

LG Energy Solution Global Human Rights & Labor Policy

July 2024

Our Commitment

LG Energy Solution, guided by the management principle of 'People-Oriented Management', is committed to fulfilling its fundamental responsibility to uphold, respect, and embed the rights to human dignity, freedom and happiness.

We support all internationally recognized standards on human rights and labor, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organization (ILO) fundamental conventions, and the OECD Guidelines for Multinational Enterprises, and comply with labor laws in all applicable jurisdictions.

LG Energy Solution is an active member of UN Global Compact (UNGC) and is committed to integrating Ten principles of the UNGC into its business strategy, operations and organizational culture, and contributing to fulfilling UN Sustainable Development Goals (SDGs). As a member of Responsible Business Alliance (RBA), LG Energy Solution is also committed to complying with RBA Code of Conduct.

Applicability

This Policy applies to all our global operations to ensure continuous monitoring of human rights and labor risks and remediation thereof. LG Energy Solution requires all our stakeholders, including suppliers, service providers, and contractors, to comply with this Policy and actively participate in relevant activities.

Our Principles

The following principles are based on recognized international human rights standards and reflect several salient human rights issues that may occur in our operations and supply chain.

1. Prohibition of Forced Labor

We prohibit unfair confinement of mental or physical freedom or forced labor against the will of the employees either by intimidation or threat, or by physical confinement, human trafficking, modern slavery, or any other means. No worker should be required to provide original identity papers or any other documents that could restrict worker mobility and to pay recruitment fees or other similar fees to secure or retain their employment. We ensure all workers are recruited in an ethical and legitimate manner through our management system for third-party recruitment services.

2. Prohibition of Child Labor

We strictly follow local and national laws restricting the employment of underage workers. Regardless of local laws, no workers at a facility or location that provides materials, products or services to LG Energy Solution may be under the age of 15. Any worker under the age of 18 (young workers) shall be removed from hazardous work (including night shift and overtime).

3. Prohibition of Discrimination and Harassment

We prohibit all types of discrimination on the basis of sex, sexual orientation, gender expression or identity, 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.

We provide all employees equal opportunities for employment, promotion, wage, compensation, and training. Women and men are given equal pay for equal work and wage discrimination based on sex is prohibited.

Any type of workplace harassment – sexual or non-sexual – is prohibited and a zero-tolerance policy is enforced. In the event of any violation, appropriate remedial action shall be taken, and a grievance channel for raising concerns be maintained. (See Our Approach 3 for more details.)

We promote an organizational culture incorporating diversity, equity, and inclusion (DEI) to enable a respectful workplace and provide equal opportunities.

4. Compliance with Labor Standards

We comply with the regulations regarding working hours, holidays, and leave as stipulated by applicable national and local laws. Employees are not forced to work beyond standard working hours, and when overtime is necessary, overtime pay is provided within legal limits and in accordance with relevant laws. In addition, all employees are paid wages that exceed the minimum wage set by the laws of each country and region.

5. Recognition of Freedom of Association and Collective Bargaining Rights

We respect freedom of association and the right to collective bargaining as guaranteed by applicable national and local laws. We foster an environment where 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.

6. Guarantee of Safety and Health

We create a safe and hygienic working environment for all workers, including employees and suppliers. Proactive health management is employed to prevent safety and health risks in advance, including health promotion activities, workplace hazards assessment, and near miss incidents reporting and improvement. We perform proactive maintenance of facilities, equipment, raw materials and products to prevent disasters within the local community and among citizens. Furthermore, an effective occupational health and safety reporting system and collaboration model is run to ensure timely response to health and safety incidents.

7. Personal Information Protection

We protect personal information of our employees, visitors, contractors, suppliers, and anyone in contractual relationship with the company. We strive to protect stakeholders from human rights risks associated with the misuse and leakage of personal information by checking for any privacy breaches, compliance issues, and other related concerns.

8. Management of Human Rights Impact within Supply Chains

We ensure responsible sourcing of raw materials by establishing the 'Responsible Sourcing Policy' and 'Supplier Code of Conduct', which outlines the fundamental principles of supply chain management for LG Energy Solution and its suppliers. Based on these principles, we systematically manage the human

rights impact within our supply chains. All principles outlined in this Policy are applied to each and every stage of battery value chain, from raw materials extraction, processing to components production and procurement thereof. A zero-tolerance policy is enforced to respect and protect human rights throughout supply chains.

9. Protection of Community and Indigenous Peoples' Rights

We respect the rights of local communities and indigenous peoples and ensure the right to grant or withhold free, prior, and informed consent (FPIC) in the relevant decision-making processes associated with our business.

Our Approach

1. Governance

LG Energy Solution has established and operates a management system to effectively identify and manage risks and opportunities related to human rights.

1) Executive Management & Relevant Departments

The executive management and relevant departments are responsible for the execution of this Policy. They establish and implement strategies and processes related to human rights and labor management; operate management programs; set relevant indicators and targets; and monitor progress towards those goals.

2) Board of Directors and ESG Committee

The Board of Directors and its ESG Committee is responsible for management and oversight of risks related to human rights and labor management. It deliberates and resolves key issues by monitoring, discussing, and advising on the adequacy and effectiveness of risk management systems, strategies, processes, and programs related to human rights and labor management.

2. Due Diligence

LG Energy Solution has established human rights due diligence process to identify, prevent, and mitigate adverse human rights impacts and to account for how it addresses them.

We strive to identify all actual and potential adverse human rights impacts that we may cause or contribute to through our own activities, or that may be directly linked to our operations, products or services by our business relationships. All stakeholders in our value chain, including subcontractors, suppliers, and communities affected by our operations are covered in this process.

Key steps of human rights due diligence are as follows:

1) Scoping Human Rights Impact and Identifying Risks:

We identify stakeholder groups that may be affected by our business activities and utilize appropriate risk identification tools catered to characteristics of groups. We identify risks by collecting primary data from stakeholders through the RBA's Validated Assessment Program (VAP),

grievance reports, surveys and focus group interviews; as well as secondary data from research materials such as industry/country-specific indices, public reports from academia and NGOs, etc.

2) Setting Risk Priorities:

We prioritize the identified human rights risks based on criteria such as severity and likelihood of occurrence.

3) Risk Prevention, Mitigation, and Remediation:

Based on the identified human rights risks and their prioritization, we develop plans and targets to prevent, mitigate and remediate risks. We will designate responsible individuals with the authority to address these risks and develop actionable tasks to ensure their implementation.

4) Implementation Monitoring and Results Integration:

We continuously monitor the post-risk actions to ensure they are effectively implemented to achieve our goals. We will track feedback from affected stakeholders to evaluate the adequacy of remedial actions. Key findings will be integrated into our due diligence process and prevention/mitigation action plans to progressively enhance the human rights due diligence process.

3. Engagement

<Grievance Mechanism>

LG Energy Solution offers various grievance channels to ensure stakeholders can have access to report their concerns about human rights impacts associated with our business activities and to provide effective remedies and mitigation measures. A whistleblower can utilize any of the channels depending on its stakeholder group (i.e. employees, stakeholders from supply chains, affected communities and people) and the type of human rights impact or risk of concern.

Throughout the grievance handling process, the confidentiality of the whistleblower's identity and the reported case is strictly maintained, and we are committed to ensuring that there is no retaliation or disadvantage against the whistleblower.

LG Ethics Hotline	<p>A comprehensive grievance channel for reporting unethical behaviour by employees or certain departments, as well as customer complaints about products and services in relation to environmental and social footprint and business ethics. In addition to online channel, employees and other stakeholders can report via telephone, mail, fax, and other methods.</p> <ul style="list-style-type: none"> • Online https://ethics.lg.co.kr/main/en.do • E-mail lgsethics@lgensol.com • Tel +82-2-3773-4123 (FAX: +82-2-3773-4084) • Post Business Ethics Office, 62F, Tower 1, Parc1, 108 Yeoui-daero Yeongdeungpo-gu, Seoul, Korea
Supplier Grievance system	<p>A grievance channel for stakeholders from supply chains, including suppliers, service providers and contractors, to report any instance of violation in human rights, safety and health, environment, and business ethics or raise potential concerns. All stakeholders have the right to report the violation occurring in LG Energy Solution's premises and along its supply chains.</p> <ul style="list-style-type: none"> • E-mail grievance@lgensol.com

Company Website	Stakeholders can also report or inquire about a variety of topics, including human rights issues, through the dedicated page at our website. <ul style="list-style-type: none">• Online https://www.lgensol.com/en/cs
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<Stakeholder Engagement>

Stakeholder engagement is fundamental to LG Energy Solution's human rights due diligence process. We commit to transparent reporting about our efforts and progress in upholding and promoting human rights throughout our direct operations and supply chains. We report our performance publicly in several ways, including through our website and annual ESG report.

4. Continuous Improvement

LG Energy Solution recognizes the role of human rights due diligence in fulfilling its commitment to upholding and respecting human rights and values they represent.

To this end, we will strive to continuously enhance our process and progressively expand the scope. We will continue to ensure that stakeholders human rights are given sufficient prominence and resources. By developing and improving necessary policy and institutional instruments and training programs, we intend to prevent any adverse human rights impacts throughout our direct operations and supply chains, and provide effective remedies and mitigation measures when needed.

Our Policy and associated efforts are a stepping stone to continuous improvement. We will continue to monitor salient human rights issues related to global battery value chain and incorporate them into the update of relevant policies and procedures.

Based on the management principle of 'People-Oriented Management', LG Energy Solution will continue to respect the rights of its employees and all relevant stakeholders, and do its best to uphold the responsibility to protect and ensure them in all business activities.

June 2024

Kim, Dong Myung

CEO of LG Energy Solution



Appendix. References

1. Human Rights Management Policy Framework

Human rights are indivisible, interdependent and interrelated.

LG Energy Solution recognizes such nature of human rights and makes sure that all our policies and procedures in relevant areas contribute to respecting and promoting human rights:

- [Global Environmental Policy](#)
- [Global Safety & Health Policy](#)
- [LG Code of Ethics](#)
- [Diversity, Equity and Inclusion policy](#)
- [Guidelines on Expertise and Diversity of the Board of Directors](#)
- [Responsible Sourcing Policy](#)
- [Supplier Code of Conduct](#)
- [Privacy policy](#)
- [LG Ethics Hotline Informant Protection](#)
- [Anti-Bribery Policy](#)
- [Anti-Bribery Guidelines for Employees](#)

2. References

The below serves as a non-exhaustive list of internationally recognized standards, principles and guidelines that have informed or served as a reference for the content of this Policy:

- [Universal Declaration of Human Rights](#)
- [ILO Fundamental Conventions](#)
 - No. 29 Forced Labour (and its 2014 Protocol)
 - No. 87 Freedom of Association and Protection of the Right to Organise
 - No. 98 Right to Organise and Collective Bargaining
 - No. 100 Equal Remuneration
 - No. 105 Abolition of Forced Labour
 - No. 111 Discrimination (Employment and Occupation)
 - No.138 Minimum Age
 - No. 155 Occupational Safety and Health
 - No. 182 Worst Forms of Child Labour
 - No. 187 Promotional Framework for Occupational Safety and Health
- [UN Guiding Principles on Business and Human Rights from the UN Human Rights Committee](#)
- [The Ten Principles of the UN Global Compact \(UNGC\)](#)
- [RBA Code of Conduct 8.0](#)
- [UNGC Guiding Principles on Business and Human Rights: Due Diligence Guiding Principles \(2022\)](#)
- [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#)
- [Ministry of Justice's Business and Human Rights Guide](#)
- [The Danish Institute for Human Rights: Human rights impact assessment guidance and toolbox](#)

Change log

Version	Date	Comment	Reviewed / Approved by
1.0	December 2020	Succession of LG Chem's Global Human Rights and Labour Policy	Company's bylaws
2.0	May 2023	Minor changes in forced labor and working hours related principles	Company's bylaws
3.0	June 2024	Revision and restructuring of the Policy; addition of human rights due diligence process	CEO
3.1	July 2024	Minor changes for clarity	Company's bylaws