

Ver. 2022

LG Chem
Compliance Guideline

CODE of CONDUCT



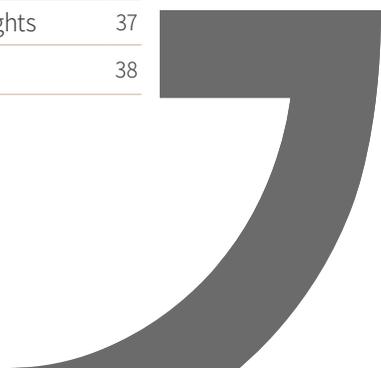
LG Chem

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CODE of CONDUCT

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CEO's Message

Dear LG Chem employees,

Despite increasingly volatile and ever-changing internal and external business situations, LG Chem continuously grows with passionate dedication and effort of our employees to perpetually drive innovation and change.

I would hereby like to express my deepest gratitude to all of our employees. As we continue to grow and evolve, our influence on our customers, business partners, members, shareholders, other various members of the society and the world is also expanding. As such, our Corporate Social Responsibility to consider not only us, but also our stakeholders surrounding us is also becoming bigger.

LG Chem is pursuing so-called an ESG management with the sustainability strategy, based on a sustainable growth and as part of the ESG management, we are implementing compliance management via organization of corporate management system and development of compliance system. In order to perfectly execute a compliance management, it is necessary that not only the company itself but also our officers and employees yourselves comply with laws and regulations relevant to your daily business work. This is especially true when considering that the applicable laws and regulations to our business are the promises that reflect interests of different members of the society to a minimal extent.

'LG Chem Compliance Guideline' contains the basic code of conduct that our employees are required to follow in our daily work. The purpose of this guideline is not only to ensure the employees' compliance with relevant laws and regulations, but in the long term to lay a cornerstone for LG Chem's sustainable growth.

I urge you to comply with this guideline, keeping in mind that this guideline is our commitment that must be fulfilled in order for us, the company and many other stakeholders of us to jointly prosper.

April 2022, LG Chem co., Ltd
CEO **Hak-cheol Shin**, Vice Chairman

Compliance Guideline for Employees

How is this created?

- 「LG Chem Compliance Guideline」 is, with a reference to the LG Compliance Guidelines made in 2016, prepared to fit into LG Chem's business.
- This Guideline specifies and focuses on key matters that the LG Chem employees must be aware of and must comply, including points to be cautious about, for easy comprehension of the employees; further, it provides many examples for immediate application in daily business works.

Why this should be complied?

- 「LG Chem Compliance Guideline」 is the most basic business principle and pact which every LG Chem employee should comply with, and it is essential to follow this Guideline to protect yourself and the Company from any potential risk of legal and ethical violation during work.
- We can only achieve the best result by trusting this principle and the system, and by endeavoring in each employee's field of work; the purpose of this Guideline is to support joint growth of the employees and the Company together.

What should be complied with?

- This Compliance Guideline contains key contents which any LG Chem employee must know and comply with.
- We should ceaselessly innovate to create value for our customers. We should abide by the quality standards in place, prevent risks and conserve the environment. We should also establish a good corporate culture and conduct our business with fairness and integrity.

To whom is this guideline applied?

- This Compliance Guideline applies to any and all employees in LG Chem, including overseas locations.

Compliance Guideline for Employees

WHAT IS EXPECTED OF US

01 You are expected to:

- Put into practice the Company's business philosophy in all of your work activities with the aim of achieving the best for our customers, employees, shareholders and other stakeholders.
- Follow the laws and regulations in the countries where you work.
- Adhere to Company policies and procedures relevant to your work.
- In case of uncertainty, seek advice from your manager or relevant department to take proper measures.
- Ensure to report any suspicion of violation of the Compliance Guideline or other Company policies.

02 If you manage other employees, you are expected to:

- Ensure that the employees are aware of this Guideline and their responsibilities under this Guideline.
- Support employees with any questions or concerns regarding the Compliance Guideline or its application in their daily work so that they can find the right solution.
- Personally demonstrate compliance leadership by following the Compliance Guideline and communicate with the employees with an open mind.

03 Addressing cultural differences

- Make your best effort to learn and understand the local culture and customs when you visit or work in another country.
- Be aware that each country's laws and regulations may differ from the others.
- If any potential problem is detected in the course of business, such issue must immediately be reported to and discussed with your manager to determine an appropriate solution.

Compliance Guideline for Employees

What happens with Non-Compliance ?

- Non-compliance with Compliance Guidelines including laws and regulations may result in serious penalties for both the Company and the employee. The Company may take HR measures on the employee in accordance with the internal rule.
- The company may suffer from significant legal consequences including criminal penalties, administrative fines, liability for damages (including punitive damages), and seizure, as well as adverse impacts including termination of business contracts, suspension of business transactions, harm to the Company's image and reputation, etc. In addition, individuals may also face serious consequences such as fines or imprisonment.

MUST know!

- 01 If you believe that the Company or any employee is violating the Compliance Guideline:**
 - First, discuss with your manager about this issue.
 - If not resolved, contact the legal department.
- 02 Report any potential retaliation immediately.**
 - LG Chem does not tolerate and will address retaliation against anyone who with true sincerity reports a non-compliance issue. Any employee who violates this policy and commits any act of retaliation may be subject to disciplinary actions under the company rule.
 - Retaliation may take many forms, from unfair disadvantage on one's employment to general harassment including exclusion from work or bullying.
 - If you believe that you or someone else has been retaliated against for reporting non-compliance, contact the relevant department immediately.
- 03 Please be noted that the Company will take disciplinary actions against any manager or employee who commits any of the following:**
 - Non-compliance with this Guideline
 - Request or inducement of violation of this Guideline
 - Retaliation against anyone due to true and sincere report of violation of this Guideline
- 04 No justification is available for a compliance violation. Be aware of the following excuses:**
 - "I knew it was wrong, but my manager told me to do so."
 - "I did it for the good of our customers."
 - "I had no choice but to do it to meet the Company business goals."

LG Chem Compliance Guideline



Responsibility for Customers and Society

- We follow the product safety and standards to secure quality which meet customer satisfaction.
- We provide our customers eco-friendly and competitive materials and solutions to 'increase customer value' and contribute to the sustainable future of the customers.



Responsibility for Colleagues

- We aim for an culture with equality and mutual respect and treat everyone fairly.
- We prioritize our employees' safety at work.



Pursuit of Fair and Transparent Competitions

- We pursue free competition and move toward fair and transparent competitions.
- Our employees comply with any and all anti-corruption related laws, regulations, company rules and internal policies, and do not bribe or improperly solicit others.



Respect for Trade Order

- We identify red flags in every transaction and ensure compliance with relevant rules to prevent potential disputes.



Protection of Data and Technology

- We protect personal information and tangible/intangible assets.
- We strive to protect LG Chem's business secrets, the intellectual property rights.
- Use of idea, patent, copyright, and other intellectual property of others should only be limited to cases where we have legal authority to do so.
- We do not benefit from using inside business information.

01

Responsibility for Customers and Society

Product Safety and Standards

Environmental Safety

Product Safety and Standards

- Safety management process should be set up in all stages of production, including design, manufacture, inspection, marketing, after service, etc. and must be abided by.
- Our products must be safe in accordance with not only domestic and international laws and regulations, but also with our quality and standard.

What to do

- ❶ Mandatory safety laws and regulations represent the minimum level of product safety and standard, therefore, our products must also meet our Company's stricter safety standards.
- ❷ All quality control processes should be carefully followed, as avoidance or omittance of certain step may lead to insufficient product safety.
- ❸ No false or insufficient quality inspection regarding our products is allowed. In particular, selecting only favorable data, testing under incomplete conditions, or arbitrarily simplifying the testing protocol is prohibited.
- ❹ If any materials or parts supplied by any business partner fail to meet our quality and safety standards or are found to be defective, they should not be used in our products. .

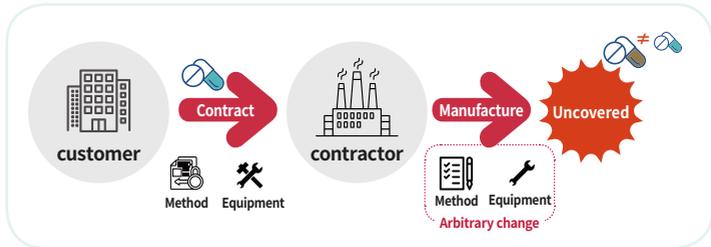
You MUST!



- ❖ **Pay extra attention to any repetitive quality issues.**
 - » In case of a serious quality issue due to a defective product, not only we have to recall such product, but we may also be liable for any damages incurred from personal injury or loss of property.
- ❖ **Immediately report to the relevant department if you detect any defect in our product design or manufacture, or any deficient warning labels.**
 - » We have a duty to immediately report to the governing authority for any such incidents, pursuant to safety laws and regulations.

Example

Arbitrary change in manufacturing method by a contractor



Uncovered during a spot inspection by the health and safety authorities → **Suspension of manufacture and sales / Administrative surcharges / Harm on the brand image**

- A contractor manufacturing pharmaceuticals arbitrarily changed manufacturing method and equipment and produced products below the quality standard, which resulted in suspension of manufacture and sales after spotted by the health and safety authorities.

Environmental Safety

- We provide our customers eco-friendly and competitive materials and solutions to 'increase customer value' and contribute to the sustainable future of the customers.
- We operate under a structured environmental safety management system and continue to improve it.

What to do

- 1 We comply with laws and regulations, set the environment, safety and health rules as a pioneer in the peer industry, and operate under such rules.
- 2 We aim for perpetual innovation in our production to provide eco-friendly products and services.

- ④ We strive for a safe and sound workplace, and a corporate culture which strictly adhere to basic principles.
- ④ We actively support environment, safety and health improvements in our business partners and the society based on our social responsibility.
- ⑤ We transparently disclose our information and sincerely communicate with stakeholders.

You MUST!

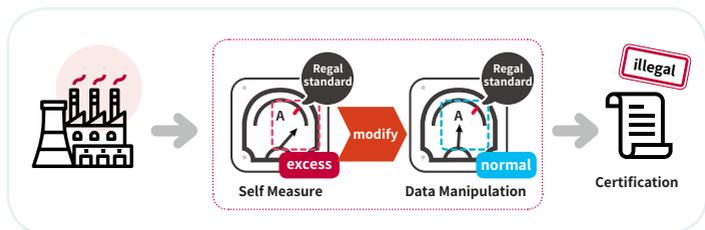


Be aware of laws and regulations and comply with them.

- » Be aware of regulatory environment, safety and health standards, and make sure to follow them.
- » Preemptively prevent violations of laws and regulations by following stricter company standards, and regularly check and adhere to the company standards.
- » In case of uncertainty, please contact relevant departments or legal department.

Example

Violation and manipulation of environmental standard



**Violation and manipulation of environmental standard →
Recall / Fine / Criminal penalty / Harm on the brand image**

- Issuance of a certification based on a manipulated data to conceal self-measurement of excessive emission was uncovered.

02

Responsibility for Colleagues

Fair employment

Corporate culture with mutual respect

Safe workplace

Fair employment

Only legitimate factors such as characteristics of relevant work and work experience and performance of each employee should be considered when making employment-related decisions.

What to do

- 1 Employee evaluation should consider capabilities and performance based on clear and explicit standards.
- 2 No one should discriminate another employee or be discriminated based on unreasonable reasons regarding employment-related decisions including hire, promotion, compensation, training opportunity, etc.
- 3 Discrimination against any employee based on age, ethnicity, color, gender, religion, nationality, sexual orientation, disability and other non-work-related characteristics is prohibited.

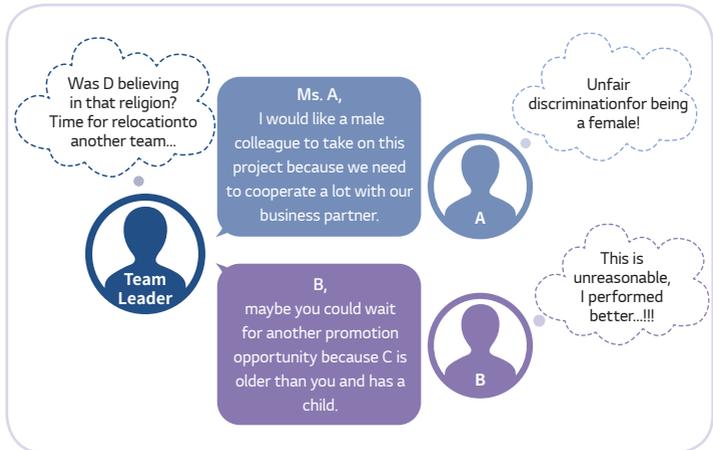
You MUST!



- ❖ **Not favor or discriminate any person with a specific gender, age, or background without a justifiable cause.**
 - » Certain requirements for a position should be included in the formal job description and should be based on substantial reasons.
- ❖ **Not hire someone upon inappropriate recommendation by another person or company.**
 - » Hiring someone without reasons or based on improper reasons is violation of our commitment to equal opportunity.
- ❖ **Establish policies that meet local legal requirements.**
 - » Any internal HR rules or policies of our overseas corporations which may differ from those of the Company should be in writing and not in violation of local legal requirements.

Example

Discrimination based on non-work-related characteristics



- Discrimination in employee evaluation or exclusion from work based on gender, age, religion and other non-work-related factors is not allowed.

Corporate culture with mutual respect

You should interact with colleagues with respect and consideration and avoid behaving in offensive or hostile manners. Further, you should never harass, abuse or intimidate your colleagues.

What to do

- ❶ You should not disparage, humiliate, bully or discriminate your colleagues due to age, ethnicity, color, gender, religion, nationality or region of origin, disability or other personal characteristics.
- ❷ Sexual harassment or other sex-related and unwelcomed intimidation, demeaning or derogatory statements and insults are prohibited.
- ❸ If you witness or identify any harassment, discrimination or sexual harassment, you should immediately report to your manager or HR.

You MUST!



- ❖ **Be careful about what you say and what you do.**
 - » You should refrain from making inappropriate statements or behaviors, and should respectfully communicate with the others.
- ❖ **Be careful in your speech and behavior especially when you represent the Company.**
 - » When attending an outside event as a representative of the Company, be aware that you must act and speak in an appropriate manner.

Safe workplace

- Risk assessment and improvement should continuously be conducted to ensure the safety at workplaces for all employees and business partners.
- Preemptive measures should be taken in order to avoid environmental safety accidents, and in case of an accident, improvement measures should be implemented to prevent recurrence of similar accidents.

What to do

- 1 Environmental safety should be prioritized to any other values. Do not hesitate to solve or improve environmental safety related issues due to cost, deadline, business practice, etc.
- 2 All employees should know types of potential environmental safety accidents within their workplace, be aware of relevant regulations, measures, safety rules and emergency actions and comply with them.
- 3 All employees are required to participate in regular environmental safety trainings offered by the Company.
- 4 Awareness of environmental safety and compliance with relevant regulations by our business partners and all other stakeholders is crucial; they should actively be required to follow such regulations.
- 5 If you or any other colleague have difficulties to work under normal conditions due to physical or mental health issues, discuss with relevant departments to take appropriate measures.

You MUST!



- ❖ **Actively participate in actions to prevent accidents.**
 - » Identify near-miss incidents to prevent potential accidents in advance, and actively apply lessons learned from other companies to avoid recurrence of similar accidents.
 - » Participate in risk assessment to remove hazardous · dangerous factors from our process/work, and manage such factors with our safety standards.

- » Be aware of our environmental safety rules and policies including 7 key safety regulations to prevent accidents and strictly comply with them.
- ❖ Immediately report occurrence of an accident, and implement measures to prevent recurrence in the future.
 - » Immediately report in case of an environmental safety accident.
 - » Identify the root cause of the accident during the investigation and implement measures to prevent recurrence of similar accidents in the future.

Example

Working without protective gear



- Not wearing proper protective gear at a workplace increases the risk of an accident, and it may lead to administrative punishment by relevant government authorities if uncovered.

03

Pursuit of Fair and Transparent Competitions

Dealing with competitors

Gathering competitive information

Relationship with business partners

No bribery and improper solicitation

Dealing with competitors

- You should avoid improper interactions with our competitors, which may give impression of violating relevant competition laws and regulations.
- We externally pursue free competitions, and internally encourage continuous innovation and success.

What to do

- ❶ Any contract, agreement or understanding with a competitor should only be entered into after review and approval by the legal department.
- ❷ It is our principle not to attend any meeting without a clear agenda or a specific business purpose. When required to attend a meeting or an event with a competitor, report such contact pursuant to 『Competitor Contact Rules』.
- ❸ If a risky discussion is brought up during the meeting with a competitor such as negotiation regarding pricing or production quantity, you must clearly show your intention to refuse, leave the meeting, and consult the relevant department.

You MUST!



- ❖ **Know that legal review is not limited to formal contract with the competitor.**
 - » Any formal, verbal or informal contract, implied agreement or understanding requires review by the legal department.
- ❖ **Be aware cartels do not have to be exclusively about the consumer price.**
 - » Keep in mind that any factor that may impede market competition by influencing the consumer choice (bid rigging, equipment, production, market allocation, etc.) will also be interpreted as anti-competition.
 - » Be aware that exchange of information itself is illegal and constitutes cartel and it is irrelevant whether collusive activities were explicit.

❖ Check whether a certain agreement would be misinterpreted as anti-competition under the local law.

» Many countries legally prohibit cartels between companies. It is important to check the local regulatory regime in other countries to determine whether or not a joint activity with a competitor in such countries may potentially be misunderstood as illegal.

Example

Potential Cartel



General Meeting of OO Association

Agenda

1. 10% price increase
2. Increase timing for each company
3. Sharing of industry trend and pending issues

Price fixing

Information exchange

- Jointly fixing the price is illegal. As exchange of “competitive information” such as price, pricing policy, production cost may be deemed as anti-competitive, this should be avoided.

Gathering competitive information

- Competitive information should legitimately be gathered from lawful sources.
- Rights of competitors must be respected under the principle of fair competition when gathering and using market information.

What to do

- ❶ You should use public information or published reports of external organizations.
- ❷ Do not request a research agency, a consulting firm or any other professionals to share the competitor’s information or to gather information illegally.

- ❸ Do not request a business partner for confidential information provided by a competitor or gather such information from the business partner.
- ❹ Do not collect competitor's confidential information via customers unless otherwise we are legally or contractually entitled to obtain such information.
- ❺ When hiring a former employee of a competitor, do not solicit confidential and sensitive information or related advice from the person.

You MUST!



❖ **Not accept an offer to provide the competitor's information.**

» If you receive an offer from anyone that has a business relationship with a competitor or a former employee of a competitor to provide information, consult with relevant departments in advance.

❖ **Clarify the source of information and how it was collected.**

» Information without clear source and means of collection may have been obtained illegally, which should not be gathered.

Example

Illegal gathering of competitive information provided by the third party



- When collecting information from a consultant etc. always make sure that such third party did not illegally gather such information.

Relationship with business partners

You should treat all business partners fairly and equally. Be careful to ensure that entering into a contract or negotiating purchasing terms should comply with applicable laws and regulations.

What to do

- ❶ Communicate with the business partner regarding our reasons, standards and assessment factors when there is a material change in the terms and conditions of the contract.
- ❷ Decision-making to terminate a business relationship with a business partner should be strictly on an objective and fair basis.
- ❸ Internal rules of the Company should always be a reference for business strategies such as purchasing, sales · marketing, etc. Always consult with relevant departments.
- ❹ Any contract with potential illegality should not be made. In case of uncertainty, consult with relevant departments in advance.
- ❺ Meeting jointly with two or more business partners to discuss topics which may impede fair competition such as selection of a vendor, market allocation, pricing, etc. is prohibited.

You MUST!



- ❖ **Be aware that there are limitations in contracts with business partners.**
 - » Pressurizing for “an exclusive transaction” or a “unilateral termination of a contract” is not allowed.
- ❖ **Be particularly cautious about transactions between a business partner depending heavily on us.**
 - » Taking adverse measures against a small business partner whose business heavily relies on us is likely to be deemed as an abuse of our market position.

No bribery and improper solicitation

- All employees should comply with anti-corruption laws, regulations and relevant Company rules.
- Bribing or improperly soliciting a public official is prohibited.

What to do

- ❶ It is not allowed to provide, offer or promise any cash or cash equivalent etc. regardless of any connection to such public official's duties of any pretext such as donation, sponsorship, gift, etc.
- ❷ Improper solicitation to any public official directly or through a third party is not allowed, and any act that may potentially lead to suspicion of such improper solicitation is prohibited.
- ❸ Corruption of the other party may result in investigation about our Company or our liability, therefore, an anti-corruption check should be completed at our legal portal prior to reviewing and entering into any contract.

You MUST!



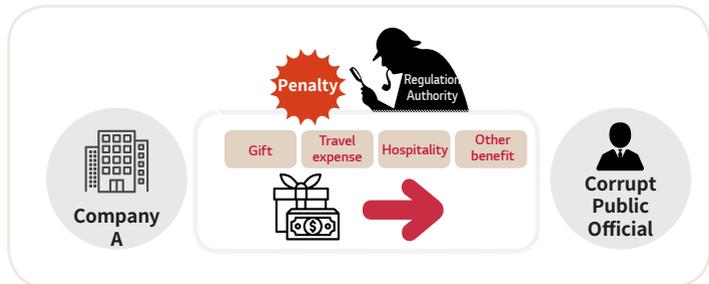
- ❖ **Be cautious not to provide cash or other benefits under the name of local practices.**
 - » Anti-corruption crimes such as bribery are outlawed as serious crimes globally, and the employee may be significantly penalized as well as the Company.
- ❖ **Always consult with the relevant department in case of the following red flags during a third-party due diligence or a transaction.**
 - » Based upon the consultation, you should take risk mitigation measures or even consider withdrawing from or suspending the contract, if:



- ✓ The other party was selected based upon request or recommendation by a public official
- ✓ The other party is a letterbox company without assets or business activities
- ✓ The other party offers provision of information from unknown or unclear sources
- ✓ There are any other factors which may suggest potential violation of laws and regulations

Example

Inappropriate provision of financial and other benefits



- Bribing or providing any tangible · intangible benefit to a public official to have undue influence over a decision-making process is prohibited.

04

Respect for Trade Order

Import and export controls

Management of conflict minerals

Import and export controls

We are obliged to comply with the applicable laws and regulations regarding import and export controls, customs, foreign currency transaction and international trade sanctions and restrictions.

What to do

- ❶ It should always be verified whether or not products we sell or purchase are strategic items and if additional approval is required when we import or export such products.
- ❷ Customs report should be made with sincerity in accordance with all applicable domestic and international laws and regulations regarding trade and customs.
- ❸ When handling a transaction with a foreign currency, you are obliged to report to the relevant regulation authorities in advance as required. If you need help, consult with the relevant department.
- ❹ If a potential or the final destination of an export item is a country under a major sanction or the other party to the contract is under sanction, you must immediately cease such transaction.

You MUST!



- ❖ **Check the existing list of export items at the Company Customs Portal, in case you are uncertain whether or not export of any item is restricted. For new items, consult with the relevant department.**
 - » If we are directly to export a restricted item, we need an approval from relevant authorities (Ministry of Trade, Industry and Energy, United States Department of Commerce, etc.).
- ❖ **Not enter into a transaction with any suspicious party i.e. using similar name to designated persons subject to an international sanction even if such party is not yet on the list of sanctioned persons.**
 - » In unavoidable cases, you must secure objective information that the other party to the transaction is irrelevant to the sanction, and obtain a Sanction Compliance Statement from such party.

Example

Products reexported to the country under sanction



- If a product initially sold is to be processed and finally reexported to the country under sanction, appropriate measures should be taken including suspension of transaction, report to the authorities, approval, etc. upon confirmation.

Management of conflict minerals

We should refrain from using conflict minerals mined from conflict-affected and high-risk areas, such as tin, tantalum, tungsten, gold, etc.

What to do

- ① You should comply with the 「Responsible Supply Chain Policy」 of the Company to prevent pollution, casualty, exploitation of workers and infringement of human rights in conflict-affected and high-risk areas.
- ② A due diligence to secure transparency of sourcing vendors within the supply chain should be conducted pursuant to 「OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas」 and other relevant laws and regulations.
- ③ Duty of public announcement to disclose information about the area of origin of the conflict mineral or the refinery used for manufacturing of products should be adhered.

You MUST!



- ❖ Verify the appropriateness of the business partner’s supply chain management, conduct regular assessment, and monitor its activities based on our 「Business Partner Code of Conduct」.
 - » Obtain the **Statement of Compliance with the Business Partner Code of Conduct** from our existing and new business partners.
- ❖ Consult with the relevant department in case you need advice regarding the company policy about conflict minerals, due diligence on business partners, duty to disclose the area of origin, etc.

Example

A global corporation accused by NGO for being supplied raw materials from conflict-affected areas



- Company A manufactured parts with raw materials sourced from conflict-affected areas and supplied them to a global corporation, G, who did not know about it.
- A human rights related NGO spotted that G’s products were made of raw materials sourced from conflict-affected areas by exploitation of workers, and accused G to the United Nations for sanctions.
- G claimed that the loss G had suffered was due to the parts supplied by A and requested compensation. A had to bear the liability, which resulted in the financial loss of the company.

05

Protection of Data and Technology

Data Privacy

Protection of LG Chem's Business Secrets

Protection of Intellectual Property Rights

No use of Inside Information

Data Privacy

- We refrain from unauthorized use and disclosure of personal information and ensure that we are well informed and complying with laws, regulations and company standards regarding collection, management and provision of personal information.
- To meet our customers' trust in providing their personal information, we store and use the information only for the purpose of such provision.

What to do

- ❶ A consent should be obtained prior to collecting, using or disclosing any personal information.
- ❷ Anyone who has access to personal information should protect it and use it in a legitimately correct way.
- ❸ Transferring personal information to someone who does not need to know about or is not authorized to receive such information is prohibited.
- ❹ Laws and regulations regarding data privacy may be different in other countries, therefore, consult with the relevant department if you are not certain about data privacy in another country.

You MUST!



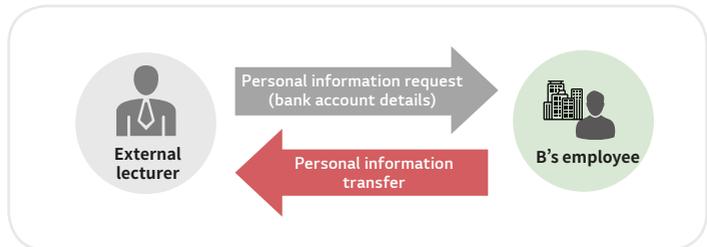
- ❖ **Ensure that no unnecessary personal information is included when sharing a document or data internally or externally.**
 - » General documents and data that you handle in your daily work without much caution may contain personal information; always check whether such information is contained and delete or anonymize it.
- ❖ **Delete unnecessary personal information and avoid storing it separately.**
 - » Any personal information of a customer irrelevant to work or not necessary should not be stored in a computer, and any information obtained in relation to the work should be thoroughly deleted upon completion of such work.

Example

Sharing documents or data internally or externally



- Sharing personal information obtained for the purpose of sending gifts to employees (name, address, phone number, family members, department) internally or externally without anonymization or deletion



- Storing personal information obtained for the purpose of an interview, a seminar or a lecture (resident registration number, bank account details, phone number, name, etc.) in a personal PC after the document preservation period.

Protection of business secrets

A business secret is any technical or managerial information of the Company which is not publicly known, has independent economic value and is handled with confidentiality, such as know-hows about manufacture, sales, or other useful methods of business.

What to do

- 1 All employees should protect LG Chem's business secrets, and ensure such secrets are not disclosed or leaked even by a mistake.
- 2 Use of business secrets are only allowed for the purpose of business work, and they must not be shared with other LG Chem colleagues if such colleagues do not have access to them.
- 3 Business secrets of business partners should also be protected pursuant to laws and regulations and/or contracts.

You MUST!



- ❖ **Only use the business secret upon approval, for the purpose of specified business project.**
 - » A LG Chem employee should not share business secrets if such person is not authorized to access to such secrets, and such secrets must not be misused beyond the scope of the specified business project.
- ❖ **Not speak publicly about the business secrets.**
 - » Business secrets may be disclosed not only by writing but also verbally. Be cautious that you are not allowed to speak about business secrets in an open place.

Example

Misuse of a business partner's business secrets



- Arbitrary use of business partner's business secrets known during a specific project in another project

Protection of intellectual property rights

Use of any idea, invention, trademark, design, copyrighted work and other intellectual property of a third party is only permissible when a license is granted by the licensor or when we are duly authorized to use it.

What to do

- ❶ Whether or not the right regarding materials, information, copyrighted work or technology that we acquired or plan to use is owned by a third party should be confirmed in advance.
- ❷ Any technology, design, copyrighted work and information owned by a third party should only be used after being duly authorized to do so.
- ❸ Understand the terms and conditions of the license agreement when using the intellectual property that the Company is licensed.

You MUST!



- ❖ **Look out for the license even for materials that may be used freely.**
 - » Never make a hasty conclusion that pictures, sounds, videos and other works on the internet may be used for business without a license.
- ❖ **Confirm the scope of license use even when the Company is licensed.**
 - » Disclosure or use of intellectual property may be restricted according to the terms and conditions of the license agreement.
- ❖ **Identify any potential risk to infringe any intellectual property rights when making a new investment or commencing a new business.**
 - » Always consult with relevant department for any potential infringement of intellectual property rights during a review of a specific business unit or project investment.

Example

Patent application based on a licensed technology



- Potential violation of laws and regulation or breach of contract should be verified when applying for a patent regarding a new idea or an improved technology based on the technology licensed by another company.

No use of inside information

Trading the Company's securities based on inside information of the Company or relevant companies (affiliates, customers, business partners, the other party to the project) or providing it to others is prohibited.

What to do

- ❶ All employees should comply with the Company's 「Prevention of Using Inside Information Policy」 when trading the Company's or relevant company's securities.
- ❷ Trading such securities should be avoided prior to any significant announcement about the Company, as this may be misinterpreted as use of inside information.
- ❸ Do not respond directly when you are requested by press or regulation authorities to provide key information regarding our management and financial status; consult with the relevant department and let the responsible person deal with it.

You MUST!



❖ **Not trade the relevant securities once you are exposed to any inside information, not even through family, friends or other entities, neither during employment nor after retirement.**

» Using inside information is illegal around the world, and it may lead to severe consequences including civil liabilities and criminal penalties.

❖ **Manage the information equivalent to the inside information in case of uncertainty, and consult with the relevant department before trading or providing such information.**



✓ Inside information: Information that may affect the investment decision such as new research and development, M&A, estimate closing information, etc., which include both favorable and unfavorable ones.

Example

Use of inside information



- Key executives of Company A were investigated by the financial authority for alleged accusation of insider trade using inside information prior to the public disclosure of a huge supply contract.

LG Chem Compliance Guideline

Published on April, 2022

Publisher LG Chem

Editor LG Chem Legal Department / Compliance Team

Contact 02) 3773-7888

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