

# **LX Semicon**

## **Suppliers Code of Conduct**

# LX Semicon Supplier Code of Conduct

The LX Semicon Supplier Code of Conduct (hereafter referred to as the “Code”) sets forth standards for creating a safe work environment for all our domestic and international suppliers involved in the production and delivery of our products and services. The Code aims to ensure that all employees (hereafter referred to as “workers”) are treated with respect, while also promoting environmentally friendly and ethical business practices. The Code outlines our policies on labor and human rights, safety and health, the environment, corporate ethics, management systems, and conflict minerals.

## 1. Labor & Human Rights

### 1.1 Voluntary Work (prohibition of forced labor)

Suppliers do not subject workers to forced labor against their will, such as slavery or involuntary prison labor. When hiring a worker, suppliers provide them with a work contract written in a clear and understandable manner. Workers must retain possession of their official government-issued documents, such as passports or work permits. If these documents are held by the employer, suppliers ensure that workers have access to them whenever they wish. Suppliers do not restrict the movement of workers and guarantee their freedom to transfer to other jobs or retire. Suppliers are not permitted to charge workers recruitment fees or commissions.

### 1.2 Prohibition of Hiring Child and Management of Juvenile Workers

When hiring a worker, suppliers verify their age and not employ anyone under the age of 16 or the minimum working age (hereafter referred to as “child”) as defined by local law. Workers under the age of 18 must not be engaged in hazardous work in terms of safety and health, or required to work overtime or night shifts. Suppliers separate apprentices from regular workers for support and management in accordance with apprenticeship programs, and regularly monitor compliance with relevant laws.

### 1.3 Prohibition of Excessive Overtime

We ensure that our employees do not work more than 52 hours per week or exceed local legal standards. They are also entitled to one day off for every seven days worked. All overtime work must be voluntary, and these principles apply to all in-house suppliers at our business sites, who are required to comply with them.

### 1.4 Wages and Welfare

In accordance with local laws, our suppliers must pay their workers for overtime work at a rate that exceeds the minimum wage and any applicable premium rates. They must also provide essential welfare benefits. Suppliers must provide their workers with a clear and easy-to-understand employment contract, both before and during the contract period, and must provide written information about wages in a timely manner. Wage deductions as a form of disciplinary action are not permitted. When hiring temporary, dispatched, or outsourced workers, our suppliers must comply with the relevant laws of the countries in which they operate.

### 1.5 Humane Treatment

Our suppliers are committed to eliminating any harsh or inhumane treatment at their business sites, including sexual harassment, sexual abuse, physical punishment, physical or mental coercion, and abusive language. To ensure the fair treatment of all their employees, our suppliers establish disciplinary policies and procedures to address inhumane conduct, and communicate these to all their workers.

### **1.6 Prohibition of Discrimination / Harassment**

Our suppliers do not discriminate against their workers in any aspect of personnel management, including recruitment, wages, incentives, promotion, and training. This applies to discrimination on the basis of gender, race, skin color, age, sexual orientation, sexual preference and expression, ethnicity, nationality, disability, pregnancy, marital status, religion, political views, social status, veteran status, genetic information, or medical conditions. Our suppliers are also prohibited from causing physical or mental harm to their workers or from requiring them to undergo medical examinations (such as pregnancy tests) that could be used as a basis for discrimination.

### **1.7 Freedom of Association**

In accordance with local laws, our suppliers respect the rights of their workers to form and join labor unions, to engage in peaceful assembly and demonstration, and to participate in collective bargaining. Our suppliers also respect the rights of their workers to choose not to engage in these activities.

## **2. Occupational Safety and Health**

### **2.1 Occupational Safety**

Suppliers identify workers' exposure to safety and health hazards (such as chemical substances, electricity and other energy sources, fire, vehicle and fall hazards, etc.) in advance and conduct regular risk assessments to prevent or reduce risks. Based on the assessment results, suppliers eliminate or minimize risk factors by implementing measures such as process or hazardous material substitution, safe process design, technical/administrative control, preventive maintenance, and safe work procedures (lockout/tagout devices), and provide ongoing occupational health and safety training. In case risk factors cannot be sufficiently controlled, continuous training is provided, appropriate personal protective equipment is supplied to workers, and management and supervision is conducted to ensure that the relevant workers wear them. Suppliers exempt pregnant or nursing workers from high-risk tasks, and take measures to eliminate or mitigate work-related safety and health hazards.

### **2.2 Emergency Preparedness**

Suppliers minimize damage by identifying and evaluating potential emergencies and situations and implementing emergency plans and response procedures. These emergency measures and response procedures include emergency reporting, emergency propagation and evacuation procedures, and worker education and training. Emergency response plans include fire detection and suppression equipment, unobstructed evacuation routes and exits, emergency communication networks and recovery plans. Emergency exits are open at all times in the direction of evacuation, and evacuation drills are conducted at least once a year involving all workers or according to stricter standards among those required by law. Emergency assembly points are prepared both indoors and outdoors, and the location is marked so that anyone can know. After evacuation drills, rapid and effective evacuation capabilities are maintained through evaluation (measurement of evacuation time and identification of improvements). Evacuation drills are conducted in various situations (day/night) in all facilities used by workers (including restaurants and dormitories).

### **2.3 Occupational Accidents and Diseases**

Suppliers implement the following procedures to prevent occupational accidents and diseases and prevent their recurrence. Suppliers support; 1) Reporting of incidents/accidents 2) Classification and recording of injury and disease cases 3) Provision of necessary treatment 4) Establishment of corrective and preventive measures after root cause analysis (including worker training) 5) Return to work after treatment.

## **2.4 Occupational Health**

Suppliers identify, evaluate, and control employee exposure to chemical, biological, and physical factors in accordance with the management system. Potential hazards are eliminated or controlled through appropriate design, engineering and administrative controls. Where hazards cannot be sufficiently controlled by these means, workers are provided with and use appropriate and well-maintained personal protective equipment. Protection programs include hazard educational materials related to these hazards.

## **2.5 Management of Physically Demanding Tasks**

Suppliers identify, evaluate, and control tasks that place excessive physical strain on workers, such as repetitive work and handling of heavy objects.

## **2.6 Machinery Safety Maintenance**

In accordance with local laws, suppliers conduct regular safety inspections on all hazardous and dangerous facilities and keep records of them. For the safety of workers, suppliers install physical protection devices/walls and safety devices (stopping facility operation when opened, interlock) and perform preventive maintenance for the devices.

## **2.7 Food, Sanitation and Housing**

Suppliers provide workers with clean toilets, drinking water, sanitary food preparation/storage space, and dining areas. Suppliers maintain employee dormitories clean and safe, providing with adequate emergency exits, hot water, heating and ventilation, individual secure lockers for belongings and valuables, and private spaces.

## **2.8 Health and Safety Communication**

Suppliers provide safety and health training to all workers in a language that workers can understand, and display safety and health information that workers need to know in a visible place or keep it in an easily accessible place. Safety and health training is conducted regularly, including before starting work. Suppliers provide reporting and communication channels so that workers can freely raise/share safety and health issues.

# **3. Environment**

## **3.1 Environmental Licensing and Reporting**

Suppliers obtain and maintain all required environmental permits and registrations, and update them regularly. Suppliers also comply with operational and reporting requirements for the permitting process.

## **3.2 Pollution Prevention and Resource Use Reduction**

Suppliers endeavor to minimize or eliminate resource use and waste emissions through production, maintenance, and process changes, use of alternative raw materials, resource conservation, and recycling and reuse of raw materials.

## **3.3 Hazardous Chemicals**

Suppliers recognize and disclose the chemicals and other substances that have the potential to contaminate the environment when hazardous chemicals are released, and ensure the safe handling, transportation, storage, utilization, recycling/reuse, and disposal of such materials.

## **3.4 Solid Waste**

Suppliers systematically identify, manage, minimize, and dispose of solid waste in accordance with applicable laws and regulations.

### **3.5 Air Emissions**

Suppliers identify the properties of volatile organic compounds, aerosols, corrosive gases, dust, ozone layer depleting substances, and combustion by-products produced in the process, monitor them on a daily basis, and comply with the relevant regulations for their management/treatment before releasing them. In addition, suppliers regularly verify the treatment efficiency of air pollution prevention facilities.

### **3.6 Restrictions on Ingredients in Products**

Suppliers adhere to the laws and customer requirements regarding the prohibition/restriction of substances in products and manufacturing processes, as well as the labeling of recycling/disposal.

### **3.7 Water Resource Management**

Suppliers identify and manage the properties of water when they collect, use, and discharge water. Suppliers treat and discharge all wastewater in compliance with the applicable laws and regulations, and they continuously monitor the treatment results to ensure that the discharge meets the standard.

## **4. Ethics**

### **4.1 Compliance with Jeong-Do Management and Prohibition of Unfair Profits**

In alignment with LX Semicon's Jeong-Do Management policy, suppliers prohibit gifts, bribery, embezzlement, and any corrupt practices that promise/offer or permit/receive specific values, investigate breaches, and enforce disciplinary measures. Suppliers abide by all relevant anti-corruption laws and regulations.

### **4.2 Information Disclosure**

Suppliers accurately record and truthfully disclose information on labor, health and safety, environmental management, business activities, governance, financial status and performance in compliance with the applicable laws and industry practices. In addition, suppliers strictly adhere to the relevant laws and regulations when they store and dispose of all information.

### **4.3 Protection of Intellectual Property Rights**

Suppliers respect and safeguard all intellectual property rights when technology/know-how is transferred. In addition, suppliers securely protect the information of LX Semicon as well as LX Semicon's customers/partner companies.

### **4.4 Fair Trade, Advertising and Competition**

Suppliers comply with regulations on advertising and competition as well as fair trade standards

### **4.5 Identity Protection and Non-Retaliation**

Suppliers implement a program to protect whistleblowers. Suppliers communicate the relevant procedures to workers so that they can report issues without fear of retaliation.

### **4.6 Protection of Personal Information**

Suppliers systematically safeguard all personal information related to corporate management. When they collect, store, process, transmit and share personal information, suppliers abide by the relevant laws and regulations such as the Personal Information Protection Act.

## **5. Management System**

### **5.1 Management's Declaration of Commitment to Compliance and Responsibilities**

Suppliers adhere to the corporate social/environmental responsibility-related norms and publish a policy statement expressing their commitment to continuous improvement after obtaining approval from the CEO.

### **5.2 Management's Duties and Responsibilities**

Suppliers designate the company's senior management and representatives responsible for implementing the management system or related programs. The management of suppliers regularly review the status. In addition, suppliers appoint a representative with responsibility and authority related to corporate social responsibility and sustainable management.

### **5.3 Legal and Customer Requirements**

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

### **5.4 Risk Assessment and Management**

Suppliers establish a system to identify environmental, safety and health, labor practices and ethical risks. In addition, suppliers prioritize each risk and monitor compliance on a regular basis.

### **5.5 Improvement Goals**

In order to improve social and environmental performance, suppliers document performance goals, targets, and action plans, and regularly evaluate performance against goals.

### **5.6 Training**

Suppliers operate training programs for managers and workers to comply with the relevant laws and regulations while implementing policies, procedures, and improvement targets.

### **5.7 Communication**

Suppliers clearly communicate information about policies, practices, expectations and performance to workers, suppliers and customers.

### **5.8 Employee Participation**

Suppliers establish an employee opinion collection and participation process, including an effective grievance handling system, to evaluate the level of understanding of employees related to this Code, collect opinions, and continuously improve.

### **5.9 Documentation and Records**

Suppliers manage the relevant documents and records in accordance with the applicable laws and internal document management regulations.

### **5.10 Supplier Responsibility**

Suppliers communicate the requirements of this Code to sub-suppliers and check compliance. In addition, suppliers allow third-party evaluations of suppliers upon customer request.

## **6. Conflict Minerals**

Suppliers establish relevant policies to ensure that they do not use raw materials that are illegal, have a negative impact on the environment, or are procured through unethical methods. Suppliers include conflict minerals provisions in the relevant policy. In addition, suppliers establish a system that can guarantee that the minerals (tantalum, tin, tungsten, gold: hereinafter 3TG) used in raw materials, parts and products supplied to LX Semicon does not directly or indirectly provide funds or benefits to armed forces that violate serious human rights in the Democratic Republic of Congo or neighboring countries. Suppliers conduct due diligence on the origin and supply chain of 3TG minerals in raw materials, parts and products supplied to LX Semicon. Upon the request of LX Semicon and its customers, suppliers provide due diligence data, including information on the origin of 3TG minerals, smelters and refiners.