
ASI CERTIFICATION
PERFORMANCE
STANDARD



PRESENTED TO

**LOTTE ALUMINIUM
CO., LTD. ANSAN
PLANT**

CERTIFICATE
NUMBER

75

ASI
STANDARD

PERFORMANCE
STANDARD
(V2 2017)

CERTIFICATION
LEVEL

FULL
CERTIFICATION

ASI
ACCREDITED
AUDITOR

DNV
BUSINESS
ASSURANCE
SERVICES
UK LTD.

DATE OF ISSUE

18 FEBRUARY 2020

DATE OF EXPIRY

17 FEBRUARY 2023

CERTIFIED SINCE

18 FEBRUARY 2020

AUTHORISED BY

A handwritten signature in black ink, appearing to be 'J. Hall', written over a light green background.

Aluminium Stewardship Initiative Ltd
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*Validity of this Certificate is subject to continued
conformance with the applicable ASI Standard
and can be verified at
www.aluminium-stewardship.org*

CERTIFICATION SCOPE

Manufacturing of rolled products of aluminium foil
at the Lotte Aluminium Co., Ltd. Ansan Plant in
South Korea.

SUMMARY AUDIT REPORT

PERFORMANCE STANDARD

OVERVIEW

MEMBER NAME	Lotte Aluminium Co., Ltd
ENTITY NAME	Lotte Aluminium Co., Ltd. Ansan Plant
CERTIFICATION SCOPE	Manufacturing of rolled products of aluminium foil at the Lotte Aluminium Co., Ltd. Ansan Plant in South Korea.
SUPPLY CHAIN ACTIVITIES	<ul style="list-style-type: none">Material Conversion (Production and Transformation)
ASI STANDARD	<ul style="list-style-type: none">Performance Standard V2
AUDIT TYPE	<ul style="list-style-type: none">Surveillance Audit
AUDIT FIRM	DNV Business Assurance Services UK Ltd.
AUDIT DATE	<ul style="list-style-type: none">13 January 2020 – 15 January 2020 (Initial Certification Audit)10 November 2021 – 11 November 2021 (Surveillance Audit)
AUDIT REPORT SUBMISSION	<ul style="list-style-type: none">1 February 2020 (Initial Certification Audit)23 November 2021 (Surveillance Audit)
AUDIT SCOPE	<p><u>Initial Certification Audit (13 January 2020 – 15 January 2020)</u> Lotte Aluminium Plant in Ansan, South Korea is a manufacturer of rolled products of aluminium foil.</p> <p>Supply Chain Activities included in the audit scope:</p> <ul style="list-style-type: none">Material Conversion (Production and Transformation) <p>All relevant criteria in the ASI Performance Standard were included in the audit scope.</p> <p><u>Surveillance Audit (10 November 2021 – 11 November 2021)</u> Manufacturing of rolled products of aluminium foil at the Lotte Aluminium Co., Ltd. Ansan Plant in South Korea.</p> <p>Supply Chain Activities included in the audit scope:</p> <ul style="list-style-type: none">Material Conversion (Production and Transformation)

All relevant criteria in the ASI Performance Standard were included in the audit scope.

AUDIT
OUTCOME

- Certification
-

AUDIT
METHODOLOGY
DECLARATION

The Auditors confirm that:

- The information provided by the Entity is true and accurate to the best knowledge of the Auditor(s) preparing this report.
 - The findings are based on verified Objective Evidence relevant to the time period for the Audit, traceable and unambiguous.
 - The Audit Scope and audit methodology are sufficient to establish confidence that the findings are indicative of the performance of the Entity's defined Certification Scope.
 - The Auditor(s) have acted in a manner deemed ethical, truthful, accurate professional, independent and objective.
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CERTIFICATION
PERIOD

18 February 2020 - 17 February 2023

NEXT AUDIT
TYPE

Re-Certification Audit

NEXT AUDIT
DUE DATE

17 February 2023

CERTIFICATE
NUMBER

75

SUMMARY OF FINDINGS

CRITERION	RATING	COMMENT
PRINCIPLE 1 BUSINESS INTEGRITY		
1.1 Legal Compliance	Conformance	<p>The Entity has developed and implemented policies, systems, procedures and processes that conform to requirements in the ASI Performance Standard on Legal Compliance. The Entity has systems in place to maintain awareness of and to ensure compliance with Applicable Law. The information on Legal Compliance is addressed in the Entity's Sustainability Report (Compliance Management Section), accessible at:</p> <p>https://www.lotteal.co.kr/down/★2021년%20지속가능경영보고서.pdf</p>
1.2 Anti-Corruption	Conformance	<p>Policies and processes including a Code of Conduct and Management Procedure of Anti-Corruption to identify and prevent corruption are established and implemented, and employees are provided with training on these processes. The Entity prohibits Corruption in all its forms, including Extortion and Bribery, consistent with Applicable Law and prevailing international standards. The Entity's Policy on Business Ethics is established, and it is accessible at:</p> <p>https://www.lotteal.co.kr/manage/ethicsManage_ethics.asp</p>
1.3 Code of Conduct	Conformance	<p>The Entity's Code of Conduct including principles related to environmental, social and governance performance is in place. The Entity has implemented adequate measures including training and communication to raise awareness of the code among business partners and suppliers. The Code of Conduct is available for all interested stakeholders at the following links:</p> <p>https://www.lotteal.co.kr/manage/ethicsManage_ethics.asp</p> <p>https://www.lotteal.co.kr/down/(2.4)%20ASI%20행동강령.pdf</p>
PRINCIPLE 2 POLICY & MANAGEMENT		
2.1a Environmental, Social, and Governance Policy (implement and maintain)	Conformance	<p>The Management Policies are consistent with the environmental, social, and governance practices. Policies are addressed in the Entity's Sustainability Report (Sustainability Strategy Section), accessible at:</p> <p>https://www.lotteal.co.kr/down/★2021년%20지속가능경영보고서.pdf</p>

CRITERION	RATING	COMMENT
2.1b Environmental, Social, and Governance Policy (senior management)	Conformance	The Entity has endorsement and support from Senior Management in order to provide sufficient resources for regular review of Policies, meeting the ASI Performance Standard requirements. Senior Management demonstrates commitment to the implemented Policies.
2.1c Environmental, Social, and Governance Policy (communication)	Conformance	The Policies are available for internal and external stakeholders through training or by accessing the Entity's website: https://www.lotteal.co.kr/manage/ethicsManage_ethics.asp Policies are also presented in the Entity's Sustainability Report (Sustainability Strategy Section), for communication with internal and external stakeholders, accessible at: https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf
2.2 Leadership	Conformance	A Senior Management Representative has been appointed. The overall responsibility and authority of the role is defined to ensure conformance with the ASI Performance Standard.
2.3a Environmental and Social Management Systems (environmental)	Conformance	A documented Environmental Management System is established and maintained. The Entity holds a valid ISO 14001:2015 Environmental Management System certificate. The ISO 14001:2015 certificate is accessible through the Entity's Sustainability Report (Environmental Management Section): https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf and the Certification Body's website, accessible at: https://www.kfq.or.kr/KR/Certification/Information/Information_04.aspx
2.3b Environmental and Social Management Systems (social)	Conformance	The Entity's Social Management System is established and implemented. Social and Occupational Health and Safety impacts are identified and assessed, and the associated management provisions for preventing and/or mitigating these impacts are established and implemented. The Entity is certified against ISO 45001:2018, and holds a valid ISO 45001:2018 Occupational Health and Safety Management System certificate.
2.4 Responsible Sourcing	Conformance	The Entity identifies the major next tier suppliers, and conducts second party Due Diligence audits,

CRITERION	RATING	COMMENT
		<p>and requests suppliers to implement corrective actions upon the audit findings to improve the performance against the ASI Performance Standard. The Procurement Team and relevant personnel are trained on responsible sourcing requirements. The Purchasing Policy is published in the Entity's Sustainability Report (Procurement Policy: Responsible Sourcing Section), accessible at:</p> <p>https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf</p>
2.5 Impact Assessments	Conformance	<p>The Entity establishes and implements the documented procedures to identify and assess the risks on social, environmental, health and safety, and governance aspects, and takes the relevant control measures based on the ASI Performance Standard and associated legal requirements. A process is in place to screen developments, expansions, significant changes to operating facilities and in the case of new projects or major changes, to determine if there are environmental and/or social risks and impacts that require an Impact Assessment.</p>
2.6 Emergency Response Plan	Conformance	<p>The Entity has established an Emergency Response, Business Continuity and Resumption Plan covering fire, hazardous chemical leak, breakdown of the environment protection facilities, extreme weather, black out, safety accidents, labour shortage, strike and the relevant Resumption Plan. The Entity's Emergency Response Plans are developed considering potentially affected stakeholder groups such as Communities, Workers and the Labour Union Representatives. Based on the requirements of ISO 14001 and ISO 45001, the Entity establishes Emergency Response Plans for emergency issues, and communicates with the associated stakeholders. The employees are provided with the relevant training courses and the evacuation exercises are conducted for fire/evacuation, or chemical leak.</p>
2.7 Mergers and Acquisitions	Conformance	<p>A documented procedure for mergers and acquisitions has been established and is maintained. There has been no such activity since 2017, and to date there is no activity planned.</p>
2.8 Closure, Decommissioning and Divestment	Conformance	<p>A documented procedure for closure, decommissioning and divestment is established in</p>

CRITERION	RATING	COMMENT
		accordance with requirement of the ASI Performance Standard. There has been no such activity since 2010, and to date there is no activity planned.
PRINCIPLE 3 TRANSPARENCY		
3.1 Sustainability Reporting	Conformance	The annual Sustainability Report including relevant environment, social and governance aspects in local language is established, and published by the Entity. The Report is published on the Entity's website: https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf
3.2 Non-compliance and liabilities	Minor Non-Conformance	There have been no significant fines, judgments, penalties and non-monetary sanctions for failure to comply with the Applicable Law imposed on the Entity in the last three years. The Entity's Sustainability Report 2020 including information on legal compliance (Compliance Management Section) is issued, and is accessible through the Entity's website: https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf However, there is one Minor Non-Conformance raised on insufficient information disclosure. There is no clear information disclosed in the Entity's Sustainability Report on, or the absence of, significant fines, judgments, penalties and non-monetary sanctions for failure to comply with Applicable Law.
3.3a Payments to governments (legal and contractual)	Conformance	The Annual Finance Report was audited by a third party. Disclosure of financial information, and Corporate Tax Payments are addressed on the public website: http://dart.fss.or.kr Also, in the Entity's Sustainability Report (Tax Payment Section), accessible at: https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf
3.3b Payments to governments (disclosure – bauxite mining)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
3.4 Stakeholder complaints, grievances and requests for information	Conformance	Internal and external Whistleblowing/Complaint/Grievance Mechanisms are in place (e.g. anonymous reporting, email and physical address), and accessible through the Entity's website:

CRITERION	RATING	COMMENT
		https://www.lotteal.co.kr/manage/ethicsManage_silmungo.asp The Compliance and Grievance Reporting System is introduced in the Entity's Sustainability Report (Ethics Management Section), accessible at: https://www.lotteal.co.kr/down/★2021년%20지속가능경영보고서.pdf
PRINCIPLE 4 MATERIAL STEWARDSHIP		
4.1a Environmental Life Cycle Assessment (life cycle impacts)	Conformance	The environmental Life Cycle Assessment is conducted and documented. The Life Cycle Assessment Report is publicly available at the Entity's website: https://www.lotteal.co.kr/down/(4.2)%20LCA분석자료.pdf
4.1b Environmental Life Cycle Assessment (cradle to gate)	Conformance	The Entity has provided cradle-to-gate Life Cycle Assessment (LCA) information on its Aluminium products. The Environmental Life Cycle Assessment report can be provided for external communication if required. There have been no requests to date.
4.1c Environmental Life Cycle Assessment (public communication)	Conformance	How to communicate with customers or other interested parties is defined in the written Communication Procedure in the Entity's Environment Management System. The Environmental Life Cycle Assessment Report is published at the Entity's website: https://www.lotteal.co.kr/down/(4.2)%20LCA분석자료.pdf
4.2 Product design	Conformance	The Entity integrates relevant objectives in the design and development process for products to enhance sustainability, including the environmental life cycle impacts of the end products. More information is available in the Entity's Life Cycle Assessment Report, accessible at: https://www.lotteal.co.kr/down/(4.2)%20LCA분석자료.pdf
4.3a Aluminium Process Scrap (targets)	Conformance	The Entity has a target to minimize generation of Aluminium Process Scrap within its own operations, and the Entity collects all Process Scrap which is sold externally for recycling. Solid Waste Management is addressed in the Entity's

CRITERION	RATING	COMMENT
		Sustainability Report (ESG Indicator - Environment Section), accessible at: https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf
4.3b Aluminium Process Scrap (alloy separation)	Conformance	Due to the nature of the products present at the Entity, alloy separation for Aluminium Process Scrap is not required.
4.4a Collection and recycling of products at end-of-life (strategy)	Conformance	The Entity's product is used for food or pharmaceutical packaging purposes, therefore recycled Aluminium cannot be used in the Entity's production and the end product cannot be reused. For this reason, the Entity has a strategy to reduce Process Scrap sold to collectors to reduce the generation of recycled Aluminium.
4.4b Collection and recycling of products at end-of-life (engagement)	Conformance	There is no mandated local or national collection and use of Aluminium Scrap in Korea. Recycled Aluminium is not suitable for the Entity's product as it is for food packaging or pharmaceutical packaging purposes and the end product cannot be reused. For this reason, activities in the Entity to reduce Process Scrap are implemented to reduce the generation of recycled Aluminium, and also in discussion with main clients to use of materials containing recycled Aluminium in the Entity's product.
PRINCIPLE 5 GREENHOUSE GAS EMISSIONS		
5.1 Disclosure of GHG emissions and energy use	Conformance	The major Scope 1 and 2 Greenhouse Gas (GHG) emissions and energy use by source are tracked, calculated and documented annually. The GHG emissions in 2019 and 2020 are published in the Entity's Sustainability Report (Environmental Management Section / ESG Indicator - Environment Section), accessible at: https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf
5.2 GHG emissions reductions	Conformance	The Entity has established a GHG emission reduction target for 2021 based on the 2020 GHG emission level, aligning with the group target assigned. The associated Management Program is established and implemented. The annual GHG emission reduction target is monitored, and relevant information is included in the Entity's Sustainability Report (Environmental Management Section / ESG Indicator - Environment Section), accessible at:

CRITERION	RATING	COMMENT
		https://www.lotteal.co.kr/down/★2021년%20지속가능경영보고서.pdf
5.3a Aluminium Smelting (management system)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
5.3b Aluminium Smelting (up to and including 2020)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
5.3c Aluminium Smelting (after 2020)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
PRINCIPLE 6 EMISSIONS, EFFLUENTS AND WASTE		
6.1 Emissions to Air	Conformance	The emissions from the tempering process is the major source of Emissions to Air, and a scrubber is used for the treatment. The waste air is collected and treated before emission to mitigate adverse impacts. The internal and external Monitoring Reports indicates that emissions meet the local emission limits.
6.2 Discharges to Water	Conformance	Discharges to Water is covered and managed within the Environmental Management System. The Entity has established water reduction targets (2% reduction in 2021 compared to last year), and establish related plans to achieve targets and to minimize adverse impacts.
6.3a Assessment and Management of Spills and Leakage (assessment)	Conformance	An assessment of risk areas where Spills and Leakage may contaminate air, water and soil is undertaken through the Environmental Impact Assessment Process of the Entity's Environmental Management System. The leakage of rolling oil and wastewater stored are assessed as the major risks.
6.3b Assessment and Management of Spills and Leakage (management)	Conformance	Assessment and management of Spills and Leakage is defined in the Entity's Environmental Management System. Major Spills and Leakages are controlled and communicated by the Entity's Emergency Response Team.
6.4a Reporting of Spills (immediate disclosure)	Conformance	Reporting of Spills and Leakage is defined in Entity's Emergency Response Reporting Procedure. No Spills and Leakage occurred in the last three years, and relevant information is published in the Entity's Sustainability Report (Environmental Management Section), accessible at:

CRITERION	RATING	COMMENT
		https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf
6.4b Reporting of Spills (regular reporting)	Conformance	The Impact Assessments of the Spills and Leakage and remediation actions taken is included in the Entity's Annual Sustainability Report. No Spills and Leakage occurred in the last three years, and relevant information is published in the Entity's Sustainability Report (Environmental Management Section), accessible at: https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf
6.5a Waste management and reporting (strategy)	Conformance	Waste management is covered in the Environment Management System. The Entity has established a waste management strategy as per the Waste Mitigation Hierarchy. The Hazardous Waste is transferred and disposed by the qualified suppliers, verified before signing the Disposal Agreement. The waste reduction target is established to minimize the negative impact, and the achievement status is monitored monthly.
6.5b Waste management and reporting (disclosure)	Conformance	The Entity publicly discloses its Waste generation and methods of disposal. The quantities of Non-Hazardous and Hazardous Waste generated in the operation is reported in the Entity's Sustainability Report (ESG Indicator - Environment Section), accessible at: https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf
6.6a Bauxite Residue (storage construction)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6b Bauxite Residue (integrity checks and controls)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6c Bauxite Residue (water discharge)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6d Bauxite Residue (marine and aquatic environments)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6e Bauxite Residue (start of the art technologies)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.6f Bauxite Residue (remediation)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.

CRITERION	RATING	COMMENT
6.7a Spent Pot Lining (SPL) (storage and management)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7b Spent Pot Lining (SPL) (recovery and recycling)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7c Spent Pot Lining (SPL) (Untreated SPL)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7d Spent Pot Lining (SPL) (review of alternatives)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.7e Spent Pot Lining (SPL) (marine and aquatic environments)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8a Dross (recovery)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8b Dross (recycling)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
6.8c Dross (review of alternatives)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.

PRINCIPLE 7 WATER STEWARDSHIP

7.1a Water assessment (mapping)	Conformance	The water source is municipal water supply only. The Entity tracks and documents its water usage. The declaration of wastewater discharge is in place. The water consumption is not significant due to the nature of the product and production processes.
7.1b Water assessment (risk assessment)	Conformance	The Entity has conducted Water Risk Assessments. The Entity's operational, internal and external risk in their Area of Influence is taken into consideration in the Water Risk Assessment. Due to the nature of the product and production processes and the existing water management systems, the water-related risk is low in the local water environment.
7.2a Water management (management plans)	Not Applicable	This Criterion has been rated as not applicable due to the low risk level identified during the risk assessment.
7.2b Water management (monitoring)	Not Applicable	This Criterion has been rated as not applicable due to the low risk level identified during the risk assessment.
7.3 Disclosure of water usage and risks	Conformance	The water usage and Risks Assessment Report assessed water related risks as low, this is

CRITERION	RATING	COMMENT
		published in the Entity's Sustainability Report (Environmental Management Section / ESG Indicator - Environment Section), accessible at: https://www.lotteal.co.kr/down/지속가능보고서.pdf
PRINCIPLE 8 BIODIVERSITY		
8.1 Biodiversity assessment	Conformance	A biodiversity risk assessment has been conducted by the Entity. The biodiversity risk or impact by the operation of the Entity in its internal and external Area of Influence was assessed as low. Relevant information on biodiversity is published in the Entity's Sustainability Report (Environmental Management Section), accessible at: https://www.lotteal.co.kr/down/★2021년%20지속가능경영보고서.pdf
8.2a Biodiversity management (biodiversity action plans)	Not Applicable	This Criterion has been rated as not applicable due to the low risk level identified during the risk assessment.
8.2b Biodiversity management (consultation and mitigation hierarchy)	Not Applicable	This Criterion has been rated as not applicable due to the low risk level identified during the risk assessment.
8.2c Biodiversity management (reporting)	Not Applicable	This Criterion has been rated as not applicable due to the low risk level identified during the risk assessment, and considering its location in the industrial zone.
8.3 Alien Species	Conformance	In accordance with the biodiversity risk assessment report, the only source which could introduce Alien Species is the wood pallets used for raw material/product package. All pallets are fumigated before using to prevent introduction of Alien Species.
8.4a Commitment to "No Go" in World Heritage properties (exploration and new mines)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
8.4b Commitment to "No Go" in World Heritage properties (existing operations)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
8.5a Mine rehabilitation (best available techniques)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
8.5b Mine rehabilitation (financial provisions)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.

CRITERION	RATING	COMMENT
PRINCIPLE 9 HUMAN RIGHTS		
9.1a Human Rights Due Diligence (policy)	Conformance	A written Policy on Human Rights has been established which expresses a commitment to respect Human Rights. The Policy is communicated to all employees. The Entity publishes the Policy in the Sustainability Report (Respect of Human Rights and Labour Rights), accessible at: https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf
9.1b Human Rights Due Diligence (process)	Conformance	The Human Rights Due Diligence process is established to identify and assess the risks and impacts on Human Rights which includes the Supply Chain, local Communities and Indigenous People. The assessment of the Entity and of the Supply Chain indicated that the overall risk level is low, and there is low risk to Human Rights of the other stakeholders.
9.1c Human Rights Due Diligence (remediation)	Conformance	The Entity has established and publishes the complaint/grievance process for stakeholders. As per the risk assessment report and audit reports of the Entity, no major risks or impacts are reported.
9.2 Women's Rights	Conformance	The Entity commits to respect Women's Rights. The legal requirements on Women's Rights are collected and identified in the Entity's Employment Regulation, and the associated control measures are established and implemented accordingly. No complaint/grievance on Women's Rights has been reported.
9.3 Indigenous Peoples	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
9.4 Free, Prior, and Informed Consent (FPIC)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
9.5 Cultural and sacred heritage	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
9.6a Resettlements (avoid or minimise)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
9.6b Resettlements (where unavoidable)	Not Applicable	This Criterion is not applicable to the Entity's Certification Scope.
9.7a Local Communities (rights and interests)	Conformance	The Policy on respecting the legal and customary rights and interests of local Communities is in

CRITERION	RATING	COMMENT
		place. The Entity has conducted a risk assessment, and takes action accordingly.
9.7b Local Communities (impacts)	Conformance	The Entity has conducted a risk assessment on the local Communities' rights. As per the result of the risk assessment, the impact on the local Communities by the Entity's activities is limited due to its location in a large industrial zone.
9.7c Local Communities (livelihoods)	Conformance	The risk assessment on the local Communities' rights identified that the impact on the local Communities by the Entity's activities is limited. The Entity delivers charity and donation activities for the local Communities. The information is included in the Entity's Sustainability Report (Society Contribution Section), accessible at: https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf
9.8 Conflict-Affected and High-Risk Areas	Conformance	The Entity has conducted an analysis to determine if conflict minerals are used in products or the production processes. The result is that no conflict minerals are used, and no materials are from Conflict-Affected and High-Risk Areas, a relevant statement is published in the Entity's Sustainability Report (Environmental Management Section), accessible at: https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf
9.9 Security practice	Conformance	Policies and procedures state the Entity's commitment and approach to security activities that respect Human Rights. No direct or indirect body search is implemented. Worker interviews stated that there are no restrictions of movement, and Workers are not treated in inhumane ways.
PRINCIPLE 10 LABOUR RIGHTS		
10.1a Freedom of Association and Right to Collective Bargaining (freedom of association)	Conformance	The Policy on respecting Freedom of Association and Collective Bargaining is established and addressed in the Entity's Sustainability Report (Human Right and Labour Rights Section), accessible at: https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf A formal Labour Union is formed and Labour Union Representatives are elected by Workers. Quarterly labour-management council meetings were held.

CRITERION	RATING	COMMENT
10.1b Freedom of Association and Right to Collective Bargaining (collective bargaining)	Conformance	<p>The Policy on respecting Freedom of Association and Collective Bargaining is established, and addressed in the Entity's Sustainability Report (Human Right and Labour Rights Section), accessible at:</p> <p>https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf</p> <p>The Entity and the Trade Union negotiated for a Collective Bargaining Agreement, and a formal Collective Bargaining Agreement (CBA) is in place. The CBA is declared to the government agency.</p>
10.1c Freedom of Association and Right to Collective Bargaining (alternative means)	Not Applicable	<p>The Criterion is not applicable as the Entity operates in Republic of Korea, in which Applicable Law does not restrict the right to Freedom of Association and Collective Bargaining. A formal Labour Union is formed and in place.</p>
10.2a Child Labour (minimum age)	Conformance	<p>Consistent with the Entity's worker register and management and worker interviews, there is no child under 15 years or young Workers under 18 years. The youngest Worker was born on May 30 1998 and was 23 years old at commencement of employment. In Korea, the legal minimum working age is 15.</p> <p>The Policy of prohibition of Child Labour is established. The age of the candidate is verified by checking identification cards and interview.</p>
10.2b Child Labour (hazardous)	Conformance	<p>There is no child under 15 years or young Workers under 18 years present at the Entity. Young Workers are (15 to 18 years) are under special protection by the law and they are allowed to work in Hazardous working conditions. The Entity strictly follows the legal requirements, and an annual legal compliance audit is conducted by the Entity.</p>
10.2c Child Labour (worst forms)	Conformance	<p>There is no child under 15 years or young Workers under 18 years present at the Entity. The Entity strictly follows the legal requirements on prohibition of Child Labour, and an annual legal compliance audit is conducted by the Entity.</p>
10.3a Forced Labour (human trafficking)	Conformance	<p>The Entity commits itself - and expects its suppliers - to comply with the prohibition of Forced Labour, slavery and Human Trafficking. A Minor Non-Conformance, issued at the previous Certification Audit, was closed and relevant evidence was reviewed and verified.</p>

CRITERION	RATING	COMMENT
10.3b Forced Labour (deposits, fees, advances)	Conformance	The Entity is not involved in any form of Forced Labour. The Entity has a policy of prohibition of any kind of Forced Labour. Workers are not required to pay any deposit, recruitment fee or equipment in advance.
10.3c Forced Labour (migrant workers)	Not Applicable	Consistent with review of the workers' register, on-site observation and worker interviews, there is no foreign Migrant Workers at the Entity, all Workers are Korean.
10.3d Forced Labour (debt bondage)	Conformance	The Entity prohibits any form of Forced Labour, and does not provide mandatory loans to Workers. Payslips of Workers indicate there is no illegal deduction from Workers' payments. All interviewed workers state that Workers are not engaged in Debt Bondage or requested to pay off a debt to the Entity.
10.3e Forced Labour (freedom of movement)	Conformance	The Entity is not involved in any form of Forced Labour. There is no restriction of Workers' movement at the site.
10.3f Forced Labour (retention of identity papers, permits, certificates)	Conformance	The Entity is not involved in any form of Forced Labour. There is no retention of original documents of Workers, and only copies of original documents are kept in Workers' personnel files.
10.3g Forced Labour (freedom to terminate employment)	Conformance	The Entity is not involved in Forced Labour. Workers have the freedom to terminate their employment at any time without penalty, given a notice period of 30 days in advance.
10.4 Non-Discrimination	Conformance	In the Entity's Human Right Policy and Employment Regulations, it is clearly defined that any form of Discrimination is banned. Decisions on hiring, employment (such as compensation, promotion, access to training) or terminating Workers are based solely on the ability to perform the job's requirements rather than other personal characteristics. Recruitment advertisement and training plans indicate no Discrimination when hiring or when providing the training opportunities to Workers. The pre-employment medical checks are conducted in the Entity, and the pre-employment medical check records show no discriminatory items, such as HB Antigen or HIV, nor a pregnancy test. There Entity has received no complaint on Discrimination to date.
10.5 Communication and engagement	Conformance	A monthly newsletter on working conditions and work-related campaigns is communicated with

CRITERION	RATING	COMMENT
		Workers through the Entity's intranet. The process to anonymously report grievances and complaints without fear of reprisal is established and announced to Workers. Six Grievance Handling Council Members are designated, and Workers can anonymously report grievances through the Entity's intranet (Sinmoongo or Hotline). The Grievance Register is being maintained. All interviewed Workers state that Workers are aware of how to complain and report their concerns.
10.6 Disciplinary practices	Conformance	A Policy on prohibition of sexual harassment or abuse, corporal punishment, mental or physical coercion, verbal abuse or intimidation is established. The Entity's Employment Regulations and Disciplinary Regulation are maintained and communicated with Workers. A Disciplinary Register is maintained, and there has been no disciplinary action in the last two years.
10.7a Remuneration (living wage)	Conformance	The Entity's minimum wage paid to Workers is higher than the legal minimum wage in 2021. The Entity pays Workers 150% of the ordinary wage for overtime, night time and holiday work. All Workers at the Entity are covered with the legally mandatory social insurances.
10.7b Remuneration (method of payment)	Conformance	For each pay period, Workers are provided with details of payslips that clearly indicate compensation, including regular hours and regular wage, overtime hours and overtime compensation levels, subsistence, allowance and detail of deductions (such as insurance contributions, personal leave deduction etc.). The wages are directly paid to Workers through bank transfer on the 25 th of each month, and monthly payment is not delayed.
10.8 Working Time	Conformance	The working hours are recorded by fingerprint scanning. For shift Workers, there are three shifts with three groups. Shift Workers are entitled to an hour of rest during an eight hour shift and work six days in a row followed by a rest day. The shifts are rotated every two weeks. A minimum 16 hours of rest is guaranteed between a shift change. Office staff work during the daytime, with no shifts. The regular working time is 40 hours a week. The Employment Regulation and Shift Operation Procedure for managing working hours and Overtime work is established. Working hours

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		are monitored and are in compliance with the Labour law.
PRINCIPLE 11 OCCUPATIONAL HEALTH AND SAFETY		
11.1a Occupational Health and Safety (OH&S) Policy (policy)	Conformance	<p>An Occupational Health and Safety Policy is established, implemented, reviewed periodically and communicated with stakeholders. The Policy is addressed in the Entity's Sustainability Report (Health and Safety Management Section), accessible at:</p> <p>https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf</p> <p>The Entity is certified against ISO 45001:2018.</p>
11.1b Occupational Health and Safety (OH&S) Policy (workers and visitors)	Conformance	<p>In compliance with the legal requirements and the requirements of ISO 45001:2018, the Health and Safety Policy is applied to Workers, Subcontractors, and Visitors.</p> <p>For Workers, the safe working instructions are established to define the control methods, and the Workers are provided with relevant periodic training courses. For Visitors, safety regulations are informed, and visitors are accompanied by the safety staff when entering the workshop.</p>
11.1c Occupational Health and Safety (OH&S) Policy (applicable law and standards)	Conformance	<p>The Health and Safety Policy states commitment to comply with the legal requirements and other requirements and is included in the Entity's Sustainability Report (Health and Safety Management Section), available at:</p> <p>https://www.lotteal.co.kr/download/★2021년%20지속가능경영보고서.pdf</p> <p>The Management System to identify all applicable legal requirements and other requirements is established, and an annual compliance audit against legal and other requirements is conducted.</p>
11.1d Occupational Health and Safety (OH&S) Policy (right to stop unsafe work)	Conformance	<p>The Entity's Health and Safety Management Regulation states that Workers have the right to stop unsafe work, and it is communicated with Workers. Interviewed Workers stated that workers are aware of their rights.</p>
11.2 OH&S Management System	Conformance	<p>The Entity has established and implemented a documented OH&S Management System, and holds a valid ISO 45001:2018 certificate. The ISO 45001:2018 certificate is available in the Entity's Sustainability Report (Health and Safety Management):</p>

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		https://www.lotteal.co.kr/down/★2021년%20지속가능경영보고서.pdf and is accessible at the website of the Certification Body: https://www.kfq.or.kr/ KR/ Certification/ Information/Information_04.aspx
11.3 Employee engagement on health and safety	Conformance	The Entity's system of Workers consultation and participation in health and safety is in place. Quarterly Health and Safety Committee meetings, including participating Workers and the Entity's representatives, are held. Workers are encouraged to report concerns on health and safety issues by themselves or through Labour Union Representatives. Management responds to concerns and advises on health and safety issues raised by Workers.
11.4 OH&S performance	Conformance	Annual Occupational Health and Safety targets including lagging and leading objectives are established and controlled. The implementation plans to achieve the targets are established and implemented. The achievement status of the targets is monitored periodically and reviewed in the annual management review meeting to identify potential improvement opportunities.

Document Control and Version History

Revision	Date	Notes
0	18 February 2020	Issued (Full Certification)
1	29 March 2021	Revised criterion 10.3 to 'not applicable' to reflect what was initially reported in the elementAI audit report.
2	16 December 2021	Surveillance Audit