

# **LG Electronics Supplier Code of Conduct Guidelines**

Version 5.0 (August, 2024)





































































**G. Water Resource Management**

Suppliers shall identify and regularly monitor their water sources, utilization, and discharge. All wastewater generated must undergo treatment in accordance with local laws prior to discharge and shall be routinely monitored to ensure compliance with regulatory standards.

**Q. 3. G. 1. What should be considered for effective water management?**

- The water used at the factory is divided into withdrawal, use and discharge stages. Water withdrawal means collecting water from the source to use the water. If suppliers withdraw water directly, the company should ensure that it does not cause color change, odor, and suspended matter, and that it complies with the requirements of applicable laws. If water is used in the process, an appropriate annual reduction program should be established and implemented, such as goal management for efficient water use.
- Wastewater generated in the process should be treated according to legal requirements, and in case of in-house treatment, the efficiency of the treatment facility should be verified periodically. In addition, if hazardous materials leak/spill, nearby rivers/reservoirs can be contaminated through rainwater drainage so it must be managed through a blocking device or a collecting tank.

**Q. 3. G. 2. What are the precautions related to wastewater?**

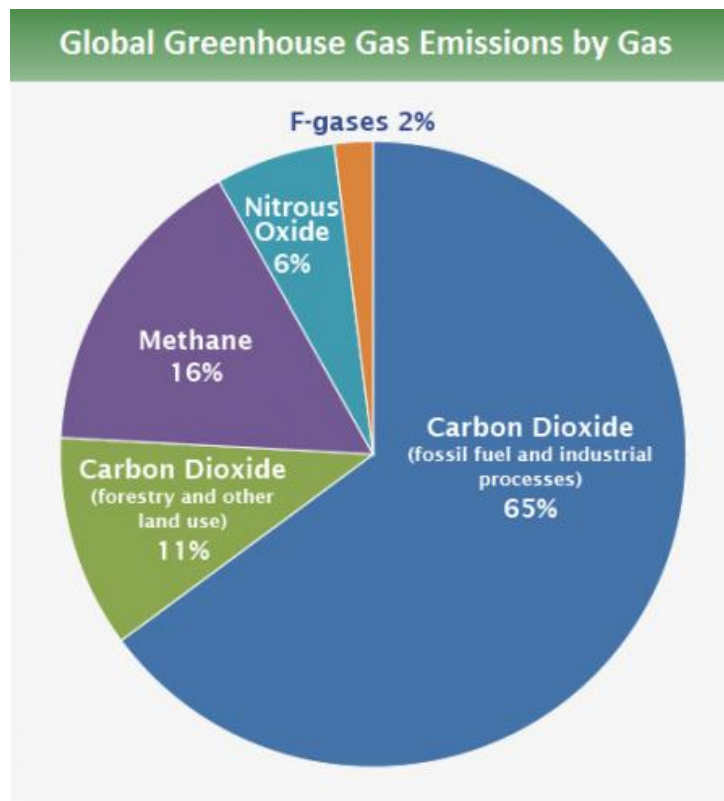
- All wastewater generated should be treated in accordance with local environmental permits and the requirements of relevant laws and regulations, and processes should be established to prevent wastewater from running off into drainage and nearby communities. The company ensure that wastewater effects a significant impact on local water sources and identify potential sources of contamination that may affect stormwater quality.
- The source and amount of wastewater should be recorded. An appropriate wastewater treatment facility must be installed in accordance with local regulations, and a pollution management evaluation should be conducted for proper maintenance and periodic inspection.
- Emergency response processes should be established in case of overflow of wastewater treatment facilities, leakage of wastewater into storm drains, malfunctions, and management of test reports together with records of responses in the event of an issue. Training for the person in charge of wastewater treatment facility is required to be required by law or to maintain appropriate skills.
- The company must set up and implement reduction/reuse goals through a wastewater reduction program to minimize the generation of wastewater.
- Emergency response systems should be established, including personnel selection, prevention of incidents, and reporting to local governments, in order to respond promptly to pollution leaks through water pipes.



**H. Energy Consumption and Greenhouse Gas Emissions**  
 Suppliers are required to establish the corporate-wide greenhouse gas reduction target and report such goal. Suppliers shall track and document their energy consumption as well as all Scope 1, 2, and significant categories of Scope 3 greenhouse gas emissions, and publicly disclose their progress toward the reduction goal. Additionally, suppliers shall seek strategies to improve energy efficiency and minimize both energy consumption and greenhouse gas emissions.

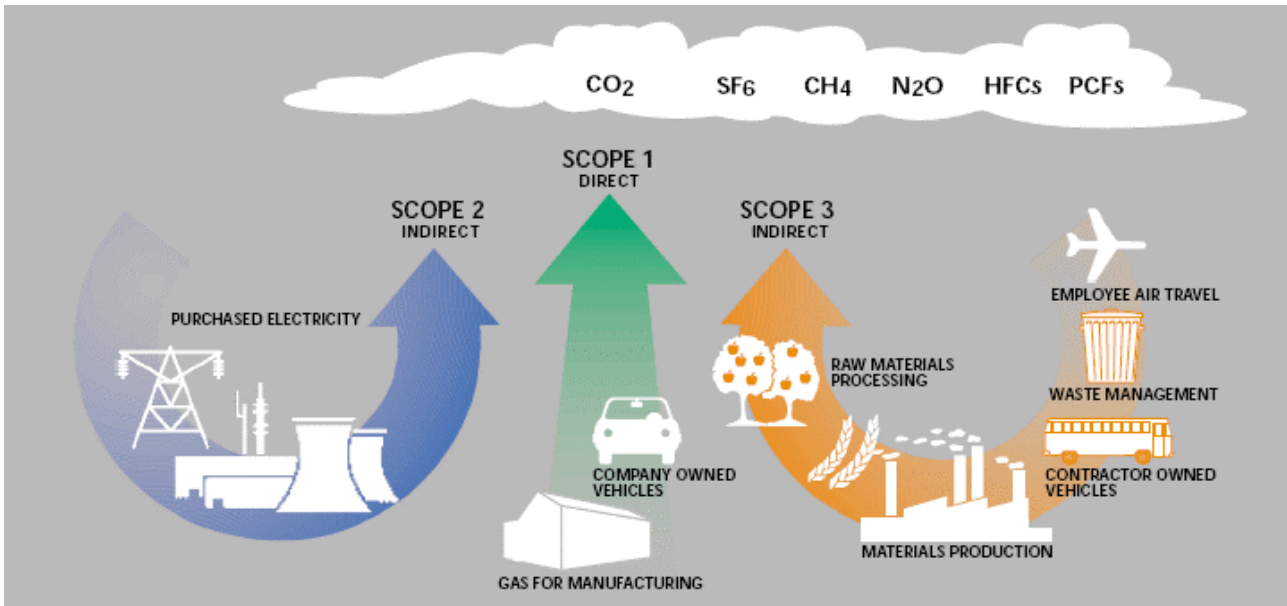
**Q. 3. H. 1. What is Greenhouse Gas (GHG) and how to calculate the amount of GHG emission?**

• A greenhouse gas is a gas in an atmosphere that absorbs and emits radiant energy within the thermal infrared range. This process is the fundamental cause of the greenhouse effect. The six main greenhouse gases as defined in Kyoto Protocol are Carbon Dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous Oxide (N<sub>2</sub>O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), and Sulphur Hexafluoride (SF<sub>6</sub>).



\* Global emissions gas in 2015 (Source- IPCC2014)\_based on global emissions)

- GHG emissions can be categorized as below.
  - Scope 1 (Direct): On-site combustion using fossile fules such as boiler and heater
  - Scope 2 (Energy Indirect): Purchased electricity, hear or steam
  - Scope 3 (Other Indirect): Commuting, travel, waste generated in operations, and etc.
- ※ At least tracking scope 1 &2 emmissions is recommended.



• In order to calculate GHG emissions, annual use of energy should be recorded and tracked. Energy source can be various such as oil, diesel, natural gas, propane, electricity, and steam, and see examples for calculation on major source – electricity, steam, and natural gas

**[Korea]**

1. Electricity (purchased) use = Electricity use (kWh) x 0.00046625
  2. Steam (purchased) use = Steam use (TJ) x emission factor (request to your steam provider)
  3. LNG combustion = LNG use (m<sup>3</sup>) x 0.002212
- \* Unit of emissions: Ton CO<sub>2</sub>eq

(Example: If annual electricity use – 1,000,000 kWh, and LNG use – 1,000,000 m<sup>3</sup>)

- Scope 1 (direct): LNG – 1,000,000 x 0.002212 = 2,212 Ton CO<sub>2</sub>eq
- Scope 2 (Energy indirect): Electricity – 1,000,000 x 0.00046625 = 466.25 Ton CO<sub>2</sub>eq

(※ Auto calculator: [http://bpms.kemco.or.kr/toe/toe/toe\\_new.aspx](http://bpms.kemco.or.kr/toe/toe/toe_new.aspx) - by KEMCO)

**[Overseas]**

1. Electricity (purchased) use = Electricity use (kWh) x emission factor by countries

[Emission factor by countries]

Brazil	0.000136	Russia	0.000437
China	0.009168	Saudi Arabia	0.000754
Egypt	0.000457	South Africa	0.000869
India	0.000856	Thailand	0.000522
Indonesia	0.000755	Turkey	0.000472
Mexico	0.00135	Vietnam	0.000429
Poland	0.00156		

2. Steam (purchased) use = Steam use (TJ) x emission factor (request to your steam provider)
3. LNG combustion = LNG use (m<sup>3</sup>) x varied by countries\*

\* See IPCC 2006 second edition for detailed emission factor by countries  
 \* For LNG emission factor, it's acceptable to use Korea's factor (0.002212)

**Q. 3. H. 2. Why is it important for suppliers to publicly disclose their progress toward greenhouse gas reduction goals?**

- Public disclosure of progress toward GHG reduction goals is important because:
  - It demonstrates transparency and accountability, building trust with stakeholders, including customers, investors, and regulatory bodies.
  - It aligns with global expectations and standards for environmental responsibility and sustainability.
  - It encourages continuous improvement and helps suppliers benchmark their performance against industry peers.
  - It can enhance the supplier's reputation, potentially leading to new business opportunities and partnerships.

**Q. 3. H. 3. How energy use/GHG emission can be reduced?**

- Reduction program/plan for energy use/GHG emission should include followings.
  - Annual objectives
  - Regular objective tracking
  - Progress monitoring
  - Adjustments made if off track
  - Data on energy use/ GHG emission (Inventory)
- Since some countries have regulation on GHG emission, suppliers should check relevant local law or buyers' request. Generally, following activities can be considered.
  - Install power saving devices (sensor using auto light, air conditioning, and etc.)
  - Use high efficient on-site combustion or vehicles
  - Purchase renewable energy or install on-site renewable energy power generator such as solar panel
  - Use refrigerants with low global warming potential in Heating, Ventilation, and Air Conditioning

**Q. 3. H. 4. How can suppliers set effective greenhouse gas reduction targets?**

- Suppliers can set effective GHG reduction targets by:
  - Analyzing current energy consumption and GHG emissions to establish a baseline.
  - Setting science-based targets that align with global climate goals, such as those outlined in the Paris Agreement.
  - Engaging with stakeholders, including employees, customers, and regulators, to ensure the targets are ambitious yet achievable.
  - Integrating GHG reduction goals into the overall business strategy to ensure alignment with other corporate objectives.
  - Reviewing and adjusting targets regularly to reflect changes in business operations, technological advancements, and regulatory requirements.

**I. Biodiversity and Forest Logging Management**

Suppliers are required to recognize the critical role of biodiversity in fostering a healthy environment and promoting sustainable development, and they should take proactive measures to minimize the environmental impact of their business operations. Additionally, suppliers shall acknowledge the detrimental impact of excessive logging in mountains and forested areas on global climate change. In alignment with global initiatives, suppliers shall endeavor to reduce forest logging and contribute to sustainable land use practices, through either direct or indirect investments.

**Q. 3. I. 1. What are the responsibilities of suppliers regarding biodiversity and forest logging management?**

- Suppliers are required to recognize the critical role of biodiversity in fostering a healthy environment and promoting sustainable development. They should take proactive measures to minimize the environmental impact of their business operations by
  - Identifying, assessing, and mitigating the impacts of their operations on local ecosystems and biodiversity.
  - Avoiding operations that contribute to habitat destruction, particularly in areas with high biodiversity value.
  - Implementing strategies to restore and protect ecosystems where they operate.
  - Ensuring that their business practices do not contribute to deforestation or excessive logging, which has a significant impact on global climate change.

**Q. 3. I. 2. What actions should suppliers take to reduce forest logging?**

- Suppliers should actively participate in efforts to reduce forest logging by:
  - Adopting sustainable land use practices that minimize the need for logging.
  - Prioritizing the use of recycled or sustainably sourced materials.
  - Engaging in reforestation or afforestation projects to compensate for any unavoidable logging activities.
  - Supporting and investing in initiatives that promote sustainable forestry and land management practices.
  - Ensuring compliance with local and international regulations related to forest management and logging activities.

**Q. 3. I. 3. What are the precautions related to animal welfare in relation to biodiversity and logging?**

Suppliers must consider the impact of their operations on wildlife and take the following precautions:

- Implementing measures to protect local wildlife habitats and avoid disrupting animal populations during logging or land use activities.
- Avoiding operations in areas that are critical habitats for endangered or protected species.
- Ensuring that any animal-related products used in operations are sourced from suppliers that adhere to high animal welfare standards.
- Regularly monitoring and assessing the impact of operations on wildlife and making necessary adjustments to minimize harm.

**Q. 3. I. 4. How should suppliers handle land, forest, and water rights?**

- Suppliers must respect the land, forest, and water rights of local communities and indigenous peoples by:
  - Conducting thorough assessments of land use to ensure that operations do not infringe on the rights of local populations.
  - Engaging in transparent and respectful consultation processes with local communities before commencing operations that may affect their land, forest, or water resources.
  - Adhering to local and international laws related to land tenure and water usage rights.
  - Implementing policies to prevent land grabbing or the exploitation of forest and water resources.
  - Ensuring that operations do not negatively impact the availability and quality of water resources for local communities.

**Q. 3. I. 5. How can suppliers contribute to sustainable development through biodiversity and forest logging management?**

• Suppliers can contribute to sustainable development by:

- Integrating biodiversity conservation into their business strategies and practices.
- Promoting the sustainable use of natural resources, including land, forests, and water.
- Supporting community-based conservation initiatives that foster sustainable livelihoods while protecting biodiversity.
- Investing in technologies and practices that reduce environmental impacts and promote sustainable development.
- Reporting on their biodiversity and forest management efforts, including progress towards reducing forest logging and protecting ecosystems.

## 4. Ethics

### **A. Compliance with "Jeong-Do" Management and Anti-Corruption Measures**

In accordance with LGE's Jeong-Do Management policy, suppliers are strictly prohibited from engaging in corrupt practices, such as receiving bribes including gifts, or engaging in embezzlement. It is imperative for suppliers to enforce a zero-tolerance policy towards corruption and consistently regulate, monitor, and document any such incidents to ensure compliance with relevant anti-corruption laws and regulations.

#### **Q. 4. A. 1. What is Jeong-Do management?**

• This is LG's code of conduct, which is based on ethical management and steadily cultivating skills and winning competitively. Practicing Jeong-Do management and compliance is the most basic promise to customers, and illegal activities can never benefit the company in any circumstances. LG Electronics employees, as well as all suppliers that deal with LG Electronics, must strictly adhere to Jeong-Do management.

#### **Q. 4. A. 2. What is corruption?**

• This refers to the offering, promising, or proposal of bribes or some other compensation with the aim of improper and unfair benefit, or permitting or receiving such things. Included in this are acquiring or maintaining business opportunities, providing business opportunities to others, or providing, proposing or promising a particular value directly or indirectly through third parties with the aim of improper benefit.

#### **Q. 4. A. 3. Why is the prohibition of corruption important?**

• Companies should be fully trustworthy about the transparency and ethics of transactions with customers, suppliers, and the larger community. To do this, all members should work fairly and transparently in accordance with principles and standards, and in particular, they should comply with the principle of Jeong-Do management based on fair and competent competition without acquiring or maintaining business in fraudulent ways such as bribery.

In addition, corruption such as bribery is a serious crime in all countries around the world, and not only the individuals involved but also the company can be subject to severe criminal penalties. Recently, it is increasingly common for foreigners to be punished, not only in their home country, but also abroad for corrupt practices by exercising extraterritorial rights. For example, the remittance of a bribe is punishable by US law even if it only passes through a bank in the United States or an email agreeing to provide a bribe passes through a server located in the United States.

#### **Q. 4. A. 4. What can be done to prevent corruption such as bribery or embezzlement?**

• If a stakeholder offers money, it should not be accepted for any reason, and must be refused or returned politely. However, if the gift is not recognized as such at the time, or if it would be rude to immediately reject or return, it should be dealt with after being reported in accordance to company guidelines.

• The company's assets and confidential information are important assets and should only be used for business activities and approved purposes, and responsibility must be taken to respond to any loss, misuse, and theft of any assets. As company funds, company expenses must be used for designated purposes and comply with company standards. Company funds may not be redirected nor did physical cash acquire using false evidence.

• If you have appointed a third party, such as an external broker or consultant, to handle your business, you must ensure that no illegal methods such as bribery are used. Not only bribes directly given by you, but even when a third party gives a bribe for the benefit of the company, if the facts were known or understood, the company will be held responsible for it. You should investigate whether there is anything suspicious and terminate the transactional relationship so that there is no offer or acceptance of inappropriate proposals, bribes or unreasonable or improper profits.

• If corruption is detected through regular monitoring, take measures in accordance with the personnel regulations, and keep records detailing the method of investigation, objective data, and testimony. You should conduct annual training for all executives, managers, supervisors, and employees and keep the training materials and training records.

**B. Information disclosure**

All transactions shall be conducted transparently and accurately documented in accounting books. Suppliers are required to adhere to applicable laws and industry best practices by disclosing information related to labor practices, health and safety standards, environment management, business operations, corporate governance, financial status, and performance. Falsification of records or misrepresentation of conditions or practices is not permissible and must be avoided at all costs.

**Q. 4. B. 1. Why should false information not be disclosed?**

- Build trust with customers, shareholders and other stakeholders based on accurate information disclosure. Providing false or exaggerated information is a clearly illegal act that could cause stakeholders to misunderstand the company or harm the interests of the company by blurring decision-making and judgment when forming business relationships.

**Q. 4. B. 2. What are methods for disclosing reliable information?**

- Records, reports and disclosures of all company-related information must be accurate and honest. In particular, financial performance should be prepared fairly and in accordance with tax laws and corporate accounting standards, reported to stakeholders such as shareholders and investors, and verified by third party financial auditors.
- Establish internal inspections and management systems to ensure the accuracy and reliability of information to prevent false information and ensure timely reporting in accordance with legal requirements and industry practices.
- All types of information (such as employment announcements, product details, company/facility promotions (brochures/flyers), commercials, press releases, websites, etc.) that are publicly disclosed by partner companies are subject to fair trade laws and fair advertising laws, and there should be no false or misleading statements about the suppliers' products, services, opportunities or location.

**C. Protection of intellectual property rights**

Suppliers shall respect all intellectual property rights, ensuring the protection of such rights when transferring technology or know-how. Suppliers shall also safeguard the confidential information of both LGE and their own suppliers to prevent unauthorized use or disclosure.

**Q. 4. C. 1. What are intellectual property rights?**

- They are intangible property rights for works created by intellectual activities in the fields of industry, science, literature and the arts. They are broadly categorized into industrial property rights such as invention, trademark, design, and copyrights for literary, musical, and art works.

Accordingly, intellectual property includes various designs, technologies, inventions, or information that can be protected externally by intellectual property rights such as patent rights, design rights, trademark rights, and copyrights. It may also contain trade secrets that must be kept confidential, such as product design or source technology, to maintain competitive advantage.

- When a contractor concludes a contract with a customer, he or she should establish policies and programs to protect the customer's information. To do so, the name and contact information of the core customer's employees, contract price and size, contractor, and other subcontractor information, identity information and trademarks, third party intellectual property, patent records, copyrighted content, etc., may also be included among the trade secrets that must be kept secret from the outside.

**Q. 4. C. 2. Why should intellectual property rights be protected?**

- Fair competition in good faith means respecting the intellectual property rights of others. Just as your intellectual property rights are respected by others, it means that you should keep in mind the intellectual property rights of others at all times when developing new ideas. Respecting the intellectual property rights of others in a rapidly changing market environment that can survive only by constantly introducing innovative ideas is a true practice of fair competition.

At the same time, the intellectual property of the company, including various designs, technologies and information, is the driving force of our business activities. By protecting the company's intellectual property, we will be able to maintain our competitive edge and consistently deliver innovative products and services to our customers. We must respect the intellectual property of others, but before we do, we must protect our intellectual property thoroughly and properly.

**Q. 4. C. 3. How can intellectual property rights be protected?**

- Designs, technologies, writings, and information held by third parties or others must be used only after obtaining authorization to use them, and the use of licensed intellectual property is subject to the terms of the license agreement. Materials that are not clearly legally licensed should not be shared with third parties.

- You should review in advance whether another party has the right to data, information, writing or technology that you have acquired or plan to use at the company level. In particular, it is necessary to review whether parts supplied by a supplier are utilizing technology pertaining to the intellectual property of a third party other than the supplier, and if there is another rights holder, the terms of use for the writing or technology must be checked.

- The development of an invention, design or technology that should be protected by intellectual property rights should be reported to the organizational director or the patent department representative so that the company can register it. Protect your company's intellectual property from unauthorized use, and in particular, prevent unauthorized disclosure or disclosure of company trade secrets. The confidentiality of the trade secrets must be protected from unauthorized use by others, and the necessary approval procedures and sufficient contractual protection measures must be taken.



**D. Fair trade, advertising and competition**  
 Suppliers shall comply with the relevant regulations and standards regarding fair trade practices, including the prohibition of collusion, as well as compliance with laws governing advertising and competition.

**Q. 4. D. 1. What are violations of the Fair Trade Act?**

- Fair trade laws differ slightly from country to country, so it is not easy to determine whether or not a violation has occurred. In most countries, however, the following are usually restricted or prohibited.
  - Agreements or understandings between competitors or companies and customers, clients, and suppliers that may unfairly restrict competition
  - Disrupting business or taking unfair advantage of other businesses by using superiority in supply chain or market
  - Mergers, acquisitions, joint ventures, and other supplierships that may impede competition without getting prior review or approval by the government or regulatory authorities

**I. Fair Trade - Relationship with Competitors**

- If it is necessary to cooperate with competitors, ensure that regulators do not misinterpret this move as collusion (cartel) behavior. The object of collusion is not limited to final sale prices. Not only prices, but any element that can influence customer choice and restrict competition can be included. Even if there is no intention to adhere to the agreement, or if it was not actually followed, the agreement in and of itself would be considered illegal. Also, even failed attempts to reach such an agreement could be a violation of fair trade laws, despite no agreement being concluded.
  - Price fixing: Agreeing on any form of pricing for channel partners or customers, including, for example, use of pricing formulas, discounts or rebates, or agreeing on pricing to pay to suppliers.
  - Bid rigging: Agreeing on how to bid for customer or channel partner business, such as by agreeing on what price or other conditions to put in a bid proposal. Typically, this is done so that a competitor wins one customer opportunity and another wins the next opportunity.
  - Operation, production or distribution agreements: Agreeing on levels or other limitations of production or distribution of products, or agreeing on other operational activities.
  - Market, territory or customer allocation: Agreeing to divide markets, territories or customers so that competition is reduced in each situation.
  - Group boycotts: Agreeing not to do business with certain individual or groups of customers, distributors or suppliers, for instance, until that group agrees to more favorable pricing or other conditions.

**II. Fair Trade - Relationship with Suppliers**

- Fair trade laws should be complied with even more strictly when dealing with suppliers. You should not use unequal, unfair treatment or unfriendly trading practices by taking advantage of a superior trading status. The following are actions that may cause problems with fair trade laws in relation to suppliers.
  - Refusals to deal: Not doing business with a potential or former partner without a legitimate reason. Such efforts may suggest an attempt with a competitor to allocate customers.
  - Unfair exploitation of a superior dealing position: Using the Company's superior position over a supplier or channel partner to pressure unfair prices, refuse or delay execution of payment, impose sales targets, reestablish business terms, interfere in management or other unfair activities.
  - Price or subsidy discrimination: Setting prices for certain channel partners outside of a regularly-applied pricing structure and without appropriate reason. Providing non-financial support also may apply here.
  - Exclusive dealing with certain partners or territories: Setting terms that unreasonably restrict our partners' freedom of doing business. This includes dealing only on the condition that our partner does not deal with a competitor and setting exclusive sale territories.
  - Resale price maintenance: Requiring a channel partner to sell the Company's products at a certain price, discontinuing sales to that partner because of its pricing decision, or penalizing a channel partner for not maintaining resale prices based on another partner's complaint.
  - Tying and bundling arrangements: Requiring that a partner sell to or buy from the Company for the Company to do the same with the partner, either as a wholesale arrangement or for specific unrelated products.
  - Predatory pricing: Setting unfairly low prices to channel partners or customers, such as below cost, or purchasing at unfairly high prices from suppliers, to drive out competitors.

**Q. 4. D. 2. Why is fair trade and competition important?**

- Fair trade laws protect the competitive order of the market and allow us to pursue results using our abilities and not cheating. Therefore, working for fair trade and competition is not only a social obligation, but is also key for the formation of trust with Suppliers

and customers.

Recently, the majority of nations have increased the enforcement and punishment of relevant laws. Individuals who violate fair trade laws are subject to severe criminal punishment such as long term jail terms and large fines. Not only individuals but also corporations can suffer fatal fines such as huge penalties, large class action lawsuits, and restrictions on business activities in those countries. Therefore, it is necessary to pay utmost attention to ensure that no management activities of the company are in conflict with relevant laws.

**Q. 4. D. 3. How can fair trade and competition be put into practice?**

- Avoid harming other businesses and customers with improper collusion of competitor selling prices, terms of sale and market distribution. You should not form or enter into unfair agreements or collusive organizations with peer companies.
- Do not steal or tamper with competitors' tangible and intangible assets, and strive to gain competitive advantage in a legitimate way that does not slander competitors or exploit weaknesses.
- Provide partners with the necessary trade information at the appropriate time, and take security measures to prevent damage from external leaks. Mutually agreed terms and conditions will not be changed without justifiable reason, and technical or other assets of partners must be approved by the partner.
- In the event that a partner is injured due to the fault of the company, they must be compensated fairly. Unfair acts that are prohibited by fair trade laws should not be done.
- If conspiratorial and collusive activities are uncovered through regular monitoring, measures should be taken according to personnel regulations, and records of investigation methods, objective data and testimony should be kept. Ensure that relevant executive, managerial, supervisor, and employee training is conducted and maintained with training materials and training records.

**E. Identity Protection and Non-Retaliation**

Suppliers are required to establish an anonymous and confidential reporting channel and whistleblower protection programs, unless prohibited by laws. Suppliers must communicate a clear process for their personnel to raise concerns without fear of retaliation.

**Q. 4. E. 1. What is an anonymity-protected reporting channel?**

• This refers to on/off-line communication channels (newspapers, complaints and suggestions, hotlines, hotmail, third party lines, etc.) that enable employees and suppliers to freely report unethical illegal acts or issues within the company. However, if you report using such channels, you should not disclose any information that suggests or implies the identity of the informant without their consent. Therefore, it cannot be said that there is an anonymity reporting channel just because it is possible to report through face-to-face reporting with HR department managers and management.

**Q. 4. E. 2. How can I protect the identity of the informant and prevent retaliation?**

- Regular training should be conducted on how to use related internal policies and anonymous reporting channels so that employees and suppliers can report unethical illegal acts without fear of retaliation. The investigation should also include detailed procedures to protect the identity of the informant, and all efforts must be made to take responsibility and resolve any problems that result from a failure to do this.
- There must be an internal policy that strictly prohibits retaliation against employees and suppliers who report internal unethical illegal acts or issues. Identity protection should be applied to all workers, including irregular workers. This includes all forms of retaliation, ranging from grievances or transaction disadvantage to the informant to general harassment. If monitoring reveals cases of retaliation, those responsible should receive punishment based on disciplinary rules and prevention through regular education (once a year) is needed.

**F. Personal Information Protection**

Suppliers shall systematically protect the personal information of all stakeholders, including suppliers, clients' consumers and employees. Compliance with personal information protection and information security laws is essential when collecting, storing, processing, transmitting, and sharing personal information.

**Q. 4. F. 1. Why is the protection of personal information important?**

• The personal information of stakeholders, including customers, is becoming more important throughout all management activities. However, with the advancement of communication technology, access to and exchange of personal information has become faster and the possibility of misuse and abuse of information has increased. Taking responsibility for personal information and complying with relevant laws means respecting the stakeholders who have entrusted the company with their personal information, and it is important to note that consent to the use of personal information is limited to specified uses.

**Q.4. F. 2. How can the protection of personal information be put into practice?**

- Establish and comply with laws and corporate standards regarding the collection, storage, processing, transmission, and sharing of personal information. Since personal information must be used only for the agreed purpose, the sharing, disclosure, modification and destruction of personal information must be done only with the consent of the information provider, and as with the confidentiality of the company, thorough security is required. The transfer of personal information overseas is limited to cases where the laws of the country in which the information is collected allow it, and this also requires the informant's prior consent.
- Do not store any personal information that is not relevant or unnecessary to the business, and even if the information is acquired in relation to the business, it should be deleted completely when the business is completed. Personal information provided by suppliers must not be provided until it is confirmed that there is no problem with the collection and sharing process.

**G. Adherence to International Trade Regulations**

Suppliers shall comply with all applicable international trade laws and regulations governing the products and services supplied to LGE. This entails refraining from providing raw materials, parts, products, or service related to transactions involving entities under international sanctions, including specific countries, companies, organizations and individuals. In the event that suppliers become aware of transactions involving sanctioned entities post-facto, suppliers are obligated to promptly notify LGE and take immediate remedial actions. LGE may request verification or investigation into the presence of sanctioned entities within the supply chain, and suppliers shall cooperate fully in such instances..

**Q. 4. G. 1. Who is the particularly restricted country, company or individuals?**

• It's such particularly restricted countries, companies or individuals who are threatening global peace, safety and lives, by taking part of the development of mass destruction, international drug dealing, human rights abuse or international terror, and who are subject to trade or economic sanctions, restrictions or controls which are imposed by international organizations or key countries such as USA. (e.g. the leadership of North Korea, IS terrorist, Drug dealer, Myanmar insurgent army, Nuclear weapon related entity of North Korea, North Korea, etc.)

**Q. 4. G. 2. Which kind of transactions are restricted?**

- Direct or indirect export/import, sales or supply of product or service that is subject to a sanctions program (including, in some, cases because of a connection to a sanctioned entity in the supply chain).
- Providing financial services such as Investment or transmission
- Other funding to the sanctioned entity

**Q. 4. G. 3. Where can we find the sanction list?**

- US OFAC (Office of Foreign Assets Control) sanction list  
: <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>
- US BIS (US Bureau of Industry and Security) sanction list  
: <https://www.bis.doc.gov/index.php/policy-guidance/lists-of-parties-of-concern/entity-list>
- EU (European Union) sanction list  
: <https://www.sanctionsmap.eu/#/main>
- UN (United Nations) sanction list  
: <https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>

**Q. 4. G. 4. What is the way of practice to comply these international trade regulations?**

• LGE is checking the applicability of the trade or economic sanction list of the partner who is supplying to LGE raw material / parts / product and service before the transaction or transmission of monies. LGE also requires its suppliers to exercise due diligence on their own suppliers, to ensure that the products and services provided to LGE are not affected by interaction with sanctioned entities. Therefore, the partners should check the applicability of sanction list before the partners supply the product or service, and take all necessary measures including termination of transaction with sanctioned entity and set up compliance process.

**5. Responsible management of minerals and raw materials (Responsible sourcing)**

Suppliers shall establish and implement policies aimed at preventing the use of materials and minerals sourced through any illegal and unethical means, and they shall abide by all applicable regulations. Suppliers shall establish a management system for tantalum, tin, tungsten, gold (conflict minerals), and cobalt in the raw materials, parts, and products they supply to LGE in accordance with the Organization for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Suppliers are obligated to conduct due diligence on the origin and supply chain of 3TG minerals and cobalt present in the raw materials, parts, and products they supply to LGE. These materials and substances must originate from smelters and refiners certified by Responsible Minerals Assurance Process (RMAP) or other certification programs that meet the standards of the RMAP. Upon LGE's request, suppliers must furnish the current status of relevant due diligence, and promptly provide due diligence results, including information on the origin, smelters, and refineries of 3TG minerals and cobalt contained in the raw materials, parts, and products supplied to LGE.

**Q. 5. 1. What are conflict/responsible minerals?**

• The term "Conflict Mineral" is defined by United States law and refers to four minerals regardless of origin: tantalum, tungsten, tin, and gold (also known as 3TG). However, other minerals can be added by the Secretary of State of the United States if it is determined that their sale will benefit armed groups perpetuating human rights abuses in the Democratic Republic of the Congo or neighboring countries.

(Note: <http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>)

• In addition to Conflict Minerals, Responsible Minerals are minerals that cause negative impacts such as human rights violations and environmental destruction in the process of mining. For example, Cobalt is not yet regulated but expected to be regulated because of issues related to child labor and human rights violations in cobalt mines in the Democratic Republic of Congo(DRC).

**Q. 5. 2. If the raw materials/parts/products delivered to LG Electronics contain minerals mined from disputed areas, is delivery prohibited?**

• No. The U.S. Conflict Minerals Law requires annual disclosure reporting of the origin of 3TG minerals in the products of companies listed on the U.S. stock exchanges. There are also legally mined minerals in the disputed territory - the Democratic Republic of the Congo or neighboring countries (Angola, Burundi, the Central African Republic, Rwanda, South Sudan, Tanzania, Uganda, Zambia and the Republic of the Congo). These "Conflict-Free" minerals can be distinguished from minerals controlled by militant forces that commit human rights abuses if sourced from smelters or refiners that have undergone an independent third party audit from the Conflict Free Sourcing Initiative or mutually recognized program. "Conflict-Free" validated smelters and refiners are listed at <http://www.conflictreesourcing.org/>

LG Electronics reserves the right to prohibit delivery of materials, parts and components from suppliers that contain 3TG minerals or cobalt if the origin information requested is not submitted.

In addition, and more broadly, suppliers should take care that any raw materials supplied to LG Electronics are not obtained through any illegal and unethical methods. LG Electronics is committed to pursuing a responsible sourcing network and will prohibit trading at any stage in the supply chain if it finds illegal or unethical behavior.

**Q. 5. 3. What are other precautions related to raw materials/parts/products delivered to LG Electronics?**

• Illicit activities such as terrorism, drug smuggling, human rights abuses, and other illegal activities can be identified through various economic and trade sanctions imposed by the United Nations, United States, European Union and/or other nations. Specific trade sanctions vary and can be applied to stakeholders involved – directly or indirectly – in transactions related to the countries, companies, institutions or individuals. LG Electronics expects all business partners – whether direct or indirect – to comply with all relevant trade compliance regulations.

## **6. Management system**

### **A. Management's Declaration of Commitment for Compliance and Responsibilities**

As responsible representative(s) for adhering to this Code of Conduct, the suppliers' executive management shall publicly declare their commitment to due diligence and continuous improvement of human rights, health and safety, environmental, and ethical policies in writing. This declaration should be made accessible to all workers in a language they understand through appropriate channels. Additionally, the management shall review the status of their compliance at least once a year.

### **B. Respond to External Requirements**

Suppliers are required to stay informed about the latest laws, including this Code, as well as customer requirements, and conduct regular compliance evaluations or audits. Following such evaluations or audits, suppliers shall analyze the root causes of nonconformities and implement corrective and preventive measures.

### **C. Risk assessment and management**

Suppliers shall identify potential risks in terms of labor, ethics, the environment, health, and safety related to the Company's operations, including significant impacts on human rights and the environment. For risks with high probability and significant impact, suppliers must establish a management plan and report the implementation status to management at least once a year.

### **D. Objective Establishment and Management**

Suppliers shall establish objectives and implementation plans in terms of labor, ethics, the environment, health and safety, and evaluate the implementation status at least once a year.

### **E. Training and communication**

To comply with this Code and relevant laws, suppliers shall conduct training programs for managers and workers. Suppliers should also communicate clear information on policies, goals, and performance with workers, lower tier suppliers, and LGE.

### **F. Worker/Stakeholder Engagement and Access to Remedy**

Suppliers shall establish procedures for two-way communication with workers, worker representatives, and other stakeholders when necessary. Supplier shall solicit feedback related to the operation practices and compliance with this Code and enhance relevant procedures based on the received input. Workers shall be provided with a safe environment to share their concerns and feedback without fear of reprisal or retaliation.

### **G. Documentation and records**

Suppliers shall manage relevant documents and records in accordance with relevant laws and internal document management standards.

### **H. Suppliers' responsibilities**

Suppliers are obligated to distribute this Code to their downstream suppliers, mandate compliance with its provisions, and conduct compliance assessments..

## **References**

The following standards were used in preparing this guidelines and may be a useful source of additional information.

RBA (Responsible Business Alliance) Code of Conduct

ILO Fundamental Conventions

- o Freedom of Association and Protection of the Right to Organise Convention, 1948 (No.87)
- o Right to Organise and Collective Bargaining Convention, 1949 (No.98)
- o Forced Labour Convention, 1930 (No.29)
- o Abolition of Forced Labour Convention, 1957 (No.105)
- o Minimum Age Convention, 1973 (No.138)
- o Worst Forms of Child Labour Convention, 1999 (No.182)
- o Equal Remuneration Convention, 1999 (No.100)
- o Discrimination (Employment and Occupation) Convention, 1958 (No.111)
- o Occupational Safety and Health Convention, 1981 (No.155), and the Promotional Framework, 2006 (No.187)

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

OECD Guidelines for Multinational Enterprises

Universal Declaration of Human Rights

United Nations Convention Against Corruption

United Nations Convention on the Rights of the Child

United Nations Convention on the Elimination of All Forms of Discrimination Against Women

United Nations Global Compact

Dodd-Frank Wall Street Reform and Consumer Protection Act

Eco Management & Audit System

Ethical Trading Initiative

ILO Code of Practice in Safety and Health

ISO 14001 and related standards – Environmental management

ISO 45001:2018 - Occupational health and safety management systems

National Fire Protection Association

Social Accountability International (SAI)

- o SA 8000

United States Federal Acquisition Regulation

## **Document History**

Version 1.0 – Released June 2017

Version 3.0 – Released March 2018 (Alignment of the version with LGE Supplier code of conduct)

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