

<b>Document No.</b>	2023-0001
<b>Last edited</b>	2023.07.31
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# LS ELECTRIC

## Supplier Code of Conduct

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# 1. Overview

## (1) Purpose

LS ELECTRIC has established this Code of Conduct to establish a sustainable supply chain, and this Code of Conduct requires LS ELECTRIC that While thoroughly complying with laws and regulations applicable to business activities (including, but not limited to, laws related to corruption, economic sanctions, forced labor, safety/health and fair trade), ethics, environment, labor/human rights, safety/health, LS ELECTRIC is required to have the best operating practices in the field of management systems. LS ELECTRIC expects its business partners not only to grow into companies that are more respected by society by complying with this Code of Conduct, but also to provide an opportunity for mutual growth. This Code of Conduct references the Code of Conduct of the Responsible Business Alliance. However, if the actions recommended in this Code of Conduct are inconsistent with the laws of the country concerned, the laws of the country concerned shall take precedence.

## (2) Scope of Application

Suppliers shall comply with this Code of Conduct. All suppliers subject to this Code of Conduct shall recommend that the entire supply chain, including business partners (sub-suppliers), comply with the provisions of this Code of Conduct.

## (3) Suppliers' Roles and responsibilities

LS ELECTRIC's business partners shall consider the matters suggested by this Code of Conduct in their management's decision-making and business operation process. LS ELECTRIC and third-party organizations entrusted by LS ELECTRIC may inspect and conduct due diligence within the scope permitted by law to see if suppliers are complying with the provisions of this Code of Conduct.

Based on the results of inspection and due diligence on compliance with this Code of Conduct, LS ELECTRIC can make recommendations for improvement on identified risks, and suppliers are required to establish a risk mitigation plan and implement measures based on mutual consultation on matters for improvement. Compliance with this Code of Conduct can be an important criterion for selecting a partner company, and if a partner company that violates this Code of Conduct does not make relevant level of efforts for improvement, it may be difficult to maintain a smooth business relationship with LS ELECTRIC. This Code of Conduct does not specify all of the obligations of suppliers, and in order to build a sustainable supply chain, this Code of Conduct can be regularly reviewed and supplemented and revised. This Code of Conduct can be found on the LS ELECTRIC website, and specific inquiries regarding this Code of Conduct can be made through the department in charge.

## **2. Respecting the Human Rights of Workers**

### **(1) Freely Chosen Employment**

- ① Suppliers shall not force forced labor (slavery, human trafficking, etc.) against the will of their employees, comply with the legal working hours for each country in which they operate, and manage working hours, including breaks.
- ② When hiring, a copy of the employment contract shall be provided to the employee after signing the labor contract in a language that the employee can understand.
- ③ When hiring foreign employees, original documents such as passports and work permits shall be kept by the worker himself/herself.
- ④ Suppliers shall not unreasonably restrict the movement of employees, and employees shall be able to leave the company freely if desired.
- ⑤ In the event that a fee is incurred during recruitment, employees shall not be asked for it.

### **(2) Prohibition of Child Labor and Management of Youth workers**

- ① Suppliers shall, in principle, prohibit any form of child labor and implement appropriate procedures to verify the age of job applicants through legal documents.
- ② Workers under the age of 18 (youth workers) shall not engage in high-risk work that may threaten their health or safety, including night shifts and overtime.
- ③ Suppliers shall provide necessary support and education and training to workers, and take support and appropriate measures if child labor is discovered.

### **(3) Working Hours**

- ① Suppliers shall comply with all relevant laws and regulations regarding working hours and holidays for each country in which they operate.
- ② All overtime work shall be voluntary, and in the case of unavoidable overtime, a fair compensation shall be provided.
- ③ Suppliers shall guarantee workers at least one day off every 7 days.

### **(4) Wages and Benefits**

- ① Suppliers shall pay more than the minimum wage and overtime premium rate for each country in which they operate, and provide clear written information about wages to employees.

- ② Suppliers shall provide employees with welfare benefits for a pleasant working environment and quality of life.
- ③ Suppliers shall comply with local laws and regulations when using temporary, dispatched, and outsourced personnel.

#### **(5) Humane Treatment**

- ① Suppliers shall respect the human rights of all employees, do their best to eradicate harsh behavior in the workplace, and avoid sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, and inhumane treatment including abusive language against employees.
- ② Suppliers shall clearly define disciplinary policies and procedures for inhumane acts to ensure humane treatment, and notify employees of the policies and procedures.
- ③ Partner companies shall prohibit workplace harassment, which is an act that causes physical or mental pain to other workers or deteriorates the working environment by taking advantage of superiority in position or relationship, etc. Appropriate measures shall be taken, such as change of work place and change of placement, and necessary measures such as disciplinary action and change of work place shall be taken against offending employees.

#### **(6) Prohibition of Discrimination and Harassment**

- ① Suppliers shall not discriminate against or harass employees in terms of employment, promotion, education, etc. based on gender, race, ethnicity, nationality, religion, disability, age, family status, social status, and political views.
- ② Suppliers shall not discriminate against employees in the operation of wage and welfare programs.
- ③ Partner companies do not require medical examinations that can be used as grounds for discrimination for employees or job candidates other than for the purpose of determining suitability for the working environment.

#### **(7) Freedom of Association**

- ① Suppliers shall respect the right of its employees to form and join a labor union, freely associate with other employees for collective bargaining and peaceful assembly and demonstration, and respect the right to participate or not to participate in activities such as collective bargaining. do.
- ② Suppliers shall conscientiously engage in discussions on collective bargaining issues with the representatives of employees.

- ③ Suppliers shall allow employees or employees' representatives to freely suggest opinions and difficulties regarding working conditions and management policies with the management without fear of discrimination, retaliation, or threats.

### **3. Safe Working Environment**

#### **(1) Occupational Safety**

- ① Suppliers shall obtain all necessary health and safety licenses, keep them up to date, and comply with license requirements.
- ② Suppliers shall conduct a risk assessment including identification, evaluation, and improvement of risk factors to prevent safety and health accidents for employees.
- ③ Suppliers shall provide employees with appropriate personal protective equipment and conduct training to properly respond to relevant risk factors, and employees shall be free to raise safety-related issues.

#### **(2) Emergency Preparedness**

- ① Suppliers shall establish a plan to respond to emergency situations such as natural disasters, mass infections, fires and safety accidents, and prepare a manual that includes information on reporting, response, and follow-up measures in the event of an emergency.
- ② Suppliers shall conduct training according to their own plans and manuals to prepare for emergencies.
- ③ Suppliers shall have escape routes, guidance lights, fire detectors/alarms, firefighting facilities, etc. in case of an emergency, and regularly check whether they are operating normally.

#### **(3) Prevention of Occupational Injury and Illness**

- ① Suppliers shall establish a system to measure the current status of industrial accidents or diseases.
- ② To prevent industrial accidents, business partners shall include encouraging employee reporting, classifying and recording injuries/disease cases, providing necessary medical treatment, investigating cases and implementing corrective actions, and facilitating return of employees.
- ③ In the event of an industrial accident or serious disease, suppliers shall investigate the cause and strive to come up with improvement plans.

#### **(4) Occupational Safety**

- ① Suppliers shall identify, evaluate, and control employee exposure to chemical, biological, and physical factors in accordance with the management system.
- ② Potential risks shall be eliminated and controlled, and if risks cannot be adequately controlled, personal protective equipment shall be provided to employees and employees shall use them. Employee protection programs shall include risk education materials related to these risks.
- ③ Suppliers shall obtain all necessary health and safety permits, keep them up to date, and comply with them.

#### **(5) Physically Demanding Work**

- ① Suppliers shall identify physically heavy tasks such as repetitive work, handling heavy objects, and standing for long periods of time, and manage employees to prevent diseases caused by work hazards.

#### **(6) Safety Management of Machinery and Facilities**

- ① Suppliers shall regularly inspect and evaluate the safety of harmful or dangerous machinery, instruments, and facilities within the workplace.
- ② Suppliers shall install and manage physical safety devices, etc. to prevent safety accidents caused by the use of harmful or dangerous machinery, instruments, and facilities within the workplace.
- ③ Suppliers shall regularly provide protective gear to protect employees and manage the wearing of protective gear.

#### **(7) Food, Sanitation and Housing**

- ① Suppliers shall provide employees with clean toilets, drinking water, and a place to cook/store/eat food hygienically.
- ② The dormitories provided to employees by suppliers shall be clean and safe, and emergency exits/hot water/lighting/heating/ventilation devices/lockers shall be provided.
- ③ Appropriate outsider access control devices shall be installed in the dormitories of partner companies.

#### **(8) Health and Safety Education**

- ① Suppliers shall conduct health and safety training in the language of their employees or in a



language they can understand.

- ② Suppliers shall regularly conduct necessary safety and health training for employees, and post safety and health information in conspicuous places.

## **4. Environment-friendly Workplace Management**

### **(1) Environmental Permits and Reporting**

- ① Suppliers shall obtain and maintain all necessary environmental permits and registrations, and continuously identify and reflect the latest revisions to laws and regulations.
- ② Suppliers shall comply with the requirements for operation and reporting necessary for the environment-related licensing process.

### **(2) Pollution Prevention and Resource Reduction**

- ① Suppliers shall obtain and maintain all necessary environmental permits and registrations, and continuously identify and reflect the latest revisions to laws and regulations.
- ② Suppliers shall comply with the requirements for operation and reporting necessary for the environment-related licensing process.

### **(3) Hazardous Substance Management**

- ① Suppliers shall make efforts to ensure that hazardous chemicals handled in the course of business operations are safely managed during transportation, storage, use, and disposal.
- ② Suppliers shall mark or disclose information that can identify chemicals, wastes, and other hazardous substances that may affect humans and the environment when toxic chemicals are discharged.
- ③ Suppliers shall safely handle, move, store, use, recycle/reuse, and dispose of the substance.

### **(4) Solid Waste**

- ① Suppliers shall obtain and maintain all necessary environmental permits and registrations, and continuously identify and reflect the latest revisions to laws and regulations.
- ② Suppliers shall comply with the requirements for operation and reporting necessary for the environment-related licensing process.

### **(5) Air Pollutant Management**

- ① Suppliers shall obtain and maintain all necessary environmental permits and registrations, and continuously identify and reflect the latest revisions to laws and regulations.
- ② Suppliers shall comply with the requirements for operation and reporting necessary for the environment-related licensing process.

#### **(6) Compliance with Regulations in Handling Harmful Substances**

- ① Suppliers shall comply with all relevant laws, regulations and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal

#### **(7) Water Resources Management**

- ① Suppliers shall obtain and maintain all necessary environmental permits and registrations, and continuously identify and reflect the latest revisions to laws and regulations.
- ② Suppliers shall comply with the requirements for operation and reporting necessary for the environment-related licensing process.

#### **(8) Energy Consumption and Greenhouse Gas Emission**

- ① Suppliers shall obtain and maintain all necessary environmental permits and registrations, and continuously identify and reflect the latest revisions to laws and regulations.
- ② Suppliers shall comply with the requirements for operation and reporting necessary for the environment-related licensing process.

## **5. Corporate Ethics Compliance**

### **(1) Transparent management**

- ① Suppliers shall prohibit corruptions of all forms as a policy and abide by the zero-tolerance policy in accordance with LS ELECTRIC's ethical management (Pledge of Practice) policy.
- ② Suppliers shall investigate violations, implement sanctions procedures, and comply with all applicable anti-corruption laws and regulations.

### **(2) Prohibition of Gaining Illicit Benefits**

- ① Suppliers shall not provide or receive any means to obtain unfair or improper benefits.
- ② Supplier companies shall implement procedures to monitor and crack down on unfair profits and

practice autonomous compliance with anti-corruption laws.

### **(3) Disclosure of Information**

- ① Suppliers shall accurately record and truthfully disclose information on labor and human rights, health and safety, environmental management, business activities, governance, financial status and performance in accordance with relevant laws and regulations and industry practices.
- ② Suppliers shall strictly comply with relevant laws and regulations when storing and disposing of all information.

### **(4) Protection of Intellectual Property Right**

- ① Suppliers shall not leak trade secrets or information requiring security of customers and business partners without permission, and information acquired during the course of work shall not be stored or used without prior permission and approval.
- ② Suppliers shall respect the intellectual property rights of their customers and business partners, and take appropriate measures to protect the intellectual property rights held by partner companies and periodically check to see if intellectual property rights are being infringed upon.
- ③ Suppliers shall safely protect the information of LS ELECTRIC and its customers.

### **(5) Fair Trade, Advertising and Competition**

- ① Suppliers shall comply with laws related to fair trade (prohibition of collusion), advertising and competition.

### **(6) Protection of Identity and Non-Retaliation**

- ① Suppliers shall operate an identity protection program that guarantees anonymity so that any employee can raise issues without fear of retaliation.

### **(7) Responsible Procurement Activities**

- ① Suppliers shall establish a policy not to use raw materials obtained through illegal and unethical methods (e.g. minerals mined from mines occupied by armed forces, forest preservation and lumber harvested in prohibited areas).
- ② Suppliers shall include conflict minerals provisions in their policies, and the minerals included in raw materials/parts/products supplied to LS ELECTRIC (tantalum, tin, tungsten, gold: below 3TG / cobalt, mica, zinc: below: responsibility Minerals) does not directly or indirectly provide financial resources or facilities to armed groups with serious human rights violations in the Democratic Republic of the

Congo or neighboring countries.

- ③ Suppliers shall conduct due diligence on the origin and supply chain of 3TG/responsible minerals in raw materials/parts/products supplied to LS ELECTRIC, and shall be able to provide due diligence data upon request from LS ELECTRIC.

#### **(8) Protection of Personal information**

- ① Suppliers shall systematically protect the personal information of all stakeholders (including suppliers, customers, consumers, and employees).
- ② Suppliers shall comply with the Personal Information Protection/Information Act when collecting, storing, processing, and sharing personal information.

## **6. Management Systems**

### **(1) Corporate Commitment**

- ① Suppliers shall comply with this code of conduct related to corporate social/environmental responsibility and post a policy statement expressing their commitment to continuous improvement in the local language at their business sites with the approval of the CEO.

### **(2) Corporate Obligations and Accountability**

- ① Suppliers shall specify who the company's senior executives and representatives are responsible for implementing the management system and related programs.
- ② Suppliers shall regularly check the operation status of the management system.

### **(3) Legal and Customer Requirements**

- ① Suppliers shall have a process to identify, monitor, and reflect relevant laws and customer requirements, including this Code, in management procedures.

### **(4) Risk Assessment and Risk Management**

- ① Suppliers shall establish a system to identify environmental, safety/health, labor/human rights practices, and ethical risks.
- ② Suppliers shall prioritize each risk and regularly check compliance with standards and prepare and implement measures to mitigate them.

### **(5) Improvement Objectives**

- ① Suppliers shall document performance goals, target values, and action plans to improve performance in fulfilling social and environmental responsibilities, and periodically evaluate performance against goals.

#### **(6) Training and Communication**

- ① Suppliers shall establish and operate training programs for employees to comply with this Code of Conduct and laws.
- ② A process shall be established to communicate clear information on the partner company's policies, goals, and performance with employees, suppliers, and customers.

#### **(7) Employee's Participation**

- ① Suppliers shall have effective means for free communication between management and employees so that employees can report grievances.
- ② Suppliers shall protect employees from unreasonable measures such as dismissal, threats, retaliation, and ridicule for reporting, etc., and the identity of the reporter shall be thoroughly guaranteed.

#### **(8) Audits and Assessments**

- ① Suppliers shall check compliance with this Code of Conduct, customer requirements, and related laws.
- ② Suppliers shall conduct a self-assessment on compliance with this Code of Conduct, and strive to establish and implement plans to improve in a timely manner for identified deficiencies.

#### **(9) Corrective Action Process**

- ① Suppliers shall establish procedures to improve deficiencies identified through internal and external evaluations and inspections.

#### **(10) Documentation and Records**

- ① Suppliers shall manage relevant documents and records in accordance with relevant laws and internal document management regulations.

#### **(11) Supplier Responsibility**

- ① Suppliers shall communicate the requirements of this Code of Conduct to sub-suppliers and check compliance.

② Suppliers shall allow a third-party evaluation of their suppliers upon customer request.

## LS ELECTRIC Supplier Code of Conduct

We recognize the requirements of the LS ELECTRIC Supplier Code of Conduct (hereinafter referred to as the "Code") and commit to actively participate in it as follows.

1. We acknowledge that we have read this Code of Conduct and that the matters set forth in this Code of Conduct are material terms and conditions of our business with LS ELECTRIC, and we will fulfill them in good faith. As a supplier to LS ELECTRIC, we are fully aware that any breach of our obligations under this Code of Conduct constitutes a material breach of contract and that if the matter is not resolved or remedied, LS ELECTRIC may, upon written notice to us, take action, including demanding remediation and suspending or terminating the business relationship.
2. If LS ELECTRIC or a person designated by LS ELECTRIC requests an assessment survey or site visit to verify our compliance with this Code of Conduct and requires us to take corrective action as necessary, we will cooperate and respond in good faith to LS ELECTRIC's request, except in exceptional cases where our business activities, intellectual property or other rights are infringed. The exceptional cases mentioned above shall be approved in advance in writing by LS ELECTRIC. We shall provide LS ELECTRIC with access to such relevant facilities, materials and personnel as LS ELECTRIC may reasonably require to verify compliance with this Code of Conduct. We shall take reasonable steps to promptly remedy any violation of this Code of Conduct and shall require our subcontractors or suppliers to do the same if they are found to be in violation.
3. We will communicate the standards set forth in this Code to our employees as well as our suppliers and ask them to comply.
4. We agree that this Code of Conduct may be modified or supplemented by LS ELECTRIC. For any inconsistencies between the Supply Agreement and this Code of Conduct, this Code of Conduct shall prevail.
5. We will keep documentation and records of all identified risks and subsequent actions taken in response to them for as long as LS ELECTRIC requests and will notify LS ELECTRIC of any breach of this Code of Conduct as soon as we become aware of it.

This Commitment is executed in two copies, one to be retained by us and one to be submitted to you.

**Company Name:**

**CEO:**

**LS ELECTRIC Co., Ltd**

[References]

- Responsible Business Alliance (Code of Conduct V7.0, VAP Operation Manual V7.1)

(<http://www.responsiblebusiness.org>)

- ISO 14001

([www.iso.org](http://www.iso.org))

- ISO 45001

([www.iso.org](http://www.iso.org))