

## LG Electronics (Jan. 26th, 2015)

1. Does your company have investments or operations in Myanmar or is it seriously considering investing or operating there? If so, please provide information on the nature of these investments, and which geographic areas and communities they will affect.

LG Electronics doesn't have any manufacturing facility in Myanmar. We have a small-size regional branch with 3~4 sales managers there. And currently, we don't have any plan for launching a new business or investment in near future. If there is any change, we will inform you about that.

Also, we've checked the news which you mentioned. The business of CDMA network equipment is NOT directly related to LG Electronics anymore. Because the business belongs to "Ericsson-LG (Former LG-Notel)", an independent company, from 2005 and LG Electronics doesn't have any information about that.

2. Do you have policies and procedures in place to prevent your business activities or investment from contributing to human rights abuse and social conflict in Myanmar (including, for example, human rights due diligence measures)? Please specify whether these policies and procedures apply to your company in general, or specifically to your Myanmar investment. If you have human rights policies and procedures regarding investing or operating in Myanmar, are you willing to share them for posting on our website? If so, please send them as a Word or PDF file, or, if available, as a hyperlink.

LG Electronics recognizes the right of all employees to pursue happiness, to work with dignity and to have their value as human beings respected. LGE furthermore declares its view that the upholding of human rights and dignity, regardless of age or gender, is a basic prerequisite for the management of a sustainable business, and pledges to satisfy all labor standards defined by such international organizations as the UN and ILO - such as the Universal Declaration of Human Rights by the United Nations, the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact, and the EICC Code of Conduct.

Established in 2010, LG Electronics' "Global Labor Policy" recognizes the rights of all employees to pursue happiness, to work with dignity and to be respected as human beings. It has been translated into 18 different languages for distribution to all LGE business sites throughout the world and made available from our corporate website.

Please refer to the link below. You can download and see the policy.  
(<http://www.lg.com/global/sustainability/employee/labor-rights-protection>)

Also, in accordance with the CSR Risk Management Program introduced in 2010, LG Electronics assesses all production sites (manufacturing subsidiaries) and major suppliers for their compliance with the Global Labor Policy. Recent progress is available at our Sustainability report (pp.80~83).

Please refer to the link below. You can download and see 2013-2014 LGE Sustainability Report.  
(<http://www.lg.com/global/sustainability/communications/sustainability-reports>)

Since we do not have any manufacturing facility, we don't periodically manage CSR risks in Myanmar. If we launch a new business in Myanmar, we will consider conducting our CSR risk management procedures as a necessary program.

3. Who in your leadership is responsible for ensuring compliance with the policies and procedures in no. 2?

Based on the commitment of LGE's CHO (Chief Human Resource Officer), HR departments in HQ are responsible for establishing and distributing corporate-wide policy on labor practice and human

## LG Electronics (Jan. 26th, 2015)

right issues and HR staffs of each global subsidiary which we operate and/or invest conduct regionally related procedures to meet global and regional rules/regulations. Also, HQ CSR Team has been regularly conducting CSR Risk Management program for preventing CSR Risks beyond compliance with the law.

4. If you do not yet have human rights policies and procedures in place, do you have plans to develop them? If so, what efforts are you currently engaged in or plan to engage in on this regard?

Not applicable. Please refer to our answers above (No. 2 and 3).

5. How does your company try to prevent or mitigate conflicts that affect its operations or the surrounding communities (including armed conflict, inter-communal conflict and violence, etc.)? Could you please list your policies, procedures or concrete activities in this regard, including community engagement and dialogue measures and revenue sharing agreements?

LG Electronics engages with its stakeholders based on a set of guiding principles born out of its management philosophy (Customer –Value Creation and People-Oriented Management), and aims to address the concerns and meet the expectations of its stakeholders by delivering differentiated value. Our guiding principles for stakeholder engagement are applied to all our business sites across the world, with consideration to the social, cultural, and environmental aspects of the respective communities. Nevertheless, LG Electronics regards “Respect for Stakeholders” as the most fundamental principle in its engagement with stakeholders.

LG Electronics formulated its guiding principles for stakeholder engagement based on the international standard “AA1000SES (Stakeholder Engagement Standard),” and engages and collaborates with stakeholders following the process prescribed by the standard.

Following the engagement process, we first prioritize stakeholder groups based on internal standards and based on our analysis of opportunities and risks, establish a communication strategy and action plan for each stakeholder group. Based on the strategy and action plan in place, we identify the needs and interests of our stakeholders by utilizing a wide range of communication channels, and finalize major issues through a materiality analysis.

If there is a major issue that requires better efforts on the part of LG Electronics, we communicate and collaborate with stakeholders to make improvements. The results are provided to stakeholders through our disclosure channels (sustainability report and corporate website) within a predetermined time frame. In order to assess the effectiveness of our efforts toward informing stakeholders, LG Electronics actively seeks feedback from major stakeholders, based on which we determine whether LG Electronics successfully identifies stakeholder needs and incorporates them into its business operations.

For more detailed information, please see pp.20~27 of 2013-2014 LGE Sustainability Report.

Also, you can see some examples for solving armed conflict or environmental issues based on LGE’s stakeholder engagement from the report (pp.64~65).

6. Who should communities or civil society groups contact if they have questions or concerns about your investment or operations in Myanmar? Please provide their contact information.

As I mentioned above, we have a small branch with 3~4 sales managers in Myanmar. However, HR departments and CSR (Corporate Social Responsibility) Team in HQ always communicate and cooperate with them regarding a variety of community issues in Myanmar. So, for your convenience, you can directly contact CSR Team (sustainability@lge.com), if you have questions or concerns about human rights and other CSR issues.

## LG Electronics (Jan. 26th, 2015)

7. We further invite you to respond to questions specific to your industry. Does your company have policies and procedures in place to address each of the following areas? If so, please provide details:

Please refer to each article of our Global Labor Policy and Global EESH (Energy, Environment, Safety & Health) Policy. Also, our internal and specified rules can cover and support for all these issues.

Please refer to the link below. You can download and see our policies.  
(<http://www.lg.com/global/sustainability/csr-framework/csr-principles>)

a. Freedom of association and collective bargaining

LGE's Global Labor Policy; Article 7 'Voluntary Association'

: In order to promote an environment of trust and mutual respect, LGE will provide sufficient opportunities for employees to communicate with the company. LGE also guarantees the right of employees to free association, as governed by local law, and will not cause any employee to be disadvantaged because of involvement with a union, or attempting to organize one.

b. Living wages

LGE's Global Labor Policy; Article 6 'Wages and Benefits'

: LGE will offer wages that are higher than the minimum prescribed by local law in each country or region, including the payment of overtime rates when necessary. By doing so, LGE will motivate employees, support higher community living standards, and contribute to local economic development.

c. Workplace health and safety

LGE's Global EESH (Energy, Environment, Safety & Health) Policy; Article 1~7

d. Child labour

LGE's Global Labor Policy; Article 3 'Prohibition of Child Employment'

: LGE treats each employee with compassion, and places a high value on individual human dignity. The company shall take active steps to prevent physical and/or emotional mistreatment of employees.

e. Forced labour

LGE's Global Labor Policy; Article 2 'Avoidance of Forced Labor'

: LGE does not compel any employee to work against their will, either by intimidation or threat, or by physical confinement or any other means. LGE will not demand that employees surrender any government-issued identification, such as a passport, to the company as a condition of employment.

f. Anti-discrimination (whether based on race, gender, religion, nationality, etc.)

LGE's Global Labor Policy; Article 4 'Fair Treatment'

: LGE does not offer nor authorize discriminatory employment conditions, wages or promotions based on gender, race, nationality, physical disability, religion, labor union activity or social status.

g. Environment

LGE's Global EESH (Energy, Environment, Safety & Health) Policy; Article 1~7