

LocknLock



락앤락 협력사 행동규범

# LocknLock Code of Conduct for Suppliers

# Code of Conduct for Suppliers

## • 1. Introduction

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### A. Purpose

Staying true to our brand philosophy, 'people-oriented life innovation,' LocknLock takes a close look into our customers to deeply understand their lifestyle from the product development stage, based on which we unveil products and services that recommend a better life. As a global life style company exporting products to more than 120 countries around the globe, LocknLock has a sense of mission to underpin the life culture of global consumers, and based on this mission, we deliver business operations. We make all-out efforts to achieve sustainable growth to go hand in hand with local communities in line with our core values that put humans and nature first. We regard our suppliers as key business partners, share our corporate values with them, and create an ecosystem for mutual growth, thereby growing into a company that deserves more trust from our community. To ensure fairness and transparency in our supply chain, LocknLock establishes the Code of Conduct for Suppliers. The very purpose of the Code of Conduct is to make sure that all our suppliers engaging in our product manufacturing at home and abroad (hereinafter 'suppliers') create a safe work environment, respect all employees, and deliver eco-friendly and ethical management.

This Code of Conduct complies with the international regulations, standards and legal requirements, and we referred to the Code of Conduct released by the Responsible Business Alliance. If there is a conflict between this Code of Conduct and local laws, the stricter one will override.

### B. Subject

All suppliers that offer products or services to LocknLock, or sign a trade agreement are subject to this Code of Conduct for Suppliers. And all the suppliers subject to this Code may recommend other vendors (hereinafter 'vendor') within the supply chain to comply with the requirements of the Code of Conduct.

## • 2. Ethical Management

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### A. Transparent Management and Anti-corruption

In accordance with our policy on righteousness management, suppliers should impose a ban on all forms of corrupt activities including bribery, embezzlement, promise / suggestion,

or approval / reception of specific value, investigate into violation, and take disciplinary action.

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### **B. Conflict of Interest Prevention**

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- ① Suppliers should carry out their duties in accordance with the operating rules with a sense of responsibility.
  - ② The suppliers' employees are not allowed to promise, suggest, permit, or offer other means with the aim to secure illegitimate or improper gains. This includes any act of compromising the company in their own interests or receiving personal benefits through a third party.
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### **C. Unfair Trading Prevention**

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- ① Suppliers should comply with the laws, regulations, and standards regarding fair trade where they operate.
  - ② Suppliers should not abuse their dominant position in the market or not do any act that may undermine fair competition, such as unfair trade.
  - ③ Suppliers should not agree to conduct any act of unfairly hindering competition with other companies.
  - ④ Suppliers should not obtain information in an illegitimate manner from competitors, suppliers, or other organizations, and not use or disclose the information illegally earned by a third party.
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### **D. Data Protection**

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- ① Suppliers should not disclose the trade secrets or information that requires security of their client companies or vendors, and not store or use the data earned during business without prior permission and approval
  - ② Suppliers should respect IPRs (Intellectual Property Rights), and the transfer of technology and know-how should be done in a way of protecting the rights. LocknLock's information should be safely protected.
  - ③ Suppliers should collect and use personal data to a degree that does not violate the regulations on personal data collection, and usage purpose and period, make sure their compliance with PERSONAL INFORMATION PROTECTION ACT prescribing matters related to the management and protection of personal information, and monitor their compliance.
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## **• 3. Environment**

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### **A. Environmental Management**

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① Suppliers should be aware of their responsibility for the environment, and make efforts to minimize their negative impact that their business operations may have on the environment.

② Suppliers should abide by the environmental laws and regulations in regard of the management and disposal of chemicals and waste, recycling, industrial water management and reuse, and control over GHGs and air pollutants.

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## **B. Energy Consumption and GHG Emissions**

① Suppliers should establish the system to measure their energy consumption and GHG emissions.

② Suppliers should put efforts into mitigating their energy use and GHG emissions.

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## **C. Effluent Management**

Suppliers should strive to cut down on their water consumption and boost recycling. And suppliers should comply with the legal requirements to manage water contamination emitted.

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## **D. Air Pollutant Management**

Suppliers should minimize their air pollutant emissions using appropriate methods, and ensure their compliance with the local laws and regulations regarding the management, treatment, and emissions of air pollutants.

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## **E. Waste Management**

Suppliers should minimize the generation of waste that goes into landfill or incineration using appropriate methods, and make efforts to reuse waste, promote recycling, and collect discarded raw materials and parts.

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## **F. Chemical Management**

① Suppliers should be committed to managing chemical substances in a safe manner when transporting, preserving, using and disposing them.

② Suppliers should check if there is a hazardous substance\* that does harm to humans or the environment in the raw materials or parts that they purchase, manufacture, sell, or distribute.

\*Matters related to Restriction of Hazardous Substances Directive (RoHS) (2006) implemented by the EU, etc.

③ Suppliers should abide by the local laws and regulations in regard of the use or prohibition of specific substance.

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# **• 4. Labor / Human Rights**

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## **A. Ban on Discrimination**

- ① Suppliers should not discriminate in terms of recruitment, wage payment, promotion, compensation, and opportunity for training on the grounds of gender, race, religion, disability, age, family background, social status and political orientation, pregnancy, or marital status.
  - ② Suppliers should not require qualifications that are not needed to perform duties when recruiting and hiring employees.
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## **B. Remuneration and Welfare Benefits**

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- ① Suppliers should comply with the laws and systems of each country in which they operate. This includes the minimum wage, overtime compensation, and statutory benefits. The standards of wages should be provided for workers in a timely manner in the form of a wage statement or other similar document.
  - ② Suppliers should provide a pleasant work environment for their employees and strive to operate a welfare system that aims to improve their life quality.
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## **C. Work Hours**

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- ① Suppliers should comply with the legal work hours of each country in which they operate and should manage work hours, including resting time.
  - ② Suppliers should refrain from overtime work that employees do not want and provide fair compensation in case of unavoidable overtime.
  - ③ Supplier should guarantee workers at least one day off every seven days.
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## **D. Humane Treatment**

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- ① Suppliers should respect the privacy of their employees and refrain from giving unnecessary work orders during off-duty.
  - ② Suppliers should notify in advance when collecting personal data of their employees and ask for voluntary consent.
  - ③ Suppliers should do their best to eradicate harsh acts in the workplace. There must be no harsh or inhumane treatment, including sexual harassment, sexual abuse, physical punishment, mental or physical coercion, and abusive language against workers. In order to ensure humane treatment, suppliers should clearly define disciplinary policies and procedures for inhumane behavior and notify employees of the policies and procedures to their employees.
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## **E. Guarantee of the Freedom of Association**

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- ① Suppliers should guarantee the freedom of association and collective bargaining for employees and allow the establishment and operation of legitimate bargaining groups.
  - ② Suppliers should faithfully engage in discussions on collective bargaining matters with the representatives of their employees.
  - ③ Suppliers should allow individual employees to freely propose matters for collective bargaining in the case of the absence of their representatives.
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## **F. Prohibition of Child Labor**

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- ① Suppliers prohibit any form of child labor in principle and should verify the age of employees and job applicants through legal documents such as ID cards and birth certificates. ('Child' refers to a person aged under 15, or under the age at which mandatory education ends, or under the legal minimum age for employment under the local laws; whichever is aged under the highest age of the three.)
  - ② Suppliers may hire youth workers who are older than the legal minimum age for employment, but the workers aged under 18 must not perform dangerous work (including overtime and night work) in terms of safety and health.
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## **G. Prohibition of Forced Labor**

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- ① Suppliers should allocate work to their employees following the labor standards laws of each country in which they operate and should prohibit any form of forced labor or compulsory labor against the will of employees.
  - ② Suppliers should not request the submission of identification cards or visas that may restrict the individual activities of employees and should not be involved in physical or mental restraint such as assault, blackmail, or confinement for the purpose of forced labor.
  - ③ Suppliers should not receive goods and services from business partners that are involved in forced labor due to debt or physical/mental restraint. If confirming the aforementioned acts, taking action is required.
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# **• 5. Safety / Health**

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## **A. Occupational Safety Management**

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- ① Suppliers should regularly inspect and evaluate the safety of hazardous or dangerous machines, instruments, and facilities in the workplace.
- ② Suppliers should install and manage safety devices, barriers, emergency devices, and others to prevent occupational accidents caused by using hazardous or dangerous machinery, equipment, and facilities in the workplace.

③ Suppliers should distribute safety gears that can protect individual employees. Safety gears should be easy and convenient ones for employees to use, and be maintained and managed well for performance.

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## **B. Emergency Response**

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Suppliers should establish a response plan against emergencies such as natural disasters, mass infections, fires, and occupational accidents. In the event of an emergency, suppliers should implement the response procedures for each type to minimize the damage. When the situation is over, they should set up and implement measures to prevent recurrence by identifying and evaluating the situation. Regular education and training should be conducted on average days to be equipped with emergency response capabilities.

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## **C. Industrial Accident and Disease Management**

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① Suppliers should establish a system which is able to identify industrial accidents or disease status.

② In the event of an industrial accident or severe illness, suppliers should immediately halt the operation and take necessary action, such as evacuating employees.

③ In the event of an industrial accident or severe disease, suppliers should investigate the cause of the occurrence and strive to develop improvement measures.

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## **D. Safety Diagnosis**

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Suppliers should take preventive measures against industrial accidents and occupational diseases by removing potential risk factors in advance. Chemical, biological, and physical risks should be identified, evaluated, and managed through risk assessment while safety-related dangers of production and other facilities should be evaluated, followed by establishing and implementing improvement measures accordingly. These risks must be controlled by managerial improvements, such as safe work procedures, continuous safety training and education, provision of suitable protective gears, as well as engineering improvements in terms of design, engineering, and preventive maintenance.

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## **E. Health Management**

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① Suppliers may provide resting space, restrooms, and restaurants to their employees, and if they do, they should make efforts to keep them clean.

② Suppliers may provide dormitories to their employees, and if they do, they should provide safety signs, lighting, air conditioning, and others. In addition, the dormitory must be equipped with an appropriate device to restrict access to outsiders.

③ Suppliers should provide general or special health check-ups for their employees on a regular basis under the laws relevant to health check-ups of each country in which they

operate. If measures are required due to the result of the health check-up, they should take actions such as changing employees' workspace, switching jobs, and reducing work hours.

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## • **6. Management System**

### **A. Education and Communication**

- ① Suppliers should educate their employees on the matters stipulated in this Code of Conduct for Suppliers and the issues in the laws and systems related to this document.
- ② Suppliers should share their implementation plans and performance on the matters presented in the Code of Conduct for Suppliers with their employees.

### **B. Grievance Handling System**

- ① Suppliers operate a grievance handling system that allows employees to check or understand the violations of laws and regulations in the ethics, environment, labor/human rights, and safety/health areas and to report on breaches of individual rights and interests.
- ② Suppliers should protect their employees from unreasonable measures such as dismissal, threats, retaliation, and ridicule for reporting. In addition, suppliers should strictly guarantee the confidentiality of the whistleblower's identification.

### **C. Compliance**

- ① Suppliers should provide information on whether they comply with this Code of Conduct for Suppliers and the level of implementation for LocknLock or a third party designated by LocknLock.
- ② Suppliers should participate in a voluntary written inspection conducted by LocknLock or a third party designated by LocknLock in order to provide information on compliance with this Code of Conduct for Suppliers and the level of implementation. In addition, Suppliers should actively cooperate with the on-site evaluation participated by LocknLock if it is requested by LocknLock.
- ③ Suppliers should rectify any discovered deficiencies or violations of the level of compliance or implementation of this Code of Conduct for Suppliers in a timely manner and should make efforts to establish and implement a plan accordingly.

First effective date: April 12, 2022

Department in charge: Innovation Team

Person in charge: Head of Innovation Division

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