

LG Chem Responsible Sourcing Policy

Version 2.0 / June, 2023

LG Chem aims to go beyond chemistry and connect science to human life with a sense of social responsibility, striving to create sustainable future value. To achieve this, we are committed to establishing a responsible and transparent supply chain, addressing issues such as human rights violations, environmental degradation, and illegal funding in mineral mining within the supply chain. Minerals encompass conflict minerals (tin, tantalum, tungsten, gold) as well as cobalt, nickel, lithium, manganese, and other minerals used in the battery value chain, which may be expanded based on LG Chem's needs.

LG Chem adheres to the OECD "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" and the "Due Diligence Guidance for Responsible Business Conduct," aiming to implement them by establishing guidelines, due diligence frameworks, and management systems consistent with overall policy of supply chain.

Every year, to ensure that our policies reflect the latest updates and align with the growth of our business, LG Chem reviews its Policy and related processes with relevant departments.

Human Rights and Labor

Within the supply chain, LG Chem does not tolerate any forms of inhumane treatment, including human trafficking and modern slavery, forced labor, child labor, physical or mental coercion, torture, discrimination, sexual abuse, war crimes, inhuman acts that violate international law, including serious human rights abuses such as genocide, and other degrading practices.

Health and Safety

LG Chem complies with domestic and international laws and regulations related to occupational health and safety, ensuring the proactive identification of all potential hazards for industrial health and safety. The protection of the health and safety of all workers is achieved through the implementation of preventive measures.

Environmental Protection

In our commitment to minimizing actions that have a negative impact on the environment and biodiversity, LG Chem adheres to relevant domestic and international regulations. Efforts are made to reduce and manage greenhouse gas emissions, handle hazardous substances, manage water resources, ensure proper disposal of hazardous waste, regulate emissions of air pollutants, promote the use of renewable energy, and protect biodiversity.

Business Ethics

LG Chem does not solicit, promise, or provide any offers, promises, or provisions related to bribery, kickbacks, or undue benefits. We also prohibit money laundering, tax evasion, undisclosed fees, and

unpaid royalties associated with the collection, trade, processing, transportation, and export of raw materials. In the event that such risks are identified, we take measures to effectively eliminate the risks and conduct our business ethically.

Responsible Mineral Supply Chain Management from Conflict and High-Risk Areas

LG Chem does not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals. Such direct or indirect support includes the following actions:

- 1) Procuring minerals from entities that illegally control mine sites, transportation routes or at points where minerals are traded, upstream actors in the supply chain, or providing logistical or equipment assistance to them.
- 2) Illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded.
- 3) Illegally tax or extort intermediaries, export companies or international traders.

Furthermore, we do not tolerate direct or indirect support to public or private security forces who illegally control mine sites, transportation routes, or upstream actors in the supply chain.

Responsible Minerals Supply Chain Management Process

LG Chem has established a five-step process based on the OECD Due Diligence Guidance to build a responsible supply chain for conflict minerals and minerals related to batteries. These steps allow for the identification and management of risks in the supply chain:

- Step 1. Establish strong company management systems
- Step 2. Identify and assess risk in the supply chain
- Step 3. Design and implement a strategy to respond to identified risks
- Step 4. Execute supply chain due diligence and conduct third-party audits
- Step 5. Report on supply chain due diligence and engage with stakeholders

LG Chem is a member of the "Responsible Minerals Initiative" to enhance responsible mineral supply chain management. We actively communicate and collaborate with external stakeholders to track and manage our supply chain using the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) provided by the RMI for the registration of new materials, particularly for conflict minerals and cobalt. This allows us to identify and mitigate risks in advance.

Furthermore, we incorporate responsible mineral management criteria into the annual ESG assessment of our suppliers. This assessment allows us to evaluate the current status and capabilities of suppliers. Based on the results of the ESG evaluation and identified risks, we conduct third-party audits.

LG Chem supports suppliers in mitigating and improving identified risk factors. If a supplier fails to address identified deficiencies, measures such as suspension of trade may be considered. We provide support to our suppliers for mitigating and improving identified risks through audits, and in cases where non-compliance issues persist, actions such as suspending business transactions may be considered.

LG Chem reinforces the code of conduct for suppliers to ensure that our responsible mineral sourcing

policy is propagated throughout the upstream supply chain. For detailed information, please refer to LG Chem Supplier Code of Conduct.

Supplier Requirements for LG Chem

LG Chem's sustainable development is only possible through the continuous cooperation of our suppliers.

LG Chem expects suppliers to establish a responsible supply chain system that aligns with internationally recognized standards and frameworks (such as the 5-step framework within the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas), as well as LG Chem's Supplier Code of Conduct and responsible supply chain policies.

If the raw materials provided by a supplier are believed to be associated with potential human rights infringements such as child labor, forced labor, or occupational health and safety issues, we require the disclosure of their origin upon request.

Grievance System

LG Chem is committed to fostering a transparent organizational culture where anyone can speak up without fear of retaliation.

For any substantial or potential concerns regarding responsible supply chain practices or ethical/compliance issues, please contact us at (rssourcing@lgchem.com). Employees, suppliers, and customers within the supply chain can all make inquiries and reports.

LG Chem ensures the anonymity and confidentiality of the whistleblower, and does not tolerate any form of retaliation against individuals who raise concerns. The received inquiries and reports will be assigned to the relevant department for investigation and feedback will be provided through the established process.

Version History

Version	1.0	2020	Enactment of Responsible Sourcing Policy
	2.0	June 2023	Partial amendment to the code