



LG ELECTRONICS AUSTRALIA

MODERN SLAVERY STATEMENT

2021



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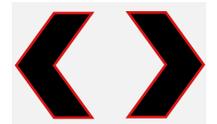
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1. A MESSAGE FROM THE BOARD

"Although, the year continued with disruptions to global supply chains on account of the COVID-19 pandemic, it also served as a constant reminder that our biggest asset is our people and supply partners"

This is LG Electronics Australia's second Modern Slavery Statement, which provides a further insight into our progress in identifying and managing specific risks that may exist, or could exist in our supply chain.

As a respectful corporate citizen, we take very seriously our responsibilities in defending human rights issues within the supply chain including child and forced labour. As a multinational corporation, LG Electronics Australia recognises the risk of being linked to human rights impacts via our suppliers, customers and procurement initiatives.

For this reason, we continue to undertake analysis of our suppliers and contribute globally to the improvement of conditions in those regions most affected by Modern Slavery and Child Labour. We also continue to increase the awareness of our internal and external stakeholders to help identify and address modern slavery risks in the course of everyday business.

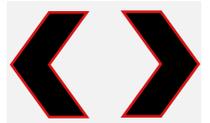
FY21 was an extraordinary year for LG Electronics Australia. Although, the year continued with disruptions to global supply chains on account of the COVID-19 pandemic, it also served as a constant reminder that our biggest asset is our people and supply partners.

This Statement explains our progress on meeting the requirements of the Modern Slavery Act 2018 (Cth), by:

1. Describing the nature of our supply chain and operations;
2. Identifying modern slavery risks;
3. Outlining the actions taken to manage and mitigate the identified modern slavery risks; and
4. Evaluating the effectiveness of the above named actions.

We will continue to work towards improving our strategies, processes and procedures in tackling modern slavery risks in our operations and supply chain.

We strive to critically evaluate our modern slavery risk management practices and are committed to continuously improve our business practices to provide better value to our stakeholders, including customers, the environment, business partners, local communities, and employees.



2. STATEMENT OVERVIEW

This is the second Modern Slavery Statement (“Statement”) of LG Electronics Australia Pty Ltd (LGEAP) and is provided pursuant to section 13 of the Modern Slavery Act 2018 (Cth) (“the Act”).

The Statement sets out the steps we have taken to identify, address and mitigate the risks of modern slavery in our operations and supply chain for the 2021 financial year 1 January 2021 – 31 December 2021 (the “2021 Reporting Period”).

LGEAP’s assessment of modern slavery risks in its operations and supply chain risk falls within the LG Electronics Corporate Social Responsibility (“CSR”) risk management framework overseen by LG Electronics Inc (“LG Electronics HQ”).

The term “LG Electronics” as used in this Statement refers collectively to LG Electronics HQ and LG Electronics Australia Pty Ltd.

Teams within LGEAP and LG Electronics HQ work together to identify, mitigate, and prevent risks, including human trafficking risks, across its upstream / downstream supply chain and operations.

The Statement reflects on LG Electronics’ achievements and developments in the areas of supply chain risk management and initiatives geared towards building internal and external capacity infrastructure to better understand how mitigation measures can be integrated into our existing supply chain operations.



Our Key Highlights in 2021

Reduced the number of high risk suppliers from 2020

Commitment to reduce high-risk suppliers from 1.5% to 0.5% by 2030



Removed high risk, non-conformant smelters from our supply chain

Achieved an 88% Stability Rating across all Production Sites



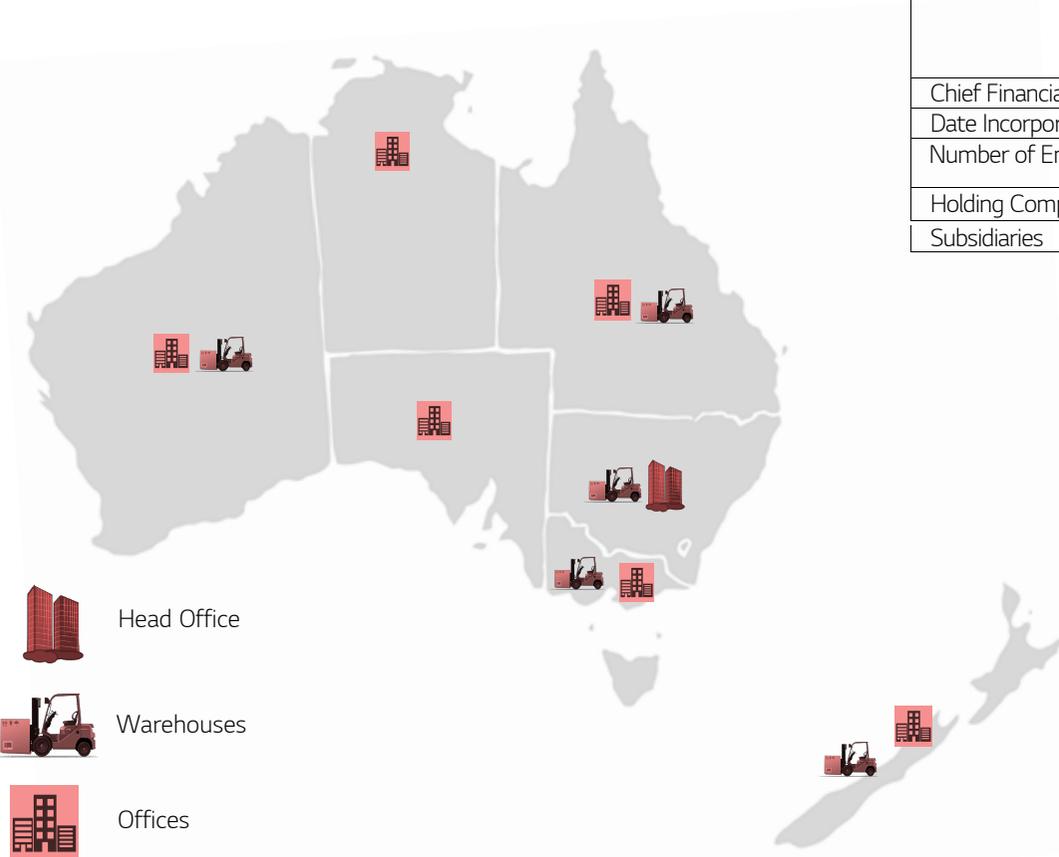
Established an ESG Committee to expand ESG culture

Participated in several initiatives designed to promote mutual growth in local communities





3. OUR STRUCTURE, OPERATIONS & SUPPLY CHAIN



Head Office



Warehouses



Offices

Profile

LG Electronics Australia Pty Ltd

Name	LG Electronics Australia Pty Ltd
Location of Reporting Entity	2 Wonderland Drive, Eastern Creek NSW 2766
Legal Classification	Australian Proprietary Company
Industry	Manufacturing/Retail
Major Products	Refrigerators, washing machines, dishwashers, microwaves, vacuum cleaners, residential/commercial air conditioners, televisions, audio visual products, IT monitors, commercial displays and solar panels*.
Chief Financial Officer	Seung Joo Lee
Date Incorporated	2 May 1994
Number of Employees (as at 31 December 2021)	363
Holding Company	LG Electronics Inc
Subsidiaries	Nil

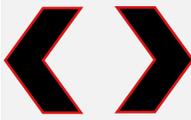
Structure & Operations

LGEAP is an Australian proprietary company established in May 1994 and is a wholly owned subsidiary of LG Electronics Inc, based in the Republic of Korea.

LGEAP acts as the importer and supplier of a range of LG branded products within the categories of home entertainment, home appliances, IT and commercial display and air conditioning systems. LGEAP acts as a major distributor to consumers and businesses Australia-wide.

LG Electronics' supply chain is highly complex, comprised of thousands of suppliers worldwide. We define our supply chain very broadly, from the sourcing of raw materials, to the design, engineering, manufacturing, and recycling of our products, to logistics, sales, and support functions, including customer service and technical support services.

* In 2022, LG discontinued its solar panel business.

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Our Supply Chain

LG Electronics' supply chain is large and complex, with thousands of suppliers and companies around the world contributing to our products.

We define our supply chain very broadly, from the sourcing of raw materials, to the design, engineering, manufacturing, and recycling of our products, to logistics, sales, and support functions, including customer service and technical support services.

LG Electronics has defined its **upstream** supply chain to include the extraction of minerals to the assembling and manufacturing of its products and parts to the transportation of those items to Australia. LG Electronics' **downstream** supply chain includes the logistics of delivering the items to warehouses, distribution to retailers, provision of customer support and technical services.

Upon arrival in Australian ports, LGEAP products and spare parts are transported to five (5) warehouses located in Sydney, Melbourne, Brisbane, Perth and New Zealand which are operated by a third party warehouse service provider.

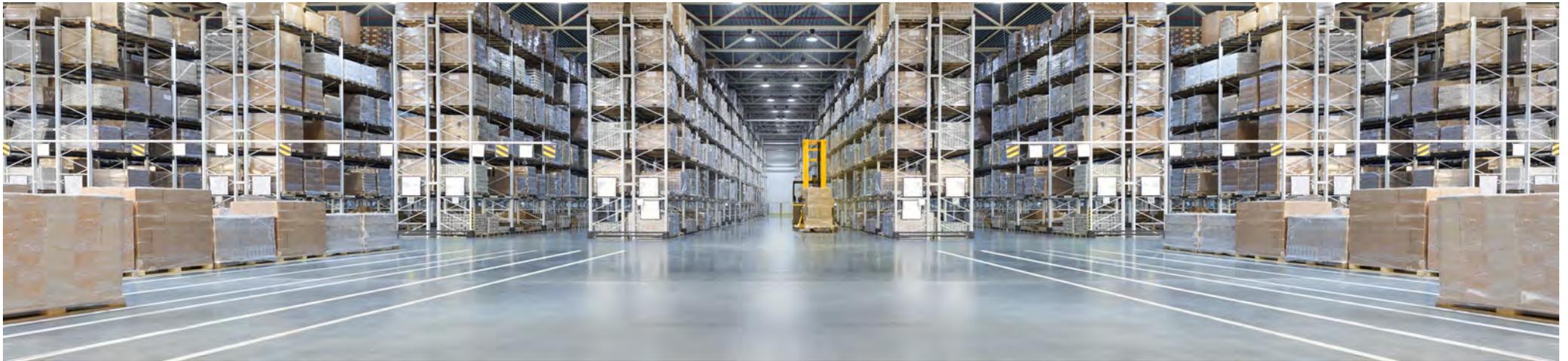


From the warehouses, LGEAP engages the services of third party logistics providers to transport LGEAP products and spare parts to retailers, distributors and consumers.



LGEAP provides consumers with customer service and technical support via LGEAP's customer service centre and a service network which encompasses over 509 Authorised Service Centres.





Downstream suppliers are generally selected through a formal procurement process.

The majority of our downstream suppliers are registered in Australia, New Zealand and the Republic of Korea.



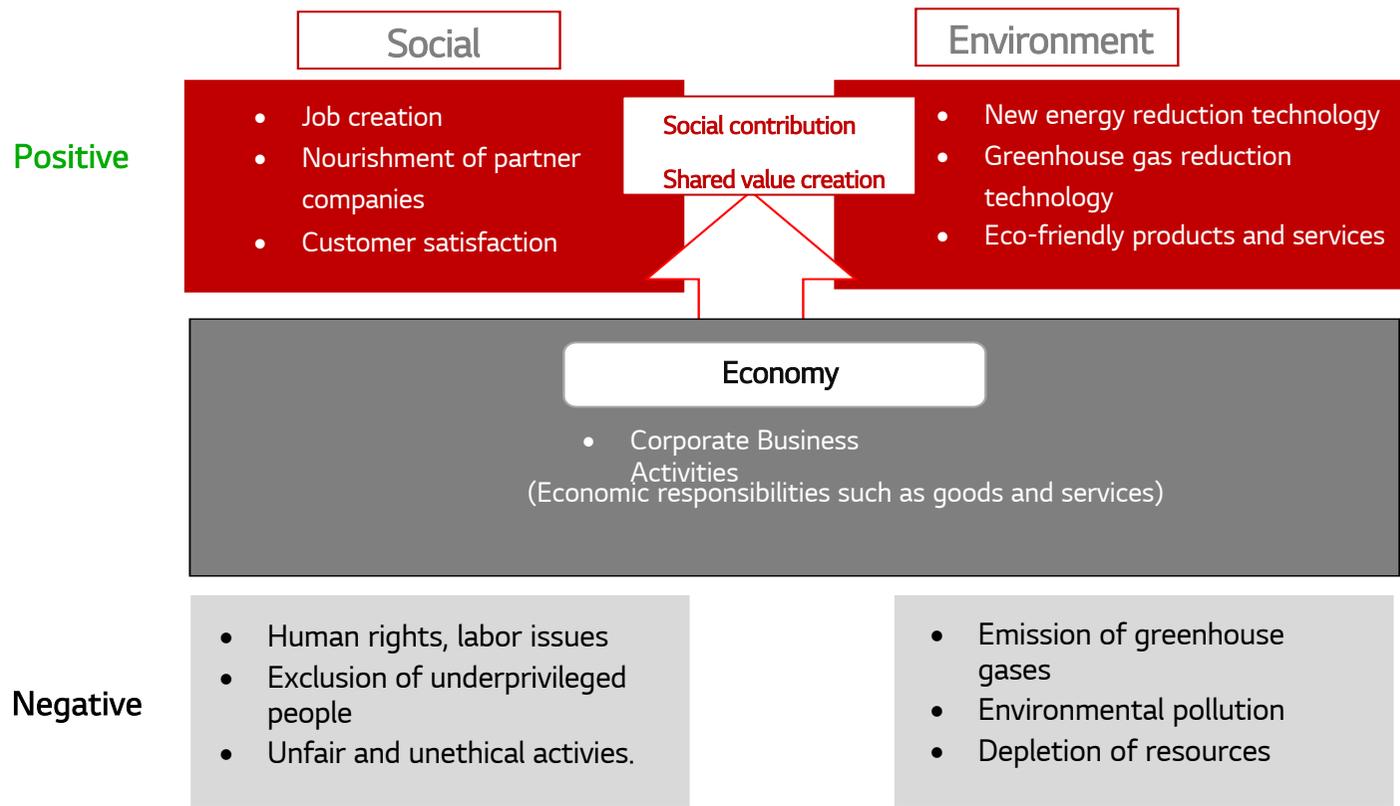
LGEAP engaged approximately 166 suppliers during the 2021 Reporting Period across the following sectors:

- Labour Hire and Recruitment
- Media
- Medical Services & Supplies
- Commercial Fitout Construction
- Transportation
- Telecommunications
- Security
- Postal service
- Call tracking technology
- Hardware
- Property
- Software
- Office furniture
- Waste management and cleaning
- Financial Services
- IT suppliers (equipment and services)
- Public Relations
- Catering
- Digital and Creative Services
- Display racks and fixtures
- Legal services
- Events
- Facility rental
- Education and Training
- Sponsorship
- Promotion Redemption
- Marketing
- Commercial Print
- Travel and accommodation
- Service Centre Outsourcing
- Vehicle leases

4. IDENTIFYING RISKS OF MODERN SLAVERY PRACTISES

Having a global manufacturing, distribution and supply chain operations, LG Electronics acknowledges it is exposed to various modern slavery risks, including human rights and labor related issues. LG Electronics is deeply invested in promoting corporate business activities which have direct positive impacts on society and the environment. To ensure this, LG Electronics continues to vigorously monitor the risk environment in which it operates through various internal and external audits and via a risk analysis of our suppliers and partners.

LG aims to minimise negative effects on society and the environment and positively impact the world in the process of promoting its corporate business management.



Modern Slavery Risks in Our Supply Chain



For the 2021 Reporting Period, LG Electronics did not identify evidence of modern slavery practices in its supply chain. However we are alert to the following specific risks that may be present in our wider supply chain:

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- Human Rights issues including underpayment of workers, indentured workers and/or exploitation of migrants especially in higher risk countries in the Global Slavery Index;
- Slavery, child labour and human trafficking in high risk geographies wherein LG Electronics may conduct commercial activities such as the procurement of key raw minerals and materials;
- Poor working conditions and the exclusion of underprivileged people given the vast and complex characteristics of LG Electronics' global supply chain.
- Higher risk of modern slavery in the cleaning sector as outlined in the Australian Government Guidance. LG Electronics acknowledges that the cleaning services it acquires in relation to our offices are recognised as potential high risk services; and
- Geographic risks associated with products and/or services sourced from Asian countries identified by the Global Slavery Index as having the highest risk of modern slavery, presents a a greater degree of being implicated in modern slavery.

Our approach to high risk products - Conflict Minerals

LG Electronics recognises that the mining of minerals in conflict areas may violate labour / human rights during the mining process.

As such, we continue to monitor the origin of the four major conflict minerals (tantalum, tungsten, tin, and gold) used in our products and components. In addition, LG Electronics:

- Requires RMAP ("Responsible Mineral Assurance Process") certification for refiners in our supply chain;
- Is a member of the Responsible Mineral Initiative ("RMI") which is a global industry standard for conflict minerals and also the PPA ("Public-Private Alliance for Responsible Minerals Trade"); and
- Uses the HSMS ("Hazardous Substances Management System") and the CMMS ("Conflict Minerals Management System") to collect information about conflict minerals in its materials.

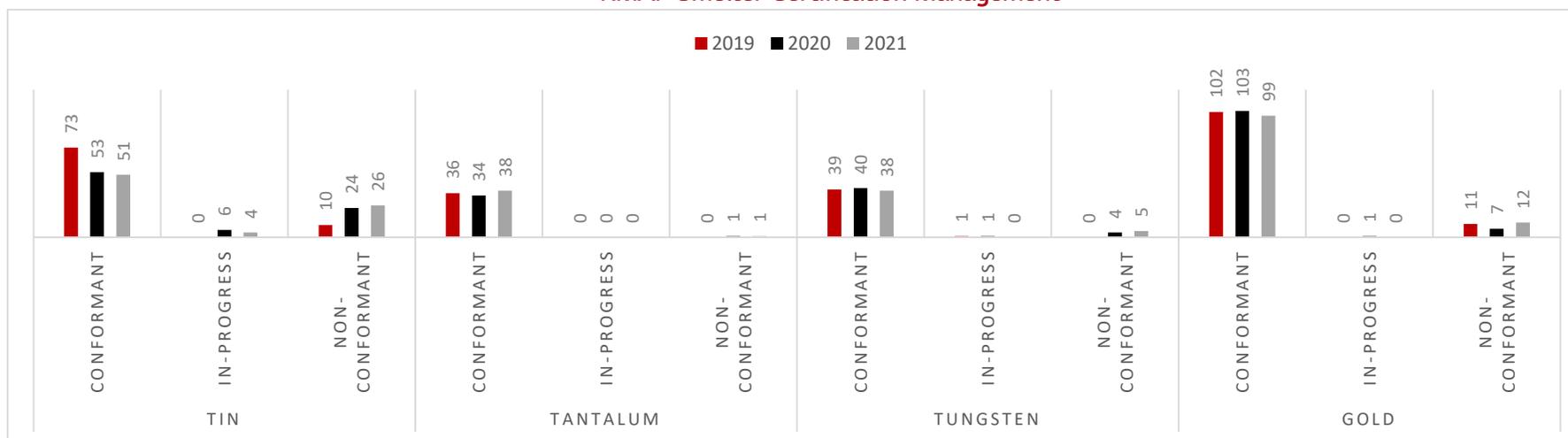
2021 - Risk Assessment of Conflict Minerals

LG Electronics assesses the level of risks in the procurement of conflict minerals and cobalt based on the data about their raw material, origin, and smelter or refiner RMAP validation status and constantly evaluates its responses according to the level.

Since May 2020, LG Electronics has conducted monthly monitoring on information concerning conflict minerals and cobalt submitted by our suppliers. Through such monitoring, LG Electronics is inspecting components and suppliers using prohibited smelters, faulty smelters, and non-conformant smelters.

LG Electronics has committed to work with only RMAP-conformant smelters, setting a goal of 100% smelter conformity across the four major conflict materials. In March 2022, LG Electronics excluded non-conformant smelters from its supply chain.

RMAP Smelter Certification Management



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Our response to COVID-19



Like many businesses around the world, LG Electronics has experienced negative effects from the coronavirus.

However, our business fundamentals remain sound, and we believe the overall impact from COVID-19 will be limited.

By addressing global supply issues with our diversified production bases, expanding health-related product lineups and closely cooperating with distributors and customers, LG Electronics will turn this crisis into an opportunity to mitigate its impact on our business operations, and lay the foundation for further growth.

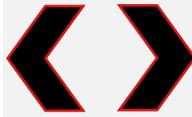


Supporting the Supply Chain (Suppliers)

- In 2021, we increased the value of interest-free loans offered to our upstream suppliers to USD 46.6 million, the previous amount having been USD 33.9 million. In addition we provided the loans four months earlier than the previous year.
- We operated a win-win cooperation fund worth USD 169.4 million for low-interest loans in partnership with the Industrial Bank of Korea and Korea Development Bank.
- We provided emergency support by delivering masks, hand sanitizer and Rapid Antigen Test Kits to both domestic and overseas suppliers.

Lessons learned from COVID-19: Let us return to "Life's Good"



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5. ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

In assessing modern slavery risks and practices, LG Electronics uses several benchmarks for standards beginning with the Act.

In accordance with the UN Guiding Principles 15 and 17, LG Electronics conducts due diligence in its upstream / downstream supply chains and operations as described in this Statement.



Responsible Business Alliance (RBA) Code

In addition to compliance with legislation, LG Electronics is a member of the Responsible Business Alliance (“RBA”) - a non profit organisation consisting of companies that make concerted efforts to create sustainable value for labour, environment and business .

Commitment to establish a Safety Culture at the highest level (independent stage) by 2030

In 2021, LG Electronics established a goal of implementing a culture of safety wherein employees focus on their own safety as well as that of their colleagues. We have implemented various activities and systems aimed at achieving a safety culture capable of operating independently and at the highest level throughout the manufacturing process by 2030. In addition, we evaluate our safety culture index through interviews with the executive and employees as well as company-wide surveys, where we develop and manage items for improvement based on the results.



Commitment to reduce high-risk suppliers from 1.5% to 0.5% by 2030

In order to enhance the sustainability of the entire supply chain, LG Electronics identifies risk factors in advance and continuously strives to manage these factors and mitigate risk.

With the goal of assessing CSR risks of all 1st tier suppliers and reducing the proportion of high-risk suppliers, we established a supplier CSR assessment process and continuously operate this for systematic CSR risk management.

In addition, self-assessments are carried out by our major suppliers with an assessment sheet covering labor, human rights, safety, health, environment, and ethics. For our high-risk suppliers, we offer improvement measure through on-site assessments and consultations. Furthermore, CSR management training is provided for suppliers and overseas subsidiaries in order to strengthen their operational risk management capabilities so that suppliers can diagnose and manage CSR risk autonomously.

Supply Chain Risk Management Framework



LG Electronics recognises the essential need for a robust risk management framework that can identify risk factors in advance and also guide our stakeholders (both internal and external) in achieving ethical business practices.

Supplier Code of Conduct

Based on the RBA Code of Conduct, LG Electronics has created a Supplier Code of Conduct, which requires compliance from all of our suppliers. In order to encourage the voluntary compliance of our suppliers with our Code of Conduct, we ensure it is reflect in our purchase contracts and provide suppliers with a guide. Amongst several other directives, the Supplier Code of Conduct requires from a Supplier, a commitment that it will:

1. Respect human rights of workers;
2. Ensure a safe working environment;
3. Provide an environment-friendly workplace; and
4. Not procure materials through illegal and/or unethical means

CSR Risk Management Process for Suppliers

In order to support the systematic management of CSR risk, LG Electronics has established a CSR inspection process for upstream suppliers, and set the goal to check the risks of its 1st-tier suppliers while reducing the ratio of suppliers with a high level of risk.



Supply Chain Risk Management Framework (Continued)

Supplier Self-Assessment

LG Electronics conducts supplier self-assessments once a year. An in-depth evaluation sheet that we developed by applying the RBA guide is used during the assessments. We conduct assessments based on the CSR self-assessment system to enhance the fidelity of improvement activities aimed at addressing nonconformities. Potential issues with suppliers such as issues related to labor, human rights, safety, health, environment, and ethics are identified accordingly. Also, improvement tasks that are derived for non-conformities are registered in the CSR management system.

Starting in 2021, we took steps to pursue on-site assessments of suppliers, provide consultation on improvement tasks and provide training for the employees of our suppliers in partnership with an RBA-certified institution so that we can enhance the objectivity of the assessments. We will continue to reduce the proportion of high-risk suppliers by improving and applying the risk-assessment process for our suppliers. In the future, we have plans to support suppliers so that they can autonomously carry out assessments.

Safety & Health Policy and Environmental Policy (SHEE)

In 2021, LG Electronics introduced the SHEE, applicable to all global sites of LG Electronics, all employees and stakeholders in our value chain. Both policies recognise that employee safety and health, and further the environment as key pillars in our business operations.

Both policies encourage internal and external stakeholders to do its utmost to preserve the environment, pursue sustainable social development by minimising resource consumption, developing eco-friendly production processes & products and optimizing energy efficiency.

Global Labour Policy

LG Electronics respects the standards established by the UN, ILO, OECD, and other international labor organisations. It established its Global Labor Policy in August 2010, which includes regulations that prohibit forced labor, employing minors under the age of 15, and assignment of dangerous tasks to youths under the age of 18.

The Labor Policy further prohibits discrimination based on gender and race, promotes compliance with the maximum working hours set forth by the law, payment for overtime, and contributes towards local economic development. In addition, the policy also guarantees employees the freedom to unionise. **In July 2021, the policy was revised, which now stipulates a zero tolerance on child labor.**



CSR Risk Analysis and Due Diligence in the Supply Chain

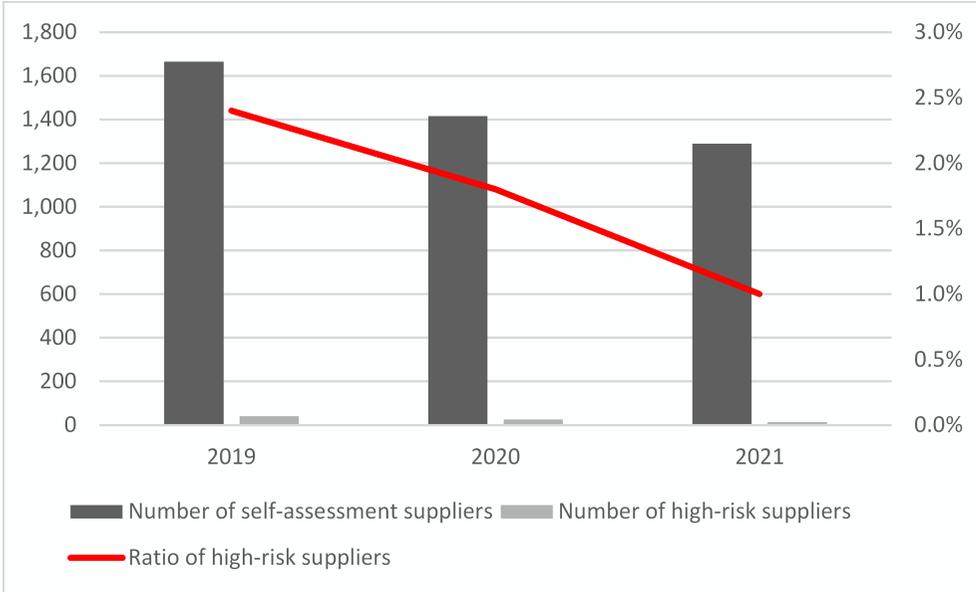
Region	High Risk	Medium Risk	Low Risk	Total
Supplier CSR Self-Assessment Details (by				
Korea	2	143	304	449
China	1	83	284	368
Asia	2	121	196	319
Amerias	2	22	26	50
Europe/CIS	5	33	48	86
Middle East&Africa	1	8	8	17
Total	13	410	866	1,289

Using an in-depth self-assessment questionnaire, LG Electronics reviews labour, human rights, safety, health, and environmental practice in its supply chain while identified risks are classified into the categories of Low, Moderate, and High Risk.

In 2021, CSR risk assessments were conducted for 1,289 suppliers globally, and on-site due diligence and consultation was provided to suppliers with high levels of risk and major suppliers to further understand and prevent the risks.

As evidenced by the 2021 assessment results, the ratio of high-risk suppliers within LG Electronics' supply chain follows a positive downward trend.

Ratio of high-risk suppliers 2019-2021



CSR Risk Management at Production Sites

During 2021, LG Electronics conducted an in depth online self assessment of all 33 production sites.

The results recorded a Stability Rating of 88% across LG Electronics' Production Sites - a promising indication that the modern slavery risk in our direct operations is low.

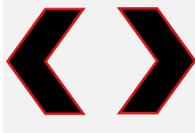
Utilising its CSR Risk Management Process, LG Electronics administered the 'i-SAQ' in-depth Self-Assessment Questionnaire based on the RBA onsite audit manual. The i-SAQ was designed to identify risks relating to labour, human rights, environment and ethics.

The i-SAQ was supervised by LG Electronics personnel on site to ensure completion and the survey composition was:

- 37 questions on labour;
- 28 questions on safety and health;
- 16 questions on the environment; and
- 11 questions on ethics and suppliers.

The 2021 Self-Assessment Results confirmed majority of production sites were 'stable' in the areas of labor/human rights, health and safety and the Environment. Lower results emerged from production sites in the America and Middle East/Africa region(s). Such results are consistent with the 2018 Global Slavery Index findings that both these regions may have gaps in protections for vulnerable subgroups.

Type of Risk	Low Risk	Medium Risk	High Risk
i-SAQ (in-depth Self Assessment Questionnaire) for LG Facility			
Labor&Human right	27	5	1
Health & Safety	30	3	0
Enviornment	31	2	0
Ethics/Supplier	24	7	2
Total	29	4	0

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To support the extensive assessment of its supply chain operations, LG Electronics selects fifty companies to provide consulting costs to ensure that ESG (Environmental, Social and Governance) is inspected by a reliable certification company to strengthen competitiveness and foster sustainable co-prosperity of both LG Electronics and its suppliers.

Third -party Audits of Business Sites

During the 2021 Reporting Period, LG Electronics undertook external audits including 4 VAP audits for 4 manufacturing sites and found the majority of findings were 'working hour', 'voluntary work', and 'hazardous substances' as shown in the below table. After assessment, the facilities are required to develop and implement improvement plans as corrective and/or preventive action.

We also promote CSR compliance by reflecting the results of the CSR risk self-assessments and on-site due diligence in the purchasing contract evaluation process.

Result of Third-party audits in 2021

Category	Contents	Number of issues
Third-party audit non- conformity findings		
Labour	Working hours	9
	Voluntary work	2
	Wages and benefits	1
SHEE	Industrial hygiene	1
	Occupational and Diseases	1
	Industrial safety	1
	Physically overworked	1
	Hazardous Substances	3
Ethics	Identify Protection	1
Management	Audit and evaluation	1
	Supplier Responsibilities	1

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Modern Slavery Questionnaire

In 2021, LG Electronics continued to issue its **Modern Slavery Questionnaire** (“Questionnaire”) to the following:

- Existing Suppliers,
- New Suppliers; and
- Prospective Suppliers as part of any tender process.

The Questionnaire is used by us to assess the risk of its operations and supply chains, and the risk for LG Electronics to cause, contribute or be associated (whether directly or indirectly) to modern slavery practices.

In the 2021 Reporting Period, approximately a third of suppliers that received the Questionnaire responded. Some suppliers provided their own modern slavery policies in lieu of completing the Questionnaire, whilst others provided copies of similar internal policies that dealt with certain ESG goals.

It must be noted that the Questionnaire is issued mostly to local suppliers that operate in Australia and New Zealand. Most of these entities are small in size and often do not have dedicated resources tasked with developing policies concerning modern slavery.

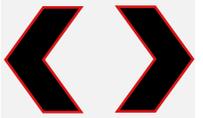
Summary of Results:

- 14% of respondents had a Modern Slavery Statement, up from 8% in the 2020 Reporting Period;
- 8% of respondents were entities that generated over AUD\$100 million in consolidated revenue, of which 75% had a Modern Slavery Statement in compliance with the Act;
- 28% of respondents had some form of written policies and procedures relating to modern slavery, human rights, ethical trading and/or whistleblowing; and
- 62% of respondents confirmed it agreed to comply with LG Electronics’ Code of Ethics.

The results from the Questionnaire demonstrates suppliers are becoming more active in developing a Modern Slavery Statement , suggesting more entities are examining their respective internal supply chain to identify, assess and evaluate modern slavery risks.

LG Electronics is currently preparing a 'flyer' or 'insert' to accompany the Questionnaire, so recipients can be across the Act, prior to completing the Questionnaire. We believe this will increase both the response rates and the quality of responses.





Management and Ongoing Improvement of our Supply Chain



In 2021, LG Electronics continued to enhanced the capabilities of its suppliers through several initiatives designed to improve the overall infrastructure of its suppliers' operations.



Robotic Process Automation (RPA)

Since 2021, LG Electronics has supported the establishment of the RPA to accelerate the digital transformation of its suppliers. The RPA enables LG Electronics to share its accumulated know-how regarding automating product lines and building infrastructure of digitalisation.

As part of RPA, LG Electronics:

1. Provides royalty-free use of intellectual property to SME's in order to support their efforts and strengthen their R&D capabilities;
2. Protects suppliers' core technology through covering the costs of a technology escrow service trusted with protecting trade secrets and core technologies; and
3. Provides expert staff who stay on-site and spread know-how throughout the entire RPA process, from task discovery to detailed specific programs and maintenance to the supplier.

As a result of the RPA, LG Electronics has contributed to the overall productivity and sales of its suppliers, in turn creating new jobs. Through investment in such technology systems, LG Electronics believes there will be an improvement in visibility and management of the supply chain.

Management and Ongoing Improvement of our Supply Chain (continued)

In 2021, our Supplier Grievance Hotline continued to operate in order to address the grievances of suppliers, including the reporting of unethical conduct and other ethical or human rights violations.



Infrastructure Improvement & Supplier Education in 2021

In 2021, LG Electronics saw positive results with supplier engagement. In 2021, LG Electronics:

1. **Opened** and has since operated the 'Management Competency Improvement Course' for managers and key talent to improve the management capabilities of suppliers following the pandemic;
2. Recorded 2.5 times more suppliers sign its **Fair Trade Agreement** - designed to establish autonomy for fair trade and foster a healthy symbiotic growth ecosystem;
3. **Rewarded** suppliers that demonstrated excellence in R&D at the annual LG Electronics Supplier Workshop; and
4. **Expanded** employee benefits to certain primary, secondary and tertiary suppliers.

Provision of Support for High-Risk Suppliers

Issuing ESG Management Conformity Certificates to Suppliers

LG Electronics provides support to confirm and improve the suitability of ESG management from global certification companies such as Underwriters Laboratories Inc and TUV Rheinland.

These certification companies have visited suppliers since July 2021 to check ESG categories such as labor, safety and health, the environment, and corporate ethics based on the RBA Code of Conduct. They provide support to suppliers so that they are able to build their own capabilities, and issue conformity certificates to suppliers that have completed ESG inspection and recorded improvement.

Support for Improving the CSR Management Capabilities of Global Staff and Suppliers

In 2021, LG Electronics has continued with the following programs to help build a strong CSR culture:

- Online training focusing on workers' human rights and safety and health management in the supply chain for purchasing managers; and
- CEO and key executive training for supplier companies with specialised training institutions in line with tightening safety health laws and regulations.

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6. ASSESSING THE EFFECTIVENESS OF OUR ACTIONS



LG Electronics operates a sustainability policy to provide the best value to stakeholders and customers. Purchasing contributes to value creation by discovering and nurturing competitive suppliers.

As evidenced by the various risk assessment and mitigation activities conducted in 2021, LG Electronics has comprehensively inspected and took steps to manage workers' human rights, safety and health, the environment, and corporate ethics in the supply chain according to the RBA Standards and the Code of Ethics.

The increased participation of self-assessments both globally and locally demonstrates more suppliers are taking the initiative to improve the working environment, thereby increasing the sustainability of the entire supply chain.

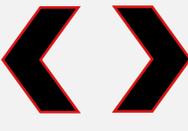
As outlined in this Statement, LG Electronics has systematically established a management process consisting of supplier self-inspection, on-site inspection, and third-party ESG management conformity certification, and is operating it through the supplier CSR management system.

LG Electronics is strengthening its supplier-led risk management capabilities by intensively addressing non-conformities and providing CSR management training to high-risk suppliers and major suppliers through on-site inspections.

LGE will continue to reduce the proportion of high-risk suppliers in the future and ensure it is consistently assessing the threats of modern slavery risks and how such risks can be combated through building infrastructure and internal and external capacities when it comes to mitigation options for modern slavery risks and how these can be integrated into existing and future management systems.

2022 Commitments

- Increase Training with Local Suppliers
- Increase collaboration and capacity building with our suppliers and other stakeholders
- Review CSR and ESG policies to ensure it addresses changing societal expectations
- Monitor Questionnaire results at regular intervals to help shape policy and proactive collaborative initiatives with Suppliers

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7. PROCESS OF CONSULTATION AND APPROVAL



LG Electronics strives to become a company trusted by stakeholders based on three factors:

1. Strengthening ESG compliance;
2. Establishing an ESG decision-making system; and
3. Fostering a culture of internal ESG management.

Through the reorganisation of ESG goals in 2021, LG Electronics has set its key strategic direction as the promotion of positive environmental value and inclusive social value for a better life for all and has established detailed tasks necessary to realise this. In particular, our target system promotes a foundation to achieve our ESG goals based on the above named three factors.

In April 2021, LG Electronics established an ESG Committee, tasked with the supervision of items related to establishing fundamental ESG policies and strategies, the setting of mid-to long-term goals, managing plans and performance of ESG and CSR risk management activities as well as the responding to the occurrence of material risks.

In line with social and environmental changes, ESG-related legal risks, including modern slavery risks, are increasing and becoming ever more important. ESG is no longer a recommendation as it was in the past. It is gaining awareness as a mandatory factor that not only has an impact on a company's trading relationships and economic performance, but also on its very survival.

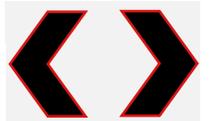
As outlined in our Modern Slavery Statement, LG Electronics is continually implementing processes to identify and mitigate risks across the entirety of our production sites and suppliers on an annual basis. Going beyond simple compliance, we have reorganized our ESG goals and consolidated our plans and direction for the promotion of ESG management in 2021. Moving forward, LG Electronics will continuously strive to promote mature ESG management through an independent and proactive organisational culture that steps beyond the concept of ESG as legislation, systems, and regulations.

LG Electronics assess and address risks of modern slavery practices in its global supply chain and operations as follows:

- LG Electronics HQ assesses and addresses modern slavery risks associated with LGEAP's upstream supply chain; and
- LGEAP assesses and addresses modern slavery risks within its downstream supply chain.

This Statement meets the requirements of the Act and has been prepared in accordance with the act and the Commonwealth Modern Slavery Act 2018: Guidance For Reporting Entities (referred throughout this report as "Guidance"). This Statement was approved by the Board of Directors of LG Electronics Australia Pty Ltd on 29 June 2022.

Seung Joo Lee
Director
LG Electronics Australia Pty Ltd



8. OTHER INFORMATION

We will continue to work with our employees and our suppliers, with the full support of our Board and the Senior Leadership Team, to raise awareness and understanding about modern slavery and to ensure the success of the ongoing project of preventing and eradicating modern slavery in Australia and globally.

LG Electronics - Policies and References

The below links give further details on our corporate social responsibility in supply chain management and on our policies on conflict materials.

[LG Electronics Supplier Code of Conduct](#)

[LG Electronics Sustainability Reports](#)

[CSR in Supply Chain](#)

[LG Electronics CSR Principles](#)

[Conflict Minerals](#)

[Responsible Business Alliance Code of Conduct](#)

[CSR Management System](#)

[Responsible Minerals Initiative Responsible Minerals Assurance Process](#)