

■ LG H&H Supplier Code of Conduct

Enactment: Mar. 2016
 Revision: May. 2023
 Jun. 2024

Purpose

01

- LG H&H has established the 'LG H&H Supplier Code of Conduct (hereinafter referred to as "Code")' to build a sustainable supply chain. It states social responsibilities that all suppliers transacting with LG H&H and its subsidiaries (collectively called "LG H&H") should be fulfilled.
- Moreover, it presents requirements for the suppliers of LG H&H to follow to fulfill social responsibilities at a global level in five areas of labor and human rights, environment, safety and health, ethical management, and management system.
- This Code was developed by referring to the Responsible Business Alliance (RBA) Code of Conduct, following international regulations, standards, and legal requirements.

Scope

02

- This Code applies to all suppliers that provide goods and services to LG H&H under contract.
- All suppliers should make an effort to comply with this Code in their business operation and encourage their employees and partners (contractors) to also comply with it.

ESG evaluation of suppliers

03

- LG H&H may inspect and perform due diligence on all suppliers for the compliance of Code to examine their potential risks.
- The inspection and due diligence on suppliers will be conducted within the bounds of law and may be conducted by LG H&H or a third-party organization appointed by LG H&H. LG H&H may provide recommendations to suppliers for the identified risks after the inspection and due diligence.
- The suppliers should take measures to establish and implement plans to mitigate the identified risks.

Efforts of LG H&H

04

- LG H&H notifies this Code to its suppliers upon signing a transaction contract, provides ESG consulting services regularly, and informs them of the highlights of this Code to build a socially responsible supply line.
- Also, LG H&H releases an ESG Report, and human rights report each year to disclose the performance of suppliers for compliance with the Code.
- In addition, suppliers or their employees may report grievances arising from transactions, contracts, and business operations in line with LG H&H. LG H&H does not disclose any information that reveals or alludes to the identity of an informant without his/her consent.
 - Organizational culture: 02-6924-6676, culture@lghnh.com
 - Jeong-Do management: 02-6924-6830, justice@lghnh.com

A. Labor conditions and human rights

1 Prohibition of discrimination

In the operation of the human resource system, including employment, promotion, performance assessment and compensation, wage and welfare, and education and training opportunities, all suppliers shall strive to prevent their employees from being discriminated against on the grounds of nationality, race, age, gender, sexual orientation, disability, pregnancy, religion, membership of the political organization and/or labor union, and marital status.

2 Humane treatment

All suppliers shall respect all workers and not treat them severely and inhumanely, including sexual harassment and abuse, corporal punishment, mental and physical coercion, verbal abuse, and irrational restriction at work. Also, suppliers should make an effort to prevent sexual harassment and bullying in their workplace and create channels for anyone to report grievances to manage the cases of damage properly. They should also develop related procedures, including victims' protection, disciplinary actions, and so forth.

3 Prohibition of forced labor

All suppliers shall not use workers' labor against their free will with their mental and/or physical freedom restricted utilizing assault, threat, and confinement. All labor shall be based on free will. All suppliers shall not require workers to hand over their identification card, passport, and/or work permit card issued by the government on condition of employment. Suppliers and workers shall write and keep a copy of the labor agreement. Suppliers should not limit workers' access to the restroom, restaurant, and other rest facilities as well as plant, dormitory, and external healthcare facilities.

4 Child labor and protection of pregnant women

All suppliers shall not employ children for any job position. Under 138 of ILO Convention, Convention concerning Minimum Age for Admission to Employment (1973), "children" signifies those under the age of 15 or those who do not exceed the school-leaving age. Suppose the regional laws and regulations stipulate a different age for children. In that case, a lower age shall be applied, and laws and regulations determine such minimum age for work. When children aged 15 or under are found to work in the workplace, suppliers should examine their health conditions and provide measures deemed necessary, including compulsory education, etc., according to their will. Young workers under the age of 18 and pregnant employees shall be excluded from hazardous or dangerous tasks limited by legislation. All suppliers shall comply with the working conditions, such as the limitation of age for work in accordance with the ILO (International Labour Organization) convention ratified by each country.

5 Working hours

Working hours and days shall not exceed hours permitted by laws and regulations. Regular working hours should comply with the laws of the region or country where the plant is located and international standards, whichever is stricter. Working over hours should be conducted in respect of the voluntary willingness of workers, and suppliers should provide overtime pay according to the laws of the country and region where the plant is located. Furthermore, suppliers should guarantee their workers a paid holiday every 7 days.

6 Wage and welfare

All payments for suppliers shall comply with all labor-related legislation concerning minimum wage, overtime working hours, and legal welfare. Suppliers should issue a payslip to workers containing a detailed breakdown of their salary and deductions for a given period and provide wages at the pre-determined date.

7 Freedom of association

All suppliers shall ensure that workers have the freedom of association and membership in the labor union and recognize the workers' rights to select a representative and join the labor union. Furthermore, all employees shall be entitled to openly communicate with the management about working conditions with no fear of retaliation, threat, and harassment.

B. Safety and health

1 Industrial safety

All suppliers shall eliminate any physical and safety risks and take preemptive measures to prevent accidents and occupational diseases. Such risks shall be controlled by appropriate design, engineering and administrative control, preventive repair, safe work procedure, and continuous safety drills. They should conduct a hazard and risk assessment of machinery in the workplace regularly and install and maintain safety devices to prevent occupational accidents. Suppliers should provide workers with personal protective gear and replace and manage them regularly.

2 Industrial hygiene

All suppliers shall identify, evaluate and manage any exposure of chemical, biological, and physical factors to employees. All suppliers shall prevent workers from being excessively exposed to these factors by using technical or administrative control devices. Suppliers should regularly conduct a risk assessment in the workplace, take notice of accident risk and harmful factors to workers, and take measures to reduce occupational risk. Suppliers should provide workers with personal protective gear and replace and manage them regularly.

3 Preparation for emergency

All suppliers shall minimize any damage by identifying and assessing the emergency and its state if one happens and by implementing emergency measures and response procedures. Suppliers should prepare for scenarios to respond to natural disasters, fire, and safety accidents and provide emergency reports and response manuals. They should also conduct regular training according to the scenarios and manuals provided for emergency preparedness and response. Suppliers must install smoke detectors, fire alarms, and firefighting equipment and facilities and regularly check their everyday operations. They should also install emergency exit signs and safety luminaries to exit routes for prompt evacuation and response upon emergency.

4 Industrial accidents and disease

All suppliers shall establish the process to prevent, manage, track and report industrial accidents and occupational diseases. When industrial accidents and occupational diseases occur, suppliers should find the cause of occurrence and develop an improvement plan to take necessary actions. Also, suppliers should regularly conduct general health checkups for their workers according to the laws of the country and region where they operate and explore ways to improve the situation, including the conversion of work, shortening of working hours, and so forth.

5 Hygiene, food, and housing

All suppliers shall provide employees with a clean toilet, drinking water, hygienic food cooking, storage, and dining facilities. In addition, an employee dormitory for suppliers or third-party agents shall be maintained to be clean and safe. It will have the appropriate emergency exits, heating, and ventilating devices, proper personal spaces, and appropriate authority for entry.

C. Environment

1 Environmental licensing and reporting

All suppliers shall acquire and maintain any required environmental licenses (e.g., emission management and registration) and reflect the latest revised content at all times. In addition, all suppliers shall comply with the requirements of operation and reporting in the licensing process.

2 Hazardous substances

All suppliers shall identify any compounds and other substances that cause safety risks in case of emission to the environment and manage the safe treatment, transfer, storage, use, recycling, reuse, and processing of these substances. As for the spaces and containers in which chemicals are used or stored, information indicating their toxicity and hazard should be marked.

3 Solid waste

If necessary for the relevant laws and regulations, all suppliers shall identify, monitor, control, and handle any solid waste generated in the industrial process for operation and hygiene facilities before emission. Suppliers should store and treat hazardous waste properly per the laws of the country and region where they operate. Moreover, suppliers should measure and manage the amount of waste disposed of and take necessary measures to reduce the amount of waste generated.

4 Air pollution

If necessary for the relevant laws and regulations, all suppliers shall identify the characteristics of any volatile organic compounds generated in the manufacturing process or aerosol, corrosive agents, fine powder, ozone layer-depleting substances, and combustion by-products in the process before emission, and monitor, control, and handle such substances. In addition, suppliers should measure and manage the air pollutants emitted into the atmosphere and take measures deemed necessary to reduce their amount.

5 Biodiversity, deforestation, and land conservation

All suppliers shall strive to prevent ecosystem destruction and deforestation, including harm to biodiversity and land (soil), when conducting business operations. In addition, suppliers should collect and review the opinions of the local community and stakeholders on biodiversity loss and forest destruction risk in doing their business and take measures for improvement with regard to reasonable concerns.

6 Water resources management

All suppliers shall manage wastewater and water pollutants emitted in the industrial process for operation according to the laws and regulations of the country and region where they operate. In addition, they should measure and manage the status of water resources use, including the amount of water used and amount of wastewater disposed of, etc. and take measures to reduce the amount of water used and increase the amount of reclaimed water.

7 Energy use and greenhouse gas emission

All suppliers shall measure and manage the amount of energy consumption and GHG emission and make an effort to reduce them.

8 Prevention of pollution and reduction of resource use

Various wastes such as effluent and energy shall be reduced or removed from pollutants or by changing the production, maintenance, and facility process, replacing or conserving raw materials, and recycling and reducing raw materials. In addition, all suppliers shall make an effort to minimize environmental contamination by reducing water usage in the manufacturing and packaging process and using eco-friendly materials.

9 Regulation on materials in products

All suppliers shall comply with relevant laws and regulations and customer requests regarding the prohibition and restriction of certain substances, including the label of recycling and treatment. In addition, suppliers shall track and monitor the materials hazardous to human health and the environment contained in the raw materials, parts, and products they produce, supply, distribute, and sell.

10 An effort to develop sustainable products

All the products and services provided shall comply with legal regulations by the local government. Furthermore, all suppliers shall strive to develop sustainable products which improve environmental friendliness and energy efficiency.

D. Ethical management

1 Anti-corruption and Jeong-do management

All suppliers shall ban any corruption act such as bribery, embezzlement, and conflict of interest, including gifts, in accordance with LG H&H policy on Jeong-Do Management and continuously crack down and monitor corruption. Suppliers should ban all activities that promise, propose, allow, provide or accept specific means to obtain interest improperly or improper behaviors that request unjust costs by exploiting one's weakness. All transactions shall be transparent and accurately recorded in the account book.

2 Fairtrade

All suppliers shall prohibit any unfair trade and comply with the regulations on fair trade in the country and region where they operate to protect consumers' rights and interests. In addition, suppliers shall not collude or engage in any activities that hinder fair competition and shall not improperly limit the competitive conditions against other suppliers.

3 Identity protection

All suppliers shall operate channels to report and give information on employee grievances or unethical behaviors and state that the anonymity of informants will be protected in such channels, and they will not face any disadvantages.

4 Responsible for purchase of raw materials

All suppliers shall establish a process to identify a severe violation of human rights. Environmental damage may occur during the production and distribution process of raw materials, parts, and products they use and provide. Therefore, they should provide a policy on responsible procurement of raw materials and conduct due diligence to ensure that such raw materials, parts, and products are irrelevant to social and environmental issues.

5 Protection of intellectual property rights

All suppliers shall respect all intellectual property rights and protect the rights in case of transferring technical know-how. Furthermore, the information of clients and partners shall be protected safely, and they shall not be stored, used, or disclosed without prior permission.

6 Protection of personal information

All suppliers shall systemically protect the personal information of all stakeholders (including suppliers, clients, customers, and employees). Furthermore, all suppliers shall comply with the laws and regulations for protecting personal information and information security in collecting, storing, processing, transmitting, and sharing personal information.

7 Responsibilities of suppliers

All suppliers for comprehensive purchase assessment shall submit the results of self-diagnosis based on the CSR evaluation table. All Suppliers shall recommend that sub-suppliers observe this Code and conduct evaluation.