



# LG Display ESG Supplychain Code of Conduct / Standard

(Version 4.0)

When using these guidelines, please check whether it is a revised version that reflects the latest changes.

In addition, if you have questions or feedback about any errors, omissions or unclear things when using these guidelines, please check with the contact below.

Contact: LG Display ESG Due Diligence/Assessment Team ([sincerity@lgdisplay.com](mailto:sincerity@lgdisplay.com))



Copyright © 2023 LG Display Co., Ltd. All rights reserved.

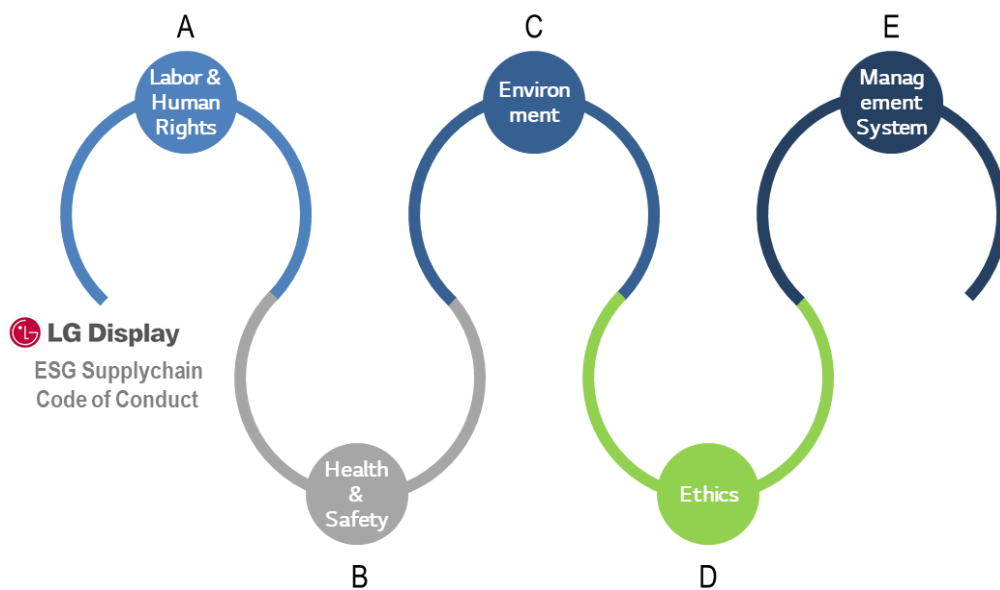
# LG Display ESG Supplychain Code of Conduct

The LG Display ESG Supplychain Code of Conduct (hereinafter referred to as "the Code") is a standard established to ensure that all domestic and overseas workplaces of LG Display and its subcontractors (hereinafter referred to as "workplaces") involved in the production of LG Display products establish safe working environments and guarantee that the rights of all workers including full-time, temporary, dispatch workers (hereinafter referred to as "Workers") are respected, while at the same time ensuring that business operation is both environmentally-friendly and ethical.

As used herein, "workplaces" refers to all types of organizations including LG Display and those that supply/provide goods and services including raw materials, packing materials, human resources, and logistics to LG Display. This Code shall be observed by those of LG Display, its subcontractors, and those that supply raw materials and packing materials to the subcontractors.

LG Display may change this Code as needed, and LG Display (and/or external auditors) may visit a work site in order to evaluate whether the Code is being adhered to and demand that improvements be made.

This Code is made up of six areas. It provides standards for A Labor & Human Rights, B Health and Safety, C Environment, and D Business Ethics. It then explains the components required to meet the rules above in E Management System.



Each workplace must fulfill the stated requirements and this fulfillment must be possible to confirm through records and documents. Managers and workers should also be able to clarify the contents.

This Code reflects not only domestic laws/regulations, but international standards such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ILO's core conventions, and the Ten Principles of the UN Global Compact. In the event a conflict between this Code and a local law/regulation, more strict criteria of the two shall prevail.

LG Display operates and maintains its ESG Supplychain Standards that specify detailed requirements about workplaces' compliance of this Code.

## A. Labor & Human Rights

Workplaces are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

### A1) Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting companyprovided facilities including, if applicable, workers' dormitories or living quarters. As part of the hiring process, all workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

### A2) Young Workers

Workplaces should not use the labor of children who are the greatest of 1) under the age of 15, 2) or under the age for completing compulsory education, 3) or under the minimum age for employment in the country at any stage of manufacturing. Workplaces should employ an adequate mechanism for ascertaining workers' age. The use of legitimate workplace learning programs, which comply with all laws and regulations, should be utilized. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety of young workers, including night shifts and overtime. Workplaces shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations. Workplaces shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. Where a case of child labor is spotted, workplaces should take

a corrective/supportive step. Considering that it is difficult to take protective measures (prohibition of overtime work, etc.) for young workers, it is recommended to carefully decide on hiring young workers. If young workers are inevitably hired, the young worker protection process must be followed.

### **A3) Working Hours**

Working hours per week are not exceed 60 hours or legal working hours, including extended working hours, except in emergency or unusual situations. In addition, workplaces must guarantee the worker at least one day off every seven days. Workplaces shall follow all applicable laws and regulations with respect to working hours and days of rest, and all overtime must be voluntary.

### **A4) Wages and Benefits**

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. The basis on which workers are being paid is to be provided in a timely manner via pay stub or similar documentation. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

### **A5) Humane Treatment**

There is to be no harsh or inhumane treatment, including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

### **A6) Non-Discrimination/Non-Harassment**

Workplaces should not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way.

### **A7) Freedom of Association**

Workplaces must, in accordance with local laws and regulations, respect the right of workers to organize and join labor unions and to associate freely with other workers for collective bargaining and peaceful assembly and demonstration. The right of workers to join as well as not to join such activities should be respected as well. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal,

intimidation or harassment.

## **B. Health & Safety**

Workplaces must establish safe and healthy working conditions and health and safety management systems in order to minimize the incidence of work-related injury and illness, enhances the quality of products and services, consistency of production and worker retention and morale. Also, in understanding and resolving workplaces' health and safety issues, it is essential to continually seek employee feedback and provide education and training, as well as to guarantee employees the right to refuse hazardous work and report adverse working conditions.

### **B1) Occupational Safety**

Worker potential for exposure to health and safety hazards (e.g. chemical, electrical and other energy sources, fire, vehicles, fall hazards, etc.) are to be identified, assessed and mitigated using the Hierarchy of Controls, which includes eliminating the hazard, substituting processes or materials, controlling through proper design, implementing engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tag out), and providing ongoing occupational health and safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment and educational materials about the risks to them associated with these hazards. Reasonable steps must also be taken to remove pregnant women/nursing mothers from working condition with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers including those associated with their work assignments, and provide reasonable accommodations for nursing mothers.

### **B2) Emergency Preparedness**

Workplaces should identify and assess potential emergency situations and events and minimize their impact by implementing emergency plans and response procedures, including: emergency reporting, employee notification and evacuation procedures, worker training and drills. Emergency drills must be executed at least annually or as required by local law whichever is more stringent. Emergency plans should also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

### **B3) Occupational Injury and Illness**

Workplaces should have in place procedures and systems to prevent, manage, trace, and report occupational accidents and disease. Workplaces should encourage worker reporting, classify and record injury and illness cases, and provide necessary medical treatment. Corrective actions to eliminate their causes should be implemented and the workers should be facilitated to return to work. Workplaces should also establish/execute a program designed to take a reasonable measure for to prevent and cope with the spread of potential

infectious diseases among employees.

## **B4) Industrial Hygiene**

Worker exposure to chemical, biological, and physical agents is to be identified, evaluated, and controlled according to the Hierarchy of Controls. If any potential hazards were identified, workplaces shall look for opportunities to eliminate and/or control through proper design, engineering, and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Protective programs shall be ongoing and include educational materials about the risks associated with these hazards.

## **B5) Physically Demanding Work**

Workplaces should identify, assess, and control physically demanding tasks, such as repetitive work or heavy lifting.

## **B6) Machine Safeguarding**

Workplaces should conduct safety hazard evaluations on its production facilities and other machinery. Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

## **B7) Food, Sanitation and Housing**

Workplaces should provide clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting and heat and ventilation, individually secure locker for belongings and valuable items, and personal space.

## **B8) Health and Safety Communication**

Workplaces should provide workers with health and safety training in a language the worker can understand. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training is provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.

# **C. Environment**

Workplaces should recognize that environmental responsibility is integral to producing world-class products. They should identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources within their manufacturing operations, while safeguarding the health and safety of the public.

## **C1) Environmental Permits and Reporting**

Workplaces should acquire and maintain all required environmental permits and registrations, and continuously reflect the latest revisions. They should also comply with operational and reporting requirements for the permit process.

## **C2) Pollution Prevention and Resource Reduction**

Workplaces should do their best to minimize or eliminate emissions and discharges of pollutants and generation of waste at the source or by practices such as modifying production, maintenance, and facility processes, materials substitution, re-use, conservation, recycling, or other means.

## **C3) Hazardous Substances**

Workplaces should identify chemicals, waste, and other materials posing a hazard to humans or the environment, ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

## **C4) Solid Waste**

Workplaces should systematically identify, manage, reduce, responsible dispose and recycle solid waste.

## **C5) Air Emissions**

Workplaces should determine, routinely monitor, control/treat and dispose of volatile organic compounds, aerosols, corrosive gases, dust, ozone depleting substances and combustion byproducts generated in the process in accordance with regulations. Ozone depleting substances should be managed per the Montreal Protocol and applicable law/regulation. In addition, the treatment efficiency of air pollution prevention facilities should be regularly monitored.

## **C6) Materials Restrictions**

Workplaces are to adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

## **C7) Water Resources and Storm Water Management**

Workplaces should implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Workplaces should conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

## **C8) Energy Consumption and Greenhouse Gas Emissions**

Workplaces are to establish a greenhouse gas reduction goal. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked, documented and publicly reported against the greenhouse



gas reduction goal. They are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

## **D. Ethics**

Workplaces should always be ethical in all business aspects to meet social responsibilities and to achieve success in the marketplace, should comply with the highest standards of ethics as follows.

### **D1) Business Integrity**

The highest standards of integrity are to be upheld in all business interactions. In accordance with LG Display's policy of Jeong-do management, workplaces shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

### **D2) No Improper Advantage**

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

### **D3) Disclosure of Information**

All business dealings should be transparently performed and accurately reflected on Participant's business books and records. Information regarding participant labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain is unacceptable.

### **D4) Intellectual Property**

Workplaces should respect intellectual property rights and protect customer information. Transfer of technology and know-how is to be done in a manner that protects intellectual property rights. In addition, LG Display's and LG Display customers' information should be safeguarded.

### **D5) Fair Business, Advertising and Competition**

Workplaces should comply with advertising and competition regulations and fair business standards.

### **D6) Protection of Identity and Non-Retaliation**

Workplaces should operate a program to protect whistle-blowers. Workplaces should notify workers of relevant

procedures so that they can raise any concerns without fear of retaliation.

## **D7) Responsible Sourcing of Minerals**

Workplaces should establish policies to ensure that minerals are sourced in a way consistent with the Organization for Economic Cooperation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework, without using raw materials that are illegal, have a negative environmental impact or are procured through unethical methods. It should include the conflict/responsible minerals clause within the relevant policy, and a system should be established to ensure that the minerals (tantalum, tin, tungsten, gold: 3TG / cobalt, mica, zinc, aluminum, copper, lithium, nickel, magnesium : Responsible Minerals), components and products used in the products supplied to LG Display do not directly or indirectly provide financial or other benefits to armed groups violating serious human rights in the Democratic Republic of the Congo or neighboring countries. Due diligence on the origin and supply chain of raw materials, components and 3TG/Responsible minerals supplied to LG Display and customer company should be carried out at the workplaces. At the request of either LG Display or an LG Display customer company, due diligence materials including information of origin, smelter and refining company of 3TG/Responsible minerals should be provided.

## **D8) Privacy**

Workplaces should systematically protect all personal information related to business management. Workplaces are to comply with privacy and information security laws such as the Personal Information Protection Act when personal information is collected, stored, processed, transmitted, and shared.

# **E. Management System**

Workplaces shall adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure compliance with applicable laws, regulations and customer requirements related to the participant's operations and products; conformance with this Code; and identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement. The management system should include contents regarding A) Labor and Human Rights B) Health and Safety C) Environment D) Ethics. \*If valid authentication is available for each sector A) Labor and Human Rights B) Health and Safety C) Environment D) Ethics, the management system check can be skipped for the sector.

## **E1) Company Commitment**

Corporate social and environmental responsibility policy statements affirming Auditee's commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the language of the workers or in a language the workers can understand.

## **E2) Management Accountability and Responsibility**

Workplaces clearly identify senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management systems on a regular basis. Representatives with corporate social responsibility and sustainability management responsibilities and powers should be appointed.

## **E3) Legal and Customer Requirements**

Workplaces should have a process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

## **E4) Risk Assessment and Risk Management**

Workplaces should have a process to identify the environment, safety and health, labor and human rights practices and ethical risks. In addition, each risk should be prioritized, and compliance should be managed regularly.

## **E5) Improvement Objectives**

To improve social and environmental performance, workplaces should periodically document their performance objectives, targets and implementation plans, and evaluate performance in achieving those objectives.

## **E6) Training**

Workplaces should operate training programs for managers and workers to implement their policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

## **E7) Communication**

Workplaces should have a process for communicating clear and accurate information about their policies, practices, expectations, and performance to workers, suppliers, and customers.

## **E8) Worker Feedback, Participation and Grievance**

Workplaces should build up a process of collecting and participating, including an effective grievance system, to assess workers' understanding of and obtain feedback on or violations against practices and conditions covered by this Code and to foster continuous improvement. Workers must be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

## **E9) Audits and Assessments**

Workplaces should periodically evaluate compliance with this Code, related laws and customer requirements. They also need to allow third party assessments to proceed based on customer requests.

## **E10) Corrective Action Process**

Workplaces should have a process for timely correction of deficiencies identified by internal or external assessments and inspections.

## **E11) Documentation and Records**

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

## **E12) Supplier Responsibility**

Workplaces should communicate Code requirements to suppliers and monitor supplier compliance to the Code. They also need to allow third party assessments to proceed based on customer requests.

# Contents

LG Display ESG Supplychain Code of Conduct .....	1
Contents .....	11
LG Display ESG Supplychain Standard	
A. Labor & Human Rights.....	14
A1) Freely Chosen Employment.....	14
A2) Young Workers .....	22
A3) Working Hours.....	31
A4) Wages and Benefits.....	39
A5) Humane Treatment .....	45
A6) Non-Discrimination/Non-Harassment .....	48
A7) Freedom of Association.....	54
B. Health & Safety .....	60
B1) Occupational Safety .....	60
B2) Emergency Preparedness.....	70
B3) Occupational Injury and Illness.....	81
B4) Industrial Hygiene .....	93
B5) Physically Demanding Work .....	96
B6) Machine Safeguarding .....	97
B7) Food, Sanitation and Housing .....	100
B8) Health and Safety Communication .....	106
C. Environment .....	110
C1) Environmental Permits and Reporting.....	110
C2) Pollution Prevention and Resource Reduction.....	113
C3) Hazardous Substances .....	115
C4) Solid Waste .....	122
C5) Air Emissions .....	124
C6) Materials Restrictions .....	131
C7) Water Resources and Storm Water Management .....	133
C8) Energy Consumption and Greenhouse Gas Emissions.....	141

D. Ethics .....	145
D1) Business Integrity .....	145
D2) No Improper Advantage .....	147
D3) Disclosure of Information .....	148
D4) Intellectual Property .....	150
D5) Fair Business, Advertising and Competition.....	152
D6) Protection of Identity and Non-Retaliation.....	153
D7) Responsible Sourcing of Minerals.....	154
D8) Privacy .....	156
E. Management System.....	158
E1) Company Commitment.....	158
E2) Management Accountability and Responsibility.....	160
E3) Legal and Customer Requirements.....	163
E4) Risk Assessment and Risk Management.....	164
E5) Improvement Objectives .....	166
E6) Training.....	167
E7) Communication.....	168
E8) Worker Feedback, Participation and Grievance.....	169
E9) Audits and Assessments .....	172
E10) Corrective Action Process .....	173
E11) Documentation and Records.....	175
E12) Supplier Responsibility .....	177
References.....	181

## A. Labor & Human Rights

### Worker

#### Labor Standards Act Article 2 (Definition)

It refers to a person who provides labor in a business or at a business site for the purpose of receiving wages, regardless of the type of job.

### Labor

#### Labor Standards Act Article 2 (Definition)

It refers to mental labor and physical labor.

### Labor Contract

#### Labor Standards Act Article 2 (Definition)

It refers to a contract signed for the purpose of a worker providing labor to the employer and the employer making payment for such service.

## A. Labor & Human Rights

Workplaces are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.

### A1) Freely Chosen Employment

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company provided facilities including, if applicable, workers' dormitories or living quarters. As part of the hiring process, all workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.



### Prohibition of Forced Labor

#### Labor Standards Act Article 7 (Prohibition of Forced Labor)

The employer should not force workers against their free will by assault, intimidation, detention or other means of unreasonably restraining mental or physical freedom.

#### Article 20 (Prohibition of Stipulating Penalty for Breach of Labor Contract)

The employer cannot conclude a contract to stipulate penalties or damages for breach of labor contract.

#### Article 21 (Prohibition of Offsetting the Account)

The employer cannot offset the pre-loan or other advance bonds require workers to work and the wage.

#### Article 22 (Prohibition of Forced Savings)

In addition to the labor contract, the employer cannot conclude a contract stipulating the management of compulsory saving or savings.

### Involuntary Labor

Involuntary labor includes forced labor, labor tied to slave contracts, labor for debt repayment, labor for trafficking and prison labor.

## A1.1 Any type of forced labor or involuntary labor (e.g., forced labor, labor tied to slave contracts, labor for debt repayment, trafficked labor or prison labor) is not permitted.

### 1. Record Review

#### 1) Voluntary work

- Personnel files, grievance records and working hour record/wages do not show any form of non-voluntary labor and all overtime is voluntary.
  - Examples of non-voluntary work: Lack of workers' consent to work, unlawful retention of wages or benefits, work through any form of servitude (e.g., negotiation of visa, housing, work in exchange for training), security guards (armed or unarmed) keep workforce under retention
- Workplaces shall not impose overtime where Workers are unable to leave the work premises. Under no conditions shall workplaces impose punitive measures such as salary deductions, apply coercion of any kind, denial of future opportunities for overtime, or take disciplinary action against Workers for refusing overtime.
- Termination notice period is not stricter than 1 month.
- Penalty to leave without reasonable notice is <60% of 1 month of gross base wages.
- Terminating employment is voluntary with no explicit threat of punishment, fines, violence, or withholding wages.
- All work is voluntary (including choice of learning placement assignment).

#### 2) Fees

- All Fees and penalties are disclosed to the workers, and records on Fees are maintained and disclosed to the worker.
  - Payroll, wage, and other records reviewed show no prohibited fees, excessive fees, significant debt, and/or significant loans except those acceptable fees listed in "RBA Trafficked and Forced Labor – "Definition of Fees" available at <https://www.responsiblebusiness.org/media/docs/RBADefinitionofFeesJan2021.pdf>

- No fees that are prohibited by national laws, regulations and the RBA should be imposed on workers. If it is confirmed that such fees have been imposed on a worker, they must be returned to the worker within 90 days from the date of discovery.
- Deposits from Workers are prohibited unless required by Applicable Laws and Regulations. If a deposit is legally required, Supplier shall ensure that an accurate receipt is provided for any deposits made by Workers and that such deposits be returned in full to the Worker as expeditiously as practicable, but no later than one month after the Worker's employment has terminated or reason for such deposit has ended, whichever is earlier

### 3) Loans

- Personal loans have a repayment maximum of 10 percent of the worker's gross base wage of the period of the loan, no interest permitted and no more than 6 months of installment (maximum loan duration).
- Education loan have a repayment maximum of 10 percent of the worker's gross base wage of the period of the loan and no more than 1 year of installment (maximum loan duration).
- Personal loans to Workers or job seekers under circumstances where repayment terms could be construed as debt bondage or forced labor are prohibited.

## A1.2 Policy and procedures are established ensuring that any form of forced or involuntary labor is not permitted.

### 1. Record Review

- Adequate policies are in place for;

no forced, bonded, involuntary or exploitative prison, trafficked or slave labor is used, workers are not required to pay Fees, deposits or incur debt as part of the employment and when employment has been terminated voluntarily or involuntarily, worker will be paid appropriate amounts for all hours worked.

- This is applicable for direct and indirect employment workers.
  - Scope of policies and process is during recruiting, hiring and employment.
  - Stating that workers are not required to pay either as one-time or installment payments, collected directly or through wage deductions.
- Determine the specific amount of any fees and expenses paid by each individual foreign and internal migrant worker prior to commencement of work.

### Employment of Foreign Workers (Migrant Workers)

In the case of foreign migrant workers, the core content of labor contracts should be provided in writing and explained in the workers' native language before leaving the home country/region for employment. The core content of the labor contract should include at least the following:

- Task Description
- Working Hours
- Wages
- Vacation
- Welfare benefits (housing, transportation, uniform, etc)
- Amount and types of fees charged to workers
- Other benefits (pensions, insurance, etc.)
- Wage deduction, etc.

**A1.3 Terms and conditions of employment are provided in writing and in their native language prior to employment (foreign and internal migrant workers: before leaving their home country/region) and the key terms and conditions of employment are explained verbally in their native language, so workers understand what the terms and conditions of employment state.**

#### 1. Record Review

##### 1) Employment terms and conditions

- Workers are informed prior to employment of the key employment terms and conditions in writing in their native language.
  - Employment terms and conditions = employment letter/agreement /contract
  - Any employment terms and conditions changes are declared and follow good practice communication/negotiation with worker.
  - Defined worker groups (e.g., student, intern, dispatch, etc.) in compliance with legal and/or customer requirements.
  - If the worker's native language is not available in written form, then the use of the worker's national language is allowed but the written document is explained in the workers' native language.
- Terms and conditions of employment state that workers can resign without penalty if reasonable notice is given.
  - Reasonable notice = notice period which is stated within the employment terms and conditions, local law or mutual agreement with the employer, whichever is shorter.
  - Without penalty :
    - Local workers : no threat of punishment, fines, violence, or withholding wages
    - Migrant workers : no threat of repatriation, threat of punishment, fines, violence, or withholding wages
- No form of "runaway" or "leave early" prevention language in the terms of employment.

##### 2) Migrant workers

- No substitution or change(s) allowed in the employment agreement upon arrival in the receiving country/region unless

these changes are made to meet local law and provide equal or better terms.

- Any employment terms and conditions changes are declared and follow good practice communication/negotiation with worker.
  - Terms and conditions of employment shall be delivered to the migrant Workers before departure, indicating the conditions of work and remuneration (minimum wage which is guaranteed) and information concerning the general conditions of life and work.
- 3) Verbal confirmation record of explanation to workers of the key components of the employment conditions in a language they can understand:
- Nature of work, Working hours, Days off and holidays, Leave entitlements, Benefits (housing, transportation, uniforms, etc.), What fees the worker will be charged and the amount(s), Wages and wage deductions (including all components of social insurance) and how these are calculated and Other non-legally required benefits provided (pension, insurances, etc.)
    - Verbal confirmation records for key components of employment conditions must be maintained.

**TPEA (Third-Party Employment Agency)**

A private service enterprise or a public or government agency, including subagents, carrying out operations on behalf of individuals or enterprises, whose role is to provide access to employment or career progression by filling employment vacancies.

**A1.4 Upon hiring, the worker's government issued identification and personal documentation originals are not held by employer (it applies to third-party employment agency/sub-contractors equally).****1. Site Observations**

- Workers can demonstrate where personal records are kept securely.
- Workers maintain possession or control over their identification records.

**2. Record Review**

- Adequate policies are in place for no government issued identification or originals of personal records are held or stored.
- Worker files contain no originals of workers' personal documentation.
  - e.g., passport; work visa/permit; citizenship, residence, identification, social insurance cards/records; birth certificate; bank records; etc.
  - It is acceptable for employers to hold personal documents only for the time needed to obtain or renew work permits and other legal documents. The employer or the agents provide proper documentation (stating the reason for holding of passport/ travel document and expected duration to hold such documents.)
- In some countries, the local law requires employers to hold foreign and internal migrant workers' personal documents. In those cases, worker must have access to those records at all times. In no case shall there be a fee for the safe keeping of government-issued identification, passports or work permits.
  - Workplaces shall work with related parties including a TPEA to ensure timely return of all original identity documents to Workers.
- Personal documents must not be tampered with or damaged in any way.

## A1.5 There are no unreasonable restrictions on the free movement of workers.

### 1. Site Observations

- Workers move freely when needed to access basic liberties (no systems for unreasonable restriction in place such as toilet passes).
- Workers are free to leave the Auditee location or dormitory (or living quarters) when not engaged in work.
  - If workers reside on site (dormitory), access to the dormitory is open or there are no unreasonable restrictions through process or undue security guard restrictions, on worker's ability to leave the facility including during workers' rest time.
- Workplaces shall not confine or restrict Worker's freedom of movement inside the place of production or Workplace-provided facilities, including access to drinking water and the Worker's Dormitory room, except where necessary for Worker safety and permitted by Applicable Laws and Regulations.
- Workplaces shall not restrict Workers' access to bathrooms in terms of time or frequency of bathroom breaks, number of workers going to bathroom at any time or non-payment of wages during bathroom breaks.
- If workers reside on site (dormitory or living quarters), access to the dormitory or living quarters is open or there are no unreasonable restrictions.

### 2. Record Review

- Adequate and effective policies and procedures on freedom of movement are in place.
- Entry and leave records show no restriction in movement.
  - Factory/dormitory exit and entry records
  - Reasonable restriction can exist linked to Health & Safety, Lack of training to access a certain area.
  - Freedom to enter and leave site does not apply to prison labor.
  - Examples for Freedoms: toilets, drinking water, external medical facilities, etc.

### Minimum Age

According to Article 64 of the Labor Standards Act (Minimum Age and Employment Certificate), a person who is under 15 years of age (including those under 18 years of age who are enrolled in middle school in accordance with the 「Primary and Secondary Education Act,」) cannot be employed as a worker.

## A2) Young Workers

Workplaces should not use the labor of children who are the greatest of 1) under the age of 15, 2) or under the age for completing compulsory education, 3) or under the minimum age for employment in the country at any stage of manufacturing. Workplaces should employ an adequate mechanism for ascertaining workers' age. The use of legitimate workplace learning programs, which comply with all laws and regulations, should be utilized. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety of young workers, including night shifts and overtime. Workplaces shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations. Workplaces shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. Where a case of child labor is spotted, workplaces should take a corrective/supportive step. Considering that it is difficult to take protective measures (prohibition of overtime work, etc.) for young workers, it is recommended to carefully decide on hiring young workers. If young workers are inevitably hired, the young worker protection process must be followed.

### Active Underage Worker

An Underage Worker working at the facility at the time of the audit.

### Historical Underage Worker

A Worker above the Minimum Legal Age at the time of the audit that started work when he or she was below the Minimum Age.

### Terminated Underage Worker

An Active Underage Worker or Historical Underage Worker that is no longer working at the facility at the time of the audit.

### A2.1 Workers are not below the minimum age

#### 1. Site Observations

- Personnel files show all workers are above minimum age or above company policy minimum age.
  - The criteria to be used shall be either the minimum age (under the age of 15) or under the minimum age for employment according to the local regulations in which workplaces are located, whichever is greater.

#### 2. Record Review

- Personnel files show all workers are above minimum age or above company policy minimum age. (whichever is greatest)
- If any Active Underage Worker, Historical Underage Worker, or Terminated Underage Worker is found either through an



external audit or self-review, Workplaces shall notify LGD's relevant department immediately.

### Minimum Age Verification

The RBA requires the following documents to be used to verify worker's age.

- It is verified via third-party resources (if available) such as Internet resources or local government offices.
- Birth certificate
- Government issued personal identification
- Driver's license
- Ballot registration
- Copy of official school certificate stamped with the "official postmark"
- Statement from a local government representative
- Foreign worker's license or other government certified document

### 3<sup>rd</sup>-Party Employment Agency

A private service enterprise or a public or government agency, including subagents, carrying out operations on behalf of individuals or enterprises, whose role is to provide access to employment or career progression by filling employment vacancies.

Employment Security Act Article 19 (Paid Job Introduction Business) Paid job introduction business is divided into domestic paid job introduction business and overseas paid job introduction business based on the place where the target worker wants to work. Those who intend to conduct domestic paid job introduction business shall register with the special self-governing governors, mayors, municipal governors

## A2.2 An adequate and effective policy and process is established to ensure that workers below the legal minimum working age are not hired either directly or indirectly via third-party employment agencies.

### 1. Record Review

- Adequate policies are in place for child labor prohibition.
- Workplaces shall not refuse the worker's job application after the "child" worker's age meets legal requirements.
- If child labor is identified, assistance/remediation is provided.
- Workplaces verify the reliability of age records. Age verification must include visual verification of a government recognized photographic identification record.
  - Inspect and cross-reference to verify the validity at least two types of official ID
  - ID types for verification and cross-reference
    - Matching photographic ID to worker's face
    - Verification through third-party resources where available, such as Internet resources or local government offices
    - Birth certificate
    - Government-issued personal identification card
    - Driver's license
    - Voting registration card
    - "Official stamped" copy of a school certificate
    - Affidavit from local government representative
    - Foreign and internal national/regional work permit or other government recognized record
- Reliable ID verification system to control the workers' access into the facility
  - e.g. finger printing or ID card with owner's photograph to prevent under-age workers entering the facility by using another person's ID
- Child labor assistance/remediation process that is designed to provide for the welfare of the child.
  - Underage assistance includes
    - Health exam and appropriate action if necessary
    - Completion of compulsory schooling(Tuition expenses and reasonable additional requisite expenses to enable the Worker to return to school)

- Maintaining the child's income until legally eligible to work
  - When the Worker reaches the Minimum Age, Workplace shall offer the Worker a job at the facility that is equivalent to or more favorable than the job previously held by the Worker.
  - When they exist, and are acceptable by law, to move underage workers into proper apprenticeship positions, restricting their hours and type of work to accommodate educational needs, as required, rather than discharging or fining of these workers.
- The remediation program shall last for six months or until the Worker reaches the Minimum Age, whichever is longer.

### A2.3 Workers under the age of 18(hereinafter referred to as "Young Workers") are not allowed to perform work that is likely to jeopardize the health or safety of these young workers, including night work or overtime.

#### Prohibition of Use

Labor Standards Act Article 65 (Prohibition of Use) The employer is not allowed to employ a woman who is pregnant or has given birth within one year (hereinafter referred to as "pregnant woman") and someone under the age of 18 in work that is hazardous or dangerous morally or physically. Prohibited occupations are specified in Table 4 of the Enforcement Decree of the Labor Standards Act.

#### United States Department of Labor Guidance

US Department of Labor, Employment Standards Administration, CFR, Title 29, Chapter 5, Part 570: "Occupations Particularly Hazardous for the Employment of Minors between 16 and 18 Years of Age or Detrimental to Their Health or Well-Being"

#### Confined Space

A space large enough that a Worker can enter to perform assigned work, with limited or restricted means for entry or exit, that is not designed for continuous Worker occupancy.

#### 1. Site Observations

- Young workers should not perform jobs that are hazardous.

#### 2. Record Review

- Adequate and effective young worker policies and procedures are in place.
- Health checks if required by law
- Identification and assignment of young workers to non-hazardous positions
- Workplaces shall follow Applicable Laws and Regulations related to Young Workers, but where the law is silent, Young Workers shall not engage in work involving any of the following:
  - Exposure to Hazardous environments, substances, agents, or processes potentially damaging to their health, including but not limited to:
    - Environments/conditions likely to cause heat or cold stress or injury
    - Noisy environments requiring ear protection
    - Explosives or articles containing explosive components
    - Any exposure to radioactive substances including radium, selfluminous compounds, thorium salts, and ionizing radiation in excess of 0.5 rem per year as per United States Department of Labor Guidance.
  - Operations in inherently dangerous locations, including:
    - Underground
    - Underwater
    - Heights in exceeding of 2 meters
    - Hazardous Confined Spaces
  - Work with or near chemical processes above the applicable legal limits for Young Workers. If no such legal limits or industry regulations exist, Young Workers shall be exposed to no more than 50%of the applicable exposure limit for adults.
  - Operations involving the following equipment:
    - Powerdriven hoisting apparatus

### Qualified Health Professional

Licensed or certified individual (either onsite or offsite) with the knowledge, training, and experience necessary to review and assess a factory's production environment and any associated risks to Workers

- Any mobile powerdriven apparatus without legal operator's license
- Stamping, cutting, and laser equipment or any equipment with pinch points
- Other hazards determined to be unsafe for Young Workers by Workplace's environment health and safety department or a Qualified Health Professional.
- Operations restricted by Applicable Laws and Regulations including but not limited to environmental and transportation-related restrictions.
- Restriction on time of day worked (Young workers are not allowed night work or overtime)
  - Night work: Night work for Young Workers may be defined specifically by local law though generally means any consecutive period of at least 7 hours between 10 PM and 7 AM
- The implementation mechanisms are reflected in personnel files, medical files and work time records.
- Workplaces shall introduce mechanisms that can track Young Workers.
  - Identification of the job positions (including the creation of new job positions) that Young Workers are allowed to perform or are prohibited from performing and incorporation of such restrictions into job descriptions
  - Tracking mechanisms to ensure that Young Workers are not placed into restricted job positions
  - Working hours tracking mechanisms
  - Health exam tracking mechanisms.
- The result of young worker management should be confirmed in personnel files, medical files and work time records, etc.
- Operation of monitoring system for management of young workers
  - Identification of the job positions young workers are prohibited from performing and incorporation of such restrictions into job descriptions.
  - Management program to ensure that young workers are not placed into restricted job positions
  - Working hours monitoring
  - Health checks monitoring

### Work Experience Apprentice

Regardless of the title, such as trainee, apprentice, probationer or intern, it refers to a person who work in a business or workplace for educational or training purposes and are differentiated from workers on the basis of the Labor Standards Act, which provide work to a business or workplace for wage purposes.

(Source: Guidelines for Determining and Protecting the Legal Status of Work Experience Apprentices)

### Apprentice

It refers to a person who wishes to receive vocational education and training provided for students and workers to acquire and improve knowledge, skills and attitudes necessary for employment or job performance in accordance with the 「Regulations on Promotion of Industrial Education and Promotion of Industry-University Cooperation」, 「Worker Skill Development Act」 and other laws.

### Student Worker

It refers to a worker who is enrolled in an educational program and hired for an internship, field trip or other program provided by an educational institution, regardless of age.

### Reasonable Notice

Maximum of one-month prior notice, or less if required by applicable laws and regulations, for a Worker to voluntarily terminate the employment contract or agreement with a Workplace

## A2.4 Adequate and effective Apprentice/Intern/Student Worker employment policies and procedures are in place and operated.

### 1. Site Observations

- Student workers/interns/apprentices only perform tasks related to their field of study or learning of a new vocation and shall not perform the tasks prohibited by applicable laws.

### 2. Record Review

- If applicable, a written policy stating that workplace does not hire apprentices/interns/student workers.
- Internships/student workers assignments and apprenticeships that complement their course of study field or learning of a new vocation.
  - If the student worker/intern or apprentice is a young worker, then all young worker requirements in A2.3 apply.
  - Student workers/interns/apprentices should only be assigned to work activities that complement the academic degree/certificate or skill enhancement learning goals.
- Maximum duration of apprenticeship (not more than 6 months if worker is paid below minimum wage)
  - An apprenticeship is different from worker probation period. Apprentice/ intern/student worker programs are regulated by law in most countries, with specific limits on.
  - In the absence of an applicable legal requirement, the maximum length is 1 year. The Program cannot be extended beyond the agreed end date as written in the original Student agreement.
- No agency or intermediary may be used in connection with the recruitment, hiring, arrangement, and management of student workers, interns or apprentices.
- All work is voluntary (including choice of learning placement assignment).
  - The student shall not be required to pay any fee or fine or receive any other penalty for early termination of the student agreement with Reasonable Notice.
- Prohibition of use of student workers, interns or apprentices to simply fill a labor shortage (any obligations to employees under labor or social security laws and regulation arising from the

regular employment relationship shall not be avoided through the excessive use of students, interns and apprentices)

- Workplaces shall ensure that the student worker is insured against accident or liability and that the student worker is fully covered for any other forms of insurance required by law or regulation.
- If applicable, recorded specific requirements on tri-party agreement (student workers (and/or legal guardian), school and Workplace) (Student worker only)
  - Student worker's full name
  - Student worker's emergency contact information
  - The name and address of the student worker's school
  - The name and address of the Auditee, etc.
  - Living conditions (if applicable)
  - Wages and benefits
  - Costs (if any) for meals and accommodation (must be no higher than a fair market rate)
  - Working hours
  - Nature of work and place where it will be performed
  - Signed in three copies
- Workplaces shall conduct pre-selection due diligence and ongoing audits of each school to ensure that it complies with Applicable Laws and Regulations, the Code of Conduct, and this Standard.
  - Workplaces shall ensure that schools have appropriate and current licenses, certifications, and permits for all locations of operation.
- Workplaces shall verify that worker is actively enrolled in a valid program of study at an educational institution. Take corrective actions to address any non-conformance by an educational institution and establish sanctions as appropriate, including termination of the relationship (Student worker only).
  - The student shall sign this agreement prior to performing work at the Workplace's facility and Workplaces shall ensure that the Student understands the agreement and receives a copy of it.
- Maintenance of student worker/intern or apprentices' records in personnel files (includes agreement if applicable, learning objectives, evaluations, reference to training material, assignment, ...)

- Details on promotion/hiring opportunities after successful apprenticeship, eligibility, recruitment, employment agreement, nature of work, working hours, wages and benefits
- The student shall receive at least the same wage rate as other entry-level Workers performing equivalent or similar tasks. In the absence of equivalent or similar tasks, the wage rate of the Students shall not be less than the local Minimum Wage.
- Workplaces shall not deduct educational fees and placement fees from the Student's wages.
- Workplaces must comply with any legal limits on the number of student workers, interns or apprentices that can be employed at the Workplace's facility at any given time.



## Working Hours

### Labor Standards Act

#### Article 50 (Working Hours)

The working hours for one week cannot exceed 40 hours, excluding rest time, and the working hours for one day cannot exceed 8 hours, excluding rest time.

#### Article 53 (Restrictions on Overtime Work)

With the consent of both the worker and the employer, the working hours for one week can be extended by up to 12 hours.

#### Article 74 (Protections for Pregnant Women)

The employer is not allowed to give overtime work to pregnant female workers and, at the worker's request, their work should be switched to an easier type of labor.

## Day(s) of Rest

Period of 24 consecutive hours during which Workers do not work

## A3) Working Hours

Working hours per week are not exceed 60 hours or legal working hours, including extended working hours, except in emergency or unusual situations. In addition, workplaces must guarantee the worker at least one day off every seven days. Workplaces shall follow all applicable laws and regulations with respect to working hours and days of rest, and all overtime must be voluntary.

### A3.1 Hours worked in a workweek does not exceed 60 hours or the legal limits.

#### 1. Record Review

- Each worker's working hours per week should not exceed 60 hours or the legal limits.
  - LGD requires that workplaces comply with local law or LGD ESG Code of Conduct whichever is more stringent.
  - Unless specified otherwise by local legal requirements, this provision does not apply to exempt workers, including those in executive, managerial, or professional positions.
- Time records are accurate.
- Workers may exceed the 60-hour Workweek requirements during Emergency or Unusual Situations. Workplaces shall document that the emergency or unusual situation criteria has been met and must have a documented plan for recovering from the Emergency or Unusual Situations and bringing working hours back into conformance. At the end of the emergency or unusual situation, Supplier shall immediately provide Workers with a Day of Rest if the working hours requirement had not been met during the emergency or unusual situation.
  - Emergency or Unusual Situations :
    - Events or circumstances that substantially disrupt production and are out of the ordinary and out of the control of the Workplace, including earthquakes, floods, fires, national emergencies, unpredictable and prolonged loss of electrical power, outbreak of epidemic/pandemic of infectious diseases, and periods of prolonged political instability.
  - Situations that can be reasonably predicted and thus planned for will not be considered either unusual or emergency situations, including

peak production periods, machinery breakdowns, holidays, and seasonal fluctuations.

### Days Off

Labor Standards Act Article 55 (Days Off)

The employer should provide the worker with an average of one paid holiday per week.

### Work Breaks

Labor Standards Act Article 54 (Work Breaks)

The employer should provide the worker with break times of 30 minutes or longer for a 4-hour workday and break times of 1 hour or longer for an 8-hour work day. This break time can be used by the worker freely.

### Vacation

Labor Standards Act Article 60 (Annual Paid Leave)

The employer should give 15 days of paid leave to workers who have worked for more than 80% of one year. Workers who have been working for less than one year must be given one day of paid leave for one month of operation.

### Menstruation Vacation

Labor Standards Act Article 73 (Menstrual Leave)

The employer is obliged to give one day of menstrual leave per month if a female worker requests for it.

## A3.2 Workers receive at least one (1) day off every seven (7) days.

### 1. Record Review

- Workers should take at least one (1) day off every seven (7) days.
  - Unless specified otherwise by local legal requirements, this provision does not apply to exempt workers, including those in executive, managerial, or professional positions.
- Workers may exceed the Day of Rest every 7 days requirements during Emergency or Unusual Situations. Workplaces shall document that the emergency or unusual situation criteria has been met and must have a documented plan for recovering from the Emergency or Unusual Situations and bringing working hours back into conformance. At the end of the emergency or unusual situation, Supplier shall immediately provide Workers with a Day of Rest if the Day of Rest requirement had not been met during the emergency or unusual situation.
  - Emergency or Unusual Situations :
    - Events or circumstances that substantially disrupt production and are out of the ordinary and out of the control of the Workplace, including earthquakes, floods, fires, national emergencies, unpredictable and prolonged loss of electrical power, outbreak of epidemic/pandemic of infectious diseases, and periods of prolonged political instability.
  - Situations that can be reasonably predicted and thus planned for will not be considered either unusual or emergency situations, including peak production periods, machinery breakdowns, holidays, and seasonal fluctuations.

**Workweek**

A period of 7 consecutive days that is held consistent from week to week, for example, Sunday 12:01 a.m. to Saturday midnight

**A3.3 Adequate and effective policy and system/procedures are established to accurately determine, communicate, record, manage and control working hours including overtime, including reliable and detailed records of workers' regular and overtime working hours.****1. Site Observations**

- Time Recording Devices are present, and all are in working order.
  - Time Recording Devices shall be capable of identifying Workers who are scheduled to exceed the 60-hour and Day of Rest requirements, as well as track the total work hours per week and days of rest for each Worker. The system shall provide summary reports and warnings to management prior to exceeding these requirements.

**2. Record Review**

- Adequate policies and procedures to accurately determine, record, manage and control working hours including overtime and days off are in place.
  - Ensure awareness of requirements of compliance with local and national/regional laws and regulations regarding working hours and days off and LGD requirements
  - Integrate legal and LGD requirements
  - Monitor actual performance
  - Use a strategy to ensure conformance with all requirements
- Review the workplace's time records and system for recording time worked to determine that time is recorded accurately and completely
- Workplaces shall plan production schedules to meet committed production capacity, committed lead-time, and the 60 hours per workweek and one day of rest per 7 days requirements.
- Workplaces shall include the following activities in preparing official working hour records.
  - Time on the production line, regardless of whether the line is running or not.
  - Mandatory meetings and trainings, including but not limited to orientation training, trainings on company policies and procedures, production planning meetings, assembly meetings, and daily wrap-up meetings. All meetings must be arranged within the regular working shift.

- Workplaces shall not require Workers to arrive prior to the scheduled start of a shift, even by a few minutes to prepare for work, unless this time is counted as paid working time.
- Mandatory administrative processes including but not limited to the following, cumulating in greater than 15 minutes total:
  - Excessive waiting in line to punch out
  - Excessive waiting in line to clear security into/out of the production line or facility
  - Waiting for supervisor approval, for example, timecard approval
  - Excessive waiting in line to clear facility mandated checks prior to entry or exit of the facility
- Any other process managed by workplaces that requires Workers to be present at the factory or perform any production-related work regardless of location.

[Note. Working Hour Verification Procedures and Standards]

1. Procedure

- Sampling
  - Target Worker: From the total number of people to the square root, the auditor selects the target worker for each organization, shift, age, and vulnerable group.
  - Target Month: Three months (peak, average and low) are selected.
- When inputting the monthly data of the sampled worker by date in the working hour template, the conformance level is determined according to the violation rate against total weekly number.

2. Rating

- Working Hours
  - RBA 7.1

Item	ww ≤1%	1% < ww ≤5%	5% < ww ≤15%	15% < ww ≤40%	40% < ww
84 < wh	Priority				
72 < wh ≤84hr	Conformance	Minor	Major	Priority	Priority
60 < wh ≤72hr	Conformance	Opportunity for Improvement	Minor	Major	Priority
Requirement* < wh ≤60hr	Conformance		Minor	Minor	Major
wh < Requirement*	Conformance				
1. Young workers are found to be working in excess of the stricter of law or 60 hours per week. 2. Young workers are working overtime or doing night work.	Priority				

\* In case that local law is stricter than 60h/week

- Continuous Work

- RBA 7.1

Item	ww ≤1%	1% < ww ≤5%	5% < ww ≤40%	40% < ww
24 Days ≤ Consecutive Days	Priority			
12 < Consecutive Days < 24 Days	Minor	Minor	Major	Priority
6 < Consecutive Days ≤ 12 Days	Conformance	Minor	Minor	Major
Consecutive Days ≤ 6 Days	Conformance			
Young workers are found to be working consecutive days in excess of the stricter of law or 6 consecutive days	Priority			

- Comparison with other Standards

- Standards for Monitoring Working Hours per Week (LMT: Labor Management Tool)

Working Hours per Week		Continuous Work	
RBA	NY	RBA	NY
84 < Hours	84 < Hours	24 ≤ Days	21 ≤ Days
72 < Hours ≤ 84	72 < Hours ≤ 84	12 < Days < 24	14 ≤ Days ≤ 20
60 < Hours ≤ 72	60 < Hours ≤ 72	6 < Days ≤ 12	7 ≤ Days ≤ 13
	49 < Hours ≤ 60 40 < Hours ≤ 49 Hours < 40	Days ≤ 6	Days ≤ 6

## Maternity Leave

Labor Standards Act Article 74 (Protection of Pregnant Women)

The employer should give pregnant women a maternity leave of 90 days over the prenatal and postnatal period, and postnatal leave must be at least 45 days. If a pregnant worker has a miscarriage or stillbirth, the employer should give the worker leave if she decided to claim it, as prescribed by Presidential Decree.

Labor Standards Act Article 74 Clause 2 (Allowance of Fetal Checkup Time, Etc.) The

employer should allow pregnant female workers to claim the time required to receive a maternity health checkup in accordance with Article 10 of 「Maternal and Child Health Law」.

Labor Standards Act Article 75 (Parenting Time) If a female worker has a child under one year of age and claims it, she should be given at least 30 minutes of paid breastfeeding time twice a day.

## A3.5 Workers are allowed mandated breaks, holidays and vacation days, including time off when ill or for maternity leave.

### 1. Site Observations

- Workers take mandatory breaks which includes at least one meal break per shift.

### 2. Record Review

#### 1) Policy

- Adequate and effective policies and procedures for sick leave, holidays, vacation and paternity/maternity leave are in place.
  - Workers receive a reasonable amount of time off for sickness or maternity without job loss or financial penalty when supported with a medical certificate.
- Workers must be provided with meal and rest breaks, leave periods, holidays, and vacation days in accordance with local legal requirements
  - Most countries require workers to be given a 20 or 30-minute break every two or four hours, as well as a defined meal break. Compare the company's practices to local legal requirements.

#### 2) Records

- Leave records for 12 months are securely kept, accurate and consistent with medical certificates, actual leaves and holidays.
- Payroll records for the absences show that there was no financial penalty for maternity or sick leave.



## Wages

Labor Standards Act Article 2 (Definition) It refers to any wages, salaries, or anything else the employer pays in exchange for the worker's work.

### Minimum Wage System

It is a system that protects low-wage workers as the government intervenes in the wage determination process to set a minimum wage level and enforce the employer to pay wages above this level.

The minimum wage committee shall determine the minimum wage for the next year until August 5 of each year, and it takes effect on January 1 of the following year.

### Payroll

Labor Standards Act Article 48 (Payroll) The employer should create the payroll for each business site, and write down the items that are the basis of wage and family allowance calculation, the amount of wages, and other matters prescribed by Presidential Decree.

### Overtime Allowance

Labor Standards Act Article 56 (Extended, Nighttime and Holiday Work) The employer shall add 50% or more of regular wage to the payment for extended work (work of extended time pursuant to the provisions of Articles 53, 59 and 69) and nighttime work (work between 10 pm and 6 am) or work on holiday.

## A4) Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. The basis on which workers are being paid is to be provided in a timely manner via pay stub or similar documentation. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

### A4.1 Wages for regular and overtime hours are correctly calculated, and paid to all workers

#### 1. Record Review

##### 1) Policy

- Adequate and effective wages and compensation policies and procedures are in place.
  - “Pay equals time worked” applies.
    - Any company-required activity, such as trainings and meetings, shall be paid equal to the time of this mandatory attended activity.
- All workers shall be paid no less than the minimum wage for all regular hours as per applicable laws and regulations.
  - In case the country does not have a legal set minimum wage, then the industry prevailing wage will apply as a standard.
- Overtime and other compensation and benefits are paid and are on top of agreed\* wage for regular hours.
  - Agreed wage = the stricter of legal minimum wage, wage stipulated in employment contract or wage set in Collective Bargaining Agreement
- In countries where there are no legally established overtime rates as per applicable laws and regulations, the minimum overtime rate shall be 125% of the base wage.
- Wage rate for learners

- a) Intern: at least the minimum wage, unless their performance is significant below expectation for that wage cycle,
  - b) Apprentice: at least the minimum wage unless Law specifically defines a lower wage for this type of worker. Agreed apprentice wage increase when meeting new skills requirements. Workers after a successful apprenticeship have clearly recorded promotion and wage adjustment
- No financial/scholastic penalty (note scholastic penalty is allowed only if directly related to underperformance on educational component of program) (student worker and intern)
  - Maternity or sick leave absences do not incur a financial penalty
  - No deductions or payment for PPE.
  - In case the worker (employed under third party service provider, labor agent, vocational school or contractor) is transferred to different region/country/province/state employment site, the minimum wage and other benefits entitlement shall be paid according to the legal provision where workers are deployed in.

## 2) Records

- Wages benefits, and overtime are correctly calculated and accurate pay records are maintained for 12 months.
- Wages are paid directly to workers (or a legally designated third party) with no unauthorized deductions (including for disciplinary measures) in a timely manner.
- For recurring pay (including overtime, other) should not be delayed more than two days after the agreed timing for payment.
- For severance pay, payment (including resigned workers) must be made in compliance not later than one month after final day on the job.
- Workers are paid directly without any intermediary. (except bank)

- Regular and overtime hours shall be rounded up to the nearest 15 minutes if it is difficult to calculate accurate time.

Time (Minutes)	$0 \leq x < 15$	$15 \leq x < 30$	$30 \leq x < 45$	$45 \leq x < 60$
Rounded allotment in minutes for overtime	15	30	45	60

## [Chinese Law]

Labor Law Article 44

Employers should pay 150% of wages for overtime work, 200% of wages for work on holidays and 300% of wages for work on statutory holidays.

Article 44 of the Labor Law of the PRC (1995 version) the

employer shall, according to the following standards, pay employees remuneration higher than those for statutory working hours under any of the following circumstances.

(1) To pay no less than 150% of the wages when extended working hours are assigned to employees;

(2) To pay no less than 200% of the wages when employees are assigned to work on rest days and no deferred rest can be taken; and

(3) To pay no less than 300% of the wages when employees are assigned to work on statutory holidays.

Business sites and workers must participate in social insurance and pay social insurance premiums. Social insurance includes pension, medical insurance, industrial accident insurance, employment insurance and maternity insurance.

Article 72 of the China Labor Law (1995 version), the factory

and its employees shall participate in social insurance schemes and pay social insurance premiums as per the legal requirements. This may

## A4.2 For each pay period, workers are paid on a timely basis and provided with understandable wage statements that includes sufficient information to verify accurate compensation for work performed.

### 1. Record Review

#### 1) Records

- Workers are provided with payroll receipts that clearly indicate compensation, including overtime hours and overtime compensation levels and detail of deductions (e.g. insurance contributions, employer and worker contributions, ...)
  - Workers are given information relating to wages in an understandable form.
  - In most countries, the law states the requirement of the employer to contribute a portion of worker's wages to national or private insurance schemes. These generally consist of retirement, unemployment, accident, medical and possibly others. These needs to be communicated to workers and reflected on worker wage receipts.
  - A signed agreement with a worker that allows to deduct the social insurance as conformance option to legal social insurance compliance cannot be accepted.
- Workplaces shall ensure that each payment to a worker is accompanied by a clear statement communicating:
  - The amount of regular hours and overtime hours worked
  - The appropriate rate of pay for regular hours, overtime hours, and holiday hours
  - An account and definition of each deduction made
  - An account and definition of each benefit payment made
- If suppliers are found to be underpaying legal wages to workers or making unauthorized deductions (including for disciplinary measures) from wages, the suppliers shall pay back the underpaid wages and deductions to workers.

### A4.3 Wages are not deducted or reduced for disciplinary reasons.

#### 1. Record Review

##### 1) Policy

- Adequate and effective policies and procedures prohibiting disciplinary wage deductions are in place including “Pay equals time worked”.
  - If a worker is late the impact on its wages can be no more than the time the worker was late

##### 2) Records

- Disciplinary records pay slips and payment records of wages or equivalent not show any form of disciplinary wage deduction.
- The deductions for tardiness shall be rounded down to the nearest 15 minutes if it is difficult to calculate the accurate time.

Time (Minutes)	$0 \leq x < 15$	$15 \leq x < 30$	$30 \leq x < 45$	$45 \leq x < 60$
Rounded allotment in minutes for tardiness	0	15	30	45

- Non-payment of statutory benefits such as overtime wages, annual leave, and paid public holidays.

**A4.4 Deductions or withholdings are calculated correctly and submitted to the appropriate government agency within the local law time frame.**

1. Record Review

1) Records

- Calculation: Records of employer contributions to worker insurance such as unemployment, retirement/pension, health/medical, life, accident, disability are available on a monthly basis that allows for analysis by individual worker and total per contribution rate.
- Payment: Payment records for these contributions are available for at least 12 months and payments are made timely.
  - Withholdings for taxes and other government programs should be made promptly to the applicable agency.
  - A signed agreement with a worker that allows to deduct the social insurance as conformance option to legal social insurance compliance cannot be accepted.

### Workplace

Workers conduct work or frequently enter for business. Employment-related business is conducted as a result of employment responsibilities or employment relationship.

Work-related social functions, conferences and training sessions, official business travel and lunches, dinner, or promotional campaigns organized for client or workplaces, telephone conversations, and communications through electronic media.

### Prohibition of Assault

Labor Standards Act Article 8 (Prohibition of Assault) The employer cannot assault workers due to an accident or any other reason.

### Inhuman Treatment

The RBA stipulates inhuman treatment as sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, verbal abuse, snatching physical comfort provided to other workers, violence, sexual violence, bullying, or causing feelings of shame in public, etc.

### Discipline

Labor Standards Act Article 23 (Restrictions on Dismissal, Etc.) The employer cannot punish workers with dismissal, leave, suspension, transfer, pay-cut or other punishment ("unfair dismissal", etc.) without just cause.

## A5) Humane Treatment

There is to be no harsh or inhumane treatment, including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

### A5.1 There should be no sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, public shaming or verbal abuse of workers, violence, gender-based violence, as well as withdrawal of basic physical comforts provided to other workers or isolation of families.

#### 1. Site Observations

- No identification of possible instances of inhumane treatment.
  - Inhumane treatment includes harsh or inhumane treatment, including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming or verbal abuse of workers.

#### 2. Record Review

##### 1) Records

- Grievance records do not show instances of inhumane treatment. If instances are found appropriate corrective actions are taken immediately and documented.
- Disciplinary records do not show inhumane disciplinary measures.

## Sexual Harassment Prevention Education

Regulations on Equality of Employment for Men and Women and Support for Work-Family Compatibility Article 13 (Training for the Prevention of Workplace Sexual Harassment)  
Employers must provide training to prevent sexual harassment in the workplace and to create conditions in which workers can work in a safe working environment. Accordingly, employers and workers should receive sexual harassment prevention training. (the Enforcement Decree stipulates to perform at least once a year in Article 3).

## A5.2 Adequate and effective policies and procedures on humane working conditions and fair treatment of workers are established.

### 1. Record Review

#### 1) Policy

- Adequate and effective policies and procedures on humane treatment are in place.
  - Disciplinary policy is in place prohibiting physical or sexual harassment and abuse.
  - Disciplinary policy is clearly communicated and trained to workers and management through training, handbooks, notice board postings
  - Disciplinary policy must state
    - Types of discipline and procedures for determining discipline
    - Grievance/complaint procedures for workers to report instances of inhumane treatment
    - Procedures to investigate and address such grievances/complaints
- In the event of an inhumane treatment, a procedure for workers to report anonymously without fear of retaliation should be operated and a responsible person should be designated and managed.



**A5.3 Disciplinary actions are recorded, consistent with the procedures and reviewed by management.**

1. Record Review

1) Records

- Records of all cases of disciplinary action are available.
- All records of disciplinary action against workers must be reviewed by management and verifiably communicated to them.
- All disciplinary decisions must be communicated to workers and should be signed or confirmed by the workers.

## Non-Discrimination

Regulations on Equality of Employment for Men and Women and Support for Work-Family Compatibility have the following regulations regarding gender discrimination.

Article 7 (Recruitment and Employment) Employers shall not discriminate against men and women when recruiting or employing workers, and shall not discriminate on the basis of marital status, physical conditions such as appearance, height, weight, and other conditions stipulated by Ministry of Employment and Labor Decree.

Article 8 (Wage) The employer shall pay the same wages for the same value work within the same business.

Article 9 (Money and Goods other than Wages) Employers shall not discriminate against men and women in welfare benefits such as the payment of money or the financing of loans to assist workers' living in addition to wages.

Article 10 (Education, Placement and Promotion) Employers shall not discriminate against men and women in the education, placement and promotion of workers.

Article 11 (Retirement, Resignation and Dismissal) Employers shall not discriminate against men and women in retirement, resignation and dismissal. Employers shall not conclude employment contracts that make marriage, pregnancy or childbirth reasons for the resignation of female workers.

## A6) Non-Discrimination/Non-Harassment

Workplaces should not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way.

### A6.1 There should be no discrimination for any reason.

#### 1. Site Observations

- No visible instances of discrimination.

#### 2. Record Review

##### 1) Human resources process

- No evidence of discrimination in pay roll, benefits, general training (access to training), disciplinary, application questions and testing, hiring, termination, promotion, job postings and advertisements, job descriptions and worker representation or union affiliation.
- Workers are provided accommodations solely based on non-discriminatory criteria.

##### 2) Medical tests

- Workers or potential workers are not subjected to medical tests that could be used in a discriminatory way.
  - In some cases, local governments require health tests for foreign and internal migrant workers prior to issuance of work visas.
  - Workplace shall not, on the basis of a person's medical test, make any employment decisions that negatively affect the person's employment status unless such decision is dictated by the inherent requirements of the job or is prudent for workplace safety.
  - Workplace shall not discriminate against a worker in eligibility for another position based on the worker's refusal to take a medical test where there is no required medical test for such position.

## Discrimination

Labor Standards Act Article 6 (Equal Treatment) The employer cannot discriminate against the workers on the grounds of gender, and cannot discriminate on the basis of nationality, religion or social status.

Regulations on Equality of Employment for Men and Women and Support for Work-Family Compatibility 2 (Definition) "Discrimination" refers to the case where an employer makes employment, work conditions, or other unfavorable measures without reasonable grounds for reasons such as gender, marital status, family status, pregnancy or childbirth [it includes the case in which the employer applies the same working conditions, but men and women who can meet such conditions are significantly less than those of other gender, resulting in adverse consequences for a particular gender and the conditions cannot be justified].

- Health tests, pregnancy or virginity testing, or contraception are not used as a condition of employment.
  - Workplace shall make reasonable efforts to accommodate Workers with chronic illnesses, which may include rearranging working time, providing special equipment, opportunities for rest breaks, time for medical appointments, flexible sick leave, part-time work, and return-to-work arrangements.
  - Workplace shall not require medical tests, including but not limited to Hepatitis B or HIV, either as a condition for employment or as a requirement for continued employment.
  - Pre-employment or post-employment pregnancy tests or medical tests should be conducted only in the following cases:
    - It is required by law.
    - The pregnancy test or the medical test is determined in writing by a person with medical qualification (physician, nurse, etc.) to be required as a safety measure.
    - The worker agrees in writing.
- 3) Pregnancy/Maternity/Paternity
- Workplace shall comply with all applicable laws and regulations regarding pregnancy and postnatal employment protections, benefits, and pay.
    - Workplace shall not refuse hire an applicant for a non-hazardous position or terminate a worker's employment solely based on the worker's pregnancy, virginity or parental status.
    - Supplier shall not prohibit female Workers from becoming pregnant nor threaten female Workers with adverse employment consequences, including dismissal, loss of seniority, reduction or deduction of wages and benefits, in order to discourage them from becoming pregnant.
    - Workplace shall take reasonable measures such as the transfer to non-hazardous work to ensure that the pregnant woman and the baby are safe and healthy.

## A6.2 Adequate and effective policies and procedures that ban discrimination and harassment are in place and understood.

### 1. Record Review

#### 1) Policy

- Policies that ban discrimination are in place.
- Decisions in hiring, employing (such as compensation, promotion, access to training, ...), or terminating workers are based solely on the worker's ability to perform the job's requirements.
- Unless prohibited by law, the policy shall include that the workplace does not discriminate against any worker based on race, color, age, gender, sexual orientation, gender identity, ethnicity, national origin, disability, pregnancy status, religion, political affiliation, union membership, veteran status, protected genetic information and marital status in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline, and termination.
- The policy shall include that the workplace does not require pregnancy or medical tests, except where required by applicable laws and regulations or prudent for workplace safety, and shall not improperly discriminate based on test results.
- The policy shall include that no worker will be punished or retaliated against for reporting discriminatory practices.
- A person to carry out the non-discrimination policies and procedures should be assigned.
- Medical tests and medical records should be kept in accordance with the law to prevent personal information from being disclosed.
- Non-discrimination policies and procedures are communicated and trained to workers, supervisors and management, and training material and records are kept. Annual refresher training for supervisors and managers should be implemented.
- Workers involved in activities that may cause discrimination should be trained to prevent discrimination.

- Third-party agencies and workplaces management are trained in non-discrimination policies and applicable non-discrimination laws.

### A6.3 Reasonable accommodation for religious practices is provided.

#### 1. Site Observations

- If a significant percentage of the workers require prayer spaces to perform religious observances, clean and safe areas are provided.

#### Religious Activities

The RBA requires business sites to ensure that workers are not discriminated against on the basis of religion, in order to provide reasonable accommodation for religious activities. If many workers in certain religions are in need of facilities or time to fulfill their religious obligations, measures are required to be taken to provide them.

#### 2. Record Review

##### 1) Policy

- Adequate and effective policies and procedures are in place to reasonably adjustments to the work environment to allow a worker to comply with their religious beliefs while at work or in the job application process.
- A system for receiving religious accommodation requests is in place.
  - Reasonable Religious Accommodation may be refused for safety and security concerns, after seeking alternatives (including off-site options) and/or significant impact on business operations, operating costs or other workers.
  - To provide reasonable accommodation for religious practices, a facility is expected to take reasonable measures to ensure that every worker is not discriminated against based on established religion.
- The procedures must reasonably accommodate workers' religious practice requests made to management and may include:
  - Scheduling Changes
  - Voluntary Substitutes and Shift Swaps
  - Change of Job Tasks and Lateral Transfer
  - Dress and Grooming Standards
  - Use of Employer Facilities
  - Tests and Selection Procedures

##### 2) Records

- Requests are kept, reviewed and decision and reason of decision of accommodation (or no accommodation) is provided to the requestor in a timely manner.

##### 3) Collective Bargaining Agreement (CBA)

- Religious accommodation shall be in accordance with the Collective Bargaining Agreement, but if there is a difference, dialogue with worker representatives should be held at a level does not violate the privacy of the Reasonable Religious Accommodation requestor.

### Established of Labor Union

The RBA defines that management should not interfere directly or indirectly with the election process related to the establishment, recognition or domination of labor unions so that workers can establish or join labor unions.

### Labor Union

Labor Union and Labor Relations Adjustment Act Article 2

(Definition) The labor union is considered as a union or an organization that organizes itself for the purpose of promoting the improvement of the economic and social status of other workers by maintaining/improving the working conditions and other means. If it falls under the following cases, it is not recognized as a labor union.

- Participation of the employer or a person who always acts on his/her behalf is allowed.
- A major portion of expenses is assisted by the employer.
- It is aimed only for mutual aid, cultivation and other welfare business.
- Non-workers are allowed to join.
- It is aimed mainly for political activities.

### Negotiation

Labor Union and Labor Relations Adjustment Act Article 30

(Principle of Negotiation, Etc.)

Labor unions and employers or employer associations must faithfully negotiate and conclude collective agreements, and abstain from abusing their authority. Labor unions and employers or employer associations shall not refuse or abandon negotiation or collective bargaining agreements without justifiable grounds.

## A7) Freedom of Association

Workplaces must, in accordance with local laws and regulations, respect the right of workers to organize and join labor unions and to associate freely with other workers for collective bargaining and peaceful assembly and demonstration. The right of workers to join as well as not to join such activities should be respected as well. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment.

### A7.1 It should be ensured that workers establish or join labor unions with their free will.

#### 1. Site Observations

- There should be no violence or explicit threats of any kind to the establishment of trade unions.
- There should be no evidence present of management's control of a trade union exist.
- There should be no evident presence of a prohibition of association with a trade union.

#### 2. Record Review

##### 1) Policy

- A policy that respect that the right of workers to form or enroll in a trade union, or to refrain from doing so, should be in place.
  - Workers can form or join a trade union (or refrain from doing so) and are allowed to organize independently of management. Management must not interfere in the process by directly or indirectly conducting elections related to the formation, recognition or governance of a trade union. The absence of trade union does not automatically mean a non-conformance.
- Policies addressing freedom of association include that the workplace will not interfere with and will not finance a trade union.

##### 2) Records



- There are no documented episodes of violence, explicit threats of any kind or any other violations of the right to freedom of association.
- Trade union meeting minutes and financial records for 12 months, if available, to determine source of funding and materials.
- Management contributions are limited to providing meeting space and/or meeting materials (such as note taking material).
- Communication records do not show Freedom of association restrictions or Freedom of Association communications are not prohibited.
- Grievance records on Freedom of Association show the grievance is acted upon.

**Labor-Management Council**

Regulations on the Promotion of  
Worker Participation and  
Cooperation Article 4  
(Establishment of a Labor-  
Management Council)

Workplaces with more than 30 regular workers should establish labor-management councils, and regular meetings should be held every three months in accordance with Article 12 (Meetings).

**A7.2 Legal rights of all workers to bargain collectively, or refrain from doing so, should be respected.**

1. Site Observations

- There should be no evidence that management has refused to enter into negotiations upon request by the trade union.

2. Record Review

1) Policy

- The company policy should include the recognition of the right of workers to bargain collectively, or refrain from doing so.

2) Records

- There should be no evidence that management has refused to enter into negotiations upon request by the trade union.
- Workplace participates in the collective bargaining process with the trade union certified to bargain.

3) Collective Bargaining Agreement (CBA)

- The Collective Bargaining Agreement terms and conditions are implemented.

**A7.3 The rights of all workers to have a peaceful assemble as well as the right of workers to refrain from doing so should be respected.**

1. Site Observations

- The right to peaceful assembly should be guaranteed.

2. Record Review

1) Policy

- The policy should state the rights of the workers to express, promote, pursue and defend their concerns/ideas individually or collectively or to refrain from doing so.
- The reasonable time, place and manner controls regarding assembly should be in place for purposes of maintaining a healthy, safe, and productive work environment.

2) Records

- Workplace respects the right of workers to peaceful assembly as well as respect the right of workers to refrain from doing so
  - Workplace does not interfere with, restrain, or coerce workers in the exercise of their right to peaceful assembly or to refrain from doing so.

### Black Listing

It refers to creating, maintaining, using and/or disseminating the list of employees or potential employees based on the legally protected status or non-work-related criteria such as political orientation or union membership for the purpose of rejection of employment or other punishment. Black listing should be prohibited.

### Employment Decision

Hiring, termination, job security, job assignment, compensation, promotion, downgrading, transfer, (vocational) training, discipline, assignment of worker, and conditions of worker including hours of work, rest periods, and occupational and safety and health measures.

## A7.4 There should be no unequal treatment or discrimination between unionized or worker representatives and other workers.

### 1. Site Observations

- There is no evidence of a prohibition of association with a trade union.

### 2. Record Review

- Workers should not be dismissed, disciplined, or explicitly threatens workers in order to encourage or discourage workers from forming or joining a trade union, or refraining from doing so. (Membership and/or participation in a trade union, Worker association, or other freedom of association activities, Exercising lawful right to form a union or participating in collective bargaining efforts, Organizing or participating in a legal strike or demonstration, Raising issues to Management concerning compliance with a collective bargaining agreement or any other legal requirements)
  - There should be no discrimination between union members and non-union members in payroll, promotion, training, disciplinary, hiring and termination records.
  - Differences in terms and conditions of employment between unionized and non-union workers due to a collective bargaining agreement negotiated between management and a duly recognized trade union on behalf of certain workers does not constitute discrimination.
- Trade Union membership or any other fees should not be deducted from wages without the express and written consent of individual workers.

## B. Health & Safety

### Industrial Health Doctor

Industrial Safety and Health

Act Article 22

(Industrial Health Doctor) To direct workers' health care and supervise the health manager work, an industrial health doctor should be present on work sites where more than 50 regular workers are employed and where the on-site health manager is not a doctor.

### General Manager of Safety and Health

Industrial Safety and Health

Act Article 62 (General

Manager of Safety and

Health) If a business that

subcontracts a part of the

business is located in the

workplace, the employer

should designate the general

manager of safety and health

to prevent an industrial

accident caused as his or her

own employees and

subcontractors' employees

work in the same place.

(Businesses in which more

than 100 regular workers are

employed, including workers

employed by subcontractors in

the contract work.)

## B. Health & Safety

Workplaces must establish safe and healthy working conditions and health and safety management systems in order to minimize the incidence of work-related injury and illness, enhance the quality of products and services, consistency of production and worker retention and morale. Also, in understanding and resolving workplaces' health and safety issues, it is essential to continually seek employee feedback and provide education and training, as well as to guarantee employees the right to refuse hazardous work and report adverse working conditions.

### B1) Occupational Safety

Worker potential for exposure to health and safety hazards (e.g. chemical, electrical and other energy sources, fire, vehicles, fall hazards, etc.) are to be identified, assessed and mitigated using the Hierarchy of Controls, which includes eliminating the hazard, substituting processes or materials, controlling through proper design, implementing engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tag out), and providing ongoing occupational health and safety training. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment and educational materials about the risks to them associated with these hazards. Reasonable steps must also be taken to remove pregnant women/nursing mothers from working condition with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers including those associated with their work assignments, and provide reasonable accommodations for nursing mothers.

#### **B1.1 All required permits, licenses and test reports for health & safety is in place and a process is implemented to ensure permits and licenses are up to date at all times**

##### 1. Site Observations

- Latest permits and licenses related to special equipment, such as crane, boiler, forklift, are placed at the working area.

##### 2. Record Review

### 1) Process

- A documented process is in place to ensure permits are renewed before current permits expire.
  - E.g. a compliance calendar or reminders/tasks/calendar appointments via an e-mail system

### 2) Records

- All required occupational health & safety permits and licenses required by law are in place, tested, and relevant personnel should be appointed. Licenses, certificate or testing reports, and preliminary documents should be available for review and valid. Licenses may include:
  - Building occupancy permits, Lift permit
  - Safety permits and tests for hazardous and dangerous machinery such as pressure vessels (boilers, etc.) and cranes
- It is necessary to carry out occupational health and safety tests according to laws and customer requirements, and testing reports are in place.
  - Work environment measurement, drinking water quality testing, local exhaust system testing, etc.

### 3) Drinking Water

- Drinking water must be tested for those contaminants assessed to be at risk for the local region and operations and the testing reports are available for review. It can be replaced by evidence that local water utility company can attest water meets World Health Organization (WHO) Guidelines for Drinking-water Quality or equivalent standard.

## **B1.2 Potential for worker exposure to health & safety hazards (e.g., electric shock, fire/explosion, fall, etc.) identified, assessed and mitigated using the Hierarchy of Controls.**

### 1. Site Observations

#### 1) Controls

- Management should be done through adequate engineering controls.
- The warning signs shall be provided in native languages or in pictorial so that all Workers can understand. For pictorial and visual hazard warning signs without any text, training should be in place to ensure workers understanding the warnings.

#### 2) Building

- Buildings are structurally sound and conform to local building code requirements.
- A confined space should be identified, and where the work involves maintenance or cleaning activity in a confined space, confined space entry procedures shall be set up and implemented.

#### 3) Chemical

- Chemicals are adequately and effectively categorized, handled, stored and moved within the facility.
- Access to hazardous substances is controlled
- Potential employee exposure methods are adequate and effective such as Segregation, Secondary containment, Ventilation, Fire protection, Appropriate storage cabinets

#### 4) Fall

- Stairways and elevated work areas are provided with appropriate handrails and elevated work platforms are rated for load capacity.
- Aisles, stairways, and work areas are free of tripping hazards (stored materials, electrical cords, etc.)
- Workers are provided with appropriate fall protection and safe anchor points for work in elevated work areas (roof work, high lift fork trucks, towers, etc.).



- Workers who are exposed to a fall hazard greater than 2 meters shall be provided with adequate guardrails or full body harness for fall protection, and standard guardrails shall be provided wherever aisle or walkway surfaces are elevated more than 1.3 meters above any adjacent floor or the ground.
- 5) Electrical and other energy sources
- Precautions and controls of electrical hazards are in place such as locked cabinets, closed panels, unobstructed access.
  - All protective methods are in place to prevent accidental contact with energized parts.
  - The use of metal ladders is prohibited in areas where the ladder could come in contact with energized parts
  - All equipments and electrical devices shall be grounded or of the double insulated type.
  - All disconnecting switches and circuit breakers shall be labeled to indicate their use or equipment served and the circuit breakers shall be accessible to personnel, protected from physical damage, and located away from ignitable material.
  - Exposed wiring and cords with frayed or deteriorated insulation shall be repaired or replaced promptly and the flexible cords shall be used only in continuous lengths without splice or tap.
- 6) Vehicle
- In areas where powered industrial vehicles are used, pedestrian walkways are clearly delineated and physically separated, where possible, from vehicle operation areas.
- 7) Fire
- Combustible storage is minimized and limited to areas with adequate fire detection and protection.
  - Appropriate ventilation should be provided for storage of flammable or combustible materials to prevent the accumulation of vapors. Ignition hazards (e.g. smoking, electrical sparks, flame exposure) are eliminated in areas where combustible and flammable materials are stored or used or if there is a flammable atmosphere.

### LOTO (Lock Out Tag Out)

Locks and signs that are essential for the protection of workers when performing maintenance work on equipment or facility.

- In the case of hot work, a supervisor shall be appointed and the area within 11 meters (35 feet) of the hot work area shall be maintained free of flammable and combustible materials. Monitor the atmosphere with a gas detector. If a flammable or combustible gas exceeds 6 percent of the Lower Explosive Level (LEL), the work must be stopped. A fire watch shall be conducted for one hour after the completion of the hot work event.

## 2. Record Review

### 1) Controls

- Safe works procedures are established and documented where engineering controls are not feasible or do not completely control the hazard.
- The outcome of risk evaluations shall include actionable risk control solutions for any identified risks, and action items shall be followed up.
- Confined spaces hazards are evaluated before workers are allowed to enter.
- A daily safety inspection is performed for all working vehicles.
- Electrical installations and wiring are regularly inspected and maintained to prevent electrical shock hazards. (Damaged cords and plugs, frayed wiring, missing protective barriers, etc.)
- Lockout/tag out program is in place for work on equipment where stored energy (electrical, pneumatic, mechanical, etc.) or inadvertent start-up could injure workers, and individual LOTO device should be provided.
- Work procedures shall be implemented when working in a confined space, at heights (excess of 2 meters), with fire equipment (welding, melting, polishing, etc.) and handling hazardous chemicals.
- Hot work permits shall be required for each hot work event and retained for a minimum of one year.
- Educational materials (e.g. safe work instruction, operating instruction, etc.) about the risks associated with these hazards

are provided to workers for their positions to ensure safe execution of the function. Examples of controls include personal protective equipment (safety glasses, gloves, and ear plugs), operating procedures (lock-out/tag-out, chemical mixing), and engineering controls (ventilation, point of operation machine guarding, building sprinkler systems). Workers are trained annually in hazardous atmospheres prior to entry of confined spaces.

- Procedures and worker instruction encouraging workers to raise safety concerns are implemented/available. (E.g. incentive systems, etc.)

## 2) Evaluation

- Documentation of procedures includes how the program is evaluated, implemented and communicated to workers.
- Risk assessment studies shall be periodically reviewed and revalidated at least annually or based on the nature of the Hazard, level of risk and operating experience. Risk mitigation evaluations demonstrating that each hierarchy level has been fully evaluated and reasons why it could not address the risk fully before proceeding to the next hierarchical level..
- Workplaces shall establish and implement a procedure to manage and monitor contractor work onsite in accordance with all applicable health and safety laws and regulations. This includes but is not limited to:
  - Training in environment, health and safety requirements, including emergency procedures, before the start of work
  - Performing a Risk assessment
  - Reporting of environment, health and safety incidents

### B1.3 Appropriate Personal Protective Equipment (PPE) is consistently and correctly used where required to control health & safety hazards and worker exposure.

#### [Chinese Law]

Workers should wear appropriate personal protective equipment.

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, article 34 : The worker shall wear the required PPE properly

#### 1. Site Observations

##### 1) PPE requirements

- Appropriate PPE must be selected for the worker's work area.
- PPE requirements should be communicated to employees via posted signs.
- Workers performing tasks that require PPE do so according to PPE procedure requirements.
  - At least the minimum amount of PPE (respirators, chemical safety shoes, long sleeves, chemical resistant gloves, face shields, safety goggles if face shields are not available) should be worn when entering or exiting a place where workers' respiratory system or skin can be exposed to toxic agents and other chemical substances.

##### 2) PPE availability

- PPE should be made available
  - PPE should be signed and worn appropriately by all who work or reside in this area for long periods of time (longer than exposure limit value).
- PPE is in good and working condition, and do not exceed the expiration date.
- PPE is appropriately stored and accessible.

#### 2. Record Review

##### 1) PPE process

- PPE should be provide free of charge. Wage records do not show a fee or charge for PPE.
- Worker safety hazards should be assessed, and the procedures to determine appropriate protective equipment for specific work and/or facility zone should be developed and implemented.
  - Risk factors such as noise, chemicals and heavy equipment use, uncomfortable posture, job smearing, and overhead risk should all be assessed.
- PPE requisition and renewal procedures

- Adequate and effective notification and enforcement process for PPE use is in place.
  - Signs and labels, Regular enforcement by supervisors, Work area inspections

## 2) Records

- PPE adequacy evaluation records
- PPE inventory and replacement records
  - PPE condition monitoring
- PPE inventory, and logs to have new PPE
- Job specific PPE matrix
- Fit test record for respiratory protection equipment
- Wage records do not show a fee or charge for PPE

**B1.4 Reasonable steps are in place to remove pregnant women/nursing mothers from working conditions with high hazards, minimize any workplace health and safety risks to pregnant women and nursing and provide reasonable accommodations for nursing mothers.**

1. Site Observations

- Pregnant workers are not working in job which has a hazard to the pregnant worker and her child.
- Reasonable accommodations for nursing mothers are in place.

2. Record Review

1) Risk assessment

- Adequate and effective risk management process is in place to:
  - Lifting/carrying heavy loads
  - Standing or sitting still for long lengths of time
  - Exposure to infectious diseases/lead/toxic chemicals/radioactive material
  - Work-related stress
  - Workstations and posture
  - Threat of violence in the workplace
  - Long working hours
  - Extreme heat/Excessive noise
  - Night shifts
- After pregnancy is reported: a worker-specific risk assessment of the worker's job to assess risk to mother and fetus.
  - Working with organic mercury
  - Working with radioactive materials
  - Exposure to lead

- A worker-specific post-natal risk assessment of the worker's job to assess risk to mother and possible impacts on the baby through breastfeeding after mother returns to work.

2) Reasonable accommodation to nursing mothers

- Provide reasonable break time for a worker to express breast milk for her nursing child for one year after the child's birth each time such worker has need to express the milk.

- Provide a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, which may be used by an employee to express breast milk.
  - Location does not need to be a separate dedicated area
  - Not be a toilet stall or a bathroom, secure and clean area with water supply and hygienic storage, close to the workspace.
  - Breaks for expressing milk (pumping breaks) are not compensated unless paid breaks are used to express milk

### 3) Records

- Personnel files contain specific to worker pre- and ante-natal risk assessment and actions taken in line with policy.
- Risk assessment reports for pregnant workers reports and records of actions taken are available.
- Working hour records show nursing mothers can have reasonable time to express milk.

## Specific Fire Protection

### Object

Regulations on Fire Prevention, Installation and Maintenance of Fire-fighting Facilities and Safety Management Article 2 (Definition) Specific fire protection objects are fire-fighting objects to which fire-fighting facilities should be installed, including factories (buildings that are continuously used for manufacturing, processing [including washing, dyeing, painting, bleaching, sewing, drying, printing, etc.], or repairing goods, not classified separately as neighborhood living facilities, dangerous goods storage and treatment facilities, aircraft and automobile related facilities, manure and waste disposal facilities, and cemetery related facilities) and warehouse facilities and hazardous material storage and treatment facilities according to Table 2 of the Enforcement Decree.

### Appointment of Fire Safety Manager

Regulations on Fire Prevention, Installation and Maintenance of Fire-fighting Facilities and Safety Management Article 20 (Fire Safety Management for Specific Fire Protection Object) In cases of some fire-fighting objects that require more specialized fire safety management due to concerns about massive damage in the event of a fire, the owner, manager or occupant should appoint persons with specialist qualifications related to fire safety management as fire safety manager and fire safety management assistant.

## B2) Emergency Preparedness

Workplaces should identify and assess potential emergency situations and events and minimize their impact by implementing emergency plans and response procedures, including: emergency reporting, employee notification and evacuation procedures, worker training and drills. Emergency drills must be executed at least annually or as required by local law whichever is more stringent. Emergency plans should also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

### **B2.1 All required permits, licenses and inspection/testing reports for emergency preparedness/response including firefighting are in place and a process is implemented to ensure permits and licenses are up to date at all times.**

#### 1. Site Observations

- Emergency preparedness procedures and emergency numbers should be posted.
  - Emergencies can include fires, explosions, floods, chemical spills, blackouts and natural disasters, riots and violence, and strikes.

#### 2. Record Review

##### 1) Process

- A document process is in place to ensure permits are renewed before current permits expire.
  - E.g. Compliance calendar or reminders/tasks/calendar appointments via an e-mail system

##### 2) Records

- All legally required fire safety and emergency preparedness permits and licenses are in place, inspection should be conducted, and relevant persons should be appointed.
- Permits, licenses, certificate or testing reports and preliminary documents are in place and available for review and valid.
  - Fire safety, Emergency preparedness, etc.



### Fire-fighting Facility

Regulations on Fire Prevention, Installation and Maintenance of Fire-fighting Facilities and Safety Management Article 2 (Definition) Fire-fighting facilities refer to fire-fighting equipment, fire alarm system, evacuation facilities, fire-fighting water equipment, and other equipment for fire-fighting activities.

### Self-inspection of Fire-fighting Facilities, Etc.

Regulations on Fire Prevention, Installation and Maintenance of Fire-fighting Facilities and Safety Management Article 25 (Self-inspection of Fire-fighting Facilities, Etc.) Persons concerned with specific fire-fighting objects should periodically conduct self-inspections of fire-fighting facilities, etc. installed on the objects, or have the management contractor or technical expert check them regularly. The results of the inspection should be reported to the head of the fire department or fire department chief. Self-inspection is divided into functional check and comprehensive check. Each inspection should be held at least once a year,

## B2.2 Adequate and effective fire detection, alarm and suppression systems are in place.

### 1. Site Observations

#### 1) Detection

- Automatic heat/smoke detection as required by insurance company is installed.
- Detector devices and system are in function.

#### 2) Alarm

- All buildings have a manual or automatic fire alarm system and fire alarm system is in function without error.
- All buildings have a manual or automatic fire alarm system and fire alarm system is in function without error.

#### 3) Fire suppression

- Portable fire extinguishers are installed, with unimpeded access
- Automatic fire sprinklers as required by insurance company are installed.
  - The sprinkler valves are locked in fully open position. Fire pumps are set to run automatically.
  - There must be at least 0.5 meters away from sprinkler to the top of storage.
- Fire extinguisher/hose has an inspection tag
- Fire water tank and water pressure meet the requirements of local laws and regulations.

### 2. Record Review

#### 1) Process

- Automatic fire sprinklers, portable fire extinguishers, heat and smoke detection, and an alarm and notification system are inspected, tested and maintained for good state of operation on a regular basis, depending on local laws and regulations, insurance company and customer requirements.

#### 2) Records

- The inspection frequency for portable fire extinguishers shall not be less than monthly. The inspection frequency for single unit smoke detectors shall not be less than semi-annually.
- Inspection, testing and maintenance frequency shall not be less than that required/recommended by the manufacturer, local code or insurance company whichever is more stringent.
- The inspection, testing and maintenance procedure, frequency and results are documented.

## Fire Plan

Regulations on Fire Prevention, Installation and Maintenance of Fire-fighting Facilities and Safety Management Article 20 (Fire Safety Management for Specific Fire Protection Object)  
Persons concerned with specific fire-fighting objects and fire safety manager should fill in the fire plan according to Article 24 of the Enforcement Decree.

### **B2.3 All potential emergencies that could affect the site are identified and assessed, and effective emergency preparedness and response programs (plans/procedures) are established.**

#### 1. Site Observations

##### 1) Signage

- Adequate and effective signage is posted with emergency number(s), preparedness and emergency response procedures.
- Emergency evacuation maps are posted throughout the facility which clearly identify exit routes and muster points in the correct orientation.

##### 2) Muster points

- The place of muster points must be designated in a safe place.
  - The muster points should be set inside to shelter from typhoon/bad weather and outside to evacuate from a chemical release or fire.

##### 3) Emergency Response

- Emergency response kits are easily located and accessible near muster points.
- Workplace shall install equipment to detect, notify the facility, and respond in the event of a chemical-related emergency, such as hazardous chemical vapor detectors, sound/light alarms as per applicable laws and regulations, eye wash and emergency shower stations, and spill kits.
- Workplace shall install manual or automatic shutdown devices on any hazardous production equipment to avoid injury or damage in an emergency.
- Workplace shall ensure that all emergency equipment is periodically tested as per manufacturers' instruction or recommendations, and that malfunctioning/nonfunctional equipment is identified and repaired. All inspections must be carried out at least annually or as otherwise required by applicable laws and regulations.
- Workplace shall ensure that an adequate supply of appropriate medical equipment is available throughout the facility and thoroughly maintained.

## 2. Record Review

### 1) Risk assessment

- A risk assessment should be conducted for emergencies. Risk assessment should take into account damage to life, environment and property, and at least the following elements should be included.
  - Fire, chemical leaks (when storing massive amount of chemicals or using toxic substances), earthquakes (when located in an earthquake area), bad weather (natural disasters that may occur near the business site should be considered such as heavy rain, flood, typhoon, frost, heavy snow, etc.), violence in the workplace, and strikes
- The risk assessment is current. (updated when there is a Significant Change or at least every 3 years)
  - Current means reflecting the actual situation of the facility/operation

### 2) Business continuity and resumption

- Business continuity and resumption procedures are available, current and adequate.

### 3) Emergency response

- Documented current emergency response plans (ERP) are in place and available for review reflecting the risk assessment, including contact information for emergency responders.
  - The main tasks and roles should be specified when an emergency occurs.
  - Emergency response plans should be provided for review by workers.
- An action plan should be developed after an emergency occurs, which should include an incident report, investigation of the root cause of the emergency, and the corrective and preventive actions. Records should be managed to ensure that actions are taken in accordance with corrective action plans.
- Workers have been trained on the contents of the emergency response plans and the types of potential emergencies that may occur at their work location. Evacuation and muster points are communicated to all employees and visitors.
- Workplace shall have reliable and effective mechanisms of internal and external communication for notification of

emergencies and subsequent evacuation of all persons in the facility. The communication mechanisms shall be audible throughout the entire facility, and workplace shall also develop and maintain the capability to inform the surrounding community, the public, the authorities, and appropriate government agencies.

#### 4) Records

- Risk assessment
- Business continuity and resumption
- Emergency response
- (If applicable) CAPs resulting of post emergency evaluation
- Records of such inspections and maintenance of emergency equipment

### Exit Light

It refers to the light that is turned on by the commercial power in normal state and switched to the emergency power when the commercial power is out to induce evacuation in case of fire, etc.

### Emergency Exit Light

It refers to the light indicating an exit that is used as an evacuation route to guide evacuation.

### Pathway Exit Light

It refers to the exit light to guide the pathway for evacuation such as the hallway exit light, lounge exit light and stairway exit light.

### Hallway Exit Light

It refers to the pathway exit light installed in the hallway to indicate the direction of the emergency exit.

### Stairway Exit Light

It refers to the pathway exit light installed over the stairs or ramps to illuminate the floor or the floor surface to step on.

### Emergency Exit Sign

It refers to the sign indicating an exit that is used as an evacuation route to guide evacuation.

### Pathway Exit Sign

It refers to the pathway exit sign installed in the hallway or stairs to indicate the direction of the emergency exit.

### Emergency Exit Line

It refers to the evacuation inducing facility, as the derivative of photoluminescence method or light source lighting method, installed in the form of a line to guide evacuation in the dark.

## B2.4 Effective emergency exit access, exits, and exit discharge are adequate in number and location, readily accessible, and properly maintained.

### 1. Site Observations

#### 1) Emergency Exit

- An adequate number of effective exit routes from every area.
- Exit routes are separated by an appropriate distance and do not share a common exit.
- Exit routes are clear of obstructions.
- Exits to open space/parking lot do not discharge to an enclosed/gated/locked area.
- Exits are free of material storage; and enclosures are not used for any other purpose except for egress.
- All exit route doors which serve high occupancy ( $\geq 50$ ) or hazardous areas open in the direction of egress.
- All exit route doors should open without using a key, badge, code, special knowledge, or effort.
- All exit discharge doors must have listed panic hardware installed to open in a single motion.
  - Non-conforming situations for exit route doors include: Multiple steps required to open doors; Anything requiring a tight grasp; Revolving doors; Rolling doors that open vertically; Sliding doors that there is not a safety feature which allows the doors to swing to a full-open position in the direction of travel

#### 2) Exit signs

- Exit signs are provided to mark exits on every floor.
- Exit signs are illuminated and/or lighted in the event of a power failure.
- Additional exit and/or directional signs are provided at main passageways/aisles, long corridors and at other locations where the way to the nearest exit is not clear.

#### 3) Emergency lighting

- Emergency lighting provided to illuminate means of egress in the event of a power failure.

- Lighting shall provide adequate, functional emergency lighting in stairs, aisles, corridors, ramps, and passageways leading to exits, and in other areas as required by applicable laws.
  - Either battery or backup generator may power emergency lighting.
- 4) Separation
- Equipment other than sprinkler pipes, standpipes, and electrical services, pipe and duct installation serving the enclosures shall not pass through the evacuation routes.
  - Openings to the evacuation routes are protected by fire rated doors or window.
  - Fire doors are in good condition, self-closing or automatic closing upon fire alarm or detection of smoke.
- 5) Exit routes
- Aisle width shall not be less than 1 meter across at its narrowest point. The minimum width of any single door opening shall be at least 81 cm (32 in.). If the local regulation has specific requirements, the local regulation shall be followed.
  - The maximum distance for evacuation route to emergency door shall be less than 60 meters in workshop
- 6) Elevator
- Workplace shall post signs (in one or more languages such that all Workers understand such signs) on all elevators to prevent usage during emergencies, unless the elevator is designed for firefighting or other emergency use.
2. Record Review
- 1) Process
- Adequate and effective process in place to ensure effective emergency Exit Access, exits and Exit Discharge with unobstructed egress in in place.
- 2) Records
- Inspection records for emergency support facilities (emergency lighting, emergency exit signs, evacuation paths, exit enclosures,

etc.) are maintained and show these are inspected as per insurance requirements, or local practice whichever is stricter.



## B2.5 Adequate and effective fire and other identified emergency situations and evacuation drills are conducted with all employees, and records are maintained.

### 1. Record Review

#### 1) ERP drill plan

- An appropriate and effective fire or other emergency evacuation drill program should be established.
- Appropriate and effective annual (twice a year) or more frequent if required by local law, emergency evacuation drills should be conducted for all workers, including night shifts, in all areas (including dormitory, cafeteria, warehouse, office areas, productions floors, research and development laboratories, shipping/receiving, etc.) (One drill that is conducted at night).
- Drills in other emergency scenarios should be carried out as appropriate, as determined through risk assessment. The frequency of drills should be included in the relevant procedures.

#### 2) Effectiveness evaluation

- The effectiveness of each drill should be evaluated and documented.
  - training time, evacuation time, emergency response time, number of workers involved, potential improvements, etc.
- Corrective action plan for evacuation drills should be implemented.
- If worker turnover is more than 20 percent since the last drill, a new drill shall be required.
- Records for last 3 years, including CAP and their status are available for review and monitored to ensure corrections are being made and implemented.

### Fire Drill

Regulations on Fire Prevention, Installation and Maintenance of Fire-fighting Facilities and Safety Management Article 22 (Fire Drills for the Workers and Residents of Specific Fire Protection Object) Persons concerned with specific fire-fighting objects with 11 or more regular workers or residents should conduct training, such as fire-fighting, notification, evacuation, etc., and education required for fire safety management for the regular workers and residents. In this case, the evacuation drill should include training to evacuate and guide the persons entering or exiting the fire-fighting object to a safe place.

## B2.6 Designated emergency response personnel are provided adequate and effective PPE and training on an annual basis.

### 1. Site Observations

- Emergency response PPE is available, adequate and in good and working condition.
- Emergency response PPE storage is clearly marked, visible and easily accessible.
- Badges, different colored attire/hard-hat, and office/cubicle signage may identify emergency response team personnel.

### 2. Record Review

#### 1) ERT assignment

- Workplace to organize and assign trained workers to form an emergency response team (ERT) at each facility that shall be available during all working shifts.

#### 2) The ERT shall have the obligation and authority to direct the response to emergencies.

#### 3) ERT members have the required qualifications.

#### 4) ERT training

- Emergency responders are trained on an annual basis. In particular, training should be conducted within 30 days of changing emergency preparedness and response policies and procedures.
  - Emergency responders should receive training on: chemical hazards and precautions, spill containment and cleanup, fire hazards and response, proper handling and disposal of chemicals and contaminated absorbent materials, selection and use of protective equipment, other information as required by local regulations.
- Training will be dependent on responsibilities during an emergency.
  - Workers involved in the control, cleanup and disposal of hazardous materials or other emergency response procedures (e.g. firefighting), receive regular training on emergency response plans and actions, their responsibilities and equipment necessary to perform the functions of their role.
- Training material and training records are available for review and up to date.

### Industrial Disaster

Industrial Safety and Health Act Article 2 (Definition) It refers to a person who provides labor being killed, injured or sick by work-related building, equipment, raw materials, gas, steam, dust, operation or other work.

### Major Disaster

Ministry of Employment and Labor Decree (Enforcement Rules of the Industrial Safety and Health Act) Article 3 (Scope of major disaster)

A major disaster refers to one of the following:

- Disaster with more than one death
- Disaster with two or more people injured each requiring at least 3 months of treatment
- Disaster in which more than 10 people were injured or gained occupational disease at the same time

### [Chinese Law]

Occupational health records should include the worker's employment records, exposure records of industrial hazards, occupational health checkup records, occupational disease diagnosis and personal health information.

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, article 36: The occupational health record should include the laborer's employment history, the history of exposure to occupational hazards, occupational health examination result and occupational-disease diagnosis and personal health information.

## B3) Occupational Injury and Illness

Workplaces should have in place procedures and systems to prevent, manage, trace, and report occupational accidents and disease. Workplaces should encourage worker reporting, classify and record injury and illness cases, and provide necessary medical treatment. Corrective actions to eliminate their causes should be implemented and the workers should be facilitated to return to work. Workplaces should also establish/execute a program designed to take a reasonable measure for to prevent and cope with the spread of potential infectious diseases among employees.

### B3.1 All required permits, programs, licenses, and testing reports for occupational injury and illness are in place and a process is implemented to ensure permits and licenses are up to date at all times.

#### 1. Site Observations

- The legally required postings are current and located in public view. Some signage and information may be required to be posted in employee common/break/cafeteria locations.

#### 2. Record Review

##### 1) Process

- A documented process is in place to ensure permits are renewed before current permits expire.
  - E.g. Compliance calendar or reminders/tasks/calendar appointments via an e-mail system

##### 2) Records

- All required occupational injury and illness permits and licenses are in place, available for review and valid.
- Occupational injury and illness testing reports are in place, available for review.
  - The report include Injury logs, Respiratory protection, Hearing conservation programs, Notice of availability of medical records, etc.
- Government certifications, permits, inspections, approval for the onsite medical treatment facility is available for review.

##### 3) Medical professional certificates

- Valid certificates for occupational health are available for review (e.g. first responders where required). If nurses or doctors are employed or doctor/nurse services are used, a copy of their certificate/license is available for review.

### Industrial Accident Report

Ministry of Employment and Labor Decree (Enforcement Rules of Industrial Safety and Health Act) Article 73 (Industrial Disaster Report) If a person is injured by an industrial accident or is injured or has suffered a sickness that requires more than three days off, an industrial injury questionnaire should be prepared and submitted to the head of the local employment office within one month from the occurrence of the industrial accident.

### Industrial Disaster Log Management

Ministry of Employment and Labor Decree (Enforcement Rules of Industrial Safety and Health Act) Article 72 (Industrial Disaster Log, Etc.) When industrial accidents occur, the following items are recorded and preserved, or a copy of the survey of industrial injury or a copy of the medical treatment application should be attached and preserved by attaching a disaster recurrence prevention plan.

- Overview of the business site and personal information of worker
- Date and place of disaster
- Cause and process of disaster
- Plan to prevent recurrence of disaster

### [Chinese Law]

Pre-deployment and post-deployment health checkups should be conducted for employees exposed to risk factors.

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, article 35 : For workers exposed to occupational hazards, the employer shall, in accordance with the regulation from the production safety supervision and management departments and the Administrative

## B3.2 Investigations to determine root cause(s) and implement corrective/preventive actions for work-related injuries/illness in the past are performed and documented, communicated to affected employees, and tracked to closure.

### 1. Record Review

#### 1) Reporting

- A system for workers to report health and safety incidents and near-misses, as well as a system to investigate, track, and manage such reports.
- Workplace shall identify the responsible individual(s) to oversee and enforce the implementation of the Incident management policy and procedures.
- All reportable and non-reportable accidents are tracked; documented, and investigated to minimize the potential for future occurrence. (more stringent retention period of 5 years or the legal standard is applied)
- Supplier shall report any fatality or other Incidents of public concern (e.g., multiple people seriously injured, individuals affected by pandemic/epidemic illness) to LGD within 24 hours of the Incident.
  - Location of facility and incident
  - Time of incident
  - Site description
  - Incident description
  - Number of injured, dead, and/or missing
  - Control measures and remedial action, etc.

#### 2) Analysis

- All accidents are investigated and analyzed for corrective and preventive actions
  - Pre-job, on-the-job, post-job and post-emergency medical tests, etc. should be conducted, and the records should be maintained.
  - Review the number and type of first aid events, the number and type of injuries beyond first aid, and any fatalities.
- Trend analysis of the statistics is performed on a regular basis, at least annually and corrective actions are taken, tracked and implemented.

- For retirees' health examinations, a risk assessment should be performed at work, and guidance procedures and records should be maintained to provide post-retirement medical surveillance for high-risk retirees.

### 3) Preventive Action

- Accident investigation reports, including any resulting corrective actions and verification that corrective actions were implemented.
- If a worker has abnormal medical surveillance results or is injured, following preventive action will be taken.
  - Worker shall be removed from the current job immediately and offered another position in the facility.
  - Workplace is prohibited from terminating the labor contract with the worker due to the medical surveillance results.
  - Workplace shall provide medical treatment or re-examination to the worker.
  - Workplace shall cover the medical treatment, re-examination, and rehabilitation cost for the worker.
  - Workplace shall implement corrective action plans to mitigate risks.

### B3.3 An effective first aid process and adequate number of first responders are available to provide initial medical treatment for injured or ill workers is in place.

#### First Aid Supplies

Rules for Occupational Safety and Health Standards Article 82

(First Aid Supplies) The following emergency equipment necessary for the first aid of the wounded person should be prepared, and workers should be informed of the location and how to use.

- Bandage material, cotton cloth, tweezers and adhesive plaster
- Disinfectant for trauma
- Tourniquets, splints and stretchers
- Remedy for burns (only for workplaces handling high-temperature objects or other workplaces where there is a risk of burns)

#### 1. Site Observations

- First aid responders are easily identifiable by badges, colored attire, office/work area signage.
- If applicable, an occupational medical clinic is adequately staffed and supplied to respond to injuries.
- If the medical clinic is not open or operated 24 hours per day, alternative resources such as outside medical services are communicated to employees.

#### 2. Record Review

##### 1) Policy

- Adequate and effective first response policies and procedures are in place indicating severity of medical emergency and response (first aid, infirmary, local external hospital).

##### 2) First responders

- Occupational health professionals or first responders are trained from external agencies or be trained by in-house physicians licensed under local laws and maintain certificates.
- In the absence of onsite professional care the facility maintains a team of trained first responders. Injured workers are then sent to off-site medical facilities for further treatment.
- Training materials and records for first responders are available, adequate and up to date.

##### 3) In-house infirmary or clinic

- If nurses or doctors are employed or doctor/nurse services are used, a copy of their certificate/license is available and up to date.
- An operations log of onsite emergency occupational medical clinic is up to date (access might be restricted due to privacy laws).

- Documented procedures and supplies for the onsite occupational medical clinic are available and adequate.



**B3.4 Adequate first response equipment and first aid kits to provide medical treatment for injured or ill workers are available to employees in designated areas. The kits have adequate supplies and are inspected on a monthly basis.**

1. Site Observations

1) First Aid kits

- Appropriate and completely stocked placed /assigned first aid kits are available in designated locations.
- First aid kits are unlocked or if locked, first responder can access the key at all times.

2) First Response Equipment

- Appropriate and well maintained first response equipment is available in designated locations.
  - E.g. fire blanket, eye wash, emergency shower
- Eyewash and emergency shower station shall be installed within 10 seconds of walking time from the location of a hazard. Accessing the equipment shall not require going up or down stairs or ramps and the path of travel from the hazard to the equipment should be free of obstructions and as straight as possible.

2. Record Review

1) Process

- Adequate and effective maintenance procedure is in place for inspection, maintenance, upkeep and stocking of all first response equipment and first aid kits.
- The inventory of first aid kits should include gauze, band-aid, bandages, wound cleaner, medical scissors, tweezers, adhesive tape, and latex gloves.
- Eyewash stations should be equipped with two eye spouts with protectors, and both eyewash and emergency showers should have temperate water flowing continuously for 15 minutes.
- First response equipment and first aid kits should be inspected at least once a month. (Including onsite occupational medical clinic inventory list)

## 2) Records

- First aid kits have inventory list and inspection tracking records are available and up to date.
- First aid kit drug dispensing records must be maintained.
- Eyewash and safety showers shall be tested once per week to verify correct operation, documented and any inadequacies noted and corrected immediately.

### A confirmed case

An individual who had a confirmatory viral test.

### An infectious disease

A disease that can spread between people through pathogenic agents (such as bacteria, virus, parasite, germ)

### Pandemic

An outbreak of a disease that occurs over a wide geographic area. It also refers to a state in which a new virus spread through a multitude of people due to the lack of immunity against it

### WHO (The World Health Organization)

WHO (The World Health Organization) is a specialized agency of the United Nations responsible for international public health.

### The Stages of a Pandemic

The Stages of a Pandemic set by WHO apply to the entire world. They provide the global framework designed to fend off a pandemic and cope with it. The framework is segmented into six phases so that new recommendations and approaches may be easily integrated into the existing plan set by each country to fend off and cope with a disease.

## B3.5 A program should be established and executed to take a reasonable step to prevent and cope with the spread of potential infectious diseases among employees.

### 1. Site Observations

- 1) The following measures should be taken for individual hygiene.
  - Workplace shall provide an adequate facility and hygienic supplies including, but not limited to, hand soap/sanitizer, disposable towel, etc.).
  - Workplace shall encourage workers not feeling well to take a rest at home.
  - Workers do not share phone, tool or equipment with each other if possible.
  - Workplace shall ensure workers receive appropriate vaccinations and follow all applicable health and safety measures in accordance with local government requirements and recommendations.
- 2) Workplace should keep up a sufficient number of supplies needed to protect workers and stop the spread of infectious diseases, and make sure that the following items are supplied at all times.
  - Hand soap at all bathrooms or hand sanitizer as an option
  - Mask, N95 mask (meeting required specifications), glove, gown (or protective gear), and goggle
  - Clean towel, soap, and sanitizer needed to keep clean; disinfectant
  - Items needed to check/control the spread of diseases (e.g. thermometer, partition, checkup kit, etc.)

### 2. Record Review

#### 1) Process

- Documented procedures for fending off and coping with infectious diseases should be executed so that the spread of an infectious disease may be identified, assessed, and controlled. Relevant health institutions' guidelines should be monitored to

have their recommendations reflected in workplaces' procedure and plan. This program should be based on thorough assessment of risks that may occur in a workplace concerning diseases.

- Regulations should be established including the following to cope with an infectious disease.
  - Analysis of the sources of diseases to which workers may be exposed including specific risk factors associated with workers
  - A system designed to identify and execute control measures needed to mitigate the said risks
  - A procedure for identification, isolation, and relocation to a designated place of patients confirmed
  - A procedure for cleaning and disinfection of offices, the space for isolation of patients, dormitory and spaces shared by many people (if applicable)
  - Identification of businesses providing professional service of cleaning and disinfection if required
  - Identification of businesses providing medical/lab-related services
- Directly Responsible Individual (DRI) should be designated and the Infectious Disease Response Team (IDRT) should be set up at each workplace. The IDRT should have the obligation and right to give instructions on coping with the infectious disease situation for workers' health and safety and the protection of environment and local community.
- Workers should be protected lest they be inadequately discriminated for a reason associated with an infectious disease or be subjected to bullying or retaliation.
- The relevant workers' personal information should be protected under the law/regulation once the confirmed cases are reported.
- Wages should be paid to workers under the law/regulation with regard to medical check, isolation, treatment and leave associated with an infectious disease.
- An adequate procedure should be set up and maintained for scrapping of items used for suppression of the spread of an infectious disease.
- A procedure for adequate inspection of an infectious disease should be set up. Where the government announces an

emergency situation about an infectious disease (Pandemic Stage 4/5), workplaces should take the following steps.

- Strengthening preventive steps concerning an infectious disease in workplace
- Taking a reasonable step to prevent the spread of an infectious disease in workplace per the central/local government's guidelines
- All workers, supervisors, managers, contractors, and workplaces shall undergo education on basic principles for control of infectious diseases including the following.
  - Individual hygiene-related education including handwashing, coughing/sneezing-related care, surface cleaning/disinfection, and not sharing tools/food/drinks/equipment with others
  - Education on self-monitoring and timely report of symptom/sign of an infectious disease
  - Education concerning adequate use/scrapping of PPE
  - Education on adequate disposal/preparation of food
- The education should be provided at the time of initial orientation, annual re-education, and occurrence of an infectious disease/pandemic.

## 2) Reporting

- Encouraging workers to report all infectious disease-related symptoms in time and taking the following steps where a case of infectious disease is suspected in workplace
  - Isolation and safe relocation of confirmed patients
  - Due diligence to be carried out to identify those who might have been in touch with those suspected to have been infected and confirmed patients
  - Thorough cleaning/disinfection of workplace per expert institutions'/the government's guidelines
  - Where occurrence of an infectious disease is confirmed in workplace or local community, the number of workers working in workplace and working hours should be readjusted or the workplace should be closed.
  - Workplace should be reopened per the local authorities' guidelines if required.
- A procedure should be set up for reporting a suspected/confirmed case in a workplace. All confirmed cases of an infectious disease should be reported to the central/local government per the law/regulation as required.

- Subcontractors should report confirmed cases in compliance with LGD Subcontractor Mishap Report Requirements.
- All documents concerning the coping with an infectious disease should be kept.

## Work Environment Measurement

Industrial Safety and Health Act Article 2 (Definition) Work environment measurement refers to collecting, analyzing and evaluating samples after establishing a measurement plan for Hazardous Factors by the employer for the worker or workplace in order to ascertain the actual conditions of the work environment.

Industrial Safety and Health Act Article 125 (Work Environment Measurement), Enforcement Rule Article 190, Table 21 (Target Hazardous Factors in Work Environment Measurement)

At workplaces where workers are exposed to the following hazardous factors targeted by work environment measurement, if the workplace or work process has been newly started or changed and is designated to be measured, measurement should be carried out within 30 days, and then at least once every 6 months thereafter.

- Chemical Factors: 113 kinds of organic compounds, 23 kinds of metals, 17 kinds of acids and alkalis, 15 kinds of gaseous substances, 12 kinds of harmful chemicals to be permitted, and metal processing oils
- Physical Factors: Noise (time-weighted average of 80dB or more), and high temperature
- Dust: Mineral dust, grain dust, cotton dust, wood dust, welding fumes, fiberglass, and asbestos dust

## B4) Industrial Hygiene

Worker exposure to chemical, biological, and physical agents is to be identified, evaluated, and controlled according to the Hierarchy of Controls. If any potential hazards were identified, workplaces shall look for opportunities to eliminate and/or control through proper design, engineering, and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Protective programs shall be ongoing and include educational materials about the risks associated with these hazards.

### **B4.1 All required permits, licenses and testing reports for potential Industrial hygiene exposures are in place and a process is implemented to ensure permits and licenses are up to date at all times.**

#### 1. Record Review

##### 1) Process

- All industrial hygiene related permits and approvals required by law should be obtained, inspected, and such permits should be valid.
- A documented process is in place to ensure permits are renewed before current permits expire.
  - E.g., Compliance calendar or reminders/tasks/calendar appointments via an e-mail system

##### 2) Records

- Industrial hygiene sampling records for the past three years, including sampling performed by government agencies as part of a regulatory inspection are available for review.
  - Industrial hygiene testing reports are in place, available for review and meeting the conditions of permits, licenses or legally or customer requirements.

## Health Checkup

Industrial Safety and Health Act Article 129 (General Health Checkup) In order to protect the health of workers, 1 or more health checkups every 2 years should be provided for white-collar workers, and 1 or more health checkups each year for other workers.

In accordance with Article 130 of the Industrial Safety and Health Act, special health checkups should be conducted for workers exposed to following hazardous factors such as noise, dust, chemical substances,

- Chemical factors (163 kinds including benzene, toluene, asbestos, etc.)
- Dust (7 kinds including grain dust, mineral dust, cotton dust, wood dust, welding fume and fiberglass dust, asbestine dust)
- Physical factors (8 kinds including noise, harmful rays, etc.)
- Night Work (2 kinds)

Pre-deployment health checkups should be conducted before exposure to risk factors. After that, it is carried out according to the time and period determined for each risk factor (for detailed timing and period, refer to Table 22 of Enforcement Rule Article 202).

## Occupational Exposure Limit (OEL)

Limits on the levels of workplace exposure developed by local regulatory agencies or safety and health organizations to prevent adverse health effects.

## B4.2 Worker exposure to chemical, biological and physical agents should be properly controlled.

### 1. Site Observations

- Adequate controls to reduce or eliminate worker exposure to chemical, biological and physical agents including proper design(elimination and/or substitution), engineering controls(exhaust ventilation, enclosures, etc.), administrative controls(limiting worker exposure time, job rotation), and adequate and effective PPE are in place and operated.
- During normal working hours, workplace is free from obvious odor, visible fume, dust, and other unhealthy conditions.
- Operating radiation devices in a controlled-access area and any personnel entering the control area shall wear personal dosimeters.
- If the monitoring results exceed the local regulatory Occupational Exposure Limit, supplier shall take immediate action to provide appropriate engineering controls or temporary PPE until there are three consecutive monitoring results below the Occupational Exposure Limit, each at least one day apart.

### 2. Record Review

#### 1) Process

- The risk assessment is updated when a Significant Change occurs, and then it should include exposure to multiple chemicals.
  - Including exposure routes to multiple chemicals such as inhalation, ingestion, skin exposure, etc.
- Adequate and effective risk assessment process to identify, evaluate, and control, according to the hierarchy of controls, worker exposure to chemical, biological and physical agents.
- A health risk assessment with associated industrial hygiene sampling and testing, is completed when a new chemical, biological, or physical agent is introduced into the work environment, or when an existing process is changed that may trigger an employee health risk.



- An individual directly responsible for radiation safety management must be trained on radiation safety management and, if applicable, hold radiation safety certifications as required by law.

## 2) Controls (risk assessment)

- Adequate and effective documented program to control the identified potential hazards to chemical, biological, or physical agents should be place and follows the hierarchy of controls.
- Regular evaluation plan to verify the effectiveness to implemented controls and corrective actions if required. The frequency should at least every 3 years unless a major change requires re-evaluation.
- Testing shall be done at a frequency stated in permits and licenses and shall not exceed a period of one year. If change in process or regulatory requirements requires more frequent testing, workplaces shall follow such requirements.
- Safety checks should be performed by a certified company at least once a year after tool installation or re-installation, which should include, but is not limited to:
  - Warning label, warning light, interlock, emergency machine off

## 3) Records

- Medical surveillance records are available for review pertaining to respiratory evaluations to determine if worker is being harmed from exposure to agents or determining hearing loss or any other medical concerns related to specific job activities.

## B5) Physically Demanding Work

Workplaces should identify, assess, and control physically demanding tasks, such as repetitive work or heavy lifting.

### Work of Musculoskeletal Burden

Rules for Occupational Safety and Health Standards Article 656 It refers to the 11 kinds of work involving repetitive work, improper work posture, unreasonable motion, and heavy work, determined and posted by the Minister of Employment and Labor (2020-12) according to workload, work speed, work intensity and structure of the workplace.

### Hazardous Factor Investigation for Work of Musculoskeletal Burden

Rules for Occupational Safety and Health Standards Article 657 (Hazardous Factor Investigation) The employer should conduct a hazardous factor investigation every three years when workers are doing the work of the musculoskeletal burden.

### B5.1 Workplaces should identify the hazardous factors involved in physically demanding work, assess the risks involved, communicate the findings to employees, and manage those risks.

#### 1. Site Observations

- Controls to reduce or eliminate physical demanding work (e.g. heavy or repetitive lifting, prolonged standing, etc.) are in place and effective.
  - Proper design
  - Engineering controls (e.g. palletizers, lift tables, adjustable work platforms, etc.) are designed to reduce physical demanding work.
  - Administrative controls (limiting worker exposure time; job rotation) are designed to reduce physically demanding work.

#### 2. Record Review

##### 1) Risk assessment (Hazardous Factor Investigation for Work of Musculoskeletal Burden)

- A documented program to identify, evaluate and control physically demanding work is in place and up to date.
  - A review and trend analysis of past 3 years of injuries related to physical demands of job duties.
  - The risk assessment is updated when a significant change occurs. If there are no changes to the facility or work set up, there is no need to re-assess (this "no-change" should be documented).
- Workplace shall implement, manage and monitor the effectiveness of ergonomic control strategies using.
  - Periodic ergonomic task analyses, Key performance indicators that include but are not limited to worker discomfort survey data, worker/supervisor feedback, job-specific turnover rates, and job-specific defect rates.
- Program encourages and respond to early reporting of discomfort.

### Safety Inspection

Industrial Safety and Health Act  
Article 93 (Safety Inspection)

Employers who use harmful or dangerous machinery, equipment or facilities, as defined by Presidential Decree, should be inspected by the Minister of Employment and Labor to check whether the performance of the hazardous and dangerous machinery meets the inspection standards prescribed by the Minister of Employment and Labor.

### Conformance to CE safety Requirements

Unless otherwise agreed upon, the machine builder(MB)/system integrator (SI)/contractor manufacturer(CM) shall provide Apple/Apple assigned entity machines in conformance with CE safety requirements of Machinery directive 2006/42/EC. The MB/SI/CM must ensure that the machines supplied to Apple/Apple assigned entity meet its Essential Health and Safety Requirements (EHSRs) and harmonized standards when applicable.

MB//SI/CM must provide an evidence how the Essential Health and Safety Requirements (Annex I) are fulfilled and that those measures are effective. Therefore they shall provide a technical file according to Annex VII, A.1 – except a declaration of incorporation, EC declaration of incorporated equipment or EC declaration for the machinery itself.

## B6) achine Safeguarding

Workplaces should conduct safety hazard evaluations on its production facilities and other machinery. Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

### B6.1 All required permits, licenses and testing reports for machinery are in place and a process is implemented to ensure permits and licenses are always up to date.

#### 1. Site Observations

- Legally required postings are current, and some signage and information may be required to be posted in public view.
  - Employee common/break/cafeteria locations, etc.
- The machinery of certain customer-oriented new product development lines designated by LG Display, which has been introduced since 2023, must obtain CE safety certification or ensure compliance with CE Safety Requirements.

#### 2. Record Review

##### 1) Process

- A documented processes ensuring renewal before expiration of the current licensing period and compliance with regular inspection periods according to legal requirements should be established, managed, and documented so that they can be traced.
  - E.g. Compliance calendar or reminders/tasks/calendar appointments via an e-mail system

##### 2) Records

- All legally required machine safety permits are in place, available for review.
- All machine safety licenses are in place and available for review, and meeting the conditions of permits, licenses or legal requirements.

## Conformance to CE safety Requirements

ANNEX I – Essential health and safety requirements relating to the design and construction of the machinery Perform Risk Assessment EN ISO 12100, considering normal conditions & foreseeable abnormal situations Apply applicable harmonized standards for risk reduction

Type A - All machinery

Type B - Range of machines & industries

Type C - Specific machines & industries Technical files (Annex VII) submitted as proof of compliance to EHSR MB/CM shall only apply a CE mark on the machine if all requirements of all required directives are fulfilled as prescribed by MD2006/42/EC: ANNEX II thru XI (how to) – Required when placing the machine into EU market only

1. CE Declaration

2. CE Mark

3. Assessment of Conformity with internal Checks on the manufacture of machinery (Annex VIII)

4. Authority responsible or Authorized person for putting the technical file together.

## B6.2 An adequate and effective machine-safeguarding program is implemented, and workers operate machinery safely.

### 1. Site Observations

#### 1) Emergency stops and Safeguards

- All machines have adequate emergency stops and safeguards, and all workers operate machine safely.
  - It should be protected against potential hazards caused by machine stalling points, rotation motors, gears, pulleys, flywheels, belts, chains, etc.
- If the machine may cause a risk of injury to workers, physical guards, interlocks, electrical safety and safety control devices must be provided and properly maintained.
- Lockout / Tagout programs shall be followed during all work or maintenance requiring access to chemical delivery and recirculation lines and pumps (drained or un-drained), electrical systems, moving equipment, and bypassing or defeat of guards and/or interlocks.

### 2. Record Review

#### 1) Risk assessment

- A documented procedure for a machine safety maintenance program should be available.
- Machine risk assessment program should be operated to review pre-purchase/pre-installation hazard of all machinery.
- Machine risk assessment should be conducted for the routine and non-routine operations, and risk control/mitigation measures should be considered based on the assessment results.
- Supplier shall establish and implement a written program to properly manage the use of powered industrial trucks, and a risk assessment must be undertaken to develop adequate control measures to ensure workplace safety and prevent injuries/accidents.

#### 2) Controls

- Safeguarding is installed as needed to control the identified hazards,
  - Regular inspection and preventive maintenance of machine and its safeguards and emergency stops.
  - Workers should be trained in machinery safety, use of safeguards and emergency stops.
- 3) Work instructions
- Work instructions (if necessary or required) are available in a language understood by the worker at machine (or within proximity). Safe machine operation documentation is in place and available.
  - Machine safety operations must be documented and available.
    - Machine and safeguard inspection and preventive maintenance records are available, adequate and up to date. (3 years)
  - All powered industrial truck and associated drivers/operators must be authorized with necessary permits/licenses prior to being operated per applicable laws and regulations, and workplace shall ensure regular inspections and maintenance are performed for powered industrial truck per applicable laws and regulations, and maintain relevant records.

## Dormitory Rules

### Labor Standards Act Article 99

(Creation and Modification of Rules) Employees whose workers board in an attached dormitory should complete the dormitory rules for:

- Matters regarding rising, sleeping, going out and sleeping out
- Matters regarding events
- Matters regarding meals
- Matters regarding safety and health
- Matters regarding management of building and facility
- Other matters that apply to all workers boarding in the dormitory

## Group Foodservice

### Food Sanitation Act Article 88

(Group Foodservice) Any person who intends to install or operate a group foodservice shall report it to the mayor, municipality or district governor, and observe the following:

- It should be thoroughly sanitized so that food poisoning does not occur.
- Each serving of cooked and provided food should not be stored for 144 hours or longer.
- If there is a dietitian, his or her work should not be interfered.
- If there is a dietitian, any request of the dietitian regarding hygiene control of the group foodservice should be followed unless there is a justifiable reason.

## Disinfection

### Enforcement Decree of the Act on the Prevention and Management of Infectious Diseases Article 24

(Facilities to Disinfect) Disinfection (cleaning, disinfecting or remedies for rats and pests) is necessary for the prevention of infectious diseases in the foodservice (only applies when meals are provided for 100 or more persons at once) according to the Food Sanitation Act and the dormitory (building used by the employees of a plant, etc., of which the number of households using one cooperative kitchen facility is more than 50% of the total) according to the Building

## B7) Food, Sanitation and Housing

Workplaces should provide clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting and heat and ventilation, individually secure locker for belongings and valuable items, and personal space.

**B7.1 All required health & safety licenses, permits, registrations and certificates related to food, sanitation and housing are in place and an adequate and effective process is established to ensure permits and licenses are up to date at all times.**

### 1. Site Observations

- Valid hygiene permit is placed on site (if applicable)

### 2. Record Review

#### 1) Process

- A documented process is in place to ensure permits, licenses and certificates are renewed before current permits expire.
  - E.g. Compliance calendar or reminders/tasks/calendar appointments via an e-mail system

#### 2) Records

- All required food, sanitation and housing permits and licenses, and testing reports are in place, available for review and valid.
  - Rented apartments must be permitted by the local government.
  - Canteen/kitchen workers have valid health certificates.
  - Food sample testing report should be in place.
- Drinking water should be tested (at least once half a year) or on a more stringent level of local regulatory requirements.
  - Drinking water testing is not required if local water utility company can attest water meets WHO or equivalent standard (proof must be available on site).

## **B7.2 Dormitories, bathrooms, employee spaces are clean, safe and well-maintained and meet international housing standards**

### 1. Site Observations

#### 1) Environment

- All dormitories shall be located within a reasonable distance from the workplace with recommended travel time of less than one hour.
- In cases where workplace is providing transportation to workers, due diligence for the third party transportation provider shall be performed.
- Dormitory and sanitary facilities (common areas, hallways, rest rooms, etc) are clean and properly maintained.
- Adequate lighting, heat, and ventilation facilities are in place.
- Safe and sufficient electrical outlets should be provided.
- Sufficient space is available for each worker and individual secure lockers for private secured storage are available to store personal items.
- Dormitory residents shall be free to enter or exit their dormitory sleeping room and dormitory building at any time. Access permission shall not require the dormitory resident to receive permission to enter or exit.
- Adequate domestic waste disposal facilities and pest control measures in place.
- Water tanks should be cleaned annually or as per local legal requirements.
- Toilets shall be equipped with doors to ensure privacy and trash bins shall be provided.

#### 2) Structure and lay-out

- All facilities are separated by gender and adequate in number.
- Lodging and cooking facilities are separated.
- Dormitory buildings shall be separated from buildings that contain production, warehousing, or chemical storage areas.

- A dormitory sleeping room should not be shared by 9 or more people.
  - Dormitory sleeping rooms shall use double-deck bunk beds or single beds only. Triple-deck bunk beds are prohibited. Sharing beds is prohibited except within individual family accommodations.
  - Dormitory sleeping rooms shall use double-deck bunk beds or single beds only. Triple-deck bunk beds are prohibited. Sharing beds is prohibited except within individual family accommodations.
  - Workplace shall provide access to potable water in sufficient quantity for all dormitory residents, and available within 61 meters from each dormitory sleeping room.
- Toilets and showers should consider the convenience of workers.
  - Toilets and showers should be provided separately for male and female workers. If shower facilities for both sexes are in the same building, at least one solid wall from the floor to ceiling shall separate them.
  - Toilets and showers shall be visually marked with “men” and “women” in the native language of the persons.
  - Toilets shall be not more than 61 meters from each dormitory sleeping room inside the dormitory building.
  - Toilets or privy seats shall number shall be not less than one per 15 residents, with a minimum of one such unit for each gender in common-use toilet facilities.
  - Both hot and cold pressurized water showers should be provided, and these shower facilities shall be located within 61 meters from each dormitory building.
  - There shall be a minimum of one showerhead per 15 persons.
  - Shower floors shall be sloped downward towards properly constructed floor drains.

### 3) Emergency response

- Adequate fire and heat detection, alarm and notification and fire suppression systems are in place.
  - Proper firefighting system shall be provided in a readily accessible place not more than 25 meters from each dormitory sleeping room and common assembly rooms.
- Two or more exit routes from each floor should be in place.
- Exit route doors accessible, well-marked and unlocked from the inside.



- Doors may be locked from the outside only if panic hardware, such as push bars, is used.
- Adequate number of first aid kits are available.

## 2. Record Review

### 1) Process and records

- A cleaning and sanitation program is in place. Sanitation program tracking records are available and up to date.
- A pest control program is in place and pest control log is available for review and up to date.
- A preventive maintenance program (including emergency response supporting facilities) is in place with tracking records available and up to date.
- For rented apartments, performs a risk assessment and updates if there is a significant change, on-site inspections and emergency procedures.

### Cooks and Dieticians

Food Sanitation Act Article 51, 52, 56 If the number of people having a meal at once is more than 100 people, the service facility operators must have one cook and one dietician. If the cook is licensed as a dietician, they may only have one cook.

Cooks and dieticians should be trained every two years to improve the level and quality of food hygiene.

### Caeteria

A building(s) or block of building where workers are provided with cooked food to eat.

### Health Examination

According to the rules for the health examination of workers in the field of food hygiene, the cooks of the meal service facility are required to undergo a health examination every year

- Typhoid
- Pulmonary tuberculosis
- Infectious skin diseases  
(Bacterial skin diseases such as leprosy)

## B7.3 Facility Bathrooms, employee spaces, cafeterias, food areas are safe, are clean, well maintained, and well managed in accordance with local health regulations.

### 1. Site Observations

#### 1) Environment

- Bathrooms, employee spaces, cafeterias, food areas are safe, clean and well maintained.
- Exits must be adequate for the number of workers served.
- Canteens, food areas and bathrooms are provided with adequate hand washing facilities.
- Pest control is effective.
- Sanitary licenses and permits and inspection records shall be maintained and posted in areas of food preparation and serving as per applicable laws and regulations.
- Workplace should store, handle and manage the dispose of all waste including but not limited as per applicable laws and regulations.
- Kitchen and canteen shall be provided with adequate ventilation and floors shall not be slippery.
- Exhaust fans and hoods shall be clean and free of grease and food.
- Covered garbage cans shall be provided.

#### 2) Food workers

- Food service workers wear masks, hairnets and gloves as necessary to prevent food contamination.

#### 3) Emergency response

- Adequate fire and heat detection, alarm and notification and fire suppression systems are in place.
- Two or more exit routes from each floor should be in place.
- Exit route doors accessible, well-marked and unlocked from the inside.

#### 4) Food storage

- Food storage and preparation areas are clean.
- Food is stored properly. (not on the floor; refrigerated if necessary; raw and cooked food stored separately; food kept covered with the lid on)
- Food is used or disposed of before the marked expiration date.

## 2. Record Review

### 1) Process and records

- Safe food handling procedures and hygiene standards (in refrigeration, storage, and preparation areas) are in place and followed.
- Regular monitoring and reporting of safe food handling procedures/hygiene.
- Records of canteen and kitchen cleaning, disinfecting and/or pest control are available and up to date.
- If local regulations require facility health inspections or other tests or certificates, these are available and valid.
- Preventive maintenance program logs available for review and up to date.

## Health and Safety Training

### Enforcement Rules of Industrial Safety and Health Act Table 8

The following training should be conducted at the business site.

- Regular Training
  - Workers - Over 6 hours per quarter
  - Supervisors - Over 16 hours per year (This requirement is not applicable to workers)
- When Hired: Over 8 hours
- When Changing Work
  - Contents: Over 2 hours
- Special Training: Over 16 hours

## Training for Safety and Health Manager, Etc.

- Safety and Health Manager
  - 6 hours or more of new training
  - 6 hours or more of maintenance training
- Safety Manager, Health Manager
  - 34 hours or more of new training
  - 24 hours or more of maintenance training

## B8) Health and Safety Communication

Workplaces should provide workers with health and safety training in a language the worker can understand. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Training is provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.

**B8.1 Workers are provided with appropriate clearly posted workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to. Workers shall be encouraged to raise any health and safety concerns without retaliation.**

### 1. Site Observations

- Health and Safety communication clearly posted in the facility or placed in a location identifiable and accessible by workers.
- Appropriate signs, placards and labels identifying hazards (chemical, physical, biological, vehicular, etc.)
- A mechanism to raise safety concerns is clearly visible.

### 2. Record Review

#### 1) Language

- All communications and training must be in native languages or languages understood by the worker.

#### 2) Training

- Adequate and effective training program is in place.
  - H&S training needs analysis is conducted and is documented.
  - A training plan has been developed following the training needs analysis.
  - A training program with materials and training records is in place, adequate and up to date.
  - In the case of training required by law, it should be managed through a compliance calendar, and the training program should be kept up-

to-date so that the personnel can complete the training within the appropriate time frame.

- Updates should be made whenever new operations, chemicals, machines or process are added in the facility or change significantly.
- Training program has minimum requirements (mechanical, electrical, chemical, fire, and physical hazards) and training identified in the training need assessment.
- Training program includes the correct use of appropriate PPE.
- Training program includes types of potential emergencies that may occur at their work location and what to do during an emergency, including Internal and external muster points.
- Training program includes procedures of machine safety, the use of safeguards and emergency stop, and LOTO(Lock out-tag out).
- Training program includes reporting injuries and illnesses.
- Training program includes hazardous atmospheres and confined space work procedures prior to entry of confined spaces.
- Training is provided to all workers prior to the beginning of work and regularly thereafter as per the training program.
- Workers responsible for storage, clean up or disposal of chemical releases should receive specialized training.
- Occupational health professionals and first responders are trained by external agencies or trained and certified by internal qualified occupational health professionals such as medical doctor where permitted by local law.

### 3) Communication

- Adequate and effective communication program to workers/employees is in place for all identified.
- Potential workplace hazards that workers are exposed to clearly be posted in the facility or placed in a location identifiable and accessible by workers.
- A formal communication program to workers/employees is in place which includes at least hazard communication procedure (all hazards present at the site and action promoting of an H&S work place).

- Internal and external muster points are communicated to all employees and visitors.
- 4) Health and safety concern notification
- Adequate and effective program to receive, review and respond to any health and safety concerns reported and workers shall be encouraged to raise any health and safety concerns without retaliation.
  - Employees shall have the right to refuse working in unsafe working conditions. They shall be allowed to report any such case to their employer without delay.
- 5) Evaluation
- The training, communication and safety concern notification programs must be evaluated on a regular basis not exceeding 3 years or sooner if there is a major change.
- 6) Records
- Training records include a verification of training effectiveness. (demonstrating that training goals have been achieved through post-training testing, employee interviews, etc.).
  - Safety concern logs, evaluation, action plans and communication records or materials must be documented.
  - Educational materials about the risks associated with the hazards for their positions (e.g. safe work instruction, operating instruction, etc.) are provided to workers to ensure safe execution of the function. (E.g., PPE, operating procedures, engineering controls, etc.)
  - Grievance records show health and safety concerns, their response and no retaliation.

## C. Environment

## Environment

Conditions in which the organization (3.1.4) operates, including air, water, soil, natural resources, flora, fauna, humans, and interrelationships between these elements. [ISO 14001:2015]

### Major Permits and Reports

- Air Environment Conservation Act (Article 23)

Those wanting to install emissions facilities need to obtain permission from or report to the branch office.

- Air Environment Conservation Act (Article 30)

In order to operate an emissions facility or a prevention facility, it is necessary to notify the branch office when operating such facilities.

- Water Environment Conservation Act (Article 33)

Those wanting to install waste water discharge facilities need to obtain permission from or report to the Minister of Environment.

- Water Environment Conservation Act (Article 37)

In order to operate a waste water discharge facility or a prevention facility, it is necessary to notify the Minister of Environment when operating such facilities.

- Chemical Management Act (Article 28)

Those intending to operate a business with hazardous chemical substances need to obtain permission from the Minister of Environment.

## C. Environment

Workplaces should recognize that environmental responsibility is integral to producing world-class products. They should identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources within their manufacturing operations, while safeguarding the health and safety of the public.

### C1) Environmental Permits and Reporting

Workplaces should acquire and maintain all required environmental permits and registrations, and continuously reflect the latest revisions. They should also comply with operational and reporting requirements for the permit process.

#### C1.1 The facility has obtained all the legally required environmental permits, approvals, licenses and registrations.

##### 1. Site Observations

- Environmental impacts for the air emissions, wastewater discharge, storm water exposure, hazardous materials storage and use, generation of waste (solid and hazardous) should be identified.

##### 2. Record Review

###### 1) Process

- A documented process is in place to ensure permits, approvals, registrations or licenses are renewed before current permits, approvals, registrations or licenses expire.
  - E.g., Compliance calendar or reminders/tasks/calendar appointments via an e-mail system.
  - Any alteration that may change the status of registration and permitted hazardous-waste generation to the appropriate local and national regulatory agencies

###### 2) Records

- All required environmental permits, approvals, registrations and licenses are in place, available for review and valid.



### Major Permits and Reports

- Waste Material Management Act (Article 17)

Those who discharge industrial waste should report the type and amount of industrial waste to the special self-governing mayor, governor of the special self-governing province, mayor, municipal governor or district governor. Those who discharge designated waste should submit the related documents to the Minister of Environment prior to dispose of the designated waste.

- Noise and Vibration Control Act (Article 8)

Those wanting to install an emissions facility should report to the special self-governing mayor, governor of the special self-governing province, mayor, municipal governor or district governor.

- Operating permit, Air emissions, Wastewater discharge, Storm water exposure, Hazardous materials storage and use, Generation of waste (solid and hazardous)
- Current copies of all hazardous waste vendor licenses and/or approvals are on file.

## C1.2 Reporting to environmental authorities as required by law is performed timely.

### Report Submission

#### Waste Material Control Act (Article 38)

Those who have reported to discharge industrial waste should submit the waste disposal and treatment report to the head of the relevant organization which granted the permission/approval/notification/confirmation by the end of February of the following year.

### 1. Record Review

#### 1) Process

- A documented process is in place to ensure reports are submitted before or on due date is in place.
  - E.g., Compliance calendar or reminders/tasks/calendar appointments via an e-mail system.

#### 2) Record

- Environmental testing reports are in place, available for review and meeting the conditions of permits or licenses.
  - Air emissions
  - Water emissions
  - Waste
  - Hazardous waste

## C2) Pollution Prevention and Resource Reduction

### Environmental Aspect

Elements of an activity, product or service that can interact with the environment.  
[ISO14001:2015]

### Environmental Impact

Changes in the environment that may, in whole or in part, have an adverse or negative effect on the environment.  
[ISO14001:2015]

Workplaces should do their best to minimize or eliminate emissions and discharges of pollutants and generation of waste at the source or by practices such as modifying production, maintenance, and facility processes, materials substitution, re-use, conservation, recycling, or other means.

**C2.1 Adequate and effective programs, including objectives and targets, to identify, manage, minimize or eliminate at the source emissions and discharges of pollutants and generation of waste and conserve the use of natural resources should be established and implemented.**

#### 1. Site Observations

- Comply with all applicable laws, regulations, and customers' requirements regarding the prohibition or restriction of specific substances in manufacturing, in products, or in packaging, and seek for opportunities to substitute hazardous or carbon-intensive materials whenever possible.
- Prevent or eliminate waste of all types, including water discharges and energy losses, by implementing appropriate conservation measures in supplier facilities, by means of using conservation-minded maintenance and production processes, and by implementing strategies to reduce, reuse, and recycle materials (in that order), whenever possible, prior to disposal.
  - Engineering and administrative systems intended to improve resource efficiency are in good repair or operating at high capacity, and in order prevention (removal of unnecessary and wasteful processes), minimization, substitution (use of more environmentally friendly or renewable resources), reuse/recycle/recovery must be processed.

#### 2. Record Review

##### 1) Policy

- Materiality assessment: identify significant environmental aspects and establish programs for monitoring and control of these aspects.

- Clear annual objectives and targets are set for each identified material emission source, waste including hazardous waste and natural resource used demonstrating annual progress not entailing excessive cost.
  - Reduce resource consumption, Reduce waste and pollution generation, Capture or reuse materials that would otherwise enter waste streams
  - Elimination or minimization e.g. by practices such as adding pollution control equipment; modifying production, maintenance and facility processes; or by other means.
  - Natural resources = e.g. Water fossil fuels, minerals and virgin forest products
  - Conservation of the use of natural resources e.g. By practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling or other means.

## 2) Records

- Materiality assessment (updated when changes in machinery, process or materials used or facility)
- Data for each material emission and discharge of pollutants, waste and natural resource

## Hazardous Chemicals

Chemical Management Act Article 2 (Definition) It refers to toxic substances, permissible substances, restricted substances, prohibited substances, accident prevention substances, any other hazardous or dangerous chemical substances, or chemical substances with such concern.

- **Chemical Substances:** It refers to elements, compounds, substances obtained by causing artificial reactions to them, and the substances chemically modified, extracted or refined in a natural state.
- **Toxic Substances:** It refers to hazardous chemical substances designated and notified by the Minister of the Environment.
- **Permitted Substances:** It refers to the chemical substance concerned to be hazardous and notified by the Minister of the Environment to be manufactured, imported and used under the permission of the Minister of Environment, after consultation with the head of the relevant central administrative agency and after the deliberation of the Chemical Evaluation Committee under Article 7 of the "Regulations on the Registration and Evaluation of Chemical Substances".
- **Restricted Substances:** It refers to the chemical substances that are considered to be at a high risk if it is used for a specific purpose, and notified by the Minister of the Environment to ban manufacture, import, sale, store, storage, transportation or use.
- **Prohibited Substances:** It refers to the chemical substances that are considered to be at a high risk for all purposes, and notified by the Minister of the Environment to ban manufacture, import, sale, store, storage, transportation or use.

## C3) Hazardous Substances

Workplaces should identify chemicals, waste, and other materials posing a hazard to humans or the environment, ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

### C3.1 Hazardous substances including wastes are properly categorized, labeled, handled, stored and transported and disposed in accordance with local laws using government-approved and/or licensed vendors.

#### 1. Site Observations

##### 1) Management

- Hazardous substances are adequately and effectively categorized, handled, stored and moved within the facility.
  - Hazardous chemical storage areas shall be equipped with, but not be limited to:
    - Appropriate ventilation
    - Appropriate fire prevention and control equipment
    - Temperature and humidity measurement and control devices
    - Detectors for any hazardous gases
    - Secondary containment
    - A dike to prevent spillage from exiting the storage area
    - Anti-static devices and explosion-proof electrical devices for flammable and combustible chemical warehousing
    - Appropriate personal protective equipment (PPE)
    - Emergency equipment, including safety shower, eyewash, and spill kit
  - Chemicals shall not be stored where they can be affected by weather.
  - In no case is the stacking of secured containers over three levels in height permitted.
  - Metal drums containing liquids shall not be stacked unless each individual drum is secured to a stacking device (equipment or fixtures specifically designed for drum stacking).
  - All Chemical-transporting pipelines in the workplace must have labels stating the name and flow direction of any Hazardous Chemicals being transported. Pipelines shall use the proper color scheme as per applicable standards and regulations, or, if no standard exists, in accordance with ANSI/ASME A1 Scheme for the Identification of Piping Systems.

• Accident Prevention Substances: It refers to the chemical substances designated or notified by the Minister of Environment according to Article 39 that are highly likely to cause chemical accidents due to strong acute toxicity or explosiveness, or are likely to cause great damages if chemical accidents occur.

### Material Safety Data Sheet (MSDS)

This refers to the official document containing important information on the nature of the actual or potential hazardous substances.

- Chemical characteristics
- Harmful component
- Physical and chemical properties
- Flammable and explosive materials
- Reaction data
- Human hazard data
- Exposure limit data
- Precautions for safe storage and handling
- Need for protective equipment
- Leakage control, cleaning and disposal procedures

### [Chinese Law]

Invoice for hazardous waste transport is required.

Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, article 59: The unit which transferring the hazardous wastes shall, in accordance with relevant National regulations, fill in the manifest of transferred hazardous waste.

- Hazardous waste storage areas shall meet the following requirements:

- Construction materials and electrical equipment shall be compatible with the hazardous waste stored
- Signage shall be posted inside and outside the hazardous waste storage areas to indicate the nature of any hazards posed by the hazardous waste, any personal protective equipment required to enter the area, any labeling stipulated by applicable regulations and standards and any restrictions on smoking and other activities.
- Unauthorized access to hazardous waste storage areas shall be prevented
- An enclosure or other covering that prevents exposure to the elements
- Storage areas must be equipped with secondary containment that will capture and hold leaks or spills
- Design and construction must prevent spills or leaks from the hazardous waste storage area from contaminating surface water or groundwater, or from entering storm drains or sewers
- Firefighting equipment shall be readily available and accessible
- A functioning alarm system must alert facility workers and outside emergency responders in the event of an emergency
- Forced ventilation equipment must be installed in areas where volatile, acidic, caustic, or corrosive substances are stored
- Personal protective equipment must be readily available for workers handling hazardous waste
- Storage areas for personal protective equipment outside the hazardous waste storage area must maintain the integrity and functionality of the equipment
- Storage areas must have sufficient space for the ingress, egress, and other movement of emergency response personnel and equipment.

## 2) Control

- To control access or potential employee exposure methods such as segregation, secondary containment, ventilation, fire protection and appropriate storage cabinets have been implemented throughout the site.
- Workplaces shall install secondary containment for Underground Storage Tanks(UST) and perform tank integrity tests at least biennially to detect failures of the primary or secondary containment structures or leakage into the secondary containment system.

## Waste

It refers the materials generated from the production, processing and/or consumption of other materials, which are not used by the producer anymore and are to be discarded or have already been discarded.

### Waste Material Control Act Article 2 (Definition)

This refers to substances that are not necessary for human life or business activities, such as garbage, burned materials, sludge, waste oil, waste acid, waste alkali and animal carcasses.

## Hazardous Waste

It refers to the waste that poses a potentially direct threat to humans and animals and their environment.

### Waste Material Control Act Article 2 (Definition)

Waste material is defined, as designated by Presidential Decree, as harmful substances that may pollute the surrounding environment, such as waste oil and waste acid, or which may harm human health, such as medical waste. Refer to the detailed classification of waste types in Table 4 of the Enforcement Regulations of the Waste Management Act.

Refer to the specific standards and methods for disposal of waste in Table 5 of the Enforcement Regulations of the Waste Management Act.

Workplaces shall have a system to detect leakage at an early stage by visual inspection, meter monitoring, or other measures.

## 3) Hazard information

- Hazard signage and information (labels and MSDS)
  - Hazard signage must comply with the Globally Harmonized System for classification and labeling of chemicals, and workers must have knowledge of the meaning of the codes and pictograms. The National Fire Protection Association (NFPA) Standard 704 hazardous identification system is recommended for labeling hazardous chemical containers.

## 2. Record Review

### 1) Policy

- Documented procedures for reception, storage, dispensing, use, return and disposal are in place.
- Adequate and effective process to track, review, and approve the use of all hazardous chemicals and shall obtain approvals for all new purchases of hazardous chemicals prior to use.
- Selection processes for all new hazardous chemicals include a thorough evaluation of less hazardous or non-hazardous alternatives.

### 2) Hazard information

- Hazardous material information (labels and MSDS) is available at the points of use and storage in a language understood by the worker.
  - When a new chemical is requested, the safety department shall ensure that any applicable Material Safety Data Sheet (MSDS) is obtained from the manufacturer.

### 3) Records

- Accurate chemical inventory records are maintained and available for review.
- Inspection records of hazardous substances and their points of storage and use are maintained and available for review.
- Copies of hazardous substances inventory, manifests and shipping papers are maintained and available for review.
  - Air emissions
  - Process wastewater storage
  - Hazardous materials storage and use

### Underground Storage Tank (UST)

It refers to a tank of which more than 10% of the total volume is buried underground, or covered with soil, a tank installed in the storage, or the underground pipe connected to the tank.

### Aboveground Storage Tank (AST)

It refers to tanks or other vessels installed above ground or 90% or more of its volume is above ground.

### Emergency Response Personnel

It refers to an individual designated to manage emergency-related activities at work. The emergency response personnel and emergency response team should not only have the authority to utilize the resources needed to respond to all emergencies, and they should be thoroughly aware of the facility, all equipment work, all elements of the emergency response plan (ERP) and the location of all records in the workplace.

### Emergency Response Plan

It refers to the document describing the action to be taken in the event of an emergency, including emergency contact, contact procedures, hospital information, and control, isolation and cleaning procedures for spilled material.

- Hazardous waste storage
- Documents only vendors approved and/or licensed by the local regulatory authorities for transporting are used.
- A register of Underground Storage Tanks(UST) and Above ground Storage Tanks(AST) shall include the following information for each.
  - Construction date, type, and material
  - Location, dimensions, and capacity
  - Design pressure and operating temperature and pressure
  - Current status (for example: in use, temporarily out of service, decommissioned)
  - Appurtenances (for example: pumps, piping, valves, gauges, connections to other vessels, testing ports, instrumentation, controls)
  - Spill/leakage prevention/detection systems
  - Inspection, maintenance, and repair records
- Workplace shall identify the responsible individual(s) responsible for hazardous waste management.
- Workplace shall designate at least one properly trained emergency coordinator on the premises with the responsibility for coordinating all facility emergency response and reporting activities.
  - An emergency coordinator shall be on the premises whenever the facility is in operation.
- Emergency response plans with hazardous chemicals should minimize the risks to human health and the environment. The emergency response plan shall include:
  - Internal reporting and notification requirements
  - Names and contact information for responsible facility personnel, local fire and emergency response contacts, and local hospitals and other appropriate medical contacts
  - Identification and assessment of immediate potential threats, including risks of fire/explosion or spillage or leakage from facility processes and storage areas
  - Emergency evacuation routes, procedures, and controls
  - Detailed procedures for control and containment of released hazards
  - Proper cleaning and disposal of any released hazardous materials



## HSHC

Compounds containing the following raw materials:

- 1-Bromopropane (CAS 106-94-5)
- Benzene (71-43-2)
- Dichloromethane (Methylene Chloride) (75-09-2)
- Methanol (67-56-1)
- n-Hexane (110-54-3)
- N-Methyl-Pyrrolidone (NMP) (872-50-4)
- Tetrachloroethylene (127-18-4)
- Toluene (108-88-3)
- Trichloroethylene (79-01-6).

- There should be evaluation for elimination and/or substitution for all HSHC. In addition, HSHC elimination action plan, tracking of implementation and corrective actions should be implemented if the action plan is off-track.
- Workplaces shall develop and maintain an up-to-date written chemical inventory detailing all hazardous chemicals introduced to the facility.
  - Chemical product information (commercial name, Chemical Abstract Service (CAS) number, chemical manufacturer)
  - Purpose for use
  - Location where used and stored
  - Quantity of the hazardous chemical used annually
  - Maximum legally allowable storage limits
  - Exposure information (frequency, duration, and people exposed)
  - Application and control information
  - Test results for cleaners per the Regulated Substances Specification 069-0135 (2 years validity)
- Do not use any of the following chemicals prohibited by law or by customers.
  - Benzene (CAS: 71-43-2)
  - N-hexane (CAS: 110-54-3)
  - Trichloroethylene (CAS: 79-01-6)
  - Methylene chloride (CAS: 75-09-2)
  - Tetrachloroethylene (CAS: 127-18-4)
- Workplaces shall also develop and maintain the capability to inform the surrounding community, the public, the authorities, and appropriate government agencies in all emergency scenarios, such as release of toxins into the environment or chemical spillage.

**C3.2 Hazardous waste treatment suppliers should be evaluated to ensure that waste is handled, stored and treated in accordance with local regulations, permit conditions, and contract requirements, and hazardous waste is safely disposed.**

1. Record Review

1) Policy

- Adequate and effective procedures are in place for the safe return and disposal of hazardous waste.

2) Reduction Program

- An adequate and effective reduction program with annual objectives, regular objective tracking, progress monitoring and adjustments made if off track.

3) Hazard information

- Hazardous material information (labels and MSDS) is available at the points of use and storage in a language understood by the worker.

4) Vendor assessment

- A periodic assessment and corrective action plan process to evaluate whether the vendor (hazardous waste handler AND transporter) is complying with contract terms and conditions.
- Assessments should occur at least every 3 years or when there is a significant change.
- The assessment must occur before a new vendor (hazardous waste handler AND transporter) is selected.

5) Records

- Documents that only vendors approved and/or licensed by the local regulatory authorities for transporting and disposing of hazardous waste are used
- Assessments visit minutes or Audit reports, with possible areas for improvement are available for review
  - If corrective or improvement actions are identified, then implementation is monitored, and actions are completed or on track.
  - If corrective actions are off track, then additional actions are identified to ensure corrective actions are completed by due date.
- Copies of hazardous waste shipping papers

- Annual reduction targets, progress monitoring and corrective actions plans if applicable

## Waste

It refers the materials generated from the production, processing and/or consumption of other materials, which are not used by the producer anymore and are to be discarded or have already been discarded. It refers to substances that are not necessary for human life or business activities, such as garbage, burned material, sludge, waste oil, waste acid, waste alkali and animal carcass according to Waste Management Act Article 2 (Definition).

## General Business Waste

It refers to the waste classified according to the detailed classification of waste types in Table 4 of the Enforcement Regulations of the Waste Management Act.

## Waste Landfill Diversion Rate

The total percentage of discarded materials that are diverted from being sent to landfill or from being incinerated without energy recovery over a yearlong period, as calculated by this formula:  $1 - [(Mass\ Landfilled + Mass\ Incinerated\ without\ Energy\ Recovery) / Mass\ Discarded\ Material]$ .

## C4) Solid Waste

Workplaces should systematically identify, manage, reduce, responsible dispose and recycle solid waste.

### C4.1 Solid waste is managed and responsibly disposed of

#### 1. Site Observations

##### 1) Management

- Waste should be adequately identified, categorized, handled, stored and moved within the facility.
- Reduction programs should visible within the facility.

##### 2) Facilities control

- To control access or potential employee exposure methods such as segregation, secondary containment, ventilation and fire protection have been implemented.

##### 3) Hazard information

- Hazard signage and information and waste characterization and response information

#### 2. Record Review

##### 1) Policy

- Adequate and effective procedures are in place for storage, handling, transportation and disposal.
- Adequate and effective process to track, review, and approve the disposal of all waste

##### 2) Reduction program

- An adequate and effective reduction program with annual objectives, regular objective tracking, progress monitoring and adjustments made if off track
- Workplaces shall develop a program or have a solution to quantify and monitor Waste Landfill Diversion Rate.
  - All material documentation shall, at a minimum, include the estimated mass of each waste stream leaving the facility, as well as a description of the management procedures for the discarded materials and documentation demonstrating where the exiting materials are going (i.e. recycling, waste-to-energy, etc).

### Mass Incinerated without Energy Recovery

Total mass of solid waste that has been incinerated in a waste incinerator that does not recover energy for beneficial reuse.

### Mass Landfilled

Total mass of solid waste that has been disposed of in any type of landfill governed by federal requirements over a period of one (1) year.

### Zero Waste to Landfill

A facility that achieves an overall landfill diversion rate of 100%, with less than 10% of waste to energy rate, for a period of at least one year.

### Waste to Energy Rate

Any waste management process in which the material is destroyed, and energy is captured for beneficial use, including incineration, anaerobic digestion and biomass conversion for biofuels. The total percentage of discarded materials that are sent to waste-to-energy operations can be calculated by this formula:  $(\text{mass sent to waste to energy}) / (\text{mass discarded material})$ .

- Workplaces shall annually review its Landfill Diversion Rate and set targets to improve the Landfill Diversion Rate through waste reduction via process modification, material alternatives, internal or external reuse, material recycling or less than 10% of waste to energy rate. Workplaces shall monitor progress of meeting the Landfill Diversion Rate improvement targets.
- 3) Hazard information
- Material information (labels and MSDS or characterization in the case of waste) is available at the points of use and storage in a language understood by the worker.
- 4) Records
- Accurate waste inventory records are maintained and available for review.
  - Inspection records of waste and their points of storage are maintained and available for review on site.
  - Copies of waste manifests and shipping papers are maintained and available for review.
  - Documents only vendors approved and/or licensed by the local regulatory authorities for transporting are used.
  - Annual reduction targets, progress monitoring and corrective actions plans if applicable
  - Waste inventory should include generated quantities of waste per month, waste category (hazardous or non-hazardous), Method of disposal and recycling, names of waste transport and disposal vendors.

### Montreal Protocol

An international convention entered into force in January 1989 for the purpose of regulating ozone-depleting substances

### Air Pollutants

Air Environment Conservation Act Article 2 (Definition)

This refers to gases and particulate matter that are recognized as the cause of air pollution among the substances present in the atmosphere.

### Volatile Organic Compounds (VOCs)

It refers to the petrochemical products, organic solvents, and other substances notified by the Minister of Environment among the hydrocarbons.

### Gas

It refers to the gaseous substances that are generated by the combustion, synthesis or decomposition of a substance,

### Particulate Matter (Aerosol)

It refers to the fine solid or liquid material that are generated when a substance is broken, sorted, deposited, transferred, otherwise mechanically treated, burned, synthesized, or degraded.

### Dust

It refers to the particulate matter that floats or falls in the air.

## C5) Air Emissions

Workplaces should determine, routinely monitor, control/treat and dispose of volatile organic compounds, aerosols, corrosive gases, dust, ozone depleting substances and combustion byproducts generated in the process in accordance with regulations. Ozone depleting substances should be managed per the Montreal Protocol and applicable law/regulation. In addition, the treatment efficiency of air pollution prevention facilities should be regularly monitored.

### C5.1 Air emissions are routinely monitored, and air emission control systems are routinely monitored for performance.

#### 1. Site Observations

- Equipment for air emission treatment should be well maintained and appropriate and identified.
- Air emission are treated prior to discharge in accordance with permit requirement.
- Reduction programs are visible within the facility.
- Ozone depleting substances are clearly labeled.

#### 2. Record Review

##### 1) Policy

- Adequate and effective process to track, review, and approve the discharge/treatment of all air emissions
- Emergency response actions are defined in case the on-site air emissions treatment system malfunctions.
- Ozone depleting substances are managed in accordance to the Montreal Protocol and applicable regulations.

##### 2) Reduction program

- An adequate and effective reduction program with annual objectives, regular objective tracking, progress monitoring and adjustments made if off track

##### 3) Equipment

- Appropriate process air emission treatment systems are installed and maintained that minimize the pollutant

### Environmental Engineer

For the normal operation of the emission facilities and the prevention facilities, the operators should appoint environmental engineers according to the size of the workplace in accordance with Table 17 of the Enforcement Decree of the Air Environment Conservation Act.

- Type 1 Business Sites: One or more engineers with the Engineer Air Pollution Environmental certificate
- Type 2 Business Sites: One or more engineers with the Industrial Engineer Air Pollution Environmental certificate
- Type 3 Business Sites: One or more engineers with the Industrial Engineer Air Pollution Environmental certificate at least or the Craftsman Environmental certificate, or who have directly engaged in air quality environment related work for more than 3 years.
- Types 4 and 5 Business Sites: One or more persons appointed by the employer, who has received permission to install an emissions facility or who has received notification of the emissions facility installation, from among the employees engaged in the Partner's emissions facilities and preventive facilities.

contribution of each of its facilities include a routine preventive maintenance program, system efficiency monitoring program and a program to evaluate the integrity of existing process air emission systems.

- A program to evaluate the integrity of existing process air emission treatment systems include both regularly test of the air emission system and correct any identified deficiencies immediately.

### 4) Personnel

- A specific individual or individuals within the facility organization who will be responsible for all aspects of process air emission treatment. Air emission treatment responsibilities include:
  - Maintenance of air emission treatment equipment
  - Inspection of air emission treatment equipment
  - Monitoring of air emissions
  - Responding to emergencies

### 5) Records

- Inspection, testing and reporting records of air emission and their points of discharge are maintained and available for review.
- Revise the inventory after any changes to the production or process that are likely to affect air emissions
- List of air emissions and Ozone Depleting Substances is up to date and accurate.
  - Ozone depleting substances are substances or materials containing Chlorofluorocarbons (CFCs), Hydrochlorofluorocarbons (HCFCs), Hydrobromofluorocarbons (HBFCs), Halons, Methyl bromide, Carbon tetrachloride and Methyl chloroform. They can mostly be found in refrigerants, foam blowing agents, components in electrical equipment, industrial solvents, solvents for cleaning (including dry cleaning, Aerosol spray propellants, fumigants.
- Workplaces shall develop and maintain an Air Emissions source inventory.
  - The inventory shall include the air pollutant mass rate and composition, the production processes or activities, abatement equipment, emission outlets for each air emissions source.
  - Workplaces shall revise the inventory after any changes to the production or process that are likely to affect air emissions.
  - Workplaces shall maintain the inventory in electronic form and review the inventory annually.

### Process Equipment

The machines or equipment that use or generate the pollutant substance linked to the air emissions control systems.

### Hazardous Air Pollutants (HAPs)

Pollutants that are known or suspected to cause cancer or other serious health effects, such as reproductive effects or birth defects, or adverse environmental effects.

Examples include dioxin and toluene, and metals such as cadmium, mercury, chromium, and lead compounds. Also known as toxic air pollutants.

### Unusual Environmental Event(s)

Include but are not limited to process equipment upsets for example, increased load, natural disasters, emission control system breakdowns, accidents, and power failures. These events lead to failed emission control systems and emissions of air pollutants in excess of permitted limits.

- Workplaces shall develop a program to quantify and monitor the composition of air emissions including calculating the mass rate and treatment efficiency for each source identified in the air emissions inventory.
    - Workplaces shall perform regular analytical testing of air emissions in the form of manual, online monitoring, or both as per regulatory requirement and this standard. The monitoring frequency shall be at least once a year, or per relevant permits and applicable regulations, whichever is more frequently.
- 6) Emergency response
- Workplaces shall implement emergency preparedness and response actions in the event of any Air Emissions control system malfunctions, failures, maintenance, and/or modifications, as follows:
    - For Hazardous air pollutants (HAPs), Process Equipment vented to the air emissions control system shall suspend operations immediately to prevent uncontrolled Air Emissions from escaping into the atmosphere. Workplaces shall install and maintain an automatic shutdown system which ceases any HAP emitting operations when the flow from these operations is diverted away from the air emissions control system—for example, to a bypass line— regardless of circumstances or whether the Air Emissions control system is shut down or fails.
    - For non-hazardous air pollutants, Process Equipment vented to the air emissions control system shall suspend operations within 72 hours if no corrective action has been taken to prevent uncontrolled Air Emissions from escaping into the atmosphere, unless suspension is required sooner by applicable regulations.
  - Upon receipt of any community complaints, workplaces shall conduct air emissions monitoring to verify the air emissions status and, if necessary, implement corrective actions, in a timely manner.
  - Upon receipt of any notice of violation from the authorities, workplaces shall communicate with the appropriate regulatory agencies and/or the authorities in a timely manner to inform all relevant parties about the violations, and promptly take corrective actions or as otherwise instructed by the authorities.
  - Workplaces shall notify Apple within 7 days and notify all appropriate regulatory and other agencies as required by applicable regulations if an Unusual Environmental Event occurs.



- Workplaces shall identify the probable cause of the Unusual Environmental Event and any corrective or preventive actions that were taken.

### Boundary Noise

The noise levels generated by stationary industrial or construction equipment measured along the boundaries of an industrial enterprise.

### Receiving Land Use

#### Category

Defined area or region of a generally consistent land use where the ambient noise levels are generally similar.

### dB(A) or dBA

Decibel (dB) is a unit of noise measured directly with a sound level meter. A-Weighted Sound Pressure Level (dBA) is closest to the noise a human ear can respond to.

### L50

L50 is the intermediate noise level that appears during the measurement duration, where 50% of the noise level exceeds the intermediate value, and 50% is equal to or less than the intermediate value.

### LMAX

Maximum noise value that lasts for 1 second when measuring noise over a period of time.

## C5.2 Environmental noise levels should be within regulatory limits

### 1. Site Observations

- No excessive boundary noise should be observed.

### 2. Record Review

#### 1) Policy

- Adequate and effective procedures are in place for environmental noise control including boundary noise sources are identified, evaluated, routinely monitored and controlled.
  - Boundary noise levels are evaluated per the permit conditions, upon changes to "Receiving Land Use Category" in the neighborhood of the facility, or if there are any community noise complaints and boundary noise-level criteria are set accordingly.
- Boundary noise levels are evaluated at least annual (or more frequent if required by law).

#### 2) Equipment

- Appropriate boundary-noise-control devices are installed and maintained to control boundary noise levels include a routine preventive maintenance program, system efficiency monitoring program and a program to evaluate the integrity of existing boundary-noise-control devices.

#### 3) Personnel

- A specific individual or individuals within the facility organization who will be responsible for all aspects of environmental noise control and assign the following responsibilities:
  - Maintenance of boundary-noise-control devices
  - Inspection of boundary-noise-control devices
  - Monitoring of boundary noise
  - Responding to emergencies

#### 4) Records

- Testing and reporting records are maintained and available for review.
- Workplace shall maintain copies for the period when the equipment is in operation and shall retain any documentation

related to preventive maintenance completed on boundary noise-control equipment.

- Workplaces shall maintain records of deviations from the applicable regulations or permits/licenses, and corrective actions taken to address deficiencies or noncompliance.
- [Law and Regulation] The boundary noise level must meet the standards in the table below (Attached Table 5 of the Enforcement Regulations of the Noise and Vibration Control Act).

Target Area	Time zone [Unit: dB(A)]		
	Day (06:00-18:00)	Evening (18:00-24:00)	Night (24:00-06:00)
a) Areas other than exclusive residential areas and green areas among urban areas, settlement areas among management areas, residential development promotion areas and tourism and recreation development promotion areas, and fishery resource protection areas among natural environment conservation areas	≤ 50	≤ 45	≤ 40
b) Among urban areas, general and semi-residential areas, green areas (excluding settlement areas, residential development promotion areas, and tourism and recreation development promotion areas)	≤ 55	≤ 50	≤ 45
c) Agricultural and forestry areas, fishery resource protection areas among natural environment conservation areas, and other areas excluding items A and D among management areas	≤ 60	≤ 55	≤ 50
d) Commercial areas, semi-industrial areas among urban areas, and industrial development promotion areas among management areas	≤ 65	≤ 60	≤ 55
e) General industrial area and exclusive industrial area among urban areas	≤ 70	≤ 65	≤ 60

## ※ Boundary noise regulation standards for the factory in China

Regional Category	Day (dB)	Night (dB)
0	50	40
1	55	45
2	60	50
3	65	55
4	70	55

\* Regional categories can be searched through the environmental impact assessment report data of the business site.

### Hazardous Substances Law

The EU Restriction of the Use of Hazardous Substances (EU RoHS Directive) is a representative regulatory regulation. Similar laws include Japan's J-Moss, China's RoHS, Korea's K-RoHS (Restriction of the use of Hazardous Substances in EEE and Automobiles), and US/CA SB-20/50.

### Major Hazardous Substances

It refers to the substances that are currently prohibited from being used in products under local laws and regulations, typical examples include lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBBs), polybrominated diphenyl ethers (PBDEs), BBP, DBP, DEHP and DIBP.

## C6) Materials Restrictions

Workplaces are to adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

**C6.1 An effective program to meet legal/customer requirements for regulated hazardous chemical substances should be operated. This program should include effective procedures for measuring, analyzing and documenting the chemical composition of the product.**

### 1. Record Review

#### 1) Corporate level implementation

- Documented corporate policy/process/responsibility/proof of implementation related to Materials Restrictions

#### 2) Policy (Facility level implementation)

- Adequate and effective procedures to measure and/or document the chemical composition of products
- A documented review process for comparing customer requirements to own specifications
- A documented process to ensure materials, packaging and components procured are in conformance with customer requirements
  - Regular audits and assessments of the procedures are performed to verify conformance.
  - A formal process is in place to address discovery of non-compliant materials or components and corrective actions are tracked, implemented.
  - Additional actions taken to ensure completion at due date if corrective actions are not on track.
  - Analytical data from material/parts suppliers is requested/required
- Documented requirements for conformance with the Material Restrictions required to its material /parts suppliers

#### 3) Records (Facility level implementation)

- Chemical composition of products

- Specifications, statements and/or certificates of conformance from its suppliers
- Specifications, statements and/or certificates of conformance to its customers
- Monitoring & reporting records showing compliance with customer requirements and regulations for hazardous chemicals in products.

## Wastewater

### Water Environment

#### Conservation Act Article 2

##### (Definition)

Wastewater is water that cannot be used as it is because it contains liquid or solid water pollutants.

## C7) Water Resources and Storm Water Management

Workplaces should implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Workplaces should conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

### **C7.1 Adequate and effective procedures are in place to document, characterize, and monitor water sources, water discharge and control channels of contamination**

#### 1. Site Observations

##### 1) Water withdrawal

- Water withdrawal and discharge points don't appear to heavily impact local waterbodies (e.g. strongly colored discharge, acrid smell, floating debris).

##### 2) Water discharge

- Industrial and/or sanitary wastewater is treated in accordance with permit requirements.
- Wastewater treatment system is in operation and appears based on visual inspection to be operating effectively.
- Wastewater is discharged to a municipal treatment system or to surface water.

##### 3) Reduction program

- Reduction programs are visible within the workplaces.
  - Engineering and administrative systems for improved resource efficiency adhere to the hierarchy of resource efficiency when feasible, showing preference (in order) for the following functions:
    - Prevention: unnecessary consumptive processes are eliminated
    - Minimization: Process efficiency is improved
    - Substitution: Using a more environmentally benign or renewable resource

- Reuse, recycling, recovery: In that order, in order to maximize the benefit of resource consumption

#### 4) Control of internal water channel contamination

- Water channels look free of contamination and water channels are protected from contamination (e.g. Absence of pools of standing water and grease/oil slicks near storm drains.)
- Appropriate emergency response equipment / materials are in place to respond to a possible water channel contamination.

## 2. Record Review

### 1) Water withdrawal

- The source of water is clear
  - Source of water = on-site (e.g. Surface withdrawal, aquifer via well) or off-site via municipal or private company service
  - Good practice is to understand where the municipal or private company service withdraws its water
  - Good practice: A water risk assessment that considers competitive use, water quality, and scarcity has been conducted in the last 3 years for the facility's location using reference tools such as:
    - WWF Water Risk Filter,
    - WRI Aqueduct,
    - WBCSD Global Water Tool
    - The Water Footprint Assessment Tool
    - GEMI Local Water Tool
- A baseline of water use and adequate and effective annual reduction plan is implemented with objectives and corrective action plans if the implementation is off track.
- Annual reduction program should not harm workers or entail excessive cost.
- Workplaces should develop and utilize a comprehensive water meter monitoring system, including separate meters for domestic water use and for industrial water use, to support overall water performance. Water metering shall meet or exceed the requirements stipulated by local laws and regulations.

### 2) Water discharge



### Process Wastewater

Water discharged from manufacturing or industrial processes with the potential to contain contaminants.

### Environmental engineer

For the normal operation of discharge facilities and prevention facilities, business operators must appoint environmental engineers for each size of the workplace in accordance with the "Water Environment Conservation Act Enforcement Decree Attached Table 17".

- Type 1 workplace: 1 or more water discharge companies
- Type 2 workplace: 1 or more engineers in the water quality environment industry
- Type 3 workplace: At least one water quality industry engineer, environmental engineer, or a person who has been directly engaged in water quality environment related work for more than 3 years
- Type 4, Type 5 workplace: A business operator who has obtained a discharge facility installation permit or a report for installation of a discharge facility has been accepted, or a business operator who has received a discharge facility installation report or has received a report for installation of a discharge facility, is engaged in the business of discharge facilities and prevention facilities at the business site. At least one appointed person among the employees

- Documented procedures for storage, treatment, and discharge of wastewater in accordance with local regulations should be established and kept up to date.
- Adequate and effective process to track, review, and approve the discharge of all wastewater
- Emergency response actions are defined in case the on-site wastewater treatment system exceeds its capacity or if it malfunctions.
- Wastewater characterization and response information is available at the points of use and storage in a language understood by the worker.
- Appropriate process wastewater treatment systems are installed and maintained that minimize the pollutant contribution of each of its facilities include a routine preventive maintenance program, system efficiency monitoring program and a program to evaluate the integrity of existing process wastewater collection systems.
  - Regularly test of the process wastewater system
  - Correct any identified deficiencies immediately
  - In the case of production or process changes that may affect process wastewater, the need to change the wastewater treatment process should be evaluated and actions taken if necessary.
  - The adequacy of the wastewater treatment process should be reviewed annually.
- Compliance with the discharge allowance standards of water pollutants in the discharged wastewater should be monitored at the frequency required by local regulations, or in the absence of such regulations at least once per month, to ensure compliance with applicable laws and regulations.
- If local requirements are not available for a pollutant, the thresholds specified in the table LG Display Wastewater Discharge Standards shall be used.

LG Display wastewater discharge standards		
Inspection items	standards for discharging terminal treatment plants	standards for discharging public waters
Temperature	40°C	Temperature of influent water system increased by 3°C
pH	6.0 – 9.0	6.0 – 9.0
CODcr (chemical oxygen demand)	300mg/L	100mg/L
5-day Biochemical Oxygen Demand (BOD5)	150mg/L	20mg/L
Total Suspended Solids (TSS)	300mg/L	20mg/L
Fluoride	20mg/L	5mg/L
Total nitrogen	70mg/L	10mg/L
NO <sub>2</sub> -N (Nitrites)	N/A	1 mg/L
NO <sub>3</sub> -N (Nitrates)	N/A	10mg/L
Ammonia nitrogen	25mg/L	5mg/L
Total phosphorus	8mg/L	1 mg/L
O&G (oil and grease)	20mg/L	5mg/L
Total arsenic	0.2mg/L	0.01 mg/L
Total cadmium	0.05mg/L	0.02mg/L
Total chrome	1 mg/L	0.05mg/L
Hexavalent chromium	0.1mg/L	0.01mg/L
Total copper	0.5mg/L	0.5mg/L
Total lead	0.2mg/L	0.1mg/L
Total mercury	0.005mg/L	0.002mg/L
Total nickel	0.5mg/L	0.1mg/L
Total silver	0.1mg/L	0.1mg/L
Total zinc	1.5mg/L	0.5mg/L
Cyanide	0.2mg/L	0.15mg/L

- Upon receipt of any Notice of Violation from local authorities, workplace shall communicate with the authority in a timely manner, inform all relevant parties about the violations, and subsequently take any corrective actions in a timely manner or as specified by the authorities.
- 3) Control of internal water channel contamination
- Adequate and effective procedures to control internal water channel contamination.
  - Potential contamination sources to water channels are identified.
  - Adequate and effective emergency response plan to control water channel contamination

### Storm Water

Water that originates during precipitation events, snowmelt runoff, as well as surface runoff and drainage. It excludes infiltration and runoff from agricultural land.

### Industrial Activities

Areas that include storage areas and storage tanks, shipping and receiving areas, fueling areas, vehicle and equipment storage/maintenance areas, material handling and processing areas, Waste treatment and disposal areas, dust- or particulate-generating areas, and cleaning and rinsing areas.

### Pollutant Constituents

Pollutants associated with Industrial Activities such as oil, metals, solvents, acids, and alkalis.

### Non-Stormwater Discharge

Flows that do not consist entirely of Stormwater, such as surface runoff at the facility that can be potentially contaminated with pollutants from Industrial Activities.

### Unauthorized Non-Stormwater Discharge

Includes waters from rinsing or washing vehicles, equipment, buildings, or pavement, as well as materials that have been improperly disposed of or dumped; and spilled or leaked materials.

### Stormwater Management Plan

A document that identifies structural and non-structural controls that will be put in place to minimize negative effects to the environment caused by offsite Stormwater discharges.

- Appropriate emergency response equipment inspection and maintenance process
  - Investigation of past spills/water channel contamination and corrective/preventive action plan
- 4) Personnel
- At least one responsible for all aspects of process wastewater discharge including treatment, water channel contamination prevention and water-related emergency response and reporting activities
    - Operators shall hold WWTP operator certificates as required by local or national regulatory requirements.
- 5) Records
- Identified water channel contamination sources
  - Description of spills/water channel contamination for past 3 years
  - Preventive/corrective action plan for past spills/contamination
  - Additional actions taken to ensure completion at due date if corrective actions are not on track.
  - Accurate wastewater inventory records are maintained and available for review.
  - Inspection records of wastewater and their points of storage are maintained and available for review.
  - Copies of wastewater manifests and shipping/discharge papers are maintained and available for review.
  - Documents only vendors approved and/or licensed by the local regulatory authorities for transporting are used.
  - Annual reduction targets, progress monitoring and corrective actions plans if applicable
- 6) Stormwater management
- Workplaces shall identify potential pollutant sources that might affect Stormwater runoff.
    - A list of areas of Industrial Activities exposed to Stormwater and its Pollutant Constituents

### Structural Control

Structural devices (such as catch basins, berms, ponds, secondary containment, and oil/water separators) used to reduce or prevent pollutants from entering Stormwater runoff.

### Non-structural Controls

Processes, prohibitions, procedures, and operating schedules that prevent industrial pollutants from contacting Stormwater and Authorized NonStormwater Discharges. These are low-tech, cost-effective measures.

- A list and description of potential spills and leaks that could contribute pollutants to Stormwater discharge, and specify which outlets are likely to be affected
  - A list and description of past spills and leaks in the previous 3 years that occurred in areas exposed to Stormwater, or that drained to the Stormwater drainage system
  - A list of Non-Stormwater Discharges and eliminate any Unauthorized Non-Stormwater Discharges.
- Workplaces shall prepare a facility map that includes the following information.
    - Outlines of Stormwater drainage areas within the facility, portions of the drainage area affected by run-on from surrounding areas, and direction of flow of each drainage area, on-site Bodies of Water, and areas of soil erosion
    - Location of nearby Bodies of Water and municipal storm drain inlets where the facility's Stormwater discharges and Authorized Non-Stormwater Discharges may be received
    - Location of Stormwater collection and conveyance systems, associated points of discharge, and direction of flow, including any Structural Control measures that affect Stormwater discharges, authorized Non-Stormwater Discharges, and runoff
    - Outline of all impervious areas of the facility, including paved areas, buildings, covered storage areas, and other roofed structures
    - Locations where materials are exposed to precipitation and locations where significant spills or leaks have occurred
    - Locations of areas of Industrial Activities that are potential pollutant sources.
  - Workplaces shall select effective Structural Controls or Non-structural Controls to prevent Stormwater pollution.
    - Workplaces shall conduct surveys at least annually to identify any direct connections from industrial production areas into a Stormwater drainage system. Workplaces shall conduct the survey after any Alteration likely to affect the connections. If such connections are discovered, Supplier shall remove them immediately.
    - Workplaces shall manage wastes generated from Stormwater control systems in accordance with all applicable regulations.
  - Workplaces shall take a grab sample of Stormwater discharge while it is raining and visually assess key indicators of Stormwater pollution (e.g. color, odor, clarity, floating solids, foam, oil sheen, etc.). In addition, workplace shall collect Stormwater discharge samples from a facility's discharge points

for laboratory analyses. The sampling frequency shall be based on the potential risk level for Stormwater contamination and no less than once every six months..

- The test items be dependent on the types of pollutant sources identified and include at a minimum pH, chemical oxygen demand, color, oil, and grease.
- If local requirements are not available for a pollutant, the LG Display Waste Water Discharge Quality Standard Table *LG Display wastewater discharge standards (C7.1)* should be applied.
- Workplaces shall conduct one comprehensive annual evaluation of its Stormwater control measures that includes the following:
  - Visual observations and inspection of sampling/analytical data
  - A summary of inspections specified in the Stormwater Management Plan
  - Incident reports and corrective action tracking results.
- Workplaces shall ensure that there is at least one employee responsible for coordinating all facility Stormwater-related emergency response and reporting activities.
- Workplaces shall have a system in place that can immediately close a Stormwater drain outlet discharging outside the facility boundary if there is a Hazardous substance spill released to the Stormwater drainage system. Workplaces shall have the necessary plans and procedures to notify internal management and local regulatory agencies and take immediate steps to fix a Hazardous substance spill that has reached outside the facility boundary. Wokplaces shall conduct an analysis to determine the cause of the emergency release incident and implement corrective actions.
- Workplaces shall create, implement, and maintain a written Stormwater Management Plan to support prevention of Stormwater runoff pollution. Workplaces shall revise the Stormwater Management Plan as appropriate, and implement it prior to any changes in Industrial Activities at the facility that do any of the following:
  - Significantly increase the quantities of pollutants in Stormwater discharge
  - Cause new areas of industrial activity to be exposed to Stormwater

- Begin an industrial activity that would introduce a new pollutant source at the facility.
- Workplaces shall provide adequate Stormwater management training for all workers whose work may affect the quality of Stormwater as per applicable regulations.

## Greenhouse Gas

Framework Act on Low Carbon, Green Growth Article 2 - Framework Act on Carbon Neutral and Green Growth to Respond to the Climate Crisis Article 2 (Definition)

This refers to the gaseous substances in the atmosphere that absorb or re-emit infrared radiation to produce greenhouse effects, such as carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydro-fluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and other substances prescribed by Presidential Decree.

## Greenhouse Gas Emissions

According to the Framework Act on Low Carbon, Green Growth Article 2 - Framework Act on Carbon Neutral and Green Growth to Respond to the Climate Crisis Article 2 (Definition), greenhouse gases emissions refer to the direct emissions that emit, release or leak GHGs generated by human activities into the atmosphere and the indirect emissions that allow greenhouse gases to be released by using electricity or heat (only fuel or electricity is the source of heat) supplied by others.

# C8) Energy Consumption and Greenhouse Gas Emissions

Workplaces are to establish a greenhouse gas reduction goal. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked, documented and publicly reported against the greenhouse gas reduction goal. They are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

## C8.1 Energy consumption and all relevant Scopes 1 and 2 Greenhouse gas (GHG) emissions are tracked, documented and publicly reported against the corporate greenhouse gas reduction goal.

### 1. Site Observations

- There is no significant energy consumption or GHG emissions at the facility that are not tracked and documented.
  - On-site combustion (incinerators, diesel generators, burning of waste on-site), purchased electricity (un-metered electricity consumption at the facility), significant leakage of refrigerants (from HVAC units or other refrigeration equipment), or other GHG-generating production processes (cfcs and hfcs from solvents and foams, for example).

### 2. Record Review

- The sources of electricity and other energy are documented, consumption recorded and accurate by source.
  - On-site combustion: oil, coal, diesel, natural gas, propane, garbage, etc.
  - Copies of records of total quantity of fuel combusted on-site (or easily extrapolated from fuel bills and other purchased fuel records)
  - Purchased electricity
  - Renewable energy use -If facility purchases renewable energy through their utility company
- Scope 1 and 2 Greenhouse Gas emissions are documented. (Evidence data related to GHG emissions must be kept for at least 5 years or for a period in accordance with local regulatory requirements, whichever is longer)

## Greenhouse Gas Emissions Report

Enforcement Decree of the Framework Act on Low Carbon, Green Growth - Article 39 of the Enforcement Decree of the Act on the Allocation and Transaction of Greenhouse Gas Emissions, the management company should submit the statement verified by the verification body to the departmental supervisor electronically by March 31 of each year.

- GHG = greenhouse gases such as carbon dioxide, methane, water vapor, and nitrous oxide but also include the chlorofluorocarbons (CFCs), hydrofluorocarbons (HFCs) and Perfluorocarbons (PFCs), as well as sulfur hexafluoride (SF6)
- Scope 1 GHG emissions are all direct GHG emissions
- Scope 2 GHG emissions are all indirect GHG emissions from consumption of purchased electricity, heat or steam. This does not include transportation, waste generated in operations, travel, commuting, use or end of life product treatment (Scope 3)
- Publicly report a GHG footprint (total scopes 1 & 2) as a quantitative value of total emissions. A percentage is unacceptable.
  - Description of boundary defined for reporting (such as: financial control, operational control, or equity share)
  - Description of how energy consumption and other GHG sources are converted into GHG emissions using internationally accepted GHG protocol



## C8.2 Cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas (GHG) emissions are implemented.

### 1. Site Observations

- Technology or management strategies to minimize energy consumption and GHG emissions are visible. Strategies may include:
  - Building automation technology, thermostats, lighting controls, efficient heating, cooling, lighting, or ventilation technology
  - Use of on-site combustion or vehicles that are fuel efficient or use a less GHG-intensive source (natural gas, electric, etc.)
  - Purchase or production of renewable energy
  - Use of high-efficient collection/treatment systems for cleaning agents
  - Use of refrigerants with low global warming potential (GWP) in Heating, Ventilation, and Air Conditioning (HVAC) systems
- Reduction programs for Energy consumption and greenhouse gas emission should be in place.

### 2. Record Review

#### 1) Reduction program

- Adequate and effective program to improve energy efficiency and GHG emissions is in place, the program should include the annual objectives, regular objective tracking, monitoring and adjustments made if off track.
- The programs must be structured with roles and responsibilities, written procedures, targets, monitoring and reporting.
  - Procedures to effectively manage energy consumption (may include a "start-up, shut-down" procedure for the facility, staging for boilers and chillers, ... ..) if the facility is large or complex enough to warrant these procedures.

#### 2) Records

- Accurate energy and GHG emissions inventory records are maintained and available for review.
- Inspection records of energy and GHG emissions and their points of use are maintained and available for review.

D. Ethics

## D. Ethics

Workplaces should always be ethical in all business aspects to meet social responsibilities and to achieve success in the marketplace, should comply with the highest standards of ethics as follows.

### Jeong-do Management

- This is LG's code of conduct, which is based on ethical management and steadily cultivating skills and winning competitively. Integrity management does not simply mean ethical management, but also means to create real performance based on the ability to win in the competition along with ethical management.

### Anti-Corruption Laws by Country

- (United States)
  - Foreign Corrupt Practices Act (FCPA)
    - U.S. law punishing bribery of foreign officials
    - LG Display is a company listed on the New York Stock Exchange and is subject to the law.
- (Korea)
  - Act on the prevention of corruption and the establishment of the anti-corruption and civil rights commission
  - IMPROPER SOLICITATION AND GRAFT ACT
- (China)
  - Criminal Law of China
  - Anti-unfair competition law of the People's republic of China
- (Vietnam)
  - Criminal Law of Vietnam

## D1) Business Integrity

The highest standards of integrity are to be upheld in all business interactions. In accordance with LG Display's policy of Jeong-do management, workplaces shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

### D1.1 Adequate and effective policy and procedures to uphold the highest standards of integrity in all business interactions with a zero tolerance to any and all forms of bribery, corruption, extortion and embezzlement.

#### 1. Record Review

##### 1) Policy

- Adequate and effective policy and procedures to uphold the highest standards of integrity in all business interactions with a zero tolerance to any and all forms of bribery, corruption, extortion and embezzlement

##### 2) Investigation and sanctions

- Adequate and effective monitoring program to regularly monitor its business to ensure:
  - ① workers or agents do not make or accept improper offers, bribes or undue/improper advantage
  - ② records verifying is not falsified and accurate
  - ③ fair business, advertising and competition
  - ④ protection of identity and retaliation
  - ⑤ protection of personal information.

- Appropriate investigation process when there is an alleged violation including misrepresentation by workers, managers and their agents
- Appropriate sanctions when a violation is confirmed/proven and preventive action plan
- Adequate and effective procedure is in place to protect workers/employees from retribution for refusing to do anything in Non-conformance with the “highest standard of integrity” policy and communicate/volunteer their decision.

3) Records

- Investigation reports on alleged violations
- Sanctions in personnel files for proven/confirmed violations and preventive action plan
- Personnel files leave records and disclosure records confirms no negative consequence for any worker/employee refusing to do anything in Non-conformance with the “highest standard of integrity” policy
- At least on an annual basis, management and workers should be trained in the zero tolerance policies for all forms of bribery, corruption, extortion and embezzlement, and the processes for reporting.

## D2) No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

### D2.1 No identified risk or evidence of bribes or obtaining undue or improper advantage being promised, offered, authorized, given or accepted.

#### 1. Record Review

##### 1) Policy

- Adequate and effective procedures are in place that ensure no gifts/bribes and to encourages workers/employees to declare conflicts of interest.
  - Gifts: Gifts to or from suppliers and customers is not excessive in cost and frequency. (It is necessary to establish a standard for the amount and frequency of the gift)
  - Bribes: Bribes or other methods of obtaining undue or improper advantage are not being promised, offered, authorized, given or accepted.
  - Conflict of interest: encourages workers/employees to declare conflicts of interest.
  - If labor agents are used, then these procedures also need to be implemented at the labor agent level.

- Ensure compliance with anti-corruption laws

##### 2) Records

- Declarations of conflict of interest are recorded.

## D3) Disclosure of Information

All business dealings should be transparently performed and accurately reflected on Participant's business books and records. Information regarding participant labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain is unacceptable.

### D3.1 No identified risk of misreporting, record falsification, or misrepresentation.

#### 1. Site Observations

- If publicly communicated company information is posted then it is accurate.

#### 2. Record Review

##### 1) Policy

- Public information must not make false or misleading statements about the Auditee's products, services, opportunities, position.
  - Information regarding participant labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices.
  - Falsification of records or misrepresentation of conditions or practices in the supply chain is unacceptable.
  - Unintentional errors are out of scope for this question.
- Formal program to ensure public Auditee statements are not false or misleading.
- Adequate and effective procedures to record, inspect and investigate
  - Record: Ensure that all business dealings should be transparently performed and accurately reflected on Participant's business books and records
    - E.g. Good accounting policies, procedures, and record keeping, internal controls to ensure the accuracy of information

- Inspect: Inspect/assess/audit records verifying they are not falsified and accurate.
  - E.g. Annual periodic third-party financial audit to confirm that accounts are in order
- Investigate: investigate misrepresentation by workers, managers and their agents.

## 2) Records

- Financial and annual reports about the Auditee's business operations are available and ready for review
  - Includes all kinds of publicly communicated company information (job posting, product details, company/facility promotion (booklet/flyer), commercial advertising, press releases, website, ...)
- Inspection and investigation records are available for review

## Trade Secret

Regulations on Unfair Competition Prevention and Trade Secret Protection Article 2 (Definition) A trade secret is information that is not publicly known but has an independent economic value, such as a production method, sales method, and other technical or management information useful for business activities that has been kept secret by considerable effort.

## Trade Secret Infringement

- a. To acquire business secrets by means of stealing, deception, intimidation, or other illegal means (hereinafter referred to as "fraudulent acquisition activity"), or to use or disclose acquired business secrets (including informing a specific person while keeping the secret. The same shall apply hereinafter)
- b. To acquire the trade secret or to use or disclose the acquired trade secret, knowing that the trade secret involves illegal acquisition activities or not knowing it due to a grave error
- c. To use or disclose the trade secret without knowing the fact that the trade secret is involved in illegal acquisition activity after acquiring the trade secret or not knowing it due to a grave error
- d. To use or disclose the trade secret for the purpose of obtaining unfair profits or damaging the holder of the trade secret by a person who is obliged to keep a trade secret as a secret under contract
- e. To acquire the trade secret or to use or disclose the acquired trade secret, knowing that the trade secret is disclosed as in e. or involves such disclosure, or not knowing it due to a grave error
- f. To use or disclose the acquired trade secret, knowing that the trade secret is disclosed as in e. or involves such disclosure, or not knowing it due to a grave error after acquiring the trade secret

## D4) Intellectual Property

Workplaces should respect intellectual property rights and protect customer information. Transfer of technology and know-how is to be done in a manner that protects intellectual property rights. In addition, LG Display's and LG Display customers' information should be safeguarded.

### D4.1 Intellectual property and business information should be protected, and business site information (customer/partner information) should not be disclosed.

#### 1. Site Observations

- Intellectual Property and business information are visibly protected.

#### 2. Record Review

##### 1) Policy

- Adequate and effective policies and procedures should be in place to protect intellectual property and information received from customers/sub-contractors.
  - The following information should be included. (Names and contact information for key customer personnel, Contract pricing and volumes, Names of sub-contractors and materials/components suppliers, Their identities and trademarks, Third-Party Intellectual Property, Patent records, Copyright-protected content, etc.)
- Adequate and effective process and administrative control IT measures for access to IT systems and Intellectual Property should be in place.
  - Workplaces shall conduct a software license compliance audit and reconciliation of all third-party software used in their business operations in the last 12 months.
  - Workplaces shall have a central corporate repository for all of their software licenses.
  - Workplaces shall have policies, procedures, and security measures in place to avoid malware and cyberattacks.
  - Workplaces shall have corporate software asset management policies and procedures in place requiring employees to only use properly licensed software in their business and explaining how they



should procure and use software; these policies and procedures shall be communicated to employees at least annually.

## 2) Contracts

- Non-disclosure agreement (separate or part of employment contract) for workers and management is in place.

### Prohibition of Unfair Co-conduct

Regulations of the Monopoly Regulation and Fair Trade Article 19

The business operator should not agree to engage in any of the following acts that unfairly restrict competition in connection with contracts, agreements, resolutions or any other way with other operators, nor should any other business operator be allowed to do so.

1. To determine, maintain or change prices
2. To determine the terms of trade of goods or services or the terms of payment of such money or consideration
3. To restrict the production, delivery, transportation or trading of goods or transactions in services
4. To restrict trading territory or counter-party
5. To interfere with or restrict the establishment or extension of facilities, or the introduction of equipment for the production/trading of services
6. To limit the type or standard of the goods or services when producing or trading goods or services
7. To jointly perform or manage key businesses, or establish companies to perform or manage key businesses
8. To determine the price of a winning bidder, an auctioneer, a bid price, a winning bid, an auction price in a bid or auction, or other matters prescribed by Presidential Decree
9. To engage in an act, other than the ones described in Clauses 1 through 8, substantially restricting competition in certain areas of trade by interfering with or restricting the business activities or business content of other business operators (including those engaged in the act)

## D5) Fair Business, Advertising and Competition

Workplaces should comply with advertising and competition regulations and fair business standards.

### D5.1 Conduct business in compliance with fair business(no collusion), advertising and competition standards.

#### 1. Record Review

##### 1) Policy

- Adequate and effective policy and procedures ensuring fair business, advertising and competition standards are upheld.
- Safeguards are in place to prevent collusion with other companies on product pricing or other factors that could reduce competition.
- Monitoring procedures related to fair business, advertising and competition are in place.

## D6) Protection of Identity and Non-Retaliation

Workplaces should operate a program to protect whistle-blowers. Workplaces should notify workers of relevant procedures so that they can raise any concerns without fear of retaliation.

### D6.1 No identified risk of retaliation or reduced protection of identity

#### 1. Record Review

- Adequate and effective policy and monitoring procedures ensuring protection of identity and non-retaliation for whistleblowers and/or users the of the grievance system are in place.
- Safeguards are in place to prevent reduced protection of identity and retaliation.

## D7) Responsible Sourcing of Minerals

### Supply Chain

It refers to a supply chain of subcontractors from mine to LG Display, including the subcontractors, workplaces, mineral processing companies and mining companies that mine, process, trade, refine the minerals to produce the products used by LG Display, and other supply chain owned, operated or directly/indirectly used by the mining companies.

### Conflict Mineral Reporting Template

It is a standard reporting template developed by the Conflict-Free Sourcing Initiative that facilitates information about the country of origin and the smelter or refinery in use through the supply chain.  
<http://www.conflictreesourcing.org>

Workplaces should establish policies to ensure that minerals are sourced in a way consistent with the Organization for Economic Cooperation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework, without using raw materials that are illegal, have a negative environmental impact or are procured through unethical methods. It should include the conflict/responsible minerals clause within the relevant policy, and a system should be established to ensure that the minerals (tantalum, tin, tungsten, gold: 3TG / cobalt, mica, zinc, aluminum, copper, lithium, nickel, magnesium : Responsible Minerals), components and products used in the products supplied to LG Display do not directly or indirectly provide financial or other benefits to armed groups violating serious human rights in the Democratic Republic of the Congo or neighboring countries. Due diligence on the origin and supply chain of raw materials, components and 3TG/Responsible minerals supplied to LG Display and customer company should be carried out at the workplaces. At the request of either LG Display or an LG Display customer company, due diligence materials including information of origin, smelter and refining company of 3TG/Responsible minerals should be provided.

### D7.1 Effective and appropriate dispute-free procurement programs and policies should be implemented to reasonably ensure that purchases of 3TG/Responsible minerals are sourced in a way consistent with the OECD Due Diligence Guidance or an equivalent and recognized due diligence.

#### 1. Record Review

##### 1) Policy

- Adequate and effective Supply Chain Policy and Management System that is designed and implemented to reasonably assure the 3TG in the products they manufacture are sourced in a way consistent with the OECD Due Diligence Guidance or an equivalent and recognized due diligence framework. The policy must be communicated to suppliers and the public.
  - Publicly communicated=e.g. posted to the company's website (include URL), contained within a Corporate Responsibility Report,

and/or Supplier Code of Conduct or other official public company communications.

- Commit the company to exercise due diligence on the source and chain of custody of minerals in accordance with the OECD Due Diligence Guidance
- 2) Corporate level implementation
- Documented corporate policy/process/assigned responsibility/proof of implementation related to responsible sourcing of minerals
- 3) Facility level implementation (in case no corporate level implementation)
- <Management System requirements>
- Identifying a senior management person responsible for implementation of the Management System.
  - Including 3TG due diligence sourcing requirements in written agreements and/or contracts with suppliers.
  - Mitigate any risks identified in accordance with the OECD Due Diligence Guidance, including the suspension or termination of business relationships with suppliers when risk mitigation is unsuccessful.
  - Reviewing the Management System, on an annual basis, to ensure conformance and improve where process improvements have been identified.
- <Records>
- Maintaining records related to 3TG due diligence for a minimum of five (5) years.
  - Annual review and improvement plan (if applicable).
  - Mitigation plans with suppliers if any risk is identified.
  - Additional actions taken to ensure completion by a specified date if mitigation actions are not on track.

## Personal Information

Personal Information Protection Act Article 2 (Definition) Personal information refers to information about a living individual, including information that can identify the individual through name, resident registration number, and image (including information that can be easily identified when combined with other information even if the individual can not be identified by the information alone).

### Personal information protection principle

- ① The personal information handler should clarify the purpose of handling personal information and collect only legitimate and reasonable personal information that is necessary for its purpose.
- ② The personal information handler should process the personal information appropriately within the range necessary for the purpose of processing personal information, and shall not be used for purposes other than the purpose
- ③ The personal information handler should ensure that the accuracy, completeness and up-to-dateness of personal information is within the range necessary for the purpose of processing personal information.
- ④ The personal information handler should safely manage personal information in consideration of the possibility of infringement of the rights of the information subject and the degree of danger according to the method and kind of processing of personal information.
- ⑤ The personal information handler should disclose matters concerning the processing of personal information such as personal information processing policy, and guarantee the rights of the information subject, such as the right to request for reading.
- ⑥ The personal information handler should process personal data in the way to minimize infringement of the privacy of the data subject.
- ⑦ The personal information handler should enable anonymous processing of personal data if it is possible.
- ⑧ The personal information handler should endeavor to obtain the trust of the information subject by observing and practicing the responsibilities and obligations stipulated in this Act and related laws and regulations.

## D8) Privacy

Workplaces should systematically protect all personal information related to business management. Workplaces are to comply with privacy and information security laws such as the Personal Information Protection Act when personal information is collected, stored, processed, transmitted, and shared.

### D8.1 There should be no identified risk or evidence of unauthorized disclosure of personal information..

#### 1. Site Observations

- Personal information is visibly protected

#### 2. Record Review

- Adequate and effective policy and monitoring procedures ensuring protection of personal information and preventing unauthorized disclosure of personal information are in place.
- Information is only collected, stored, processed, transmitted, or shared specifically with the individual approval (or defaulted by local law).

## E. Management System

### Management System

It refers to a set of interrelated or interacting elements of an organization to establish policies and objectives and goals for achieving goals. [ISO 14001:2015 / ISO 9000:2015].

### Policy

It refers to the organization's intentions and direction officially expressed by the chief executive officer in relation to performance. [ISO 14001:2015 / ISO 9000:2015].

### Chief Executive Officer

It refers to the individual or group that directs and manages the organization at the highest level. [ISO 14001:2015 / ISO 9000:2015].

## E. Management System

Workplaces shall adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure compliance with applicable laws, regulations and customer requirements related to the participant's operations and products; conformance with this Code; and identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement. The management system should include contents regarding A) Labor and Human Rights B) Health and Safety C) Environment D) Ethics.

\*If valid authentication is available for each sector A) Labor and Human Rights B) Health and Safety C) Environment D) Ethics, the management system check can be skipped for the sector.

### E1) Company Commitment

Corporate social and environmental responsibility policy statements affirming Auditee's commitment to compliance and continual improvement, endorsed by executive management and posted in the facility in the language of the workers or in a language the workers can understand.

#### E1.1 Adequate and effective policies/Code(s) that are endorsed by the CEO should be established.

##### 1. Site Observations

- A statement of policy on workplaces' labor and human rights, health and safety, environment, and ethics should be made available to all workers in a language understood by workers and posted on the workplace.

##### 2. Record Review

###### 1) Endorsement

- Statements/Code signed/endorsed by the Chief Executive Officer should demonstrate commitment to continual improvement and compliance with laws and other requirements (including customer requirements).
  - The executive endorsement of the code can be absent when policy/Code is publicly displayed (e.g. intra or internet site).



- Operating Procedures: Accurate and transparent disclosure of information. (E.g., accuracy of company records, accurate reporting in books and records, disclosed in accordance with law/prevaling industry practices)

## 2) Contents

- The policy is appropriate for the nature and scope of the workplaces' operation.
  - In the case of ethics, the expression 'doing business with honesty and integrity' should be addressed in one of the Code of Ethics, Code of Conduct, Business Principles or similar documents.
  - General Ethics: conduct business with honesty/integrity (E.g., avoid conflicts of interest, stealing, extortion, embezzlement, protect corporate assets, compete fairly), protection of identity and non-retaliation (E.g., whistle-blower, anonymous reporting)
  - Legal compliance: Anti-Corruption or Anti-Bribery, Anti-Trust, Privacy, Intellectual Property (IP) Protection, Responsibly Sourcing Minerals

## E2) Management Accountability and Responsibility

Workplaces clearly identify senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management systems on a regular basis. Representatives with corporate social responsibility and sustainability management responsibilities and powers should be appointed.

**E2.1 Responsibilities and authorities should be adequately and effectively defined and assigned for all employees/workers (senior managers to workers) for implementation of management systems, and for compliance with laws, regulations and codes.**

### 1. Record Review

#### 1) Senior representative

- For the implementation of the program, a management representative with the following responsibilities should be appointed.
- Senior representative is authorized to implement programs, procedures and corrective actions as needed for regulatory compliance and RBA conformance

#### 2) Assignment

- Responsibilities and authority of each organizational level are documented in position plans, job descriptions and/or the facility's management system documentation. (For normal situations and emergency situations)
- Workplace shall assign a full-time employee to be the responsible individual to oversee and enforce implementation of compliance at the site. Directly Responsible Individual receive the following duties.
  - Be of senior management level and be empowered with adequate resources, including but not limited to human resources and budget, as well as the access, power and authority to institute changes.
  - Understand and implement the requirements from applicable laws and regulations and the code and standards

DRI

Directly Responsible Individual

- Regularly review the effectiveness of the management systems and take accordant actions to improve the systems.
- Have their performance evaluated based on the effective planning and implementation to enforce requirements as per Applicable Laws and Regulations, customer requirements and any other applicable standards.
- Establish a cross-functional structure or committee as appropriate to ensure implementation of and conformance with requirements as per Applicable Laws and Regulations, customer requirements, and any other applicable standards.

## E2.2 An adequate and effective management review and continuous improvement process for performance and management systems are established.

### 1. Record Review

#### 1) Process

- Adequate and effective annual management system review process is in place.
  - Review cycle/frequency (at least once a year, but earlier if there is a significant change)

#### 2) Records

- System review meetings
- Preventive corrective action plan following the review
- Management review meeting presentation materials/analysis/data
- Management review minutes should include the following.
  - Agenda
  - Date
  - Who was present (including management representatives)
  - Progress against objectives
  - Results of Audits
  - Completion of corrective/preventive actions
  - Risk/issues
  - Other information needed to determine the effectiveness of the management system and identify improvement opportunities
  - Agreed preventive/corrective actions

### Risk

It refers to the impact of uncertainty. [ISO 14001:2015 / ISO 9000:2015].

## E3) Legal and Customer Requirements

Workplaces should have a process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

**E3.1 An adequate and effective compliance process to monitor, identify, understand and ensure compliance with applicable laws and regulations and customer requirements pertaining to Labor and Human Rights, Health and Safety, Environment and Ethics should be established.**

### 1. Record Review

#### 1) Process

- Quarterly compliance process should be in place to maintain a current understanding of applicable legal and customer requirements.

: Identify → Track → Assess → Integrate → Implement → Record

#### 2) Records

- Workplaces should assign a responsible individual of identifying laws and customer requirements and managing procedures
- Compliance register
- Compliance calendar or reminders/tasks/calendar appointments via an e-mail system
- Summaries of applicable laws and regulations and the key Customer requirements that impact the operations
- New/changed operations/policies/procedures as a result of the review process for new requirements

## E4) Risk Assessment and Risk Management

Workplaces should have a process to identify the environment, safety and health, labor and human rights practices and ethical risks. In addition, each risk should be prioritized, and compliance should be managed regularly.

### E4.1 An effective risk management process to identify, assess, and minimize/mitigate/control its risks should be established and implemented.

#### 1. Site Observations

- Control measures are in place for identified risks.

#### 2. Record Review

##### 1) Process

- Risk assessment process should be in place to identify the most significant risks (including applicable legal requirements and applicable customer requirements).
  - Every site operation/process
  - Physical location
  - Consideration of multiple chemical exposures, combined physical and chemical exposure effects, and extended work periods
  - For Ethics, risk assessment considers business circumstances (country of operations, stakeholders, ...) and covers at minimum honesty, integrity, intellectual property protection, bribery, corruption, fraud/embezzlement, embezzlement, extortion, legal, ethical, fair business/marketing practices, reporting violations, whistle-blower protection, kickbacks, bribes, privacy, unlawful payments, etc.
- The risk assessment should be conducted annually, and updated when there is a significant change..
- Any identified risk has an action plan to minimize such risk and procedural controls and/or improvement objective.
- Effectiveness of controls is evaluated on a regular basis.

##### 2) Records

- Formal risk assessment reports

- Corrective/preventive action plan
- Procedural controls are documented
- implementation plan (with owners and due date)

## E5) Improvement Objectives

To improve social and environmental performance, workplaces should periodically document their performance objectives, targets and implementation plans, and evaluate performance in achieving those objectives.

**E5.1 An adequate and effective performance management process, including setting performance (improvement) objectives and targets, developing and implementing improvement plans, regularly reviewing progress toward achieving targets, and making appropriate adjustments if needed should be in place.**

### 1. Record Review

#### 1) Process

- Adequate and effective annual performance management process should be in place to achieve indicators, objectives and targets.
  - Considering risk assessment results, process should include legal and regulatory requirements, customer requirements, and company standards/requirements.
  - Assign the personnel in charge of objectives.
  - Clarify the implementation plans and completion dates.
  - (as appropriate) Communicate objectives to workers.
  - Set the frequency of reviewing progress to achieve objectives.
  - Clearly design objectives and targets for continuous improvement.
- Additional action plans are needed if indicator, objective or target is off track.

#### 2) Records

- Formal target, indicator and objective tracking records
- Regular progress reporting
- System review meetings
- Corrective/preventive actions plans following the review
- Management review meeting presentation materials/analysis/data



## E6) Training

Workplaces should operate training programs for managers and workers to implement their policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

### **E6.1 An adequate and effective training process should be established for all managers/workers on all policy/procedures/job related aspects and performance targets**

#### 1. Record Review

##### 1) Process

- This must always be completed even if a valid systems certificate is available for each section. (E.g., ISO 14001 for environment)

- New employee orientation plan
- Refresher training plan
- Training needs analysis
- Training plan
  - For ethics, this includes workers but all subcontractors, suppliers, business partners and other relevant parties.
- Training materials
- Training records
- Training cycle/frequency
- Training efficiency verification

##### 2) Evaluation

- The training programs will be evaluated on a regular basis not exceeding 3 years or sooner if there is a significant change.

##### 3) Records

- Educational materials
- Verification of training effectiveness
- Training evaluation reports and corrective action (if required)

## E7) Communication

Workplaces should have a process for communicating clear and accurate information about their policies, practices, expectations, and performance to workers, suppliers, and customers.

**E7.1 An adequate and effective worker/manager, supplier and customer communication process for policies, practices and performance should be established.**

### 1. Record Review

#### 1) Process

- Adequate and effective worker/manager, supplier and customer communication/reporting process to suppliers is in place.
- Communication program to suppliers should include correspondence to supplier management and contract terms/conditions requiring suppliers to comply with the LG Display ESG codes and all applicable regulations.
- Communication program to customers should include recruitment practices and performance (including freely chosen employment, e.g. demographics of labor and list of labor agents/contractors with percentage of workforce, cost to workers in total absolute numbers and per contract base, and third-party employment agency fees.)
  - Note: Submitting SAQ to customers does not qualify as disclosure/communication to customers.

#### 2) Evaluation

- The communication programs will be evaluated on a regular basis not exceeding 3 years or sooner if there is a significant change.

#### 3) Records

- Communications records include a verification of communication effectiveness.
- Educational materials
- Presentations to suppliers.

## E8) Worker Feedback, Participation and Grievance

Workplaces should build up a process of collecting and participating, including an effective grievance system, to assess workers' understanding of and obtain feedback on or violations against practices and conditions covered by this Code and to foster continuous improvement. Workers must be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

### Grievance Handling

Regulations on Promotion of Worker Participation and Cooperation  
Chapter 5

Article 26 (Grievance Committee)  
Business sites with more than 30 full-time employees should have a grievance committee in order to hear and address employee complaints.

Article 27 (Composition and Term of Grievance Committee) The grievance committee should be composed of up to three members representing labor and management. In the case of business or business site where the council is established, the council shall assign them from among its committee members. If there is no council, they are assigned by the employer.

Article 28 (Handling Grievance)  
The grievance committee should notify the worker with the actions taken and other processing results within 10 days after the worker files a complaint.

### E8.1 A worker grievances/complaints process should be established where workers can confidentially communicate grievances or complaints without fear of reprisal or intimidation.

#### 1. Site Observations

- Grievance and complaint channels should be clearly communicated in workers' native language(s) and visible (grievance box, hotline, Hotmail, third party line, etc.).

#### 2. Record Review

##### 1) Process

- Adequate and effective process to anonymously report grievances and complaints without fear of reprisal, which is internal (for workers and staff) and external (for workers of suppliers, local community or interested actors and whistle-blowers).
- Clear grievance channels so anyone is comfortable reporting Grievances and so that reporting is encouraged.

##### 2) Investigation and actions

- Workplace shall promptly investigate the validity of the any grievance or complaint and take prompt remedial action if the claim is valid.
- All who file a grievance or complaint shall have their identity protected and will be ensured a no reprisal or intimation approach.

##### 3) Records

- Grievance/complaint records should be in place for a period of at least 12 months
- Workers should be provided with written information on how to report grievances and complaints.

**E8.2 An adequate and effective worker consultation/ participation processes to request and encourage worker feedback and participation for improvement via various channels should be established.**

1. Site Observations

- Feedback channels should be clearly communicated and easily accessible (suggestion box, etc.).

2. Record Review

1) Process

- Adequate and effective process to obtain worker feedback. (E.g., worker surveys, suggestion boxes, worker focus group, joint worker-management committees, worker/union representatives, process improvement teams, etc.)
- As the result of processing grievance, workplaces shall proactively solicit workers' feedback through different channels, including but not limited to periodic (at least once per year) surveys, interviews, or similar mechanisms designed to identify improvement areas and understand workers' satisfaction.
- Workplace shall ensure these channels are available to all workers who wish to participate, and in the language(s) in which workers communicate in the workplace (if that language is other than their native language(s)).

2) Evaluation

- Workplace shall promptly evaluate the validity of the any input of feedback and take prompt action if the feedback is valid.

3) Records

- Worker input/feedback records are in place for a period of at least 12 months.
- Workers are provided with written information on how to provide input/feedback for improvement.
- Action plans are available, implemented or on track.

### Audit

It refers to a systematic, independent and documented process for collecting and evaluating evidence to determine the extent to which the criteria are met. [ISO 14001:2015 / ISO 9000:2015].

### Plant/Business Site of Final Assembly

It refers to the business site where the final assemble, inspection and shipping take place.

## E9) Audits and Assessments

Workplaces should periodically evaluate compliance with this Code, related laws and customer requirements. They also need to allow third party assessments to proceed based on customer requests.

### E9.1 An adequate and effective self-audit process should periodically evaluate compliance with LG Display ESG Supplychain Code of Conduct, including applicable laws and regulations.

#### 1. Record Review

##### 1) Process

- Adequate and effective self-audit process to periodically assess conformance with applicable regulatory requirements, RBA Code requirements, own policies, standards and management system, and other requirements to which the facility subscribes.
  - Scope of audit: All areas of the facility / All processes, physical conditions and work practices / Review of documents and records / Interviews with individuals responsible for ESG / Audit results should be reviewed by senior management.
- Assessment/audits shall be performed, at minimum, on an annual basis.
- The plant/workplace carrying out the final assembly should obtain and maintain ISO 14001 or European Union Eco-Management & Audit Scheme (EMAS) certification.
- Workplace shall not have manufacturing operations in, recruit labor directly or indirectly from, or source materials, products, or services directly or indirectly from, regions where LGD and third parties cannot access and conduct a comprehensive, independent evaluation of workplace's compliance with this Code.

##### 2) Records

- Self-audit reports
- Corrective action plans or additional actions (if the corrective action plan is off-track)

## E10) Corrective Action Process

Workplaces should have a process for timely correction of deficiencies identified by internal or external assessments and inspections.

### Corrective Action

It refers to the action to eliminate the cause of nonconformity and prevent recurrence. [ISO 14001:2015 / ISO 9000:2015]

**E10.1 There must be an adequate and effective corrective action process to close nonconformances with laws or LG Display ESG Supplychain Code of Conduct identified via internal and external audits, assessments, inspections, investigations and reviews. Corrective action should include root cause analysis, corrective action and preventive action to address nonconformances.**

### 1. Record Review

#### 1) Process

- Adequate and effective corrective action process is in place.
  - Corrective action plan contains all identified non-conformances identified via internal or external audits, assessments, inspections, investigations, and reviews against with the LGD Code including legal and customer requirements.
- Corrective action reports/plans and tracking tables are in place.
  - Root cause analysis to close findings
  - Specific corrective actions
  - Owners of the action
  - Deadline for action
  - Means to confirm the completion of the action
  - Communication of the corrective and preventive action plans to all affected individuals and departments
- When a corrective action is off track, additional actions are taken to get the item back on schedule.
- The corrective action plan (CAP) and performance management objectives/targets should be interlinked.
- Completion of the action should be reviewed by the auditor, inspector, officer of the party which determined the non-conformance or their designate

#### 2) Records

- Records documenting the non-conformance

**CAP** (Corrective Action Plan)

- Corrective action plan for each non-conformance
- Progress reports on the Corrective Action plan
- Closure verification reports (with mgmt. confirmation)
- Copies of any regulatory citations/violation notices received in the past three years, including any communications with the agencies, should be kept for review.
  - If closure was not verified by the third party or the original government agency, Auditor must verify closure.
  - Note: General public record search by Auditors may be performed to learn if the regulatory authorities have imposed corrective action or penalties in last 3 years for each component.



## E11) Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

### E11.1 Adequate and effective documentation and records for management systems are maintained and appropriate levels of access should be given to ensure confidentiality.

#### 1. Site Observations

- Documents should be securely stored with authorized access only.

#### 2. Record Review

##### 1) Process

- Adequate and effective documentation and records process with appropriate retention (on and off site) and appropriate levels of access to ensure privacy conforming to regulatory (including record retention laws).

##### 2) Records

- A listing/table of documents and records required by local regulations and customer requirements should be available, adequate and up to date.
- Records include the following at least.
  - Records of wages paid and hours worked
  - Verification of worker age
  - Financial audit reports
  - Non-disclosure agreement (NDA)
  - Contract terms and conditions
  - Self-audit reports
  - Regulatory compliance evaluations
  - Risk assessments
  - Work practices and procedures
  - Performance in meeting objectives and targets
  - Reports of inspections by regulatory agencies
  - Incident investigations
  - Worker complaints
  - Training records

- Management system review minutes and action items
  - Corrective action records
  - Conflict of interest declarations should be available in personnel files.
- 
- All documentation should be provided for review at any time if requested by the customers. (E.g., Contract specification or other requirement documents related to the implementation of the ESG Supply chain Code of Conduct, etc.)

### Primary Business Partner

This is determined by the auditor according to the definition criteria

E.g., Annual transaction value, key devices, one or more purchases, within the ICT industry supply chain, etc.

"Primary business workplaces" include all 3rd-party workforce suppliers/contractors and field service providers not within the range of A3 and A4.

### Disadvantage

It includes penalties, fines, violence or unpaid wage threats.

## E12) Supplier Responsibility

Workplaces should communicate Code requirements to suppliers and monitor supplier compliance to the Code. They also need to allow third party assessments to proceed based on customer requests.

### E12.1 LG Display's ESG Supplychain Code of Conduct have been communicated to the next tier suppliers and the next tier major suppliers have been identified.

#### 1. Record Review

##### 1) Corporate level

- Documented corporate policy
- Documented corporate process
- Assigned responsibility
- Proof of implementation

##### 2) Contracts for all next tier suppliers and/or PO for every single Purchase Order (Facility level)

- Enforcement language on the implementation of the LGD Code provisions applicable to the type of supplier
- Labor Agents and Contractors shall comply with legal requirements in both home and sending country/region (if foreign and internal migrant labor used).

##### 3) Enforcement notification (Facility level)

- Contract enforcement notification are issued to the next tier supplier if Auditee becomes aware of a contract violation including a violating of the LGD code provisions.

##### 4) Supplier Identification process (Facility level)

- identification of the next tier major suppliers, definition of what is Major
  - Next tier major suppliers is determined by the criteria defined by the workplace (annual spending, critical component to core business, more than once purchase, within ICT industry supply chain, etc.).
- Labor agents/contractors and on-site service providers are always included.

##### 5) Communication process (Facility level)

- Adequate and effective communication process with its the next tier major suppliers on the RBA code requirements and possible additional contract requirements is in place.
- Communication materials to suppliers including labor agents/contractors and on-site service providers are available.

## E12.2 Adequate and effective process to ensure that the next tier major suppliers implement the LG Display ESG Supplychain Code of Conduct should be established.

### SAQ (Self Assessment Questionnaire)

It refers to a questionnaire that can be used to assess the expected risk for each RBA area on the RBA on-line platform. It consists of simple basic information and yes no question so that it is difficult to use it as risk assessment.

### CMA (Customer Managed Assessment)

RBA Audit conducted by a client company.

### VAP (Validated Audit Process)

It is a RBA certified audit conducted through a third party designated certification body. It is available for common use to member companies and valid for 2 years.

### AMA (Auditee Managed Assessment)

It is an audit supervised by the target business. It is allowed for the RBA members only.

## 1. Record Review

### 1) Corporate level

- Documented corporate policy
- Documented corporate process
- Assigned responsibility
- Proof of implementation

### 2) Process (Facility level)

- LGD code implementation process for suppliers is available..
- When the self-risk assessment is used as a self-assessment (RBA/LGD SAQ), information related to the risk assessment should be verified, or an audit should be conducted to verify the risk assessment information.
- An Audit (CMA or VAP), an AMA (if done by third party qualified Audit firm is acceptable) should be conducted.
- It applies to all labor agents/contractors and on-site service providers with assigned workers to the site.
- If during the visit or audit a major Health & Safety or Environmental non-conform or risk is observed, then it will be noted in the conclusion and will require a Corrective Action plan.
- If there is any allegation or indication of non-conformance with an excluded Major Supplier, then an audit must be performed.
- An obligation to go through the CAP(Corrective Action Plan) process with the Supplier If non-conformances are detected.
- A commitment to not immediately de-source at a priority non-conformance discovery state but only at the non-implementation of the CAP process.
- Workplace shall strengthen implementation of LGD ESG supply chain to close all priority findings.

### 3) Records (Facility level)

- A corrective action plan for non-conformance areas identified
- A verification mechanism that corrective actions are implemented

## References

- Responsible Business Alliance (Code of Conduct V7.0, VAP Operation Manual V7.1)  
(<http://www.responsiblebusiness.org>)
- ILO International Labor Standard, ILO Code of Practice in Safety and Health  
(<http://www.ilo.org/global/lang--en/index.htm>)
- ISO 14001  
([www.iso.org](http://www.iso.org))
- ISO 45001  
([www.iso.org](http://www.iso.org))
- OECD Due Diligence Guidance  
([www.oecd.org](http://www.oecd.org))
- Legislative Office  
([www.law.go.kr](http://www.law.go.kr))
- OECD Guidelines for Multinational Enterprises  
([www.oecd.org](http://www.oecd.org))
- NY Supplier Responsibility Code and Standard V4.9  
(<https://www.apple.com/supplier-responsibility/>)  
(<https://www.apple.com/kr/supplier-responsibility/>)
- Microsoft Supplier SEA Manual H02050\_version L
- UN Global Compact's 10 Principles

## Revision Control Table

Version	0.0	January 1, 2018	Initial enactment
	0.1	October 31, 2018	Partial revision
	1.0	November 30, 2020	Partial revision
	2.0	July 7, 2021	Partial revision
	3.0	June 29, 2022	Partial revision
	4.0	December 11, 2023	Partial revision



When using these guidelines, please check whether it is a revised version that reflects the latest changes.

In addition, if you have questions or feedback about any errors, omissions or unclear things when using these guidelines, please check with the contact below.

Contact: LG Display ESG Supply Chain Assessment Team ([sincerity@lgdisplay.com](mailto:sincerity@lgdisplay.com))

