Human Rights Brochure

This brochure was prepared to provide all employees with the comprehensive knowledge necessary to create a workplace where human rights are respected. Please review the document, namely: LOTTE's Human Rights Policy, while also considering how to implement the guidelines set forth in it in our daily work.

LOTTE's Human Rights Policy

LOTTE CO., LTD conducts its business based on the Purpose: "Creating a happier future by bringing people together through original ideas and inspiring experiences". In order to realize the "happy future" contained in our Group's Purpose, we recognize the need to conduct business with respect for human rights throughout the entire value chain. Therefore, we are committed to respecting human rights in accordance with this Human Rights Policy.

1. **Fundamental Principles**

We recognize the following international human rights standards and respect the human rights of all persons involved in our
business activities, namely:

- The International Bill of Human Rights of the United Nations
- The United Nations Guiding Principles on Business and Human Rights
- The International Labor Organization Declaration on Fundamental Principles and Rights at Work
- The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- The Ten Principles of the United Nations Global Compact

We comply with the laws and regulations applicable in every country in which we operate. Where such laws and regulations conflict with the international human rights standards listed above, we will comply with the applicable laws and regulations while making every effort to observe the international human rights standards to the greatest extent possible.

2. **Key Human Rights Issues**

- Elimination of Discrimination and Harassment

We respect the fundamental human rights, individuality, and diversity of all individuals. We will not engage in any form of harassment or discrimination on the grounds of race, ethnic origin, nationality, gender, age, religion, language, disability, sexual orientation, gender identity, gender expression, or any other reason.

- Elimination of Forced Labor, Child Labor, and Human Trafficking

We will not engage in any form of forced labour, child labour, or human trafficking.

- Avoiding Complicity in Human Rights Violations

We will cooperate with our stakeholders to ensure that we do not become complicit in human rights violations through our business activities.

- Improving the Working Environment and Promoting Health

We will create and maintain a safe, hygienic, and comfortable working environment in which employees can perform their work without concern. In addition, we will promote the health and well-being of everyone associated with our Company so that they can work in a state of both mental and physical well-being.

- Respect for Labor Rights

We respect freedom of association and employees' fundamental rights to organize and engage in collective bargaining.

- Appropriate Payment of Wages and Management of Working Hours

We will comply with applicable laws and regulations and strive to establish fair remuneration at least at the level specified by minimum wage regulations. We will also manage working hours, including overtime work, in accordance with the law.

- Appropriate Advertising and Marketing Activities

We recognize that our PR and marketing activities may have an impact on human rights and therefore ensure that these activities are conducted in full compliance with applicable laws and regulations.

3. **Human Rights Due Diligence**

Based on the "United Nations Guiding Principles on Business and Human Rights", we will implement human rights due diligence and, where necessary, take measures to mitigate negative impacts on human rights that may be caused by our business activities. We will also report on the progress of our activities.

4. **Awareness-Raising and Education**

We will conduct educational and awareness-raising activities among our employees, including management, to ensure that our business activities are conducted in accordance with this Policy. In addition, we will ask our business partners to familiarize themselves with the contents of this Policy.

5. **Grievance Mechanism**

We will establish a mechanism for submitting and investigating reports and for consultations with stakeholders who have suffered human rights violations in connection with our business activities. We will strive to provide such individuals with appropriate remedies and protection.

6. **Scope of application**

This Policy applies to all employees, including management, of LOTTE CO., LTD. and its affiliated subsidiaries We will also ask our business partners involved in our business activities to familiarize themselves with this Policy.

7. **Promotion System**

The Managing Director responsible for the Sustainability Promotion Department at LOTTE CO., LTD. will serve as the Managing Director responsible for promoting initiatives related to respect for human rights based on this Policy.

The Importance of Respecting Human Rights Human Rights Policy #2.

The LOTTE Human Rights Policy states that we will not participate in human rights violations. Respect for human rights is not only a corporate responsibility toward society, but is also important for improving productivity in the workplace. Respecting human rights and striving to improve working conditions and health can have a positive impact on increasing our motivation and job satisfaction.

Discrimination Human Rights Policy #2.

Discrimination refers to evaluating a person or group of people based on characteristics such as race, ethnic origin, nationality, gender, age, religion, language, disability, sexual orientation, or gender identity. We prohibit all forms of discrimination. Discrimination may be caused by biases or prejudices that we all possess subconsciously. Discrimination in the workplace usually takes the form of unfavorable treatment based on bias or prejudice. To create a workplace based on equality, we must be aware of our unconscious biases and prejudices and make decisions based on objective factors such as skills and qualifications. In addition, we must strive to create a working environment in which everyone can participate on an equal basis.

8. **Case 1**

Anna was employed under a fixed-term employment contract. She performed her duties properly. One day, Anna informed her supervisor that she was pregnant. Her supervisor decided not to renew her contract, even though he had previously assured her that the contract would be extended. This happened despite the employee confirming that her health was stable and that there were no obstacles preventing her from continuing to perform her duties. The decision was based on his belief that, because Anna was pregnant, she would not be able to perform her duties properly.

Cases such as this, in which an employee's pregnancy or childbirth is given as a reason for not renewing or terminating her employment contract, would not only constitute unfair treatment but would also constitute a violation of the law. Everyone should ensure that they are not guided by prejudices that could lead to discrimination, such as the belief that pregnancy is equivalent to an inability to work. Employers are required to provide employees with the conditions and protection provided for by law in connection with maternity.

9. **Case 2**

Samir has difficulty moving around, and working while standing causes him serious difficulties. Samir participated in a recruitment process for an office position that would allow him to work while seated. During the interview, he was asked many questions about his disability. His competencies, motivation, experience, and skills were not considered at all. The interviewers did not ask whether he needed any workplace accommodations related to his disability. Ultimately, Samir was not hired.

In addition, Samir was not asked whether, as a person with a disability, he had any requests regarding workplace accommodations. Ultimately, he was not hired.

In this case, the interviewer may have discriminated against Samir by focusing solely on information about his disability and failing to gather sufficient information to determine whether Samir met the requirements for employment. To prevent similar situations, recruiters should receive training to avoid prejudice against people with disabilities. They should objectively determine whether a candidate meets the substantive requirements of the position.

If a person with a disability is hired, the employer should, where possible, take into account their requests for necessary accommodations, such as a comfortable place to sit or adequate space in which a wheelchair user can move freely.

*Reasonable accommodations: When a person with a disability expresses a need for measures to remove barriers, this need should be addressed where possible and provided that it does not impose an undue burden on the employer. It is important for people with disabilities and businesses to engage in a constructive dialogue about barriers and ways of removing them, while considering potential solutions that are reasonable and feasible.

Harassment Human Rights Policy #2.

Harassment means treating another person in a harmful manner. It may include aggressive, threatening, or insulting comments or behavior. Examples of harassment include intimidation, unwanted gestures or communications with sexual overtones, offensive jokes, and violence. It is important to reflect on your own behavior to determine whether you may be harassing others without realizing it. We have a responsibility to create an environment in which employees can safely seek advice and report misconduct without fear of retaliation, using training to deepen their knowledge of harassment.

10. **Case 3**

An employee named Som has positive feelings toward Lin, a member of the team he leads. Som noticed that Lin was always smiling and willing to cooperate. One day, Som invited Lin to dinner, but she did not respond. Impatient, Som jokingly gave her a choice: dinner or demotion. Lin smiled, so Som concluded that he had done nothing wrong.

A case such as this – where a person is intimidated, even as a joke, while simultaneously being invited to dinner – may constitute harassment. In some situations, pursuing a romantic relationship or asking personal questions may also be considered harassment. It is important to be careful because even if you believe something is merely a joke or innocent flirting, the other person may perceive it very differently. To prevent similar situations, it is important to understand that statements and actions that exploit a professional relationship, particularly a relationship of dependency between a supervisor and a subordinate, may cause discomfort or place undue pressure on the other person. All employees should learn how to behave appropriately in such situations by participating in harassment prevention training.

11. **Case 4**

Sally works in a factory. Recently, Sally's colleagues have been teasing her every day, loudly reprimanding or mocking her and causing her stress. Initially, Sally tried to ignore this behavior. However, after discovering that she could anonymously report her situation, i.e. the case of harassment, through one of the available reporting channels, Sally found the courage to report the problem. As a result, disciplinary discussions were held with the individuals who had behaved improperly. The supervisor also introduced changes to the organization of work, enabling Sally to perform her duties without disruption.
Communication channels that allow employees to anonymously and safely report cases of harassment can help resolve situations of this kind. When you experience harm, do not hesitate to use them.

Forced Labor and Child Labor Human Rights Policy #2.
Forced labor refers to work performed involuntarily, meaning work that is, for example, imposed through threats or violence. Forced labour occurs, among other circumstances, when: an employer refuses to pay an employee their wages; an employer repays an employee's debts without an appropriate legal basis and without respecting the legally protected amount that cannot be deducted; a company forces people who are staying in a country illegally to work by threatening to report them to the authorities; or people are deprived of freedom of movement because their passports or identity documents have been taken away.
Child labor refers to work performed by children below the statutory minimum age for employment (defined by the ILO as generally below 18 years of age). To prevent child labor and forced labor, it is important to know the relevant regulations that make it possible to identify and respond to situations that may pose a risk of violating the law.

12. **Case 5**

The representative of ABC Company requires employees to hand over their passports for safekeeping. The company representative explained that the passports had to be taken away as a means of protecting them against theft. Each employee needs their supervisor's permission to retrieve their passport. An employee named Lewis wanted to leave ABC Company. He asked his supervisor to return his passport, but the supervisor refused, claiming that he could not do so without a valid reason.
If a company retains employees' passports and uses them to force employees to work, this is considered forced labor. Employees have the right to terminate their employment contracts in the manner provided for by law. Employers are required to organize their operations in a way that ensures that work is performed on the basis of the employee's voluntary decision.
To prevent similar situations, it is recommended that periodic refresher training be conducted on what constitutes forced labor. Employees should be informed about how to use internal reporting channels and what processes have been introduced to ensure that problems are promptly investigated when they arise.

Respect for Labor Rights Human Rights Policy #2.
Labor rights refer to the general fundamental rights employees are entitled to in connection with their work. Employees have the right to work under conditions specified by law, and employers are required to ensure such conditions. One of the fundamental labor rights is the right to work in a physically and psychologically safe environment. For example, protecting this right requires safety training and systems preventing work beyond legally permissible overtime limits. Important employee rights include freedom of association and the right to collective bargaining. The former means the right to participate in trade unions or other organizations, while the latter means the right to engage in collective negotiations with employers in order to agree on improvements in wages and working conditions.
Establishing or joining a trade union is one way of consulting and negotiating on issues that could lead to human rights violations, such as unlawful or unfair working conditions.
(*Please contact your local office or facility to find out whether a trade union operates there.)

13. **Case 6**

Monika, who works in a factory, undergoes safety training once a year. She does not like participating in the training because it takes up her time. Nevertheless, she completes it because her supervisor requires it and takes it very seriously. One day, a fire broke out in the factory. Monika became very frightened and almost panicked, but she remembered the evacuation procedures she had learned during occupational health and safety training and was able to evacuate safely together with her colleagues.
Occupational health and safety training and evacuation drills are intended to protect our right to work safely. Participate regularly in mandatory training and, where necessary, update the procedures for which you are responsible in order to create a safe workplace.

14. **Case 7**

Nam works in a factory. Although there is a trade union at his workplace, only some employees are members. When Nam joined the company, he was not given any information about the trade union and did not know that it existed. One day, while talking to a colleague about his concerns regarding working conditions, the colleague mentioned the trade union operating at the company. Nam was concerned that if he joined the trade union, his employer would treat him less favorably than other employees. The company assured him that this would not happen.
When employees are hired, they should be given access to information about the existence of trade unions operating at the workplace and informed that the opportunity to join a trade union is not restricted. Trade union membership must not result in discrimination. In addition, employers are encouraged to allow employees to use the company's internal notice board to provide information about labor rights and freedom of association.

√ WHAT TO DO:

What to DO and What NOT to DO at Work
Examples – Checklist

Discrimination and Harassment Treat people at work with respect.		
Discrimination and Harassment		Participate in regular training on preventing discrimination and harassment.
	Human Rights	If someone is experiencing problems in your workplace, direct them to the available reporting channels or, where possible, offer assistance.
	Human Rights	If you notice any cases of human rights violations, report them using the reporting channels.
	Respect for Labor Rights	Remember to record your working hours in the manner required by your employer.
	Respect for Labor Rights	Participate in regular occupational health and safety training, evacuation drills, and other training concerning responses to emergency situations.
	Respect for Labor Rights	Ensure that employees have access to information about trade unions existing within the company when they begin employment.

√ WHAT NOT TO DO:

	Harassment	Bully, gossip about, use violence against, or threaten others.
	Harassment	Use offensive or harmful language.
	Discrimination and Harassment	Treat an employee differently because of their physical characteristics (skin color, hair, etc.), race, ethnic origin, or nationality.

	Discrimination and Harassment	Treat an employee differently in terms of performance evaluation or remuneration because of their gender or other characteristics.
	Discrimination and Harassment	Make stereotypical or offensive statements about sexual orientation or gender identity.
	Harassment	Initiate sexual contact, make sexual comments or jokes, use sexual gestures, or pressure someone into ambiguous meetings or dates.
	Discrimination and Harassment	Force an employee to perform tasks based on their gender.
	Discrimination and Harassment	Treat women differently in terms of performance evaluation or remuneration because of pregnancy or having children.
	Discrimination and Harassment	Treat an employee differently in terms of performance evaluation or remuneration because they have taken maternity, parental, or caregiving leave.
	Discrimination and Harassment	Make comments about another person's appearance (body shape, facial features, etc.), race, nationality, or ethnic origin.
	Discrimination and Harassment	Make negative comments about or behave negatively toward a person because of their age.
	Discrimination and Harassment	Make negative comments about or behave negatively toward a person because of their religion or personal beliefs.
	Discrimination and Harassment	Make negative comments about or behave negatively toward a person because of their physical or mental disability.
	Discrimination and Harassment	Lower performance evaluations or remuneration because of an employee's membership in a trade union or other organization.
	Discrimination and Harassment	Make comments or behave in a way that prevents or discourages employees from using reporting channels.
	Harassment and Labor Rights	Make comments or behave in a way that encourages employees to work overtime beyond the limits permitted by law.
	Respect for Labor Rights	Prevent an employee from establishing or joining a trade union, or make comments or behave in a way that creates a negative impression of the trade union among its members or non-members.

LOTTE Wedel Reporting Channels

You can report violations:

- through an anonymous web application available at http://wedel.zalezymi.pl;
- by e-mail address: etyka@wedel.pl.
- to the Compliance Manager;
- to the Director of Legal and ESG;
- to the Director of Internal Audit and Risk Management;
- to a member of the Management Team.

The above reporting channels are also available to people working for Pijalnie Czekolady Sp. z o.o., a subsidiary of LOTTE Wedel. Reporting violations is important because it allows us to respond quickly to irregularities, protect others, and prevent more serious problems in the future. In this way, we work together to promote safety, integrity, and trust within our company.

These reporting channels are operated by LOTTE Wedel, a company belonging to the LOTTE Co., Ltd. Group.

If you notice any violation of the LOTTE Human Rights Policy, see or hear about a violation of the human rights described in this booklet, or wish to submit a complaint or seek advice concerning human rights

violations, report it through one of the channels listed above. For example, we recommend reporting the following cases:

violations of legal and compliance requirements; illegal activities; concealing workplace accidents; harassment; discrimination; forced labor; child labor; unlawful remuneration practices; non-payment of wages; overtime exceeding legally defined limits; unsafe working environments; disciplinary actions not provided for by law; and other similar violations.

Reports may be submitted anonymously. After a report is received from the reporting person, an investigation is conducted, and the reporting person is informed of its results. LOTTE prohibits all forms of retaliation against people who report irregularities. We therefore encourage you to use our reporting channels.