

Modern Slavery Statement

FOR THE FINANCIAL YEAR ENDING DECEMBER 31, 2024

1. Introduction from the CEO

At Lebe Industrial Co., Ltd., we are profoundly committed to upholding human rights and maintaining the highest ethical standards across all our operations and supply chains. Modern slavery, in all its forms including forced labor, child labor, and human trafficking, is an egregious violation of fundamental human rights and has no place in our business or in our society.

This statement outlines the steps Lebe Industrial has taken during the financial year ending December 31, 2024, to prevent modern slavery and human trafficking in our business and supply chains. Our commitment is underpinned by our core values, our robust management systems (including ISO 14001 and ISO 45001 certifications), and our dedication to conducting business responsibly and transparently.

We recognize that combating modern slavery is an ongoing process that requires continuous vigilance and improvement. We are dedicated to strengthening our due diligence processes and collaborating with our partners to ensure ethical practices throughout our value chain.

Sangsu Lee, Chief Executive Officer Lebe Industrial Co., Ltd., 3rd January 2025.

2. Our Organization's Structure and Business

Lebe Industrial Co., Ltd. is a leading **company specializing in the manufacturing and development of industrial filters, filtration devices, and filtration systems**. Based in Ulsan, Republic of Korea, and established in October 1995, we are dedicated to safeguarding industrial equipment and fostering a cleaner environment. We achieve this by effectively removing contaminants from a wide range of fluids, including water, air, and oil. Our core commitment lies in delivering high-performance filtration solutions that meet the stringent demands of modern industries. Our operations primarily involve manufacturing processes, filtration system development, and purification.

Our business is structured with our **headquarters in Ulsan, and the office of our Automation Process Specialist Response Team located in Cheonan**.

3. Our Supply Chains

Our supply chains are diverse, encompassing the procurement of **metals** from various suppliers, both domestically and internationally. These suppliers range from large multinational corporations to smaller specialized businesses.

Our finished products are distributed to customers primarily in **various industries across Korea, especially heavy industry. We also distribute to customers in several international markets, including Singapore, China, Australia, and the UAE.**

While we strive to source from reputable suppliers, we acknowledge that the complexity of global supply chains can present inherent risks of modern slavery, particularly in regions with weaker labor protections or complex subcontracting arrangements.

4. Our Policies on Modern Slavery and Human Trafficking

Lebe Industrial operates under a comprehensive framework of policies that reflect our commitment to ethical conduct and human rights. These include:

- **Code of Conduct:** Our overarching Code of Conduct explicitly prohibits all forms of forced labor, compulsory labor, child labor, and human trafficking in our operations and supply chains. It also sets out our expectations regarding fair wages, reasonable working hours, non-discrimination, and safe working conditions.
- **Human Rights Policy:** We are committed to respecting internationally recognized human rights as enshrined in the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, consistent with the UN Guiding Principles on Business and Human Rights. This policy specifically addresses our responsibility to identify, prevent, mitigate, and account for human rights impacts.
- **Supplier Code of Conduct (or similar clause in Supplier Agreements):** We expect our suppliers to adhere to standards that are consistent with our own principles. Our supplier agreements (or a separate Supplier Code of Conduct) require compliance with all applicable labor laws, including those pertaining to forced labor, child labor, and fair employment practices.
- **Whistleblowing Policy:** We maintain an accessible and confidential whistleblowing mechanism that allows employees and external stakeholders to report concerns, including those related to human rights violations or modern slavery, without fear of retaliation.

5. Due Diligence Processes

To identify and address the risks of modern slavery in our operations and supply chains, Lebe Industrial focuses on maintaining ethical practices and fostering responsible relationships. While our processes are continually evolving, our current efforts include:

- **Supplier Engagement and Awareness:**
 - **Communication of Expectations:** We communicate our fundamental expectations regarding ethical labor practices, including the prohibition of forced and child labor, to our suppliers. This is typically done through our **Code of Conduct** (or

relevant clauses in our business agreements) which suppliers are expected to acknowledge and adhere to.

- **Basic Supplier Vetting:** During the initial onboarding of new suppliers, we conduct basic background checks to ensure their legal registration and general reputation. We prioritize working with suppliers who demonstrate a commitment to legal compliance and ethical conduct.
- **Internal Practices and Management Systems:**
 - **Robust Internal Recruitment:** We maintain transparent and fair internal recruitment processes, ensuring all employees are employed voluntarily and understand their terms of employment. We do not charge recruitment fees to workers.
 - **Accessible Grievance Mechanisms:** Employees have access to internal channels to raise concerns regarding working conditions or any potential human rights issues. Our **Whistleblowing Policy** is designed to provide a confidential avenue for such reports without fear of retaliation.
 - **ISO 45001 Occupational Health and Safety Management System:** Our **ISO 45001 certification** provides a structured framework for managing occupational health and safety risks within our own operations. This system inherently contributes to preventing unsafe and exploitative working conditions by ensuring compliance with the **Korean Occupational Safety and Health Act** and promoting a culture of safety and well-being. This rigorous internal standard helps mitigate risks often associated with modern slavery.
 - **Regular Internal Audits:** We conduct regular internal audits related to safety and labor compliance, as required by our ISO 45001 system and Korean labor laws, helping to ensure that our own operations meet legal and ethical standards.
- **Risk Awareness and Response:**
 - **Continuous Learning:** We stay informed about general risks of modern slavery, particularly in high-risk sectors or geographies relevant to our supply chain.
 - **Addressing Concerns:** Should any specific concerns or credible allegations of modern slavery arise within our supply chain, we are committed to investigating them promptly and taking appropriate action, including engaging with the supplier to implement corrective measures. In severe cases, we would re-evaluate the business relationship.

6. Risk Assessment and Management

We recognize that the primary risks of modern slavery in our operations lie within our broader supply chain, particularly for raw material extraction and certain manufacturing processes in regions

with less stringent labor regulations.

Our approach to managing these risks involves:

- **Mapping Key Supply Chains:** Identifying and mapping critical tiers within our supply chains to gain greater visibility into potential risk areas.
- **Engagement with Suppliers:** Proactively engaging with suppliers to raise awareness about modern slavery risks and our expectations.
- **Corrective Action Plans:** In instances where non-compliance or potential risks are identified, we work with suppliers to develop and implement corrective action plans. Failure to rectify issues may lead to reassessment of the business relationship, up to and including termination.

7. Training and Capacity Building

We believe that education and awareness are crucial for combating modern slavery.

- **Internal Training:** Relevant employees, particularly those involved in procurement, human resources, and supply chain management, receive training on modern slavery risks, indicators, and our policies and due diligence processes.
- **Supplier Communication:** We communicate our expectations regarding modern slavery to our suppliers, providing them with our Code of Conduct and encouraging them to implement similar policies within their own operations.

8. Measuring Effectiveness and Continuous Improvement

To assess the effectiveness of our efforts in promoting ethical labor practices and preventing modern slavery, Lebe Industrial focuses on monitoring key operational and compliance indicators. While we may not have specific KPIs solely dedicated to modern slavery due to the nature and scale of our operations, we continuously review and improve our processes based on the following:

- **Compliance with Internal Policies and External Regulations:**
 - Regular internal audits conducted under our **ISO 45001 (Occupational Health and Safety Management System)** to ensure adherence to safety standards and fair working conditions within our operations.
 - Verification of compliance with the **Korean Labor Standards Act** and other relevant labor laws, including those pertaining to working hours, wages, and non-discrimination.
- **Stakeholder Engagement and Feedback:**
 - Number of employees who have received training on our Code of Conduct and related ethical policies.
 - Number of concerns or reports received through our **Whistleblowing Policy** and the effectiveness of their resolution, indicating an accessible and trusted reporting

mechanism.

- **Supplier Compliance:**

- We inform new and existing suppliers of their obligation to comply with our Code of Conduct (or equivalent ethical clauses).
- Proactive engagement with suppliers to address any identified risks or non-compliance regarding labor practices.

- **Continuous Improvement Initiatives:**

- Implementation of new initiatives or enhancements to existing procedures aimed at strengthening our ethical sourcing and labor practices.
- Reviews of our human rights and labor policies to ensure they remain relevant and effective.

We are committed to continuously evaluating and strengthening our management systems and due diligence processes to ensure our operations and supply chains remain free from modern slavery.

9. Looking Forward

Lebe Industrial is committed to continually strengthening our ethical business practices and ensuring the well-being of all individuals within our operations and supply chains. While the strong legal framework and public oversight in Korea provide a robust environment for labor protection, we believe in proactive continuous improvement.

For the next financial year, we plan to focus on the following areas to further enhance our commitment:

- **Reinforcing Supplier Due Diligence:** We will explore opportunities to strengthen our engagement with key suppliers, aiming to ensure their clear understanding and acknowledgment of our **Code of Conduct**. This may involve developing more structured communication channels or, where feasible, conducting deeper dives into their ethical labor practices.
- **Enhancing Internal Training and Awareness:** We will continue to invest in training our employees, particularly those in procurement, HR, and management, to deepen their understanding of ethical sourcing, human rights principles, and the importance of our whistleblowing mechanisms. This proactive education aims to build a vigilant and responsible workforce.
- **Strengthening Reporting and Feedback Mechanisms:** We will periodically review the effectiveness of our internal grievance and whistleblowing channels to ensure they remain accessible, trusted, and effective for all employees and stakeholders to report concerns without fear of retaliation.
- **Leveraging ISO Certifications:** We will continue to fully utilize our **ISO 14001** and **ISO 45001** management systems, recognizing that their robust frameworks for environmental

and occupational health and safety management inherently contribute to the prevention of exploitative labor practices and foster a responsible work environment. We will ensure these systems remain up-to-date and effectively implemented across our operations.

We believe that by focusing on these practical and impactful steps, we can reinforce a supply chain that upholds human dignity and integrity, aligning with both global best practices and the strong ethical standards expected in the Republic of Korea.

Lebe Industrial Co., Ltd.

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President

Sangsu Lee

3rd January 2025