

## LG Energy Solution Modern Slavery Statement 2024

This statement is made on behalf of LG Energy Solution, Ltd. (hereinafter “LGES”, ABN 16 232 169 101) and its subsidiaries, including reporting entity LG Energy Solution Australia Pty Ltd. (hereinafter “LGESAU”, ABN 73 622 029 047), for the fiscal year from 1 January to 31 December 2024. We are publishing this statement under the Australia Modern Slavery Act 2018, as a demonstration of our commitment to anti-slavery practices and values we hold and adopt across our business operations and supply chains.

### 1. Structure, operations and supply chains<sup>1</sup>

LGES embarked on battery development research in 1992 and has been dedicated to creating unparalleled material technologies and next-generation batteries. With outstanding technological capabilities in the fields of advanced automotive, mobility & IT, and energy storage system (ESS) batteries, we are actively pursuing new product development and securing a world-class battery production capacity, expanding the next-generation energy market.

LGES is headquartered in Seoul, South Korea. As at 31 December 2024, LGES had 32,071 employees located in our subsidiaries and operations around the world.

LGESAU, located in Mulgrave, Victoria, Australia, is one of LGES’ sales subsidiaries, providing advanced ESS batteries for residential and commercial applications. It does not own or control any other entities.

Our global supply chains involve several clusters, including mining of raw materials, refining, advanced materials and components for manufacturing of cells, modules and packs. At LGESAU, supply chain involves direct procurement of ESS products from manufacturing subsidiaries of LGES, as it operates as a service agent and distributor who places ESS products to the local market in Australia.



<sup>1</sup> For more information about our business and organizations, please see our annual report for the fiscal year 2024, available at: <https://englishdart.fss.or.kr/dsbh001/main.do?rcpNo=20250312000405> and our ESG report, available at: <https://www.lgensol.com/en/esg-sustainability>.

## 2. Our commitment

LGES believes that sustainable battery ecosystem is vital to the ongoing success of our business. To that end, we are committed to complying with applicable laws and regulations and conforming to internal regulations that go above and beyond global standards. LGES recognizes the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGP), the fundamental conventions of International Labour Organization, and the OECD Guidelines for Multinational Enterprises.

We are also committed to ensuring our suppliers respect human rights and protect the environment. We hold our suppliers to highest standards through our [Responsible Sourcing Policy](#), [Supplier Code of Conduct](#), and corporate policies in relevant areas in [human rights and labor](#), environmental sustainability, occupational health and safety, and business ethics.<sup>2</sup>

We ensure suppliers maintain business practices and records in compliance with our Policies, Supplier Code of Conduct and supplier expectations by identifying potential risks in our extended supply chains up to mines, conducting assessments and audits at the Tier 1 level and working in collaboration with suppliers to remediate identified risks and mitigate or prevent potential future risk. The scope of risk management includes upstream level, using a risk-based approach.

Where we find violation of our Policies and Supplier Code of Conduct, we take appropriate actions to address the issue and improve supplier practices. We work in partnership with suppliers to review root causes, develop plans to improve and remediate, and monitor the progress of corrective actions. If appropriate, LGES may disengage with a supplier until evidence of remediation is provided and the supplier has strengthened its management system to prevent future violations.

We are also committed to communicating our actions to manage supply chain risks and findings thereof in a transparent manner, with a view to collaborating, as opportune, and creating synergies, rather than duplicating the work and overburdening.<sup>3</sup>

## 3. Our approach to managing modern slavery risks in our operation and supply chains

One of priority risks that LGES manages is forced labor, human trafficking and modern slavery (hereinafter “modern slavery”). Specific areas of risk may include: suppliers or sub-suppliers located in countries that may have a higher risk of modern slavery, potential exposure to entities that may not comply with human rights and labor laws, and certain products and commodities that may have higher modern slavery risks based on how they are produced or mined.

To address modern slavery risk, LGES implements the following risk assessment and mitigation activities:

### 1) Risk assessment

LGES acknowledges the evolving regulatory landscape and increasing concerns about global battery value chain, facing allegations of human rights abuses. We use multiple sources of information,

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<sup>2</sup> Relevant policies are publicly available on the company website.

<sup>3</sup> For more information about LGES’ supply chain risk management framework and key activities conducted in the fiscal year 2024, Supply Chain Sustainability Report is available at: <https://www.lgensol.com/en/esg-supplychain-management>.

including public reports from NGOs, academia and government authorities, AI tools, subject area experts, and our engagement with relevant organizations to identify actual and/or potential modern slavery risk and specific areas of concern we may need to conduct additional due diligence on.

#### *Our Operations*

All our global operations are subject to a regular assessment and third-party audit, called Validated Assessment Program (VAP) of Responsible Business Alliance (RBA), aimed at assessing ESG risks including modern slavery risk at the facility level. The findings and remediation measures taken to address any issue is disclosed through annual ESG Report.

#### *Our Supply Chains*

LGES operates a robust framework for assessing modern slavery risks in supply chains, utilizing supply chain mapping information, AI tools, and publicly available data.

- Supply chain information collection: In accordance with LGES' Supplier Code of Conduct, all Tier 1 suppliers shall provide upstream supply chain information up to mines. Supply chain information is collected and managed through LGES' Supply Chain Traceability System.
- Supplier screening: Based on the supply chain mapping information and considering the criteria such as annual spend, business relationships, country- and mineral-specific risks, significant suppliers are selected subject to ESG risk assessment.
- Regular supplier ESG risk assessment and third-party audits: Significant suppliers, which include all of critical mineral supply chains, shall undergo self-assessment of ESG risks. Based on the results and internal criteria for priority risk, selected suppliers are subject to third-party audits. This is conducted as part of an annual purchase evaluation process, where non-conformance or material issue identified may cause suspension or termination of contract.
- Risk screening using AI tools and public data: In addition to regular supplier ESG risk assessment and third-party audits, we monitor modern slavery risk in our supply chains using AI tools. The tools analyze data from diverse sources, ranging from companies' public disclosures, public reports, media, to transaction records and flag where in the supply chains may be exposed to modern slavery risk. Further, we review information from credible external sources, such as government agencies and NGO reports.
- Validation of information: To ensure supply chain risk information is accurate, consistent, and up-to-date, we request Tier 1 supplier of relevance to the identified issue to provide evidence of its upstream supply chain map, due diligence activities as well as transactional relationships and ownership structures. Based on this additional set of documents, we validate the risk identified from risk screening and the appropriate mitigation action follows.

## **2) Risk Mitigation**

Various sources of modern slavery risk data in our supply chains are considered to assess and analyze the level and type of risk, which informs risk mitigation measures.

- In case of high risk, where any of our supplier (both direct and indirect) involves direct trading relationship with an entity that may not comply with human rights and labor laws, disengagement procedure – suspension or termination of contract – is put in place.
- For medium risk, where there is reportedly direct or indirect ownership relationship with an entity that may not comply with human rights and labor laws, the supplier will be first requested to clarify on the identified risk with supporting evidence. Depending on the adequacy and sufficiency of supporting evidence, the supplier may be considered for disengagement or continued engagement.
- For low risk, where there is no risk detected from risk screening, we continue with risk screening and regular risk management process.

Key mitigation measures as part of our general supplier engagement program include:

- Training suppliers and relevant employees to enhance awareness of modern slavery risk management and promote understanding of LGES requirements and expectations in accordance with LGES Supplier Code of Conduct and relevant Policies;
- Requiring Tier 1 suppliers to certify that their minerals incorporated into LGES products comply with applicable laws;
- Requiring Tier 1 suppliers to provide supporting evidence of due diligence and risk management of their upstream supply chains;
- Requiring suppliers to implement corrective action plans for gaps identified during audits or other avenues;
- Transitioning away from purchasing goods or services from any supplier if the supplier does not take corrective actions to address non-compliance with applicable laws and LGES' Code of Conduct and the violation is not remediated in a satisfactory manner;
- Working with relevant stakeholders to address issues or concerns, when raised through our grievance channels, and ensuring appropriate measures are taken;
- Engaging in multi-stakeholder groups<sup>4</sup> and with NGOs to better understand risks and opportunities in the upstream, increase the visibility and facilitate collective actions to address issues, concerns, or risks along battery supply chains.

#### **4. Assessing the effectiveness of our actions**

LGES regularly reviews and updates its supply chain risk mitigation strategy and due diligence system to ensure the alignment with evolving international standards and regulations, effectiveness of measures for risk assessment and mitigation, and continuous improvement.

In 2024, LGES introduced a robust framework for modern slavery risks assessment and mitigation with revision of Supplier Code of Conduct and establishment of Supply Chain Traceability System to operationalize the framework. This allows for reinforced actions in response to salient modern slavery risk in global battery supply chains.

Other actions taken to better assess our effectiveness, where appropriate, include:

- Continued commitment to due diligence of supply chains and ensuring a follow-through and risk prevention, mitigation, or remediation as appropriate;
- Capitalizing industry certification and assurance schemes such as the Initiative for Responsible Mining Assurance, Responsible Minerals Assurance Process of the Responsible Minerals Initiative;
- Strengthened engagement with Tier 1 suppliers including educating and encouraging them to conduct responsible sourcing and manage modern slavery risk in their own supply chains;
- Continued engagement with multi-stakeholder platforms / cross-industry groups, such as the RBA, GBA and FCA.

#### **5. Process of consultation**

Our Supply Chain ESG Management Team leading supply chain risk management and due diligence efforts is strategically embedded into our Procurement Center. These efforts cover all of LGES' subsidiaries throughout the world, including LGESAU.

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<sup>4</sup> E.g. Responsible Business Alliance (RBA), Responsible Minerals Initiative (RMI), Responsible Labor Initiative (RLI), Fair Cobalt Alliance (FCA), Global Battery Alliance (GBA).

The team works in close collaboration and consultation with cross-functional teams such as ESG Strategy Team, Sustainability Cooperation Team, Fair Trade Team, as well as others in charge of human rights and labor, environmental sustainability, occupational safety and health, business ethics, etc. In addition, our Board of Directors and its ESG Committee reviews our Policies and human rights and labor programs. Lastly, we also engage external parties on a regular basis to provide feedback on our approach to supply chain risk management and responsible sourcing.

During the reporting period, LGES engaged with LGESAU to ensure alignment in addressing modern slavery risks. LGES provides oversight and guidance to LGESAU in risk assessment and mitigation through regular consultation and monitoring of the progress. LGESAU adheres to LGES's Policies and governance for modern slavery risk management, ensuring coherency in commitment and actions to mitigate modern slavery risks across both entities.

## 6. Approval

This joint modern slavery statement is given on behalf of LG Energy Solution, Ltd. and its subsidiaries, including LG Energy Solution Australia Pty Ltd. The statement has been approved by the Board of Directors of LG Energy Solution, Ltd. and signed by the CEO on 13 June 2025. It has also been reviewed and signed by the Managing Director of LG Energy Solution Australia Pty Ltd. on 16 June 2025.

A handwritten signature in black ink, appearing to read 'Dong Myung Kim', with a horizontal line extending to the right.

Dong Myung Kim  
CEO of LG Energy Solution

A handwritten signature in blue ink, appearing to read 'Philip Crotty', with a horizontal line extending to the right.

Philip Crotty  
Managing Director of LG Energy Solution Australia Pty