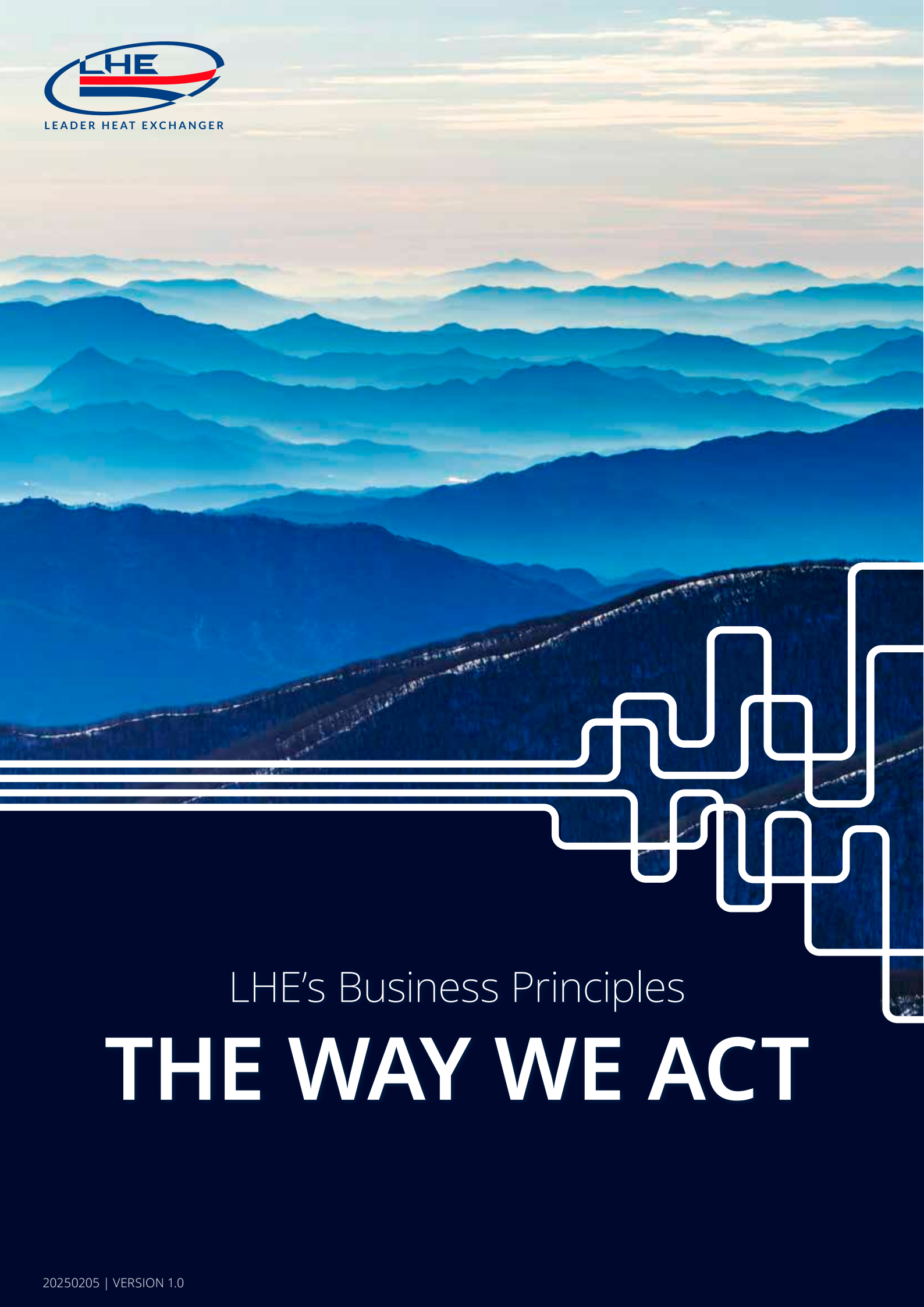




LHE's Business Principles

THE WAY WE ACT





Why the way we act matters

LHE's four Business Principles describe the way we must act within society whilst achieving our business goals. An ethical and sustainable way of doing business is vital to the success of our company. Illegal and unethical behavior or actions by anyone representing LHE could undermine our long-standing reputation and integrity, and have severe negative impact on LHE. It's up to all of us to create a company we are proud to work for, and where we are governed by ethics and integrity. We have a firm commitment to act responsibly and respect human rights.

Our Business Principles are meant to empower us to express concerns and raise questions regarding behavior that is contradictory to our corporate values. We all need to carefully read the Business Principles to understand what is expected from us as a LHE employee or business partner. Use it as a guide when making decisions on how to act. Each and every one of us is responsible for ensuring we act in line with these Principles. Together, we make our Business Principles come alive.



Making our Business Principles come alive

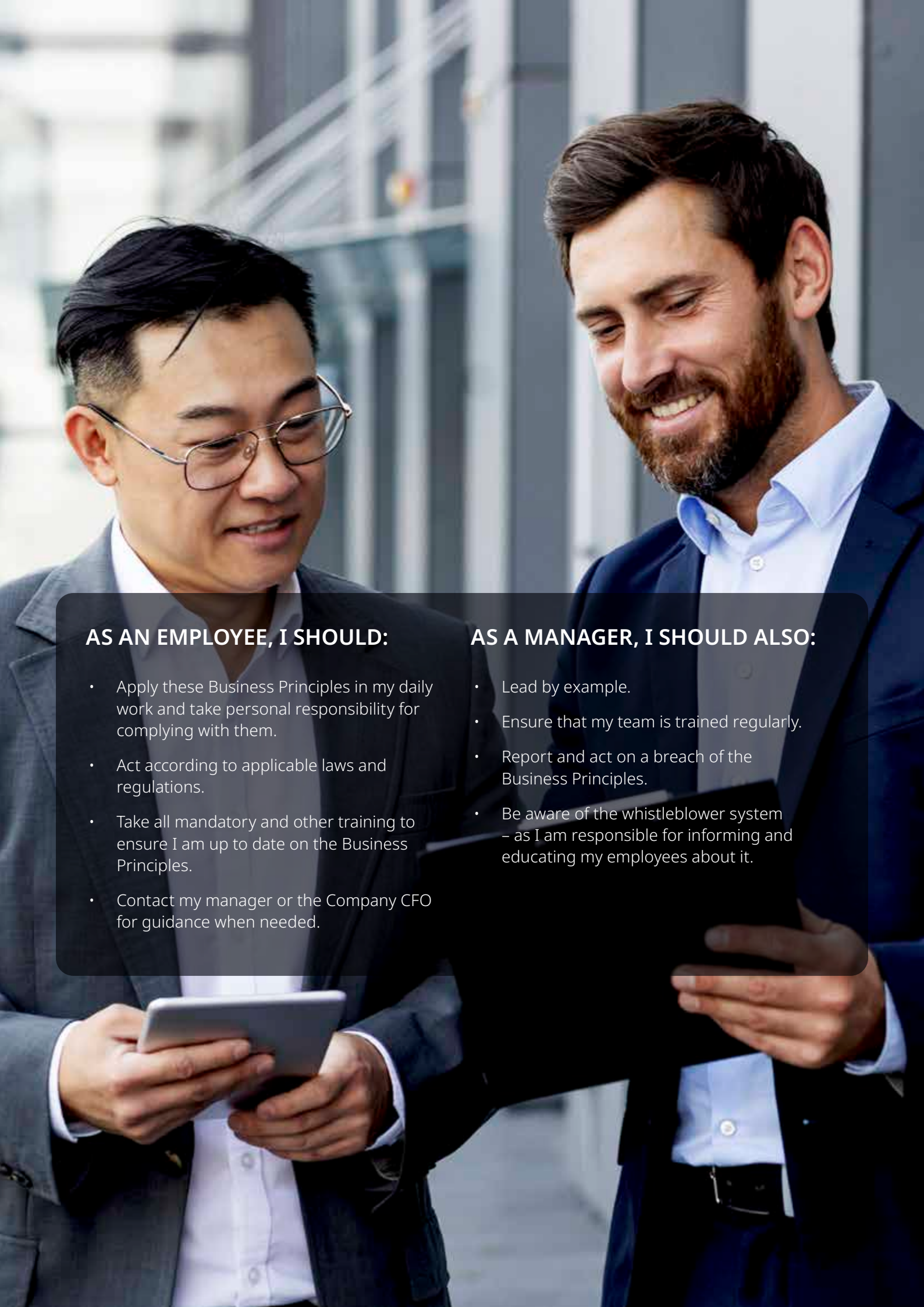
Our company promise is to act according to LHE's Business Principles. My role as an employee, supplier, customer or other business partner is to make these come alive.

Our four Business Principles: **CARING, COMMITTED, TRANSPARENCY** and **PLANET**, describe the way we must act within society whilst achieving our business goals.

By aspiring to our Business Principles, we can also find many opportunities to contribute to a more sustainable future and accelerate success for our customers, people and planet.

These Business Principles are applicable to all employees, including temporary employees, consultants, assignees, and business partners acting on behalf of LHE (referred to as employee).

The Business Principles for suppliers are based on these Business Principles and are applicable to all our suppliers.

A photograph of two men in business attire. The man on the left is of Asian descent, wearing glasses and a grey suit, looking down at a tablet. The man on the right is a white man with a beard, wearing a blue suit, smiling and looking at the tablet. They are standing in front of a modern building with glass and steel.

AS AN EMPLOYEE, I SHOULD:

- Apply these Business Principles in my daily work and take personal responsibility for complying with them.
- Act according to applicable laws and regulations.
- Take all mandatory and other training to ensure I am up to date on the Business Principles.
- Contact my manager or the Company CFO for guidance when needed.

AS A MANAGER, I SHOULD ALSO:

- Lead by example.
- Ensure that my team is trained regularly.
- Report and act on a breach of the Business Principles.
- Be aware of the whistleblower system – as I am responsible for informing and educating my employees about it.

A close-up, profile view of a man wearing a white hard hat and a dark blue safety vest. He is looking intently at a task in a dark, industrial environment. The vest has a logo on the chest and text on the strap. The background is blurred, showing industrial equipment and lights.

**Business Principles
in everyday life**

It is your responsibility to read and understand this document. It will help you to know what we expect of you and how you should handle different situations in your work life. Please save this document so that you can use it as a reference and guide.

Of course, this document can't cover all the situations you may face. If you are unsure of what to do in any given case, it may help to consider the following:

- Is this decision or action in line with our Business Principles?
- Am I comfortable with the decision or action I am about to take?
- Is the situation described in the Business Principles or company policies? Is my action in compliance with these?
- Do I think that this decision or action will be good for the company, my co-workers and the planet?

OBSERVING THE LAW

The observance of all applicable laws and the internal policies of LHE form the foundation of our Business Principles.

We must be compliant with the laws and regulations in the countries in which we operate. We are also aware of the continuous development of international regulations, social standards and voluntary initiatives, and adopt those that are relevant to our business. If any of our Business Principles or policies contradict local law, then the stricter should apply, provided that the Business Principle does not violate the law. If the law sets more stringent rules than LHE's policies, the law should apply.

As an employee, I must follow all legal requirements and internal policies that regulate my work. Violation of the law may result in business interruptions and heavy fines or damage claims, as well as bad-will and brand damage. In many countries it may also lead to criminal investigations and sanctions for both LHE and for me. I am responsible for reporting suspicions or concerns of fraudulent behavior, theft, money laundering, or other irregular activity. Concerns of fraudulent behavior, theft, money laundering, or other irregular activity.

IF YOU HAVE CONCERNS

If you have concerns about violations of our Business Principles, please discuss with your immediate manager as soon as possible. If you are uncomfortable doing that, speak to a senior manager, HR or the Company CFO. If none of these feels appropriate, or you wish to be anonymous, use the **Speak up! Whistleblowing** section on our [website](#). Scan this QR code to reach it.





**We prosper in a safe
and inclusive culture**



Caring

We care about every individual's rights and opportunities including their safety and wellbeing. We are a global company, and we firmly believe that diversity maximizes the potential of every employee and we care about every individual's rights and opportunities.

The Business Principle CARING includes:

- Human rights
- Inclusion and diversity
- Health and safety
- Freedom of association
- Child and forced labor
- Working conditions

RESPECTING THE FUNDAMENTAL RIGHTS OF EVERY INDIVIDUAL

Human rights are those expressed in the International Bill of Human Rights and the core International Labor Organization (ILO) Conventions, both of which may be supplemented by additional nationally granted rights. An essential part of our human rights efforts relates to labor rights and working conditions.

Our promise:

- We will seek to earn the trust of everyone impacted by our operations, demonstrating our commitment to ethics and human rights through our words and actions.
- We will address adverse human rights impacts if they occur.
- We carry out human rights due diligence as appropriate to the size, the nature and context of operations, and the severity of the risks of adverse human rights impacts.
- We will provide or co-operate with, through legitimate processes, the remediation of adverse human rights impacts, if LHE has caused or contributed to these impacts.

My role:

- I am responsible for upholding human rights in my area of work. This means I consider how operations, actions and decisions can impact people and I strive to minimize any negative impact.
- If I observe human rights risks, I report it to my manager or HR. Concerns can also be reported through the **Speak up! Whistleblowing** section on our [website](#).



CREATING A SENSE OF BELONGING

An **inclusive workplace** should recognize human rights and treat everyone with integrity, respect and dignity, while giving all employees a sense of belonging. It also includes promoting **diversity** and not tolerating any discrimination or harassment.

Our promise:

- We are committed to maintaining an inclusive workplace.
- We work to eliminate all types of discrimination, and the principle of equality of opportunity guides us.
- We will not discriminate based on race, color, gender, religion, sexual orientation, political opinion, national extraction or social origin, age, disability, marital status, pregnancy, disease, or any other grounds.
- We do not tolerate any type of harassment or bullying in the workplace.
- We do not permit victimization at work, such as recurring negative actions directed against individual employees.

My role:

- I will treat everyone with respect and dignity, regardless of differences, positions, ages, or other types of distinctions.
- I will ensure that any employment decisions I make are free from discrimination.
- I will refrain from any form of harassment, such as written and verbal remarks, sexual invitations, gossip, jokes and banter, defamatory or offensive language.
- As a manager, I will not abuse my position through insulting, intimidating or malicious behavior, and I will not abuse my position towards a less senior employee.
- If I find myself in a situation where someone (including myself) is being bullied or harassed, I will inform my manager or HR. Alternatively, I will report anonymously through our **Speak up! Whistleblowing** section on our [website](#).
- For more guidance, please contact HR.

RETURNING HOME SAFELY, EVERY DAY

Our vision is that we all return home safely every day. **Health and safety** at LHE go beyond ensuring compliance with rules and legislation.

Our promise:

- We are committed to providing a safe, healthy and attractive working environment for our employees and others entering our premises.
- We provide protective equipment and clear working procedures to reduce the risk of workplace injuries and occupational illnesses.
- Our products are developed to be safe within the normal operating environment and conditions for which they are designed, ensuring that they meet all agreed or legally required standards.

My role:

- I always put safety first in the workplace.
- I always consider risks to health, safety and wellbeing in my area of work and suggest how they can be addressed.
- I am responsible for using LHE's protective equipment, for following safety procedures and for behaving safely according to our Health and Safety Manual.
- I will stop what I am working on and immediately report to my manager if I believe a task that I (or any colleague) have been set, may cause injury or illness (this is also applicable if working at a customer or supplier site).
- To perform my work without any health and safety risks, I ensure that I am free from any adverse effects due to medical or physical conditions, drug or alcohol use, fatigue or stress.
- Regardless of my role, I demonstrate proactive and visible behaviors to contribute to a safe workplace, enabling me and my co-workers to return home safely every day.
- As a manager, I am directly responsible for working to minimize all potential negative impacts on the individual including ensuring that visitors get proper safety instructions prior to their visit.
- For guidance, please contact HR or a Health and Safety responsible in your organization.

ENGAGING IN CONSTRUCTIVE NEGOTIATIONS AND DIALOGUE

Employees shall have **freedom of association** to join trade unions and representative organizations, including those recognized for collective bargaining.

Our promise:

- We are committed to a constructive relationship with our employees. We continuously aim to have an open working environment with a free and transparent dialogue to engage employees directly and, when applicable, their representatives. This includes freedom of association and the right to collective bargaining.

My role:

- I am free to form and join organizations of my own choice, or decide not to.
- As a manager, I will not prohibit employees from exercising this freedom. I will ensure that the dialogue between union/employee representatives and management is constructive and respectful.
- For guidance, please contact HR or the union representative of choice.



STANDING AGAINST CHILD AND FORCED LABOR

Child labor is often defined as work that deprives children of their childhood, potential, and dignity, which is harmful to physical and mental development. **Forced or compulsory** labor is work required from a person under the threat of penalty or work which the person has not offered voluntarily. Forced labor can include forced sexual abuse. LHE does not tolerate any of the above.

Our promise:

- We do not tolerate, and will do our utmost to abolish, child labor or any form of forced, involuntary or trafficked labor.
- We have zero tolerance for any abuse, exploitation or sexual activity with any person against their will or for payment, when traveling on business or in any other way representing the company.

My role:

If I observe anything that indicates a risk of child labor, forced labor or trafficking connected to LHE's activities or those of our suppliers or business partners, I will immediately contact the Company CFO, HR or report it through our **Speak up! Whistleblowing** section on our [website](#).

ENSURING FAIR LABOR STANDARDS

An essential part of our human rights effort relates to labor rights and **working conditions**. We will always respect our employees' rights and the rights of those working for our suppliers or business partners, and we will work to ensure high labor standards.

Our promise:

- We promote a balance between work and private life.
- We aim to have a responsible approach to compensation. As a minimum, our terms of employment and compensation should meet applicable minimum wages and other legal requirements, including collective bargaining agreements.
- We provide opportunities for employees to continuously develop competence and flexibility so that they are well fitted to adapt to changes in technology and business.
- When we provide work for young workers such as apprentices, trainees, summer workers, who are above minimum working age, we take full account of their vulnerability and ensure that additional measures provided by law are observed.

My role:

- Except in extraordinary business circumstances, I am entitled to weekly days off in accordance with the regulations in the country where I am based.
- I ensure I receive clear information about my working terms and conditions, including compensation and working hours.
- I am responsible for actively developing my competence.
- As a manager, I do not require employees to work harmful amounts of overtime.
- For guidance, please contact HR.

A dimly lit office scene with two men. One man is standing on the left, leaning forward, and the other is sitting in a chair on the right, looking towards a computer screen. The background is blurred, showing office furniture and a window with a view of a city. A semi-transparent dark box with white text is overlaid on the image.

**We conduct our business
with honesty, integrity
and respect for others**



Committed

We are committed to ethical conduct within our organization and in all external business relationships. High ethical standards guide our behavior, and honesty, integrity and respect for others are values that we live and work by.

The Business Principle COMMITTED includes:

- Anti-bribery and anti-corruption
- Non-complicity – Conflict of interest
- Fair competition
- Export control and trade sanctions
- Political contributions

FIGHTING CORRUPTION AND BRIBERY

We define **corruption** as the abuse or misuse of entrusted power for personal gain.

Bribery can be described as offering/giving or demanding/receiving something of value to influence a transaction or decision, and we do not tolerate either, in any form.

Our promise:

- We have zero tolerance for any form of bribery or corruption. This extends to all business dealings and transactions, in all countries where we operate.
- We do not tolerate any form of bribery, regardless of its nature, including public and commercial bribery. This goes for all employees, and also for third parties such as agents, suppliers, contractors and consultants working on our behalf.
- We provide training in anti-bribery and anticorruption practices and monitor that all employees regularly participate.

My role:

- I know and respect that LHE has zero tolerance of any form of bribery or corruption.
- I must not give, promise, receive or offer anything of value in my dealings with customers, government employees, public officials or any other person, to improperly secure a decision, gain an undue advantage, avoid a disadvantage or obtain or retain business.
- I am aware that customary business gifts and hospitality should be acts of goodwill and not rewards for doing business with us. Whether given or received, any gift or hospitality must be of moderate value and should never influence decision-making. In terms of value, applicable local/sector thresholds should be adhered to.
- I know that bribes can take the form of: cash, gift certificates or vouchers, gifts of significant value, commissions or kickbacks, payments to charity, travel or entertainment, favorable publicity.
- I always ask myself if receiving the gift or benefit will influence my future decision-making regarding this business partner.
- If someone offers me an inappropriate gift, favor or other questionable benefits, I will politely refuse, and if necessary, refer to these Business Principles. I will raise the issue with my manager or the Company CFO. If this is not possible for some reason, I will report it in the **Speak up! Whistleblowing** section on the [website](#). The misconduct of others is not an excuse for my misconduct.

OPPOSING ILLEGAL ACTS

Non-complicity means that LHE has zero tolerance for any unethical or unlawful acts by employees, partners or customers.

Our promise:

- We always report offenses to the proper authorities and will cooperate in any investigation.
- If we observe our products and services being used for illegal purposes, we will always act in line with our Business Principles.

My role:

- I will act responsibly, and I will not “look the other way” if I see illegal or unethical actions or breaches of our Business Principles. I will immediately report these breaches to my manager and the Company CFO.
- I remember that it is always better to accept and report a mistake than to hide the truth.
- I realize that failing to act in line with the above statements will carry severe consequences such as hefty fines, criminal investigations and sanctions for both the company and me.



MITIGATING THE RISK OF CONFLICTS OF INTEREST

A conflict of interest arises when a person chooses personal gain over obligations to their employer or exploits their position for personal gain.

Our promise:

- It is not acceptable for our employees to put themselves into any situation in which their personal or private interests may conflict with those of the company.

My role:

- I always make business decisions in the best interest of LHE.
- I may not engage in any activity where a conflict of interest will occur.
- When I see a potential conflict of interest, I must be open and transparent about the situation and report it to my manager without delay.
- I cannot be in a business relationship with a relative or a family member in their role as a supplier, customer, employee or public official, where we are dependent on each other.



COMPETING FAIRLY IN THE MARKETPLACE

Antitrust and competition laws are implemented around the world to ensure **fair competition** in the marketplace. These laws prohibit anti-competitive agreements and abuse of a dominant position in the market. There are various types of activities that are not allowed under competition laws.

Our promise:

- We are committed to a free and fair competitive market and we compete on the benefits offered by our products, brand and services.
- We follow antitrust and competition laws in all markets where we are active.
- We train and support our employees to ensure that they are familiar with the terms of competition laws.

My role:

- I will never enter into any agreement with a competitor on pricing, trading conditions, production, technical development, bids, customers, market-sharing or other market activities.
- I will never discuss or share any non-public sensitive information with a competitor.
- I will respect my customers' independence by never attempting to influence our customers' pricing strategies.
- I will not initiate any activities to exclude competitors from the marketplace.
- I will keep in mind that hefty fines apply for violations of the law. Violations may lead to negative brand reputation, damage claims and, in many countries, criminal investigations and sanctions for both the company and for me.
- I am aware that all contacts with competitors shall be conducted by senior managers and in line with the LHE Fair Competition principles.
- For guidance on Fair Competition matters, please contact the Company CFO.

TRADING RESPONSIBLY

Being a global company means that we must comply with international trade rules. **Export control** and **trade sanctions** prohibit or restrict the export of specific goods or conducting business in certain countries and/or with certain individuals, companies or organizations. These rules must be followed to ensure responsible and legal international trade.

Our promise:

- We are committed to ensuring compliance with all applicable import and export laws as well as trade regulations.
- We believe that a well-functioning trade compliance structure facilitates new business opportunities.
- We train our employees to ensure awareness of and knowledge in trade compliance, and we incorporate trade compliance in our daily operations.
- We conduct adequate and risk-based due diligence to ensure responsible and legal trade.

My role:

- I will identify when a trade activity or a business dealing may lead to a situation where the rules about export control and trade sanctions apply.
- I have a responsibility to understand the trade compliance requirements and regulations related to my daily work. To succeed, I will use the policies and supporting documents that describe the requirements.
- As a sales representative, I need to identify and act on red-flag situations, which should be reported to my manager and the Company CFO
- I will conduct screening on our business partners and, if in doubt, I will contact the Company CFO.
- For guidance, contact the Company CFO.

OBSERVING NEUTRALITY

Political contributions are those made to a politician, a political campaign or a political party. As a company, LHE observes neutrality with regards to political parties and candidates.

Our promise:

- We never use the LHE name or any other Group name or trademark to promote political parties or candidates' interests. The company does not contribute to political parties, committees or individual politicians.
- Political lobbying is a legitimate activity carried out by specifically authorized employees of LHE, and these activities are always performed transparently and clearly on behalf of the company.

My role:

- I am free to participate in political activity of my choice, but not on behalf of the company. If I participate personally in political activities, I do it in my own time and at my own expense. I am not allowed to engage in political agitation on LHE premises or during working hours.
- If I engage in dialogue with governments and other public bodies to inform or influence public policy on behalf of LHE, I must do so responsibly and transparently.
- For guidance, contact Group CFO.

A large, dark-colored industrial machine, possibly a press or a mill, is the central focus of the image. It features two large, circular openings, one at the top and one at the bottom, both surrounded by a ring of bolts. The machine is situated in a factory or industrial setting, with various structural elements and pipes visible in the background. The lighting is dramatic, with strong highlights and deep shadows, creating a sense of scale and industrial power. A semi-transparent dark rectangle is overlaid on the center of the image, containing the text.

**We value transparent
communication and
respect confidentiality**



Transparency

We engage in open dialogue with all our stakeholders to develop business relationships built on trust. Trust also requires that we are careful not to reveal or communicate confidential information.

The Business Principle TRANSPARENCY includes:

- Protection of personal data
- Confidential information
- Accounting and verification
- Company assets

MINDING PERSONAL DATA

The need for **protecting personal data** increases with the global expansion of the online environment, transferring vast amounts of data. Almost everything we do online allows for personal data collection.

Our promise:

- We respect every individual's fundamental right to the protection of their personal data, irrespective of nationality or residence.
- We take appropriate actions to protect personal data and comply with applicable data-privacy rules to store, collect, and use personal data.

My role:

- I always act respectfully and consider the privacy of others.
- If I collect, store or use personal data, I must do it according to the company's Data Protection Policy.
- I may only access personal data to the extent necessary for my job responsibilities. I am obligated to protect personal data and keep it confidential.
- I can only take pictures of people who have given me consent to do so.
- If I am unsure how to handle a personal data issue, I will check with the current Data Privacy Responsible.

SAFEGUARDING VALUABLE COMPANY INFORMATION

Confidential information is all material, non-public, business-related information, written or oral, whether or not it is marked as such. The information includes, among others, technical, financial, and that concerning employees, customers or business partners.

Our promise:

- Information about LHE is a valuable asset. This information can include financial, technical and business information. Confidential information could also constitute inside information depending on the circumstances.
- We will not inappropriately reveal any confidential and proprietary information.
- Insider trading and unlawful disclosure of inside information are strictly forbidden at LHE.

My role:

- I will treat any information that I receive in connection with my work as confidential unless the information is clearly stated as public.
- I am careful not to discuss confidential or sensitive information where others may overhear me. Nor will I communicate any confidential information through non-secure channels, including social media.
- I know that only appointed company spokespersons are allowed to speak on behalf of LHE.
- If I need to share confidential information with a third party, I will make sure there is a non-disclosure agreement in place.
- I will not, without special permission, take pictures of working processes, tools or machines in the factories or offices.
- I am aware that my obligation to protect confidential information may also remain after I have left the company.
- I will only use my LHE email account or other company channels for all work-related communications.
- When I have inside information, I am subject to legal and regulatory duties and I shall not disclose any inside information
- Is my knowledge considered inside information or sensitive in another way? Please contact the Company CFO or Group Communication for advice.

REPORTING DATA HONESTLY

The integrity of our financial statements is essential to maintaining the trust of our customers, suppliers, and other stakeholders. The **accounting and verification** of all financial transactions must be done according to applicable accounting principles.

Our promise:

- We make certain that our financial records and reporting are prepared in a timely manner, are fact-based and accurately reflect our business transactions.
- We do not allow the entering of information in our books or records that intentionally hides or misleads the true nature of any transaction; or the entering of misleading information to influence targets or KPIs.
- Accounting fraud could include the misstatement of revenue, expenses, assets or liabilities. It could also be the intentional misapplication of the accounting manual (called MISAL) to influence targets or KPIs.
- LHE's reporting and, internal monitoring systems should be suitable for external and independent verification.

My role:

- I am prohibited from manipulating or altering accounting rules to reach a financial target.
- I will always follow the LHE accounting manual (MISAL) when reporting financial transactions.
- When reporting information, I will not misstate facts and I make sure that the information accurately reflects the underlying transaction.
- If I notice an error in a financial record or suspect that fraud has occurred, I will report it without delay.
- For guidance, please contact the Company CFO.

PROTECTING OUR ASSETS

All **company assets** such as property, computers and other mobile devices, machines as well as brands, patents, know-how and information, must be protected from damage and criminal acts, and only be used for business purposes. Fraud and misuse of company assets are never tolerated.

Our promise:

- We do not tolerate fraud and misuse of the company's assets
- We set up internal controls designed to safe-guard and protect our assets.

Examples of fraud:

- Fraud includes any intentional or deliberate act to deprive the company of property or funds. Asset misuse includes theft, falsification of expense or time reports, an inappropriate use of a company computer, telephone or facilities.

My role:

- I only use assets for business purposes.
- I do not use our company's computers, phones or IT systems to view materials that are inappropriate, illegal, sexually explicit, or otherwise offensive.
- I am mindful and protect our company's assets from damage, loss and criminal acts, as these assets are vital to our business.
- I comply with and adhere to the company's internal controls and procedures.
- I use our brand, patents, trademarks, know-how, and copyrights responsibly and as instructed.
- I never use company assets for personal gain or for illegal activities.
- Private use should be within reason and in accordance with LHE's acceptable-use regulations.
- For guidance, contact the Company CFO.



**To remain successful,
we need to grow while
respecting our planet**



Planet

We are in a unique position because our products make a significant contribution to reducing the environmental impact of industrial processes. We also have a responsibility to continuously reduce our environmental impact in all areas of our value chain.

The Business Principle PLANET includes:

- Environmental impact

PROTECTING THE PLANET

We manage our natural resources responsibly, and we continuously work to reduce our **environmental impact**.

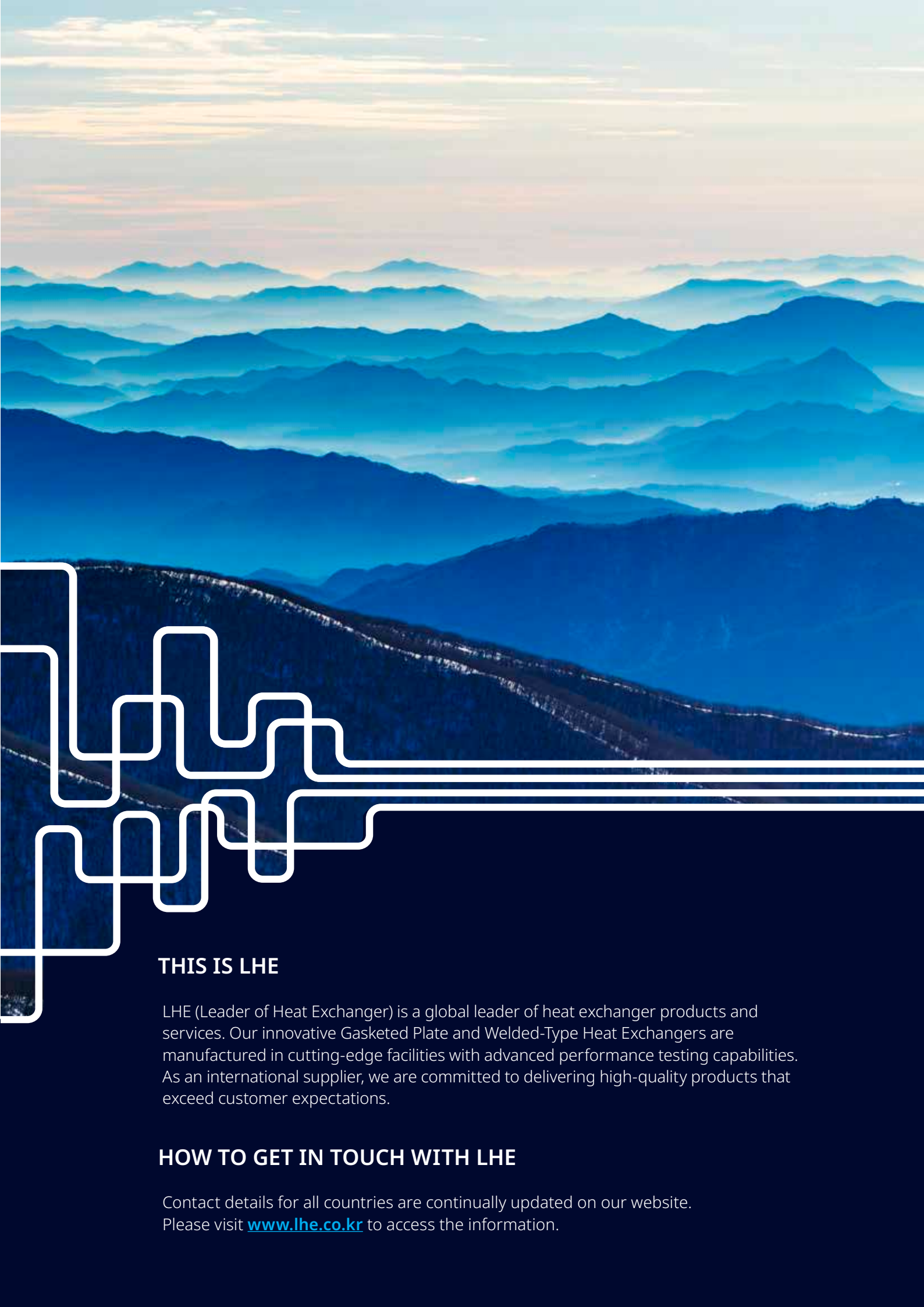
Our promise:

- We work to continuously reduce our environmental footprint across the value chain and provide our customers with an opportunity to become more productive and competitive.
- We set measurable reduction targets for our operations – and we require that our suppliers work in the same direction. In addition, our products and solutions installed in customer processes contribute to the efficient management of natural resources.
- We support a precautionary approach to environmental challenges, meaning that we work to reduce our impact in line with science and what we know today. Our Environmental Policy clearly outlines how we work in this area.

My role:

- I play an important role in continually improving our environmental performance.
- I consider how my team or area of work contributes to the bigger picture of LHE's environmental footprint.
- I do not take shortcuts even if local law allows an action that we, as a company, consider unethical or environmentally harmful.
- I ensure that the appropriate environmental permissions exist in my area of work.
- I use resources wisely, e.g. energy, water, chemicals and materials.
- I minimize my traveling by using web meeting facilities or phone calls.
- For guidance, contact the Company Sustainability Manager.





THIS IS LHE

LHE (Leader of Heat Exchanger) is a global leader of heat exchanger products and services. Our innovative Gasketed Plate and Welded-Type Heat Exchangers are manufactured in cutting-edge facilities with advanced performance testing capabilities. As an international supplier, we are committed to delivering high-quality products that exceed customer expectations.

HOW TO GET IN TOUCH WITH LHE

Contact details for all countries are continually updated on our website. Please visit www.lhe.co.kr to access the information.