

## **LS Code of Ethics**

On the basis of 'Integrity,' which is the foundation of its management philosophy, LS maintains the Code of Ethics and the Practical Guidelines as its rules of behavior and judgment which all the affiliates and members should follow. The company also encourages active realization of the values expressed in the code and pursues continuous improvement of the code.

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#### Chapter 1. Responsibility and Duty for Customers

##### 1. Respect for customers

1) We shall listen carefully and respect our customers' opinions, considering them to be right at all times.

2) We shall regard customers' satisfaction as the first standard of all our judgments and conduct.

##### 2. Provision of true information

1) We shall provide customers with only true information,, and shall never provide or disseminate false information.

2) We shall never conceal worthwhile information from our customers. Defamation of the products of competing companies and groundless comparisons are strictly prohibited.

### 3. Customer service

1) We shall keep every promise we make to our customers without fail.

2) We shall respond promptly to customers' demands for A/S, justifiable exchanges or refunds.

### 4. Value for customers

1) Being equipped with a sense of morality and ownership, we shall strive to provide our customers with real and true values based on the virtues of respect, care, and trust.

2) We shall supply products and services at reasonable prices, and shall respond to customers' reasonable demands promptly and appropriately.

3) We shall maintain a strict system of quality management in order to supply products which satisfy our customers' expectations and demands regarding trustworthiness and safety.

### 5. Protection of customer benefits

1) We shall protect our customers' property as if it were ours, and shall not use it arbitrarily.

2) We shall not use any information we acquire about our customers without their consent, nor allow it to be leaked to a third party.

3) Any immoral conduct that may damage our customers' benefits or security is strictly prohibited.

## Chapter 2. Fair Competition(rival companies)

### 1. Legitimate collection and use of information

1) We shall not collect any information or trade secrets of a rival company by illegitimate means.

2) We shall not leak such information wrongly, even if it is acquired in a legitimate way.

3) All collected information shall be legitimately used so as to prevent any damages to our customers and competitors.

### 2. Fairly gained competitive advantage

1) We shall not pirate or infringe any of the tangible or intangible assets of our rival companies.

2) We shall not slander or make any groundless comparisons with our rival companies with the aim of gaining a competitive advantage over them.

### 3. Prohibition of collusion

1) We shall not consult or collude with our competitors to fix prices, sales conditions or local distribution.

2) We shall not organize or join any illegitimate council or organization in order to collude with companies of the same kind.

#### 4. Respect for law and commercial practice

1) All our business activities at home and abroad shall comply with and respect all the relevant laws and commercial practices.

2) We shall obey the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the Act on Combating Bribery of Foreign Public Officials in International Business Transactions.

#### Chapter 3. Fair Trade(subcontractors)

##### 1. Selection of business connections by fair procedure

1) We shall establish and operate the Regulations and System of the Procedure of Selecting Business Connections to determine and register our business connections fairly.

2) The procedure shall include concrete items and methods of evaluation, taking account the characteristic of each business.

3) Any pressure, requests or personal relationships based on kinship, academic background or regional ties shall be excluded from the procedure.

##### 2. Fair trade and evaluation

1) We shall endeavor to co-exist and grow together with our subcontractors by building partnerships with them.

2) We shall share necessary information for trade at the proper time and prepare security measures to prevent any damages that may arise from information disclosure.

3) Regular evaluations shall be conducted according to fair criteria and the results shall be announced and reflected in the next business.

4) Sound suggestions shall be reflected in our business.

5) We shall obtain permission before using any technology or other property of an account.

6) We shall provide fair compensation in the event that a clear mistake on our part causes a loss to

one of our accounts.

7) We shall not commit any other acts of unfair conduct as prohibited by the relevant laws on fair trade.

### 3. Maintenance of a clean and transparent trade order

1) We shall not accept or demand any economic benefits such as money & valuables, services and entertainment from an account.

2) We shall make no requests concerning a transaction by using a special relationship including kinship, local origin or school background, nor shall we abuse our position to exercise pressure.

3) We shall not cause any harm to the business of our subcontractors by abusing information or technology gained in the course of transactions with them.

### 4. Supporting subcontractors

1) We shall draw up and follow guidelines on promoting our subcontractors in order to help them develop their business.

2) The above guidelines shall specify the qualifications, rights and duties of the subcontractors, and shall also include an operational standard for their promotion, such as technical support and management training.

### 5. Prohibition of unfair practices

The following unfair practices are prohibited during business with our subcontractors or other parties concerned.

1) Pushing for the purchase of other products or goods while supplying services or goods.

2) Prohibiting business between one of our accounts and a rival company, or imposing a limit on a business region or a partner.

3) Determining a price unfairly such as by raising a selling price or reducing a purchase price without any consultation.

4) Refusing a justifiable demand for a refund from an account, or refusing to receive an ordered article, or delaying or rejecting one unfairly in an examination.

5) Neglecting the legal obligation concerning the conditions of payment.

6) Discriminating against a particular account by dealing unfairly with regard to the prices, conditions, contents, etc.

7) Changing or abrogating unilaterally an obligation determined by mutual agreement with an account through a contract.

8) Other unfair trade practices as prohibited by the relevant laws regulating fair trade.

#### Chapter 4. Basic Ethics of Employees

##### 1. Maintenance of dignity as LS employees

1) Our employees shall not commit any immoral or unethical acts which could damage the fame of a company or its members' personal dignity.

2) All employees shall adhere to the basic manners in their office and respect each other's privacy.

3) Any behavior encouraging mutual distrust in the company, such as devising and circulating rumors, shall not be tolerated.

4) Any behavior encouraging mutual distrust in the company, such as devising and circulating rumors, shall not be tolerated.

5) Any clique or private organization based on school background, gender, religion, kinship, regional origin, age, physical disability, marriage, nationality, ethnicity, etc. is strictly prohibited.

##### 2. Protection of company's property and important information

1) When a state of emergency that could lead to the loss of or damage to company property occurs or looks likely to occur, report it immediately and take the necessary measures.

2) All employees shall protect the company's tangible properties, intellectual property rights and trade secrets, and shall not use them unfairly for personal purposes.

3) The pursuit of private interests by using one's position and unfair trade by using closed information are strictly prohibited.

4) The security of the company's classified information shall be maintained in compliance with the relevant regulations, and any disclosure of the company's information to foreign parties requires prior approval.

5) Important documents or information shall not be unfairly leaked or used through SNS (Facebook, blogs, online communities, etc.) or the Internet.

##### 3. Fair performance of duties

1) The following behaviors are not allowed for the purpose of fair performance of duty.

- Acceptance of a reward from a stakeholder;

- The joint investigation, joint acquisition of property and loan with a stakeholder;
- Illegal use of the company's property;
- Neglect of duties, management and supervision, and arrogation thereof;
- Abuse of one's own position for personal advantage;
- Fabrication of a document or coefficient.
- Ordering unreasonable work irrelevant to business

2) No reward shall be accepted from a stakeholder. In the event of the receipt thereof owing to unavoidable circumstances, the employee concerned shall report it to the company.

#### 4. Trustworthy and fair reporting

1) Employees shall never mislead the decision making of their superior or a related department by manipulating a coefficient or fabricating a report.

2) Every transaction shall be recorded in a log book in accordance with the principles of reliability and objectivity, which are the basis of accounting.

#### 5. Prohibition of improper conduct outside one's position or duties

1) No employee shall be guaranteed employment by a stakeholder while in office nor make a request for such.

2) No employee shall make a contract about personal business with a stakeholder, nor form a business relationship arising from a lease or loan with him/her.

3) No superior shall order his/her team or subordinates to perform any personal business nor demand such work implicitly.

4) No superior shall give an illegitimate command concerning business to a subordinate. Any employee who is asked to perform such a task by his/her superior has the right to refuse it and shall not suffer any disadvantage for reporting it to the company.

#### 6. Avoidance of conflicts of interest with company

1) No employee shall run or invest in an external company where a conflict of interest with LS may arise.

2) No employee shall ever be employed by a rival company of LS while in office, nor advise or consult with a rival company contrary to LS's advantage.

3) In the event that an employee seeks employment with another company or carries out a duty

for another company that is similar to his/her present work at LS, prior approval shall be obtained.

4) No employee shall trade his/her own LS stocks nor recommend another person to buy or sell stocks by using inside information.

5) No employee shall select a company run by his/her family or relatives as a customer nor exercise his/her influence to help such company enter into a business relationship with LS.

#### 7. Prevention of sexual harassment in the workplace

1) Any jokes or physical touching in the workplace which may cause sexual humiliation or temptation are prohibited, because such behaviors violate a person's human rights and affects his/her will to work.

2) Always pay due attention to the fact that one's own behavior could cause mental or physical damage to another person.

3) No employee regardless of rank shall suffer from sexual harassment so that his/her competence at work is affected or personality is damaged.

#### 8. Prohibition of political activity

1) Employees shall not participate in any political activity, though the company shall respect the suffrage and political opinions of each person.

2) Employees shall not make illegal donations or provide funds to a political organization, party or candidate.

#### 9. Observance of the Code of Ethics

1) The Code of Ethics shall be faithfully observed, and any violator thereof shall be held responsible for their infringements.

2) In the event that an employee is forced to act against the Code of Ethics or perceives an act involving wrongful conduct, he/she shall report the fact to the Department of Ethical Management.

### Chapter 5. Company's Responsibility toward Its Employees

#### 1. Cultivation of human resources

1) The company shall establish, support and promote a necessary system for the development of autonomous and creative players.

2) Each superior shall be willing to give his/her subordinates any necessary advice and education with consideration for each person's abilities and gifts, in order to help them develop into strong



and challenging players.

## 2. Treatment of competence and performance

1) All the employees shall be able to enjoy equal opportunities to develop their competence, including training programs, job mobility, appointments, etc., without being discriminated against with regard to school background, gender, religion, regional origin, marriage, nationality or ethnicity.

2) In order to create an atmosphere of fair competition, a clear standard for evaluating competence and performance shall be established, announced, and strictly followed.

## 3. Guarantee of sound expression of will

1) The company shall establish the necessary system and create an atmosphere in which every employee can freely make suggestions and discuss their difficulties.

2) No activities pertaining to a particular religion or party shall be either recommended or imposed. Personal religious or political opinions and affinities shall be respected.

## 4. Responsibility for employees' health and safety

1) The company shall take all necessary and proper measures to ensure the health and safety of its employees in the workplace.

2) Necessary safety measures should be taken without fail, especially in cases where an employee is exposed to dangerous materials and/or other factors.

## 5. Improvement of employees' quality of life

1) The company shall create working conditions that allow the employees to show their originality freely.

2) The company shall actively support any activity for the self-improvement of employees.

## Chapter 6. Responsibility toward Country and Society

### 1. Reasonable business

1) The company shall respect the ethical values of society and its business shall comply with the general sentiments of the people, without damaging the national economy or promoting an atmosphere of social disharmony.

2) Any business carried out either at home or abroad by the company shall respect the social values of the community concerned.

3) The company shall exclude all activities which impede right and reasonable business.

## 2. Contribution to Development of Country and Society

- 1) Equal opportunities for employment shall be given to all employees regardless of their school background, gender, regional origins, etc.
- 2) Taxes shall be faithfully declared and paid.
- 3) The company shall accept the reasonable demands of the community and do its best to meet them.
- 4) Community service by employees shall be encouraged and guaranteed.
- 5) The company shall strive continuously to improve its fundamentals and enterprise value by means of sustainable management.
- 6) The company shall pursue mutual cooperation and harmonious growth with its business partners so as to contribute to national development.

## 3. Protection of stockholders' rights and interests

- 1) Stockholders' right to know, just demands, suggestions and official decisions shall be respected.
- 2) Any stock trading that uses inside information or information about other companies acquired at work is strictly prohibited.
- 3) The interests of minority stockholders shall not be unilaterally interfered with for the sake of major stockholders.
- 4) Accounting transparency shall be secured by means of accurate accounting and legitimate disclosure.
- 5) Illegal, false or abnormal transactions shall not be conducted, and any transaction with a person, company or country which has unclear transaction manner shall not be recommended.

## 4. Protection of the environment

- 1) Any business which violates the principles of environmental protection shall be prohibited, and proper investment in the prevention of pollution shall be made.
- 2) The company shall actively participate in the environmental protection movement, and shall observe the relevant international standards, laws and regulations.
- 3) Environmental protection shall be the priority consideration in all our business activities including development, production, distribution, sale and disposal.