

LG Chem Responsible Sourcing Policy

Procurement of Cobalt and raw materials from Conflict-Affected and High-Risk Areas

Introduction

LG Chem is committed to responsible sourcing of raw materials for our products. In response to the growing concerns for human rights impacts on the battery industry, LG Chem have adopted Responsible Sourcing Policy in 2020 to reinforce our commitment to the responsible and transparent supply chain. We conform the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas”(hereafter the “OECD Guidance”) and are embedding it throughout our sourcing activities.

Compliance with Laws

We will comply with applicable laws and regulations regarding procurement of conflict minerals known as 3TG (Tin, Tantalum, Tungsten, and Gold) and minerals relate to manufacturing Lithium-ion battery such as cobalt, lithium, graphite, nickel, manganese. We, furthermore, make our utmost effort to comply with all applicable national and international laws and regulations, including the International Labour Organization (ILO) and the UN Global Compact (UNGC) principles, industry standards, and all other relevant statutory requirements whichever requirements impose the highest standards of conduct.

Securing Transparent and Sustainable Supply Chain through Assessments

Through regular sustainability assessment, LG Chem enhances its business partners' awareness of the need for responsible supply chain management. Based on assessment results we conduct on-site audit to manage risks in terms of issues related to labor and human rights, environment, health and safety, compliance and ethics. We also implement third-party audits of major supply chains in accordance with the OECD due diligence guide to ensure transparency along entire supply chain. Based on the results of the inspection, we concentrate on managing the supply chain through risk mitigation and improvement activities.

LG Chem’s requirements towards our suppliers

The sustainable development of LG Chem is only made possible through the continued cooperation of business partners. LG Chem Responsible Sourcing Policy includes mandatory requirements which our suppliers need to meet to do business with LG Chem, and we expect our suppliers to ensure responsible sourcing in their own organizations in a way consistent with all applicable laws and regulations and the principles of our LG Chem Code of Conduct for Suppliers. For more information about LG Chem Code of Conduct for Suppliers, please visit

[Http://www.lgchem.com/asset/doc/LGChem_Code_of_Conduct_for_Suppliers_ENG.pdf](http://www.lgchem.com/asset/doc/LGChem_Code_of_Conduct_for_Suppliers_ENG.pdf)

Suppliers shall avoid all minerals from conflict-affected or high-risk areas and verify and inform LG Chem whether the minerals included in the materials are from conflict-affected or high-risk areas. Suppliers are required to disclose the origin of materials at the request of LG Chem if LG Chem considers the materials are related to potential human rights violations such as child labor, forced labor, and any kind of modern slavery and Occupation Health and Safety (OHS) issues.

Suppliers shall incorporate an OECD Guidance five-step framework to develop its due diligence framework.

- ✓ Establish strong company management systems
- ✓ Identify and assess risk in the supply chain
- ✓ Design and implement a strategy to respond to identified risks
- ✓ Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain
- ✓ Report on supply chain due diligence

Grievance Mechanism

We support a culture of speaking up for honesty and integrity without fear of retaliation. If you have any questions about ethics and compliance issues related to responsible sourcing, please report to (rssourcing@lgchem.com).