



LG전자 Conflict minerals management

이지용 책임연구원

US 분쟁광물 (Conflict Minerals) 규제

KEY REQUIREMENT :

미국 상장사 - 매년 분쟁광물 사용 현황 보고 ('14년 5월부터)

US 대통령 행정명령

KEY REQUIREMENT :

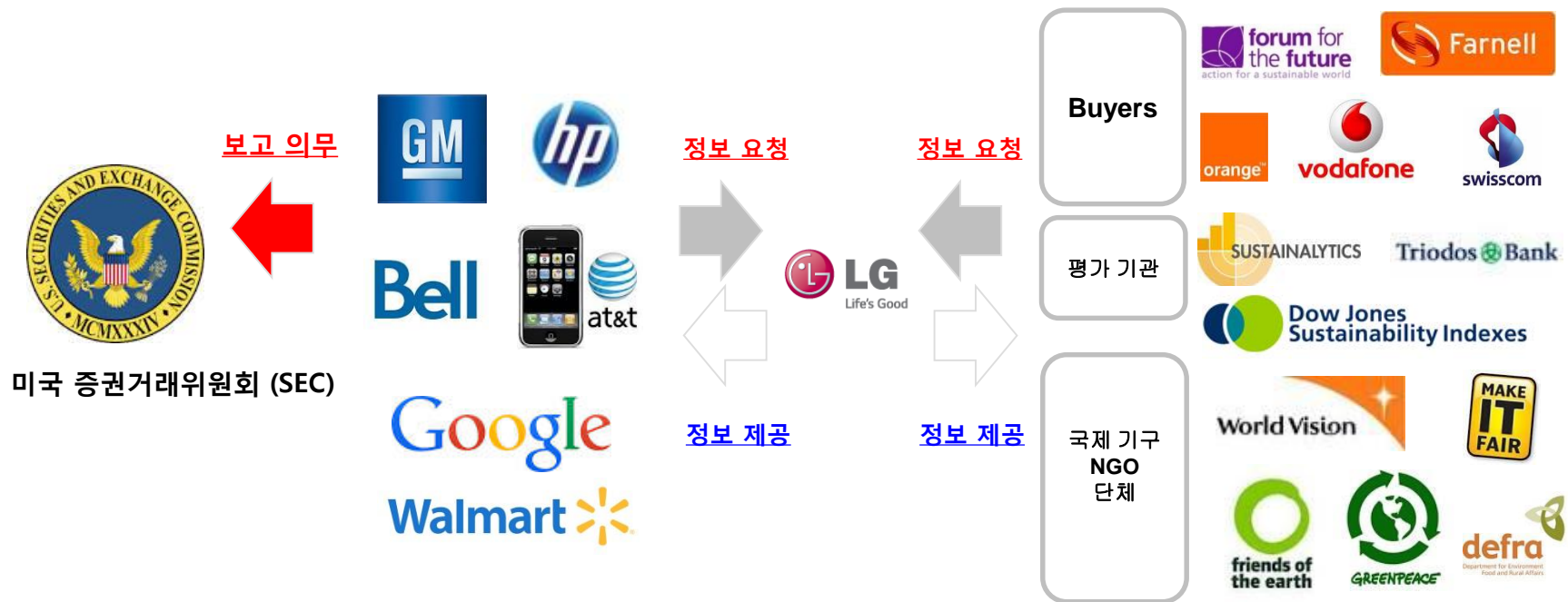
미국 내 모든 기업, 개인 - 반군/무장 세력(Armed group)과의 거래/지원과 관련된 일체 행위 금지

공표일	행정명령	주요 내용
2006년 10월	EO13413 - Blocking Property of Certain Persons Contributing to the Conflict in the Democratic Republic of the Congo	2006년 재정되었던 행정명령 - 콩고 민주공화국 분쟁 지원 세력 제재 조치
2014년 4월	EO13667 - Blocking Property of Certain Persons Contributing to the Conflict in the Central African Republic	중앙 아프리카 공화국산 천연 자원 거래 통제
2011년 4월	EO13664 - Blocking Property of Certain Persons With Respect to South Sudan	남부 수단의 인권 침해 활동 통제
2014년 7월	Executive Order 13671—Taking Additional Steps to Address the National Emergency With Respect to the Conflict in the Democratic Republic of the Congo	2006년 재정되었던 President Executive Order 13413 개정 - 콩고 민주공화국 분쟁 지원 세력 제재 조치

Responsibility

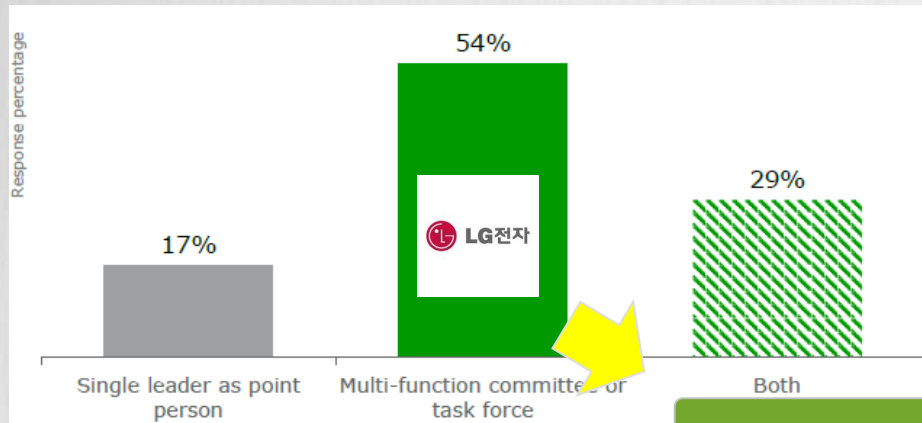
US/EU Buyer, NGO, 투자기관, 기업평가 기관 등 분쟁광물 정보 제공 요청 ↑
(회사, 사업장, 제품/모델 수준)

미 대응 시 거래 중지 Risk ↑ & 브랜드 이미지 추락



대응체계 구축

▪ Multi functional task force team 구성



Reference : Manufacturers Alliance for Product

▪ 분쟁광물 관리 기준 수립

- 자사 정책 수립
- 부서 별 역할
- 협력사 관리 방안
- 수집 정보 등



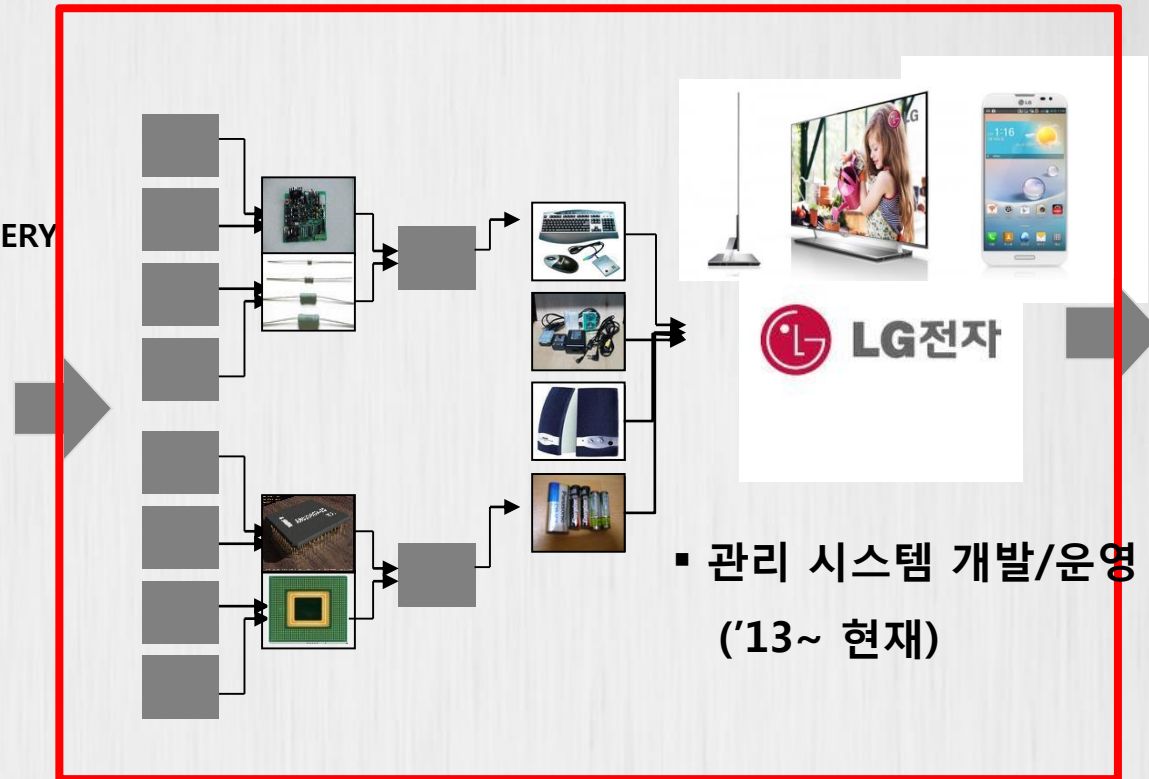
대응체계 구축

- Supply chain 에 대한 관리 방안 수립

광산/원산지MINE



제련소
SMELTER/REFINERY



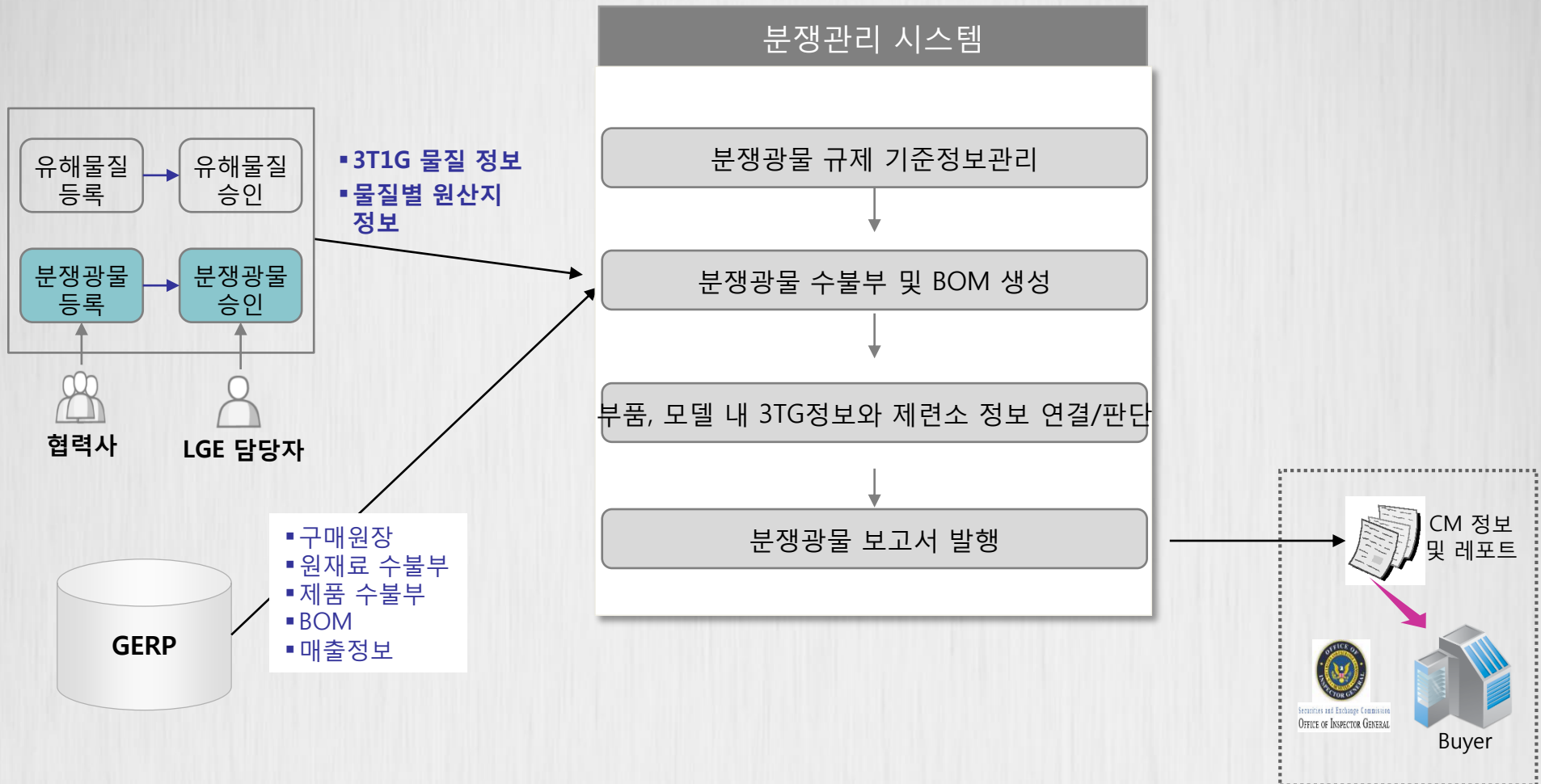
- RBA (구 : EICC), CFSI

- LG그룹 4사 협의체

- 관리 시스템 개발/운영 ('13~ 현재)

- KEA, KITA, CFSI
- 주요 지역 순회 지도/지원
- LG그룹 협의체

분쟁광물 관리 IT 시스템 개발 / 운영



분쟁광물 관리 IT 시스템 개발 / 운영

분쟁광물 정보 관리 시스템, CMMS/HSMS

LG Electronics [WWZ/EKHQ] Ji Yong LeeWelcome to visit a site Logout My page Admin

Part Information | Analysis & Statistic | **Conflict Mineral** | Approval | Regulation Information | Recycling | Bulletin Board | Contact | User Manual

Conflict Mineral **HIDE** EICC Template Mgmt. - CM Report

EICC Template Mgmt. [Delete] [Approval] [Report History] [Save] [List]

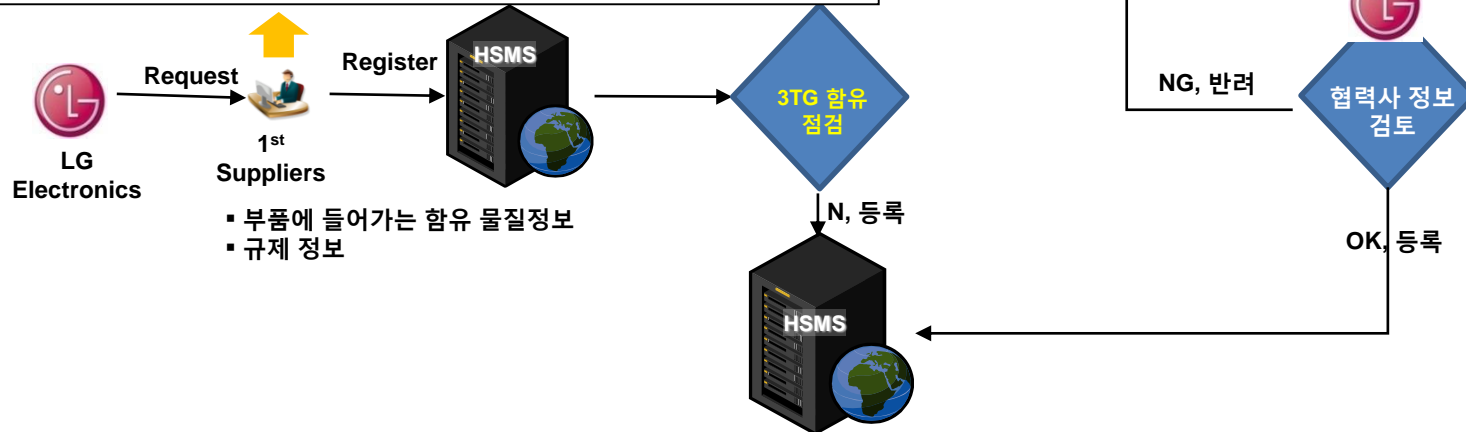
Supplier	<input type="text"/>	Supplier Code	<input type="text"/>
PLANT	<input type="text"/>	Seq.	1
Status	<input type="text"/>	Document No.	<input type="text"/>
Note	<input type="text"/>		

CM Report Smelter Information CM Standard Information

Conflict Minerals Reporting Template CM Report Copy [Select] [Copy]

Mandatory fields are noted with an asterisk(*) The information collected in this template should be updated annually.
Any changes within the annual cycle should be provided to your customers

- 분쟁광물 보고서 (CMRT – Declaration)
- 제련소 정보 - Smelter information
- CM standard information
: 제련소 – 부품군 Mapping



1) HSMS, Hazardous substance s management system – LGE Material information management system based on a LGE Part

분쟁광물 관리 IT 시스템 개발 / 운영

분쟁광물 정보 관리 시스템, CMMS/HSMS

Step 2. Monitoring & Reporting



Report



Report



US SEC

Stakeholder

The conflict mineral information
Based on Part / Model / division / Company

The screenshot displays a web application interface for conflict mineral management. It features a sidebar menu with options like 'CM Monitoring (Month)', 'Issue & Statistics', and 'CM Reporting & History'. The main content area shows a table of conflict mineral information, including columns for Title, Date, and CM Use Status. A yellow box highlights the 'CM Monitoring (Month)' section, which is also linked to a sidebar menu item.

CM Monitoring (Month)

- CM Monitoring (Model)
- Model BOM
- Model & Customer
- CM Monitoring (Part)
- Part
- Part & Supplier
- CM Origin of item
- CM Monitoring (Supplier)
- CM Monitoring (Company)

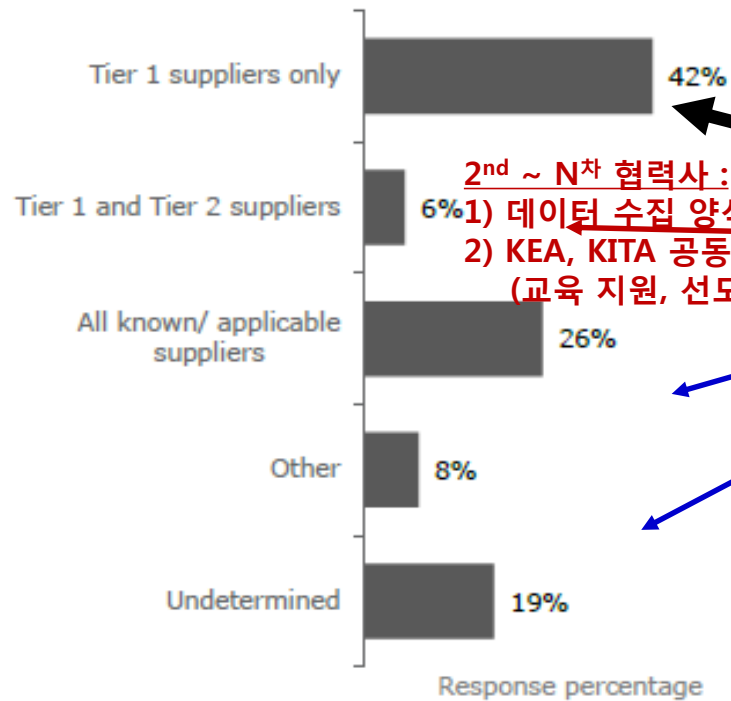
Issue & Statistics

- Statistics & Write
- Monitoring & Reporting (Com)
- Monitoring & Reporting (Divis)
- Monitoring & Reporting (Prod)
- Issue by product
- Reporting (Based on Cust)
- CM Reporting & History

대응체계 구축

▪ 협력사 지도/지원

Most companies (42%) plan to send questionnaires only to their Tier 1 suppliers



2nd ~ N차 협력사 :

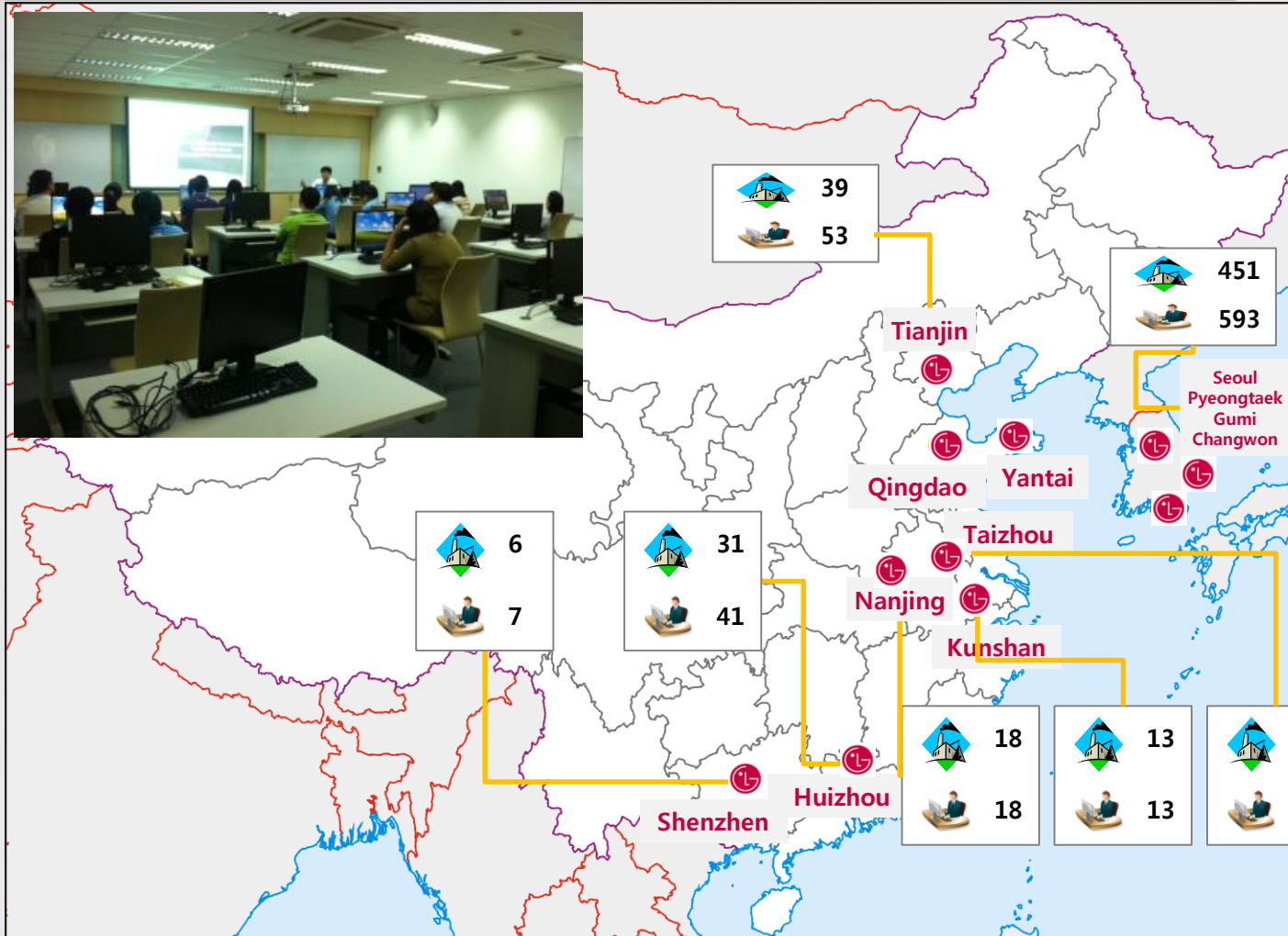
- 1) 데이터 수집 양식/가이드 제공
- 2) KEA, KITA 공동 대응 (교육 지원, 선도 사례 전파 등)



대응체계 구축

▪ 협력사 지도/지원

Supporting program (Supplier / LGE engineers)



법인/지역



협력사
(개수)



협력사
교육인원

대응체계 구축

▪ 협력사 지도/지원

Supporting program (Supplier / LGE engineers)



 법인/지역

 협력사
(개수)

 협력사
교육인원

기타 활동

- 3TG제련소에 CFS 인증 권고, 협력사에 CFS 인증 제련소 사용 권고
 - LG그룹 4사 (LG전자, LG화학, LG이노텍, LG디스플레이 공동 진행 중)

CFSI Outreach Letter to Smelters/Refiners

[Proposed to send on behalf of 4 LG companies: LG Display, LG Chem, LG Electronics, LG Innotek]

Dear Sirs/Madams,

We are writing to you forasmuch as your company is the key source of Tin, Tungsten, Tantalum and/or Gold supply chain for 4 LG companies. Some countries in African continent, proceeds of tin, tantalum, tungsten and gold trades can benefit of armed groups responsible for penetrating extreme violence and the human rights abuse. Laws in the United States require many companies to disclose their use and the country of origin for tin, tantalum, tungsten and gold, also known as "conflict minerals," as a means to help end the abuse.

The Conflict Free Sourcing Initiative (CFSI) is an industry-supported program working with smelters and refiners to provide assurance to customers and to the U.S. Securities and Exchange Commission (SEC) that our customer's products are made with conflict-free materials. CFSI membership includes companies of electronics, aerospace, apparel, automotive, consumer and industrial manufacturer, retail, and other industries. CFSI is also reaching out directly to smelters and refiners, such as yours, to encourage your company to become certified as conflict free through the Conflict Free Smelter (CFS) Program under the CFSI.

Smelter certification is an important part of 4 LG companies' endeavors to meet the customers' requirements to comply with the United States law that requires the U.S. publicly traded companies to disclose information relating to the use of "conflict minerals" in their products. Background information on this legislation is set out below. Many of our suppliers have reported that you are the source of Conflict Minerals for them and so it is critical that your company become certified as conflict-free under the CFS program or CFS-mutually recognized conflict free certification program, such as the London Bullion Market Association or Responsible Jewelry Council.

Additionally, since the legal requirements for SEC reporting has already been on activation, you will be receiving or already have been requested for various kinds of information on your conflict free sources. Upon passing the audit, smelters or refiners compliant with the CFS program benefit from having their names publicly listed on the CFSI website that is allowed for any access by all the members of our supply chains. In order for companies, such as our customers in the United States, to report that they are "DRC Conflict-free" they will need to provide assurance that their smelters and refiners have conducted their due diligence through an established program, namely the CFS program. We strongly encourage your participation in the CFS program to ease your administrative burden, reduce additional requests from our supply chain, and increase your visibility as a credible participant in the minerals supply chain. We respectfully request the opportunity to you to meet with members of the CFSI and discuss important initiatives relating to conflict minerals. There are several ways for you to become

conflict-free certified, such as through the Conflict Free Smelter program, the Responsible Jewelry Council, or the London Bullion Market Association. A member of the CFSI will be happy to discuss more on these initiatives with you and to help you move forward to be able to become certified as conflict-free.

Please feel free to contact me with any questions or comments.


Contact Point : Jiyong Lee (conflict-mineral@lge.com)

Sincerely,



Hongbae Kim
Director of Product Testing Laboratory

LG Electronics.



Dongsoo Kim
Senior Vice president of Purchasing group
LG Display

Background

On July 21, 2010 President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (Wall Street Reform Act). Among other things, the legislation requires companies that are listed on a U.S. stock exchange to conduct due diligence on their supply chains and to disclose annually to the Securities and Exchange Commission (SEC) whether products were produced with "conflict minerals" sourced from the Democratic Republic of the Congo (DRC) or adjoining countries



In Park
Vice President of Safety & Environment
Department


LG Chem.




Inkuk Cho
Vice president of Purchasing Division
LG Innotek

기타 활동

▪ 분쟁광물 관리 정책/현황 소개



[ABOUT LG](#)
[LG LIVE](#)
[SUSTAINABILITY](#)
[INVESTOR RELATIONS](#)



Our Approach on Conflict Minerals

Actively participate in the industry-wide responses to conflict minerals with goal of eliminating sources of funding to those who commit human rights abuses.

Raise awareness and expectations for responsible mineral sourcing practices within our global supply chain.

[OUR STATEMENT ON CONFLICT MINERALS](#)

- 분쟁광물 개요
- LG전자 정책
- 협력사 행동강령
- 주요 분쟁광물 대응 활동
- Indonesia Tin

SUSTAINABILITY

CSR Framework
Customer
Environment

Business Partner

Win-Win Growth
CSR in Supply Chain
Supply Chain Green Ma..
Conflict Minerals

Community
Employee
Communications

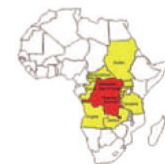
CONFLICT MINERALS

OVERVIEW OF THE CONFLICT MINERALS ISSUE

The Democratic Republic of the Congo (DRC) is a Central African country with vast mineral wealth, including reserves of cassiterite (tin), columbite-tantalite (tantalum), wolframite (tungsten) and gold. For many years, armed groups have fought to control mines within the DRC and have benefited financially from the proceeds of mineral trade; those armed groups have been cited for committing violent crimes against locals and perpetrating human rights abuses. As a result, these minerals are also known as "conflict minerals".

The metals tantalum, tin, tungsten and gold are used in manufactured goods across many industries, including the aerospace, appliances, automotive, electronics, jewelry, medical and tool & die industries. In an effort to address the humanitarian crisis associated with conflict minerals, the United States (U.S.) enacted legislation requiring that U.S. companies report to the Securities and Exchange Commission (SEC) on their use of conflict minerals sourced from the DRC and surrounding region². Several other governments are considering initiatives to address conflict minerals.

Conflict Areas: Democratic Republic of Congo (DRC) and Neighboring Countries



SUSTAINABILITY

INVESTOR RELATIONS

기타 활동

▪ Collaboration – KEA, KITA

- KEA(한국전자정보통신산업진흥회), KITA(한국무역협회) 분쟁광물 협의체
- 중소기업 지원 방안 수립, US 대 정부 질문 작성 등 지원

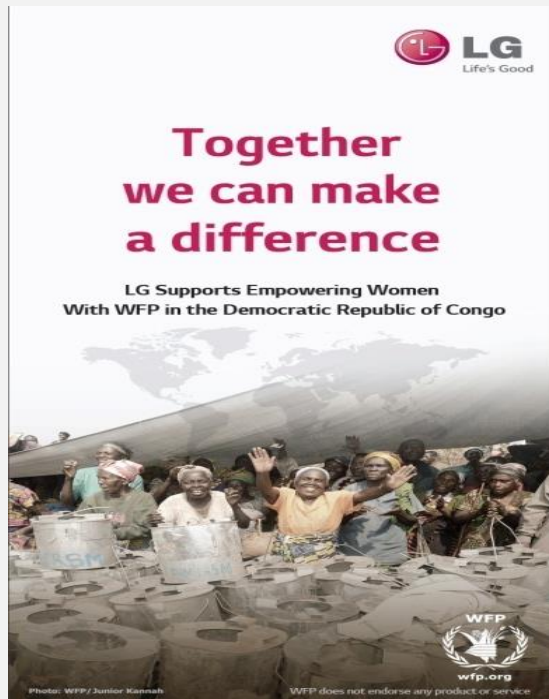


기타 활동

▪ UNGC (United Nation Global Compact) 와 Collaboration

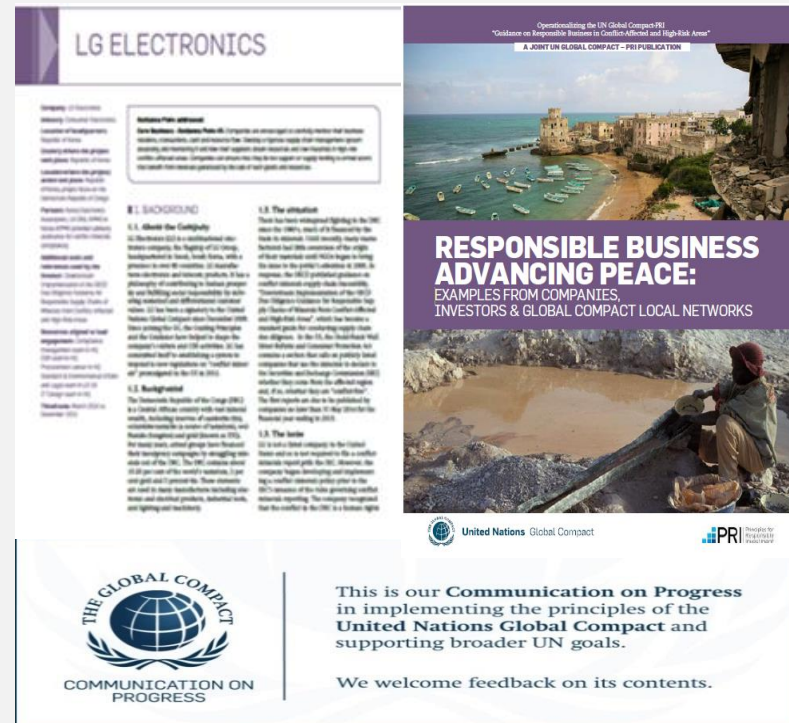
▪ UNGC WFP 프로그램 지원

- LG전자는 2009년부터 WFP 파트너로, 콩고지역의 여성 난민 지원을 위한 프로그램에 \$100,000 지원.



▪ UNGC 가이드 발간 (2013)

- LG전자 분쟁광물 규제 대응 사례 소개





경청해주셔서 감사합니다.