

**NextStar Energy Inc.  
2025 Modern Slavery Report, May 14, 2026**

**Introduction**

This Report is produced by NextStar Energy Inc. ("**NextStar Energy**" or the "**Corporation**") for the financial year ending in December 31, 2025 (the "**Reporting Period**"). The Report sets out the steps the Corporation has taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada, or of materials imported into Canada by the Corporation.

This Report is prepared pursuant to Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c.9 (the "**Act**"). NextStar Energy is a subsidiary of LG Energy Solution ("**LGES**"), which is itself a reporting entity under the Republic of Korea's *Legislative Bill for the Act on the Protection of Human Rights and the Environment for Sustainable Business Management* (commonly referred to as the "*Corporate Human Rights and Environmental Due Diligence Act*"), which came into effect in 2025.

While NextStar Energy leverages certain procurement, compliance, and supplier governance processes developed by LGES, the Corporation has prepared this Report based on its own operations, activities, and supply chain oversight measures.

**A. Structure, Activities, and Supply Chains**

**Structure**

NextStar Energy is a corporation incorporated under the laws of Ontario, Canada. It was established on March 23, 2022, through a joint venture agreement between LG Energy Solutions ("**LGES**") and Stellantis N.V. ("**Stellantis**"). While the joint venture ended on March 31, 2026, the joint venture was intact during the Reporting Period. The Corporation is governed by a five-member Board of Directors and is domiciled in Ontario. NextStar Energy operates a facility located in Windsor, Ontario, and employs over 1300 people.

**Activities and Supply Chain**

NextStar Energy's core business is the manufacturing of advanced lithium ion modules and battery cells. In 2025 these products were primarily sold to Stellantis and to entities within the LGES group. NextStar Energy is committed to innovation in sustainable and efficient energy solutions in support of the transition to clean energy, and also seeks to promote responsible sourcing and compliance with applicable forced labour and child labour laws throughout its operations and supply chain activities.

In 2025, NextStar Energy worked with approximately 265 suppliers and contractors. The Corporation is committed to upholding human rights and seeks to engage with partners and suppliers who share this commitment.

NextStar Energy utilizes certain procurement infrastructure, supplier onboarding systems, and compliance processes developed by LGES to support supply chain management oversight activities. These tools assist NextStar Energy in conducting supplier due diligence, procurement review, and responsible sourcing activities relevant to the Corporation's operations.

## **1. Key Supplier Standards of LGES:**

Suppliers are required to meet the following standards:

1. No employment of individuals below the legal working age; compliance with all child labour laws;
2. Prohibition of modern slavery, including forced labour and labour exploitation; employment contracts must clearly define working conditions in native languages;
3. Prohibition of discrimination in hiring, promotion, pay, and training;
4. Protection against sexual harassment, abuse, coercion, or violence in the workplace;
5. Respect for the rights of women, Indigenous peoples, minorities, and other marginalized groups;
6. Compliance with legal standards regarding work hours, wages, benefits, and working conditions; and
7. Respect for freedom of association and collective bargaining rights.

## **2. Responsible Mineral Sourcing**

NextStar Energy's supplier due diligence and procurement review processes incorporate responsible sourcing standards intended to address risks associated with forced labour and child labour. In support of these activities,

NextStar Energy references certain LGES responsible sourcing standards and procurement controls applicable to suppliers operating within relevant supply chains, including:

- Section 1502 of the U.S. Dodd-Frank Act;
- EU Regulation 2017/821; and
- Various governance, corruption, and human development indices

The NextStar Energy Supplier Code of Conduct is aligned with the LGES Supplier Code of Conduct. Both are founded on internationally recognized standards pertaining to workers' rights and freedoms, and both incorporate a mineral sourcing protocol that prohibits the procurement of minerals originating from conflict-affected and/or high-risk areas associated with human rights abuses.

### **B. Policies and Due Diligence Related to Forced and Child Labour**

NextStar Energy continues to build and enhance internal policies to ensure its operations and supply chains reflect ethical practices and legal compliance. These policies are regularly reviewed and updated to address modern slavery and child labour concerns, and are designed to ensure that NextStar Energy and its partners comply with applicable laws and take proactive steps to identify and mitigate risk.

#### **Key Policies Include:**

- Anti-Slavery and Forced Labour Policy;
- Human Rights Policy;
- Anti-Corruption and Good Ethics Policy;
- Whistleblower Policy;
- Workplace Violence and Prevention Policy;
- Code of Conduct Policy; and
- Code of Conduct for Suppliers.

#### **Due Diligence Processes:**

Supplier oversight and due diligence activities are conducted through a combination of procurement onboarding requirements, supplier attestations, policy compliance measures and monitoring activities.

These measures include:

- Supplier site visits conducted by Quality Assurance or other designated representatives, where appropriate;

- Supplier attestations regarding compliance with applicable laws, including Canadian modern slavery legislation;
- Compliance letters and certifications obtained from suppliers of materials and components;
- Procurement training relating to responsible sourcing, forced labour risks, and modern slavery compliance obligations;
- Use of third-party verification measures where additional due diligence is considered appropriate.

### **C. Risk Areas and Mitigation Steps**

Based on the nature of NextStar Energy's Canadian operations and the due diligence measures described in this Report, NextStar Energy currently assesses the risk of forced labour and child labour within its direct operations as low. The Corporation also imports battery cells from LGES's facilities in Poland and specialized equipment from the Republic of Korea which are also considered low risk as LGES maintains strong global procurement practices designed to prevent forced labour and child labour. The due diligence processes described in Section B, including supplier attestations and compliance letters apply to these imports.

NextStar Energy recognizes that the sourcing of certain raw materials and components used within broader battery supply chains may involve countries and jurisdictions that present elevated forced labour and child labour risks. NextStar Energy leverages LGES' established procurement systems, supplier governance measures, ESG review processes, and responsible sourcing standards applicable to suppliers operating within its supply chain.

As NextStar Energy continues to mature as an organization, the Corporation continues to assess and enhance its own supply chain oversight measures based on the nature of its operations, supplier relationships, and evolving compliance expectations, including exploring opportunities for additional supplier confirmation and verification processes where appropriate.

### **D. Remediation Measures Taken**

As of the date of this Report, NextStar Energy has not identified any instances requiring specific remediation measures relating to forced labour or child labour within its operations or supply chains.

If concerns relating to forced labour or child labour were identified, NextStar Energy would work with relevant stakeholders to assess the issue and determine the appropriate corrective actions. Potential remediation measures may include enhanced due diligence, supplier engagement, corrective action plans, requests for additional certifications or documentation, implementation of monitoring requirements, or termination from the supplier relationship where appropriate.

Where suppliers are replaced due to compliance concerns, NextStar Energy may require replacement suppliers to provide written confirmations regarding compliance with applicable forced labour and responsible sourcing requirements.

#### **E. Remediation of Income Loss to Vulnerable Families**

Due to the fact that NextStar Energy has not identified any instances of forced or child labour in its operations or supply chains, no remediation measures have been required in respect of loss of income to vulnerable families. NextStar Energy will continue to monitor for potential impacts and will consider appropriate measures to address any unintended consequences should they arise.

#### **F. Training Provided on Forced and Child Labour**

All new employees of NextStar Energy are required to complete training on the Key Policies listed above as part of onboarding. In addition, in 2025, specialized modern slavery and forced labour training was introduced and delivered to personnel involved in Procurement, with a focus of identifying and managing risks associated with the sourcing of high-risk materials. Training completion is tracked and content will be reviewed to reflect the evolving standards and risks.

#### **G. Assessing Effectiveness of Risk Mitigation**

Pursuant to s.11(3)(g) of the Act, NextStar Energy assesses the effectiveness of the measures it has taken to prevent and reduce the risk of forced labour and child labour in its activities and supply chains through a combination of indicators, process review, and forward-looking commitments.

During the Reporting Period, NextStar Energy tracked the following indicators:

- Suppliers who signed the Supplier Code of Conduct;
- The completion of modern slavery training materials by procurement personnel; and
- Supplier site visits conducted by NextStar Energy Quality Assurance team members.

NextStar Energy also continues to evaluate the effectiveness of its supplier oversight framework through ongoing procurement monitoring activities, supplier onboarding reviews, training completion tracking, and review of supplier certifications and attestations.

NextStar Energy recognizes that the absence of identified instances of forced or child labour is not, on its own, evidence that its controls are effective. The Corporation is continuing to develop additional indicators to assess the performance of measures including a Whistleblower Program which workers, suppliers, and other stakeholders may access. Bringing this program into operation and tracking its use is a priority for the next reporting cycle.

### **Steps to be Taken**

As described through this Report, NextStar Energy has continued to take steps to prevent and reduce the risk that forced labour is used at any step of the production of goods in Canada, or of materials imported into Canada by the Corporation. In the coming year, NextStar Energy plans to:

1. Expand modern slavery and forced labour training across additional functions of the business;
2. Continue to map its activities and supply chain with a view to identifying and assessing forced labour and child labour risks; and
3. Continue to develop and refine its due diligence processes, including the Whistleblower Program referenced in this Report.

### **Conclusion**

The policies and practices described in this Report are fundamental to NextStar Energy's everyday efforts to ensure that forced labour and child labour do not take place in its operations or supply chains. While no instances of forced labour or child labour were identified during the Reporting Period,

NextStar Energy recognizes that supply chain risks will evolve and that its mitigation efforts must evolve with them. NextStar Energy will continue to refine its practices and will update this Report annually in accordance with the Act.

### **Approval and Attestation**

This report was approved by the Board of Directors of NextStar Energy Inc. on May 26, 2026 pursuant to section 11(4)(a) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c.9.

In accordance with the requirements of the Act, I attest that I have reviewed the information contained in this Report. Based on my knowledge, and having exercised reasonable diligence, I confirm that the information is true, accurate, and complete in all material respects for the purposes of the Act for the 2025 Reporting Period.



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**Danies Lee**

Chair of the Board of Directors  
May 26, 2026

"I am authorized to sign on behalf of the Board of Directors of NextStar Energy Inc."