

LG H&H Green Management Policy

Enactment: May. 2017
 Revision: Jan. 2022
 May. 2023

Purpose

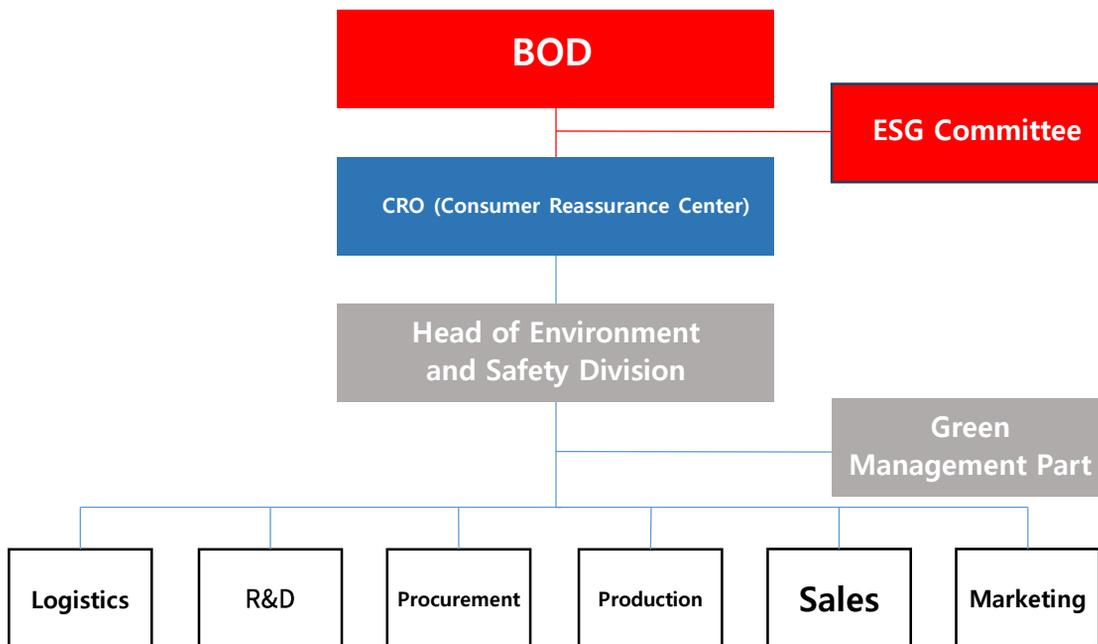
LG H&H shall establish and implement green management policies to create and continuously improve an environment-friendly and carbon-neutral environment in the three areas of Healthy, Beautiful, and Refreshing under LG's management philosophy. Furthermore, as an eco-friendly company, we shall strive to minimize environmental impact and preemptively respond to environmental risks by establishing a green management system to maintain customer trust.

Scope

This green management policy shall apply to major business partners, such as LG H&H's global business sites and subsidiaries, suppliers, service providers, contractors, joint ventures, licenses, and outsourcing partners.

Management System

LG H&H has established an internal system necessary for implementing green management and has the green management part as a dedicated working organization.



The CRO is in charge of company-wide crisis management, including the Consumer Reassurance Center, whilst the Environment and Safety Division functions as an organization under the Consumer Reassurance Center.

- The ESG Committee under the LG H&H Board of Directors is responsible for setting environmental goals such as carbon neutrality and making final decisions on risk management based on performance. We are establishing a system to promote the goal achievement plan by analyzing the difference in environmental performance status and goals company-wide based on the environmental goals set by the ESG committee.

- 2 We operate the ESG Council under the ESG Committee, the control tower for in-house ESG governance. The ESG Council establishes implementation plans for green management (environmental management) issues such as ESG and climate change by the department and company-wide response to external stakeholder demands and leads performance-related discussions. The committee is also operating the 'Carbon Management Council' to establish carbon neutrality goals, discover implementation tasks, monitor progress, and run the 'Green Product Council' to realize sustainability packaging.

Green Management Policy

- 1 We shall provide differentiated value to customers by operating an eco-friendly system that minimizes environmental load throughout the business process.
- 2 We shall establish a company-wide environmental management system and conduct regular inspections and assessments. Further, we will set targets and actively implement programs to minimize our environmental impacts, as well as contributing to the creation of a pleasant working environment and the company's sustainable growth.
- 3 We shall comply with environmental and energy-related laws and regulations in the regions where we do business, and establish our standards, one step ahead of the laws to improve them to a global level.
- 4 We shall faithfully fulfill our corporate social responsibilities by actively supporting partner companies' and local communities' green management improvement programs and transparently disclosing relevant information to stakeholders.
- 5 We shall recognize the importance of protecting the global environment and strive to minimize greenhouse gas emissions in our products and services.

Implementation of Green Management Policy

Product

01

1 Social and environmental value products

We shall establish and operate standards for social and environmental value products by comprehensively considering product safety, environmental impact, and social value. We shall do our best to spread products with environmental value, such as water resource protection, waste reduction, and energy reduction.

2 Packaging material

We shall strive to develop and apply packaging materials that consider the environment from the product development stage. Based on the 3R policy (Reduce, Recycle, Reuse), we shall establish tasks for container reduction, material improvement, and recyclability to promote continuous improvement. We shall operate the 'Green Product Review Council' to monitor the implementation of sustainable packaging and performance against improvement plans.

3 Eco-labeling

We shall gradually expand eco-label certified products and actively participate in the environmental labeling system, such as low-carbon products, to provide consumers with information on improving environmental properties and to meet consumer demand for eco-friendly products.

4 Hazardous Chemicals

We shall operate our procedures to ensure the safe use of hazardous chemicals in the entire production process so that consumers can use our products confidently and guidelines for handling dangerous chemicals. Furthermore, we shall enhance the human risk assessment and hazardous chemical verification system and continuously strive to eliminate and minimize hazardous chemicals.

Implementation of Green Management Policy

Production
and
distribution
services

02

1 Greenhouse gas and energy

We shall establish a greenhouse gas inventory and climate change response system to systematically manage all business sites' greenhouse gas emissions and set a greenhouse gas and energy reduction plan. We shall continue to invest in improving energy efficiency and expanding the application of new and renewable energy by introducing high-efficiency facilities, improving facility efficiency, and replacing outdated equipment. We shall operate the 'Carbon Management Council' to establish goals for carbon neutrality and discover tasks to implement and monitor progress.

2 Water and wastewater

We shall conduct water resource risk assessment and management activities for each business site to understand the current status of water use, business continuity, and the impact of water shortages. We shall strive to reduce water consumption and use water efficiently. In addition, we shall secure stable treated water quality through process improvement, reduce wastewater generation, and prevent water pollution by establishing monitoring and alarm systems.

3 Waste

We shall continuously manage waste emissions by controlling the defect rate in the production stage and eliminate the causes of waste by improving our processes. We shall raise the waste recycling rate by converting the generated waste to recycling and re-materializing rather than incineration or

4 Distribution and Logistics

We shall strengthen the eco-friendly logistics system by implementing logistics process innovation, logistics base optimization, and transportation and delivery efficiency. We shall also continue to develop activities for optimal operation in each logistics area, such as packaging, storage, transportation, and loading and unloading. To this end, we shall cooperate with partner companies and promote improving the logistics environment for each business division and site.

Communication and Disclosure

LG H&H will disclose relevant information to all stakeholders through the company website and sustainability report when establishing and changing green management policies for environmental risk management. In addition, internally, we will continuously monitor the status of compliance with the green management policy through regular employee training on the green management policy and related practices.

If you see an operation case that violates the green management policy, please report it through the following channel.

- **Main reporting channel**

Department Name : Green Management Part

Email : yoonha0@lghnh.com

Tel : +82-2-6980-0995

LG H&H joined the UN Global Compact in 2012, supporting the framework of principles in human rights, labor, environment, and anti-corruption for the first time. LG H&H endorses the company's intention to uphold the UN Global Compact principles and evaluate relevant global best practices that may apply to us. Through this membership, we will continue implementing global communication on ESG performance required by the UN Global Compact.