

# LG Energy Solution's Global Anti-Bribery Guideline

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## Introduction

**01** LG Energy Solution's [Global Anti-Bribery Guideline] regulates specific responsibilities that all officers and employees of LG Energy Solution (hereinafter "Employees") should follow in accordance with its [Anti-Bribery Policy]. The guideline contains information on the following:

- Compliance with anti-bribery and corruption laws and regulations;
- Guide to conduct when contacting public officials, etc.;
- Prohibition of bribery (money, goods, etc.);
- Prohibition of improper solicitation;
- Accurate and proper accounting and record-keeping; and
- Third-party corruption risk assessment and prevention.

**02** The [Global Anti-Bribery Guideline] is developed based on Korean laws and corporate regulations, which align with principles and policies of anti-bribery and corruption in the majority of countries worldwide. Further global regulatory and policy landscape is closely monitored to inform the design, or revision, and implementation of the [Anti-Bribery Policy] and [Global Anti-Bribery Guideline]. All Employees, regardless of their duty stations, are expected to familiarize themselves and comply with this guideline. In case of any inconsistency between this guideline and local anti-bribery and corruption laws or regulations, please comply with the more stringent standards.

## Global Anti-Bribery Guideline

*Fundamental principles that all Employees of LG Energy Solution are expected to abide by*

### >> Compliance with Anti-Bribery and Corruption Laws and Regulations

- ✓ All Employees are required to comply with all applicable Korean and foreign anti-bribery and corruption laws and regulations, including but not limited to 「Improper Solicitation and Graft Act」 and 「Act on Combating Bribery of Foreign Public Officials in International Business Transactions (herein after referred to as 'Foreign Bribery Prevention Act）」 of Republic of Korea, 「Foreign Corrupt Practices Act」 of the United States, 「Bribery Act」 of the United Kingdom, and any other anti-bribery and corruption laws and regulations, as applicable.
- ✓ All Employees are required to comply with LG Energy Solution's policies and regulations relevant to anti-bribery and corruption, such as the 「LG Code of Ethics」, 「LG Energy Solution's Compliance Guidelines」 and 「Guidelines on Contribution and Donation」, and to sign and submit the 「Pledge of Compliance with Bribery Prevention Acts」.
- ✓ In case of divergence in standards and requirements between applicable local law and corporate regulation, the most stringent one shall prevail.

### >> Guide to Conducts when Contacting Public Officials, etc.

- ✓ In this Guideline, a 'public official, etc.' refers to a public official or public servant defined by the 「Improper Solicitation and Graft Act」; a 'foreign public official, etc.' as defined by the 「Foreign Bribery Prevention

Act], and those who are recognized by anti-bribery and corruption laws and regulations in relevant jurisdictions. All Employees must exercise due care to ensure that no corrupt practice occurs when interacting with public officials, etc. When needed to determine whether an individual falls under the category of public officials, etc., please contact the Compliance Office for clarification.

<b>Who are covered by the Anti-Bribery Acts?</b>	
<p><b>「Improper Solicitation and Graft Act」</b></p> <p><b>01</b> Public servant, etc. who falls under any of the following:</p> <ul style="list-style-type: none"> <li>- Public officials;</li> <li>- Heads of public institutions and public service-related organizations, and employees thereof;</li> <li>- Heads and faculty members of each level of schools and employees of educational foundations;</li> <li>- Representatives, officers, and employees of the press organizations.</li> </ul> <p><b>02</b> Individuals performing public duties</p> <p><b>03</b> Spouse of a public servant, etc.</p>	<p><b>「Foreign Bribery Prevention Act」</b></p> <p><b>01</b> Persons engaged in the legislative, administrative, or judicial affairs of a foreign government</p> <p><b>02</b> Persons performing public duties under the foreign law including:</p> <ul style="list-style-type: none"> <li>- Delegates of a foreign government;</li> <li>- Workers of public institutions and public service-related organizations;</li> <li>- Any officer or employee of an enterprise of which a foreign government has practical control over its overall operations;</li> <li>- Persons carrying out the work of an official international organization.</li> </ul>

**>> Prohibition of Bribery (money, goods, etc.)**

- ✓ LG Energy Solution strictly prohibits bribery. All Employees shall not provide, promise, or offer a bribe to public officials, etc., or allow a third party to provide a bribe. No one is allowed to directly or indirectly offer a bribe to public officials, etc. or their families, and any activity that may raise suspicion of bribery is strictly prohibited.
- ✓ Not only monetary equivalent, but anything of value, whether tangible or intangible, can be considered as bribe. Examples include, but not limited to, gifts, stocks, vouchers, real estates, tickets, rebates, direct or indirect political contributions, charitable donations, condolence payments, scholarships, provision of entertainment such as food and alcohol, travel expenses, conveniences, business opportunities, job or internship opportunities, customary fees, and facilitating payments. Any activity of bribery that contravenes laws and/or corporate policies cannot be justified under the guise of local customs.
- ✗ Provided that it adheres to applicable laws, it is permissible to make legitimate charitable donations, contributions or sponsorships to credible institutions or organizations. However, there must be no improper advantage or undue influence, and they shall be made according to internal processes, including legality review, public reporting and approval.

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**Important Note Regarding Facilitating Payments**

- ✓ LG Energy Solution strictly prohibits the payment of any facilitating payment to public officials, etc. Facilitating payments, explicitly prohibited in most countries, refer to payments made to public officials, etc. with the intention of expediting or facilitating an administrative process, including issuance of

administrative documents such as visa, customs clearance related to product transportation, loading and unloading, and supply of utilities such as electricity, gas, and water.

- ✓ In the event that an Employee is requested by public officials, etc. for facilitating payments or any other improper payment, it is imperative to immediately and explicitly reject such a request and explain LG Energy Solution's Anti-Bribery Policy.

※ However, in exceptional cases where refusing payment could cause direct or immediate hazard to an Employee's health or safety, accompanied with coercion or threats, reasonable measures may be taken. If facilitating payments are made under such circumstances, the Employee shall report to the Compliance Office and ensure proper documentation of the transaction in accounting records.

### **Criteria Determining Bribery According to the 「Improper Solicitation and Graft Act」**

- ✓ In accordance with the 「Improper Solicitation and Graft Act」, even if an act does not constitute improper motive or reciprocity, no one is allowed to provide money, goods, etc. to public officials, etc., including individuals performing public duties, or their spouses. The Act prohibits bribery of public officials, etc. as follows:

01 A public official, etc. shall not accept, request, or promise to receive any money, goods, etc. exceeding one million KRW at a time or three million KRW in a fiscal year from the same person;

02 A public official, etc. shall not accept, request or promise, in connection with his/her duties, to receive any money, goods, etc., not exceeding the amount prescribed above;

03 A spouse of public official, etc. shall not accept, request or promise to receive any money, goods, etc., in connection with the duties of the public official, etc.;

04 An honorarium for an outside lecture shall not constitute money, goods, etc. exceeding the limits prescribed by Presidential Decree (except for individuals performing public duties).

- ✓ However, to ensure ordinary social interactions and prevent undue constraints, the Act also defines eight (8) exceptional cases where money, goods, etc. constitute the following, the receipt of which is permissible:

1. Offered by a public institution to its public servants, etc.; or by a senior public servant, etc. to subordinate public servants, etc.;

2. In the form of food and beverages, congratulatory or condolence money, gifts for purposes of consolation, encouragement, reward, etc., the value of which is within the limits prescribed;

3. Offered from a legitimate source of right, such as payment of debts incurred in a private transaction;

4. Provided by relatives of a public servant, etc., as defined in the Civil Act;

5. Provided by organizations to their members in accordance with rules prescribed by respective organizations; and offered by those who have long-term and continuous relationships with a public servant, etc.;

6. Provided uniformly in a normally accepted range by an organizer of an official event related to the duties of a public servant, etc. to all participants thereof;

7. Distributed to multiple unspecified persons, such as souvenirs, promotional goods, or awards or prizes given in a contest or a raffle;

8. Permitted by other statutes, standards, or societal rules and norms.

- ✓ LG Energy Solution operates a formal 'Process for Managing Congratulatory or Condolence Payments to Public Officials, etc.' to mitigate any potential legal risk and ensure precise management of expenditure records associated with provision of congratulatory or condolence payments, which falls within the

exceptional cases stipulated by the Act. All Employees are required to adhere to the Process and relevant internal policies to proceed with congratulatory or condolence payments. In case of any inquiry or clarification needed, a formal channel is put in place on the intranet (ERS – Support – Q&A).

### >> Prohibition of Improper Solicitation

- ✓ LG Energy Solution prohibits improper solicitation. No Employee may engage in any improper solicitation of Korean or foreign public officials, etc. directly or through a third party, even if bribes are not actually provided. The Act prohibits any improper solicitation, hence soliciting itself constitutes a violation of the Act, even when public officials, etc. reject the solicitation.

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#### **Types of Improper Solicitation Prohibited by the 「Improper Solicitation and Graft Act」**

The Act defines fourteen (14) types of improper solicitations to violate laws and/or to act beyond the limits of position and authority of a public officials, etc. granted by statutes.

1. Process, in violation of laws, such tasks as permission, license, or approval;
2. Mitigate or remit administrative dispositions or punishments, in violation of laws;
3. Intervene or exert influence in the appointment or promotion, in violation of laws;
4. Select or reject a person, in violation of laws, for a decision-making position of a public institution;
5. Select or reject an individual or organization, in violation of laws, in any award or prize;
6. Disclose, in violation of laws, duty-related confidential information on tender, auction, etc.;
7. Select or reject a specific individual as a party to a contract, in violation of laws governing contracts;
8. Intervene or exerting influence so that subsidies, funds, etc. are assigned to a specific individual or organization, in violation of laws;
9. Allow a specific individual or organization to buy, use, possess goods and services produced, supplied or managed by public institutions at prices different from what is prescribed by laws or against normal transaction practices;
10. Process or manipulate affairs of schools of each level, such as admission, grades, or performance tests, in violation of laws;
11. Process affairs related to military service, such as physical examination, in violation of laws;
12. Conduct various assessments or judgements implemented by public institutions, or manipulate the results thereof, in violation of laws;
13. Make a specific individual or organization subject to or exempt from administrative guidance or enforcement; ignore any illegality, in violation of laws;
14. Process investigation of a case or trial, in violation of laws.

### >> Accurate and Proper Accounting and Records Keeping

- ✓ LG Energy Solution's Employees must not, for any reason, manipulate accounts or misrepresent the company's accounting records. All Employees must accurately record and maintain records of expenditures and expenses related to all transactions.
- ✓ Omitting records of transactions, manipulating the details thereof, generating or maintaining unrecorded

or unreported revenues or assets are strictly prohibited. In particular, it is strictly prohibited to: 1) falsify the acquisition or disposal of, or conceal, illicit proceeds; 2) launder illicit proceeds for tax evasion; or 3) engage in illegal internal transactions.

### **>> Third Party Corruption Risk Assessment and Prevention**

- ✓ The Company is held liable for any bribery and improper solicitation risk associated with third parties (i.e. an organization or individual performing duties or representing on behalf of the Company). Therefore, due care shall be exercised to ensure that no corrupt practice is occurred by third parties.
- ✓ To prevent that the Company is held liable or put under investigation for improper actions involving various types of third parties, it is imperative to carry out pre-engagement due diligence on third parties and repeat periodically; and ensure contractual safeguards to investigate violations, terminate the agreement, and claim damages in the event of breaches.
- ✓ Considerable care must be taken particularly in the case of joint ventures, given the relationship as business partners is often long term. Furthermore, in the context of mergers and acquisitions, it is imperative to exercise utmost caution, as the Company may be held liable for any corrupt act committed by the counterparty in the past.

### **>> Liability for Violation**

- ✓ Anti-bribery and corruption laws and regulations worldwide impose severe sanctions and liability on individuals and corporations that fail to comply with their provisions. Therefore, all Employees must faithfully comply with anti-bribery and corruption laws and regulations, as well as corporate policies.
- ✓ Anyone who violates anti-bribery and corruption laws and regulations may be charged with criminal, civil, or other applicable punishments such as penalties or imprisonment. The Company may take appropriate disciplinary action in the event an Employee violates anti-bribery and corruption laws and regulations and/or corporate policies; or fails to take reasonable measures to prevent a violation.
- ✓ An Employee misconduct can bring about significant consequences to the Company, including investigations by government authorities, criminal and/or civil penalties, and detrimental effect on the trust of valued customers.

### **>> Reporting and Inquiry**

- ✓ If any Employee becomes aware of or suspect any violation or attempted violation of anti-bribery and corruption laws and regulations and/or corporate regulation, they shall immediately report it to the Compliance Office. The confidentiality, anonymity and security of the informant is rigorously safeguarded, and retaliation or threat in any form is prohibited.
- ✓ If you have any question regarding anti-bribery and corruption laws and regulations or corporate regulation, please consult with the Compliance Office.