



**CODE OF CONDUCT  
OF LOTTE Wedel sp. z o.o.**

## OUR DECLARATION OF ETHICS IN ACTION

Ethics is the cultural heritage of our company. We cultivate the tradition cherished and practiced by the Wedel family, since we do believe that responsible, consistent, and integral business activity contributes to the development of the company and its environment.

We are fully aware of the impact our operations have on society and of our responsibility towards numerous entities cooperating with our company. We are committed to making decisions and presenting behaviours that are perceived as moral and just. We also expect each and every our employee to share the same values.

The following document constitutes a code of conduct and our commitment to operate in compliance with the highest ethical, legal, and cultural standards. It sets forth the principles that guide us in our daily business operations. By following them, we ensure that LOTTE Wedel is a responsible company. With the joint efforts, we strengthen the image of the company that keeps promises given and we win competitive edge.

As the Management Board we expect all employees of Lotte Wedel to be familiar with the Code of Conduct and to follow it. It is extremely important that each and every employee understands how to follow the Code of Conduct in practice. We promote culture of openness, in which every employee is entitled to ask for explanations of the rules and their implementation in practice. We do intend that each violation of the Code or activity against the company's interest is reported, so that we can limit the loss of trust and prevent such situations in the future.

We all take responsibility for the success of our company. We contribute to it by all our activities. Let's make sure that the range of success is worth the brand of greatest trust.

*Management Board  
of LOTTE Wedel sp. z o.o.*

## OUR MEANING OF ETHICS IN PRACTICE

### **Compliance with rules of law**

We operate in compliance with applicable legislation, in an accurate and reliable manner. Each employee is obliged to be familiar with the duties related to their position, resulting from the existing rules, and shall follow them.

In our company we follow the policies and procedures, which are aimed at limiting the risk connected with our business activity, and ensuring that our activities are efficient. All employees are obliged to be familiar with the policies and procedures related to their position and respect them. Supervisors are obliged to inform their subordinates about all obligatory procedures and give full explanation to all employees' doubts.

### **Communications**

Effective communication supports decision making process and affects the company's success. That is why we strive to ensure an efficient, proper information flow and high quality communication with others throughout the entire organization.

We openly communicate with the public opinion, taking care of a clear and precise message. At the same time we make every effort to represent our company in a professional way. Therefore, only authorized persons can speak on behalf of the company. Further details are formulated in Corporate Communication Policy.

### **Confidentiality**

We expect that any and all information relating the company's business activity shall be treated by employees as confidential and that they will make every effort to prevent the inadvertent disclosure of such information. In particular, this shall apply to the expansion (development) plans, recipes, technological processes, marketing plans, research and development, suppliers/providers, customers, company's finances, copyrights, HR information, and conditions of employment. The above mentioned intangible assets are critical for us in order to achieve long-term success. The principle of confidentiality also applies to employees leaving our company.

### **Conflict of interests**

The employees are required to be guided by the good of the company. It means that they are not allowed to engage in activities contrary to the interest of the company, or to pursue personal interests, such as conducting personal or family business with our company, allowing the affined employees were in a direct business interdependence, or taking part in the processes affecting the conditions of employing a person affined with an employee, etc. Moreover, the employees must not undertake employment or perform tasks for the

competition, customer, and/or supplier. Any additional (to the one for the company) gainful or social activity, according to in-place, internal labour code, should be reported to the employer. Acceptance of any offer of future job position, consultancy or executive position from a contractor, supplier, customer, competition, or business partner is a potential conflict of interest.

### **Hospitality gifts**

In order to build good relationships, we permit giving and accepting hospitality gifts of small value and in accordance with the existing customs. The most appropriate form of a gift offered by us is a package of sweets from our portfolio. All forms of corruption are not acceptable such as presenting to / accepting from an employee or his/her family sums in cash, discount vouchers, coupons, gift certificates, commissions, bribes, to create favourable conditions for payments, loans, and guarantees.

Gifts cannot influence the objectivity of business decisions to be made, nor be treated as a business incentive. One shall make sure that accepting or presenting a gift is not misinterpreted and does not result in any form of commitment. In particular, it is against ethical code to accept or present gifts during the period of making important business decisions.

The employee or his family should not accept anything that might adversely affect the company's corporate image. The employee must inform the supervisor about each and every gift, whether already accepted or planned to be presented.

Gifts accepted by employees may be used only for business purposes. We encourage employees to hand over them to the *Targowisko w Słusznej Sprawie* (Auction for a Just Cause), where they are then auctioned by the employees, and money is dedicated to a specific charity aim.

### **Proper use of company's assets/resources**

Company's assets and other resources shall be used by the employees to achieve specific business goals. We expect that our employees will benefit from the company's resources in a responsible and ethical manner. One allows temporary and occasional use of these resources for personal purposes, provided that the improper use thereof is strictly prohibited and that company resources cannot be damaged or worn out. This applies to improper use of company's credit cards, computer and Internet, and phone. The use of company's resources cannot interfere with the employee's own working time and/or working time of any other employees.

It is prohibited to employees to use company's assets, information, or position held, for personal gains, benefits, or in order to compete with the company.

## **Inventions and intellectual property**

Employees are required to disclose any inventions made during their employment period at the company. Such inventions may arise in the process of performing standard duties or due to the fact of being employed in our company. Within the limits of applicable law, the Company shall have the exclusive, complimentary ownership right for the use of such inventions.

## **Relationship with authorities**

We communicate with the authorities openly and honestly, at the same time making sure that the legal interest of the company is duly protected. In case an employee has any doubts regarding the communication he/she should consult the supervisor and legal department immediately, unless regulated by law otherwise.

Offering illegal benefits to authorities or allocating grants to political parties are always prohibited.

## **Reporting and documentation**

We follow the rule of openness in all forms of reporting. Reports and information submitted to the legal authorities and other government institutions must be complete and must not be misleading.

All forms of reporting and running financial books must truthfully reflect incomes and expenditures, according to the legal regulations and book –keeping standards.

We precisely document all transactions and crucial events, and we archive documentation according to the rules formulated in a separate policy. Any uncontrolled destruction of documents is forbidden.

## **Reputation**

We expect all employees to be honest, open, and polite towards each other. In order to protect the company and its image, we require ethical behaviour and respect for the dignity and human rights in relations with employees, business partners, and local communities.

It is of crucial significance that the employees are aware that they represent the company in contacts with external environments, during daily business, and in different social situations; and they have to constantly take care of the company's image and reputation.

## EMPLOYEES

### **Communications and team work**

We do believe that bilateral, open, reliable, and honest communication enhances employees' performance and dedication. This also applies to an honest and reliable feedback on the results of the work and presented attitudes.

We are confident that working together as a team, we most fully deliver the company's key objectives. Unacceptable are actions aimed to achieve vested interests of one employee or group of employees. We care about building a high quality cooperation within the team, department, and between individual departments through setting consistent goals, creating positive relationships and ensuring high quality communication.

### **Employment conditions**

We remunerate our employees fairly and we openly communicate the rules for determining wage levels and allocating benefits.

We do not use forced labour workers. Juvenile workers may perform the work to the extent provided in the provisions of law in force.

### **Occupational safety and health**

We strive to fully eliminate accidents in the workplace. We make every effort to ensure that the workplace is safe, healthy, and clean. We communicate the safety and security rules applicable in our company to our subcontractors and guests, and commit them to abide by these rules. All cases of potential threats and hazardous situations that may result in accidents should be immediately reported to supervisors.

### **Equal opportunities and personal development**

In order to be granted employment and promotion, the employees are to meet the requirements set forth at a given workplace (position), without discrimination based on sex, age, sexual orientation, race, religion, marital status or physical fitness/agility, which has no effect on performance level at a given position.

- ✓ We care about even treatment of all employees and good relations in the workplace.
- ✓ Any form of favouring co-workers and subordinates is unacceptable.
- ✓ We do not tolerate any cases of sexual, physical or mental harassment of employees whatsoever.
- ✓ We respect the employees' right to establish, join, and organize trade unions.

- ✓ Employee's individual development contributes to the successes achieved by the entire company. We provide our employees with the conditions in which they can fully use their professional potential.
- ✓ We value and promote variety and diversity. Employees' experiences and different backgrounds enrich the culture of our company and support its success.

## CONSUMERS

### Products and product development

By offering products that are to fill our life with pleasure, it is necessary to ensure their excellent quality. This applies to the entire process of the creation thereof - from the very delivery, through production process to marketing, logistics, and customer services. We develop and improve our products with our consumers' well-being and safety in mind. We carefully examine their needs, to provide them with products that meet their expectations.

### Responsible marketing

We promote our products in a fair manner. Our products are legibly and clearly marked and meet the food law requirements. On packaging, we print nutritional information to enable an informed and reasonable consumption. While conducting marketing activities, advertising and promotions, as well as other ways of communicating with public opinion we pay attention to cultural and political standards, in way that supports reasonable consumption and balanced life style, and bearing in mind the protection of children. We communicate to consumers in a clear, unambiguous and not misleading manner. We operate in compliance with applicable legislation, e.g. Act on Competition and Consumer Protection.

## CUSTOMERS, SUPPLIERS AND BUSINESS PARTNERS

We operate in a fair and ethical manner, respecting the rights and interests of our customers. We select them only based on objective criteria. We expect that our relationships with business partners, suppliers, and customers will be beneficial for both parties. While establishing and maintaining business relations with them, we abide by antitrust regulations and we expect the same from them - fair and free competition. We will make sure that they are not engaged in any kind of activities related to unfair competition.

We deliver our promise and we expect the same from the companies cooperating with us. We support open and honest communication and cooperation based on mutual trust. We do believe that our partners' development contributes to the success of our company; therefore, we make every effort to support this development.

Any act offending of assets or any other belongings of customers, providers and business partners is unacceptable.

## COMPETITION

We promote free and open competition. We will compete tough, yet honestly and ethically, complying with all rules on competition and antitrust laws.

All employees should be aware that violating rules of fair competition and offending legal regulations, especially the Supression of Unfair Competition Act or Competition and Consumer Protection Act may cause hazardous situation for the company, including ban for advertising, and company's bankruptcy in case of revealing.

We make every effort to make our business goals ambitious but real and possible to achieve at the same time. Putting excessive pressure or instigating employees to unethical sales activity is unacceptable.

In dealings with the competition, we will take care of our company's image through proper attitude and behaviours. It is unacceptable in any way to harm the competition's assets or any other resources.

## ACTIVITIES FOR LOCAL COMMUNITIES AND THE ENVIROMENT

We form a part of life of local communities and we do care about their development. We support good relations with our neighbours and we try to respond to their needs with the highest sense of social responsibility. Therefore, we encourage and support our employees' efforts aimed to develop the communities in which they live and work. We do care about transparent communication, especially in situations that may affect the well-being in the vicinity of the company.

We are fully aware of our responsibility for natural environment we influence directly. We undertake initiatives aimed to reduce this impact, and to build awareness and involve employees to be pro-active in this area.



## OUR SHAREHOLDERS

We are part of LOTTE Group. In consequence we are aware of our responsibilities towards shareholders – long term protection of company values and generating profit at the level that is satisfactory for the owners.

We communicate openly with our owners, honestly reporting the data on the company and the condition thereof. In mutual relationships, we build knowledge of and understanding for Polish culture, so as to streamline the operations and make full use of the potential related to intercultural differences.

While operating in an international environment, in order to support effective cooperation and promote diversity, we strive to ensure that employees know and understand the characteristics typical for each culture.

## CODE OF ETHICS IN PRACTICE

LOTTE Wedel's Code of Ethics covers all employees of the company and its partners, contractors, and other representatives. We expect all employees to behave in a manner consistent with the principles of business ethics. Failure to comply with standards set forth in this Code will result in disciplinary measures, including the termination of the contract of employment. It may also result in informing the relevant authorities to make them take appropriate action.

The following Code of Ethics is not able to provide for all possible issues to emerge. Therefore, we are all required to apply the principles set out in this document, according to the best assessment of the events occurred. Referring to this LOTTE Wedel's Code of Ethics shall support the employee in communicating with business partners, especially in difficult, ambiguous situations. Also, the employees among themselves can correct their behaviour, by paying attention to each other and referring to this document. In case of any doubt, reasonable suspicion, or knowledge of the infringement of law in the work-related environment, or violation of these principles, you are kindly requested to report such a fact to your supervisor or contact the HR team.

In case of any doubts, well-grounded suspicion or getting knowledge about labour code violation or Code of Ethics every employee is obliged to undertake at least of the following measures allowing to solve the problem efficiently:

- Information to the supervisor
- Contact with HR team
- Contact with a Member of Board
- Send notification to e-mail address: [etyka@wedel.pl](mailto:etyka@wedel.pl)

The conclusions and principles of proceeding - provided that it does not result in disclosure of the reporting person' identity – shall be communicated to employees so that they create proper attitude and act properly in the future. We will make every effort possible to protect the identity of persons who share their concerns with us. Any attempts to deter the employees from expressing such concerns will be treated as a serious disciplinary offense.

Every employee is obliged to acknowledge and respect the above rules. We will make every effort to make every employee understand what they mean and how they should be used in practice.

Warsaw, 11<sup>th</sup> April 2012