

Integrity practice regulation

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Department in charge: Ethical Management Section

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Chapter 1. General Provisions

Article 1 [Objective]

The purpose of this regulation is to establish a transparent and fair corporate culture as all of the officers and employees of LOTTE INNOVATE Co., Ltd. (henceforth referred to as 'the company') carry out their duties in good faith on the basis of the thoroughgoing work ethic in accordance with various laws and regulations related to prevention of corruption and establish a code of conduct and the judgment criteria to receive deep trust from our customers and practice them ourselves.

Article 2 [Definition of terms]

The meanings of the terms used in this regulation are as follows:

- ① "Public officials, etc." refer to a public official or its related organization or group who has a direct or indirect interest in the management activities of the company, that falls under any of the following categories.
 1. A public servant pursuant to the National Civil Service Act or the Local Public Servants Act, and a person who has been recognized as a public servant in terms of qualifications, appointment, education and training, service, remuneration, and security of status in accordance with other laws thereof.
 2. Public Institutions pursuant to the Article 3.2 of the Public Officials Ethics Act and the head of the institution and its officers and employees pursuant to the Article 4 of the Act on the Operation of Public Officials Related Organizations.
 3. Principals and faculty members of schools and executives and employees of educational corporations established in accordance with the Elementary and Secondary Education Act, the Higher Education Act, the Early Childhood Education Act, and other laws and regulations.
 4. Representatives and their executives and employees of media companies pursuant to Article 2, paragraph 12 of the Act on Media Arbitration and Relief for Damages.
 5. Spouses of public officials, etc.
 6. Foreign public officials, etc.
 - A. A person engaged in legislative, administrative, or judicial affairs of a foreign government.
 - B. A person who is delegated by a foreign government to carry out official duties.
 - C. A person who performs public functions in a foreign country and who is engaged in the work of a public body or public institution in accordance with laws and regulations in order to carry out official duties.
 - D. A person who performs public functions in a foreign country and who is an executive or an employee of companies in which the foreign government has invested more than half of the paid-up capital or exercise substantial control over the overall operations.
 - E. A person who performs the work of a public international organization.
 7. External organizations, corporations, associations, etc.
 8. NGO(Local Environmental Organizations), etc.
 9. Others equivalent to the above
- ② "Money and valuables, etc." refer to anything which falls under each of the following subparagraphs:
 1. All types property benefits such as money, marketable securities, real property, articles, hotel coupons, membership, admission tickets, discount coupons, invitation tickets, admission tickets and right to use real estate, etc.
 2. Provision of entertainment with foods, alcoholic drinks, gold, etc. or convenience such as transportation and lodging
 3. All other tangible or intangible economic benefits such as cancellation of debts, provision of employment, and provision of interest
- ③ The "Improper Solicitation Prohibition Act" refers to the Improper Solicitation and Graft Act.

- ④ "Specific Financial Information Act" means the Act on the Reporting and Use of Specific Financial Transaction Information.
- ⑤ "Money laundering" refers to the following acts as defined in Article 2, No. 5 of the Specific Financial Information Act. go. Criminal acts under Article 3 of the 「Act on the Regulation and Punishment, etc. of Concealment of Criminal Proceeds」 me. Criminal acts under Article 7 of the 「Act on Special Cases Concerning the Prevention of Illegal Traffic in Narcotics」 All. The purpose of committing a crime under Article 3 of the Punishment of Tax Offenders Act, Article 270 of the Customs Act, Article 102 of the Framework Act on Local Taxes, or Article 8 of the Act on the Aggravated Punishment of Specific Crimes, or tax payable in accordance with the Tax Act ("Local Tax") Acts of disguising facts about the acquisition, disposition, or cause of occurrence of property or concealing the property for the purpose of evading local taxes under the Framework Act.
- ⑥ "Anti-money laundering system" is a system designed to detect and prevent illegal money laundering conducted domestically and internationally. As a legal and institutional device, it refers to a comprehensive management system that links the judicial system, financial system, and international cooperation.
- ⑦ "Department in charge of ethics" refers to the department to which the personnel in charge of ethical management of our company belong.

Article 3 [Scope of application]

This regulation shall be applicable to all officers and employees belonging to the company (regardless of temporary status, contractual form or type of job duties performed, henceforth referred to as "the officers and employees").

Article 4 [Compliance with the domestic and foreign laws and regulations related to prevention of corruption]

The officers and employees shall comply with the domestic and foreign (of the country of a transaction party) laws and regulation related to prevention of corruption including the Improper Solicitation and Graft Act in conducting their job duties and shall not give a direction or request to conduct job duties in violation of the above laws and regulations. Even though it is an act formed through social or business practices, you can't be exempted from your responsibility when you have violated a law.

Article 5 [Prohibition of a graft]

While conducting their job duties, the officers and employees shall not request a special consideration to a public official performing his/her job duties directly or through a third party which falls under Article 5 of the Improper Solicitation and Graft Act such as soliciting to handle his/her job duties illegally, to mitigate or remit administrative dispositions or punishments, to involve in the selection or elimination of contracting parties, or to disclose, in violation of statutes, duty-related confidential information on tender, auction, development, examination, patent, military affairs, taxation, etc.

Article 6 [Prohibition of the provision of money and valuables]

- ① The officers and employees shall not provide, promise or offer any type of money and valuables to any public officials and their spouses directly and indirectly regardless of whether or not related to the business or under any pretext such as donation, sponsorship or gift in principle.
- ② The officers and employees shall not provide public officials with any monetary compensation exceeding the limits specified by the Enforcement Decree of the Improper Solicitation and Graft

Act as an honorarium for a lecture, presentation, or contribution related to his/her duties at a training course, promotional event, forum, seminar, public hearing, or any other meeting.

Article 7 [Scope of provision of money and valuables allowed]

In spite of Article 6, the officers and employees can provide public officials, etc. with the money and valuables specified in each of the following subparagraphs as exceptions:

- ① Money and valuables, etc. of which the value is within the following scope, in the form of food and beverages, congratulatory or condolence money, gifts, etc. offered for purposes of facilitating performance of duties, social relationships, rituals, or aid

Category	Upper limit amount	Remarks
Foods	30,000 KRW	Meals, refreshments, alcoholic beverages, beverages, and other equivalents
Congratulatory or condolence money (Contribution to wedding expenses or funeral expenses)	50,000 KRW	100,000 KRW in case of congratulatory or condolence flower
Gifts	50,000 KRW	All goods, gift certificates (only for goods and service vouchers) and other equivalent items except money, securities (excluding gift certificates), food, congratulatory or condolence money, etc. However, 150,000 KRW in case of agricultural and marine products and agricultural and marine processed products (products processed using agricultural and marine products for more than 50% of their raw materials) (300,000 won from 24 days before Lunar New Year's Day or Chuseok till 5 days after Lunar New Year's Day or Chuseok)

- ② The officers and employees should check whether the scope of provision allowed under other laws and regulations or standards is applicable and the procedure of provision in advance and they can ask about this to the department in charge of ethics.

Article 8 [Personal provision of money and valuables, etc.]

The company shall not reimburse the officers and employees for the money and valuables, etc. provided to a public official, etc. by an officer or employee for his/her personal purpose.

Article 9 [Prohibition of an act seeking personal gain and restriction of an act receiving money and valuables, etc.]

- ① The officers and employees shall not gain improper interest or let another person gain improper interest using their position.
- ② The officers and employees shall not use or let others use the name of the company or their position for personal interest out of the scope of their job duties.
- ③ The officers and employees shall not receive money and valuables from a person related to his job duties.

Article 10 [Prohibition of Money Laundering]

Employees must comply with the anti-money laundering system and must not engage in money laundering practices.

Article 11 [Prohibition of facilitation payments]

Executives and/or employees shall not provide money, valuables, etc. in the name of facilitation payments to public officials, etc.

Article 12 [Third Party Management]

The company shall make every effort to manage third parties, such as understanding the current status of anti-corruption/ethical management risks to partners, etc. and preemptive inspection to prevent issues from occurring.

Article 13 [Reporting and reporting obligations]

- ① If an employee becomes aware of a violation or attempted violation of this regulation, he/she must immediately report it to the ethics department.
- ② The ethics department shall review the contents of the report to determine whether the report is in violation of the Anti-Graft Act, and if it is determined that the report is in violation of the Anti-Graft Act, it shall report it to the CEO.

Article 14 [Regulation Compliance Management]

The company must make every effort to understand the current status of whether executives and employees are faithfully complying with this regulation and to take measures to prevent the occurrence of issues.

Article 15 [Discipline and Liability]

- ① Executives and/or employees may be subject to disciplinary action in accordance with the Personnel Regulations if they violate relevant laws such as the Anti-Graft Act or this regulation, or if they do not take reasonable measures to prevent a violation after discovering it.
- ② In the event that an executive or employee is subject to a fine or a fine for violating related laws, such as the Anti-Graft Act, the company shall not be held liable on behalf of the executive and/or employee, and the employee may not be compensated for the fine, fine, or other damages from the company.

Article 16 [Application Mutatis Mutandis of Laws]

Matters other than this regulation shall comply with 「Act on Prohibition of Improper Solicitation and Acceptance of Money, etc.」, 「Act on Reporting and Use of Specific Financial Transaction Information, etc.」 and 「Act on Regulation and Punishment of Concealment of Criminal Proceeds, etc.」.

Supplementary Provisions

Article 1 [Effective date]

This regulation shall be effective from April 01, 2024.

Article 2 [Transitional measures]

Any measures taken prior to the enforcement of this regulation shall be deemed to have been enforced in accordance with this regulation.

Article 3 [Related company rule]

Document number	Name of company rule
R-70-HF-02	Internal Audit Regulation
R-70-HF-04	Code of ethics and conduct
R-60-GA-01	Personnel Regulation