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Subject: Draft Lab Requirements: Feedback from LG Electronics
Date: Friday, May 28, 2010 3:24:45 PM
Attachments: [UN Global Compact 10 Principles.doc](#)
[UNGC Approval.ppt](#)
[UNGC_LG Electronics-letter-of-commitment.pdf](#)
[Ethics Hotline_EnergyStar_100526.ppt](#)

In regards to the Energy Star Program Draft Lab Requirements,

There are some concerns that LG Electronics has regarding the Draft Lab Requirements.

1. On Page 1 of the Cover Memorandum, it says that a recognized laboratory must maintain accreditation to ISO/IEC 17025 by an EPA recognized Accreditation Body (AB). However, we are anticipating problems regarding the fact that the AB must be approved by EPA. In the case of Korea, the AB is KOLAS, but there may be issues regarding if the KOLAS must be approved by, or request a contract with, EPA. We are unsure if KOLAS will proceed forward, or not, and even if KOLAS does, we anticipate problems, such as scheduling. Does EPA approve, without further investigation, Accreditation Bodies already approved by ILAC?
2. In the last part of Page 2 in Draft Condition and Criteria for Recognition of Laboratories for the ENERGY STAR Program, it says that the laboratory employee compensation or annual bonuses are not tied to the financial performance of the parent company. In the case of labs such as the Standard Group located in PyungTaek, Korea, is its financial performance is related or unrelated to the mother company?
3. In the first part of Page 3 in Draft Conditions and Criteria for Recognition of Laboratories for the ENERGY STAR Program, it says that:
 - a. Laboratory employees are required to participate and regularly pass third-party ethics and compliance audits conducted in accordance with the International Federation of Inspection Agencies (IFIA) Compliance Code or equivalent standards for ethics and compliance program.
 - b. Mechanisms for reporting and responding to attempts to exert undue influence on the test results are in place. This shall include establishment of an external system for employees to make such reports and follow-up on such claims, as well as regular education of staff as to what avenues are available to them should they identify attempts to influence test

reports.

We are unsure what the specific standards required by IFIA are, and would like for the standards to be clarified. However, LG is currently running an Ethics Hotline, which is a service in accordance with our Jeong-Do style of management that is aimed at lowering unethical activities within the company such as illegal Web violations. Furthermore, we are registered members of the UN Global Compact (UNGC). Is this enough to satisfy the requirements set by the IFIA?

I have attached the following documents for clarification:

1. UNGC Application Form
2. UNGC Approval
3. 10 Principles championed by UNGC
4. Ethics Hotline for ENERGYSTAR

Thank you for your help.

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