

Human Rights Management Policy

Purpose

LX Semicon is committed to implementing human rights management actively to ensure that the rights and values of all stakeholders, including employees, customers, and suppliers, who are directly impacted by or impact business activities, are equally respected. At the same time, we strive to prevent human rights violations and mitigate related risks. In particular, we recognize stakeholders who are more vulnerable to human rights-related risks, such as children, women, people with disabilities, and foreign workers, and make proactive efforts to protect their human rights. To implement human rights management, LX Semicon has developed a policy that adheres to various international standards and guidelines on human rights and labor, including the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights), the International Labor Organization's (ILO) Declaration on Fundamental Rights and Principles at Work, the 10 Principles of the United Nations Global Compact, the United Nations Convention on the Rights of the Child, the United Nations Guiding Principles on Business and Human Rights, and the OECD Due Diligence Guidance for Responsible Business Conduct.

Scope of Application

This policy applies to LX Semicon's employees, customers, communities, and other stakeholders, including all business associates, suppliers, joint ventures, and members of LX Semicon. All LX Semicon employees are expected to comply with this policy, and all stakeholders with whom LX Semicon does business, including suppliers, are also expected to abide by this policy. LX Semicon complies with this policy and the labor laws of the local countries and regions in which it operates. In the event of a conflict between local laws and international standards, LX Semicon abides by local laws and regulations but will strive to follow the higher standard.

Basic Principles

LX Semicon manages human rights risks arising from the following areas at an enterprise-wide level and fulfills its responsibility to respect human rights.

1. Ensuring Occupational Safety and Health

We prioritize the safety and health of our employees and ensure strict compliance with relevant laws and internal policies. We have created a safe and clean work environment by establishing a system to prevent safety accidents, providing an optimal work environment, and conducting related training regularly.

2. Prohibition of Forced Labor

We do not unreasonably restrain a worker's mental or physical freedom by means such as by assault, intimidation, or confinement, or force a worker to work against their free will. We do not require workers to surrender personal documents such as identification, passports or work permits, as a condition of employment.

3. Prohibition of Child Labor and Protection of Minors

We comply with the minimum age of employment standards set by the laws and regulations of the countries and territories in which we operate, and do not tolerate any form of child labor. Under no circumstances is anyone under the age of 18 (including students, interns, trainees, and apprentices) employed to work in hazardous or dangerous jobs, including night shifts and overtime. In unavoidable circumstances where we have to employ minors, we take steps to ensure that their work does not limit their educational opportunities.

4. Freedom of Association and Collective Bargaining

We guarantee all employees the right to form and join trade unions, freedom of peaceful assembly and association, and collective bargaining in accordance with the labor relations laws of each country or region. We do not subject employees to any adverse treatment or discrimination on the basis of their membership in a labor union. The labor and management communicate on an equal footing to maintain, and we strive to improve working conditions and provide sufficient communication opportunities for employees to express their views and concerns without fear of reprisal.

5. Compliance with Working Hours

LX Semicon recognizes workers' rights to rest and leisure and complies with national laws and regulations regarding regular and overtime working hours and holidays, adhering to ILO conventions on working hours. All overtime work is voluntary, and overtime pay is provided in accordance with national or local labor relations laws and regulations. We ensure that workers have access to adequate rest and vacation and at least one day off every seven days.

6. No Discrimination

LX Semicon does not tolerate discrimination in recruitment, hiring, promotion, training, wages and compensation, benefits, work progress, retirement, or termination on any grounds, including gender, age, race, ethnicity, nationality, religion, disability, family status, marriage, pregnancy, childbirth, social status, political opinion, or gender identity. In addition, we strive to respect and expand diversity and inclusion, providing fair opportunities for personal development based on employees' abilities and qualities, and evaluating and rewarding employees based on fair standards.

7. No Workplace Bullying

LX Semicon strictly prohibits all forms of harassment in the workplace, including sexual harassment and sexual violence, mental and physical coercion, harassment, public shaming, and verbal abuse. We strive to prevent the occurrence of sexual harassment and sexual violence in the workplace, especially by providing education to prevent harassment and violence using the advantage of superior position or relationship. Furthermore, we operate a grievance handling channel where anyone can report incidents of an undesirable nature. We will conduct a neutral investigation and provide appropriate remedies to protect victims. All reporters are guaranteed anonymity, and any unfair treatment or retaliation against reporters is strictly prohibited.

8. Wages and Benefits

Workers' wages are set to exceed the legal minimum wage in accordance with the labor relations laws of each country or region, contributing to the improvement of workers' livelihoods and working conditions. We ensure that workers' wages are not deducted unfairly without reasonable cause. We also provide benefits such as social insurance and paid vacations as stipulated by the labor relations laws of each country or region.

9. Responsible Sourcing of Minerals

LX Semicon recognizes the negative social and environmental impacts of the mining industry, such as human rights abuses, exploitation of child labor, sexual violence, and environmental degradation, as serious problems. Therefore, we do not use minerals such as 3TG and cobalt that have been mined directly or indirectly in dangerous or conflict-affected areas including the Democratic Republic of the Congo and its neighboring countries. We also verify the origin of minerals in advance and disclose relevant information to customers upon request.

10. Responsible Supply Chain Management

LX Semicon recognizes that many risks related to human rights occur at lower levels of the supply chain. To manage these risks, we have established a Supplier Code of Conduct and require our suppliers to comply with it in fulfilling their obligations to protect human rights. We communicate with suppliers and support them in introducing and practicing human rights management. We do not use our superior position to engage in unfair or corrupt transactions; instead, we strive for mutual growth through fair and transparent dealings.

11. Information Security

All members of LX Semicon shall protect the company's proprietary information and introduce continuous improvements to various technical and physical measures to safeguard all confidential information, such as that of customers and business partners, collected in the course of business. In addition, members shall manage all personal information, including that of suppliers, job applicants, and online site visitors, acquired in the course of company business in compliance with relevant laws and regulations, both domestically and internationally. We shall not provide this information to third parties without legitimate authority or reason.

12. Ensuring Environmental Rights

LX Semicon recognizes the right to enjoy a clean and healthy environment as a human right. To this end, we operate an environmental management system and do our best in preventive activities to minimize the environmental impact of our business operations. We also promote environmental management initiatives to achieve carbon neutrality and create eco-friendly workplaces, and strive to conserve natural capital and biodiversity.

Operation Framework

1. Human Rights Management Governance

The Human Rights Management Department is responsible for establishing overall policies and directions related to human rights management and for monitoring its implementation. This department conducts human rights education, discloses relevant information, performs human rights due diligence, and leads victim relief efforts. The Board of Directors is responsible for the highest level of decision-making regarding human rights, and the Human Rights Management Department reports to the BOD on the status of human rights management and potential risks, which the BOD reviews and manages.

2. Human Rights Risk Management

LX Semicon operates a human rights impact assessment process that incorporates the requirements of external stakeholders and major global guidelines on human rights, and develops assessment indicators for the examination of human rights risks and due diligence. Through this process, we identify actual and potential impacts on human rights. For any identified negative impacts, we determine areas requiring improvement and take necessary measures to prevent or mitigate them.

3. Grievance Handling Process

LX Semicon operates various grievance handling channels to report cases of human rights violations. These channels are open not only to employees but also to internal and external stakeholders, such as workers in the supply chain and local communities. When cases of human rights violations are reported, we strive to promptly address the issues raised and provide remedy. We prohibit any form of retaliation, including adverse employment actions, against complainants, victims, and informants who seek counseling or investigations and cooperate with the investigations. LX Semicon is committed to respecting and not interfering with the right of any worker or stakeholder to participate in judicial and non-judicial remedial proceedings, and provides full cooperation when necessary.

LX Semicon CEO
Yun-tae Lee

