start of evaluation	Guidance on Partner Selection Results - Individual written notice, including electronic documents, provided within 15 days of the partner selection date - Immediate re-registration measures are taken if registration is canceled due to reasons attributable to LOTTE E&C
Notice in the Event of Changes to Partner Selection Criteria Individual written notice, including electronic documents, provided to partners subject to renewal registration 45 days in advance	Partner Selection Evaluation Items - Construction capability and project performance - Sales - Safety rating - Credit rating and cash flow rating, etc.

New Partner Registration Process



Strategy

Shared Growth Strategy

• Definition of Key Stakeholders in Shared Growth

LOTTE E&C practices transparent and horizontal partnerships with all partners. The Company defines partners, internal employees, and government and public institutions as key stakeholders in shared growth, and focuses on ensuring transparency and fairness throughout all transactions with each stakeholder. By disclosing these fair trade compliance principles on its website, LOTTE E&C is laying the foundation for trust-based shared growth.

Strategies by Key Stakeholder

Category	Partners	Internal Employees	Government and Institutions
Strategy	Strengthen communication for fair trade and mutual cooperation	Enhance ownership and capabilities as practical implementers of shared growth	Build consensus and enhance communication on shared growth-related government policies
Action Plans	Partner meetings, participation in voluntary council meetings, satisfaction surveys	Establishment and operation of a shared growth organization; employee training	Signing of fair trade agreements; participation in shared growth external evaluations

• Infrastructure for Fair Contracting

LOTTE E&C faithfully implements the four key fair trade practices to protect the legitimate interests of SME partners and prevent the abuse of superior bargaining positions. The Company operates an open proposal channel through the partner portal website, enabling new partners to participate directly and lowering entry barriers. Through its PRM (Partner Relationship Management) system, LOTTE E&C also supports regular exchanges and information sharing with partners.

Through this systematic and transparent operation, the Company is spreading a culture of shared growth based on mutual respect across construction sites.

Four major practices for shared growth

Practices for contract execution to promote win-win cooperation between large enterprises and SMEs

+

Practices for partner selection and operation

+

Practices for the establishment and operation of an internal review committee for subcontract transactions

+

Practices for the proper issuance and retention of written documents

STRATEGY 2. Strengthening the Partner Support System

• Operation of Technology Development Support and Protection Programs for Partners

LOTTE E&C actively supports overall technology development, including joint R&D and patent applications, to help partners secure medium- to long-term competitiveness. In 2025, the Company provided approximately KRW 431 million in technical support through 30 joint R&D projects and 43 product development projects, including design applications. In particular, LOTTE E&C established a virtuous cycle of shared growth by ensuring fair benefits through revenue-sharing agreements when partners' patented construction methods are applied, with 19 new agreements signed in 2025. Furthermore, the Company operates interest-free technology development loans and a technology data escrow system to systematically protect the core technologies of SME partners, thereby taking the lead in promoting a culture of technology protection in the construction industry.

Technical Support Outcomes in 2025

Category	Joint R&D	Joint product development	Patent and New Technology Contract Orders	Total
No. of Cases	30	43	19	92
Amount (KRW 1,000)	418,950	12,801	-	431,751

• Comprehensive Support Process for Strengthening Partner Support Systems

LOTTE E&C is offering multifaceted support, including management consulting programs and joint technology development, to strengthen partner resilience and secure long-term growth drivers. The Company is also fortifying its mutual cooperation framework by implementing institutional mechanisms to safeguard partners' core technologies.

Key Support Areas

Management Improvement



Technical Cooperation & Protection



Mutual Benefit & Benefit Sharing



Strategy

Shared Growth Strategy

• Operation and Expansion of the Outstanding Partner Management and Reward System

Based on its solid trust-based relationships with partners, LOTTE E&C holds the "Outstanding Partner Awards Ceremony" every year to secure drivers of sustainable growth. In 2026, the Company selected a total of 86 outstanding partners across four categories, including construction, safety, quality, and customer service (C/S), and shared the value of mutual growth. Outstanding companies are provided with practical benefits, including monetary awards, reductions in contract performance bond requirements, and support from the Shared Growth Fund. In particular, Grand Prize-winning companies are additionally granted preferential contract negotiation rights. Going forward, LOTTE E&C will continue to expand incentives centered on outstanding partners and take the lead in creating a healthy supply chain ecosystem through multifaceted cooperation to improve safety and quality.



2025 LOTTE E&C Outstanding Partner Awards Ceremony

Outstanding Partner Benefits

Category	Details
Outstanding Partner Awards	Presentation of award plaques and signing of Shared Growth Agreements
Expanded contract opportunities	Priority access to bidding opportunities
Expanded exchange	Support for participation in the Outstanding Partners Council (LOTTE Partners)
Waiver or reduction of contract performance bonds	Waiver or reduction of performance bond requirements based on the number of times selected as an Outstanding Partner
Training and management support	Opportunities for Outstanding Partner executives to participate in domestic and overseas training programs and site visits; priority support for employee training and management consulting in partnership with expert institutions
Financial support	Priority consideration for direct loan programs

• Partner Financial Support

LOTTE E&C operates diverse and effective financial support programs to enhance the financial soundness of SME partners. To help partners secure short-term liquidity, the Company provides interest-free loans worth KRW 15 billion and bears payment guarantee issuance fees in full. In addition, through the KRW 57 billion Shared Growth Fund established jointly with IBK Industrial Bank, LOTTE E&C provides low-interest financial benefits. Starting in 2026, the Company will continue to expand the scope of financial support for shared growth with partners by newly launching loan guarantee support totaling KRW 120 billion in cooperation with Hana Bank and the Korea Credit Guarantee Fund.

Financial Support Programs

Win-Win Fund	Shared Growth Fund	Network Loan	Mutual Growth Financial Support
Interest-free loans, payment guarantee fee support, and emergency funding support for partners	Fund established through deposits at SME-specialized banks (Low-interest loan support for partners)	Preferential interest rates and increased loan limits based on partner sales performance after establishing loan limits in cooperation with corporate banks	(New in 2026) KRW 120 billion in loan guarantee support through joint contribution to the Korea Credit Guarantee Fund with Hana Bank

Financial Support Outcomes in 2025

(Unit: KRW million)

Category	Support Amount
Direct Loans to Partners	15,000
Direct loan guarantee fees	195
Shared Growth Fund ¹⁾	57,000
Rewards for outstanding partners (construction, safety, C/S)	740
Long-Term Cooperation Partner Rewards	47

1) Co-founded with IBK (KRW 28.5 billion matching each); supports low-interest loans for partners

Strategy

Shared Growth Strategy

STRATEGY 3. Building Trust with Partners

• Partner Performance Sharing Program

LOTTE E&C operates a performance sharing program to fairly share the outcomes of innovation with its partners. Since the introduction of the system in 2006, this program has become LOTTE E&C's unique culture of mutual growth, moving beyond the traditional hierarchical subcontracting relationship toward an equal, horizontal partnership. Focusing on key areas directly linked to cost reduction, such as construction method improvement, material innovation, quality enhancement, and construction period reduction, LOTTE E&C encourages partners to pursue voluntary innovation. The company operates various models, including cooperative proposal, cooperative development, and target cost programs, tailored to the circumstances and characteristics of each partner. In addition, under the leadership of the CEO, the Shared Growth Promotion Secretariat holds monthly meetings to discuss practical directions for mutual growth. As a leading company in promoting a performance sharing culture within the construction industry, LOTTE E&C will continue to foster a virtuous cycle of mutual growth in which partners' voluntary innovation leads to business performance.

• Sustainable Green Purchasing

Since signing a voluntary green purchasing agreement with the Ministry of Environment in 2009, LOTTE E&C has practiced eco-friendly purchasing at every stage of its projects. In response to the growing demand for carbon neutrality and the transition to eco-friendly construction, LOTTE E&C seeks to share environmental value with its partners by continuously expanding purchases of eco-certified materials and supporting the adoption of low-carbon construction methods by partners. In 2025, the company purchased a total of KRW 87.3 billion worth of eco-friendly construction materials and is steadily identifying suppliers of eco-certified products through its green material purchasing system.

Purchase of Eco-Certified Products

year-on-year increase **17.8%** ▲



Purchase of Eco-Friendly Products

(Unit: KRW million)

Category	2023	2024	2025
Cumulative Purchase Volume of Eco-Certified Products	67,125	74,113	87,315
HB Mark	7,916	5,849	4,797
Environmental Mark	34,449	35,834	51,402
High-Efficiency Energy Equipment	3,792	4,374	4,260
GR Mark	1,475	1,951	4,239
Energy Efficiency Grade 1 or 2	19,493	25,606	22,617
Energy Saving	0	499	0

Establishing a Green Purchasing Management System

Background for Establishing the System

- Responding to the government's policies to promote green purchasing
- Establishing a management system for eco-friendly materials and partners to obtain eco-friendly construction certifications


 Green
Purchasing
Agreement

 TFT
Formation

 Direction
Setting

 System
Development

 System
Operation

Risk Management

Partners Risk Management

Partner Code of Conduct

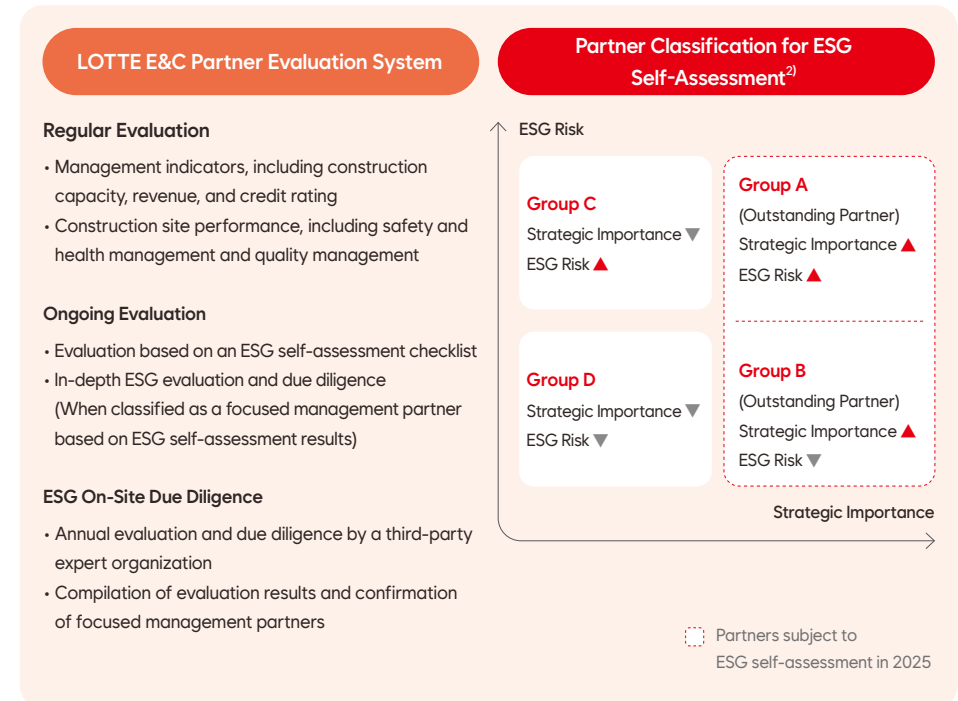
LOTTE E&C has established and operates the Partner Code of Conduct Guidelines, reflecting the characteristics of the construction industry, based on the Group's Partner Code of Conduct. The Guidelines are based on international standards and guidelines, including the UN Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Declaration on Fundamental Principles and Rights at Work, and are transparently disclosed on the LOTTE E&C website. In particular, where local laws and regulations differ from the Guidelines, LOTTE E&C adheres to the principle of applying stricter standards and provides full support and encouragement to help partners build practical ESG management capabilities.

Partner Code of Conduct Guidelines Areas

Environmental Protection (6)	❶ Establishment of environmental management system ❷ Climate crisis response ❸ Air pollution management ❹ Waste management ❺ Water resource management ❻ Chemical management
Respect for Human Rights (7)	❶ Anti-discrimination ❷ Provision of wages and benefits ❸ Observance of working hours ❹ Humane treatment ❺ Freedom of association ❻ Protection of minor workers ❼ Prohibition of forced labor
Safety Management (6)	❶ Industrial safety assessment ❷ Contingency plan ❸ Accident management ❹ Safety management of machinery, equipment, and facilities ❺ Health management ❻ Product quality and safety
Compliance and Ethical Management (4)	❶ Prohibition of illegal profits ❷ Management transparency ❸ Prevention of unfair trade ❹ Information protection
Management System (5)	❶ Declaration of commitment to sustainable management ❷ Risk management ❸ Education and communication ❹ Compliance with laws and regulations ❺ Responsible supply chain management

Strengthening ESG Capabilities Based on Partner Evaluation System

LOTTE E&C operates a systematic partner classification system to strengthen partners' sustainability management capabilities and strategically foster outstanding partners. Each year, the company comprehensively reviews partners' transaction history, business scale, and regular evaluation results, and classifies them into Outstanding, Major, and General categories. Outstanding partners are designated as key partners and managed with focused support. In particular, based on the ESG self-assessment introduced in 2024, LOTTE E&C integrated ESG risk indicators into its partner classification system in 2025. Through this, the company is expanding ESG self-assessment to partners of high strategic importance and developing a proactive supply chain management system that identifies and minimizes potential risks in advance.



1) Criteria for intensive management partners (❶ ESG self-assessment score of 1 point or lower in any domain

❷ Non-compliance in Health & Safety or Quality Management categories)

2) Partner classification system has been upgraded to establish clearer criteria for ESG self-assessment targets

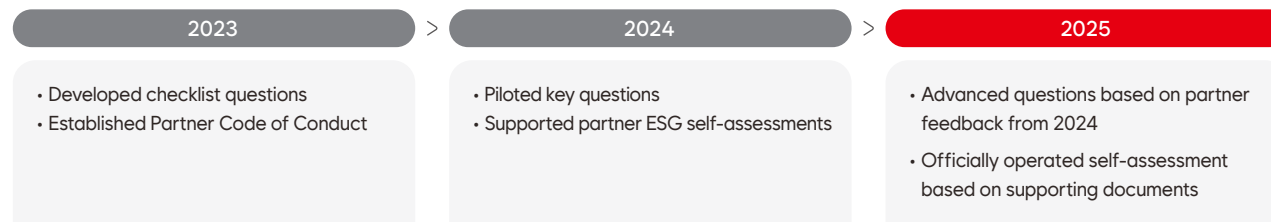
Risk Management

Partners Risk Management

LOTTE E&C Partner ESG Self-Assessment Criteria and Indicators

LOTTE E&C has developed its Partner ESG Self-Assessment Checklist based on the principles of embedding policy and management systems and identifying and addressing negative impacts set out in the OECD Due Diligence Guidance for Responsible Business Conduct, the four areas and ten principles of the UN Global Compact, and the Self-Assessment Tool. Since its pilot introduction in 2024, LOTTE E&C has identified areas for improvement in the self-assessment process and actively collected feedback from partners. As a result, in 2025, the company advanced its own self-assessment checklist, consisting of a total of 83 questions. Going forward, LOTTE E&C plans to establish concrete and practical policies, guidelines, and support measures to strengthen partners' ESG capabilities based on the self-assessment results.

Advancement Process of Partner ESG Self-Assessment



Enhancement Factor	As-is	To-be	Enhancement Factor
Detailed Categories	17 Subcategories, 32 checklist questions	27 Subcategories, 83 checklist questions	Identification of specific ESG status
Identification Questions	Diagnosis of each partner's risk response level	Identification of Outstanding and vulnerable areas by group based on each partner's business characteristics and process risk level	Establishment of detailed risk management strategies
Enhanced Verification of Supporting Documents	Analysis based on partner responses	Adjustment of items requiring review after checking partner responses based on supporting documentation	Improved reliability of evaluation results
Establishment of Classification System for Evaluation Targets	Pilot operation	Selection of targets based on LOTTE E&C's own evaluation target classification system	Clarification of LOTTE E&C's partner ESG management system process

Checklist Indicators

Category	Subcategory
Basic Information	Company information, ESG management and evaluation experience, etc.
Safety	Safety and health system Safety activities Safety risk management and activities Industrial accident risk management and prevention activities Worker engagement process
Human Rights and Labor	Human rights management system Grievance handling system Prohibition of forced labor Prohibition of child labor Prohibition of discrimination and fair evaluation Worker protection Communication with local communities Ensuring working conditions Ensuring workers' rights
Supply Chain	Supply chain management system
Environment	Environmental management system Environmental risk monitoring Climate change response Water use and wastewater Waste Air pollutants Hazardous chemicals
Ethics	Ethical management policy Ethical management activities Grievance channel related to corruption Information security activities

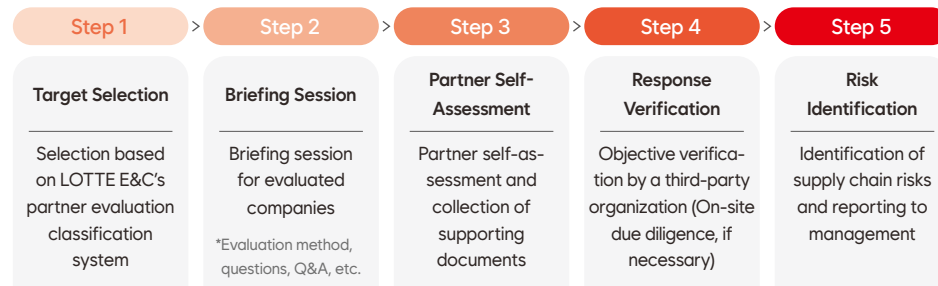
Risk Management

Partners Risk Management

ESG Self-Assessment for Partners

In 2025, LOTTE E&C conducted ESG self-assessments for 19 outstanding partners to proactively prevent potential risks within the supply chain. Through the assessments, LOTTE E&C identified the status of five key areas — safety, human rights and labor, supply chain, environment, and ethics — and selected partners requiring improvement. By conducting both written assessments and on-site due diligence, the company provided customized ESG management advisory consulting to support partners in achieving practical changes. Going forward, LOTTE E&C plans to further strengthen its support system to strengthen partners' ESG capabilities and minimize risk impacts through the distribution of area-specific guidelines and training.

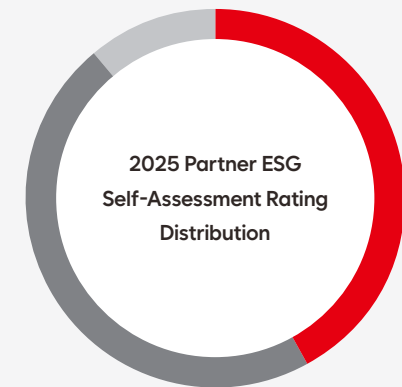
LOTTE E&C Partner ESG Self-Assessment and Risk Analysis Process



2025 Partner ESG Self-Assessment Results

Evaluation Category	Current Status
Safety	- Operation of an occupational health and safety management system based on global certification standards (ISO 45001) - Recorded the highest score among all evaluation areas
Human Rights and Labor	- Strong performance in worker protection and ensuring working conditions - Need to supplement the grievance handling system structure
Supply Chain	Overall lack of a partner management system for subcontractors
Environment	- Established internal processes and regulations for the environmental management system - Insufficient capabilities in managing actual environmental data related to climate change response, including GHG emissions and energy consumption calculations
Ethics	- Established grievance handling channels related to corruption - Need to manage information security and ethical management

Low-Risk Group	11%
Medium-Risk Group	47%
High-Risk Group	42%



2025 Key Risk Factors

Evaluation Category	Subcategory	Identified Risk
Human Rights and Labor	Local Community Communication	Overall low level of implementation due to the absence of obligations or authority to hold meetings with local residents
Supply Chain	Supply Chain Management	Difficulties in establishing a supply chain management system depending on the partner's size, and challenges in classifying partners when processes are complex
Environment	Environmental Risk Monitoring	Overall low level of implementation due to the project owner being responsible for conducting environmental impact assessments
Environment	Climate Change Response	Difficulties in calculating GHG emissions due to the rental of electricity and oil-fired equipment used in processes
Environment	Water and Effluents	Difficulties in classification, as water used in processes is commonly used across various processes on-site

Improvement Plan

By applying differentiated assessment indicators that reflect partner's process characteristics and company size, LOTTE E&C will enhance the accuracy of risk identification and maximize the effectiveness of evaluations



Risk Management

Partners Risk Management

Support for Strengthening Partners' ESG Capabilities

Based on the results of the 2025 Partner ESG Self-Assessment, LOTTE E&C provided ESG training programs and management consulting to help partners deepen their overall understanding of ESG management and to strengthen support across their financial and operational systems. Through these initiatives, we are proactively preventing potential ESG risks that may arise within our partner companies while enhancing their response capabilities.

2025 Support Activities for Strengthening Partner's ESG Capabilities

Training Program Support

539 Companies

(21 companies for ESG training, 518 companies for construction practice training)

Management Consulting Support

20 companies

(KRW 1.8 billion in support, including finance, tax, and safety)



Partner ESG Training

Partners' ESG Risk Management Activities by Topic

Based on the results of the 2025 Partner ESG Self-Assessment, LOTTE E&C provided ESG training programs and management consulting to enhance partners' understanding of overall ESG management and strengthen support across their financial and operational systems. Through these efforts, LOTTE E&C is proactively preventing ESG risks that may arise among partners and strengthening their response capabilities.

Safety

Operation of Partner Safety and Health Capability Evaluation System

To systematically strengthen partners' safety and health management capabilities, LOTTE E&C introduced an ESG safety and health capability evaluation system for partners in 2022, the first of its kind in the construction industry, and established a prevention system for serious industrial accidents. Partners performing 15 high-risk construction works, including earthworks and reinforced concrete works, must receive an ESG safety rating from a credit rating agency to participate in bidding. In addition, newly registered partners are required to undergo an initial evaluation conducted by the Safety and Health Management Division, and after registration, must receive annual evaluations by a scoring committee and regular evaluations in the first and second half of the year. Starting in 2025, LOTTE E&C introduced a comprehensive safety rating that combines the ESG safety rating from a credit rating agency, regular on-site and headquarters evaluations, and implementation level assessments. The company is further advancing its safety and health capability evaluation system by restricting bidding participation for partners rated in the lower grades, Grades 5 to 7, out of the seven rating levels.

Number of Partners Evaluated for Comprehensive Safety Rating in 2025

Comprehensive Safety Rating = ESG Safety Rating + Regular On-site Safety Evaluation + Implementation Level Assessment

Total **138** companies▲



Risk Management

Partners Risk Management

Partners ESG Risk Management Activities by Topic

Environmental Environmental Risk Management

LOTTE E&C conducts preliminary assessments of significant environmental impacts based on credit ratings for partners carrying out high-risk construction works. In 2025, there were no cases of terminated partnerships due to significant negative environmental impacts.

Raw Materials Raw Material Risk Management

To ensure the stable supply of key construction materials, including steel, cement, and ready-mixed concrete, LOTTE E&C diversifies its suppliers and strengthens cooperative relationships with partners, thereby preventing construction suspension and completion delays caused by disruptions in the supply of key raw materials. The company also systematically manages risks related to raw material supply disruptions by establishing procurement strategies by site and period.

Ethics Promoting a Culture of Ethical Management

When entering into contracts with partners, LOTTE E&C requires them to submit a pledge to comply with ethical management standards to prevent unethical conduct. The company also reflects ethical management items in regular evaluations to promote the establishment of an ethical culture. If unethical conduct is identified during transactions, LOTTE E&C imposes sanctions and point deductions in accordance with pre-announced standards, and strengthens fair trade and ethical awareness among employees and partners through annual training led by external experts.

Human Rights Prohibition of Forced Labor and Child Labor

LOTTE E&C strictly prohibits forced labor and child labor in all business activities, and ensures compliance with minimum working-age requirements and living-wage standards by complying with international human rights standards and the laws and regulations of the countries where it operates. In the 2025 Partner ESG Self-Assessment, no significant risks related to forced labor or child labor were identified.

Targets & Metrics

Partners Targets & Metrics

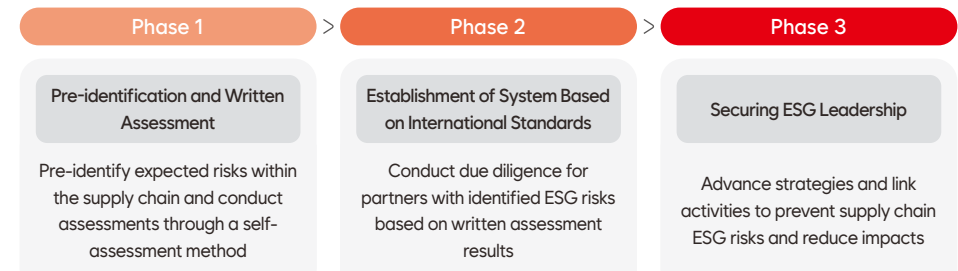
Partners Shared Growth Management Indicators

LOTTE E&C aims to advance the ESG management system across the entire supply chain through shared growth with its partners and to spread an ESG culture throughout the value chain based on this foundation. To this end, LOTTE E&C establishes and manages performance indicators for partner shared growth, while also improving its internal systems and implementing practical measures, such as reflecting shared growth performance in the evaluation items for purchasing personnel.

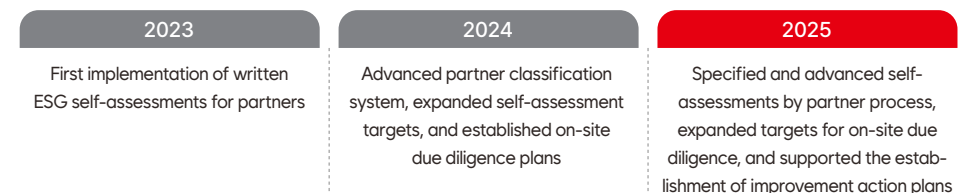
Mid- to Long-Term Targets for Partners' ESG Risk Management

LOTTE E&C continues to advance its Partner ESG Self-Assessment system every year to proactively identify potential and actual risks within the supply chain. Starting with the pilot operation of the Partner Self-Assessment in 2024, the company enhanced the reliability of assessment results in 2025 by further detailing assessment questions and conducting on-site due diligence in parallel. LOTTE E&C will use these evaluation results as key data for its supply chain operation strategy, strengthen its risk response capabilities, and build a more sustainable supply chain ecosystem.

Expansion Process of Partners ESG Risk Assessment and Due Diligence



Targets for Expanding Partner ESG Risk Assessment and Due Diligence



SOLID CORE

LOTTE E&C has successfully carried out numerous construction and infrastructure projects in Korea and overseas, and places the highest priority on operating all management activities transparently and fairly. Based on a systematic governance structure, LOTTE E&C strives to establish Board-centered management that protects corporate value and drives sustainable growth, rigorous ethical and compliance management, and a proactive integrated risk management system.

- 76 Board of Directors
- 78 Shareholder-Friendly Management
- 79 Ethical Management
- 82 Compliance Management
- 86 Information Security
- 91 Integrated Risk Management

Board of Directors

Board of Directors Composition

LOTTE E&C's Board of Directors is the company's highest decision-making body with authority over overall corporate management and business operations, and currently consists of seven directors. Directors serve a term of up to three years as resolved at the General Meeting of Shareholders. In principle, regular Board meetings are held once a month, while extraordinary Board meetings are convened whenever necessary. The Board operates three committees: the Management Committee, the Transparency Management Committee, and the Compensation Committee. Committee members serve terms that correspond to their terms as directors. LOTTE E&C does not operate a separate outside director nomination committee or outside director candidate recommendation committee. To enhance the efficiency of Board operations and strengthen a more agile decision-making system amid a rapidly changing business environment, the CEO also serves as Chair of the Board.

Board Operation Outcomes in 2025

No. of Meetings

14 meetings

No. of Agenda Items Considered

30 items

Average attendance rate

99.4%


Board Committees

Category	Role		Composition	Operating Cycle
Management Committee	• Review and resolution of matters delegated by the Board	At least three inside directors, including the CEO	Il Geun Oh, Inside Director (Chair) Won Jae Kim, Inside Director / Wang Geun Park, Inside Director / Do Hwi Cho, Inside Director	Once a month
	• Review and resolution of general management matters			
Transparency Management Committee	• Review of contracts above a certain amount with specially related parties and affiliates	At least three directors, including two or more outside directors	Tak Gyo Jung, Outside Director (Chair) Seong Rae Cho, Outside Director / Ji Soon Park, Outside Director / Wang Geun Park, Inside Director	Once per quarter
Compensation Committee	• Review and resolution of matters delegated by the Board	At least three directors, with outside directors accounting for at least two-thirds of the committee	Seong Rae Cho, Outside Director (Chair) Tak Gyo Jung, Outside Director / Ji Soon Park, Outside Director / Won Jae Kim, Inside Director	At least once a year
	• Approval of individual compensation for registered directors			
	• Approval of salary ranges for unregistered executives			

Board Composition¹⁾

Category	Name	Gender	Appointment Date	Term	Transaction With Company	Key Experience
Inside Director	Il Geun Oh	M	Dec. 2025	Mar. 2028	None	CEO and Chair of the Board
	Won Jae Kim	M	Mar. 2026	Mar. 2028	None	Head of Finance Division
	Wang Geun Park	M	Mar. 2026	Mar. 2028	None	Head of Safety and Health Management Division
	Do Hwi Cho	M	Dec. 2025	Mar. 2028	None	Head of Strategic Planning Division
Outside Director	Seong Rae Cho	M	Mar. 2024	Mar. 2029	None	Former Member of the BNK Standing Supervisory Committee
	Tak Gyo Jung	M	Mar. 2024	Mar. 2029	None	Dongin Law Group
	Ji Soon Park	M	Mar. 2026	Mar. 2029	None	Professor at Korea University Law School
Auditor	Jong Geun Kim	M	Mar. 2024	Mar. 2027	None	Head of Management Innovation Team 1, LOTTE Holdings

¹⁾ board composition as of March 31, 2026

Board of Directors

Board Expertise

LOTTE E&C appoints directors with sufficient expertise and qualifications in business strategy, financial accounting, law, and compliance. Although no separate training programs are provided for Board members, relevant business departments regularly report management status and share information. They also provide sufficient explanations of agenda items and relevant materials in advance to respond to inquiries. In addition, Outside Directors are supported by a dedicated support organization composed of employees with an average tenure of approximately 14 years, helping them perform their duties smoothly.

Director Appointment

To enhance the efficiency of management decision-making, LOTTE E&C designates the CEO as Chair of the Board in accordance with its Board Regulations. Directors are appointed at the General Meeting of Shareholders, and candidates for directorship are nominated by the Board. LOTTE E&C thoroughly ensures independence so that the Board can oversee the company's business execution from an objective perspective and does not operate a separate outside director nomination committee.

Board Independence

In cases where the Chair of the Board concurrently serves as a senior executive, LOTTE E&C restricts the exercise of voting rights by directors with special interests in accordance with its Board Regulations. Voting rights that cannot be exercised for the relevant agenda item are not included in the number of voting rights of directors present, thereby enhancing the objectivity and fairness of the decision-making process.

Board Diversity

LOTTE E&C's Board of Directors consists of directors with practical experience and professional expertise in diverse areas to respond to the rapidly changing business environment. The participation of experts in business strategy, financial accounting, law, and compliance enables multifaceted risk review and in-depth decision-making. Going forward, LOTTE E&C will continue to strictly uphold the principle of diversity so that the composition of the Board is not limited to a particular occupational group or background, while continuously enhancing the soundness and expertise of the governance structure.

Conflict of Interest Prevention

To ensure the independence and transparency of the Board and enhance the fairness of decision-making, LOTTE E&C stipulates in its Board Regulations that directors with special interests may not exercise voting rights on the relevant agenda item. In such cases, the voting rights of the relevant director are not included in the number of voting rights of directors present. Through this institutional safeguard, LOTTE E&C ensures the objectivity and effectiveness of collective decision-making by the Board.

Auditor Independence

LOTTE E&C's auditor independently oversees directors' duties, with the authority to request operational documents and business reports to ensure effective audit execution. While a separate Audit Committee is not established, one auditor appointed by the General Meeting of Shareholders is dedicated to these duties, having conducted seven audits in 2025. To facilitate the smooth performance of the auditor's duties, a dedicated three-person accounting team supports the auditor by reviewing key management status and assisting with audit-related activities.

Board Compensation Policy

LOTTE E&C has established and operates a compensation system based on the independence and accountability of the Board. Director compensation is primarily fixed, taking into account duties and level of responsibility, and the company does not operate performance-based or stock-based compensation. Total compensation is paid within the limit approved at the General Meeting of Shareholders. For Outside Directors, a fixed compensation system is applied to thoroughly maintain independence from management. Retirement benefits for directors are calculated by multiplying the monthly base salary, tenure, and payment rate in accordance with the Rules on Retirement Benefits for Executives approved by the General Meeting of Shareholders. Compensation and incentives are paid by comprehensively reflecting rank, years of service, position, and contribution to the company. Full details of compensation for all directors are transparently disclosed annually through the Business Report.

Board Compensation Status¹⁾

Category	No. of Members	Total Compensation	Average Compensation per Person
Registered Directors	3	KRW 8,592 million	KRW 2,173 million
Outside Directors	2	KRW 144 million	KRW 72 million
Auditor	1	-	-

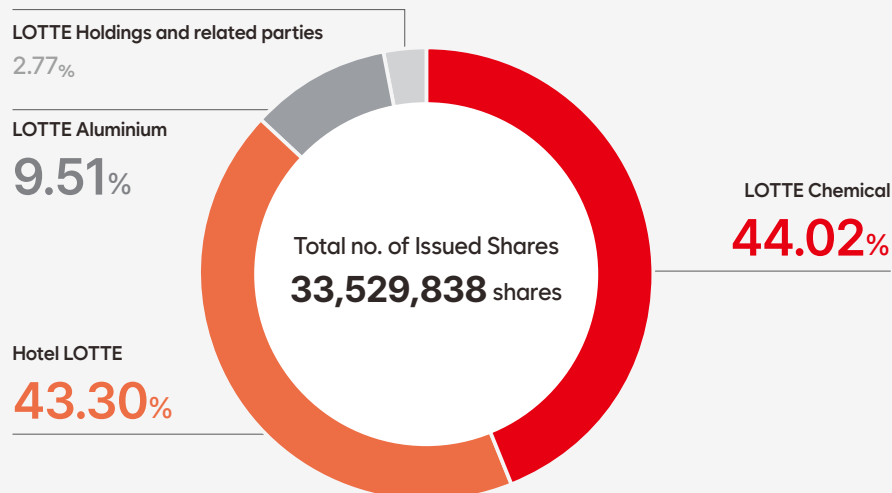
1) Total compensation includes compensation and retirement benefits for the month of appointment or retirement, but the number of members excludes those appointed or retired during the relevant month.

Shareholder-Friendly Management

Shareholder Status

As of December 31, 2025, LOTTE E&C's largest shareholder is LOTTE Chemical Corporation, which holds 44.02% of the Company's shares. The shareholding ratio of specially related parties, including the largest shareholder, is 99.60%. The largest shareholder of LOTTE Chemical Corporation is LOTTE Holdings, which holds a 25.31% shareholding.

Shareholdings of the Largest Shareholder and Related Parties



Classification	Relationship	Type	No. of Shares	Stake (%)
● LOTTE Chemical Corporation	Largest Shareholder	Common Shares	14,819,985	44.02
● Hotel LOTTE	Specially Related Party	Common Shares	14,576,017	43.30
● LOTTE Aluminium	Specially Related Party	Common Shares	3,202,442	9.51
● LOTTE Holdings and Specially Related Parties	Specially Related Party	Common Shares	931,394	2.77
Total			33,529,838	99.60

General Meeting of Shareholders

In accordance with its Articles of Incorporation, LOTTE E&C holds both regular and extraordinary general meetings of shareholders. The regular general meeting of shareholders is convened within three months after the end of each fiscal year, while extraordinary general meetings are convened as needed. In 2025, the company held one regular general meeting and one extraordinary general meeting. Although electronic proxy, electronic voting, and cumulative voting systems are not implemented, LOTTE E&C continues to make practical efforts to return value to shareholders and is focusing its capabilities on creating a trusted investment environment.

Shareholder Rights Protection Policy

LOTTE E&C operates an outside director system to protect minority shareholder rights and enhance transparency. Under its Articles of Incorporation, the Board of Directors consists of at least three and no more than ten members, with outside directors accounting for at least one-quarter of the total.

Sustainability Report Disclosure

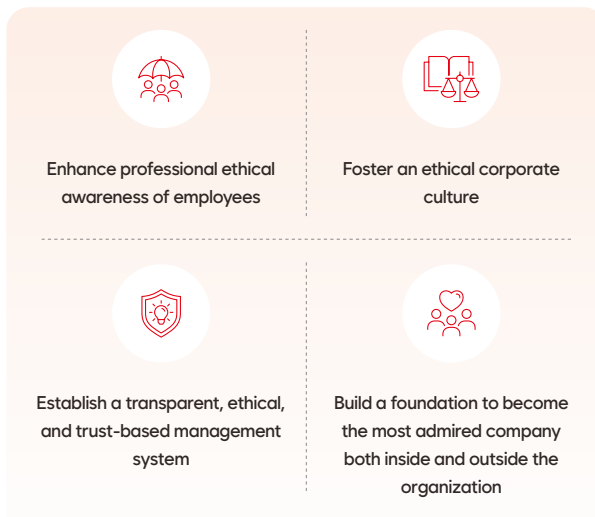
Since 2013, LOTTE E&C has published an annual Sustainability Report, transparently disclosing its sustainability management activities and performance for the year. The report links the company's business strategy with its sustainability management strategy and reports detailed performance by incorporating activities aligned with the UN SDGs and standards required by various global initiatives. To ensure the reliability, fairness, and completeness of the report preparation process and data, the company undergoes verification by an independent external organization. The Korean and English versions of the report are publicly available on LOTTE E&C's official website.

Ethical Management

Ethical Management Framework

LOTTE E&C practices ethical management by identifying the internalization of basic ethics and the promotion of social ethics as its core strategic tasks in order to create greater value as a company trusted by all stakeholders. In particular, based on an ethical management system that organically integrates the Code of Conduct and implementation system, the company is strengthening ethical governance across the company. Through transparent communication with internal and external stakeholders, LOTTE E&C is also realizing the value of mutual growth. In addition, the company uses LOTTE Group's integrated pre-emptive control system each year to accurately assess its ethical management level, and reflects identified improvement tasks in updates to internal regulations and company-wide training programs. Through these proactive risk management activities and continuous system improvements, LOTTE E&C will further enhance the capability to implement ethical management and firmly establish a culture of integrity across the organization.

LOTTE E&C's Ethical Management Goals



Ethical Management Framework

Mission

A sustainable company that provides better value to customers based on differentiated competitiveness

Strategic Tasks

Internalization of Basic Ethics

Upholding principles and trust through fair and legitimate practices

- Strengthening participatory ethical management
- Establishing an Ethical Value Chain by business unit
- Embedding ethical management in daily work practices (Ethics in work, ethics as daily practice)

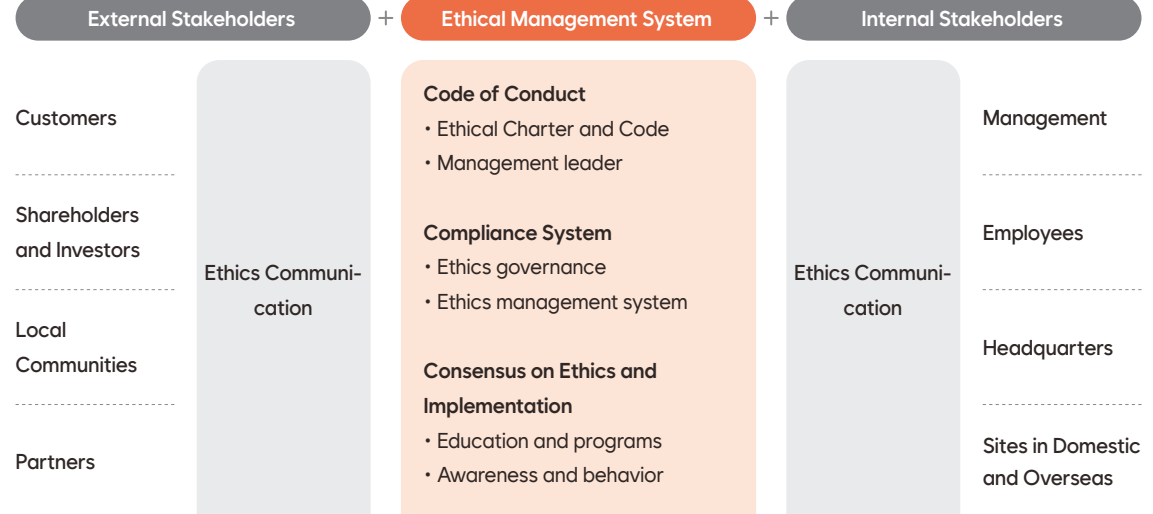
Promotion of Social Ethics

Continuously pursuing coexistence with people, the environment, and the future

- Establishing an integrated foundation for sustainable management
- Expanding stakeholder engagement and communication
- Advancing and specializing each area (Economy / Environment / Society)

Detailed Tasks

Ethical Management System

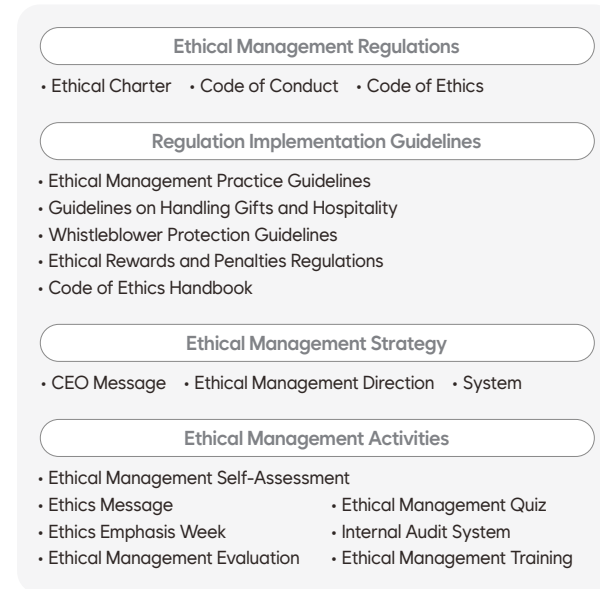


Ethical Management

Ethical Management Document System

LOTTE E&C has established and operates a systematic ethical management document framework to provide clear ethical guidelines to all stakeholders, including employees, and to reinforce its commitment to ethical practice. The company's ethical management framework is divided into four stages: Regulations, Implementation Guidelines, Strategy, and Activities, thereby enhancing management effectiveness. Through this framework, LOTTE E&C continuously internalizes ethical awareness across the organization. In particular, the company has established standards for proper conduct and value-based decision-making in the course of performing duties, with the Five Themes of the LOTTE Code of Conduct as its core values. It also operates detailed codes of conduct and practical guidelines to prevent conflicts of interest. LOTTE E&C makes these codes and measures publicly available at all times through its ethical management website, demonstrating its commitment to transparent management to internal and external stakeholders and establishing an advanced ethical corporate culture that goes beyond regulatory compliance.

Ethical Management Document Structure



Five Themes of the LOTTE Code of Conduct

Theme 1	Theme 2	Theme 3	Theme 4	Theme 5
Trust with Customers • Delivering the best products and services • Honest marketing • Protection of customer information • Brand protection	Trust with employees • Equal opportunity and fair treatment • Mutual respect among members • Gender equality • Safe working environment • Asset protection • Intellectual property protection property rights • Prevention of information leakage	Trust with partners • Compliance with fair trade laws and regulations • Respect for partners • Fair competition • Legal information gathering • Prohibition of corruption and improper solicitation	Trust with shareholders • Enhancing shareholder value • Preventing conflicts of interest • Improving accounting transparency • Prohibition of insider trading	Trust with society • Environmental protection • Creation of social value and community engagement • Respect for human rights • Respect for cultural diversity • Compliance with local laws • Separation of politics and business

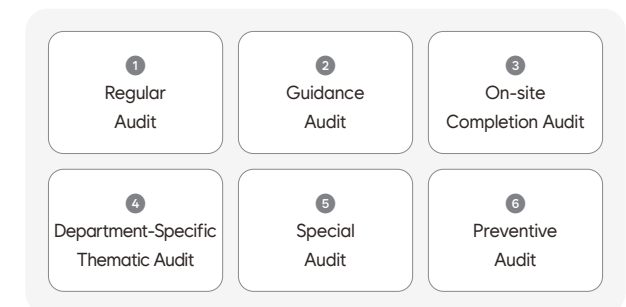
Employee Ethical Management Self-Assessment

LOTTE E&C operates an Ethical Management Self-Assessment Program to strengthen employees' ethical awareness and encourage the practical implementation of the Code of Conduct. All employees regularly complete an online self-assessment form to evaluate their level of ethical compliance. Through ethics message videos and ethical management quizzes, employees strengthen their ability to respond to potential ethical risks that may arise in their work.

Ethics Audits

LOTTE E&C operates a multifaceted audit system to verify fairness and transparency across all areas of its operations. In particular, preventive audits, which proactively block potential risks, continuously monitor employees' corporate card usage and address factors that may lead to improper use at their source. This audit system goes beyond post-incident detection and serves as a key mechanism for enhancing employees' ethical awareness and establishing a sound culture of asset use. Going forward, LOTTE E&C will continue to operate an effective audit system to strengthen the effectiveness of internal controls and build a trusted management environment for stakeholders.

LOTTE E&C Audit System



Ethical Management

Cyber Ombudsman

LOTTE E&C operates the Cyber Grievance Channel to strictly manage and oversee inquiries related to ethical management practices, as well as violations by the company and its employees. This channel serves as an integrated communication platform that broadly receives reports from all stakeholders, including employees, partners, and residents of LOTTE Castle. Through this, LOTTE E&C eliminates blind spots in ethical and compliance management and ensures transparency across overall business operations.

LOTTE E&C uses the Cyber Grievance Channel as a key mechanism for establishing a fair trade order with partners. By listening attentively to partners' voices, the company proactively identifies potential risks. All submitted reports are handled through objective procedures and strict confidentiality principles. In particular, LOTTE E&C has established a differentiated reporting system according to the severity of each case, strengthening the management team's accountability preparing practical measures to prevent recurrence. Reports submitted through the Cyber Grievance Channel are handled promptly in principle with 10 days. Going forward, LOTTE E&C will continue to build a transparent and sustainable ethical management ecosystem that grows together with stakeholders through the Cyber Grievance Channel.

LOTTE E&C's Cyber Ombudsman

Cyber Grievance Channel Report Handling and Reporting System

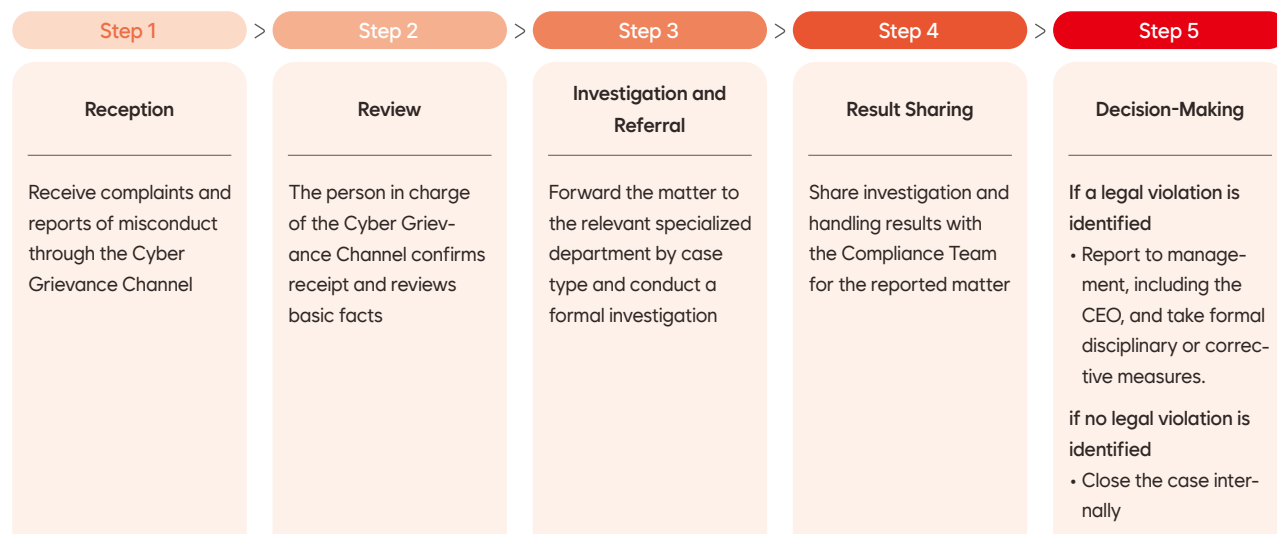
Important Matters

Direct reporting to the CEO and decision-making

General Matters

Autonomous management and resolution led by the Autonomous Compliance Manager
Head of the Compliance Management Division

Partners Report Handling Process



Compliance with Ethical Management Regulations

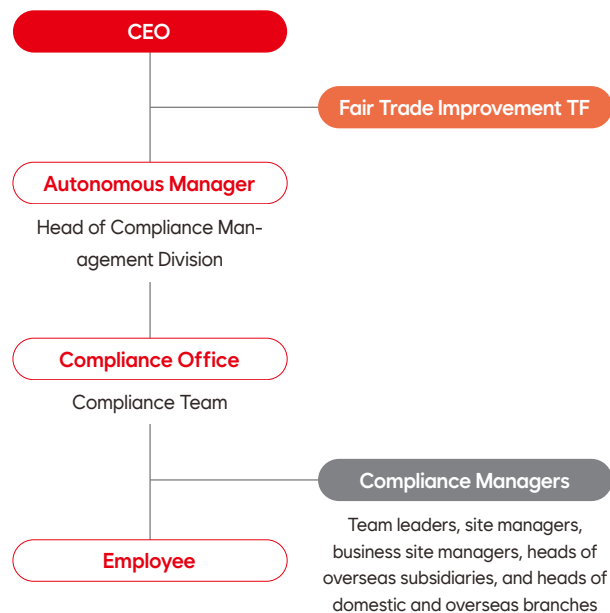
LOTTE E&C strictly complies with global-level ethical regulations and standards across all business areas to realize transparent and fair management values. The company continuously monitors corruption risks by operating various reporting channels, including the Cyber Grievance Channel, where anonymity is thoroughly protected. When violations occur, LOTTE E&C implements disciplinary measures and recurrence prevention measures, thereby maximizing the execution capabilities of company-wide ethical management. Accordingly, in 2025, there were no legal disputes involving the organization or employees in relation to corruption, bribery, or the receipt of improper benefits.

Compliance Management

Compliance Governance System

LOTTE E&C has appointed an Autonomous Compliance Manager directly under the CEO to serve as the company-wide compliance control tower. In particular, together with the Compliance Office, a dedicated working-level organization, the company operates the Fair Trade Improvement TF to advance fair trade processes, including subcontracting-related laws and regulations. In addition, LOTTE E&C designates leaders of each organization, including teams, project sites, overseas subsidiaries, and branches, as persons responsible for autonomous compliance. Through this structure, the company operates a company-wide implementation system to ensure that ethical management is not limited to specific departments but is practiced across all business sites.

Compliance Governance Structure



Compliance Program

Each year, LOTTE E&C requires all employees to pledge compliance with applicable regulations, thereby promoting company-wide compliance awareness. To support legal compliance and risk management necessary for business activities, the company publishes the Compliance Handbook. LOTTE E&C reports employee training and the operational performance of its compliance program to the Board of Directors on a semi-annual basis, and regularly reviews amendments to relevant internal regulations. In 2025, the company improved its management system by specifying departments responsible for each risk category in the Compliance Handbook and updating checklists by business function. Going forward, LOTTE E&C will continue to advance its compliance program to enhance the legality of business operations and prevent unfair practices.

Eight Key Factors of the Compliance Program



Achieved an AA grade for three consecutive years in the Compliance Program

Through the establishment of a transparent transaction order and the systematization of compliance management, LOTTE E&C received an AA grade for the third consecutive year in the Compliance Program (CP) rating organized by the Korea Fair Trade Commission in 2025, demonstrating the highest level of compliance capabilities in the industry. In this evaluation, the company received high marks for the effectiveness of its training programs and incentive system for top management and employees. This achievement reflects the company-wide establishment of a compliance culture that begins with leadership. In addition, LOTTE E&C improved the accessibility and usability of the CP Manual, creating an environment in which employees can easily find relevant regulations in the course of their work and proactively prevent risks. Through these efforts, the company was recognized for its outstanding performance in both system operation and execution capability.



2025 CP Excellent Company Rating Awards Ceremony

Compliance Management

Obtaining Compliance Management System (ISO 37301) Certification

In September 2025, LOTTE E&C newly obtained Compliance Management System (ISO 37301) certification to establish a global-level compliance management framework. During the certification process, the company conducted internal audits of 92 teams at headquarters and achieved zero nonconformities, demonstrating the effectiveness of its management system. In addition, the company immediately completed corrective actions for eight improvement recommendations identified during the audit by each relevant department, thereby enhancing the completeness of the system.

Maintaining Anti-Bribery Management System (ISO 37001) Certification

LOTTE E&C has maintained certification for the Anti-Bribery Management System (ISO 37001), an international standard, since October 2022. Each year, the company monitors bribery risks through risk assessments conducted across all departments and immediately implements corrective actions for identified improvement recommendations. In addition, to prevent recurrence, LOTTE E&C reports the operation plan and status of its Anti-Bribery Management System (ISO 37001) to the Board of Directors every year.

Internal Control System

LOTTE E&C has established and operates a systematic internal transaction process to comply with the Fair Trade Act and minimize the risk of regulatory violations. For transactions between affiliates, the company strictly follows internal transaction procedures. In particular, when entering into private contracts, LOTTE E&C uses checklists to review the necessity of the transaction, substantive roles, and negotiation process. In addition, to ensure procedural fairness in hiring, the company conducts an annual internal audit of fair recruitment, managing the entire process from recruitment to final selection. Key fair trade-related matters are reported to the Board of Directors once every quarter to strengthen the oversight function of management. The Compliance Regulations also clearly state that the company does not provide donations to businesses for political or religious purposes.

Corruption Risk Assessment

LOTTE E&C classifies risk areas into four categories in accordance with its Compliance Regulations and conducts rigorous risk assessments based on the Anti-Bribery Management System (ISO 37001). In particular, in 2025, the company completed corruption risk assessments for 92 teams at headquarters using its ERP system, further preventing gaps in risk management and strengthening its company-wide response system. LOTTE E&C operates standardized procedures covering risk identification, quantitative analysis based on likelihood and impact, classification, and control, thereby ensuring the objectivity and reliability of its assessments.

In addition, the company closely analyzes the types, causes, and relevant laws and regulations of corruption risks identified during the assessment process, establishes financial and non-financial control measures, and sets and implements specific risk management targets. In particular, LOTTE E&C classifies risk severity into five levels. Departments classified at higher risk levels are required to establish separate additional response measures, thereby preventing risks before they occur. These assessment results are regularly reported to the persons responsible for anti-bribery compliance and to the Board of Directors, and are reflected in management decision-making, further advancing the company-wide compliance system.



Compliance Management System (ISO 37301)



Anti-Bribery Management System (ISO 37001)

Compliance Management

Compliance Risk Monitoring

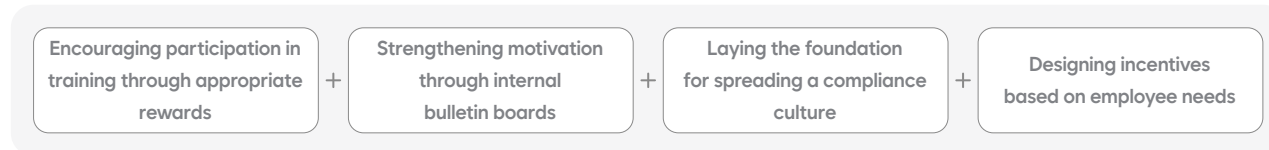
LOTTE E&C conducts monthly compliance monitoring for sites at high risk of subcontracting law violations. To ensure effective regulatory compliance, the company reflects monitoring results in BSC¹⁾ evaluations and key headquarters KPIs, and provides subcontracting law training for high-risk groups to strengthen employees' compliance capabilities. In addition, LOTTE E&C has established an ERP-based self-inspection system and requires monthly inspections of potential compliance risks at project sites.

1) Balanced Scorecard: A performance management system that derives and manages performance indicators from four perspectives — finance, customers, internal processes, and learning and growth — to realize the organization's vision and strategic goals.

Recognition for Compliance Performance

LOTTE E&C operates a reward system in accordance with its Compliance Regulations to encourage employees to voluntarily embrace ethical management principles. In 2025, the company provided recognition to employees with outstanding compliance performance, including sites with excellent subcontracting management, outstanding headquarters divisions, and top performers in the Compliance Training Mileage Program. Through this, LOTTE E&C is focusing on establishing a healthy organizational culture.

Effects of Compliance Recognition



2025 Compliance Recognition Details

Recognition for Excellent Sites in Subcontracting Management Two sites each in the first and second half of the year	Recognition for Top Performance in Compliance Mileage Total of 10 employees	CP Golden Bell 65 employees
Recognition for Outstanding Headquarters Division in Subcontracting One headquarters division per year	CP employee of the year One outstanding site or employee with excellent training participation	CP TIMES Participation Raffle Award Five employees each month
		Recognition for excellent sites in thematic training Once a month

Operation of Compliance Grievance Channel

LOTTE E&C operates the Cyber Grievance Channel through the Compliance Office, a dedicated compliance management organization. When reports related to compliance violations arise or are likely to arise among all stakeholders, including employees and partners, the company receives such reports through various channels, including its website, email, and mail. Reportable matters include violations of the Fair Trade Act, such as subcontracting law violations, unfair concerted practices, or unfair trade practices; violations of laws and regulations related to the prohibition of improper solicitation and the receipt of money, goods, and other benefits; and other violations of compliance-related laws, regulations, and internal rules. The personal information of whistleblowers is managed under the principle of strict confidentiality, and the company ensures that no disadvantage is imposed as a result of reporting. For submitted reports, LOTTE E&C conducts fair and prompt investigations and informs the whistleblower of the results.

[🔗 LOTTE E&C Cyber Grievance Channel](#)
[🔗 E&C Compliance Grievance Email](#)

Compliance Management

Compliance Training

Intuitive Training System and Communication of Leadership Commitment

Considering the construction industry's nationwide site-based and technical focus, LOTTE E&C established an intuitive, participatory training system supported by a dedicated compliance website. In 2025, the company conducted CEO-led compliance training to share top management's firm commitment with all employees. This strengthened organization-wide ethical awareness and maximized training effectiveness through segmented programs tailored to each position and job role.

Spreading a Culture of Continuous Communication

LOTTE E&C established an intuitive, participatory training system aligned with the construction industry's nationwide site-based and technical focus, supported by a dedicated compliance website. In 2025, the company conducted CEO-led compliance training to share top management's firm commitment with all employees. Through this, LOTTE E&C strengthened organization-wide ethical awareness and maximized training effectiveness via segmented programs tailored to each position and job role.

Operating Advanced Training Programs Customized by Job Function and Risk Level

LOTTE E&C operates customized training programs by job function and risk level to provide training tailored to the characteristics of each task. The company provides practical training for high-risk groups with a high likelihood of compliance violations, while conducting advanced training on the Fair Trade Act for the CEO and executives. Through these differentiated programs, LOTTE E&C enhances practical risk management capabilities.

2025 Compliance Training

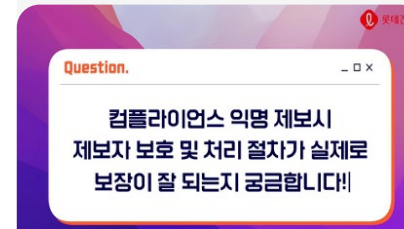
CEO Compliance Training

Training conducted directly by the CEO to communicate top management's commitment to compliance



Compliance "Talk Talk" with the CEO

Collected compliance-related questions for the CEO and provided direct responses



Compliance Quiz Competition

A site-based employee engagement event featuring quiz questions based on CP TIMES, the compliance Handbook, and HandTalk



2025 Compliance Training Contents and Performance

On-site Subcontracting Training

Training Topic

Conducted subcontracting training for all site employees (1,379 people) and shared know-how from working-level personnel at outstanding sites

Training Details

- Necessity of managing partner companies
- Failure cases in subcontract management
- Fact-finding survey on illegal subcontracting, subcontract payment guarantees, etc.



CEO and executives completed education on Fair Trade Act

43 participants completed

100% completion

Act on Fair Labeling and Advertising Education

64 participants completed

86.5% completion

Collusion-Related Education

81 participants completed

74% completion

Subcontracting Law Violations Education

Total: 1,270 completed 93% completion

- Yeongnam Region: 332 completed 92.5% completion
- Honam Region: 67 completed 90.5% completion
- Capital Area: 871 completed 93% completion

Information Security

Information Security Management System

LOTTE E&C operates an information security division directly under the CEO and runs a Security Reinforcement TF to strengthen company-wide governance. In 2025, we enhanced defense capabilities by conducting mock penetration training with white-hat hackers and introducing a dark web monitoring system. Furthermore, we renewed our ISMS-P certification, externally demonstrating the stability of its data management, and practiced transparent management through voluntary disclosures. Moving forward, LOTTE E&C will update internal regulations to reflect legal amendments and thoroughly protect stakeholder information to strengthen digital trust.

2025 Information Security Achievements

Key Activity	Achievements
White-Hat Hacker Penetration Training	Strengthened integrated security for the home network and community systems
Introduction of App Tempering Prevention Solution	Applied the solution to a total of eight mobile apps, including lease management and mobile after-sales service apps
Introduction of Dark Web Monitoring System	Proactive response to illegal distribution of key corporate information assets on the dark web and prevention of security incidents
Expansion of Company-wide Information Security Training	Expanded from once a year to four times a year
Strengthening Integrated Security for Home Network and Community Systems	Strengthened security of apartment community systems that process residents' personal information

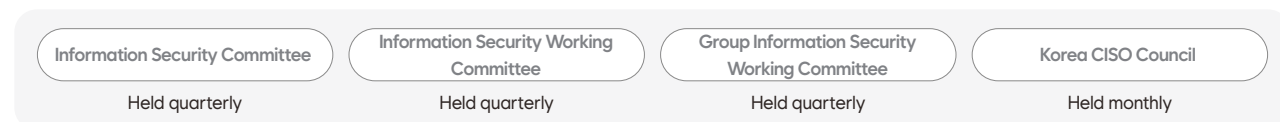
Information Security Committee

LOTTE E&C operates the Information Security Committee, a decision-making body for major information security activities, in accordance with the Personal Information Protection Act and the Group's information security regulations. The committee is attended by key executives, including the CEO as the Chair, the Head of Strategic Planning Division, the Chief Information Security Officer (CISO), and the Chief Privacy Officer (CPO). The department responsible for each agenda item also participates to ensure practical deliberation. The committee is held quarterly, in principle and discusses key matters such as the dissemination of information security issues, review of annual plans and performance, allocation of investment budgets, and review and approval of security measures. In addition, LOTTE E&C has established a separate working-level information security committee to conduct practical reviews and develop specific implementation plans for relevant agenda items, and operates it regularly on a quarterly basis.

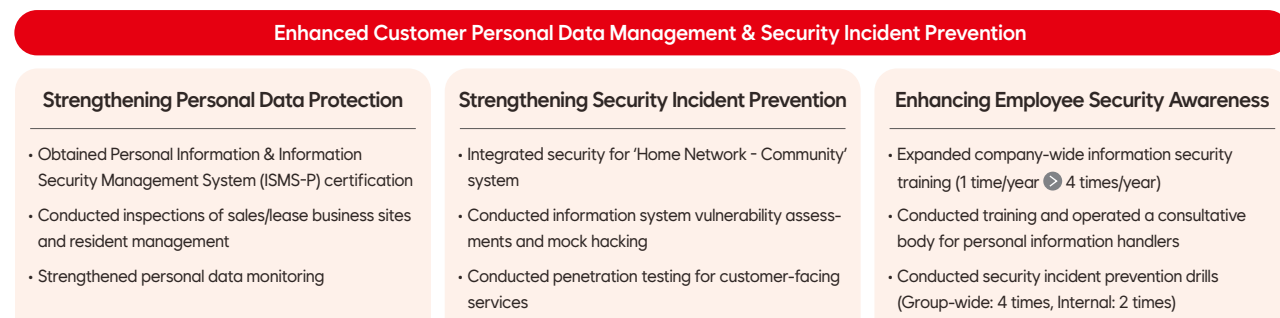
Information Security Management Governance System



Regular Meetings for Information Security



2025 Key Information Security Initiatives



Information Security

Maintaining ISMS-P Certification

Since becoming the first construction company in Korea to obtain ISMS certification for the LOTTE Castle sales system in 2017, LOTTE E&C has continued to expand the scope of its information security management and demonstrate independent security reliability. In 2019, the company expanded the certification scope to include the lease housing operation system, Elyes. In 2022, LOTTE E&C established a Personal Information & Information Security Management System (ISMS-P) integrating sales, move-in, defect repair, and employee information management, thereby securing the highest level of security credibility.

In 2025, in addition to successfully renewing its existing ISMS-P certification, LOTTE E&C newly obtained ISMS certification for the Plant IT system, completing an integrated security management system covering construction and engineering. The company conducts thorough follow-up audits for its multiple security certifications and maintains stable security governance to protect stakeholders' valuable information.

Information Security Regulations

LOTTE E&C strengthens its information security system by proactively reflecting amendments to the Group's information security regulations and cases of external security incidents. In 2025, the company enacted and revised one information security regulation and 13 related guidelines, establishing internal control standards aligned with the changing security environment. When information security management regulations and guidelines are revised, LOTTE E&C conducts company-wide online training and immediately announces the revisions through the regulation bulletin board to ensure that employees fully understand them.

2025 Amendments to Information Security Regulations

Amendments to Group Information Security Regulations

- Expanded employee information security training from once a year to four times a year
- Expanded vulnerability assessments from at least once a year to at least once every half year

Reflecting the Business Environment

- Standardized personal information masking criteria, including mobile phone numbers
- Specified R&R for Plant IT security managers

White-Hat Hacker Penetration Training

LOTTE E&C conducted white-hat hacker mock penetration training on major customer service systems, including LOTTE Castle and Elyes, to proactively respond to increasingly sophisticated hacking threats. The training was conducted using a "black-box" approach, in which attacks were attempted from the perspective of an actual hacker without prior system information, enabling a detailed verification of the company's practical security defense capabilities. As a result of the training, immediate corrective actions were completed for six identified security vulnerabilities, thereby establishing a foundation for proactive security management. Going forward, LOTTE E&C will regularize mock penetration training across all company systems to establish a constant response system against increasingly intelligent cyberattacks, create a secure digital environment for customers, and continuously strengthen digital trust.

Information Security Incident Response Training

Since 2020, LOTTE E&C has participated in the Cyber Crisis Response Drill for the private sector organized by the Korea Internet & Security Agency (KISA). The company strengthens its practical response capabilities through biannual DDoS attack response and security incident detection training. In addition, to internalize company-wide security awareness, LOTTE E&C conducts mock virus email training for employees six times a year and provides intensive training for infected employees, thereby minimizing human-related security risks.

Information Security

Information Security Incident Prevention Activities

To strengthen home network security, which is a key element of residential safety, LOTTE E&C completed integrated security inspections of home network and community systems for 12 apartment complexes, comprising 10,000 households, completed between 2023 and 2025. The company immediately implemented corrective actions for 48 identified vulnerabilities.

In addition, through continuous mock hacking of major websites, mobile apps, and all information systems, LOTTE E&C identified and addressed 108 improvement items. By newly establishing an app tampering prevention solution, the company built an integrated defense system to protect customer data from external threats. Starting in 2026, LOTTE E&C will conduct monthly vulnerability assessments to prevent risk factors in advance.

Voluntary Information Security Disclosure

LOTTE E&C voluntarily participates in information security disclosure to fulfill its information security responsibilities and enhance trust. Information security disclosure is a system designed to prevent incidents by publicly disclosing a company's security investments, personnel, and activities. Although LOTTE E&C is not subject to mandatory disclosure, the company voluntarily participates in the system and has been selected as an outstanding company in information security investment for two consecutive years.

LOTTE E&C Information Security Disclosure Items and Year-on-Year Performance

Information Security Investment Status	Information Security Investment Rate 2025 8.5% YoY Change Increased by 1.7%p
Status of information security personnel	Information Security Personnel 2025 8.0 persons YoY Change Increased by 1.3 persons
Information security certifications, evaluations, and inspections	Ratio of Information Security Personnel to IT Personnel 2025 11.8% YoY Change Increased by 0.6%p
Status of information security activities	

Information Security Internalization Activities

Employee Information Security Training

In accordance with the Group's administrative protection guidelines and personnel security guidelines, LOTTE E&C operates a continuous training system to enhance information security awareness among all employees. In 2025, the Company significantly expanded its security training from once a year to four times a year, promoting the internalization of information security awareness among employees. As a result of providing online training to improve accessibility and convenience, 99.4% of eligible employees completed the program. The training curriculum focused on practical breach prevention activities, including an introduction to security systems and simulated virus email response training. The overall training satisfaction score was 4.43 out of 5, an increase of 0.15 points year-on-year. For employees who did not complete the mandatory information security training, the Company has strengthened follow-up management by reflecting deductions in departmental information security key performance indicators (KPIs). Going forward, LOTTE E&C will continue to operate a regular training system for new hires, experienced employees, and personal information handlers, while continuously strengthening company-wide security capabilities.

Personal Information Protection Training

To comply with the oversight responsibilities of personal information handlers and prevent security incidents, LOTTE E&C conducts mandatory annual training focused on legal safeguards for each stage of personal information processing and relevant incident cases. Starting in 2025, in line with the strengthened Group security guidelines, the Company made training for personal information handlers mandatory on a quarterly basis, and conducted a total of eight in-depth training sessions for key departments, including Marketing, C/S, and Human Resources. As a result, 303 participants, or 110% of the target, attended the first session, and 314 participants, or 107% of the target, attended the second session, recording high completion rates. In addition, the Company requires key position holders to complete at least eight hours of training annually and reflects the results in its information security activity index (KPI), thereby clarifying leadership accountability. Employees who obtain personal information protection certifications receive a professional certification allowance to encourage technical expertise within the organization. LOTTE E&C is also maximizing the effectiveness and implementation of training through strict completion management, including penalties for those who fail to complete the training.

Information Security

Information Security Internalization Activities

Regular Security Inspections

LOTTE E&C conducts regular security inspections at sales offices, leasing offices, and other facilities where customer personal information is handled at the closest point of contact. In particular, the Company continuously monitors compliance with information security requirements and the status of personal information handling at sales offices. As part of its security incident prevention activities, LOTTE E&C conducts detailed assessments of individual PC security, departmental document management, and office security conditions based on its information security checklist. In 2025, on-site inspections were carried out at a total of 19 sales and leasing offices. Sites rated “average” or “inadequate” as a result of the inspections were required to submit immediate corrective action implementation reports, enabling the Company to verify whether corrective measures had been completed.

Outstanding Department Awards for Customer Data Management

LOTTE E&C conducts information security activity inspections, evaluations, and awards to enhance the security management level of business sites that handle personal information. In 2026, based on rigorous inspection results, the Company selected the C/S Team, Haeundae Centum Sales Office, and the LOTTE Department Store Main Branch Renewal Project site as outstanding departments for their excellence in personal information management and presented them with awards. Going forward, LOTTE E&C will continue to share best practices across the Company and advance its management system to preemptively prevent information leakage risks and practice digital trust management that protects the valuable trust of its customers.



Outstanding Department Awards for Information Security Management

Information Security Investment

To proactively respond to tightening information security regulations and related legal requirements, and to fulfill its corporate accountability for protecting stakeholders’ personal information, LOTTE E&C continues to expand its investments in information security. In 2025, the Company made investments to prevent increasingly sophisticated security incidents, including hacking, and to upgrade outdated systems. In particular, in line with the relocation to its new office building in Magok, LOTTE E&C advanced its company-wide security system and completed the establishment of related infrastructure.

Information security investment as a percentage of total IT investment in 2025

(2026 disclosure)

8.5%



Home Network Integrated Security System

LOTTE E&C has established an integrated security system encompassing home network systems and apartment community platforms to address residents’ concerns over wall pad hacking and prevent security incidents such as privacy breaches. With the goal of creating an industry-leading security environment that provides customers with peace of mind and comfort, the Company has implemented a multi-layered defense system to respond to hacking attempts, including legally mandated network separation systems, web firewalls, internal and external firewalls, and real-time security monitoring. Since establishing its Security Enhancement Basic Guidelines in 2022, LOTTE E&C has applied an integrated security solution to project sites, including its LOTTE-specific wall pad installation standard. In 2025, the Company conducted a total of 14 home network security inspections at completed residential complexes and implemented practical measures to prevent security breaches. Going forward, LOTTE E&C will continue to expand its investments in home network and community system security to protect customers’ valuable information and everyday lives.



Home Network Inspections

Information Security

Implementation of a Mobile App Anti-Tampering System

To prevent security incidents in mobile environments, LOTTE E&C introduced an anti-tampering system for eight major mobile applications, including “Eyes,” “CASTLing Mobile,” and health management apps for on-site workers. Through this system, the Company protects customer data in real time from sophisticated hacking threats, such as unauthorized app duplication and source code manipulation. Going beyond the simple implementation of the system, LOTTE E&C also established a separate abnormal behavior monitoring system, completing an integrated security framework that enables 24-hour monitoring and immediate response. Through these proactive investments and security activities, the Company is creating an environment where customers can use its services with confidence.

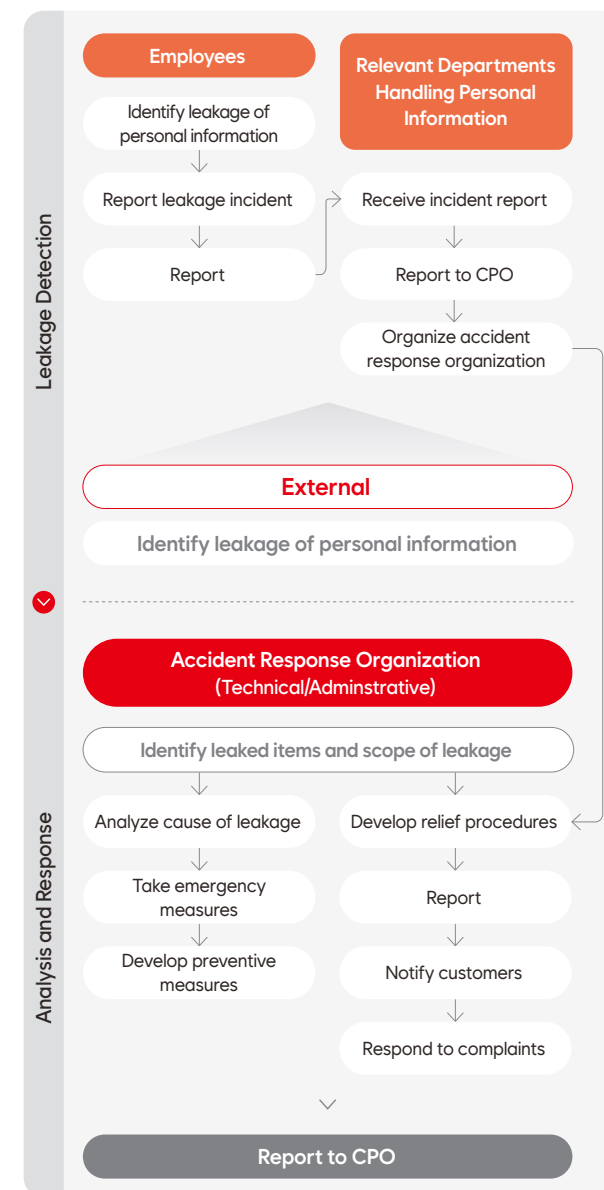
Strengthened Management Based on the Personal Information Lifecycle

LOTTE E&C has established a security management framework covering all stages of personal information processing, from collection to use, storage, provision, and destruction, and is strengthening safe information management based on the personal information lifecycle. In addition, the Company prevents incidents in the personal information processing process in advance through monthly status management of contractors, and operates separate personal information processing policies for external websites, including the Technology Development Institute and Eyes, to protect users’ rights and interests.

Customer Personal Information Management

When collecting customers’ personal information, LOTTE E&C adheres to the principle of collecting only the minimum information necessary to achieve the intended purpose. The Company also keeps its relevant privacy policies available at all times on the LOTTE Castle and Eyes websites to ensure stakeholders’ right to know. For third-party provision and outsourced processing of personal information, LOTTE E&C thoroughly fulfills its obligations to obtain prior consent and provide notice based on legal grounds, while maintaining a support system that enables prompt responses to data subjects’ requests for deletion and correction. In particular, to ensure that personal information is securely managed throughout the entire business process, from subscription and sales to move-in and defect management, the Company conducts monthly regular inspections of departments handling personal information, thereby eliminating blind spots in management. In addition, LOTTE E&C objectively verifies its compliance with security requirements through the annual LOTTE Group information security inspection and ISMS-P certification audits conducted by the Korea Internet & Security Agency (KISA), continuously enhancing trust in its data management both internally and externally.

Personal Information Breach Response Procedure

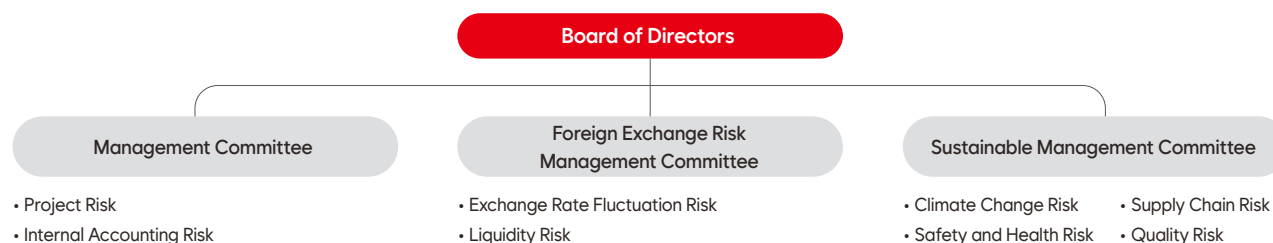


Integrated Risk Management

Risk Management System

LOTTE E&C identifies both financial and non-financial risks that may directly or indirectly affect its business operations and ensures that relevant departments focus on managing activities to minimize such risks. Key non-financial risks are reported to the CEO through the Sustainable Management Committee and are centrally overseen by the Sustainability Management Secretariat.

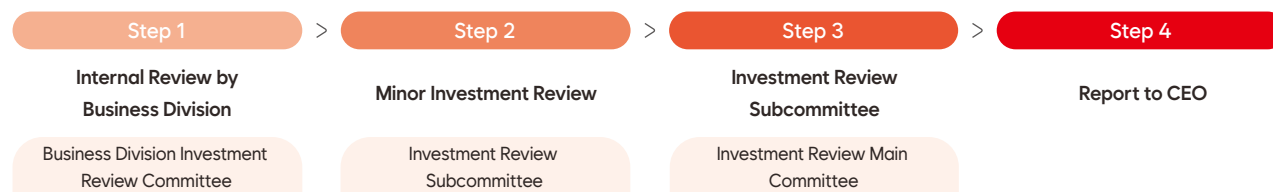
LOTTE E&C Risk Management System



Project Risk Management

LOTTE E&C reviews expected project risks in advance when carrying out investment projects to secure investment stability. Through investment deliberation, the Company ensures sound decision-making and investment efficiency, and proceeds with projects after reporting to and receiving approval from the CEO. In addition, each business division continuously monitors key project-specific risks, as well as trends among clients and business partners, to systematically manage risks.

Project Investment Risk Management Process



Internal Accounting Risk Management

LOTTE E&C conducts an annual evaluation of the operating status of its internal accounting management system for each fiscal year. The Company reviews vulnerabilities by referring to the best practice guidelines for internal accounting management systems and prepares evaluation reports in accordance with the standards applicable to SMEs under Chapter 5. Based on the assessment conducted by the external auditor in 2025, no vulnerabilities were identified. LOTTE E&C continues to manage and supervise its internal accounting system to maintain transparency in internal accounting management.

Tax Risk Management

LOTTE E&C recognizes that taxes are a major source of national fiscal revenue and an essential resource for stakeholder cooperation. Accordingly, the Company has established its tax strategy and management system and plans to disclose and systematically manage its tax policy going forward.

Exchange Rate Fluctuation Risk Management

LOTTE E&C controls risks arising from exchange rate fluctuations through the Foreign Exchange Risk Management Committee. The Company holds regular meetings once every quarter and convenes ad hoc meetings when necessary to analyze and review various foreign exchange risk management techniques and manage exchange rate fluctuation risks.

Liquidity Risk Management

LOTTE E&C continuously monitors its liquidity status to respond flexibly to funding needs arising from business activities. The Company maintains unused borrowing limits at an appropriate level, enabling immediate responses to unexpected funding needs. When forecasting liquidity, LOTTE E&C comprehensively reviews not only the status of fund inflows and outflows, but also funding plans, compliance with agreements, and internal financial ratios. In particular, the Company considers compliance risks, including currency restrictions and external regulations, in advance and implements strict control procedures to prevent borrowing limits from being exceeded or agreements from being breached. Surplus funds secured through this process are allocated to a portfolio centered on stable financial products, such as demand deposits, term deposits, and marketable securities, with top priority placed on the safety and liquidity of assets. Through these efforts, LOTTE E&C secures sufficient liquidity while maximizing the efficiency of fund management.

Integrated Risk Management

Climate Change Risk Management

LOTTE E&C manages climate change risks arising throughout the entire project process by integrating them into its enterprise-wide risk management system. Based on its “2040 Carbon Neutral Roadmap,” the Company identifies potential issues related to the climate crisis in advance through detailed analysis of greenhouse gas emissions and reviews of phased reduction measures, while operating a process to reflect these findings in its management strategies. In particular, material issues related to climate change are submitted to the C-level consultative body for management decision-making, enabling the Company to strategically identify and manage both risks and opportunities. In addition, LOTTE E&C conducts sophisticated assessments and reporting on risk priorities each year based on key environmental indicators, including greenhouse gas emissions, energy consumption, and waste generation. Through these efforts, the Company enhances the efficiency of resource allocation and continuously strengthens its proactive climate response capabilities.

Safety Risk Management

LOTTE E&C manages safety risks within its enterprise-wide integrated risk management system, regarding safety as a critical management indicator that protects corporate capital soundness and brand value. To ensure effective safety governance, the Company holds monthly Safety and Health Management Meetings attended by key executives, including the CEO and CSO, to review site inspection results and implement improvement measures. Through these efforts, LOTTE E&C reflects safety issues in company-wide decision-making in real time, maximizing the expertise and execution capabilities of its risk response.

Emerging Risk Management

LOTTE E&C operates an emerging risk management system to prepare for potential risks that are difficult to capture within the existing risk management framework amid a rapidly changing global business environment. The Company regularly monitors authoritative external indicators, including the World Economic Forum’s Global Risks Report, and closely analyzes macro-level volatility across the economy, environment, and society to strengthen its company-wide risk response capabilities. In particular, by comprehensively reviewing the likelihood of occurrence and business impact of macro-level risk factors, LOTTE E&C selected “response to the material supply crisis” as a short-term key risk and is working to respond to increases in raw material prices and supply-demand imbalances. In addition, the Company has designated “cybersecurity threats” driven by the growth of the AI industry as a long-term risk and is establishing a proactive defense system and governance structure in response to shifts in the technological paradigm. Going forward, LOTTE E&C plans to analyze the ripple effects of identified emerging risks on financial and non-financial performance from multiple perspectives and link them organically with its company-wide risk management system, thereby securing financial and strategic stability to respond swiftly and systematically to changes in the global environment.

Short-term Risk / Risk Occurring Within Two Years

Response to the Material Supply Crisis

As export controls are strengthened due to the spread of global protectionism, volatility in the supply chains of essential construction materials such as steel and cement is intensifying. The trend toward the weaponization of these resources may lead to disruptions in material supply and sharp increases in costs, posing direct risk factors to project profitability and process stability. In addition, bottlenecks in major maritime transport routes caused by geopolitical conflicts may result in steep increases in logistics costs and procurement delays. In response to these unstable global business conditions, LOTTE E&C will diversify its procurement sources and secure supply chain resilience that remains stable even amid changes in the external environment.

Long-term Risk / Risk Occurring After Ten Years

Cybersecurity Threats Driven by the Growth of the AI Industry

As the AI industry grows, cyber threats targeting key intellectual property (IP), including design drawings and bidding information, are also becoming more sophisticated, posing risks to corporate technological competitiveness. In response to these future risks, LOTTE E&C has established a global-level security governance system based on its integrated ISMS-P certification. The Company will continue to thoroughly protect its core assets and strengthen its proactive defense system against cybercrime by expanding information security investments and enhancing monitoring.

GREEN CORE

LOTTE E&C is creating a sustainable future environment based on technology and sincerity that coexist with nature, placing the foundation of all corporate activities on enhancing environmental value and making it top management priority. Based on a systematic environmental management system, we are focusing on minimizing and mitigating environmental impacts generated throughout the entire business process. Furthermore, we are concentrating company-wide capabilities to secure eco-friendly new growth drivers that will lead the carbon-neutral era, advancing our business model, and establishing a healthy virtuous cycle where nature and humanity coexist through ecosystem restoration and biodiversity conservation activities.

- 94 Environmental Management
- 96 Environmental Impact Management
- 98 Strengthening New Growth Engines
- 101 Biodiversity Management

Environmental Management

Environmental Management System

LOTTE E&C continuously improves its environmental management system by renewing its ISO 14001 Environmental Management System certification each year. In accordance with ISO 14001 standards, the Company manages environmental issues at each business site in an integrated manner and identifies potential environmental incident risks by process in advance, thereby operating a prevention-focused management system. In addition, LOTTE E&C shares the latest environmental laws and management standards with project sites to support prompt responses to high-risk work. The Quality and Environmental Management Team of the Technology Research Institute is responsible for environmental operations, strengthening the linkage between quality and environmental management. The Company also enhances employees' sense of responsibility and risk prevention activities through regular revisions to relevant policies.

Environmental Management System

Based on the ISO 14001 Environmental Management System

Plan

- Identify environmental impacts
- Assess each environmental impact item
- Set environmental targets
- Establish environmental improvement plans

DO

- Clarify organizational roles and responsibilities
- Provide environmental training
- Establish environment-related work systems
- Establish emergency response systems

Check

- Monitoring
- Evaluation
- Internal audit
- Management review

Action

- Execute corrective actions for nonconformities
- Drive continuous improvement

Environmental Management Charter

Guided by LOTTE Group's Environmental Management Charter, LOTTE E&C practices environmental values to build a sustainable society and create future value. Through legal compliance and a systematic management system, the Company minimizes pollutant emissions while embedding the Charter's core values across all business operations to drive continuous eco-friendly management.

Environmental Management Policy

LOTTE E&C revises and implements its Quality and Environmental Management Policy in response to strengthening environmental regulations and to advance sustainable management. To enhance the execution of the policy, the Company is upgrading its performance management system and strengthening job-specific training. In addition, LOTTE E&C is promoting risk prevention and the realization of eco-friendly construction sites through preliminary reviews of construction sites and the operation of its "Seven Environmental Rules."

→ [Learn more about LOTTE E&C's 2026 Quality and Environmental Management Policy](#)

Environmental Management Organization

To advance environmental management, LOTTE E&C delegates ESG oversight to Strategic Planning and environmental operations to the Technology Research Institute, supported by compliance guidelines, staff training, and transparent disclosures. Additionally, the Company executes step-by-step carbon neutrality measures by upgrading environmental data and expanding eco-friendly technologies across project sites.

Compliance with Environmental Laws

LOTTE E&C conducts regular monitoring and internal audits to comply with domestic and international environmental laws and regulations, and promptly communicates legislative updates to project sites to enhance implementation. In addition, the Company identifies and improves potential violation factors in advance through risk assessments and expands site-oriented support. As a result of these efforts, there were no cases of corporate sanctions for violations of environmental laws as of 2025.

Environmental Regulation Response Strategy

Regulation	Response Strategy
Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis	LOTTE E&C was included as a company subject to the Greenhouse Gas Target Management System in 2024 and is ensuring data accuracy through verification of Scope 1 and 2 emissions. The Company is also voluntarily calculating Scope 3 emissions to advance its greenhouse gas management system.
Environmental Regulations Applicable to Project Sites (Noise, Vibration, Air, Water Quality, etc.)	LOTTE E&C manages fugitive dust generated during construction in accordance with relevant laws and regulations, and minimizes environmental impacts from wastewater generated in site offices and cafeterias through septic tanks and wastewater treatment facilities.
Waste Control Act	LOTTE E&C systematically manages waste generated at project sites in accordance with the Construction Waste Recycling Promotion Act and its internal management standards. The Company installs and operates waste storage facilities at project sites to strengthen waste separation, sorting, and storage management. It also registers and manages waste generation and treatment data through the Allbaro system, thereby enhancing regulatory compliance and management transparency.

Environmental Management

Environmental Impact Assessment and Management

When commencing a project, LOTTE E&C prepares an environmental management plan that reflects the surrounding environment and construction characteristics, and installs and operates facilities to reduce environmental pollution accordingly. The Company continuously adjusts key management targets and objectives in line with process changes and manages major environmental impact factors, including air quality, noise and vibration, water quality, and waste, in accordance with its site-specific environmental policies. In addition, LOTTE E&C has enhanced operational efficiency by assigning environmental managers after conducting site-specific work analysis, while strengthening environmental management capabilities at project sites through guidance and inspections led by the head office.

Environmental Data Management

LOTTE E&C systematically manages key environmental data, including waste, water usage, and greenhouse gas emissions, through its in-house ERP system, thereby systematically advancing the reliability and efficiency of managing data generated at project sites. To enhance data accuracy, the Company distributes water usage and greenhouse gas input guidelines to project sites and provides practical training to ensure that environmental managers at each site enter key performance data into the system once a month. In addition, LOTTE E&C operates an Environmental Management Status Registration System, which enables the pre-registration of regulatory reports and environmental facility installation status, thereby establishing a management system that closes management gaps between the head office and project sites.

Environmental Performance Evaluation

LOTTE E&C reviews environmental performance at each project site and identifies improvement tasks through environmental management evaluations led by the Quality and Environmental Management Team of the Technology Research Institute. The evaluation results are reflected in departmental key performance indicators (KPIs) and site BSC¹⁾ evaluations. For BSC evaluations, the Company comprehensively considers external award achievements and whether there have been violations of environmental laws and regulations. In addition, LOTTE E&C shares outstanding performance across the Company through annual awards for excellent project sites, thereby encouraging the practice of environmental management. To promote voluntary environmental improvement activities at project sites, the Company participates every year in the Best Construction Environmental Practice Contest hosted by the Construction Environment Association, and award results are reflected in BSC evaluations.

1) Balanced Scorecard: A performance management system that manages performance indicators from four perspectives: financial, customer, internal processes, and learning and growth.

Employee Environment Training

LOTTE E&C provides specialized training every year for environmental practitioners at project sites to strengthen their environmental management capabilities. The training program consists of practice-oriented content, including environmental management issues, amendments to laws and regulations, key considerations for operating environmental facilities, and cases of regulatory violations. In 2025, a total of 101 employees participated in the training. Going forward, LOTTE E&C plans to expand the scope of training to include employees of partners and construction workers, thereby strengthening site-centered environmental management to prevent environmental pollution and damage to local residents.

2025 Employee Environmental Training Performance

Number of training participants

101 persons

Training hours

303 hours

Environmental training hours per person

3 hours



Environmental Impact Management

Waste Management

LOTTE E&C systematically manages waste generated at all construction sites in accordance with the Construction Waste Recycling Promotion Act and the Waste Control Act, and strives to reduce waste generation. Given the nature of the construction industry, where large amounts of waste are generated throughout the entire project process, including material purchasing, construction, and demolition, the Company separates and discharges waste from the point of generation. LOTTE E&C also requires the installation of waste storage facilities at project sites to improve the efficiency of waste separation, sorting, and storage management. In addition, recyclable waste is recycled into recycled aggregates and other materials through specialized waste treatment companies, while systematic plans are established from the construction stage to minimize waste generation. To ensure the lawful treatment of construction waste, LOTTE E&C regularly monitors waste discharge and treatment status through the Allbaro system, and records related performance on its internal network for integrated management on a semiannual basis. Based on its 2022 agreement with the Ministry of Climate, Energy and Environment, LOTTE E&C is promoting the eco-friendly treatment of construction waste and the expansion of recycling. The Company continues to carry out activities to reduce waste emissions based on monitoring results on waste types, generation volumes, and treatment methods.

Waste Generation at Domestic Project Sites

(Unit: M/T (metric ton), %)

Category	2023	2024	2025
Total waste generated	578,386	397,619	402,855
Total amount of non- hazardous waste treated	232	226	284
Total amount of non-hazardous waste treated	7	99	268
Percentage of project sites disclosing waste emissions data	100	100	100

Management of Oil and Designated Waste

LOTTE E&C installs dedicated storage facilities and operates management processes to prevent environmental incidents caused by the leakage of designated waste, such as waste oil and waste paint. To prevent leakage incidents, the Company applies a dual containment system by first lining the bottom of storage facilities with waterproof materials and then adding nonwoven fabric or absorbent mats with high absorption capacity, thereby enhancing management effectiveness.

Waste Reduction Activities

LOTTE E&C has established and distributed advanced management guidelines and guides across all project sites to strengthen on-site waste management capabilities and improve resource recycling rates. In particular, the Company encourages site-specific training to internalize waste separation by type and faithfully implements the voluntary agreement with the Ministry of Climate, Energy and Environment to promote the eco-friendly treatment of construction waste and expand recycling.

Wastewater Discharge Management

LOTTE E&C systematically manages wastewater generated at project sites in accordance with legal discharge standards. In particular, for sites where high-concentration wastewater may be generated, such as tunnel construction sites, the Company installs and operates wastewater treatment facilities to reduce alkalinity (pH) and suspended solids (SS). In addition, LOTTE E&C determines the required facility capacity based on the volume of wastewater generated, assigns specialized technical personnel, and works with professional wastewater treatment facility management companies to prevent water pollution.

Water Use Reduction Targets

LOTTE E&C systematically manages water resources by establishing reduction targets for each stage of water intake, use, and discharge during the construction process. The Company distributes water input guidelines to project sites to ensure that water usage by intake source is entered into its in-house ERP system and continuously monitors the data. In addition, to expand water reuse, LOTTE E&C reports and obtains approval for the use of groundwater generated during construction and uses it for non-potable purposes at project sites, such as sprinkling and cleaning, to reduce fugitive dust. Going forward, the Company will continue to explore efficient water management measures to reduce water use by employees.

Environmental Impact Management

Management of Raw and Subsidiary Materials

LOTTE E&C's use of raw and subsidiary materials varies depending on the design specifications and process progress of each project. The Company reflects design changes that arise during the construction process and inputs optimized quantities of raw and subsidiary materials based on the final design specifications.

Water Resource Management

LOTTE E&C systematically manages the entire process of water used at project sites, from intake to discharge, and strives to prevent water pollution. In particular, to prevent soil runoff caused by heavy rain or groundwater inflow, the Company installs and operates purification facilities, including non-point pollution reduction facilities, and maintains operational efficiency through regular inspections and cleaning. In principle, muddy water generated during construction is discharged only after suspended solids have settled. The Company also manages the quality of discharged water by continuously removing soil and sand through sedimentation facilities installed at project sites. Wastewater generated in site offices and cafeterias is also properly treated through septic tanks and wastewater treatment facilities. Based on these efforts, LOTTE E&C ensures both a pleasant working environment and the stable operation of project sites.

Effect of On-Site Sedimentation Facilities



Prevents water pollution and ecosystem damage by reducing external discharge of muddy water



Contributes to resource conservation by increasing the reuse rate of muddy water

Air Pollutant Management

LOTTE E&C's construction site was selected as an excellent construction site in the 2025 Seoul Eco-Friendly Construction Site Implementation Evaluation after review by the Seoul Fair Review Committee, and received a commendation from the Mayor of Seoul. Going forward, LOTTE E&C will continue to take the lead in realizing eco-friendly construction sites by actively reducing fugitive dust generated at project sites. Seoul Mayor's Commendation Ceremony for Excellent Construction Sites and Construction Company Contributors



Outstanding Construction Company Awards Ceremony

Noise Management

LOTTE E&C strives to minimize noise impacts by installing movable air soundproof walls when using high-noise equipment and machinery. At construction site soundproof walls, the Company installs noise display panels and monitors noise levels to ensure that they do not exceed legal standards. In particular, when carrying out processes expected to have significant noise and vibration impacts, LOTTE E&C reviews construction method changes in advance and proceeds with construction after minimizing potential damage to nearby residents.



Installation Site of Inflatable Soundproof Barriers for Noise Management

Strengthening New Growth Engines

R&D Organization

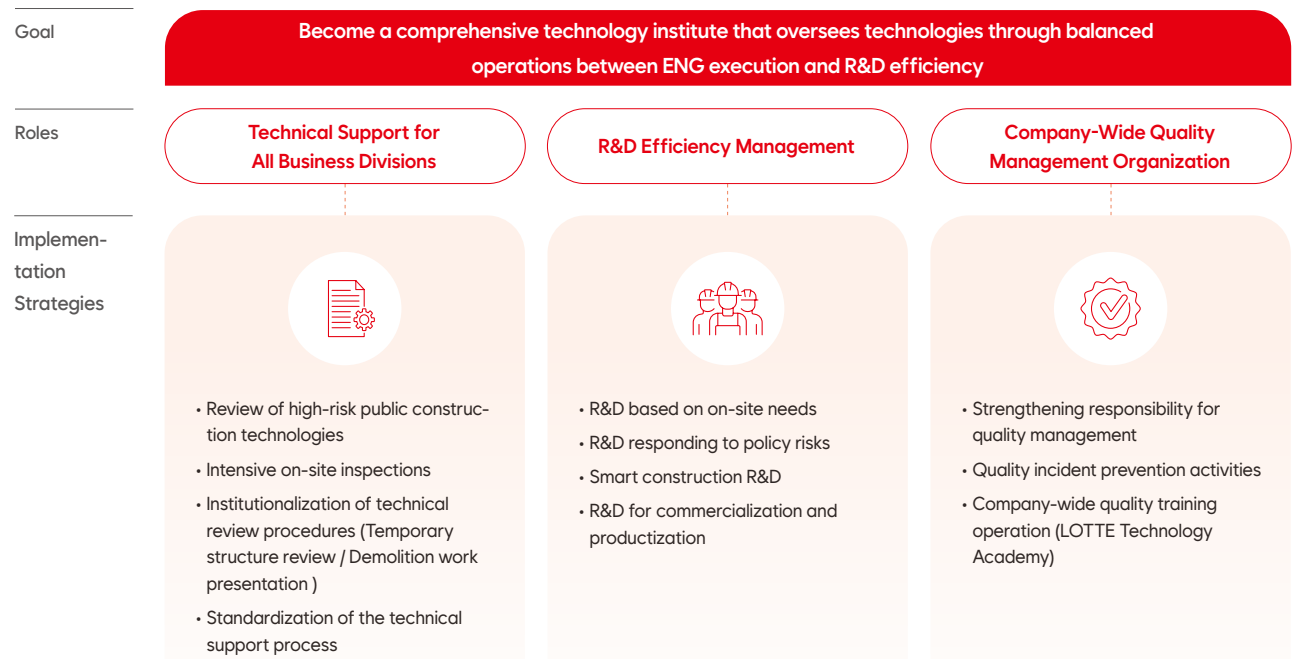
LOTTE E&C's Technology Research Institute is advancing ESG-linked R&D capabilities to reduce environmental and social impacts that occur throughout the entire construction process, while enhancing safety, quality, and customer value. In particular, the Institute has set carbon reduction, energy efficiency improvement, residential performance enhancement, and digital productivity innovation as core tasks, and has established an integrated execution system covering the entire process from R&D to on-site application, standardization, and expansion. In 2026, to further strengthen these execution capabilities, LOTTE E&C reorganized its R&D structure around specialized fields. The Company expanded the scope of company-wide management by linking environmental management functions with its quality management system, and established a dedicated organization integrating residential performance and energy technologies to strengthen the connection between technology development and commercialization. In addition, LOTTE E&C systematically operates AI-, DT-, and BIM-based smart construction technology support, while establishing specialized research organizations in the super high-rise and plant sectors to enhance its capabilities in responding to high-difficulty projects and securing future growth. Going forward, LOTTE E&C's Technology Research Institute will continue to accumulate technologies linked to ESG performance based on on-site practicality and contribute to building a sustainable construction value chain.

LOTTE E&C R&D Organization



Strategic Framework of the Technology Research Institute

To strengthen new growth drivers, the Technology Research Institute of LOTTE E&C has systematized field-tailored technical support, such as reviewing high-risk construction processes and established a strategic framework to efficiently execute policy risk responses and commercialization R&D. Through these efforts, we proactively secure on-site construction safety and technical quality while establishing a dominant competitive edge in the future market amid a rapidly changing construction paradigm.

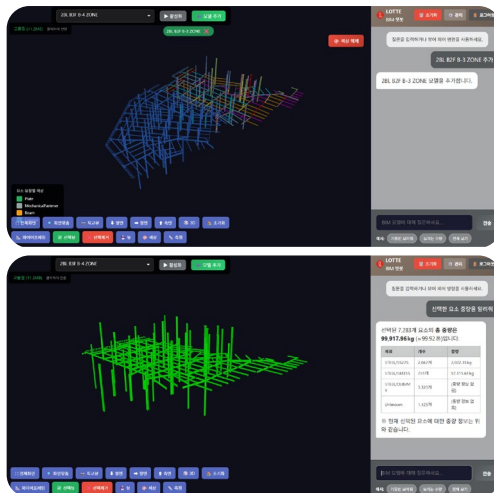


Strengthening New Growth Engines

Strengthening Smart Construction Technologies

LOTTE E&C BIM Chatbot

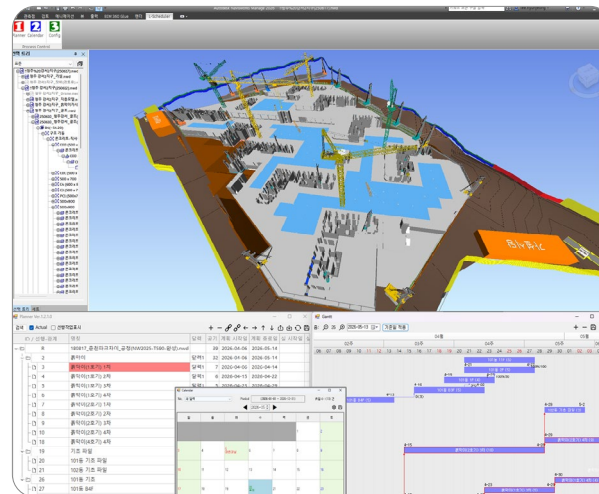
LOTTE E&C is internally developing an AI chatbot system that enables users to easily view and analyze 3D BIM (Building Information Modeling) models of architectural structures through natural language conversations. Previously, dedicated software installation and separate professional training were required to access BIM data. However, this system enables users to visualize 3D models and automatically calculate quantities by component through simple conversational commands in a web browser. By introducing this innovative interface, LOTTE E&C has created an environment where even non-experts can easily access BIM data. The system is also expected to significantly reduce the time required for design drawing reviews and data analysis, thereby improving work efficiency.



Example of LOTTE E&C Chatbot

Development of BIM-Based Software Linked to Network Schedule Management

LOTTE E&C is internally developing BIM-based software linked to network schedule management to strengthen its digital-based construction competitiveness. The software automatically inputs complex network schedule data and enables real-time linkage and management of BIM models and construction progress. In particular, when schedule changes occur, the system automatically reflects the impact on subsequent activities, supporting rapid decision-making and enabling the Company to review potential inter-process interference and construction errors in advance. LOTTE E&C plans to apply this software to major project sites to advance its schedule management capabilities and further develop it into a core technology for digital construction systems through continuous technological optimization.



Development of BIM-Based Software Linked to Network Schedule Management

BIM Database Establishment

LOTTE E&C is building a cloud-based BIM database to manage data generated throughout the entire project process in an integrated manner. This system centrally manages BIM data across the full lifecycle, from design and construction to maintenance, and enhances construction efficiency and work accuracy through functions such as 2D and 3D model viewing, real-time collaboration, review, and issue tracking. It also improves collaboration productivity and decision-making speed by reducing information discrepancies and rework, and is expected to serve as core infrastructure for the future application of AI technologies.



BIM Database Using a Cloud Platform

Strengthening New Growth Engines

Strengthening Smart Construction Technologies

Exterior Quality Inspection of Structures and Defect Management System

LOTTE E&C is advancing exterior quality management for building structures by utilizing a drone- and AI-based Defect Management System (DMS). Defects such as cracks, material separation, and exterior damage in high-rise and complex structures that are difficult for personnel to access are precisely inspected using drones, enabling the early identification of quality issues during the construction stage and prompt linkage to repair measures. Exterior quality data collected by drones is shared with site personnel through the Defect Management System (DMS), which is currently being developed through joint R&D, allowing immediate responses to be taken. In addition, accumulated quality inspection and action records are transferred to the maintenance department after completion and used for construction history management and maintenance planning. Going forward, LOTTE E&C will continue to advance the technology of its Defect Management System, accelerate the digital transformation of construction sites, and build smart construction and smart maintenance systems.



Exterior Quality Inspection of Structures and Defect Management System

Korea's First BIM and 3D Scanning Fusion-Based Digital Innovation

To overcome the construction limitations of the aging frame built in 1974, LOTTE E&C fully introduced BIM and 3D scanning technologies across all practical operations at the 'Ichon Hyundai Apartment Remodeling Site' for the first time in Korea. By fusing site surveying data with precision scanning techniques, the company accurately identified the actual building structure that differed from existing drawings, and based on this, built an advanced, integrated BIM model encompassing structure, architecture, and MEP (Mechanical, Electrical, Plumbing). Moving away from existing analog methods, LOTTE E&C established a system that visualizes complex process flows based on a BIM-centered digital platform, while predicting and controlling strategic construction planning and on-site risk factors in advance. These site-centric technological innovation efforts, which dramatically improved the accuracy and safety of remodeling construction using digital twin technology, were highly evaluated externally, leading to the achievement of winning the Excellence Award at 'BIM AWARDS 2025'. Additionally, based on multi-faceted technological achievements made across various sites nationwide, the company won the Grand Prize in the New Technology Category at the '2025 Smart Construction Industry Awards' and the Grand Prize in the Architecture Category at the '2025 Korea Construction and Real Estate Industry Awards' in succession, widely gaining external recognition for its superior technological capabilities. These consecutive awards are the fruit of continuous efforts toward developing site-centric advanced construction technologies and introducing smart construction methods, consolidating the company's technological leadership in the industry.

Major Awards Received in 2025

Category	Organizer
Grand Prize in the New Technology Category at the 2025 Smart Construction Industry Awards	eToday
Grand Prize in the Construction Category at the 2025 Korea Real Estate Industry Awards (AI-based safety monitoring technology and impact noise reduction device category)	Seoul Economic Daily
Excellence Award in the Construction Category at BIM Awards 2025	buildingSMART Korea



Group photo of winning the Excellence Award in 'Construction Sector' at BIM Awards 2025



Excellence Award in 'Construction Sector' at BIM Awards 2025

Biodiversity and Natural Capital Management (TNFD Report)

Governance

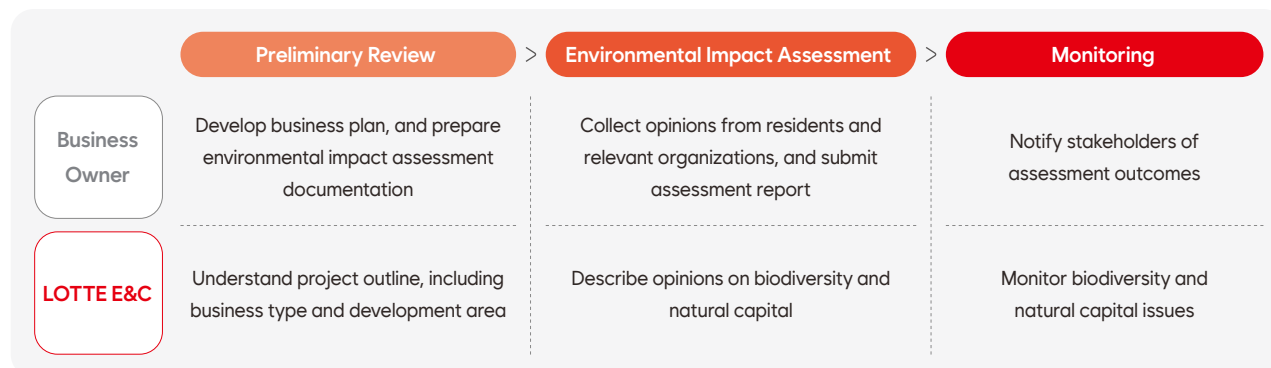
Decision-Making and Management System

Each LOTTE E&C project site forecasts direct and indirect impacts on the natural environment and living environment in order to minimize potential impacts on ecosystems during project execution. In particular, for project sites subject to environmental impact assessments, the Company establishes and implements biodiversity protection plans based on the assessment results. Furthermore, to more systematically identify natural capital risks across the entire business, LOTTE E&C has established a natural capital risk identification and due diligence process based on the LEAP approach proposed by the TNFD. Through this process, the Company conducts site-specific due diligence to identify and manage environmental impacts at each project site, while analyzing actual risks at project sites by integrating the assessment results. Matters deemed material in this process are reported to top management and the Sustainable Management Committee and disclosed in the Sustainability Report.

Management of Environmental Impacts on Local Communities

LOTTE E&C carefully monitors and responsibly manages environmental pollution generated during construction, such as noise and vibration, air pollution, and water pollution, to ensure that it does not cause inconvenience to the living environment of local residents. Accordingly, the Company conducts environmental impact assessments at relevant project sites during project execution to identify infringement factors in advance and carry out necessary response activities. In addition, when necessary, LOTTE E&C cooperates with stakeholders to implement additional measures to minimize negative impacts arising from business operations. The Company also transparently discloses information on ecological impacts caused by its business activities to external stakeholders through its Sustainability Report.

Environmental Impact Assessment Process



Biodiversity Policy

In 2025, LOTTE E&C recognized biodiversity conservation as one of the key environmental issues and established the "LOTTE E&C Biodiversity Protection Policy" to provide clear standards of conduct for practicing biodiversity conservation and habitat protection in the course of its business activities. This policy was developed based on global standards, including the Convention on Biological Diversity (CBD), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and the International Union for Conservation of Nature (IUCN) guidelines for protected area management. It was also designed to support the achievement of the 2050 goals of the Kunming-Montreal Global Biodiversity Framework (GBF). The scope of application includes all stakeholders across the value chain, including LOTTE E&C employees, subsidiaries, and partners. The Company operates training programs to enhance stakeholder understanding of the policy and plans to provide support to ensure that the policy is effectively applied in actual business operations.

Structure of the Biodiversity Policy

- I. Overview of Biodiversity Management
- II. Principles of Biodiversity Management
- III. Training and Capacity-Building Measures
- IV. Biodiversity Risk Management

Biodiversity and Natural Capital Management (TNFD Report)

Strategy

Dependencies and Impacts

To manage nature-related risks and opportunities more broadly this year, LOTTE E&C expanded the scope of analysis from civil engineering project sites to the entire value chain. Prior to conducting a full-scale analysis, the Company proactively identified potential impacts on natural capital using the Materiality Screening Tool of the Science Based Targets Network (SBTN¹⁾). As a result, impacts on natural systems were found to be “High” in the upstream construction materials sector and in business site operations, including development, civil works, and plant project sites. Considering the need to secure additional detailed data, including project site locations, in the construction materials sector, LOTTE E&C selected business site operations, direct operations, as the final risk category. The analysis of natural capital dependencies and impacts for the identified risks was conducted using ENCORE²⁾. In terms of dependencies, key factors included flood and storm mitigation, soil and sediment retention, and rainfall regulation. Among these, the rainfall regulation service showed the highest level of importance, rated “Very High.” In terms of impacts, key factors included ecosystem disturbance, land-use area, greenhouse gas emissions, and emissions of toxic pollutants to water and soil. Among these, ecosystem disturbance was confirmed to have the highest level of importance, rated “Very High.”

1) SBTN(Science Based Targets Network): A global coalition that provides science-based guidelines and analytical tools for companies and cities to set and implement quantitative targets for natural capital (land, fresh-water, ocean, biodiversity, etc.), ensuring operations remain within planetary boundaries while fulfilling social needs.

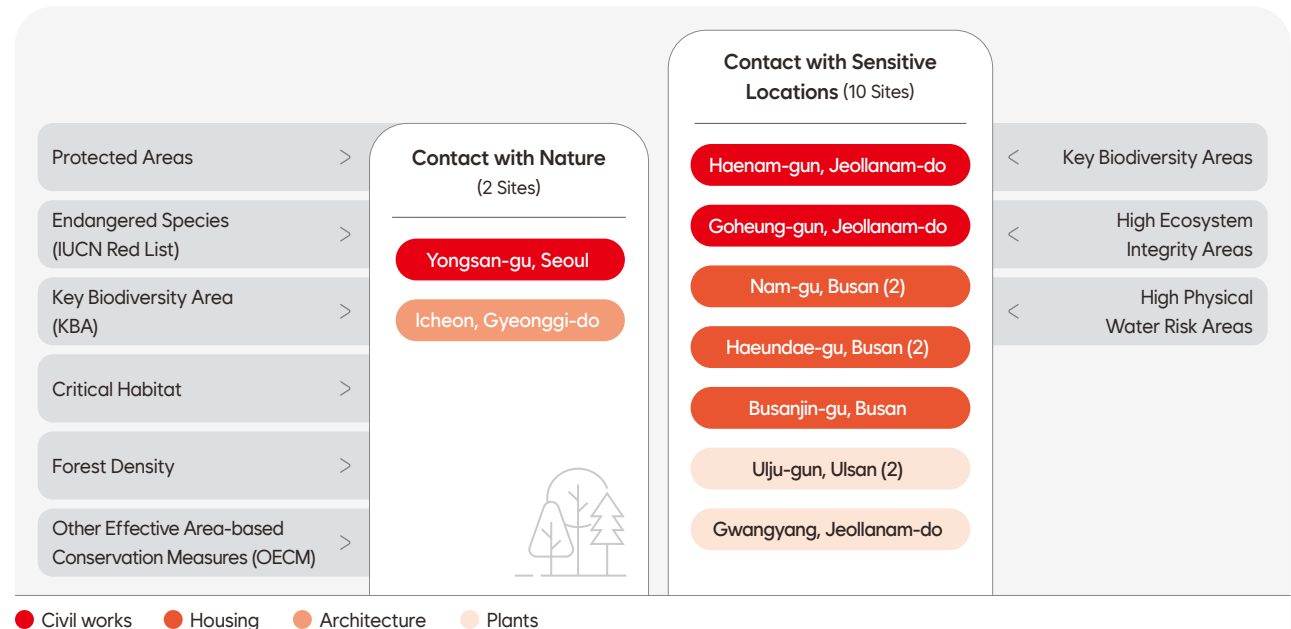
2) ENCORE(Exploring Natural Capital Opportunities, Risks and Exposure): A tool developed by the Natural Capital Finance Alliance (NCFA) to assess dependencies and impacts on natural capital.

Financial Impact Review of Priority Sites

LOTTE E&C reviewed contact with nature and contact with sensitive locations across project sites operating in 2025. Contact with nature was analyzed based on criteria such as the presence of protected areas, endangered species, and Key Biodiversity Areas (KBAs), as well as location in critical habitats, dense forest areas, or Other Effective Area-based Conservation Measures (OECMs), identifying 2 sites. Contact with sensitive locations was reviewed based on location in Key Biodiversity Areas, areas with high ecosystem integrity, or areas with high physical water risk, deriving 10 sites. During the analysis process, databases provided by the Integrated Biodiversity Assessment Tool (IBAT), Korea Database on Protected Areas (KDPA), and Aqueduct Water Risk Atlas were utilized. The revenue share of the 12 priority sites selected is approximately 16.7%, and the impact of nature-related risks at these sites on LOTTE E&C’s overall financial soundness is expected to be minimal. LOTTE E&C plans to continuously strengthen its monitoring system to prevent potential nature-related risks at these sites from translating into financial risks.

Selection of Priority Sites

To proactively manage biodiversity conservation and environmental impacts, LOTTE E&C selected 12 key project sites with high contact with the natural environment and high ecosystem sensitivity, and conducted environmental impact assessments.



Biodiversity and Natural Capital Management (TNFD Report)

Strategy

Risks and Opportunities

LOTTE E&C established a pool of nature-related risk and opportunity factors based on the results of key nature-related dependency and impact analyses identified using ENCORE, as well as the Company's business activities.

Natural Capital Risks and Opportunities

Category	Type	Definition	
		Causes	Financial Impacts When Occurred
Risk	Physical Risk	Flooding	Flooding at project sites and damage to facilities and materials
		Landslides	Slope collapse and soil runoff causing damage to construction sites and infrastructure
		Storms	Damage to construction sites, structures, equipment, and materials
	Reputational Risk	Ecosystem disturbance, e.g., noise and light	Complaints from local communities, media exposure, and opposition from stakeholders
		Greenhouse gas emissions	Deterioration in external evaluation scores related to greenhouse gas emissions and stakeholder trust
		Emissions of toxic pollutants to water and soil	Environmental incidents and negative public opinion
	Regulatory Risk	Ecosystem disturbance, e.g., noise and light	Strengthening of relevant regulations and expansion of requirements for compliance with environmental standards
		Greenhouse gas emissions	Expansion of obligations to manage emissions and implement reduction targets under the Greenhouse Gas and Energy Target Management System
		Emissions of toxic pollutants to water and soil	Strengthening of environmental regulations related to water quality, soil, and waste
Opportunity	Sustainability Performance	Capture and relocation of protected species and installation of fences	Cost savings from reduced restoration, complaint-handling, and regulatory response costs, and improved stability in permitting and project execution
		Ecosystem protection, restoration, and regeneration	
		Implementation of ecosystem disturbance species removal	
		Instillation of silt curtains	
	Business Performance	Prevention of unnecessary damage to surrounding areas	Reduction in management costs through lower complaint-handling and environmental regulatory response costs
		Resource efficiency	
	Business Performance	Reduction of fugitive dust	Reduction in management costs through lower complaint-handling and environmental regulatory response costs

Biodiversity and Natural Capital Management (TNFD Report)

Strategy

Risk Assessment and Response Activities by Project Site

LOTTE E&C measured the level of nature-related risks at priority project sites using the Biodiversity Risk Filter (BRF)¹⁾ and the Water Risk Filter (WRF)²⁾ provided by WWF. Based on the analysis results, the Company identified the level of potential financial impacts that may arise from risk factors at each project site and plans to establish effective management measures going forward. In particular, for civil works project sites, LOTTE E&C plans to sequentially implement protection activities such as regular monitoring, installation of drainage channel facilities, and removal of ecosystem-disturbing plants.

Natural Capital Risk Assessment by Project Site

Very low risk
 Low risk
 Medium risk
 High risk
 Very High risk

Priority Location		WWF Risk Filter ³⁾							Greenhouse gas emission ⁴⁾
		Physical Risk			Reputational Risk		Regulatory Risk		Greenhouse gas emissions
		Flooding	Landslides	Storms	Ecosystem disturbance e.g., noise and light	Emissions of toxic pollutants to water and soil	Ecosystem disturbance e.g., noise and light	Emissions of toxic pollutants to water and soil	
Civil Works	Haenam-gun, Jeollanam-do	Low	High	High	High	Very High	Very High	Very High	Very Low
	Goheung-gun, Jeollanam-do	Low	High	High	High	Very High	Very High	Very High	Very Low
Residential	Haeundae-gu, Busan	Low	High	-	High	High	Very High	Very High	Low
	Haeundae-gu, Busan	Low	High	-	High	High	Very High	Very High	Very Low
	Busanjin-gu, Busan	Low	High	-	High	High	Very High	Very High	Medium
	Nam-gu, Busan	Low	High	-	High	High	Very High	Very High	Very High
	Nam-gu, Busan	Low	High	-	High	High	Very High	Very High	Medium
	Yongsan-gu, Seoul	High	High	-	High	Very High	High	Very High	Very High
	Building	High	Low	-	High	Very High	Very High	Very High	High
Plants	Ulju-gun, Ulsan	Low	High	-	High	High	Very High	Very High	Very Low
	Ulju-gun, Ulsan	Low	High	-	High	High	Very High	Very High	High
	Gwangyang, Jeollanam-do	Low	High	-	High	Very High	Very High	Very High	Very High

1) BRF(Biodiversity Risk Factor) : A tool that supports companies and financial institutions in identifying, exploring, assessing, and responding to biodiversity risks.

2) WRF(Biodiversity Risk Factor) : A tool that supports companies and investors in exploring, assessing, and responding to water-related risks.

3) Risk classification criteria: Very Low Risk (1.0 ≤ x ≤ 1.8), Low Risk (1.8 < x ≤ 2.6), Medium Risk (2.6 < x ≤ 3.4), High Risk (3.4 < x ≤ 4.2), Very High Risk (4.2 < x ≤ 5.0)

4) Risk classification criteria: Risk levels were classified on a scale of 1 to 5 based on the relative emissions levels of the 12 priority project sites: Very Low Risk (1), Low Risk (2), Medium Risk (3), High Risk (4), and Very High Risk (5).

Biodiversity and Natural Capital Management (TNFD Report)

Risk Management

Process for Assessing Nature-Related Dependencies, Impacts, Risks, and Opportunities

LOTTE E&C applied the LEAP¹⁾ approach presented by TNFD to identify, evaluate, and prioritize nature-related dependencies, impacts, risks, and opportunities across its overall business activities and value chain.

1) A 4-step framework (Locate-Evaluate-Assess-Prepare) for managing nature-related risks and opportunities.

Nature-Related Risk Management Process

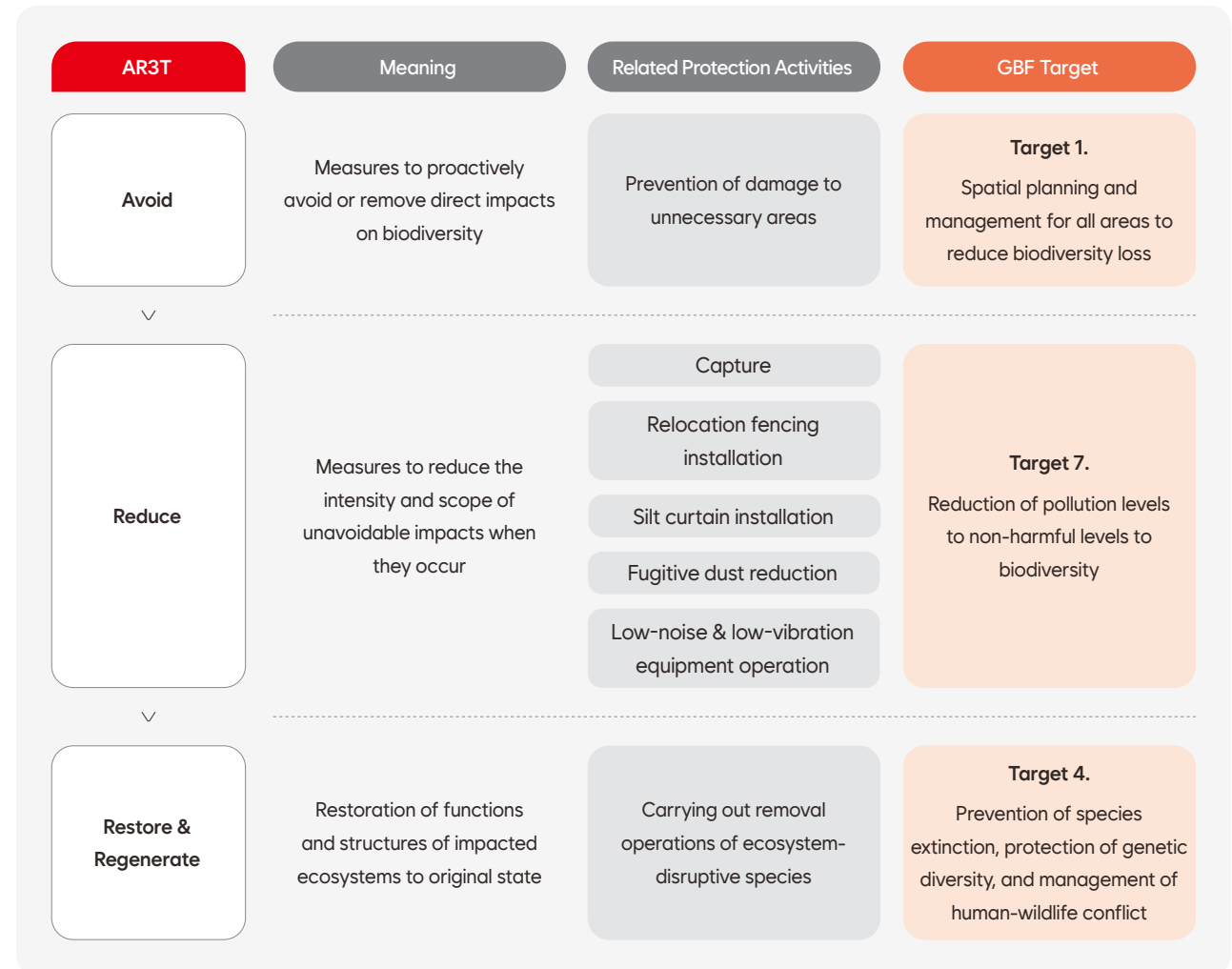
LOTTE E&C is establishing a risk management framework to systematically implement mitigation measures for nature-related risks identified through LEAP analysis. Improvement measures for risk mitigation will be phased into business execution plans, and when necessary, additional measures to minimize negative impacts on natural capital will be taken in cooperation with local communities and stakeholders. The implementation status of established mitigation measures will be monitored periodically in the future, and biodiversity-related training will be conducted with results reported to management. Key details will be transparently disclosed to employees and stakeholders through the sustainability report.

Metrics and Targets

Actions Based on Global Frameworks

To effectively manage major nature-related impacts and risks, LOTTE E&C is reviewing and executing response activities step-by-step according to the AR3T framework presented by SBTN. Each response activity is managed in connection with the Kunming-Montreal Global Biodiversity Framework (GBF) to contribute to achieving global targets, and plans are in place to diversify response activities and advance management systems in the future.

Biodiversity Conservation Activities



Biodiversity and Natural Capital Management (TNFD Report)

Metrics and Targets

Establishment of Nature Risk Management System and Execution of Biodiversity Protection

Based on the Nature Risk Management System aligned with the TNFD framework, LOTTE E&C implements practical mitigation measures at development sites to minimize biodiversity loss. Across 23 key project sites under the Civil Works Division, we strictly comply with environmental impact assessments, focusing intensive management on 11 core sites through special protective construction methods and habitat monitoring for flagship species. Tailored protection activities are carried out for 62 legally protected species, such as otters and leopard cats. This demonstrates how proactive risk assessment via the LEAP approach connects directly to on-site actions like alternative habitat creation and ecological relocation, reinforcing our leadership in conserving natural capital.

Key Managed Sites

11 sites

Managed Legally Protected Species

Over 62 species



Category	Key Protected Species	Core Protection Activities and Mitigation Measures
Birds	Peregrine falcon, Black-faced spoonbill, Steller's sea eagle, White-tailed eagle, Eurasian spoonbill, Tundra swan, Bean goose, Common kestrel, Northern goshawk, Hen harrier, Crested honey buzzard, Eurasian vulture, Osprey, Eurasian hobby, Kentish plover, Eurasian oystercatcher, Rufous-necked bunting, Far Eastern curlew, Mandarin duck, Common buzzard, Oriental Scops Owl, Grey heron, Oriental honey buzzard, Northern harrier, Crested goshawk	• Visual Interference Reduction: Installed streetlights with cut-off fixtures and sound-absorbing noise barriers (bird collision prevention) • Habitat Support: Provided dedicated resting spaces for birds, such as bird perches (perch posts) and raft nest supports • Precision Monitoring: Operated a public-private monitoring committee with the participation of bird experts and civic groups
Mammals	Eurasian otter, Leopard cat, Yellow-throated marten, Siberian flying squirrel, Siberian weasel, Water deer	• Ecological Corridor Construction: Secured dedicated ecological corridors and movement routes for wildlife to connect severed habitats • Intrusion Prevention Facilities: Prevented roadkill by installing guidance fences along road-adjacent sections • Direct Habitat Protection: Installed protective signboards for otter habitats and continuously operated silt curtains in rivers
Fish	White-spotted char, Korean spiny loach, Microphysogobio koreensis, Pale chub, Korean lamprey	• Turbidity Discharges Interruption: Blocked sudden increases in river turbidity during construction at the source by installing 5-layer silt curtains and settling basins • Water Pollution Prevention: Mitigated water intake damage at the source by installing temporary settling basins and drainage ditches • Habitat Restoration: Secured fish movement passages within river construction areas and monitored aquatic ecosystems
Amphibians & Reptiles	Suwon tree frog, Gold-spotted pond frog, Boreal digger toad, Reeves' turtle, Asian runner lizard, Snake, Libellula angelina, Cristaria plicata	• Safe Individual Relocation: Relocated individuals by installing dedicated migration fences and collaborating with experts for forced relocation to alternative habitats • Waterway Escape Facilities: Installed ecological steps and escape slopes to prevent small animals from falling and to assist their escape • Settlement Monitoring: Conducted post-monitoring on settlement status and egg-laying conditions after establishing alternative habitats
Plants	Prickly Lettuce, Humulus japonica, Drosera indica, Euryale ferox, Nymphoides peltata, Eleutherococcus senticosus, Zostera marina, Ranunculus kazuensis	• Marine Ecosystem Conservation: Conducted quarterly precision monitoring and managed water quality impacts on Zostera marina, a marine protected species • Ecosystem Disruptive Species Management: Continuously removed ecosystem disruptive plants such as prickly lettuce, Humulus japonica, and ragweed, and restored vegetation



HUMAN CORE

LOTTE E&C is creating a sustainable living environment based on human-centered technology and sincerity, placing people at the core of all value creation as our top priority. Based on a human-centered management philosophy, we are striving to establish a happy virtuous cycle of growing together by advancing talent management that supports employee growth, fostering a dynamic and efficient corporate culture, and building social empathy through close communication with local communities and customers.

108 Human Rights Management

113 Talent Management

117 Organizational Culture

119 Community Engagement

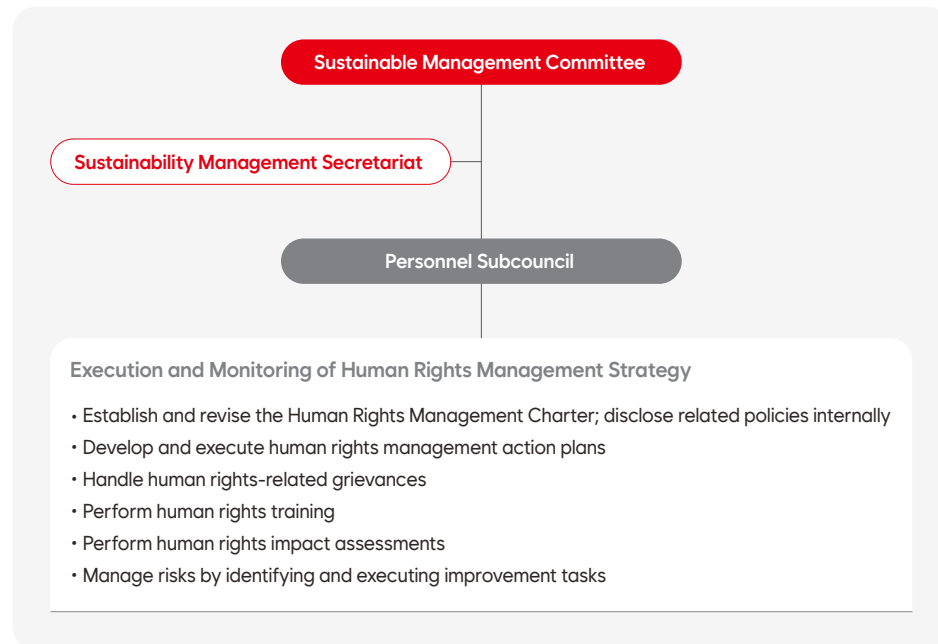
123 Customer Communication Activities and Satisfaction

Human Rights Management

Human Rights Management Organization

LOTTE E&C has established a Human Rights Subcommittee to practice human rights management and systematically respond to and manage human rights-related risks and issues. The Human Rights Subcommittee conducts human rights impact assessments by comprehensively considering company-wide issues, including internal human rights, safety, environment, supply chain, and information security. The Company also continuously manages its human rights management system by disclosing and managing its Human Rights Charter and Human Rights Policy. In addition, the Sustainable Management Committee establishes detailed strategic tasks to prevent human rights risks, monitors human rights management internalization activities, and holds regular meetings semiannually. Since 2023, LOTTE E&C has conducted regular assessments to identify and review internal and external human rights risks, reports the results to the CEO, and derives and implements improvement measures based on the assessment results, thereby expanding a corporate culture grounded in respect for human rights.

Human Rights Management Organization



Human Rights Management Charter

LOTTE E&C has established and distributed its Human Rights Management Charter based on international human rights principles and standards. Comprising a total of 16 articles, the Charter sets out the Company's clear goals and commitment to respecting the human rights of all stakeholders and preventing human rights violations. In 2025, LOTTE E&C also provided human rights training for employees and shared the specific purpose and content of each article. Through these efforts, the Company supports all employees in thoroughly complying with the Human Rights Management Charter in the course of their daily work.

LOTTE E&C Human Rights Management Charter

Respect for human rights	Guarantee of labor rights
Compliance with international human rights standards	Prevention of workplace human rights violations
Establishment of a human rights management system	Mutual cooperation with partners
Protecting socially vulnerable groups	Responsible sourcing
Prohibition of discrimination	Protection of digital rights
Prohibition of forced/child labor	Environmental protection
Compliance with fair labor conditions	Guarantee of environmental rights
Health and safety protection	Prevention and remediation of human rights violations

Human Rights Management Policy

LOTTE E&C is strengthening its company-wide implementation system by establishing human rights management policies tailored to the industrial characteristics of the construction sector. This policy strictly adheres to international human rights principles and norms¹⁾, while mandating thorough compliance with labor-related laws and regulations of the countries and regions where each business site is located. The scope of policy application covers all employees, and furthermore, all stakeholders across the entire value chain are encouraged to respect and support the values of human rights management.

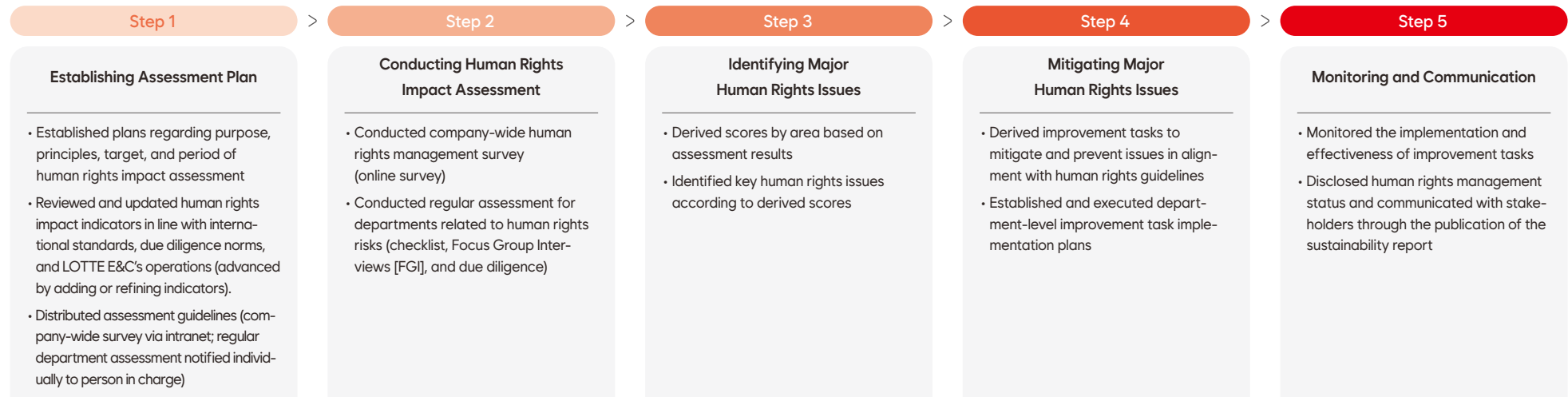
1) UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, ILO (International Labour Organization) Core Conventions, OECD Guidelines for Multinational Enterprises, and UN Convention on the Rights of the Child

Human Rights Management

Human Rights Impact Assessment System

LOTTE E&C conducts comprehensive assessments of employees on labor conditions, prohibition of discrimination, and other labor rights to systematically review the impacts of its business activities on human rights. In accordance with the UN Human Rights Due Diligence standards, the Company has established a human rights impact self-assessment checklist. To enhance effectiveness, LOTTE E&C conducts both employee assessments and assessments by departments related to human rights risks. In particular, the Company strengthens its management system in line with global standards by conducting human rights impact assessments through external professional institutions to ensure the independence and expertise of the assessment. Since the headquarters assessment conducted in 2023, LOTTE E&C has been promoting the internalization of human rights management every year through stakeholder communication and the implementation of mid- to long-term tasks. Going forward, the Company plans to thoroughly monitor the implementation of identified improvement tasks and measure their effectiveness.

Human Rights Impact Assessment Process



Human Rights Impact Assessment Results

Category	Employee Human Rights Management Survey	Regular Assessment of Departments Related to Human Rights Risks
Assessment Type	Online assessment	Written assessment
Frequency	Once a year	Once a year
Organizer	LOTTE E&C Human Rights Management Department	LOTTE E&C Human Rights Management Department
Assessment Target	All employees	Departments responsible for each human rights risk indicator
Purpose	Review the level of LOTTE E&C's human rights management implementation and cases of human rights violations experienced by employees to identify and prevent risks in advance	Identify improvement measures for vulnerable areas through self-assessments by responsible departments
Items	- Level of establishment of the human rights management system - Level of efforts to prevent human rights violations, Human rights risk factors, and response measures	- Establishment of Human Rights Management System - Non-Discrimination in Employment - Prohibition of Excessive Working Hours - Prohibition of Forced Labor - Prohibition of Child Labor - Guarantee of Occupational Safety - Responsible Supply Chain Management - Protection of Stakeholder Human Rights - Guarantee of Environmental Rights - Consumer Protection and Protection of Employee Information
Total Number of Questions	33 question	201 questions

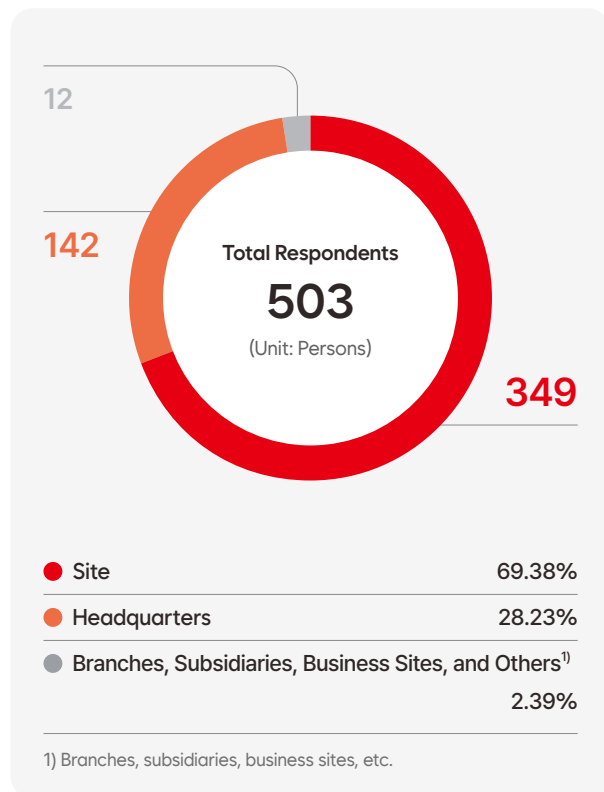
Human Rights Management

Human Rights Impact Assessment Results

Results of Employee Human Rights Management Survey

LOTTE E&C conducted a human rights management survey targeting headquarters and site employees to ensure the stable settlement of human rights management and spread a culture of mutual respect within the company. A total of 503 headquarters and site employees participated in the survey conducted in the first half of 2026 to diagnose internal human rights status from multi-faceted angles. As a result of the survey, the effectiveness of 'human rights education to enhance human rights awareness' among the human rights management system categories was evaluated particularly positively. 92.45% of respondents answered that the conducted human rights training was helpful in raising actual human rights awareness, demonstrating the substance and value of the training program. The results of this survey will be used as key foundational data to proactively prevent human rights violation factors in the future, and plans are in place to continuously spread a human rights culture of mutual respect by actively reflecting improvement opinions and feedback collected from employees.

Number of Respondents to Human Rights Management Survey



Results of Human Rights Management Survey

	Category	Average Score
Level of Human Rights Management System Establishment	Active internal and external declaration of commitment to human rights management	3.05
	Guidance on human rights management compliance matters	3.49
	Provision of remedy mechanisms for victims of human rights violations	3.48
	Establishment of human rights management evaluation system	3.44
Level of Human Rights Violation Prevention Efforts	Effectiveness of human rights education	3.77
	Guarantee of non-discrimination	3.60
	Pleasant working environment	3.56
	Human rights protection of subsidiaries and partner companies	3.80
	Compliance with working conditions	3.42
	Personal data protection	3.95
	Operation of workplace harassment prevention system	3.64
	Operation of workplace sexual violence prevention system	3.77
	Operation of work-life balance guarantee system	3.83
	Respect for diversity	3.74
	Protection of privacy	3.58

* 1 point: Very Low, 3 points: Average, 5 points: Very High

Regular Assessment of Departments Related to Human Rights Risk

LOTTE E&C has established a human rights impact assessment system based on 10 core indicators that comprehensively cover overall business areas. Based on this system, human rights impact assessments were conducted through self-diagnoses and objective verification of evidence targeting a total of 14 relevant departments, and practical implementation measures are being prepared focusing on derived areas requiring improvement. In principle, minor employment is prohibited, but related policies will be further specified to ensure even more thorough management. Along with this, responsible supply chain management has been designated as an improvement task to support human rights violation prevention activities of partner companies and revise supply chain code of conduct guidelines, thereby further strengthening the foundation of human rights management in the win-win cooperation system. To advance human rights management, LOTTE E&C will analyze the derived diagnostic results by area to prevent human rights risks and more firmly establish a human rights management culture.

Human Rights Risk Assessment Items

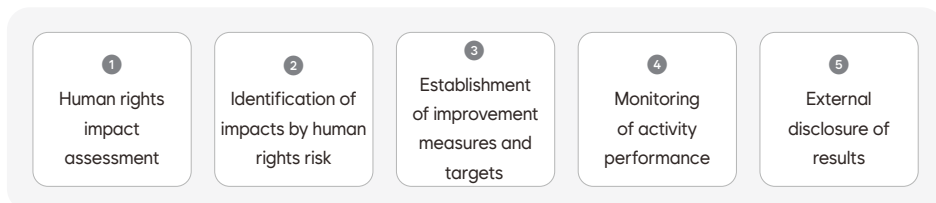
- 1 Establishment of Human Rights Management System
- 2 Non-Discrimination in Employment
- 3 Prohibition of Excessive Working Hours
- 4 Prohibition of Forced Labor
- 5 Prohibition of Child Labor
- 6 Guarantee of Occupational Safety
- 7 Responsible Supply Chain Management
- 8 Protection of Stakeholder Human Rights
- 9 Guarantee of Environmental Rights
- 10 Consumer Protection and Protection of Employee Information

Human Rights Management

Human Rights Risk Monitoring System

LOTTE E&C operates a multifaceted human rights risk monitoring system to protect the human rights of all stakeholders and minimize related risks. In particular, reflecting the characteristics of construction sites where various work types are carried out in a complex manner, the Company focuses on precisely identifying human rights risks faced by on-site workers. To this end, LOTTE E&C conducts regular human rights impact assessments that also cover occupational safety and health areas, and continuously supplements practical improvement measures based on identified human rights violation factors. In addition, for acts that violate human rights-related laws, regulations, or internal rules, the Company takes appropriate measures, conducts thorough investigations into the root causes, and implements measures to prevent recurrence. LOTTE E&C transparently discloses the outcomes of these risk identification and improvement activities every year through its Sustainability Report.

Human Rights Risk Management System



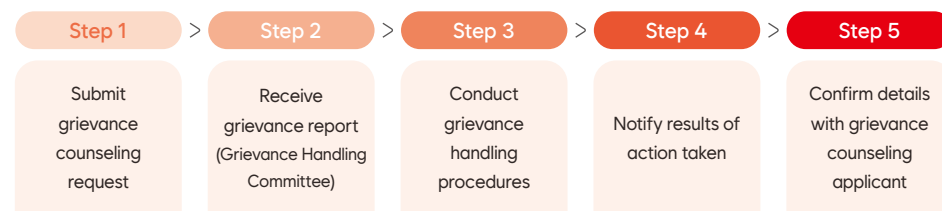
Status of Improvement Measures Based on the 2025 Human Rights Impact Assessment Results

Assessment Category	Area	Improvement Measures Implemented
Regular Assessment of Departments Related to Human Rights Risks	Responsible supply chain management	Expanded the scope of partners subject to ESG risk self-assessments in 2026, including human rights items in the self-assessment questionnaire
	Protection of stakeholder human rights	Explicitly included intellectual property protection clauses in standard contracts
Employee Human Rights Management Survey	Provision of remedy procedures for victims of human rights violations	Provided detailed guidance in 2026 employee human rights training on how to access and use remedy procedures, including grievance channels

Grievance Handling Channel

LOTTE E&C operates a grievance counseling channel at all times so that employees who have experienced human rights violations or are exposed to potential risks can immediately request assistance. This channel receives all matters related to human rights violations, including job stress, dissatisfaction with working conditions, interpersonal grievances, and workplace bullying, and all reports are handled strictly in accordance with relevant laws and internal procedures. In particular, to ensure the anonymity of reporters, the Company makes every effort to manage security so that whistleblowers do not face any disadvantages, including the complete deletion of login and IP records. All grievances received in 2025 were related to improvements in the working environment, and 100% of them were resolved through consultation by the Grievance Handling Committee. No cases of human rights violations or discrimination occurred. When cases of human rights-related violations are confirmed, LOTTE E&C carries out fair remedy procedures through the Personnel Committee, including written statements and expert consultation. The Company also fosters a healthy corporate culture by imposing appropriate disciplinary and corrective measures and strengthening recurrence prevention training.

Grievance Handling Process



Status of Grievance Redress Measures

(Unit: cases, %)

Category	2023	2024	2025
No. of reports received	21	21	21
No. of cases handled	21	21	21
Handling rate	100	100	100

Human Rights Management

Creating a Discrimination-Free Work Environment

Based on respect for diversity, a core principle of its human rights management policy, LOTTE E&C is focusing on creating a discrimination-free work environment. As a global company, LOTTE E&C provides customized safety training content translated into six languages so that multinational workers can overcome language and cultural barriers and engage in their work safely. The Company is also strengthening institutional support for pregnant employees, thereby creating an environment where work and family life can be balanced. LOTTE E&C, which aims to build an inclusive culture of mutual respect among all members, excludes all forms of discrimination based on nationality, race, gender, age, and other factors. Going forward, the Company will continue to develop an equal and flexible organizational culture where each individual's unique capabilities can be fully demonstrated.

LOTTE E&C's Diversity Respect Activities

Activity	Target	Details
Essential safety rule training content for foreign workers	Foreign workers	Developed 61 essential safety rules in animation and cartoon formats, divided into ten themes, including common, equipment, civil works, framework, exterior finishing, and electrical work, and translated them into six languages
Welfare programs by life cycle, including childbirth and childcare	Employees	Mandatory one-month paternity leave, promotion of spousal maternity leave for male employees, introduction of automatic childcare leave, childbirth congratulatory payments and gift items, and childcare leave of up to two years for female employees
Childbirth congratulatory support payments	Employees	KRW 500,000 for the first child and KRW 2 million for the second child and above; free Carnival vehicle rental upon the birth of a third child or more

Employee Human Rights Training

LOTTE E&C regularly provides training on the prevention of sexual harassment in the workplace and disability awareness improvement to ensure that all employees fully recognize the importance of human rights management. In 2025, the Company strengthened employees' human rights awareness by providing sexual harassment prevention training and workplace disability awareness improvement training. In addition, to further advance human rights awareness across the Company, LOTTE E&C conducted specialized human rights management training for employees in 2025, further enhancing employees' human rights awareness and sensitivity. Through these training activities, LOTTE E&C is embedding a culture that respects and protects the human rights of not only its employees, but also various stakeholders related to the Company.

Employee Human Rights Training Performance

Completion Rate

100%

Human Rights Training Hours

7,297 hours



Employee Protection Program

Since 2021, LOTTE E&C has operated the Mind Care Program, a customized psychological care service, to support employees' emotional stability and improve their quality of life. The program has expanded its coverage beyond employees to include spouses and children, supporting the psychological well-being of the entire family. It provides counseling and coaching to address not only job stress and organizational conflicts, but also marital relationships, child-rearing concerns, and legal matters in daily life. Through this program, LOTTE E&C helps resolve psychological issues faced by employees and supports a healthy and happy work life.



Heartful Supports Program Poster

Talent Management

Human Resource Management System

Along with strengthening employee capabilities, LOTTE E&C discovers and nurtures global talents equipped with passion and responsibility to lead mature social changes. Focusing on the future value that each employee will build individually, we operate a talent development system to help all members leap forward as job experts in their respective fields.

This direction of talent management is connected to a specific reference system centered on four ideal candidate profiles: 'Intellectual' with top expertise and networks, 'Performer' driving company development through clear goal achievement, 'Challenger' who are unafraid of proactive challenges with a global mindset, and 'Self-disciplined' who continuously overcome themselves based on right values and principles. This framework serves as a driving force in building a sustainable future together with LOTTE E&C.

2025 Key Performance in Human Resource Management

Annual number of training participants

3,565 persons

Average training investment per person

KRW 1,125,261

Average training hours per person

122 hours



LOTTE E&C Talent Profile

Performer

Talent who contributes to company development by achieving goals and creating results

Challenger

Indomitable talent possessing autonomy, environmental adaptability, and a global mindset, unafraid of challenges with a proactive attitude

Intellectual

Capable talent possessing top expertise in their field and a rich professional network

Self-disciplined

Talent who adheres to basics and principles with right values and a sound mindset, capable of continuously overcoming themselves

Talent Development System

New Employee Development Training Program

Group Introductory Training

Group loyalty, basic attitude as new employees, creativity, teamwork, and spirit of challenge

Company Introductory Training

Building a sense of belonging, understanding the vision and strategy, and understanding corporate social responsibility

Mentoring and OJT

Job profile training for each division through one-on-one mentoring between mentors and new employees

RESTART

Strengthening a challenging spirit and confidence, self-reflection, and future design

LOTTE E&C Employee Capability Enhancement Training Program

Technical Expert Training

- Technical job training
- Site manager development course

Global Talent Development

- Global School
- Language proficiency improvement training

Job/Position-Specific Capability Enhancement

- Job School
- Position-specific capability enhancement course
- In-house instructor development course

Self-Directed Learning Support

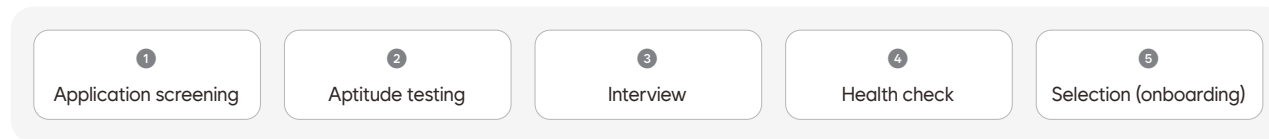
- e-Learning Center
- Tuition support

Talent Management

Talent Recruitment

LOTTE E&C enhances the flexibility and efficiency of its recruitment process through various recruitment channels, including year-round recruitment, campus recruiting, and Job-Cafe, and places optimized talent by project and job function. Throughout the recruitment process, the Company eliminates discrimination based on gender, region, or educational background, and selects talent with job expertise based on fairness, diversity, suitability, and rationality. LOTTE E&C provides a wide range of recruitment opportunities, from office positions to technical positions, and actively supports mentoring and customized job training so that new employees can fully demonstrate their capabilities. In 2025, the number of new hires totaled 178, and the Company will continue to diversify its recruitment methods to secure outstanding talent.

Recruitment Process



Recruitment-Linked Internship for International Students

To strengthen its global business competitiveness, LOTTE E&C implemented a “Recruitment-Linked Internship for International Students” in November 2025, securing outstanding global talent with practical on-site capabilities and organizational fit. To successfully carry out major overseas projects in key markets such as Vietnam, the Company needs talent with both a deep understanding of local cultures and the ability to embrace Korea’s advanced construction technologies and corporate culture. Through this program, LOTTE E&C plans to continuously expand its pool of core talent who will lead the global construction market in the future and further enhance its global capabilities by closely verifying the job expertise of prospective graduates from major universities in Korea.

Inclusive Employment Practices

LOTTE E&C operates a talent recruitment policy that considers diversity, inclusion, and equity to promote creativity and innovation within the organization. The Company operates a “Recruitment Program for New Employees Eligible for Employment Support” for persons eligible for special veterans’ support, as well as a “Recruitment Program for New Employees with Disabilities” to promote the employment of persons with disabilities. In particular, since 2022, LOTTE E&C has introduced a “remote work system for persons with severe disabilities,” which allows employees with severe disabilities who have mobility difficulties to work from home for four hours a day. Through this system, the Company is improving the actual employment rate while creating an inclusive work culture. LOTTE E&C is also focusing on securing female talent, achieving female employment rates of 10.8% in 2023, 11.1% in 2024, and 11.6% in 2025. The Company will continue to make efforts to maintain the proportion of women among new hires at around 30%.

Diversity-Based Talent Recruitment

Youth	Persons with Disabilities	Female
Recruitment Program for New Employees Eligible for Veterans’ Special Employment Support	Recruitment Program for New Employees with Disabilities	Maintain the proportion of women among new hires at 30%
Industry-Academia Practical Training Program with Local National Universities	Remote Work System for Persons with Severe Disabilities	

Increased rate of Newly hired Female Employees compared to the previous year

85.7%



New Employee Welcome Program

LOTTE E&C operates the WELCOME Program to support the successful early settlement of new employees. The WELCOME Program is designed to enhance new employees’ understanding of LOTTE E&C and support their stable adaptation to the Company. After completion of the program, the Company provides follow-up support in connection with job training by division to help new employees strengthen their job expertise.

Talent Management

Employee Performance Evaluation Management

LOTTE E&C fairly evaluates employees' performance and capabilities and operates a reasonable compensation system based on the evaluation results. Led by the HR Team, the Company conducts performance evaluations and competency evaluations twice a year for all employees, and reflects the results across overall HR management, including promotions, compensation, and training. Outstanding performers are provided with frequent awards and incentives. Since 2022, LOTTE E&C has introduced an individual annual salary system to strengthen performance-based compensation, and since 2023, the Company has been establishing a performance-based compensation culture by applying differentiated annual salary increases based on performance.

Components of Competency Evaluation

Leadership Competency	Job Competency	Company-Wide Competency (Group Core Values)
Motivation of employees, securing outstanding talent, and expectation of achieving organizational goals		

Leadership Assessment

LOTTE E&C operates an annual leadership assessment for executives, team leaders, and site managers to align leadership competencies with corporate performance. Introduced in 2014, the assessment fosters leadership styles tailored to changing business environments and promotes balanced organizational growth. Every September, LOTTE E&C surveys leaders and employees to analyze leadership perception gaps, encouraging behavioral changes to meet employee expectations. Moving forward, the Company will continue narrowing these perception gaps to build a horizontal, flexible organizational culture.

Strengthening Employee Competencies

LOTTE E&C operates training programs to secure the organization's future competitiveness and strengthen employees' expertise. Through company-wide common training and position-specific training led by the HR Team, the Company supports the development of core competencies required by position and job level. It also transfers LOTTE E&C's proprietary technical know-how through specialized job training by business division. In particular, LOTTE E&C has set "average training hours per employee" as a management indicator to encourage training participation, and conducts satisfaction surveys for training participants to measure training effectiveness and identify areas for improvement. Going forward, the Company plans to expand optimized training environments and support to establish a virtuous cycle in which the enhancement of each employee's capabilities leads to organizational growth.

Major Employee Competency Enhancement Programs

Company-Wide Training	Position-Specific Training	Direct-Position Training
• Legally mandatory training • e-Learning • Outsourced training • Multi Campus, technical qualification training, etc.	• ACP and ECP for executives • External top executive course for executives to S Grade • S/M Grade course (Group mandatory) • Course for employees promoted to S/M Grade (Group mandatory) • Training for SA promotion candidates (Company mandatory) • Introductory training for experienced employees (Company mandatory) • Introductory training for new employees (Company/Group mandatory)	• Leadership Forum • Site manager training • Training for prospective site managers • Striker course • Hi-Potential Leader course
Job-Related Training	Other Training	
• Job training by division - Civil works / Architecture / Housing / Safety, etc. • Training related to financial qualification, purchasing qualification, job qualification certification, etc.	• Finance Skill-Up course • HR Expert course • Digital Marketing course • Generative AI practical course • Group Global-related course - Expatriate, etc	
	• LOTTE Language Certification Test (LBCS) • Group interviewer certification course • Group Stimulating Coach course • Compliance training, etc. • In-house language programs (OPIC support)	

Talent Management

Support for Employees' Retirement Security

LOTTE E&C operates retirement pension plans, including a defined benefit (DB) plan and a defined contribution (DC) plan, to ensure stable retirement security for employees. The Company complies with the Employee Retirement Benefit Security Act and other relevant requirements while managing and operating contributions. In the operation of these plans, LOTTE E&C guarantees employees' right to choose, and complies with relevant legal procedures when converting and operating the plans. Retirement pension contributions are safely managed through external financial institutions, and the Company ensures the soundness and stability of plan operations through regular inspections. Through these efforts, LOTTE E&C supports employees in securing practical retirement income after retirement.

Compliance with Minimum Wage and Systematic Management

LOTTE E&C complies with the Minimum Wage Act and pays all employees wages above the minimum wage, while systematically managing compliance across overall payroll operations. When the minimum wage is increased, the Company analyzes the wage levels of all employees in advance to check whether any wages fall below the standard and reviews the resulting impact on labor costs. If any cases are expected to fall below the statutory standard, LOTTE E&C takes necessary measures, such as wage increases from January of the following year, to fully meet legal requirements. In addition, the Company operates wage adjustment and supplementary measures to ensure practical minimum wage protection, thereby helping employees maintain a stable working environment. Going forward, LOTTE E&C will continue to maintain a response system for changes in the minimum wage and sustain a fair and reasonable compensation culture.

Employee Welfare Programs

LOTTE E&C operates welfare programs to improve employees' quality of life and create a stable working environment. In terms of financial support, the Company provides welfare points to individual corporate cards on a semiannual basis and applies differentiated support according to length of service, thereby practicing reasonable compensation. LOTTE E&C also provides additional points that can be used at in-house welfare malls to commemorate Labor Day and the Company's founding anniversary. For employees with children, the Company provides tuition support from kindergarten to university and operates encouragement programs for children entering elementary school. Through these programs, LOTTE E&C actively supports work-life balance by creating a family-friendly organizational culture and operating various programs in which employees' families can participate. In terms of the working environment, the Company ensures flexibility in work arrangements through flexible working hours, and comprehensively manages employees' physical and mental health through regular health checkup support and mental health management programs. Going forward, LOTTE E&C plans to continuously expand welfare programs that reflect the diverse needs of employees and establish an optimal working environment that enhances organizational commitment and job satisfaction.

Composition of Welfare Benefit System

Category	Detailed Welfare Benefits
Selective Welfare	- Welfare card issued under the employee's name - Group accident insurance for parents, etc.
Basic Welfare	- Health checkups and group insurance for employees and spouses - Support for children's tuition - Housing funds, including loans, on-site dormitories, and monthly rent support; living stability funds; and support for family events - Club activities, long-service awards, founding anniversary and retirement gifts, etc. - W Card - Interest on student loans - FUN DAY - BEST Awards - Sickness and injury benefits - Return-to-work gifts
Statutory Welfare	- Four major social insurance programs - National pension, health insurance, employment insurance, and industrial accident compensation insurance

2025 Welfare Benefits per Person

KRW **15.6** million



Organizational Culture

Strengthening Family-Friendly Management

LOTTE E&C operates welfare programs tailored to each life-cycle stage, including childbirth and childcare, to help employees balance work and family life. The Company operates infertility treatment leave for female employees without children who have worked for at least one year, providing up to two leave periods of three months each. After childbirth, additional leave is provided under the same conditions as childcare leave. Upon childbirth, LOTTE E&C provides congratulatory gifts and supports employees so that they can focus fully on childcare through statutory childcare leave and childcare leave for children entering school. In particular, the Company encourages shared childcare responsibilities by requiring male employees to take at least one month of childcare leave when their spouses give birth, thereby ensuring time for family bonding and recovery after childbirth. In addition, LOTTE E&C is creating an environment where all employees can enjoy work-life balance through the operation of workplace childcare centers, flexible working hours, various family-friendly programs, and psychological counseling support.

2025 Key Childcare Leave Performance

Return-to-work rate after
childcare leave

82.7%



Childbirth and Parenting Support Lifecycle

Up to six months

Up to 3 months

Up to 3 years

Marriage > Pregnancy > Childbirth > Parenting

Work-life balance support

Creating a great place to work

Labor-Management Council

LOTTE E&C actively reflects employees' voices in management through its Labor-Management Council. The Labor-Management Council shares key issues related to welfare, wages, health, and safety, and works to improve employees' working conditions. Following 2024, LOTTE E&C actively reflected employee feedback in 2025 through regular consultations, promoting various institutional improvements and welfare expansion. Going forward, LOTTE E&C plans to continue listening to employees' opinions and improving the working environment based on mutual trust and cooperation.

Major Agenda Items of the Labor-Management Council in 2025

Q1

Increase in the amount of Labor Day commemorative gifts; discussion on wage increases for 2025

Q2

Reform of wage system; operation of family-friendly programs, including travel programs; election of employee representatives

Q3

Payment of regular awards for the 66th anniversary of the Company's founding; encouragement for employees' children taking the college entrance exam; promotion of the use of annual paid leave

Q4

Discussion on the operation of shared annual leave in 2026 and revision of employment rules

Organizational Culture Activities

Under the slogan "Enhancing Employee Happiness," LOTTE E&C carries out activities to express appreciation for employees and foster a family-friendly culture. In October 2025, the Company held the "LOTTE Love Family Festival" for employees and families, including an awards ceremony for the Group Baseball Tournament where LOTTE E&C reached the semifinals to strengthen belonging. In January 2026, LOTTE E&C presented children entering elementary school with CEO congratulatory letters, gift cards, and snack sets. The Company also held a follow-up reply event offering hotel stay vouchers to 10 selected participants and produced a YouTube hidden-camera video capturing children's reactions. In April 2026, 70 employees and family members participated in "SKY RUN," climbing the 123-floor, 555-meter LOTTE World Tower. Going forward, LOTTE E&C will continue supporting family-friendly cultural events.



Follow-Up Event for Children Entering Elementary School

Organizational Culture

Diversification of Corporate Culture Programs

LOTTE E&C is creating a corporate culture shaped through the participation of employees by revitalizing in-house clubs and offering various family-friendly programs. In 2025, the Company operated customized corporate culture programs for all employees, establishing an inclusive organizational culture that embraces different generations, genders, and job functions.

2025 Corporate Culture Programs

Prize Draw Event to Create a Flexible Organizational Culture



- Provided "LOTTE Box," a snack gift set that all employees could participate in, and held a prize draw event to celebrate Family Month
- Strengthened camaraderie among employees and fostered a culture of fairness and horizontal communication within the organization

Introduction of LOTTE E&C Clubs for Healthy Leisure Activities and Friendship



- Operated "Club Day," allowing employees to leave work one hour earlier than the regular closing time on the last Wednesday of every month to promote a positive organizational culture through greater understanding, trust, cooperation, and communication among employees

Family Travel Program for Employee Family-Friendliness



- Operated a one-night, two-day family experiential travel program during the off-season to refresh employees and improve work productivity
- Strengthened camaraderie through family-friendly activities and created an organizational culture that values work-life balance

Junior Board

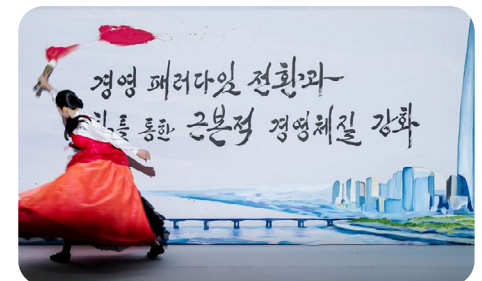
To establish a horizontal organizational culture, LOTTE E&C operates "Junior Board," a bottom-up communication channel that supports open communication between the CEO and young employees. Junior Board's fifth cohort, "LINC 5.0," which began activities in 2025, consists of 12 employees in their 20s and 30s, under the age of 35, from the headquarters and project sites. Selected through an open company-wide recruitment process, the members propose innovative ideas for company policies and overall management, driving change across the organization. Relevant departments actively collect opinions from the Junior Board to improve work processes and build consensus across generations, thereby spreading a horizontal culture within the organization.

Company-Wide Town Hall Meeting

Through the town hall meeting held in March 2026, LOTTE E&C presented a new vision for fundamental improvement of its management structure through "management rebuilding" and "organizational efficiency." The meeting served as an opportunity to directly communicate future management plans and mid- to long-term execution strategies to all employees and share management strategies. Beyond a simple strategy presentation, it became a forum for harmony where the Company's philosophy was shared with employees and the direction for moving forward together was aligned. Based on the core values of thorough review of current issues and strengthened safety- and compliance-centered management, LOTTE E&C will build a dynamic organizational culture in which all employees lead change and create a sustainable future together. In addition, by serving as a developer within the Group, the Company plans to maximize collaboration synergies across the Group, secure new growth engines, and reorganize its business portfolio by identifying high-value-added businesses to secure mid- to long-term future growth capabilities.



5th Junior Board Kick-Off Meeting

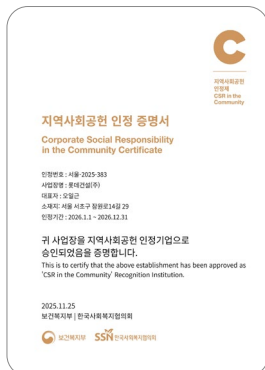


Company-Wide Town Hall Meeting

Community Engagement

Social Contribution Implementation System

Leveraging construction expertise, LOTTE E&C promotes voluntary employee participation and local social contribution activities through its Social Contribution Subcommittee under the Sustainable Management Committee. In January 2026, the CSV Team was newly established to advance ESG management via customized local win-win programs. In recognition, LOTTE E&C was approved for three consecutive years in the '2025 Corporate Social Responsibility in the Community Recognition Scheme' co-organized by the Ministry of Health and Welfare and the Korea Council on Social Welfare. Through the Charlotte Volunteer Corps, we conduct site-centered activities like improving residential facilities and providing daily necessities. Furthermore, to ensure donation transparency, large-scale donations are executed under internal regulations via Management Committee or Board resolutions.



2025 Community Contribution Certification

Social Contribution System

Principle

Growing Together with the Local Community as a Caring Company

LOTTE E&C selects social contribution themes that reflect the needs of local communities, leveraging the nature of its construction business and employees' expertise. The company encourages voluntary participation and aims to expand these initiatives.

Strategic Directions

Based on three core strategies, LOTTE E&C promotes a sharing-oriented management approach by implementing specific action plans.

Expansion of flagship CSR programs

Beneficiary-centered initiatives

Fostering a culture of voluntary employee engagement

Operational Foundation

Charlotte Volunteer Group

Since 2011, LOTTE E&C has operated "Charlotte Volunteer Group," a social contribution organization in which labor and management participate together. The Company carries out various activities for socially vulnerable groups, including facility improvements, education donations, and cultural experience support.

Matching Grant System

LOTTE E&C operates a matching grant system, in which the Company donates an equal amount in proportion to donations collected by employees. The donated funds are used for various activities of Charlotte Volunteer Group.

Key Activities

The Love House of Hopes and Dreams

Sharing Briquettes of Love (Seoul/Busan)

Volunteering with employees and their families (National Cemetery volunteering)

NGO Collaboration Program (Green Farm)

Regular activities by Charlotte Volunteer Group

Organization

Sustainable Management Committee / Social Contribution Subcommittee

Charlotte Volunteer Group organized by department/site

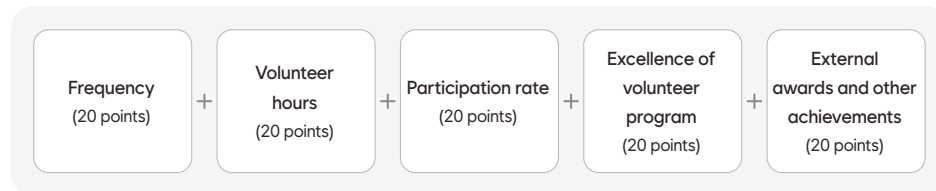
Social contribution network including partner NGOs

Community Engagement

Monitoring of Participation in Social Contribution Activities

Every year at the opening ceremony, LOTTE E&C's CEO personally recognizes outstanding volunteer groups to encourage voluntary participation in the Charlotte Volunteer Group. The Company has established its own volunteer group evaluation system and conducts evaluations of outstanding volunteer groups. Additional points are given to facility improvement volunteer activities linked to the characteristics of the construction industry, encouraging professional sharing activities that utilize LOTTE E&C's expertise. In addition, since 2011, the Company has operated a Matching Grant system to raise funds for social contribution. Under this system, when employees donate a certain amount from their salaries, the Company donates an equal amount. As of 2025, 61.6% of all employees participated in the program. The status of fund accumulation and expenditure is transparently disclosed through the Company intranet.

Volunteer Group Evaluation Items



2025 Recognition as a Community Contribution Company

LOTTE E&C was selected as a certified community contribution company for the third consecutive year in the 2025 Community Contribution Recognition Program. The Company demonstrated its capabilities by receiving approval for Type 1, the category with the highest number of evaluation indicators, through the gradual expansion of in-house social contribution activities and the establishment of an integrated management system. In addition, LOTTE E&C received the Grand Prize in the Social Welfare Category at the 14th Korea Social Contribution Awards in 2025, recognizing the Company's social roles and responsibilities as an exemplary company that has carried out social contribution activities for the socially vulnerable for eight consecutive years. Various social contribution activities received high recognition, including "Love House of Hopes and Dreams," a volunteer program to improve housing environments for underprivileged groups; "Briquettes of Love and Ramen Sharing" for energy-vulnerable groups; Hyunchoongwon cemetery cleaning volunteer activities involving employees' families; and the Green Farm volunteer program for emotional support. Going forward, LOTTE E&C will continue to strengthen community contribution activities for diverse groups and make ongoing efforts to establish itself as a trusted company that fulfills its social responsibilities.

LOTTE E&C Charlotte Volunteer Group

LOTTE E&C's Charlotte Volunteer Group is one of the Company's representative social contribution activities and has been operated for 14 years, beginning with 18 volunteer teams. The Corps mainly carries out talent donation activities to improve residential facilities by visiting underserved neighbors in local communities and replacing wallpaper and flooring. It also practices multifaceted sharing in areas that require hands-on support, including environmental cleanup, coal briquette support, and delivery services. In 2025, 55 volunteer teams, comprising a total of 524 participants, carried out 3,250 hours of volunteer activities and shared the joy of giving.

Charlotte Volunteer Group History



Green Farm Volunteer Program

Community Engagement

LOTTE E&C Charlotte Volunteer Group

The Love House of Hopes and Dreams

Since 2012, LOTTE E&C has continued 'The Love House of Hopes and Dreams' activities, which involve renovating old buildings and providing home appliances and daily necessities for local children's centers and other facilities. In February 2026, we completed facility improvements for a total of 99 units, helping stabilize housing in local communities. Over the past year, we contributed to improving local living environments by delivering total donations reaching KRW 96 million through 'The Love House of Hopes and Dreams' activities in the Seoul, Incheon, Gyeongnam, and Gwangju regions. In 2025, damage recovery activities were conducted for two local children's centers in Hapcheon and Sancheong-gun, Gyeongsangnam-do, which were affected by torrential rains. Additionally, at the 98th and 99th 'The Love House of Hopes and Dreams' sites—two local children's centers in Gyeyang-gu, Incheon—we carried out electrical and hot-water floor panel installations as well as floor mat re-installations, resolving safety and health issues caused by deteriorated facilities while promoting mutual growth with local communities.

Sharing Briquettes of Love

Since 2011, LOTTE E&C has carried out "Sharing Briquettes of Love," an employee volunteer activity held every winter for energy-vulnerable groups in Seoul and Busan. In 2025, the Company shared warmth by delivering 80,000 coal briquettes and 2,000 boxes of ramen to local communities in Seoul and Busan. Over the past 14 years, LOTTE E&C has donated a total of 860,000 coal briquettes, including 440,000 in Seoul and 421,500 in Busan. In addition, the Company has provided more than 20,000 boxes of ramen to neighbors in need, delivering practical support to local communities.

2025 Charlotte Volunteer Group Performance

Restoration Activities for Damage Caused by Heavy Rainfall

Repaired flood-damaged facilities, including urethane panels, wallpaper and flooring, kitchen facilities, and restaurant sinks



Creation of a safe and pleasant environment for community-based facilities



Green Farm Volunteer Program

14-Year Cumulative Performance

Coal briquettes donated in Seoul

440,000 briquettes

Coal briquettes donated in Busan

421,500 briquettes



Total **860,000** briquettes

Support for energy-vulnerable groups and improvement of daily living convenience

Total ramen donated

Total ramen donated **20,000** boxes

Support for meal security and food access for vulnerable groups



Sharing Briquettes of Love

Community Engagement

LOTTE E&C Charlotte Volunteer Group



Green Farm Volunteer Program

Employee-Participatory Green Farm Volunteer Program

LOTTE E&C operated "Green Farm," an eco-friendly garden program in Gaehwa-dong, Gangseo-gu, Seoul, to support the health recovery of vulnerable groups and strengthen local communities. This program was promoted using funds raised through the employee-participatory environmental campaign "Planting Seeds for Carbon Reduction," which was implemented in 2023, and has been carried out for two consecutive years. A total of 83 employees and their families participated in this activity, and the harvested produce was delivered to underprivileged groups through local social welfare centers. In addition, the Company enhanced participant satisfaction by offering various programs, including healing agriculture education and air-purifying plant planting

Sharing Warmth for Winter

LOTTE E&C continues to carry out site-centered mutual growth activities by communicating closely with local communities through its project sites nationwide. In 2026, the Company donated funds for the "Sharing Warmth for Winter" campaign to the Samseon-dong Community Service Center through the Samseon District 5 Redevelopment Project site, supporting winter living stability for neighbors vulnerable to cold weather. Through this contribution, LOTTE E&C carefully addressed the difficulties faced by nearby residents and delivered practical support. Going forward, the Company will continue to stay connected with local communities through each project site and share warm energy with neighbors' lives.



Donation Support for the 'Warm Winter' Campaign

Hyunchoongwon Cemetery Cleaning Volunteer Activities

Since signing a sisterhood partnership with the Seoul National Cemetery in 2013, LOTTE E&C has conducted regular volunteer activities a total of 19 times to date. A cumulative total of 1,219 employees and their families (78 in 2025) have participated, carrying out grave site maintenance and floral offering activities. In particular, on the occasion of the 70th Memorial Day last year, following a tribute to honor the noble sacrifices of patriotic martyrs and fallen heroes, volunteers conducted grave site maintenance activities such as weeding, cleaning gravestones, and moving stone flower vases. Furthermore, employees personally wrote encouragement cards for families of national merit recipients and packed groceries to be delivered to each household.



Packing Donated Goods for Families of Persons of National Merit



Hyunchoongwon Cemetery Cleaning Volunteer Activities

Customer Communication Activities and Satisfaction

Strengthening SNS-Based Communication

LOTTE E&C is strengthening communication with MZ generations through its official YouTube channel, "OK LOTTE Castle," and leading changes in digital communication within the construction industry. The Company expands customer touchpoints through various genres, including real estate, economic information, and entertainment content, while naturally delivering brand messages through trend-responsive content. In addition, LOTTE E&C operates the channel based on a content structure that connects brand values, products, and customer experience into one seamless flow, enabling two-way communication. Going forward, the Company will continue to expand customer communication based on brand values and grow into a trusted brand.



OK LOTTE Castle YouTube Live Viewing Event

Grand Prize in the Construction & Apartment Brand Category at the Korea Communication Awards

As a result of advancing digital communication platforms for genuine communication with customers and stakeholders, LOTTE E&C's official YouTube channel, "OK LOTTE Castle," won the Grand Prize in the Construction/Apartment Brand Category at the 18th Korea Communication Awards. This marks the second consecutive year of receiving the award following last year, serving as official recognition of the company's efforts to maintain continuous and trustworthy digital communication with external stakeholders beyond merely reacting to short-term trends. Organized by the Korea Internet Communication Association (KICOA) and sponsored by the Ministry of Trade, Industry and Energy and the National Assembly, this awards program comprehensively evaluates communication indices, content competitiveness indices, VOC (Voice of Customer) convergence, and operational capability. By receiving the grand prize—the highest honor in the construction and apartment sector—LOTTE E&C has proven its differentiated brand value, establishing itself as a role model for 'sustained and trustworthy communication.



The 18th Korea Communication Awards

Grand Prize Winner in Korea Service Awards' Apartment Category

LOTTE E&C received the Grand Prize in the apartment category at the 2025 Korea Service Grand Prix for the 24th consecutive year for LOTTE Castle. This award recognizes the Company's continuous efforts to innovate its products and services so that customers can enjoy a high-quality residential culture in their daily lives, in response to rapidly changing housing trends and increasingly sophisticated customer needs. Going forward, LOTTE E&C will continue to go beyond apartment buildings by providing living spaces that bring deeper inspiration to customers' lives, while doing its utmost to create sustainable residential environments and deliver the best customer experience.



Grand prize winner, 2025 Korea Service Awards

Customer Communication Activities and Satisfaction

Customer-Participatory ESG Activities

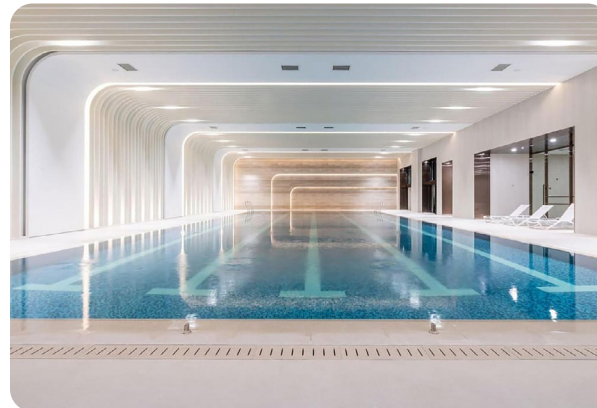
LOTTE E&C created the "EARTH SAVER" series, an ESG-themed play space in the Wonju LOTTE Castle Signature complex, enabling residents to naturally experience ESG values in their daily lives. The Company designed a space where play and education coexist by incorporating recycling, endangered animals, and QR codes for learning about climate change into motif-based play facilities. This space is used as a symbolic experience zone where customers can recognize and practice the importance of environmental protection. Its value was recognized when it was selected as a winner in the Space and Architecture category at the ASIA DESIGN PRIZE 2026.



"EARTH SAVER" at Wonju LOTTE Castle Signature

Innovation of Customer Experience-Centered Community Spaces

LOTTE E&C is transforming community facilities within residential spaces from simple convenience facilities into "experience spaces" that organically connect customers' daily lives and culture. Through community strategies that reflect diverse lifestyles based on harmony between nature and everyday life, the Company carefully plans individual spaces such as swimming pools, fitness centers, and lounges, and expands them into complex cultural experience spaces. In particular, Cheongdam Le El's indoor swimming pool, differentiated spaces, emotional design, Sinbando Le El's natural-friendly design, and Jamsil Le El's artistic staircase lounge are representative examples that go beyond functional convenience to realize design value at the same time. LOTTE E&C continues to expand and apply this experience-centered spatial design strategy according to the characteristics of each complex. Through these efforts, the Company is enhancing customer satisfaction and strengthening the competitiveness of premium residential products by promoting exchanges among residents and creating a community-based residential culture.



Cheongdam LEEL Indoor Swimming Pool

Innovation of Customer-Centered Design

Moving away from the uniformity of conventional housing exhibition halls that repeated new construction and demolition, LOTTE E&C built "Le El Gallery," Korea's first floating water-based architectural structure, and has been promoting its long-term use for more than ten years. The facility not only creates a sustainable exhibition space by integrating various eco-friendly technologies, including solar power, wind power, and hydro-thermal energy, but has also been recognized for its architectural aesthetics, winning the 2026 iF Design Award, one of the world's three major design awards. Going forward, LOTTE E&C will continue to enhance customers' residential value in everyday life through solutions that combine design and innovative technologies, while strengthening the competitiveness of its sustainable brand.



2026 iF Design Award Winner



ESG DATA PACK

126 Financial Data

128 Environmental Data

134 Social Data

144 Governance Data

Financial Data

Consolidated Financial Statements

Category		Unit	2023	2024	2025
Revenue		KRW million	6,811,105	7,863,238	7,909,901
Operating income		KRW million	259,509	169,540	105,432
Net income (Net loss)		KRW million	55,363	56,795	11,421
Earnings per share		KRW	1,659	1,703	356
Current assets		KRW million	6,197,736	5,325,503	5,315,240
Non-current assets		KRW million	2,659,495	3,119,785	3,748,705
Total assets	Total	KRW million	8,857,231	8,445,287	9,063,945
Current liabilities		KRW million	5,101,429	4,757,872	4,429,449
Non-current liabilities		KRW million	1,114,301	834,627	1,473,128
Total liabilities	Total	KRW million	6,215,730	5,592,499	5,902,577
Capital		KRW million	207,193	207,193	207,193
Other contributed equity		KRW million	961,628	961,628	1,305,027
Retained earnings		KRW million	1,361,466	1,440,540	1,447,553
Total Capital	Total	KRW million	2,641,500	2,852,789	3,161,368
Total liabilities and capital		KRW million	8,857,231	8,445,287	9,063,945

Separate Financial Statements

Category		Unit	2023	2024	2025
Revenue		KRW million	6,800,560	7,862,299	7,906,682
Operating income		KRW million	272,266	177,066	103,624
Net income (Net loss)		KRW million	60,469	23,809	26,115
Earnings per share		KRW	1,796	707	776
Current assets		KRW million	5,988,797	5,106,697	5,149,724
Non-current assets		KRW million	2,820,194	3,226,608	3,836,270
Total assets	Total	KRW million	8,808,991	8,333,306	8,985,994
Current liabilities		KRW million	5,092,551	4,742,814	4,410,811
Non-current liabilities		KRW million	1,112,944	833,295	1,471,839
Total liabilities	Total	KRW million	6,205,495	5,576,109	5,882,650
Capital		KRW million	207,193	207,193	207,193
Other contributed equity		KRW million	961,628	961,628	1,305,027
Retained earnings		KRW million	1,379,117	1,416,179	1,437,312
Total Capital	Total	KRW million	2,603,496	2,757,196	3,103,345
Total liabilities and capital	Total	KRW million	8,808,991	8,333,306	8,985,994

Financial Data

Creation of Economic Values

Category	Unit	2023	2024	2025
Employee salaries ¹⁾	KRW million	418,842	483,727	507,818
Welfare expenses	KRW million	117,698	135,826	153,151
Employee retirement benefits	KRW million	16,898	18,494	30,966
Costs Paid to Outsourcing Partners ²⁾	KRW million	3,472,552	4,465,130	4,202,764
Costs Paid to Material Partners ²⁾	KRW million	1,444,338	1,693,769	1,679,701
Purchase Ratio Paid to All Partners ²⁾	%	100	100	100
Voluntary Contributions and Financial Investments in the Local Community ³⁾	KRW million	3,706	3,378	4,033

1) Calculation basis: Excluding CM, Including Retirement Allowance Provision.

2) Calculation basis: The cost of purchases made by LOTTE E&C's domestic headquarters to local domestic companies based on domestic business sites.

3) Calculation Basis: Business report / donations + matching grant employee donations + receipt amount

Responsible Consumption Product Strategy and Sales

Category	Unit	2023	2024	2025
Sales of Sustainable Products ¹⁾	KRW million	1,502,415	1,597,861	1,256,447

1) Calculation basis: Referred to K-Taxonomy Standards.

Research and Development

Category		Unit	2023	2024	2025
Patent registrations		Cases	8	12	13
Technology development service expenses		KRW million	26,780	28,148	30,676
Exclusive technology development expenses		KRW million	8,005	8,998	9,712
Total R&D investment	Total	KRW million	34,785	37,146	40,388
Green R&D Investment Amount ²⁾		KRW 10,000	32,596	17,669	323,567
Green R&D Investment Target ³⁾		KRW 10,000	80,000	90,000	100,000

1) For details on patents acquired in 2025, refer to Business Report 7. Other Matters – A. Status of Intellectual Property Rights.

2) Calculation Basis: Green Project Research Funds of the Technology Research Institute.

3) Eco-friendly R&D investment target: KRW 110 million in 2026 and KRW 120 million in 2027.

Environmental Data

Environmental Management Certifications and Verifications

Category	Unit	2023	2024	2025
Number of active projects currently undergoing the certification process for a third-party multi-attribute sustainability standard ¹⁾	Projects	1	1	1
Percentage of Environmental management Systems (ISO 14001) certified worksites (domestic)	%	100	100	100
Number of accumulated green building certification projects	Projects	132	141	160 ²⁾

1) Calculation Basis: Environmental certification (Environmental Management System): Annual renewal of ISO 14001 certification.

2) Calculation Basis: A total of 19 projects obtained Green Building Certification in 2025. (13 residential, 6 commercial/building) + 141 cumulative projects as of 2024.

Green Procurement Status

Category		Unit	2023	2024	2025
Purchases of Eco-Friendly Certified Products	Total	KRW million	67,125	74,113	87,311
	HB Mark	KRW million	7,916	5,849	4,797
	ECO Mark	KRW million	34,449	35,834	51,402
	High-efficiency energy equipment	KRW million	3,792	4,374	4,260
	GR Mark	KRW million	1,475	1,951	4,239
	Energy Efficiency Rating 1, 2	KRW million	19,493	25,606	22,617
	Saving energy	KRW million	0	499	0

Environmental Compliance¹⁾

Category		Unit	2023	2024	2025
Fines related to the environment or ecology due		KRW	0	0	0
Non-monetary sanctions related to the environment or ecology due to non-compliance with environmental laws and regulations		Cases	0	0	0
Disclosure of details on violations of environmental laws and regulations	Incidents raised through dispute resolution mechanisms	Cases	0	0	0
Number of compliance violations related to environmental permits, standards, and regulations		Cases	0	0	0

1) Calculation basis: Corporate dispositions (No violations of regulations under the company's name).

Employee Environmental Management Training Performance

Category	Unit	2023	2024	2025
Number of participants in environmental training	Persons	115	117	101
Environmental training hours	Hours	345	351	303
Environmental training hours per person	Hours	3	3	3

Environmental Data

Greenhouse Gas Emissions

Category		Unit	2023	2024	2025
GHG emissions	Total	tCO ₂ eq	47,442	53,693	53,178
	Direct GHG (Scope 1) emissions	tCO ₂ eq	7,857	10,844	8,251
	Stationary emissions	tCO ₂ eq	6,314	8,476	6,608
	Mobile emissions	tCO ₂ eq	1,543	2,368	1,643
	Indirect GHG (Scope 2) emissions	tCO ₂ eq	39,585	42,849	44,928
	Electricity	tCO ₂ eq	39,138	42,353	43,900
	Heat (Steam)	tCO ₂ eq	447	497	1,028
GHG emissions intensity ¹⁾		tCO ₂ eq/ KRW billion	6.98	6.83	6.73
Total reduction of GHG emissions	Total	tCO ₂ eq	2,629	3,364	2,728
	(relative to the base year)Direct GHG (Scope 1) emission reductions achieved as a direct result of implementing GHG reduction plans and activities ²⁾	tCO ₂ eq	2,629	3,364	2,724
	Indirect GHG (Scope 2) emission reductions achieved as a direct result of implementing GHG reduction plans and activities ³⁾	tCO ₂ eq	0	0	4
	Percentage of business sites disclosing GHG emissions data	%	100	100	100
Base Year Emissions Information		tCO ₂ eq	48,698	48,698	48,698
GHG Emissions Reduction Target Rate		%	96	104	119
Progress Toward GHG Reduction Target		%	85	119	87

1) Calculation basis: Greenhouse gas emissions relative to separate financial statement revenue for the year.

2) Calculation basis: GHG reduction from fuel replacement in concrete curing.

3) Calculation basis: GHG reduction from replacing headquarters building lighting with LEDs.

Scope 3 Emissions

Category		Unit	2023	2024	2025
Other indirect GHG (Scope 3) emissions	Total	tCO ₂ eq	2,171,066	3,267,176	4,169,265
	Category 1: Purchased goods and services	tCO ₂ eq	1,169,373	1,505,851	1,632,768
Upstream	Category 2: Capital goods	tCO ₂ eq	-	14	0.2
	Category 4: Upstream transportation and distribution	tCO ₂ eq	28,556	38,394	44,378
Downstream	Category 6: Business travel	tCO ₂ eq	-	212	176
	Category 11: Use of sold products	tCO ₂ eq	949,847	1,712,879	2,429,026
	Category 12: End-of-life treatment of sold products	tCO ₂ eq	23,290	9,826	62,917

Environmental Data

Monitoring Organizational Internal and External Energy Use¹⁾²⁾

Category		Unit	2023	2024	2025
Total energy usage	Total	TJ	944.411	1,057.64	1,059.67
Energy usage base unit		TJ/KRW billion	0.14	0.14	0.13
Base unit change rate		%	(10.63)	(3.13)	(0.37)
Renewable energy		TJ	0	0	0.08
Total internal non-renewable energy usage	Total	TJ	944.411	1,057.64	1,059.67
Total internal renewable energy usage		TJ	0	0	0.08
Total indirect energy consumption	Total	TJ	825.33	893.34	934.57
	Electricity	TJ	817.84	885.02	917.34
	Steam	TJ	7.49	8.32	17.22
	Heating	TJ	Heating and cooling: Not classified	Heating and cooling: Not classified	Heating and cooling: Not classified
	Cooling	TJ	Heating and cooling: Not classified	Heating and cooling: Not classified	Heating and cooling: Not classified
Non-renewable energy consumption by fuel type	Total	TJ	119.07	164.30	125.11
	LNG (City gas)	TJ	12.87	16.85	11.15
	Brown coal	TJ	0	0	0
	Kerosene	TJ	83.50	113.00	89.79
	Diesel	TJ	18.01	25.19	9.86
	Gasoline	TJ	4.51	9.06	13.93
	LPG (Vehicle)	TJ	0.06	0.13	0.38
	LPG (Liquefied petroleum gas)	TJ	0.12	0.07	0.00
Total energy consumption cost		KRW 100 million	215.10	226.99	233.99
Internal energy intensity of the organization		TJ/KRW billion	0.14	0.13	0.13
External energy intensity of the organization		TJ/KRW billion	0	0	0
Energy reductions	Energy savings achieved as a direct result of conservation or efficiency improvement plans and activities implemented over the past three years	TJ	0	0	0.08
	Reduction in energy requirements of products and services sold during the reporting period	TJ	0	0	0

1) Calculation scope: Sum of emissions from LOTTE E&C headquarters and project sites, excluding the organizational boundary of the Target Management System.

2) Calculation Basis: Separate revenue for the corresponding year

Environmental Data

Monitoring of Waste Generation¹⁾²⁾

Category		Unit	2023	2024	2025
Waste generation	Total	ton	578,386	397,619	402,855
Base unit waste generation		ton/ KRW billion	84.92	50.57	50.93
Base unit change rate		%	(19.83)	(40.45)	0.7
Total amount of hazardous waste recovered	Total	ton	0	0	0
Total amount of nonhazardous waste recovered	Total	ton	578,154	397,393	402,570
	Recycled ³⁾	ton	578,154	397,393	402,570
Total amount of nonhazardous waste disposed	Total	ton	232	226	285
	Incinerated (energy recovered)	ton	225	127	16
	Incinerated (energy not recovered)	ton	0	0	0
	Landfilled	ton	7	99	269
	Other disposal operations	ton	0	0	0
	Recycled / Reuse	ton	0	0	0
Total amount of hazardous waste disposed	Incineration	ton	0	0	0
	Landfill	ton	0	0	0
	Other disposal operations	ton	0	0	0
Percentage of worksites disclosing waste generation data		%	100	100	100

1) Scope of calculation: Domestic business establishments.

2) Calculation basis: Separate annual sales for the given year.

3) Calculation basis: In accordance with the Construction Waste Recycling Promotion Act.

Waste Generation by Type

Category	Unit	2023	2024	2025
Waste concrete	ton	403,682	130,204	137,183
Mixed construction waste	ton	95,970	162,085	152,170
Construction waste soil	ton	38,296	64,801	50,164
Waste asphalt concrete	ton	5,856	8,537	16,453
Waste wood	ton	8,726	15,297	14,756
Waste synthetic resins	ton	8,336	9,534	9,706
Construction sludge	ton	16,363	5,473	21,450
Waste boards	ton	1,053	1145	855
Waste glass	ton	0	0	45
Other waste	ton	7	60	72
Textile waste	ton	0	49	0
Brick waste	ton	45	433	0

Environmental Data

Monitoring of Non-Recyclable/Recyclable Raw Material Usage and Recycling Volumes

Category			Unit	2023	2024	2025
Percentage of recycled (recycled and reused) raw materials ¹⁾²⁾	Recycled (recycled and reused) raw materials used in the entire business		%	2.0	2.9 ⁴⁾	2.0
Non-renewable raw materials	Remicon	Volume	m ³	2,432,315	3,158,228	3,624,151
	Cement	Weight	ton	37,970	67,060	83,762
	Aggregate	Volume	m ³	170,745	310,278	397,694
	Asphalt concrete	Weight	ton	34,843	139,032	73,894
	Sand	Volume	m ³	12,900	99,008	113,683
	Rebar	Weight	ton	233,784	277,354	304,618
	Gypsum board	Number	Boards	2,304,480	6,353,400	4,469,265
	Recycled aggregate ³⁾	Volume	m ³	3,546	10,391	8,511
	Recycled sand	Volume	m ³	-	1,987	1,826

1) Scope of calculation: Includes activities at overseas business sites.

2) Calculation basis: (Recycled aggregate+Recycled sand)/(Recycled aggregate+Recycled sand+Aggregate+Sand)*100

3) Calculation basis: Aggregates treated physically or chemically from construction waste to meet the quality standards in Article 35 of the Construction Waste Recycling Promotion Act.

4) Beginning in 2024, the calculation of the recycled material ratio will incorporate data on recycled sand.

Water Intake¹⁾

Category		Unit	2023	2024	2025
Water intake from all worksites	Total	ton	558,596	642,851	629,534
Water intake (consumption) by water source	Surface water	ton	0	0	0
	Groundwater	ton	140,910	135,905	126,741
	Seawater	ton	0	0	0
	Produced water	ton	0	0	0
	municipal water)				
	From third parties	ton	417,686	506,946	502,793
	Fresh water	ton	0	0	0
	Other water	ton	0	0	0

1) Scope of calculation: For domestic operations.

Water Consumption Monitoring¹⁾

Category		Unit	2023	2024	2025
Total water usage	Total	ton	558,596	642,851	629,534
	Surface water	ton	0	0	0
	Groundwater	ton	140,910	135,905	126,741
	Seawater	ton	0	0	0
	Produced water	ton	0	0	0
	Third-party Water	ton	417,686	506,946	502,793
Total water usage in water-stressed areas ²⁾	Total	ton	558,596	642,851	629,534
Water Recycled and Reuse		ton	0	0	0

1) Scope of calculation: For domestic operations.

2) For domestic operations, all regions are classified as water-stressed areas.

Environmental Data

Wastewater Discharge¹⁾

Category	Unit	2023	2024	2025
Amount of wastewater discharge Total	m ³	-	-	-

1) No wastewater discharge under the Company's responsibility.

Pollutant Emissions Status

Category	Unit	2023	2024	2025
NOx emissions ¹⁾	ton	0	0	0
SOx emissions ¹⁾	ton	0	0	0
Volatile organic compounds (VOC) emissions ¹⁾	ton	0	0	0
Particulate matter (PM) emissions ¹⁾	ton	0	0	0
Total organic carbon (TOC) emissions ²⁾	ton	0	0	0
Biochemical oxygen demand (BOD) emissions ²⁾	ton	0	0	0
Suspended solids (SS) emissions ²⁾	ton	0	0	0
Hazardous chemical substance emissions ³⁾	ton	0	0	0

1) For the construction industry, legal air pollutant discharge facilities are not applicable (fugitive dust does not fall under air pollutant discharge facilities)

2) No wastewater treatment plant under the company's name

3) Not applicable to the construction industry

Biodiversity Impact Assessment and Analysis

Category	Unit	2023	2024	2025
Number of sites conducting biodiversity impact assessments	ea	-	6	12
Area where biodiversity impact assessments were conducted ²⁾	ha(hectares)	-	4,712,400	9,424,800

1) Biodiversity impact assessment at LOTTE E&C's headquarters level was calculated using the LEAP (Locate, Evaluate, Assess, Prepare) approach for domestic construction sites under completion in 2025, comprehensively considering interfaces with ecosystems and sensitive locations.

2) As a circular buffer with a radius of 50 km is applied to each business site, an identical impact area is generated: $A=\pi \times r^2=3.1416 \times 50 \text{ km}^2=7,854 \text{ km}^2=785,400 \text{ ha}$. In 2025, an analysis was conducted for 12 business sites, resulting in $785,400(\text{ha}) \times 12=9,424,800(\text{ha})$. However, this is a simple sum of the buffer areas of each business site and does not account for double-counting from overlapping areas.

Social Data

Employees Status

Category		Unit	2023	2024	2025
Number of employees	Total	persons	4,031	3,967	3,743
	Under 30	persons	405	330	382
	30–50	persons	2,769	2,799	2,639
	Over 50	persons	857	838	722
	Female	persons	437	441	436
	Male	persons	3,594	3,526	3,307
	Domestic	regular	2,703	2,697	2,679
		contract	999	1,089	1,012
	Overseas	regular	161	109	42
		contract	168	72	10
Ratio of Employees	Female	%	10.8	11.1	11.6
	Male	%	89.2	88.9	88.4
Employee headcount by employment type and gender	Female	regular	308	303	296
		contract	129	138	140
	Male	regular	2,556	2,503	2,425
		contract	1,038	1,023	882
Employment type and number of employees by country ¹⁾²⁾	South Korea	Total	3,702	3,786	3,691
		regular	2,703	2,697	2,679
		contract	999	1,089	1,012
	Indonesia	regular	107	69	12
		contract	166	71	10
	Vietnam	regular	38	27	15
		contract	2	0	0
	Japan	regular	1	1	1
		contract	0	0	0

Category			Unit	2023	2024	2025
Employment type and number of employees by country ¹⁾²⁾	China	regular	persons	3	0	0
		contract	persons	0	0	0
	Pakistan	regular	persons	1	0	0
		contract	persons	0	0	0
	Singapore	regular	persons	6	5	6
		contract	persons	0	1	0
	Philippines	regular	persons	5	7	8
		contract	persons	0	0	0
Number of senior executives hired locally in key worksites	Domestic		persons	59	51	44
	Overseas		persons	0	0	0
Percentage of local senior managers in key worksites	Domestic ³⁾		%	100	100	100
	Overseas		%	0	0	0
Total Number of Senior Managers at Overseas Operations	M Grade or above					
		persons	135	96	38	
Number of Local Senior Managers			persons	0	0	0

1) Calculation basis: Number of employees working in the respective country.

2) Calculation basis: LOTTE E&C classifies employees only as regular or non-regular, and does not apply employment types such as full-time, part-time, or temporary.

3) Calculation basis: Based on Subsection A, “Executive Status,” under Section VIII of the business report titled “Matters Related to Executives and Employees.”

Social Data

Employee Recruitment Status

Category		Unit	2023 ¹⁾	2024 ¹⁾	2025 ²⁾
Total number of new workers	Total	persons	236	96	178
Number of new hires	Under 30	persons	70	36	75
Percentage of new hires		%	29.7	37.5	42.1
Number of new hires	30~50	persons	165	59	96
Percentage of new hire		%	69.9	61.5	53.9
Number of new hires	Over 50	persons	1	1	7
Percentage of new hire		%	0.4	1	3.9
Number of new hires	Female	persons	39	14	26
Percentage of new hire		%	16.5	14.6	14.6
Number of new hires	Male	persons	197	82	152
Percentage of new hire		%	83.5	85.4	85.4
Number of new hires	Domestic	persons	232	95	178
Percentage of new hire		%	98.3	99	100
Number of new hires	Overseas	persons	4	1	0
Percentage of new hire		%	1.7	1	0

1) Calculation basis: Number of newly hired regular employees in the relevant year.

2) Change in Calculation Basis: Regular employees (excluding permanent contract) + Permanent contract employees + Fixed-term contract employees (excluding temporary/part-time workers, excluding re-hired project/specialized personnel on fixed-term contracts)

Employee Turnover

Category		Unit	2023	2024	2025
Total number of employee turnover ¹⁾	Total	persons	98	83	46
Number of employee turnover	Under 30	persons	14	21	13
Ratio of employee turnover		%	14.3	25.3	28.3
Number of employee turnover	30~50	persons	78	61	32
Ratio of employee turnover		%	79.6	73.5	69.6
Number of employee turnover	Over 50	persons	6	1	1
Ratio of employee turnover		%	6.1	1.2	2.2
Number of employee turnover	Female	persons	16	16	9
Ratio of employee turnover		%	16.3	19.3	19.6
Number of employee turnover	Male	persons	82	67	37
Ratio of employee turnover		%	83.7	80.7	80.4
Number of employee turnover	Domestic	persons	93	83	46
Ratio of employee turnover		%	94.9	100	100
Number of employee turnover	Overseas	persons	5	0	0
Ratio of employee turnover		%	5.1	0	0
Number of Voluntary Turnovers		persons	98	83	46
Ratio of employee turnover		%	5.37	4.56	1.7

1) Calculation Basis: Excluding contract workers (fixed-term, permanent, project-based/specialized personnel, etc.), executives, and registered executives such as advisors and consultants

Social Data

Employee Salary

Category			Unit	2023	2024	2025
Ratio of entry-level employee wages to local statutory minimum wage ¹⁾	New hires working at the organ	Male	%	181	188	188
		Female	%	181	188	188
Ratio of basic salary of female to male employees ²⁾	Major business sites		%	100	100	100
Ratio of basic salary of female to male executives ³⁾			%	100	100	100
Average Annual Salary per Employee	Total		KRW million	89	93	96
	Female		KRW million	61	71	74
	Male		KRW million	92	96	98

1) Calculation Basis: Percentage of starting basic salary for new employees in the corresponding year compared to the statutory minimum wage, based on the starting salary table for new employees at major operating sites (domestic sites)

2) Calculation Basis: Comparison of basic salary within the same job grade

3) Calculation Basis: Comparison of monthly remuneration within the same job grade

Parental Leave Utilization

Category		Unit	2023	2024	2025
Number of employees taking parental leave	Total	persons	54	36	31
	Female	persons	3	3	3
	Male	persons	51	33	28
Number of employees returning to work after parental leave	Total	persons	70	38	101
	Female	persons	3	4	27
	Male	persons	67	34	74
Number of employees who returned to work after parental leave and continued to work for a year	Female	persons	6	3	17
	Male	persons	55	24	69
Return-to-work rate after parental leave	Total	%	97.1	94.7	82.7
	Female	%	96.2	75.0	89.5
	Male	%	87.3	97.1	81.2
Retention rate after parental leave	Total	%	89.5	71.1	82.7
Number of employees taking maternity leave	Total	persons	12	17	17
Number of Employees Eligible for Parental Leave	Female	persons	80	58	57
	Male	persons	1,290	1,084	1,013

Social Data

Employee Diversity

Category		Unit	2023	2024	2025
Percentage of female among all employees		%	10.8	11.1	11.6
Percentage of male among all employees		%	89.2	88.9	88.4
Employee composition ratio	Under 30	%	10.0	8.3	10.2
	30~50	%	68.7	70.6	70.5
	Over 50	%	21.3	21.1	19.3
	Regular	%	71.0	70.7	72.7
	Contract	%	29.0	29.3	27.3
Number of managers ¹⁾	Total	persons	1,980	1,983	1,977
	Female	persons	81	90	95
Number of females in managerial positions		%	2.0	2.3	2.5
Percentage of female in managerial positions		persons	1	1	1
Percentage of female executives		%	2.3	2.1	2.2
Number of employees with disabilities ²⁾		persons	155	155	141
Percentage of employees with disabilities		%	3.8	3.9	3.8
Number of national veteran employees		persons	55	57	55
Percentage of national veteran employees		%	1.4	1.4	1.5

1) Calculation Basis: Management positions according to internal management standards (M grade or higher, including executives)

2) Calculation Basis: Calculated based on the reported number of mandatory employment of persons with disabilities

Defined Benefit Pension Plans and Other Retiree Pension Plans

Category		Unit	2023	2024	2025
Number of registered members by type (DB) ¹⁾		persons	3,160	3,792	3,555
Number of registered members by type (DC)		persons	141	175	188
Number of registered members by type (DB + DC)		persons	3,301	3,967	3,743
Report on the Estimated Pension Liabilities	In cases where pension liabilities can be covered by the organization's general resources ²⁾	KRW million	301,805	304,962	262,032

1) Calculation Basis: Including employees with less than 1 year of service

2) Calculation Basis: Excluding amounts for employees with less than 1 year of service (employees with less than 1 year of service are excluded as they are added to the list of participants starting January 1st following the completion of one full year of employment)

Average Years of Service

Category		Unit	2023	2024	2025
Average years of service of employees	Total	Year	11.3	11.6	9.5
	Female	Year	5.9	6.7	5.7
	Male	Year	11.9	12.2	10.0
Regular Employees (excluding permanent contract employees)	Female	Total years of service	1,795	2,007	1,711
	Male	Total years of service	30,075	25,090	31,277

Social Data

Employee Education

Category		Unit	2023	2024	2025
Average education hours per employee ¹⁾	Total	Hours	123	122	122
	Female	Hours	126	127	127
	Male	Hours	122	122	121
	Above M grade	Hours	122	121	117
	Below M grade	Hours	124	125	136
	Disabilities	Hours	115	108	117
	Foreigner	Hours	122	115	112
	Under 30	Hours	123	125	125
	30~50	Hours	127	125	127
	Over 50	Hours	107	106	100
Education investment cost per employee		KRW	1,078,853	1,039,637	1,125,261
Total Education cost	Female	KRW million	457	446	415
	Male	KRW million	3,757	3,567	3,596
	Under 30	KRW million	423	334	303
	30~50	KRW million	2,895	2,831	2,830
	Over 50	KRW million	896	848	879
Number of participants in annual education courses		Persons	3,906	3,860	3,565
Total employee education hours	Female	Hours(h)	55,062	56,007	55,372
	Male	Hours(h)	438,468	430,172	400,147
	Under 30	Hours(h)	49,815	41,250	47,750
	30~50	Hours(h)	351,663	349,875	335,153
	Over 50	Hours(h)	91,699	88,828	72,200

1) Average training hours are calculated based only on regular employees.

Employee Performance Management¹⁾

Category		Unit	2023	2024	2025
Regular performance management	Percentage of employees subject to regular performance evaluations	%	100	100	100
	Percentage of employees subject to comparative analysis evaluations	%	100	100	100
Number of employees who participated in regular performance management	Female	Persons	308	303	296
	Male	Persons	2,556	2,503	2,425

1) Calculation Scope: Regular employees (executives + advisors/consultants + employees (general clerical specialists, headquarters contract workers, permanent staff))

Human Rights Risk Management

Category		Unit	2023	2024	2025
Total number of discrimination cases		Cases	0	0	0
Number of corrective actions taken for discrimination cases		Cases	0	0	0
Total number of major investment agreements and contracts that include human rights clauses or human rights screening		Cases	0	0	0
Ratio of major investment agreements and contracts that include human rights clauses or human rights screening		%	0	0	0

Social Data

Human Rights Impact Assessment and Monitoring¹⁾

Category	Unit	2023	2024	2025
Number of worksites subject to human rights impact assessment or review	Sites	12	14	13
Percentage of worksites that have undergone human rights impact assessment or review in the past 3 years	%	13.2	16.1	13.4

1) Calculation Scope: Conducted at the headquarters level for relevant departments for each human rights risk assessment item

Employee Human Rights Training

Category		Unit	2023	2024	2025
Employee training on human rights policies	Training hours	Hours	7,734	7,656	7,490
Human rights training completers	Sexual harassment prevention training	Persons	3,867	3,828	3,795
	Disability awareness training	Persons	3,867	3,828	3,795

Human Rights Grievance Handling Status¹⁾

Category	Unit	2023	2024	2025
Number of human rights grievances received from stakeholders	Cases	0	0	0
Number of resolved human rights grievances from stakeholders	Cases	0	0	0
Percentage of resolved human rights grievances from stakeholders	%	0	0	0
Number of discrimination and harassment cases	Cases	0	0	0
Number of serious human rights issues and incidents related to executives and employees	Cases	0	0	0
Number of Grievances Received Through Grievance Mechanisms	Cases	21	21	21
Number of grievances resolved out of total grievances received through grievance mechanisms (if applicable)	Cases	21	21	21

1) Calculation Basis: Human rights-related grievance resolution data collected through the grievance mechanism. The total number of reports filed through the grievance mechanism was 22 cases in 2023, 23 cases in 2024, and 21 cases in 2025, which pertained to personal grievances and working environment issues. As there were no human rights-related cases, the figure is disclosed as 0.

Health and Safety Management Status¹⁾

Category		Unit	2023	2024	2025
Scope of employees subject to the occupational health and safety management system and procedures related to business	The percentage of employees who are not affiliated with the organization but whose workspaces are under the management of the organization and are subject to the occupational health and safety management system	%	100	100	100
	The percentage of employees who are not affiliated with the organization but whose workspaces are under the management of the organization and have been audited internally for the occupational health and safety management system	%	100	100	100
	The percentage of employees who are not affiliated with the organization but whose workspaces are under the management of the organization and have been audited or certified by an external agency for the occupational health and safety management system	%	100	100	100

1) Scope of Calculation: Scope of application for ISO 45001 and KOSHA-MS (Applied to all LOTTE E&C sites)

Social Data

Health and Safety Management Monitoring

Category		Unit	2023	2024	2025
On-site safety inspections	Total cases	Cases	1,304	1,352	1,839 ¹⁾
	Cases per site	Cases	10	13	19

1) Strengthening on-site safety inspections following the operation of regional centers starting March 2025

Employee Health and Safety Training

Category		Unit	2023	2024	2025
Safety training	Number of training courses	Courses	22	22	18
	Number of trainees	Persons	6,170	7,719	34,462 ¹⁾
	Percentage of securing regular safety managers	%	47.0	50.6	58.9
	Occupational safety training				
Occupational safety training	Number of participants	Persons	530,930	716,697	828,332
	Training hours	Hours	970,254	1,386,683	1,628,638
Occupational safety training	Training hours per person	Hours	1.83	1.93	1.96
	Participation rate	%	100	100	100

1) Starting from 2025, training is expanded to foreign workers (averaging 2,200 people per month)

Employee Total Recordable Incident Rate

Category		Unit	2023	2024	2025
Number of occupational fatalities		Persons	4	2	1
Number of injuries		Persons	179	318	339
Total recordable incident rate for employees (TRIR)		persons / 200,000 hours	0.000915	0.0016	0.0017
Number of Lost Time Injuries (LTI)	Employees ¹⁾	Cases	0	0	0
	Partner Company Employees	Cases	183	320	340
Number of working days	Partner Company Employees	days	2,991,560	2,925,728	3,698,240

1) Zero work-related injuries among company employees

Occupational Injuries and Illnesses¹⁾

Category		Unit	2023	2024	2025
Employees	Number of fatalities due to occupational injuries and illnesses (Injuries related to core duties classified separately)	Cases	0	0	0
	Rate of fatalities due to occupational injuries and illnesses	%	0	0	0
	Number of serious occupational injuries and illnesses (Injuries related to core duties classified separately)	Cases	0	0	0
	Rate of serious occupational injuries and illnesses	%	0	0	0
Workers under organizational control of the work/work-space	Number of fatalities due to occupational injuries and illnesses (Injuries related to core duties classified separately)	Cases	4	2	1
	Number of serious occupational injuries and illnesses	%	0.000094	0.000023	0.000028
	Number of serious occupational injuries and illnesses (Injuries related to core duties classified separately)	Cases	0	0	0
	Rate of serious occupational injuries and illnesses	%	0	0	0
	Number of recordable occupational injuries and illnesses	Cases	179	318	339
	Total recordable incident rate (TRIR)	persons / 200,000 hours	0.000895 ²⁾	0.0016 ²⁾	0.0017

1) Health changes resulting from occupational stress, along with diseases such as hypertension, diabetes, and hyperlipidemia, are managed through the 'Vulnerable Worker Management Process,' with separate health protection management provided for workers during extreme heat and severe cold. Preemptive preventive measures against heat-related illnesses are established and managed in accordance with the 'Step-by-Step Response Guide for Worker Health Protection Against Extreme Heat,' while action plans are established and managed by cold wave risk level in accordance with the 'Cold Wave Worker Health Management Guide.'

2) Data for 2023 and 2024 were recalculated following the enhancement of the calculation methodology in 2025.

Social Data

Partners Safety Grievance Handling Performance

Category	Unit	2023	2024 ¹⁾	2025 ¹⁾
Number of health and safety-related grievances from partners	Cases	19	655	1,089
Number of health and safety-related grievances resolved for partners	Cases	19	655	1,089
Resolution rate of health and safety-related grievances	%	100	100	100

1) Starting in 2024, the calculation method for safety-related grievance cases was modified to comprehensively manage and resolve on-site grievances at the headquarters level (Calculation Basis: Total count compiled from the Headquarters Safety Communication Center + recommendations from the On-site Occupational Safety and Health Committee + regional consultative bodies).

Partner Mutual Growth Support

Category	Unit	2023	2024	2025
Total number of partners ¹⁾	Companies	2,555	2,564	2,542
Number of outsourcing partners	Companies	1,832	1,872	1,531
Number of purchasing partners	Companies	723	692	1,011
Number of excellent partners ²⁾	Companies	90	105	92
Performance in financial support for partners	KRW million	44,221	44,458	44,482

1) Scope of calculation: Domestic partners who conducted business with LOTTE E&C during the given year.

2) Calculation basis: The top partners of the current year are selected based on the previous year's transactions.

Partners Risk Management

Category	Unit	2023	2024	2025
Number of suppliers performing ESG self-assessment evaluations ¹⁾	Companies	21 ¹⁾	19 ¹⁾	19 ¹⁾
Number of suppliers identified as having significant or potentially significant negative environmental impacts	Companies	0	0	0
Percentage of suppliers identified as having significant or potentially significant negative environmental impacts, and subsequently engaged in discussions for improvement	%	0	0	0
Percentage of suppliers identified as having significant or potentially significant negative environmental impacts, leading to termination of the relationship	%	0	0	0
Number of cases where contracts with business partners were terminated or not renewed due to corruption violations among ongoing corruption and bribery cases	Cases	0	0	0
Number of partner companies evaluated in relation to social impact analysis	Companies	2,593	2,555	2,564
Number of partner companies identified as having significant or potentially significant negative social impacts within the supply chain	Companies	0	0	0
Percentage of the supply chain (partner companies) engaged in discussions for improvement based on social impact assessment results	%	0	0	0
Percentage of partner companies whose contracts were terminated based on social impact assessment results within the supply chain	%	0	0	0

1) Calculation basis: The number of partners who have completed the ESG self-assessment evaluation for LOTTE Construction partners.

Social Data

Community Engagement Activity

Category	Unit	2023	2024	2025
Ratio of workplaces operating labor-management councils, occupational health and safety committees, and other employee representative bodies to manage community participation, impact assessment, and development programs related to community impact ¹⁾	%	100	100	100
Total expenditure on social contribution activities ²⁾	KRW million	3,705	3,378	4,033
Number of social contributions programs ³⁾	Cases	122	119	121
Number of employees participating in volunteer activities ⁴⁾	Persons	947	524	651
Employee volunteer hours ⁵⁾	hour	2,255	3,250	2,593
Number of social contribution volunteer teams ⁶⁾	Teams	267	275	275
Matching Grant employee participation rate	%	65.5	65.3	61.6

1) Calculation Basis: The Occupational Safety and Health Committee, composed of employers and workers, operates across all project sites.

2) Calculation Basis: Electronic public disclosure 'Donations' (KRW 3,886 million) + Employee matching grant receipts (KRW 147 million) = KRW 4,033 million

3) Calculation Methodology: Number of programs conducted by committing corporate social responsibility (CSR) resources (121 cases in total, including ongoing volunteer activities by department and site, 4 flagship CSR programs, and 2 other CSR programs)

4) 471 participants in individual volunteer groups, 140 participants in flagship CSR initiatives (Love House, National Cemetery volunteering, and briquette/ramen sharing), and 40 participants in other CSR initiatives (Gangseo-gu Green Farm, etc.)

5) Calculation Methodology: Volunteer hours × Cumulative number of participants

6) Currently active teams: 82 teams; completed teams: 193 teams. (Activities concluded upon project completion at relevant sites)

Infringement of local residents' rights¹⁾

Category	Unit	2023	2024	2025
Number of cases of infringement on local residents' rights	Cases	0	0	0

1) Calculation basis: Data related to the local community collected through the Sinmungo system (public grievance channel).

Safety and health impact assessment of products and services¹⁾

Category	Unit	2023	2024	2025
Percentage of major products/services assessed for health and safety impacts for the purpose of improvement	%	100	100	100

1) Calculation Basis: Regular safety management evaluations conducted for partner companies (safety management evaluations conducted semi-annually for partner companies with recognized progress payments in the first and second halves of the year)

Quality Management

Category			Unit	2023	2024	2025
Happy Call satisfaction results	Very satisfied		%	50.7	68.2	71.9
	Satisfied		%	38.2	24	21.0
	Neutral		%	11.1	7.8	7.1
	Dissatisfied		%	0	0	0
Quality inspection	On-site inspection	Model house inspection	Times	15	11	4
		Preceding unit inspection	Times	6	15	12
		Preceding unit improvement proposals	Cases	67	155	142
		HVAC/Waterproofing/Condensation/Insulation Inspection	Times	22	23	15
		HVAC/Waterproofing/Condensation/Insulation Inspection	Cases	254	318	264
		Final finishing inspection	Times	6	9	16
		Final finishing improvement proposals	Cases	76	110	265
		Landscaping maintenance and management work	Times	7	3	4
	Landscaping management works	Pruning/Watering/Weeding/Mowing/Pest control	Sites	27	11	14

Social Data

Quality Inspection

Category			Unit	2023	2024	2025
Quality Inspection	Internal quality audit	Improvement suggestions	Cases	30	54	61

Investment in Information Protection¹⁾

Category			Unit	2023	2024	2025
Percentage of investment in information protection relevant to the total IT budget			%	5.0	6.8	8.8

1) 2023 information security investment amount: KRW 1.13 billion; total IT investment amount: KRW 22.46 billion

2) 2024 information security investment amount: KRW 1.48 billion; total IT investment amount: KRW 21.92 billion

3) 2025 information security investment amount: KRW 1.77 billion; total IT investment amount: KRW 19.94 billion

Information Security Training

Category			Unit	2023	2024	2025
Information security awareness training completion rate			%	100	100	100
Number of employees completing information security awareness training			Persons	4,628	4,868	4,454
Specialized training completion rate for high-risk job roles in information security and personal data protection			%	100	100	100
Number of personnel in high-risk job roles for information security and personal data protection risks			Persons	151	253	250
Number of employees completing specialized training			Persons	240	709	617

Customer Information Protection and Monitoring

Category		Unit	2023	2024	2025
Total number of proven customer data breaches, thefts, and loss incidents		Cases	0	0	0
Number of proven customer data	Breaches	Cases	0	0	0
	Thefts	Cases	0	0	0
	Losses	Cases	0	0	0
Total number of proven complaints regarding customer privacy violations		Cases	0	0	0
Number of proven complaints regarding customer privacy violations	Complaints raised by external parties and proven internally within the organization	Cases	0	0	0
	Complaints raised by regulatory agencies	Cases	0	0	0
Number of Information Security Incidents		Cases	0	0	0

Governance Data

Board of Directors Status

Category		Unit	2023	2024	2025
Number of Board members	Total	Persons	6	6	6 ¹⁾
	External directors	Persons	2	2	2
	Internal directors	Persons	4	4	4
	Non-Executive Director	Persons	0	0	0
	Women	Persons	0	0	0
	Men	Persons	6	6	6
	Under 30	Persons	0	0	0
	30~50	Persons	0	0	0
	Above 50	Persons	6	6	6
Number of women executives who are not major shareholders or relatives of major shareholders		Persons	0	0	0
Number of external directors with attendance below 75%		Persons	0	0	0
Tenure of board and committee members		Years	25	12	16.6
Average tenure of board and committee members		Years	4.1	2.0	2.8
Number of board meetings held		Times	10	12	14
Average attendance rate of the board		%	98	100	99
Attendance rate of external directors		%	100	100	100
Attendance rate of internal director		%	96.7	100	99
Number of board deliberations		Cases	19	30	30

Category		Unit	2023	2024	2025
Number of cases where external directors opposed or suggested amendments		Cases	0	0	0
Remuneration Committee	Total members	Persons	3	3	3
	Number of external directors	Persons	2	2	2
	Number of meetings held	Times	3	3	4
	Attendance rate of external directors	%	100	100	100
Management Committee	Total members	Persons	3	4	4
	Number of external directors	Persons	0	0	0
	Attendance rate of external directors	%	98	100	95.5
Transparency Committee for Management	Total members	Persons	3	3	3
	Number of external directors	Persons	2	2	2
	Attendance rate of external directors	%	100	100	100
Ratio of non-audit services provided by external auditor		%	4.8	5.7	4.0
Frequency of board performance evaluations		Times/Year	1	1	1
Number of agenda items at General Meeting of Shareholders		Cases	3	5	4

1) Board composition status is as of December 31, 2025.

Governance Data

Board Remuneration Management

Category	Unit	2023	2024	2025
Audit service fees paid to external auditors ¹⁾	KRW million	1,050	1,190	1,190
Non-audit service fees paid to external auditors ¹⁾	KRW million	50	68	85
CEO compensation	KRW million	1,019	1,220	2,011 ²⁾³⁾
Average employee compensation	KRW million	89	93	96
Median employee compensation	KRW million	79	85	90
CEO compensation ratio to average employee compensation	Multiples	11.5	13.1	20.9
	Multiples	12.9	14.3	22.3

Calculation Basis: Current Period Business Report, p. 415, '2. Remuneration of Executives, etc.'

※ Notes

1) Calculation Basis: Contractual basis

2) Calculation Basis: Total remuneration before and after the CEO change

3) CEO remuneration increased compared to last year as the portion of severance pay exceeding the executive retirement income threshold was disbursed as salary.

Government Ownership of Shares and Dividend Payments

Category	Unit	2023	2024	2025
Shares held by the government	%	0	0	0
Annual cash dividends per share	KRW million	0	0	0

Advance Notice of Annual General Meeting Location and Agenda

Category	Unit	2023	2024	2025
Advanced notice for the location and agenda of the Annual General Meeting	Days prior	14	14	14

Governance Data

Ethical Management and Compliance¹⁾

Category	Unit	2023	2024	2025
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation	Cases	1 ²⁾	0	0
Total amount of fines and settlements resulting from violations of anti-competitive behavior and anti-trust/monopoly legislation	KRW Won	0	0	0
Number of non-monetary sanctions for non-compliance with laws and regulations in the social and economic area	Cases	0	0	0
Number of cases resolved through dispute mechanisms regarding non-compliance with laws and regulations in the social and economic area	Cases	0	0	0
Major fine amounts for non-compliance with laws and regulations in the social and economic area	KRW Won	0	0	0
Total number of pending corruption and bribery cases	Cases	0	0	0
Total amount of monetary losses resulting from legal proceedings associated with bribery or corruption charges	KRW Won	0	0	0
Number of confirmed cases of corruption where employees were dismissed or disciplined for corruption	KRW Won	0	0	0
Number of convictions for violations of anti-corruption and anti-bribery laws	Cases	0	0	0
Amount of fines for violations of anti-corruption and anti-bribery laws	KRW million	0	0	0
Number of severe human rights issues and incidents involving employees	Cases	0	0	0
Total number of significant instances of non-compliance with laws and regulations during the reporting period	Cases	0	1 ³⁾	0
Number of non-monetary sanctions for non-compliance with laws and regulations in the social and economic area	Cases	0	0	0
Number of cases resolved through dispute mechanisms regarding non-compliance with laws and regulations in the social and economic area	Cases	0	0	0
Major fine amounts for non-compliance with laws and regulations in the social and economic area	KRW Won	0	0	0
Number of violations of anti-corruption regulations	Cases	0	0	0
Total number of pending corruption and bribery cases ⁴⁾	Cases	3	2	7
Total amount of monetary losses resulting from legal proceedings associated with bribery or corruption charges ⁴⁾	KRW Won	0	0	0
Number of confirmed cases of corruption where employees were dismissed or disciplined for corruption ⁴⁾	Cases	3	2	7

1) Calculation Basis: Number of corporate criminal sanctions

2) 1 legal action for violations of anti-competitive behavior and antitrust/monopoly regulations (Delay interest non-payment was identified during the 2022 Subcontracting Written Survey, and a 'Warning' was issued for violating the Fair Subcontract Transactions Act following voluntary correction. Consequently, there were no financial sanctions such as administrative fines.)

3) 1 legal action for violations of the Occupational Safety and Health Act (Received a 'Fine' for violating the Occupational Safety and Health Act under Incheon District Court Case 2022 Godan 1336. The case was subsequently closed, and no additional legal disputes have occurred since that year.)

4) No public investigations or indictments resulting from legal proceedings.

Governance Data

Anti-Corruption Impact Assessment Conducted¹⁾

Category	Unit	2023	2024	2025
Number of business sites where corruption risk assessments were conducted	Sites	89	92	92
Percentage of business sites where corruption risk assessments were conducted	%	100	100	100

1) Calculation Scope: Risk assessment conducted for headquarters departments

Anti-Corruption Policy and Procedure Notice and Training

Category	Unit	2023	2024	2025
Number of governance members who received the organization's anti-corruption policy and procedure notice	Total	Persons	6	6
Percentage of governance members who received the organization's anti-corruption policy and procedure notice		%	100	100
Number of employees who received the organization's anticorruption policy and procedure notice	Female	Persons	437	441
Percentage of employees who received the organization's anti-corruption policy and procedure notice		%	100	100
Number of employees who received the organization's anticorruption policy and procedure notice	Male	Persons	3,594	3,526
Percentage of employees who received the organization's anti-corruption policy and procedure notice		%	100	100
Number of governance members who received the organization's anti-corruption training	Persons	4	4	4
Percentage of governance members who received the organization's anti-corruption training	%	100	100	100
Number of employees who received the organization's anti-corruption training	Persons	4,031	3,967	3,743
Percentage of employees who received the organization's anti-corruption training	%	100	100	100
Number of partners who shared the anti-corruption policy ¹⁾	Companies	2,555	2,564	2,542
Percentage of partners who shared the anti-corruption policy	%	100	100	100

1) Calculation basis: Partner portal → Compliance grievance system → Anti-corruption policy notification is accessible to all partners, thereby notifying all partners of anti-corruption policies and procedures.

Report Channel Performance

Category	Unit	2023	2024	2025
Number of reports received through reporting channels	Cases	193	206	280
Number of resolved/handled cases among reports received	Cases	179	162	214
Resolution rate of reports received through reporting channels	%	92.7	78.6	76.4
Disciplinary action status for ethical management violations	Cases	20	14	10 ¹⁾
Number of post-audit improvements and guidance cases	Cases	247	286	301
Ethics level assessment / Ethical performance evaluation	Grade	90	91	91
Number of reported violations of the Code of Conduct and Ethics Policy	Cases	20	14	10

1) Includes the number of corruption incidents.

Corruption Case Occurrences

Category	Unit	2023	2024	2025
Number of corruption cases	Cases	3	2	7
Number of cases where employees were dismissed or disciplined due to corruption	Cases	3	2	7
Number of cases where partner contracts were terminated or not renewed due to corruption	Cases	0	0	0

Governance Data

Anti-Corruption Training Performance¹⁾

Category		Unit	2023	2024	2025
Number of board members who received anticorruption training		Persons	6	6	6
Percentage of board members who received anticorruption training		%	100	100	100
Number of employees who received anti-corruption training	Total	Persons	4,031	3,967	3,743
	Regular employees	Persons	2,864	2,806	2,721
	Contract employees	Persons	1,167	1,161	1,022
	South Korea	Persons	3,702	3,785	3,691
	Indonesia	Persons	273	140	22
	Vietnam	Persons	40	27	15
	Japan	Persons	1	1	0
	China	Persons	3	0	0
	Pakistan	Persons	1	0	0
	Singapore	Persons	6	6	6
	Philippines	Persons	5	7	8
	Total	%	100	100	100
Percentage of employees who received anti-corruption training	Regular employees	%	100	100	100
	Contract employees	%	100	100	100
Number of participants in fair trade-related training ²⁾		Persons	4,031	3,967	3,743
Hours of fair trade-related training		Hours	1	1	1

1) Calculation Basis: Performance of compliance training (fair trade training)

2) Calculation Basis: Training for all employees via 'CP TIMES' (monthly), video lecture by CEO for all employees (10 minutes, 100% completion rate)



APPENDIX

150	GRI Content Index
154	SASB Index
156	IFRS Index(TCFD)
157	ESRS Index
160	UNGP Human Rights Report Index
161	Greenhouse Gas Verification Statement
166	Third-Party Assurance Statement
169	Awards and Memberships
170	Acknowledgment

GRI Content Index

Statement of use	The reporting organization, LOTTE Corporation / LOTTE E&C, reports its sustainability performance in accordance with the GRI Standards 2021 for the period from January 1, 2025, to December 31, 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable, as the GRI Sector Standards corresponding to the reporting organization LOTTE E&C's GICS or industry classification have not yet been published as of the reporting period.

GRI 2: General Disclosures

Category	Metric	Disclosure	Page	Remarks
The Organization and Its Reporting Practices	2-1	Organizational details	7~8	
	2-2	Entities included in the organization's sustainability reporting	2	
	2-3	Reporting period, frequency and contact point	2	Excluding the Yeongnam Office following organizational integration to streamline PR efficiency and reinforce One Voice
	2-4	Restatements of information	150	Modifications are commented in the notes.
	2-5	External assurance	166	
Activities and workers	2-6	Activities, value chain and other business relationships	12~22	
	2-7	Employees	134	
	2-8	Workers who are not employees	134, 150	Number of employees by employment type disclosure standard: 11,218
Governance	2-9	Governance structure and composition	76, 144	
	2-10	Composition of the highest governance body and its committees	76	
	2-11	Chair of the highest governance body	76	
	2-12	Role of the highest governance body in overseeing the management of impacts	24	
	2-13	Delegation of responsibility for managing impacts	24	
	2-14	Role of the highest governance body in sustainability reporting	24	

Category	Metric	Disclosure	Page	Remarks
Governance	2-15	Conflicts of interest	77	
	2-16	Communication of critical concerns	24	
	2-17	Collective knowledge of the highest governance body	77	
	2-18	Evaluation of the performance of the highest governance body	77	
	2-19	Remuneration policies	77	
	2-20	Process to determine remuneration	77	
	2-21	Annual total compensation ratio	145	
Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	4	
	2-23	Policy commitments	108~111	
	2-24	Embedding policy commitments	108~111	
	2-25	Processes to remediate negative impacts	40~42, 60~61, 70~73, 82~83, 91~92, 105, 109~110	
	2-26	Mechanisms for seeking advice and raising concerns	42, 61, 81, 84, 111	
	2-27	Compliance with laws and regulations	81, 94	Refer to '3. Sanctions and Other Matters' on page 440 of the Current Term Business Report
	2-28	Membership associations	169	
Stakeholder Engagement	2-29	Approach to stakeholder engagement	30	
	2-30	Collective bargaining agreements	150	The company is a non-unionized enterprise and has no labor union or collective agreement.

GRI Content Index

GRI 3: Material Topics

Category	Metric	Disclosure	Page	Remarks
GRI 3: Disclosure of Material Topics	3-1	Process to determine material topics	28	
	3-2	List of material topics	29	

Material Topics: Employee Health and Safety

GRI 3: Disclosure of Material Topics	3-3	Management of material topics	29, 34	
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	32~33	
	403-2	Hazard identification, risk assessment, and incident investigation	40~42	
	403-3	Occupational health services	35, 39	
	403-4	Worker participation, consultation, and communication on occupational health and safety	35~36	
	403-5	Worker training on occupational health and safety	37~38	
	403-6	Promotion of worker health	35~36	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	38	
	403-8	Workers covered by an occupational health and safety management system	139	
	403-9	Work-Related Occupational Accidents	140, 141	
	403-10	Work-related injuries	140, 141	

Material Topics: Climate Change

GRI 3: Disclosure of Material Topics	3-3	Management of material topics	29, 47~49	
GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	47~49	

GRI 302: Energy	302-1	Energy consumption within the organization	130	
	302-2	Energy consumption outside of the organization	130	
	302-3	Energy intensity	130	
	302-4	Reduction of energy consumption	130	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	129, 161~163	
	305-2	Energy indirect (Scope 2) GHG emissions	129, 161~163	
	305-4	GHG emissions intensity	129	
	305-5	Reduction of GHG emissions	129	

Category	Metric	Disclosure	Page	Remarks
Material Topics: Quality Management				
GRI 3: Disclosure of Material Topics	3-3	Management of material topics	29, 57	
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	60	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	94, 146	

Material Topics: Supply Chain Management

GRI 3: Disclosure of Material Topics	3-3	Management of material topics	29, 64~65	
GRI 308: Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	71~73	
GRI 414: Supplier Social Assessment	414-2	Significant actual and potential negative social impacts in the supply chain and actions taken	71~73	

GRI Content Index

Non Material Topics

Category	Metric	Disclosure	Page	Remarks
GRI 101: Biodiversity	101-1	Policy to halt biodiversity loss	101	
	101-4	Identification of biodiversity impacts	102~104	
	101-5	Information on sites with biodiversity impacts	102~104	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	126~127	
	201-3	Defined benefit plan obligations and other retirement plans	137	
GRI 202: Market Presence	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation	136	
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	120~122	
	203-2	Significant indirect economic impacts	21	
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers at significant locations of operation	127	
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	147	
	205-2	Communication and training about anti-corruption policies and procedures	147	
	205-3	Confirmed incidents of corruption and actions taken	147	
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	146	

GRI Content Index

Non Material Topics

Category	Metric	Disclosure	Page	Remarks
GRI 301: Materials	301-1	Materials used by weight or volume	132	
	301-2	Recycled input materials used	132	
GRI 303: Water	303-2	Management of discharge-related impacts	96	
	303-3	Water withdrawal	132	
	303-5	Water consumption	132	
GRI 306: Effluents and Waste	306-1	Waste generation and significant waste-related impacts	96	
	306-2	Management of significant waste-related impacts	96	
	306-3	Waste generated	131	
	306-4	Waste diverted from disposal	131	
	306-5	Waste directed to disposal	131	
GRI 401: Employment	401-1	New employee hires and employee turnover	135	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	116	
	401-3	Parental leave	136	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	138	
	404-2	Programs for upgrading employee skills and transition assistance programs	113, 115	
	404-3	Percentage of employees receiving regular performance and career development reviews	138	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	137	
	405-2	Ratio of basic salary and remuneration of women to men	136	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	138	
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	-	During the human rights impact assessment, it was confirmed that the human rights impacts caused by security personnel were minimal.

SASB Index(Quantitative)

SASB Engineering & Construction Services (Quantitative)

		Category	Unit	2023	2024	2025
Environmental impacts caused by development projects	IF-EN-160a.1	Number of non-compliance incidents related to environmental permits, standards, and regulations	Cases	0	0	0
	IF-EN-250a.1	Rework costs related to defects and safety	KRW million	2,503	2,808	4,610
Structural integrity and safety	IF-EN-250a.2	Total monetary losses resulting from legal proceedings related to defects and safety incidents	KRW million	2,862	1,100	3,647
Employee occupational health and safety	IF-EN-320a.1	Total recordable injury rate (TRIR)	Employees	persons / 200,000 hours	0	0
			Partners	persons / 200,000 hours	0.52	0.84
		Fatality Rate	Employees	fatalities / 200,000 hours	0	0
Employee occupational health and safety	IF-EN-410a.1	Number of projects certified under third-party sustainability standards	Cases	8	9	19
Climate impacts by business segment	IF-EN-410b.1	Backlog of hydrogen-related projects	KRW 100 million	2,441	611	92
		Backlog of renewable energy-related projects	KRW 100 million	1,921	1,156	1,871
	IF-EN-410b.2	Backlog of completed hydrogen-related projects	KRW 100 million	0	0	0
	IF-EN-410b.3	Backlog of non-energy projects related to climate change mitigation	KRW 100 million	138	118	0
Business ethics	IF-EN-510a.1	Number of projects in progress in countries where corruption risks have been identified	Cases	0	0	0
		Backlog of projects in countries where corruption risks have been identified	KRW 100 million	0	0	0
	IF-EN-510a.2	Total monetary losses resulting from legal proceedings related to bribery, corruption, or bribery allegations	KRW 100 million	0	0	0
		Total monetary losses resulting from legal proceedings related to anti-competitive activities	KRW 100 million	0	0	0
Activity Metric	IF-EN-000.A	Number of projects in progress	Cases	152	160	114
	IF-EN-000.B	Number of completed projects	Cases	35	15	36
	IF-EN-000.C	Total backlog	KRW 100 million	478,027	434,008	392,687

SASB Index(Qualitative)

Category			Data
Environmental impacts caused by development projects	IF-EN-160a.2	Procedures to identify and manage environmental risks related to project design, site acquisition, and construction	Before commencing a project, LOTTE E&C conducts environmental impact assessments to identify potential environmental impacts in advance, and carries out continuous inspections and action activities to meet the standards required under environmental laws and regulations. For all project sites, the Company is required to prepare and manage environmental management plans that reflect project characteristics, including the construction period, location, surrounding environment, construction methods, and relevant laws.
Lifecycle impacts of buildings and infrastructure	IF-EN-410a.2	Procedures to consider energy and water efficiency during project planning and design	Based on environmental impact and risk assessments, LOTTE E&C develops and implements reduction measures. The Company also conducts comprehensive evaluations and self-inspections once a year on environmental regulatory violations at project sites and takes immediate corrective actions when violations are identified. LOTTE E&C identifies potential risks in advance from the beginning of project execution and manages water resource and energy efficiency through this process. In particular, the Company applies Pre-Con Service (PCS) from the design stage to analyze expected building energy consumption and derive ways to improve building energy efficiency. In addition, LOTTE E&C incorporates eco-friendly materials and construction methods into the design and construction process to create resource-efficient buildings.
Business ethics	IF-EN-510a.3	Description of policies and activities to prevent bribery, corruption, and anti-competitive behavior during the project bidding process	LOTTE E&C operates ethical management regulations, the Code of Ethics, ethical management strategy, and ethical management activities, and implements detailed guidelines for ethical management. Each year, the Company obtains compliance pledges from all employees and distributes and discloses the Fair Trade Internal Action Guidelines, its internal fair trade conduct guideline. In 2024, LOTTE E&C renewed its Anti-Bribery Management System (ISO 37001) certification and conducted corruption risk assessments for all headquarters departments. In December 2025, the Company received an Excellent Grade (AA) for the third consecutive year in the CP rating evaluation hosted by the Fair Trade Commission.

IFRS Index(TCFD)

S2 Climate-Related Disclosures

Category	Title		Page
Governance	The governance processes, controls, and procedures the entity uses to monitor, manage, and oversee climate-related risks and opportunities		
	1	The governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities	44
	2	Management's role in the governance processes, controls, and procedures used to monitor, manage, and oversee climate-related risks and opportunities	44
Strategy	The entity's strategy for managing climate-related risks and opportunities, including the effects of climate-related risks and opportunities on the entity's business model and value chain, strategy and decision-making, financial position, financial performance, and cash flows over the short, medium, and long term		
	1	Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	45
	2	Current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain	45
	3	Effects of climate-related risks and opportunities on the entity's strategy and decision-making, including information on transition plans	45
	4	Current and anticipated financial effects of climate-related risks and opportunities on the entity's financial position, financial performance, and cash flows over the reporting period and over the short, medium, and long term	47~49
	5	Climate resilience of the entity's strategy and business model to climate-related changes, developments, and uncertainties	50~51
Risk Management	The processes used by the entity to identify, assess, prioritize, and monitor sustainability-related risks and opportunities, and the process for assessing the entity's overall risk management		
	1	Processes and related policies used to identify, assess, prioritize, and monitor climate-related risks	52
	2	Processes used to identify, assess, prioritize, and monitor climate-related opportunities	52
	3	The extent to which processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	52
Metrics and Targets	The entity's performance in relation to sustainability-related risks and opportunities, including progress toward any targets it has set and any targets it is required to meet by law or regulation		
	• Industry-based metrics		
	1	Greenhouse gases Detailed information on Scope 1, 2, and 3 greenhouse gas emissions and the measurement approach	53, 129
	• Climate-related targets		
	1	Targets Qualitative and quantitative climate-related targets set by the entity, and targets it is required to meet by law or regulation, including applicable timeframes and sectors	53~55
	2	Review of targets Approach to setting and reviewing targets, whether third-party validation is obtained, monitoring of progress toward targets, and any revisions to targets	53~55

ESRS Index

ESRS 2. General Disclosures

Indicator No.	Title	Page
BP-1	Basis for preparation of the sustainability report, reporting period, reporting scope, and reporting boundaries	2
BP-2	Changes and errors in estimates, assumptions, external sources, and information included in sustainability information	150
GOV-1	Composition of the highest governance body and its responsibilities and roles in managing and overseeing impacts, risks, and opportunities	24
GOV-2	Sustainability-related impacts, risks, and opportunities reported to and deliberated by the highest governance body	28
GOV-3	Sustainability topics included in key performance indicators (KPIs) for management, including senior management	29
GOV-4	Governance overseeing sustainability risk diagnosis and due diligence, and related diagnostic and due diligence methods and procedures	91~92
SBM-1	Market conditions and business overview, business strategy, business model, and key characteristics of the value chain	9, 12~19
SBM-2	Procedures and methods for collecting and reflecting opinions from stakeholders related to the organization's business operations	30
SBM-3	Impacts, risks, and opportunities of sustainability issues on the organization's business strategy and business model	29
IRO-1	Process for identifying and assessing the impacts, risks, and opportunities of sustainability issues	28
IRO-2	Location where ESRS disclosure requirements are addressed in the sustainability report	34, 47~49, 57, 64~65

ESRS E1. Climate Change

Indicator No.	Title	Page
E1-1	Transition plan for climate change mitigation	50~51
E1-2	Organizational policies on climate change mitigation and adaptation	44
E1-3	Organizational plans, resources, and budgets for climate change mitigation and adaptation	50~51
E1-4	Organizational targets related to climate change mitigation and adaptation	53~55
E1-5	Energy consumption by energy source and energy intensity based on revenue	130
E1-6	Scope 1, 2, and 3 greenhouse gas emissions, and greenhouse gas emissions intensity based on revenue	129
E1-9	Financial effects from material physical and transition risks, and financial effects from opportunity factors	45, 47~49

ESRS Index

ESRS S1. Own Workforce

Indicator No.	Title	Page
S1-1	Organizational policies on workers' labor and human rights	108
S1-2	Processes for engaging with workers and workers' representatives about impacts	117
S1-3	Processes to remediate negative impacts and channels for workers to raise concerns	111
S1-4	Actions taken on material impacts on workers, approaches to mitigating material risks and pursuing material opportunities related to workers, and the effectiveness of those actions	111~112
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities related to workers	Not applicable
S1-6	Characteristics of employees within the undertaking	134
S1-7	Characteristics of non-employee workers within the undertaking	134
S1-8	Percentage of workers covered by collective bargaining agreements, and reasons and measures where collective bargaining agreements do not apply	117
S1-9	Mean gender pay gap, ratio of female salary to male salary	136
	Family-related leave, including maternity and childcare leave: eligible employees, users, employees returning after leave, and retention rate	136
S1-10	Methodology for determining fair wages and the percentage of workers paid below the fair wage	136
S1-12	Employment rate of persons with disabilities and number of employees with disabilities by gender	137
S1-13	Percentage of workers who received performance and career development reviews	138
	Average training hours and training costs per worker	138
S1-14	Percentage of workers covered by an occupational health and safety management system, including internal, third-party reviewed, and third-party certified systems	140
	Number of work-related injuries and illnesses, injury rate, illness rate, and lost days	141
S1-17	Number of risk and action cases expected to have negative impacts on workers' labor and human rights	111, 139
	Number of cases of receiving, investigating, taking action on, and establishing recurrence prevention plans for worker labor and human rights reports	139

ESRS Index

ESRS S2. Workers in the Value Chain

Indicator No.	Title	Page
S2-1	Organizational policies on workers' labor and human rights	63
S2-2	Procedures for engaging with workers or workers' representatives regarding workers' labor and human rights impacts	63
S2-3	Channels through which workers or workers' representatives can report significant labor and human rights risks	63
S2-4	Actions taken to address and mitigate material risks and impacts, and the effectiveness of such actions and mitigation measures	70~73
S2-5	Organizational targets for managing material risks and impacts	74

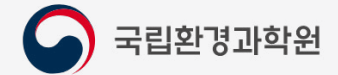
ESRS S4. Consumers and End Users

Indicator No.	Title	Page
S4-2	Procedures for engaging with customers and consumers affected by the organization's products and services	61
S4-3	Channels through which customers and consumers can report grievances, damages, or negative impacts related to the use of products and services	61
S4-4	Actions taken to address and mitigate grievances, damages, and impacts on customers and consumers, and the effectiveness of such actions and mitigation measures	61

UNGP Human Rights Report Index

Area	Reporting Principle	Reporting Content	Report location
Governance	A1. Human Rights Policy	Public disclosure of commitment to respect human rights	108
	A2. Embedding Respect for Human Rights	Efforts to embed commitment to respect human rights	108, 112
Focus of Reporting	B1. List of Salient Human Rights Issues	Salient human rights issues associated with business activities	110~111
	B2. Identification of Salient Human Rights Issues	Method for selecting salient human rights issues	109
	B3. Geographic Focus of Salient Human Rights Issues	Locations where salient human rights issues occur and method for selecting such locations	109
	B4. Additional Severe Human Rights Issues	Additional potential human rights issues other than salient human rights issues	110~111
Management of Salient Issues	C1. Specific Policies for Salient Human Rights Issues	Specific policies for salient human rights issues	108
	C2. Stakeholder Engagement	Stakeholder engagement by salient human rights issue	109
	C3. Human Rights Impact Assessment	Ongoing identification of salient human rights issues	109
	C4. Integration of Findings and Response	Reflection of salient human rights issues in decision-making processes and activities	108, 111
	C5. Tracking Performance	Evaluation of the effectiveness of actions taken to address salient human rights issues	112
	C6. Remediation	Remediation activities for affected people related to human rights	112

Greenhouse Gas Verification Statement



Scope 1 & 2 GHG Emissions Verification for LOTTE E&C (Headquarters)

Verification Goal

The goals of greenhouse gas (GHG) emission verification(hereinafter referred to as 'verification') conducted by the Korean Standards Association are as follows.

- Confirming the conformity with standards and procedures of GHG emission and GHG emissions calculated within the scope of verification
- Checking the validity of declarations related to the organization's GHG emissions or removals
- Confirming the effective implementation of the organization's management of GHG emissions or removals
- Confirming the conformity of processes for implementing, managing and improving the organization's GHG emissions or removals estimates

Verification Scope

Korean Standards Association conducted a limited assurance verification of LOTTE E&C Co., Ltd.'s Scope 1 and Scope 2 GHG statement.

- Reporting Target : Headquarters(Welfare Center), Safety Experience Center, LOTTE Gwanak Tower, Saerom Building, CM Division
- Boundary : Scope1(Direct emissions), Scope2(Indirect emissions)
 - Scope1 : Stationary combustion, Mobile combustion
 - Scope2 : Externally purchased power and heat
- Year : January 1, 2025 to December 31, 2025

Verification Criteria

Korean Standards Association conducted verification according to the procedures stipulated in ISO 14064-3 : 2019.

- Calculation criteria
 - KS I ISO 14064-1 : 2018
 - Verification Guidelines for the Operation of the Greenhouse Gas Emissions Trading System (Recent Issue, Ministry of Environment Notice No. 2025-165)
 - Guidelines for Reporting and Certification of Emissions from Greenhouse Gas Emissions Trading System (Ministry of Environment Notice No. 2025-64)
 - 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines
 - WRI (World Resources Institute) Greenhouse Gas Protocol

Level of assurance verification and Responsibility

Korean Standards Association provides verification at limited level of assurance to strengthen GHG management for your company's GHG emissions.

- On-site inspection : Visit to Headquarters and Saerom Building
- Method of confirmation
 - Interview with greenhouse gas emissions manager and field staff
 - Review of the management system and data used to calculate greenhouse gas emissions during the reporting period
 - Tracking review of internal documents and basic data

LOTTE E&C Co., Ltd. should provide fair data on information and evidence related to GHG emissions, and the KSA is limited to guaranteeing GHG emissions.

Greenhouse Gas Verification Statement

KSA



Scope 1 & 2 GHG Emissions Verification for LOTTE E&C (Headquarters)

Verification Limit

GHG emissions can be affected by factors such as data limits and uncertainties in the scope of verification, and inherent limitations may exist accordingly.

Verification Conclusion

Korean Standards Association confirmed that the GHG emissions calculated by LOTTE E&C Co., Ltd. meet the level of assurance and the materiality threshold (less than 5%) in accordance with the verification criteria. No evidence was found to suggest that the GHG data and information were unfairly presented.

LOTTE E&C Co., Ltd. has taken appropriate, corrective actions on the major findings identified by the verification team. Based on the verification results, including the absence of material errors of omissions, the data and processes are considered to meet the verification and guidelines. Therefore, a 'Unmodified opinion' is issued.

Appendix. GHG emissions and Energy Consumption

Category	GHG emissions(tCO ₂ eq)			Energy consumption (TJ)
	Scope 1	Scope 2	Total	
Headquarter (Welfare Center)	494.441	853.246	1,347	24
Safety Experience Center	-	17.255	17	0
LOTTE Gwanak Tower	105.181	175.819	281	5
Saerom Building	68.727	245.552	323	6
CM Division	9.506	78.150	87	1
Total	677.855	1,379.023	2,056	36

※ Note : The final greenhouse gas emission was cut below the decimal point and expressed in integer units.

April 09, 2026

KOREAN STANDARDS ASSOCIATION

Greenhouse Gas Verification Statement

KSA

Scope 1 & 2 GHG Emissions Verification for LOTTE E&C (Project Sites)

Verification Scope

Korean Standards Association has conducted verification for GHG emissions based on GHG report provided by LOTTE E&C Co., Ltd.'s Construction sites which includes Scope 1 and Scope 2 emissions.

Verification Standards and Guidelines

To conduct verification activities, verification team applied verification standards and guidelines. The standards and guidelines are as follows.

- Guidance for reporting and verification of GHG emissions trading scheme
(No. 2025-64 provided by Ministry of Environment, Republic of Korea)
- Verification Guidelines for the Operation of the Greenhouse Gas Emission Trading System
(No. 2025-165 provided by Ministry of Environment, Republic of Korea)
- For matters not specified in other guidelines, refer to KS I ISO 14064-1: 2018 and KS I ISO 14064-3: 2019

Level of Assurance

LOTTE E&C Co., Ltd.'s Construction sites GHG emissions satisfies the under Reasonable Assurance (less than 5.0% of total emissions).

Verification Conclusion

As a result of verification activities, verification team has found no significant errors, omissions, and misstatements. Therefore, Korean Standards Association confirms that following emissions data are adequately quantified.

2025 GHG Emissions (Scope 1, Scope 2)

 (Unit : tCO₂eq)

Year	Scope 1	Scope 2	Total
2025	7,572.872	43,548.571	51,121

※ Note : Decimal place is not considered when calculating the emission of each workplace.

June 19, 2026

KOREAN STANDARDS ASSOCIATION

Greenhouse Gas Verification Statement



Verification of Scope 3 for LOTTE E&C

Terms of engagement

LRQA was commissioned by LOTTE Engineering & Construction Co., Ltd. (LOTTE Engineering & Construction) to provide independent assurance on its GHG emissions inventory for the calendar year 2025 (here after referred to as “the report”) against the assurance criteria below to a limited level of assurance and materiality of 5% using ISO 14064-3:2019, ‘Specification with guidance for verification and validation of greenhouse gas statements’.

Our assurance engagement covered LOTTE Engineering & Construction’s domestic operations and activities, and specifically the following requirements:

- Evaluating conformance with GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard¹⁾
- Evaluating the accuracy and reliability of data and information for other indirect GHG emissions (Scope 3).

The main activities of LOTTE Engineering & Construction include general construction and the GHG emissions have been consolidated using an operational control approach.

LRQA’s responsibility is only to LOTTE Engineering & Construction. LRQA disclaims any liability or responsibility to others as explained in the end footnote. LOTTE Engineering & Construction’s responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of LOTTE Engineering & Construction.

LRQA’s Opinion

Based on LRQA’s approach nothing has come to our attention that would cause us to believe that LOTTE Engineering & Construction has not, in all material respects:

- Met the requirements above; and
- Disclosed accurate and reliable data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of 5%.

► Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LRQA’s approach

LRQA’s assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Interviewing key people of the organization responsible for managing GHG emissions data and records;
- Reviewing processes related to the control of GHG emissions data and records;
- Visiting the headquarters of LOTTE Engineering & Construction and reviewing additional evidence made available by LOTTE Engineering & Construction; and
- Verifying historical GHG emissions data and records at an aggregated level for the calendar year 2025.

1) <https://www.ghgprotocol.org>

Greenhouse Gas Verification Statement



Verification of Scope 3 for LOTTE E&C

LRQA's standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification engagement is the only work undertaken by LRQA for LOTTE Engineering & Construction and as such does not compromise our independence or impartiality.

Table 1. Summary of LOTTE Engineering & Construction, GHG Emissions Inventory 2025

Scope of GHG emissions	tCO ₂ e
Other Indirect GHG emissions (Scope 3)	
• Purchased goods & services – production of ready-mixed concrete, rebar, beams, cement, aggregate, asphalt concrete and gypsum board	1,632,768
• Capital goods – laptop	0.2
• Upstream transportation and distribution – transportation of ready-mixed concrete, rebar, beams, asphalt concrete and gypsum board	44,378
• Business travel – international flights	176
• Use of sold products – use phase of constructed apartments and office buildings	2,429,026
• End-of-life treatment of sold products – waste disposal generated at the end-of-life stage of apartments and office buildings	62,917

Dated: 19 May 2026

Signed **Chan-Sik Yun**

LRQA Lead Verifier On behalf of LRQA

2nd Floor, T Tower, 30, Sowol-ro 2-gil, Jung-gu, Seoul, Republic of Korea

LRQA reference: SEO00001562

Third-Party Assurance Statement



The Stakeholders of LOTTE Engineering & Construction Co., Ltd

Overview

BSI (British Standards Institution) Group Korea (hereinafter referred to as the “Assurer”) was requested to verify 2026 LOTTE E&C SUSTAINABILITY REPORT (hereinafter referred to as the “Report”). The Assurer is independent of LOTTE Engineering & Construction and has no major operational financial interest other than the assurance. This assurance opinion statement is intended to provide information related to the assurance of the LOTTE Engineering & Construction report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any purpose other than the purpose of publication. This assurance opinion statement was prepared based on the information presented by LOTTE Engineering & Construction and the assurance was carried out under the assumption that presented information and data were complete and accurate.

LOTTE Engineering & Construction is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to LOTTE Engineering & Construction only. The Assurer is responsible for providing LOTTE Engineering & Construction management with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of LOTTE Engineering & Construction. The Assurer shall not bear any other responsibility, including legal responsibility, to any third party other than LOTTE Engineering & Construction in providing the assurance opinion and shall not be liable to any other purpose, purpose or stakeholders related thereto for which the assurance opinion may be used.

Scope

The scope of engagement agreed upon with LOTTE Engineering & Construction includes the following:

- Reporting contents during the period from January 1st to December 31st 2025 included in the report, some data included first half of 2026.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.

- In Accordance with the four principles of AA1000 AccountAbility in the Report, based on the type of Sustainability Assurance based on AA1000AS v3 and if applicable, the reliability of the sustainability performance information contained in the Report.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website and business annual report.

Assurance Level and Type

The assurance levels and types are as follows;

- Moderate level based on AA1000 AS and Type 2 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018 and quality and reliability of specific performance information published in the report.)

Description and sources of disclosures covered

Based on the scope and methodology of assurance applied, the assurer reviewed the following Disclosures based on the sampling of information and data provided by LOTTE Engineering & Construction.

- **Universal Standards** 2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)
- **Topic Standards** 101-1, 101-4~5, 201-1~3, 202-1, 203-1~2, 204-1, 205-1~3, 206-1, 301-1~2, 302-1~4, 303-2~5, 305-1~2, 306-1~5, 305-4~5, 308-2, 401-1~3, 403-1~10, 404-1~3, 405-1~2, 406-1, 410-1, 414-2, 416-1~2

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

Third-Party Assurance Statement



- A top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- Discussion with managers and staff on organization's approach to stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Verification of data generation, collection and reporting for each performance index and document review of relevant systems, policies, and procedures where available
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).
- Visit of the LOTTE E&C HQ to confirm the data collection processes, record management practices.

Limitations and approach used to mitigate limitations

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Competency and Independence

BSI (British Standards Institution) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with LOTTE Engineering & Construction. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

- The assurer was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. Assurer planned and performed this part of our work to obtain the necessary information and explanations assurer considered it to provide sufficient evidence that LOTTE Engineering & Construction's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.
- On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report re accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). The detailed reviews against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards are set out below.

• **Inclusivity: Stakeholder Engagement and Opinion** LOTTE Engineering & Construction defined employees, shareholders/investors, customers, partners, local communities and government agencies as Key Stakeholder Groups. To collect opinions by each stakeholder group in the context of sustainability, operated the stakeholder engagement process. LOTTE Engineering & Construction conducted a review of the stakeholder engagement process at the governance level to reflect the major issues derived through the stakeholder engagement process in sustainability strategy and goals. LOTTE Engineering & Construction disclosed the results related to the process in the Report.

• **Materiality: Identification and reporting of material sustainability topics** LOTTE Engineering & Construction implemented its own materiality assessment process in consideration of the major business and operational characteristics to derive important reporting issues related to sustainability. LOTTE Engineering & Construction conducted benchmarking and media analysis of similar companies and institutions at home and abroad, identified financial impact and social/environmental impact, and determined key issues for the reporting year. LOTTE Engineering & Construction derived 4 material issues through the relevant process, and disclosed GRI topic standards disclosures related to material issues in the Report.

Third-Party Assurance Statement



• **Responsiveness: Responding to material sustainability topics and related impacts** LOTTE Engineering & Construction operated a management process for material issues in the context of sustainability derived from the materiality assessment. The LOTTE Engineering & Construction established mid- to long-term sustainability plans and goals according to the management methodology established to effectively reflect the expectations of key stakeholders. LOTTE Engineering & Construction disclosed the process including policy, indicator, activity and response performance on material issues in the Report.

• **Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders** LOTTE Engineering & Construction identified the scope and extent of the impacts to the organization and key stakeholders in the context of the sustainability of the material issues reported. LOTTE Engineering & Construction established sustainability strategies and objectives based on the analysis results of major impacts, including risks and opportunities for material issues, disclosed mid- to long-term plans and strategic system in the Report.

Findings and conclusions concerning the reliability and quality of specified performance information

Among the GRI Topic Standards, the following disclosure were carried out in a assurance Type 2 based on the information and data provided by the reporting organization. In order to verify the reliability and accuracy of the data and information, internal control procedures related to data processing, processing, and management were verified through interviews with the responsible department, and accuracy was verified through sampling. Errors and intentional distortions in sustainability performance information included in the report were not found through assurance processes. The reporting organization manages the sustainability performance information through reliable internal control procedures and can track the process of deriving the source of the performance. Errors and unclear expressions found during the assurance process were corrected during the assurance process and prior to the publication of the report, and the assurer confirmed the final published report with the errors and expressions corrected.

• GRI Topic Standards: 101-1, 101-4~5, 203-1~2, 205-1~3, 301-1~2, 302-1~4, 303-3~5, 305-1~2, 305-4~5, 306-3~5, 308-2, 401-1, 401-3, 404-1, 404-3, 405-1~2, 403-1~10, 414-2

Recommendations and Opportunity for improvement

The assurer will provide the following comments to the extent that they do not affect the result of assurance;

• LOTTE Engineering & Construction identifies material sustainability topics that reflect its distinct industry and organizational characteristics, disclosing relevant achievements and roadmaps in its reports. In future reporting, identifying and disclosing potential negative impacts alongside positive achievements will be vital to ensuring the balance and credibility of the report.

GRI-Reporting

LOTTE Engineering & Construction provided us with their self-declaration of compliance within GRI Standards. Based on our review, we confirm that social responsibility and sustainable development indicators. The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the Universal Standards and Topic Standards Indicators based on the data provided by LOTTE Engineering & Construction. The sector standard was not applied.

Issue Date: 25/06/2026 For and on behalf of BSI (British Standards Institution):
BSI representative

Jungwoo Lee, Lead Assurer, LCSAP

Seonghwan Lim, Managing Director of BSI Korea

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 808634



AA1000
Licensed Report
000-4/V3-PB5WW

Awards and Memberships

Memberships in Associations

Civil Works	• Construction Association of Korea • The Korea Railway Association • Korea Railroad Construction Association • Korea Road Association • Korea Irrigation and Drainage Committee • Korean Society for Rock Mechanics and Rock Engineering • Korean National Committee on Large Dams	Outsourcing	• Korea Construction Materials Workers Council • Kunwoo Group • Construction Subcontractors' Council • Korea Fair Competition Federation
Plants	• Engineering Mutual Aid Association	Technology Research	• Korea Construction New Technology Association • Korea Construction Environment Association • Korea Engineering Promotion Association
Architecture	• Korea Electrical Engineers Association • Korea Intelligent Smart Building Association • Korea Railroad Signaling Technology Association • Korea Electric Railway Technology Association • Korea Software Industry Association • Korea Electrical Association • Korea Facility Technology Association • Korea General Construction Machinery & Equipment Council • Korea Fire Protection Facilities Association	Safety and Health	• General Construction KOSHA-MS Council • Construction Safety Practitioners Council • Construction Safety Council • Construction Health Council • Construction Safety Executives Council • Construction Equipment Safety Council
Housing	• Korea Housing Association • Korea Remodeling Association	Management	• Korea Construction Management Association • Construction Companies HR Managers Council • Korea Listed Companies Association
Overseas	• Korea Overseas Construction Association	Information Security	• Korea Incident Response Team Council • Korea Chief Information Security Officers Council

Awards

Award Date	Title of Award	Awarding Organization
2025.04.01	Chairperson's Citation from the Korea Fair Trade Commission at the 24th Fair Trade Day Ceremony	Korea Fair Trade Commission
2025.06.26	「2025 National Service Award」 Premium Apartment Category (8 consecutive years)	Institute for Industrial Policy Studies
2025.07.04	Grand Prize in the Apartment Category at the 2025 Korea Service Grand Prix	Korean Standards Association
2025.07.24	「Social i-AWARD 2025」 Integrated Grand Prize in the Construction Brand Category (2 consecutive years)	Korea Internet Professionals Association
2025.10.21	「15th Korea Landscape Awards」 Korea Forest Service Administrator's Award	Ministry of Land, Infrastructure and Transport / Environmental Landscape Development Foundation
2025.11.13	「18th Korea Communication Awards」 Grand Prize (2 consecutive years)	Korea Internet Communication Association
2025.11.14	「2025 Good Design Award」 Bronze Award	Ministry of Trade, Industry and Energy / Korea Institute of Design Promotion
2025.12.12	「Korea Digital Advertising Awards」 Winner in 2 Categories	Korea Digital Advertising Association

Acknowledgements

LOTTE E&C has established and implemented stakeholder participation as a key strategy within the Sustainability Report publication process to practically embed ESG management. This report was prepared through a multifaceted process of collecting opinions from internal and external stakeholders, carefully reviewing the requirements of each stakeholder group, and enhancing the transparency and reliability of the report. Going forward, LOTTE E&C will continue to operate a participation-centered report publication and disclosure system, expand consensus with stakeholders, and gradually raise the level of ESG internalization across the Company.

Area	Organization	Name
Introduction	Strategic Planning Division	Han Soo Leem
	Financial Administration and Procurement Division	Soo Jung Hyun
		Ji Won Kim
Our Core Business Streams	Development Business Division	Dae Wook Kwon
		Seung Woo Seo
	Civil Works Division	Eun Bi Kang
	Plants Division	Man Jae Lee
	Overseas Business Division	Won Sik Shin
ESG Management	Strategic Planning Division	Han Soo Leem
Focus on the Core	Strategic Planning Division	Han Soo Leem
	Research & Development Institute	Young Joon Yoo
		Hyo Young Park
		Tae Gi Kim
	Safety and Health Management Division	Hwichan Yoon
		Donggun Lee
		Jinwoo Yang
	Financial Administration and Procurement Division	Gi Beom Nam
		Sung Woo Cho
	C/S Division	Kyung Hwan Kim
Solid Core	Strategic Planning Division	Han Soo Leem
		Dae Yun Kim
	Compliance Management Division	Chan Gi Gong
		Geun Su Choi

Area	Organization	Name
Solid Core	HR Division	Yong Bae Ji
	Information Security Division	Min Sung Kim
	Marketing Division	Jae Hoon Kwak
Green Core		Dong Wan Cho
	Research & Development Institute	Beom Gyu Sung
		Min Ju Kim
	Financial Administration and Procurement Division	Gi Beom Nam
Human Core	Strategic Planning Division	Han Soo Leem
		Yong Bae Ji
	HR Division	Seong Won Song
		Young Rok Hwang
	Public Relations Team	Su Yeon Lee
	CSV Team	Hye Won Shin
		Jin Young Kim
		Jun Seong Park
	Design Institute	So Jung Jung
		Seung Soon Lee
English Translation Review		Yu Jin Choi
	Overseas Business Office	Won Sik Shin
		Jae Min Baek
Production Management		Hong Il Kim
	Strategic Planning Division	Woon Cheol Yang
		Han Soo Leem

