

# Policy-Hazardous Substances Commitment

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As a means of providing products that are both safe and reliable, LG H&H established the Consumer Reassurance Center in 2017 to strictly control our use of hazardous substances. Both the Safety Research Lab and the Hazardous Substances Analysis Lab enable prompt and precise diagnoses of hazardous substances, as well as safety verification. We strictly adhere to procedures and guidelines when handling hazardous chemicals, including during product planning and in the selection, production, transportation, and disposal of raw materials. LG H&H complies with the following principles with the aim of producing safer products for our customers:

## **1. Recognition and Communication of Hazardous Substances**

LG H&H understands the purpose of all chemicals used in its production processes, and proactively identifies the concentration of chemicals contained within finished and semifinished products. Moreover, we strive to minimize harmful chemicals in our products and remove them completely wherever possible.

## **2. Enhancement of the Risk Assessment and Verification System for Hazardous Substances**

For all ingredients used, LG H&H conducts regulatory reviews on levels designated or restricted by the regulations of each country (LG H&H conducts regulatory reviews on

whether ingredients used for each product group are in compliance with levels designated or restricted by regulations); carries out human health risk assessments; and verifies whether the ingredients are hazardous. Only ingredients that comply with LG H&H's internal management criteria can be used for products.

In particular, for infant products, inhalable products, and products that pose risks to humans, we verify whether the materials used fall within the safe range prescribed by regulations. Semi-finished products are also tested for harmful chemicals. Furthermore, all new factory-produced products are required to meet internal management standards on an annual basis, which represents a stricter standard than any current domestic or foreign regulation. LG H&H has also introduced the Risk Management Monitoring System (RPA) to collect information, on a weekly basis, for the purpose of identifying the latest regulations and social issues concerning the safety of our products. Targets of monitoring include our entire product line and components of our product packaging, as well as materials available for use in products that we may potentially develop in the future. We also comprehensively monitor the nature of our products, including their shape, texture and containers. Newly updated information on hazardous substances is continuously reviewed and applied to our products.

### **3. Support for International Standards and Initiatives**

Based on the international standards of Substances restricted under the REACH Annex XVII and substance on the candidate list of Substances of Very High Concern (SVHC), LG H&H investigated the usage and content of products produced, and will make efforts to reduce the identified hazardous substances in stages. Especially with intensive management, Decamethylcyclopentasiloxane(D5) and Dodecamethylcyclohexasiloxane(D6), which were identified to be the majority, will be reduced to less than 50% of the current level by the end of 2025. And LG H&H will

achieve this level by increasing the number of new products that do not use the said substances, using different ingredients; or discontinuing the products that contain the said substances.

#### **4. Efforts for Sustainable Development.**

LG H&H regularly checks and evaluates raw materials, subsidiary materials and our end products, as well as hazardous substances that may be leached during the production process. For products and processes requiring improvement, we will invest resources into developing products that consumers can rely on and safely use, exploring alternative materials and modified production recipes to eliminate the use of hazardous chemicals.

LG H&H designated 20 hazardous substances based on the hazardous substance regulations and acceptance criteria of major countries and made continued efforts to reduce their use. As a result, amounts of these substances used by LG H&H do not exceed the levels defined by major countries. LG H&H will also add Butylphenyl Methylpropional, which can be toxic to reproduction, and parabens (methylparaben, ethylparaben, propylparaben, butylparaben, isopropyl paraben and isobutyl paraben), which are on the list of endocrine disruptors, to the hazardous substances list. LG H&H will continue reducing their use as well.

(1) Butylphenyl methylpropional (BPMP), also known as Liliol, is a synthetic fragrance ingredient. It was classified as an R.1B substance (a substance on which animal testing was done and reproductive toxicity against the human body is concerned) according to EU's CLP Regulation, which was revised in May 2020. In this regard, LG H&H aims to stop using this substance for its entire products, including fragrances.

(2) Parabens, as preservatives, are widely used for cosmetics and personal care

products. But they were placed on some endocrine disruptor lists, including the Substitute It Now! (SIN) list or UN's list of Endocrine Disrupting Chemicals (EDC), as substances that should be avoided. LG H&H will try to continuously reduce the use of even methylparaben, ethylparaben, propylparaben, butylparaben, isopropyl paraben, and isobutyl paraben, which can be restrictively used in Korea.