

Guidelines for the practice of ethical management by the officers and employees

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Department in charge: Ethical Management Section

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1. Overview

1.1 Objective

The purpose of this guideline is to prescribe the behavioral standards to be followed by the officers and employees of LOTTE INNOVATE Co., Ltd. (henceforth referred to as 'the company') and all interest parties for the faithful implementation and observance of the ethics charter in accordance with the applicable laws and various internal regulations.

1.2 Scope of application

This practice guideline shall be applicable all officers and employees and interest parties of the company.

2. Basic obligations of the officers and employees

2.1 Basic ethics of the officers and employees

- (1) The officers and employees shall comply with the code of ethics and the laws and company rule related to the business activities.
- (2) The officers and employees shall assume their job duties with a clear understanding of their roles and shall be responsible for the results.
- (3) The officers and employees shall respect and be considerate to each other.
- (4) When an officer or employee or another officer or employee has violated or has been forced to violate the code of ethics, the pertinent officer in charge of ethical management shall report this to the affiliated department (henceforth referred to as "the department in charge of ethics") without delay.
- (5) The officers and employees shall act giving priority to the interests of the company and when the proprietary interest is put in conflict as prescribed in each of the following subparagraphs, they shall report this to the department in charge of ethics:
 - An act by which an officer or employee concludes a contract or has a transaction with the company directly or through a third party
 - An act intended to obtain a personal interest using the assets or information of the company for personal purpose
 - An act exercising influence upon an officer or employee or a partner company such as requesting a special favor in personnel matter and provision of convenience
 - An act giving or receiving money and valuables or entertainment between an officer or employee and a partner company

- (6) The officers and employees shall not engage in any of the following misconduct in the performance of their duties:
- offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of a public official or any person.
 - any act or omission, including a misrepresentation, that intentionally or recklessly misleads, or attempts to mislead, any person or entity to obtain a financial or other benefit or to avoid an obligation.
 - any arrangement between two or more parties designed to achieve an improper purpose such as, for example, by exchanging information of another participant in the procurement process or contract execution, or agreeing on the terms and conditions of the transaction such as price or production volume.
 - impairing or harming, or threatening to impair or harm, directly or indirectly, any third party or the property of the third party to influence improperly the actions of any person or entity.
 - An act of intentionally destroying, falsifying, altering, or concealing evidence important to the investigation or making false statements to investigators, and/or, threatening, harassing or intimidating a third party to prevent them from disclosing knowledge of matters related to the investigation or proceeding with the investigation, in order to significantly impede the investigation by the competent agencies regarding the above allegations of misconduct.

2.2 Protection of the company assets

- (1) The management information and important information of the company shall be protected and they shall not be disclosed externally without a prior approval. The customers' information and the information related to a partner company shall be protected and the laws and regulations related to information protection shall be observed.
- (2) The assets of the company shall be protected and shall be used only for the designated purposes.
- (3) The intellectual property rights of the company such as patent rights, trademark rights and copyrights shall be protected actively.

3. Action in case of a violation

- (1) When it is not clear whether this guideline has been violated or not while conducting one's job

duties, the officer or employee shall take care of this after having a consultation with the department in charge of ethics.

- (2) When you get to know that an officer or employee of our company or a partner company has violated this guideline, you shall report this to the head of your department or the department in charge of ethics.
- (3) The head of the department in charge of ethics can recommend a disciplinary action against the pertinent officer or employee to the human resource committee.

4. Organizational unit in charge

- (1) The organizational unit in charge of the operation of the code of ethics and conduct and the practice guidelines shall be the department in charge of ethics.
- (2) The education for the officers and employees shall be conducted periodically and a disciplinary action can be taken against an employee who has committed an unethical act.
- (3) In the event that the occurrence or threat of violation of relevant laws and regulations or this guideline is suspected, the Company shall preserve all documents of the Company related to such violations, take measures not to destroy, alter, or conceal any such documents, and shall actively cooperate with the investigation by the authorities authorized to investigate such as the government.

5. Protection of informants

- (1) The company shall not give any disadvantage in terms of position or any discrimination in working conditions due to such reasons as an informant's legitimate tip-off and related statement and submission of materials.
- (2) When an informant has been disadvantaged, the department in charge of ethics shall examine the matter and establish and implement a disciplinary action and a measure for the prevention of recurrence.
- (3) The person in charge of ethics shall keep the informant's identity and the information tipped off confidential so that they are not disclosed.

6. Reward and disciplinary action

- (1) Reward

A person who has contributed to the ethical business activities of the company, or if an informant's tip-off or report is confirmed to be true, the CEO may pay compensation to the informant or take preferential measures in personnel management such as transfer or promotion.

The level and procedure of reward shall be determined in accordance with the Personnel Regulations(R-60-GA-01) of the company.

(2) Disciplinary action

A person who has committed an act in violation of the code of ethics and conduct can be disciplined and the matters concerning disciplinary action including level of disciplinary action shall be determined in accordance with the related regulation of the company.

7. Report to:

AN UNETHICAL ACT SHALL BE REPORTED TO THE FOLLOWING PLACE AND THE REPORT CAN BE MADE BY E-MAIL, PHONE, MAIL OR PERSONAL VISIT:

- 1. Sinmungo: <https://www.lotteinnovate.com/cscenter/sinmungo>**
- 2. e-mail: ldcc_ethics@lotte.net**
- 3. Phone number: 02-2626-6699**
- 4. Address: 179, Gasan digital 2-ro, Geumcheon-gu, Seoul, Republic of Korea
(Department in charge of ethics)**

8. Related company rule

Document number	Name of company rule
R-70-HF-02	Code of ethics and conduct
R-70-HF-04	Integrity practice regulation

However, the "Ethical Management Practice Guideline" of the Lotte Group shall be followed for other matters which are not prescribed in this regulation.

9. Update procedure

THIS PROCEDURE SHALL BE TAKEN IN ACCORDANCE WITH THE "COMPANY RULE MANAGEMENT REGULATION."