

## **LG Energy Solution Code of Conduct for Suppliers**

LG Energy Solution, Ltd. (“LG Energy Solution”) is committed to becoming a global 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/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 international norms, standards and legal requirements to fulfill our social responsibilities at the global level and to achieve sustainable performances. We particularly require the support of our supplier (the “Company”) to comply with the following standards.

### **Human Rights and Labor**

1. The Company does not hire any person below the legal working age, and complies with the legal requirements for juvenile labor regarding minimum age, working hours and working conditions.
2. The Company prohibits all forms of involuntary labor, 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 due to race, skin color, age, gender, sexual orientation, place of origin, nationality, physical disability, pregnancy, religion, political views, labor union membership, or marital status, in terms of employment, promotion, remuneration, educational opportunities, etc.
4. The Company respects the human rights of all employees, and effectuates humane working circumstances by prohibiting any sexual harassment, abuse, punishment, psychological or physical coercion, violent language, etc.
5. The Company abides by all legal requirements related to maximum working hours, days of work, minimum wage, welfare and remuneration, etc.
6. The Company respects the employee’s right to have association and collective bargaining in accordance with local laws and regulations. Employees can communicate with the management with regard to their working conditions without any risk of discrimination, retaliation, threats or harassment.

### **Business Integrity**

The Company maintains the highest level of integrity in all transactions and relations, and strictly

prohibits any types of corruption, including undue acquisitions of improper advantages or bribery, while fully complying with all legal requirements related to anti-corruption. The Company also guarantees confidentiality and protection of whistle-blowers.

## **Health and Safety**

The Company must comply with legally mandated precautionary measures, including evaluating and eliminating hazardous factors, providing regular education and emergency training, disseminating personal protective equipment, etc., to ensure that employees can work and live (if accommodation is provided) in a safe and healthy environment.

## **Environmental Sustainability**

1. All required environmental permits, approvals, and registrations shall be obtained and maintained in the most recent versions. The Company shall devote utmost efforts to proactively minimize the adverse impact of its manufacturing process and all areas of its business, such as hazardous substances, solid waste, waste water, air emissions, resource reduction, etc., on the environments and local community.
2. Upon LG Energy Solution's request, the Company shall provide a life cycle assessment related to production, product and transport, and the supporting environmental data underpinning that assessment.
3. The Company shall cooperate to widen the use of renewable energy in the manufacture of products for LG Energy Solution.

## **Responsible Mineral Sourcing**

1. The Company shall prohibit the use of the Relevant Minerals (as defined in Appendix 1) sourced through any illegal, unethical, or improper processes which result in human rights abuses, severe health and safety risks, and environmental harm, including water depletion and consumption, waste, and pollution.
2. The Company shall procure Relevant Minerals solely from suppliers approved by LG Energy Solution, and shall not alter its subcontractor and sub-tier suppliers in upstream supply chain without LG Energy Solution's prior written consent. The Company shall 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 for LG Energy Solution.
3. The Company shall identify, address and mitigate any risks in its supply chain related to the

mining and processing of the Relevant Minerals. The Company shall develop and execute due diligence policy and system measures of the origin and chain of custody on Relevant Minerals from conflict-affected and high-risk areas defined in Appendix 1 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”) as further described in [Appendix1], and actively cooperate with LG Energy Solution’s due diligence in accordance with the sustainability standards required by LG Energy Solution regarding human rights, environment, health and safety (“Sustainability Standards”).

4. The Company shall avoid using Relevant Minerals from smelters or refineries that do not meet the requirements of the OECD Guidance, and shall order its subcontractors to act accordingly. The Company shall ensure that its suppliers of Relevant Minerals are in compliance with the OECD Guidance and the Sustainability Standards, and shall demonstrate such compliance upon LG Energy Solution’s request.

5. The Company shall provide information related to its due diligence in accordance with the OECD Guidance and LG Energy Solution’s reporting processes and requirements.

6. The Company shall be liable for all direct and indirect damages incurred by LG Energy Solution due to non-compliance of this Section (Responsible Mineral 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 alternative sourcing or mineral substitution.

### **Grievance System**

The Company shall have in place mechanisms to report grievances in a manner that facilitates open communication between management and workers.

**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”).

1. We are fully aware of the contents of the Code, and are committed to faithfully comply with the requirements therein which we recognize as significant factor as a supplier who carries out transactions with LG Energy Solution, Ltd. (“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, 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 business relationship, upon written notice to our company.
2. 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, to the extent our operational activities, intellectual property rights and other rights are not adversely affected. Such exceptions must be approved in writing by LG Energy Solution. To this end, we shall permit, and shall cause to our subcontractors or suppliers to provide, LG Energy Solution with access to relevant facilities, records, and personnel for which LG Energy Solution reasonably requests. We shall promptly implement reasonable corrective action to remedy any non-conformance with this Code, and shall require our subcontractors or suppliers to do so as well when non-conformance is identified by audit.
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 agree that this Code 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.
5. The Company 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. The Company shall immediately notify LG Energy Solution in writing if Company becomes aware of any violation of this Code.

This Acknowledgement is made in two original copies, one for the Company and the other for submission to LG Energy Solution. Electronic (PDF) copies of signatures will constitute originals for all purposes.

\_\_\_\_\_, 20 \_\_\_\_\_

Company Name:

Sign: \_\_\_\_\_

Name:

Title:

To LG Energy Solution, Ltd.

## [Appendix 1] Due Diligence Policy

### 1. Due Diligence Target

Relevant Minerals	Conflict minerals (i.e., tin, tantalum, tungsten, gold), minerals used in manufacturing lithium-ion batteries, such as cobalt, nickel, lithium, manganese, graphite, and other minerals or materials, which may be added by request of LG Energy Solution's customers, mined in conflict -affected and high-risk areas
Conflict-Affected Areas	Democratic Republic of the Congo, Sudan, Rwanda, Burundi, Uganda, Congo, Zambia, Angola, Tanzania, Central African Republic
High-Risk Areas	Areas of environmental harms, health and safety risks, political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence

### 2. Due Diligence Standard

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- All applicable laws and international industry standards
- LG Energy Solution's requirements with respect to the scope and methodology of audit and assessment

[OECD Due Diligence Guidance for the Relevant Minerals– 5 Steps Frame]

No.	Steps	Contents
1	Establish strong company management system	<ul style="list-style-type: none"> <li>• Establish due diligence policy and management system (Ref : OECD Guidance Annex II) <ul style="list-style-type: none"> <li>- Risk identification</li> <li>- Risk prevention and mitigation</li> <li>- Third-party verifications or audits of supply chain due diligence</li> <li>- Mechanism for reporting applicable risks</li> </ul> </li> <li>• 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</li> <li>• Communication of due diligence policy with stakeholders, including suppliers (Relevant provisions included in the contract)</li> <li>• Supply chain history management</li> </ul>
2	Identify and assess risks in supply chain	<ul style="list-style-type: none"> <li>• Identify risks in supply chain <ul style="list-style-type: none"> <li>- At least annually, or additionally as requested by LG Energy Solution.</li> <li>- 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</li> </ul> </li> <li>• Assess risks of suppliers based on OECD Guidance Annex II <ul style="list-style-type: none"> <li>- Review and investigate identified and prioritized risks received from LG Energy Solution and any other resources</li> <li>- Gather information in connection with risk mapping as may be requested by LG Energy Solution</li> </ul> </li> </ul>
3	Design and implement strategy to respond to	<ul style="list-style-type: none"> <li>• Devise and adopt risk management plan identified in the ‘Identify and assess risk in supply chain’ phase <ul style="list-style-type: none"> <li>- Resolve reporting gaps in risk assessments</li> <li>- Directly or indirectly request that applicable supply chain actors take prevention, mitigation,</li> </ul> </li> </ul>

	identified risks	<p>and resolution actions</p> <ul style="list-style-type: none"> <li>- 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</li> <li>• Report findings of the supply chain risk assessment and risk management plan to the designated senior management of the Company</li> </ul>
4	Carry out supply chain due diligence at identified points in the supply chain	<ul style="list-style-type: none"> <li>• Due diligence based on OECD Due Diligence Guidance (Conduct independent third-party audit) <ul style="list-style-type: none"> <li>- Participate in and complete third-party verifications or audits of applicable risks</li> <li>- Provide clear guidance on intended improvements to risk management</li> <li>- Remain actively involved in the preparation and remediation of identified verification or audit gaps</li> <li>- Make progress towards third-party verification or audit within a reasonable time as requested by LG Energy Solution</li> </ul> </li> </ul>
5	Report on supply chain due diligence	<ul style="list-style-type: none"> <li>• Publicly report on supply chain due diligence results in accordance with the OECD Guidance (through sustainability management report, annual report, etc.)</li> <li>• Provide supply chain mapping information to LG Energy Solution or to a recognized third party to aggregate reporting across the mineral supply chain</li> <li>• Report any significant changes, and/or new information affecting previously provided information</li> </ul>

## [Appendix2] References for the LG Energy Solution Code of Conduct for Supplier

The following standards were used in referencing this LG Energy Solution Code of Conduct for Supplier, on which additional information can be found at the sites listed:

RBA Code

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

ILO International Labor Standards

[www.ilo.org/global/standards/lang-en/index.htm](http://www.ilo.org/global/standards/lang-en/index.htm)

ISO 14001

[www.iso.org](http://www.iso.org)

OECD Guidelines for Multinational Enterprises

[www.oecd.org](http://www.oecd.org)

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

<http://www.oecd.org/investment/mne/mining.htm>

SA8000 and SAI (Social Accountability International)

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

United Nations Global Compact

[www.unglobalcompact.org](http://www.unglobalcompact.org)

Universal Declaration of Human Rights

[www.un.org/Overview/rights.html](http://www.un.org/Overview/rights.html)