

LG Energy Solution Code of Conduct for Suppliers

LG Energy Solution, Ltd., and its subsidiaries (overseas subsidiaries controlled by LG Energy solution) is committed to becoming a global battery company that carries out its roles and responsibilities as a member of global society. We strive to provide sustainable solutions that can contribute to resolving social and environmental problems, while endeavoring to adhere to the basic principles of sound business growth.

We have established the “LG Energy Solution Code of Conduct for Suppliers” based on internationally-recognized norms and standards and all applicable legal requirements to fulfill our social responsibilities at the global level and to achieve sustainable performances. We particularly require the support of our suppliers (the “Company”) to comply with all applicable laws and regulations and the following standards, and to require the same (or equivalent) of their suppliers.

If there are any conflicts between this code of conduct and any other local regulations, the higher standard shall prevail. The company should consider the code of conduct in the process of decision making and business operation. LG Energy Solution (and/or external auditors) may visit suppliers to inspect whether the company complies with this code of conduct, and may request the corrective action for violations.

The company shall recognize the importance of, and comply with, international standards¹ and LG Energy Solution’s policies² for the protection of the environment and of social rights, including but not limited to the below.

Human and Labor Rights

1. The Company does not hire any person below the legal working age and complies with the relevant legal requirements for child labor regarding minimum age, working hours and working conditions.
2. The Company prohibits any form of modern slavery or human trafficking, including forced labor and labor exploitation, and establishes employment contracts that clearly define the working conditions in the employees’ native languages.
3. The Company prohibits all forms of discrimination on the basis of sex, sexual orientation,

¹ This refers to the following, but not limited to: (a) the Ten Principles of the United Nations Global Compact; (b) the UNEP Guidelines for Social Life Cycle Assessment of Products; (c) the Convention on Biological Diversity, in particular Decision COP VIII/28 - Voluntary guidelines on Biodiversity-Inclusive impact assessment; (d) the UN Paris Agreement; (e) the fundamental ILO Conventions as defined under the ILO Declaration on Fundamental Principles and Rights at Work; (f) any other international environmental conventions that are binding upon the Union or its Member States; (g) the ILO Declaration on Fundamental Principles and Rights at Work; (h) the International Bill of Human Rights, including the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

² Global Human Rights and Labor Policy, Global Environmental Policy, Biodiversity Protection and Deforestation Prevention Policy, Global Safety and Health Policy, Compliance and Anti-Bribery management system according to ISO37301 standards, LG Code of Ethics, LGES Compliance Guidelines, Responsible Sourcing Policy, Diversity•Equity and Inclusion Policy and any other policies, as appropriate.

gender expression or identify, age, race, nationality, ethnicity, religion, creed, union membership, disability, medical condition, marital status, pregnancy, social status or any other characteristic protected by law, regulation or ordinance and provides equal opportunities for employment, promotion, wage, compensation and training. The Company embeds into its culture respect for diversity, equitable opportunity for all individuals and inclusion based on interaction and mutual trust.

4. The Company respects the human rights of all employees and ensures humane working conditions by prohibiting any sexual harassment, abuse, punishment, psychological or physical coercion, violent language, and torture.
5. The Company respects and protects the rights of women, indigenous peoples, minorities and other marginalized or disadvantaged communities. For all raw material extraction and processing used in all products, the Company shall engage with legitimate representatives of indigenous peoples and respect their right to grant or withhold free, prior, and informed consent for their operations.
6. The Company abides by all legal requirements related to maximum working hours and days, minimum wage, welfare, and remuneration. Employees are not forced to work beyond standard working hours, and when overtime is necessary, overtime pay is provided in accordance with relevant laws. And Employees must be guaranteed an average of at least one day off per week.
7. The Company respects the employees' freedom of association and the right to collective bargaining as guaranteed by applicable national and local laws. The employees can communicate freely with the employer without fear of intimidation or retaliation. Employees will not be subjected to unfair treatment for forming, joining, or participating in labor unions and their activities.

Business Ethics

1. The Company abides by the highest standards of business integrity in all business interactions. The Company must have a policy to prohibit all forms of bribery, corruption, money laundering, extortion, anti-competitive practices, and conflict of interest.
2. The Company respects the financial laws and does not promise, offer, authorize, give, or accept bribes or other means to obtain an undue or improper advantage. This includes means of non-payment of taxes, fees and royalties. This prohibition covers promising, offering, authorizing, giving, or accepting anything of value, whether directly or indirectly through a third party, to obtain or retain business, direct business to any person, or otherwise obtain an improper advantage.
3. The Company conducts all business dealings transparently and accurately records information in the Company's business books and records. Information regarding the Company's labor, health and safety, environmental practices, business activities, structure, financial situation, compliance and performance must be disclosed under applicable regulations and prevailing industry practices. LG Energy Solution does not tolerate

falsification of records or misrepresentation of conditions or practices in the supply chain.

4. The Company must ensure compliance with all applicable national and international trade embargoes and sanctions, and must therefore take all necessary measures to avoid the risk of sanctions violations.
5. The Company may be requested by LG Energy solution, if deemed necessary, to conduct due diligence on identified corruption risk or unethical practice; and/or to provide employees with a regular anti-corruption training for awareness raising and prevention.

Health and Safety

1. The Company must comply with legally-mandated precautionary measures, including evaluating and eliminating hazardous factors, providing regular education and emergency training, providing personal protective equipment, to ensure that employees can work and live (if accommodation is provided) in a safe and healthy environment. If the activity requires the use of heavy machinery, the Company must ensure that the vibration and noise resulting from it are in accordance with local safety regulations.

Environmental Sustainability

1. All required environmental permits, approvals, and registrations must be obtained and maintained in the most recent versions. The Company must devote utmost efforts to proactively identify, assess and minimize adverse impacts of its business on the environment, climate and human health, concerning following : hazardous substances; waste and residues; wastewater; air pollution, such as greenhouse gas (GHG) emissions; soil pollution and erosion; land use and degradation; water use and pollution including seabed and marine environment and access to water; biodiversity loss and damage, noise, vibration and energy use. The company shall comply with “LGES Eco-friendly SCM Requirements” (including revised or updated contents) provided by LG Energy Solution.
2. The Company is expected to conduct the life cycle assessment related to its products, covering all life cycle stages in accordance with internationally recognized methodology for life cycle assessment. The Company must provide the results and supporting environmental data to LG Energy Solution upon request.
3. The Company must have a system for monitoring of electricity consumption of the operations, establishing data on GHG emissions, and cooperate to increase the use of renewable energy in the manufacture of products supplied to LG Energy Solution.
4. The Company must devote utmost efforts to preserving biodiversity by ensuring that its activities have minimal impact on local biodiversity. The Company must furthermore respect the space, culture and biodiversity of local communities.

Responsible Sourcing

1. The Company must prohibit the use of the Relevant Minerals, etc. (as defined in Appendix 1) sourced through any illegal, unethical, or improper processes which result in human rights abuses, war crimes or other serious violations of international humanitarian law, crimes against humanity, genocide, health and safety risks, and environmental harm, including water depletion and consumption, waste, and pollution.
2. The Company must procure Relevant Minerals, etc. solely from suppliers approved by LG Energy Solution and must not alter its subcontractor and sub-tier suppliers in the upstream supply chain without LG Energy Solution's prior written consent. The Company must provide LG Energy Solution with necessary assistance and information reasonably needed by LG Energy Solution to evaluate new subcontractors or sub-tier suppliers that the Company wishes to use in its supply chain for manufacture of products supplied to LG Energy Solution.
3. The Company must identify, address and mitigate any risk in its supply chain related to the mining and processing of the Relevant Minerals, etc. The Company must develop and execute due diligence policy and chain of custody system on Relevant Minerals, etc., from conflict-affected and high-risk areas defined in Appendix 1, to be updated from time to time in accordance with all applicable laws and international industry standards including the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the "OECD Guidance") and the United Nations' Guiding Principles on Business and Human Rights ("UNGPs"), as further described in Appendix 1. The Company shall actively cooperate with LG Energy Solution's due diligence efforts in accordance with the requirements set forth in this code of conduct, in LG Energy Solution's Responsible Sourcing Policy⁴ and those required by LG Energy Solution regarding human rights, environment, health and safety, business ethics and supply chain management system.
4. The Company must avoid using Relevant Minerals from smelters or refineries that do not meet the requirements of the OECD Guidance, and must order its subcontractors to act accordingly. The Company must ensure that its suppliers of Relevant Minerals, etc. are in compliance with the OECD Guidance and the Sustainability Standards⁵, and must demonstrate such compliance upon LG Energy Solution's request (a visit to the Company's operations may be required). Where relevant, the Company shall strive to source minerals that has been certified by the international standards such as IRMA, CMSI, RMAP or equivalent standards.
5. The Company must conduct due diligence on the supply chain in accordance with LG Energy Solution's Due Diligence Policy as in Appendix 1, applicable laws including EU Battery

⁴ Please refer to LG Energy Solution's official webpage.

⁵ The Responsible Minerals Initiative's (RMI) Responsible Minerals Assurance Process (RMAP); the Initiative for Responsible Mining Assurance (IRMA); the Consolidated Mining Standard Initiative (CMSI), etc.

Regulation ⁶ (“EUBR”), international standards, and globally accepted due diligence guidelines such as the OECD Guidance, take measures to manage the risks detected in accordance therewith, and provide LG Energy Solution with documents and information related to the due diligence.

6. The Company must not tolerate any form of direct or indirect support to non-state armed groups or/and public or private security forces through the extraction, transport, trade, handling or export of minerals. Direct or indirect support to non-state armed groups through the extraction, transport, trade, handling, or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates.
7. The Company shall cooperate with LG Energy Solution’s request for compliance with global laws and regulations. In particular, the Company must endeavor to identify and inform LG Energy Solution of the names, addresses and country of origin of the upstream suppliers from the extraction of raw materials to their arrival at LG Energy Solution.
8. Further, where the raw material originates from a conflict-affected and high-risk area, the Company must provide LG Energy Solution with additional relevant information in accordance with the OECD Guidance, such as the origin of the mine, locations where the raw material is consolidated, traded and processed, and taxes, fees and royalties paid. In addition, the Company shall, if necessary, report on the Conflict Minerals Report Template (CMRT) or Extended Minerals Reporting Template provided by the RMI.
9. The Company must be liable for all direct and indirect damages incurred by LG Energy Solution due to non-compliance of this Section (Responsible Sourcing), and implement appropriate corrective actions within a reasonable timeframe, so as to remedy the violation and to prevent similar future occurrence. The corrective actions shall include options for alternative sourcing or supplier substitution, as appropriate.

Establishment of Supply Chain Traceability System

1. The requirements outlined in this code of conduct are within the scope that is recognized as necessary for compliance with ESG regulations and laws in all applicable jurisdictions. The company shall fulfill the following obligations in accordance with the request by LG Energy Solution, and falsification of records, provision of false information or misrepresentation is not permitted under any circumstances.
2. The Company shall identify information on its upstream suppliers for the production of LG Energy Solution’s products (including, but not limited to, items provided, names, and addresses, and country of origin) and establish a system to identify and verify information on the movement of relevant products, materials, etc., (collectively with the upstream suppliers’ information, hereinafter referred to as “Supply Chain Traceability Information”)

⁶ Regulation (EU) 2023/1542.

at every stage of the supply chain from supply of raw materials to finished products.

3. If LG Energy Solution requests for the provision of Supply Chain Traceability Information and relevant supporting documents (including, but not limited to, transaction documents, shipping documents, production documents, and warehousing documents), the Company shall promptly provide such information and documents within the deadline requested by LG Energy Solution.
4. In instances where it is difficult to obtain Supply Chain Traceability Information, the Company must make necessary efforts to persuade its upstream suppliers to provide such information. If the Company is unable to secure Supply Chain Traceability Information due to the lack of cooperation of the upstream suppliers in spite of such efforts, thereby increasing the risk of violating this code of conduct or relevant supply chain regulations, all possible actions must be taken to replace the non-compliant suppliers with one capable of providing Supply Chain Traceability Information.

Grievance Channel

1. The Company must provide a confidential and anonymous channel for affected all stakeholders to report any concerns related to risks or actual adverse impacts within the supply chain to LG Energy Solution. Such channel shall be based on the UN Guiding Principles on Business and Human Rights, and shall provide for, among others, an effective early-warning risk-awareness system and an effective remediation mechanism.
2. The Company must allow for anonymous complaints to be raised, and publicize and implement a confidentiality and non-retaliation policy that permits whistleblower and workers to express their concerns about workplace conditions directly to management without fear of retaliation. The policy for whistleblower protection and non-retaliation must be publicly disclosed and implemented.

Acknowledgement for LG Energy Solution Code of Conduct for Suppliers

We agree to fully acquaint and comply with the LG Energy Solution Code of Conduct for Suppliers (this “Code”).

We are fully aware of and agree with the contents of this Code, and are committed to faithfully complying with the requirements therein which we recognize as a significant factor as a supplier who carries out transactions with LG Energy Solution. We, as a supplier who carries out transactions with LG Energy Solution, fully acknowledge that a breach of any of our obligations under this Code is a material breach of contract existing between LG Energy Solution and our company, and that if the relevant issue is not remedied or improved, LG Energy Solution may take actions, including request for corrective measures, suspension or termination of the existing contract and business relationship, upon written notice to our company.

1. If LG Energy Solution or any party designated by LG Energy Solution requests a survey or a visit to our company in order to audit our compliance with this Code, and asks that we take any corrective measures based upon the results of such audit, we will cooperate and respond to any request of LG Energy Solution.
2. In order to confirm our company’s compliance with this Code, we shall provide access to relevant facilities, records, and personnel for which LG Energy Solution reasonably requests. We shall promptly provide any records if LG Energy Solution requests the provision of such records under this Code. And we agree that the information collected pursuant to this Code is subjected to be provided to regulatory authorities and LG Energy solution’s customers to the extent necessary for the purposes of identification of related risks and compliance with global regulations regarding supply chain management and traceability.
3. We shall communicate the requirements of this Code to our employees as well as our suppliers and cause them to comply with the terms and conditions of this Code.
4. We shall promptly implement reasonable corrective action to remedy any non-conformance with this Code, and shall require our suppliers to do so as well when non-conformance with this Code is identified. Should the suppliers of our company persist in violating this Code in spite of our above efforts, we will undertake measures to exclude them from our supply chain.
5. We agree that this Code, published at <https://www.lgensol.com/en/esg-supplychain-management>, is subject to change and may be amended, or supplemented by LG Energy Solution. If there are inconsistencies between a supply agreement and this Code, this Code shall prevail to the extent of the inconsistencies.
6. We shall maintain documents and records of all identified risks, and the actions taken to follow up on such risks, for a period requested by LG Energy Solution from the date each risk is first identified and reported. We shall immediately notify LG Energy Solution in writing if our company becomes aware of any violation of this Code.

_____, 20____

Company Name:

Name of CEO:

Sign:

[Appendix 1] Due Diligence Policy

1. Due Diligence Target

1. Relevant Minerals, etc.	Conflict minerals (i.e., tin, tantalum, tungsten, gold), minerals used in manufacturing lithium-ion batteries, such as cobalt, natural graphite, lithium, nickel, manganese and chemical compounds based on these raw materials, and minerals and other materials (not limited to minerals) which are necessary for the manufacturing of the active materials of batteries, which may be added by request of LG Energy Solution's customers.
2. Conflict-Affected Areas	Areas identified by the presence of armed conflict, widespread violence, including violence generated by criminal networks, or other risks of serious and widespread harm to people. ⁷
3. High-Risk Areas	Areas of human rights violation, environmental harms, health and safety risks, political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence

2. Due Diligence Standard

- International Bill of Human Rights (including the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights)
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- United Nations Guiding Principles on Business and Human Rights
- OECD Due Diligence Guidance for Responsible Business Conduct
- OECD Guidelines for Multinational Enterprises
- All applicable laws (including EUBR) and international industry standards (including ISO 45001, ISO 14001, ISO 50001, ISO 37001)
- LG Energy Solution's requirements with respect to the scope and methodology of audit and assessment

By way of illustration, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas provides for the following.

No.	Steps	Contents
1	Establish strong company management system	<ul style="list-style-type: none"> • Establish due diligence policy and management system (Ref: OECD Guidance Annex II) - Risk identification - Risk prevention and mitigation - Third-party verifications or audits of supply chain due diligence

⁷ LG Energy Solution uses an internationally recognized method for determining a list of conflict-affected areas. It draws upon existing lists, e.g., Section 1502 of the U.S. Dodd Frank Act, the European Union list of conflict-affected and high-risk areas under Regulation 2017/821, as well as various established indices on governance, corruption, human development, etc. Upon request, this list may be provided at LG Energy Solution's discretion. This list is subject to change periodically.

		<ul style="list-style-type: none"> - Mechanism for reporting applicable risks • Have due diligence policy in place consistent with OECD Guidance and this Code, to improve transparency and traceability, and continuously work with implementing developments that improve the integrity of the information related to the transparency and traceability • Communication of due diligence policy with stakeholders, including suppliers (Relevant provisions included in the contract) • Supply chain history management
2	Identify and assess risks in supply chain	<ul style="list-style-type: none"> • Identify risks in supply chain - At least annually, or additionally as requested by LG Energy Solution. - Supply chain mapping should include identification and location information with respect to subcontractors and suppliers associated with Relevant Minerals, and the country of origin of all Relevant Minerals • Assess risks of suppliers based on OECD Guidance Annex II - Review and investigate identified and prioritized risks received from LG Energy Solution and any other resources - Gather information in connection with risk mapping as may be requested by LG Energy Solution
3	Design and implement strategy to respond to identified risks	<ul style="list-style-type: none"> • Devise and adopt risk management plan identified in the 'Identify and assess risk in supply chain' phase - Resolve reporting gaps in risk assessments - Directly or indirectly request that applicable supply chain actors take prevention, mitigation, and resolution actions - Terminate relationships with supply chain actors that are unwilling to engage in necessary supply chain and risk mapping, resolutions of high risks, and verifications or audits • Report findings of the supply chain risk assessment and risk management plan to the designated senior management of the Company
4	Carry out supply chain due diligence at identified points in the supply chain	<ul style="list-style-type: none"> • Due diligence based on OECD Due Diligence Guidance (Conduct independent third-party audit) - Participate in and complete third-party verifications or audits of applicable risks - Provide clear guidance on intended improvements to risk management - Remain actively involved in the preparation and remediation of identified verification or audit gaps - Make progress towards third-party verification or audit within a reasonable time as requested by LG Energy Solution
5	Report on supply chain due diligence	<ul style="list-style-type: none"> • Publicly report on supply chain due diligence results in accordance with the OECD Guidance (thru sustainability management report, annual report, etc.) • Provide supply chain mapping information to LG Energy Solution or to a recognized third party to aggregate reporting across the mineral supply chain • Report any significant changes, and/or new information affecting previously provided information

[Appendix 2] References for the LG Energy Solution Code of Conduct for Supplier

The below serves as a non-exhaustive list of organizations, frameworks, guidelines that have informed or served as a reference for the content of this Code of Conduct.

RBA Code

<http://www.responsiblebusiness.org/code-of-conduct/>

ILO International Labor Standards

<https://www.ilo.org/international-labour-standards>

ISO 14001, ISO 45001, ISO 37001, ISO37301, ISO50001

www.iso.org

OECD Guidelines for Multinational Enterprises

www.oecd.org

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

doi.org/10.1787/9789264111110-en

SA8000 and SAI (Social Accountability International)

<http://www.sa-intl.org/>

United Nations Global Compact

www.unglobalcompact.org

Universal Declaration of Human Rights

<https://www.un.org/en/about-us/universal-declaration-of-human-rights>

UN Guiding Principles on Business and Human Rights

https://www.ohchr.org/en/ohchr_homepage

Convention on Biological Diversity Decision COP VIII/28- Voluntary guidelines on Biodiversity-Inclusive impact assessment

<https://www.cbd.int/doc/decisions/cop-08/cop-08-dec-28-en.doc>

ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_094386.pdf

UNEP Guidelines for Social Life Cycle Assessment of Products <https://www.unep.org/resources/report/guidelines-social-life-cycle-assessment-products>

Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc

https://coppermark.org/wp-content/uploads/2020/08/DRAFT_Joint-Due-Diligence-Standard_Vers27AUG20.pdf

RMI - Responsible Mineral Initiative

<https://rmi.org/>

IRMA Initiative for Responsible Mining Assurance

<https://responsiblemining.net/>

Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries

<https://eur-lex.europa.eu/eli/reg/2023/1542/oj>

Change log

December 20th, 2024 Revision