

Written evidence submitted by LG Electronics

1. About LGE

1.1. As a global leader in the IT market, LG Electronics is leading technological innovations in the fields of home appliances, mobile communication devices and electronic devices. LGE is composed of Home Appliance & Air Solution (H&A), Home Entertainment (HE), Mobile Communications (MC), Vehicle component Solutions (VS), and Business Solutions (BS). H&A is in charge of home appliances including refrigerators, washing machines, and vacuum cleaners, while HE is responsible for TVs, monitors, digital media products; MC for mobile phones; VS for automobile parts, and BS for displays and solar energy generation modules.

1.2. LG Electronics' 2018-2019 Sustainability Report applies the 'Core Option' of the Global Reporting Initiative (GRI) Standards with appropriate modifications. It complies with 10 principles—in the categories of human rights, labor, the environment, and anti-corruption—of the United Nations Global Compact (UNGC), a non-binding pact which encourages businesses worldwide to adopt sustainable and socially responsible policies and to report on their implementation. In addition, this report satisfies the four principles (Inclusivity, Materiality, Responsiveness, and Impact) of the AA1000APS (Account Ability Principles Standard), including the obligation to explain sustainability management.

Implementing a Circular Economy for Electronic Goods

2.1. What steps are being taken to move towards a circular economy for electronic goods?

2.1.1. Perform Product Life Cycle Assessment (LCA). LG Electronics carries out a life cycle assessment to identify factors for improvement by quantifying the environmental impacts in the pre-production, production, distribution, use and disposal stages. LGE quantified the environmental impacts of our major product groups such as refrigerators, washing machines, air conditioners, TVs, monitors, mobile phones, etc. in 2002 by using the LCA technique, and in 2011 we established the Life Cycle Inventory Database (LCI) for the entire life cycle of eight product groups including solar modules and LEDs to expand the scope of products subject to evaluation.

2.1.2. Using recycled materials. LG Electronics uses recycled materials for a wide range of products including washing machines, refrigerators, air solutions, smartphones, TVs and monitors. In 2018, LGE used 11,030 tons of recycled plastic material, an increase of 54.6% over the previous year, contributing to a reduction in the environmental impact of using resources. LG Electronics continuously pursues the development of alternative components and technologies for each product in order to expand the application of recycled materials, and conducts rigorous product stability and quality reliability tests. LG Electronics will systematically manage our performance related to use of recycled materials and strengthen our circular use of resources.

2.1.3. Target: Recycle 95% of the waste from production sites (by 2030). LGE treats the waste generated at its production sites and is continuously reducing the rate of landfill and incineration in order to create

a resource circulation ecosystem. We are focusing on facility investments and process improvements to achieve our goal of recycling 95% of waste at all global production sites by 2030. LG Electronics has been improving its disposal, collection, and treatment processes and expanding the scope of management utilizing EESH Portal with which waste disposal data are collected and recycling rates are monitored.

2.1.4. Target Collect 4.5 Million Tons of e-Waste Between 2006 and 2030. LG Electronics aims to minimize landfill and incineration of e-Waste and to increase the recycling rate by securing a system for the collection and disposal of e-Waste from all regions across the world. We will cooperate with the governmental agencies, regulatory authorities and recycling companies while strengthening our global collection and recycling system in order to collect 4.5 million tons of accumulated e-Waste by 2030 (compared to 2006). We are implementing policies to meet e-Waste recycling regulations in all regions of the world and operating collection facilities. In addition, LGE is actively participating in collecting and recycling various waste home appliances globally and is considering the environmental burdens resulting from e-Waste beginning in the design stage.

2.1.5. Complying with e-Waste Collection and Recycling Regulations. LG Electronics provides customized e-Waste collection and recycling services that meet the requirements of countries covered by the Waste Electrical and Electronic Equipment (WEEE) Directive. In some countries, we voluntarily provide e-Waste collection and recycling services. We are committed to improving the recyclability of e-Waste by assessing recyclability at the design stage of electronic products. Through these activities, LG Electronics contributes to preserving natural resources and protecting the environment.

2.1.6. Providing e-Waste Collection Guidelines. We provide e-Waste collection guidelines in accordance with Waste Electrical and Electronic Equipment (WEEE) regulations to customers, encouraging them to properly dispose of e-Waste. Unlike other general waste, all electric or electronic equipment should be collected at facilities designated by governmental agencies, regulatory authorities and recycling companies. We post information about national and regional collecting facilities and collecting system on our website. (www.lg.com/global/recycling)

2.1.7. Operate an e-Waste Collection Program. LGE operates a global e-Waste collection and recycling program. We treated 218,772 tons in 2016, 231,585 tons in 2017, and 249,145 tons in 2018. We provide collection services to customers in 85 regions in 51 countries as of 2018. LG Electronics also analyzes regulations and exchanges opinions with governments and industrial groups in regions where WEEE regulations are expected to come into force after 2019.

2.1.8. Information for Recyclers (i4R platform). The i4R platform (<http://www.i4r-platform.eu>) was created by the producers (represented by industry associations DigitalEurope and APPLiA) and producer responsibility organizations (WEEE Forum) in an attempt to respond to recyclers' quest for information about the presence of materials and components in electronic waste that require separate treatment. As this information is essential to the recyclers for the proper treatment of the WEEE separately collected, LGE is contributing to the preparation and/or review of every i4R fiche before it is finalized and uploaded to the platform. We believe that through the i4R platform we are contributing to the realization of a more Circular Economy while at the same time assuring the compliance of the European LGE subsidiaries with their obligation to provide information free of charge to the recyclers for each type of EEE placed on the market, in line with article 15 of the WEEE directive. In this context, we have instructed our subsidiaries to redirect local recyclers requesting for recycling information to the i4R platform where they will be able to access the requested information at product category level.

2.2. How can the UK Government support this transition?

2.2.1. Eco-modulation of the WEEE costs paid by the producers can be used to reward best practice and potentially incentivize other manufacturers to adopt additional design features. The eco-modulation criteria must align with other countries' modulated fee criteria to strengthen the incentive for design. The criteria must not be in conflict with existing legislation and standards and must be auditable and enforceable. As the technological development of EEE and its end-of-life treatment is changing at a fast pace, review mechanisms must be introduced that allow criteria to be reviewed to ensure design signals remain aligned with legislation and with international practice.

3. How can secondary markets for electrical goods be improved? What incentives are required to implement these markets?

3.1. Many tech companies have established central facilities for repair and remanufacturing in mainland Europe. Smooth border transit is needed for products and spare parts shipped to these central facilities for testing, repair, refurbishment and remanufacturing in order to ensure that these repair activities do not face unnecessary additional costs and can be done in a reasonable timeframe.

3.2. A reduction in VAT on the labour for repair activities, could make it more economical to repair products out of warranty thus promoting repair as a more economical and preferable solution compared to the purchase of a new product.

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