



# For the future with pleasure

Highlights from LOTTE Wedel Group Consolidated  
Sustainability Statement 2024.





**LOTTE Wedel** integrates the principles of sustainable development and ESG into all aspects of its business operations. The company is committed to responsibly managing its **economic, social, and environmental impact** on the world around it. This commitment is reflected in a comprehensive sustainability management framework, supported by a suite of regularly reviewed strategies and policies, and demonstrated through the publication of annual statements detailing the actions undertaken and the progress achieved in this area.

# LETTER FROM THE MANAGEMENT TEAM



It is with great pleasure that I present to you this report, which encapsulates the essence of *Wedel Group 2024 Sustainability Statement*.

This publication serves as evidence of our Company's commitment to responsibly managing the impact of our operations on the surrounding environment and society. It is also the first ESG Report in our Company's history prepared in accordance with the European Sustainability Reporting Standards (ESRS).

Although LOTTE Wedel is not currently subject to mandatory sustainability reporting, last year we took on the significant challenge of conducting a comprehensive double materiality assessment (DMA) and a thorough revision of our *CSR Strategy*, which has been replaced by a new *ESG Strategy* aligned with the latest EU guidelines.

Our decision to deepen Wedel's commitment to sustainable development remained unchanged even after the European Parliament adopted the European Commission's Omnibus Simplification Package, which included a two-year deferral of mandatory sustainability reporting.

We believe that, thanks to these efforts, Wedel is now better prepared to meet the challenges associated with the implementation of new regulations – something you will clearly see in the following summary.

**Kamila Luttelmann**

ESG and Legal Director







**1**

## **Environment**

# Our approach to managing environmental impacts

Wedel's operations are fully compliant with both Polish and European environmental regulations. We strictly adhere to the administrative decisions we have obtained – the integrated permit and the water-law permit. We continuously monitor our environmental impact through regular measurements of air emissions from the boiler house, noise emissions to the environment, and the parameters of wastewater discharged into the sewage system. No risks have been identified regarding non-compliance with applicable environmental regulations.

0

**fines related to non-compliance with environmental protection regulations in 2024**

We do not limit ourselves to meeting only the legal obligations imposed on our Company, but we continuously seek new opportunities to minimize our environmental impact.

Examples of areas in which we are conducting intensive project work include:



**responsible sourcing of raw materials**



**calculating our carbon footprint and looking for options to reduce it**



**implementation of a comprehensive strategy dedicated to packaging and recycling of packaging waste**

For many years, we have been implementing the [Media Savings Program](#), under which we educate and engage employees in joint efforts to reduce energy and water consumption. Among other initiatives, we collect ideas for technological and organizational improvements. We are also in the process of implementing projects aimed at optimizing the use of utilities.



We continue our efforts in the Environment (E) area to [minimize our environmental impact](#) across all aspects of our operations – from the raw materials we use, through energy consumption, to the crucial area of packaging and waste management.

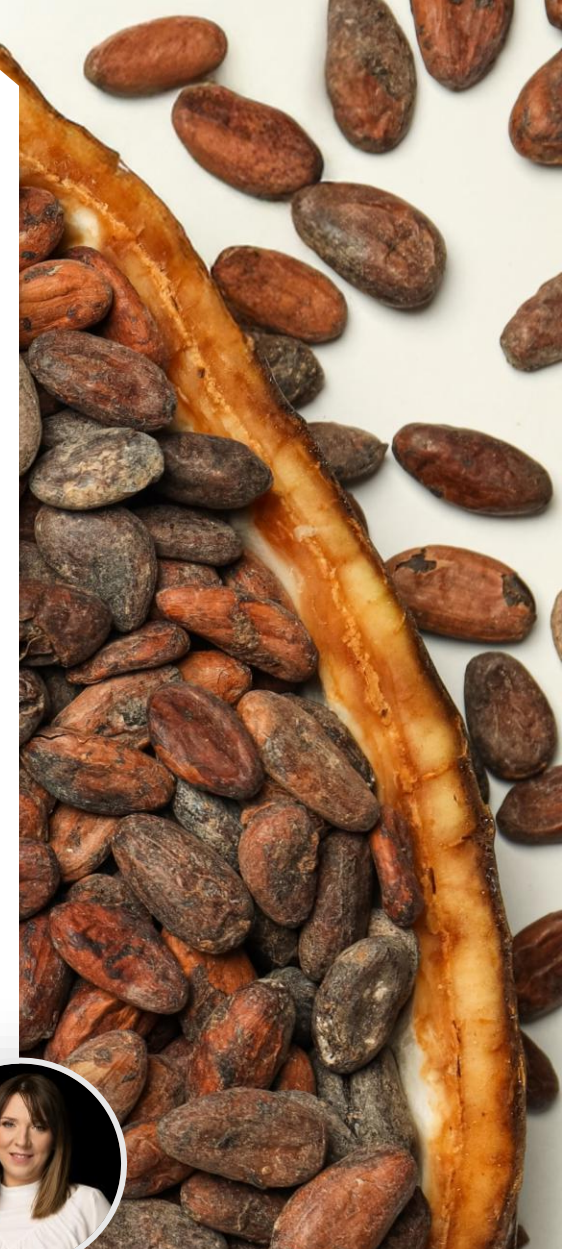
As an organization, we recognize our significant role in addressing the climate crisis and therefore remain committed to gradually [reducing our carbon footprint](#), i.e., greenhouse gas (GHG) emissions resulting from our business activities.

For several years now, we have been measuring our GHG emissions in accordance with, among others, the GHG Protocol – covering both Scope 1 and Scope 2 emissions, which are under our direct control, as well as Scope 3 emissions, over which we have only an indirect influence.

This year, we have taken further steps by developing a [decarbonization roadmap](#), which assumes a gradual reduction of our Scope 1 and 2 carbon footprint by at least 30% by 2030, compared to the 2019 baseline year. Currently, we are working on our decarbonization plans for Scope 3.

**Agnieszka Nowak**

ESG Coordinator



# Raw materials

As part of our sustainable procurement efforts, we have placed particular focus on four raw materials whose sourcing may be associated with environmental, biodiversity, ecosystem, or social risks. These are [cocoa](#) and [palm oil](#) – due to the potential for deforestation and unethical production practices – as well as [eggs](#) and [soy](#), which are at risk of GMO contamination.

Together with our suppliers, we implement measures to mitigate potential negative impacts, such as certification of raw materials (including palm oil and cocoa) and the commitment to eliminate battery-cage eggs, which was fully achieved at the beginning of 2025.

In place since 2024, the [LOTTE Wedel Purchasing Policy](#) aims to ensure that all purchases of goods and services are carried out:



**effectively**



**ethically**



**transparently**



**in accordance with good procurement practices**

By doing so, we also support sustainable agricultural practices and efforts to combat deforestation.

## Certified palm oil

Since 2020, we have consistently implemented the RSPO (Roundtable on Sustainable Palm Oil) certification process for the palm oil used in our production.



**Within 3 years, 100% of the supplies of raw materials and semi-finished products containing palm oil have been covered by certification.**

Licence No. 4-1140-19-100-00. Check our progress [here](#).

We source certified palm oil primarily under two supply chain models: Mass Balance and Segregated. The Mass Balance model means that certified palm oil may be mixed with conventional oil throughout the supply chain. A portion of the palm oil we purchase is certified under the Segregated model, meaning that the oil is fully traceable and controlled – originating exclusively from certified plantations.

**In 2024, we purchased 100% of all raw materials and intermediates with certified palm oil: 42% as Mass Balance, 58% Segregated and less than 0.1% Book and Claim.**

Over half of the purchased palm oil was certified under the higher-level model (SG, i.e., Segregated). RSPO certification addresses significant environmental challenges, such as tropical forest degradation, as well as social issues related to labour conditions in the palm oil production sector.

Additionally, as a founding member of the [Polish Coalition for Sustainable Palm Oil \(PKZOP\)](#) under the patronage of WWF, Wedel actively supports the goal of fully utilizing certified palm oil in the domestic market.

### Cage-free eggs

The approach to egg sourcing stems from our commitment to improving animal welfare standards and promoting responsible procurement practices. Over recent years, we consistently worked toward fulfilling our pledge to phase out battery-cage eggs [by 2025](#).

This process involved both own production and close collaboration with suppliers of semi-finished products containing eggs. Ensuring transparency in the supply chain and selecting raw materials from more ethical farming systems, such as cage-free, is of key importance.

We achieved this goal [as of the end of 2024](#).



**All eggs used in Wedel products now come exclusively from barn-raised hens.**

### Certified cocoa

Cocoa is a key raw material used in our products and has for years been sourced [exclusively from Ghana](#). The main factors for choosing this origin are the rich, chocolatey flavour profile of Ghanaian cocoa and the high standards of quality and supply chain transparency, overseen by the government institution COCOBOD (Ghana Cocoa Board). COCOBOD provides support to farmers and ensures quality control at every stage – from harvest to export. Additionally, farmers participate in the [LID \(Living Income Differential\) system](#), which helps supplement their income. As a result, cocoa from Ghana is considered a low-risk source in terms of environmental and social impact compared to alternative origins.

LOTTE Wedel also partially sources cocoa with Rainforest Alliance certification.

### Non-GMO soy

For our products, we use lecithin derived exclusively from non-genetically modified (non-GMO) soybeans.

The origin and compliance with this standard are certified by the IP NON-GMO (Identity Preservation) certificate.



**100% lecithin sourced from non-genetically modified soybeans.**



# Packaging

In line with our *CSR Strategy*, we are implementing a comprehensive, long-term program for packaging improvements, known as the *Eco-Packaging Programme*. As part of this initiative, we are exploring new raw materials, optimizing formulations, reducing packaging weight, and changing methods for bulk packaging. Our goal is for all packaging used to be recyclable and to include recycled materials.

Current packaging guidelines are documented internally in the *Lotte Wedel Packaging Policy* and the *Sustainable Packaging Strategy*. The comprehensive packaging transformation plan for 2025-2030 aims to achieve full compliance with the principles of the circular economy and to implement innovative packaging solutions that minimize environmental impact.

**By the end of 2030, all packaging introduced to the market is expected to meet sustainability criteria.**

The Strategy includes the elimination of metallization, the use of recycled materials, and the reduction of excessive packaging components. Solutions will be introduced to enable reusability and easy recyclability of packaging. All packaging will be created in accordance with eco-design principles, taking into account ergonomics, logistics, and functionality.

## GOOD PRACTICE

### More Sustainable Packaging for Ptasię Mleczko® Marshmallows

We are gradually updating the packaging of Ptasię Mleczko® marshmallows to ensure that ultimately 100% of it will be recyclable. In 2023, we replaced the “soft touch” and UV varnishes used in packaging with standard water-based dispersion varnishes – matte and glossy – which have a lower negative impact on the environment.

We also reduced the size of the packaging die-cut and switched to a thinner, single-sided coated material, which reduced the weight of the packaging. Additionally, the number of colours used in the inner carton print was reduced from six to one.



These measures contributed to **reducing paper consumption by about 90 tons a year** and facilitating the recycling process.

## GOOD PRACTICE

### Packaging of 'Wedel plus magnez'

In 2024, we launched a new line of functional products enriched with magnesium, called '**Wedel plus magnez**' ('Wedel Plus Magnesium'). For all products in this line, an innovative packaging solution was introduced: all packaging is made of 80% paper, which has reduced plastic usage by 50% compared to standard 100 g chocolate bars.



# Carbon footprint

We consider the climate crisis to be one of the greatest global challenges. Therefore, our ambition is to reduce our environmental impact, particularly by cutting greenhouse gas emissions across all scopes.

We are currently developing our approach to emission management, which will serve as a “**roadmap to decarbonization**” within the organization. In its current design, the plan targets a gradual reduction of our Scope 1 and Scope 2 carbon footprint relative to the 2019 baseline, aiming for a **minimum 30% reduction** by 2030. Decarbonization plans for Scope 3 are currently under development.

As part of this plan, we analyse factors such as machinery emissions, energy production efficiency, and the potential for using alternative technologies.

The measures taken by the company based on decarbonisation levers primarily involve replacing equipment with more energy-efficient alternatives, purchasing renewable energy, and not using HCFC refrigerants or ODP-free substances in refrigeration systems.

## The following actions are also planned:

Replacement of the refrigerant (R404A) with one having a suitable thermodynamic index for specific processes in installations equipped with HFC/HC/NH3 and HFO refrigerants and HFO-based mixtures.

## GOOD PRACTICE

### Wedel's Climate Actions

As part of our climate protection efforts in 2024, we implemented the following actions:

- 🔌 Gradual replacement of lighting with more energy-efficient solutions;
- 🔌 Continued purchase of electricity exclusively from renewable sources;



**Since 2020, Wedel has been using renewable energy only (Guarantees of Origin).**

- 🔌 Purchase of new equipment, guided by energy class criteria;
- 🔌 Promotion of cycling to work and creation of a friendly infrastructure for employees using this form of transport;
- 🔌 Not using HCFC refrigerants and non-ODP substances in refrigeration systems;
- 🔌 Calculation of the carbon footprint in three scopes .

## GHG emissions

Since 2021, LOTTE Wedel has been calculating its greenhouse gas (GHG) emissions across Scopes 1, 2, and 3.

The emissions in all three scopes have been calculated in accordance with the following standards:

- 📖 *The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, Revised Edition,*
- 📖 *GHG Protocol Scope 2 Guidance,*
- 📖 *Corporate Value Chain (Scope 3) Accounting and Reporting Standard.*



The GHG included in the calculations are CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and gases contained in released refrigerants (HFCs, PFCs). The results are presented in tonnes of CO<sub>2</sub> equivalent (t CO<sub>2</sub>e), a universal unit used to measure GHG emissions.

In accordance with ESRS requirements, the operational control approach was applied for the consolidation of GHG emissions, covering the Parent company LOTTE Wedel Sp. z o.o.

## GOOD PRACTICE

### Zero-Emissions Energy in Wedel

All electricity purchased for the operation of Wedel's factory and office comes from renewable sources. A contract with the energy provider, confirmed by a certificate issued by the **Polish Power Exchange** (Towarowa Giełda Energii), guarantees that 100% of the electricity supplied to us is generated by wind power installations.

For **100% of the electricity** included in our calculations, Guarantees of Origin (GOs) were purchased. This allowed us, under the market-based method, to account for a total volume of **21,119 MWh** as **renewable (zero-emission) energy**.

**In 2024, roughly 12,000 tonnes of CO<sub>2</sub>e was not released into the atmosphere thanks to the renewable (wind) energy purchased.**



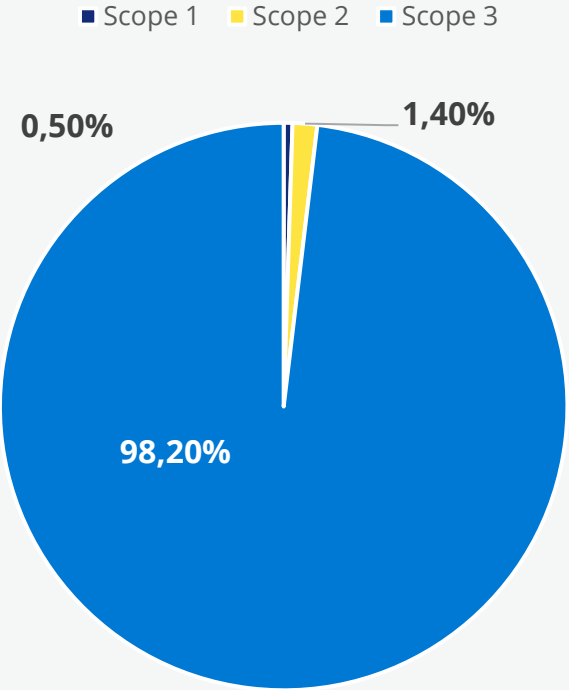
Total GHG emissions (Scopes 1, 2 and 3), using the market-based method for Scope 2, amounted to 303,731 tCO<sub>2</sub>e, while under the location-based method they reached 316,374 tCO<sub>2</sub>e. For the purposes of GHG emissions reporting, we have adopted different base years: 2019 for Scopes 1 and 2 and 2020 for Scope 3.

Within the total carbon footprint, Scope 3 GHG emissions clearly dominate, representing 98.2% (market-based) and 94.8% (location-based) of total GHG emissions. The vast majority of these come from Category 1 – purchased goods and services, including production raw materials (80.8%), non-production goods and services (10.0%), and packaging (2.6%), which together account for approximately 93.4% of total GHG emissions.

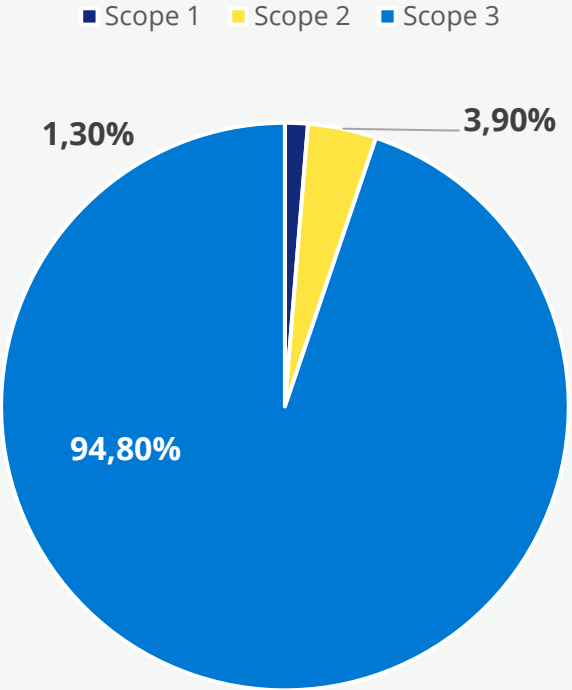
For Scopes 1 and 2 (market-based) GHG emissions, the largest share of our carbon footprint comes from purchased heat and natural gas combustion. By sourcing 100% of our electricity from renewable sources, we achieved a complete (100%) reduction in Scope 2 GHG emissions compared to the 2019 baseline.

Detailed data concerning Scope 1, 2 and 3 GHG emissions are provided, and the calculation methodology is described in “LOTTE Wedel 2024 Sustainability Statement” ([LINK](#)).

LOTTE Wedel total GHG emissions in 2024 (market-based)



LOTTE Wedel total GHG emissions in 2024 (location-based)



# Waste

At LOTTE Wedel, we have in place a comprehensive waste management policy aimed at minimizing waste, ensuring compliance with legal regulations, and protecting the environment and the brand. The instructions and annexes regulating this area cover production waste, municipal waste, hazardous waste, and branded waste.

## 1. Waste Hierarchy

The Company follows the waste hierarchy principle: prevention, preparation for reuse, recycling, recovery, and finally disposal.

## 2. Classification and Identification

Waste is classified in accordance with the Regulation of the Minister of Climate and the decision of the President of Warsaw. Each waste item must be labelled with a code and comply with Instruction I/4/OŚ regarding the waste description format.

## 3. Record-Keeping and Documentation

Records are maintained in the BDO (Polish Waste Database system) system using Waste Transfer Cards (KPO) and Waste Records Cards (KEO). Documentation includes orders, weighbridge receipts, destruction protocols, photographic documentation, and video recording.

## 4. Branded Waste

A special category is branded waste – products and materials containing the LOTTE Wedel trademark that must be destroyed to prevent identification and reuse. The destruction process is strictly controlled, documented, and supervised by the HSE & Quality Department.





## 5. Collection Points and Methods

Waste is collected in designated locations (sheds, containers, bins) with proper colour coding and labelling. For example, plastic waste goes into yellow bags, and paper waste into blue bags.

## 6. Responsibility

Specific departments and personnel are responsible for waste management: HSE & Quality department, production, IT, investments, distribution, and external cleaning service providers. Every employee is obliged to properly segregate waste and report non-compliance.

## 7. Waste Management Costs

Waste management costs are allocated to the appropriate departments depending on the source of the waste – e.g., HSE & Quality, marketing, distribution, or production departments.

## 8. Collection and Destruction Process

Waste collection occurs according to a schedule (Mondays and Thursdays), and the destruction process is documented with photos and video. The Company may appoint an auditor to supervise the destruction of branded waste.

## 9. Collaboration with External Companies

Waste is transferred only to companies with the necessary environmental permits, BDO registration, and transport authorizations. Contracts with these entities must include clauses on responsibility for waste.

## 10. Education and Control

The Company conducts educational and control activities on waste segregation, identification, and labelling. Instructions and annexes are regularly updated, and non-compliance is reported and corrected by dedicated specialists.



One of company events as part of the “EYE on ECO” project

In 2024, the following actions related to resource use and circular economy practices were undertaken:

- ❖ Reusing production by-products by returning excess chocolate from coating lines back into the production cycle;
- ❖ Providing part of the usable by-products to factory and office employees, as well as selling second-grade confectionery products in the museum shop under the "Daj im szansę" ( 'Give Them a Chance' ) initiative;
- ❖ Using reusable pallets;
- ❖ Returning reusable components to suppliers (e.g., stretch film cores). These packaging elements are stored and then sent back for refilling and reuse;
- ❖ Using rechargeable batteries instead of disposable ones (with plans for gradual wider implementation);
- ❖ Separating waste in both office and production areas.

In 2024, Wedel generated a total of 1,470.28 tonnes of waste, of which 73.9% was recycled.

## GOOD PRACTICE

### Anti-Waste 'Daj im szansę' ('Give Them a Chance') Project

As part of the 'Daj im Szansę' ('Give Them a Chance') project launched in 2024, we introduced for sale packages of **perfectly imperfect sweets** — products with minor visual flaws that would not normally reach store shelves but retain their full taste and quality. These products, packed in sets containing one type of confectionery (e.g., Ptasię Mleczko®, pralines, chocolates) with a minimum weight of 400 g, are available in person at the store located by the **E.Wedel Chocolate Factory Museum**. Instead of being disposed of, broken chocolate bars or unevenly coated pralines are packed in recyclable paper bags. The aim of the project is to **reduce food waste and promote sustainable development**.







**2**

**Social**





## Our approach to managing social impacts

The most important pillar of Wedel's *CSR Strategy for 2020-2027* is '**People**', understood as all groups of individuals affected by Wedel's activities — starting with those who work directly for the Company and those employed within our value chain, the local community within the vicinity of our factory and the **E.Wedel Chocolate Factory Museum** in Warsaw's Praga district, to consumers and end users of our products.

//

In the Social (S) area, we focus on [building responsible relationships with our stakeholders](#) – both within the company and in its broader environment.

That is why we once again conducted an in-depth dialogue with the people affected by our Company's activities, to listen to their opinions and needs, redefine our goals, and plan future actions accordingly. We also continue our ongoing projects, including those supporting diversity and inclusion.

The titles and prizes awarded to LOTTE Wedel in 2024 – such as [Top Employer](#), [Lidl Fair Pay](#), and [Trustworthy Employer](#) – confirm that the direction of our long-term programs in the social area is being recognized and appreciated by the market.

**Karolina Kopińska**  
ESG Junior Manager



# A friendly and growth-oriented workplace

In the employee area, our Company is distinguished by a unique combination of continuing a long-standing tradition of being a responsible employer while simultaneously implementing cutting-edge solutions in human resource management. This creates a work environment where everyone feels comfortable and can have a real impact on the Company's operations within their area of responsibility.

Currently, we are working on a new business strategy, one of whose pillars focuses on the Company's impact on employees. The strategy aims for continuous development and increased productivity through:

- 🏆 Enhancing employee competencies through training programmes and involvement in innovative projects,
- 🏆 Ensuring employee well-being and the resulting sense of physical and economic security, in particular by providing:
  - 🏆 Medical care,
  - 🏆 Working conditions compliant with occupational health and safety regulations and other applicable laws,
  - 🏆 Ergonomic office spaces,
  - 🏆 Competitive remuneration,
  - 🏆 Well-being initiatives (opportunities to participate in internal campaigns, access to non-monetary benefits, etc.)
- 🏆 Building a culture of dialogue and partnership with employees through:
  - 🏆 Dialogue with trade unions,
  - 🏆 Employee volunteer programmes.

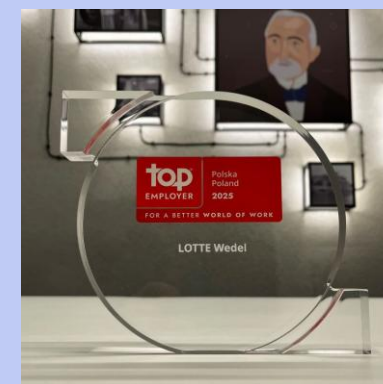
The Company draws inspiration from the approach of its founders, the Wedel family, to human resources and organizational culture. Their characteristic sensitivity to employee matters continues to be upheld by the Company's current management and is reflected in [an empathetic, development-oriented work environment](#). This includes both regular HR processes and additional company-wide initiatives (educational, integrative, and engagement activities involving the entire Wedel team.

The effectiveness of Wedel's approach to human resource management is confirmed by ongoing employee feedback, the average length of service in the company – **11 years** – as well as numerous awards.

## GOOD PRACTICE

### Top Employer 2024

In 2024, the Company received the prestigious **Top Employer** title for the fourth consecutive year. The certificate is the result of a detailed assessment of best practices in human resources management conducted by [the Top Employers Institute](#). It covers areas such as HR strategy, talent acquisition, employee development, diversity, and well-being.





## Remuneration equality and the gender pay gap

As part of the DMA, one potential negative impact on Wedel's employees was identified – related to the [gender pay gap](#). At present, this impact remains potential, as pay equity regardless of gender has been consistently maintained within the Company for years. A responsible and consistent approach to remuneration contributes to ensuring equal treatment of women and men.

**In 2024, the gender pay gap in LOTTE Wedel amounted to 2%.**

## GOOD PRACTICE

### 4-Time Winner of Lidl Fair Pay

In line with its commitment to diversity and inclusion, Wedel maintains a high standard of gender pay equality, which has been recognized in the Polish labour market. The company received the **Lidl Fair Pay Award** in 2019, 2021, and 2022. In 2025, LOTTE Wedel won for the fourth time, based on the 2024 data.



### Diversity and inclusion

LOTTE Wedel strives to create an [open and safe workplace](#) where no one has to hide who they are, where employees recognize what unites them while also benefiting from the richness of differences. Respect for diversity is part of the organizational culture and a core value guiding all company activities.

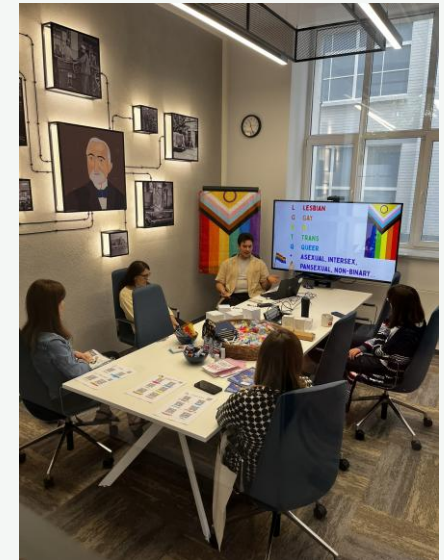
Since 2021, the grassroots group '**Różnorodni jak Mieszanka Wedlowska**' ('**Diverse Like Wedel's Mix**') has been active within the Company, promoting inclusivity and counteracting discrimination. In 2024, on its initiative, we carried out numerous diversity-related activities, including:

🍷 **Diversity Day** – an event which featured thematic stations covering: the ideas of diversity and inclusion; disability; internationalism in the workplace; work-life balance; the LGBTQ+ community; dietary diversity; and intergenerational differences and similarities.

🍷 As part of efforts to raise awareness about inclusion and diversity, several grassroots educational initiatives were created, focusing on intergenerational differences, neurodiversity, and preventing discrimination against people with disabilities.

🍷 A mandatory **E-learning Course on Diversity, Equity, and Inclusion (DEI)** was completed by all employees, including a final test to confirm understanding of the material.

🍷 To learn more, read about our [Diversity and Inclusion Policy](#) [here](#).



Our flagship **CzekoSprawni** programme is a [long-term initiative](#) supporting corporate diversity, aimed at increasing the employment of persons with disabilities (PWD) and promoting education in this area.

Within the programme:

- ❖ There are opportunities to [close skill gaps](#), e.g., through training on software necessary for the role, adapted to the needs of PwDs;
- ❖ Employees with disabilities can receive [support from a Specialist for Persons with Disabilities](#), who assists from the first contact with Wedel, participates in recruitment, and provides ongoing help during onboarding and integration within the organization;
- ❖ From the very job posting stage, Wedel sends a clear message that it fosters [an open and inclusive work environment](#). For office-based roles, the company offers a remote recruitment and onboarding process, as well as the option to work remotely;
- ❖ An important element of support for newly hired employees is the so-called [buddy](#) — a more experienced colleague who gradually assigns new tasks at a pace and in a format adapted to the abilities of the PwD.



**Thanks to the CzekoSprawni programme, the employment of people with disabilities in the company has been steadily increasing – from 0.85% to 5.92% (measured in FTEs).**

In 2024, numerous initiatives were implemented to promote professional activation of PwDs and to raise awareness of diversity & inclusion, including:

- ❖ In cooperation with '**Fundacja Polska bez Barier**' ('**Poland Without Barriers Foundation**'), an [architectural accessibility audit](#) of Wedel's office spaces was conducted to assess their suitability for PwD. Selected recommendations from the audit are now being implemented to create spaces that are accessible and welcoming for everyone;
- ❖ Wedel actively shared its best practices by participating in key events (including **NetworkPartner Congress**, the seminar '**Akcja Ewakuacja**' ('**Evacuation Action**'), or '**Droga do Aktywności**' ('**Path to Activity**')) and contributing to the development of reports on reasonable accommodations in the workplace;
- ❖ A [training session on evacuation](#) of persons with disabilities was also held to further enhance workplace safety.

## GOOD PRACTICE

### 'Employer Worthy of Trust'

Wedel's efforts to support people with disabilities in the labour market were recognized and appreciated by external experts – In the autumn of 2024, LOTTE Wedel received the prestigious '**Employer Worthy of Trust**' award in the category '**Company Friendly to People with Disabilities**'.





### 'Pink Box'

Menstrual exclusion affects up to half a million people in Poland – a challenge to which Wedel actively responds. In collaboration with **'Fundacja Różowa Skrzyneczka'** (**'Pink Box Foundation'**), the company provides free access to menstrual hygiene products in women's restrooms and restrooms for people with disabilities – both in the office building, the factory, and the E. Wedel Chocolate Factory Museum.

Approximately **40** boxes were installed across office and museum spaces.



### 'Together Time'

For Christmas, Wedel decided to address a real and growing social challenge – the lack of quality time spent with children and youth. The initiative was inspired by alarming findings from the UNAWEZA Foundation report, **'Głowa do Góry'** (**'Head Up'**), which revealed that **37.5%** of young people feel lonely despite having a family. In a world dominated by constant digital communication, many feel increasingly isolated.

**SŁODKIE  
USPRAWIEDLIWIENIE  
Z PRACY** (wypełnia dziecko)

Drogi Firmowy Mikołaju,  
z okazji Mikołajek, uprzejmie proszę  
o usprawiedliwienie nieobecności

(tutaj wpisz ile tego jest usprawiedliwienie)

w dniu .....  
(tutaj wpisz datę)

**Powód nieobecności:**

*Tęgie dnia chcemy spędzić nasz czas razem. Planujemy:*

.....

.....

.....

.....

(Podpisz dziecko)

From this reflection, the second edition of the **#SłodkieUsprawiedliwienie** (**#SweetExcuse** campaign) was born – an initiative aligned with the company's higher purpose: **'Together Time'**. The project draws on the heritage of Jan Wedel, our founder, for whom interpersonal relationships were the foundation of the business.

As part of the campaign, employees at Wedel were offered an **additional two paid hours** to spend on **'Together Time'** with their loved ones.

### HIGHER PURPOSE:

At Wedel, beyond our product offering and the delightful experiences at the E. Wedel Chocolate Factory Museum and Chocolate Lounges, we want to give something more to the world. We believe that sweets taste best when shared, becoming an invitation to spend meaningful moments together. **'Together Time'** is our way of strengthening bonds – to build happy relationships and counteract loneliness.



## Employee volunteering

In 2024, we continued to support [Wedel volunteers](#) and develop initiatives for [local communities](#), including:

🍫 The **18<sup>th</sup> edition** of the '**Wedel od Serca**' ('**Wedel from Heart**') grant programme took place in 2024. Together with non-governmental organizations, employees implemented **11** social projects across Poland, with a combined budget exceeding **PLN 100,000** (financial and in-kind donations).



Since 2019, projects have been selected through employee voting, and over the past 18 years, more than 270 projects have been completed under the programme.

🍫 As part of the long-term '**Akademia Wedla**' ('**Wedel Academy**') volunteer programme, the company hosted **30** young people in collaboration with '**Fundacja Dobrych Inicjatyw**' ('**Good Initiatives Foundation**'). The visit included a full day of activities led by Wedel volunteers, such as anti-bullying workshops, career development sessions, and more. The day concluded with a tour of the newly opened **E.Wedel Chocolate Factory Museum**.

## Local communities

Currently, work is underway on the new [ESG Strategy](#), which will be an important part of [LOTTE Wedel Business Strategy](#). The information obtained from stakeholders – including local communities – through the double materiality assessment will have a significant impact on shaping this strategy.

Designing key initiatives would not be possible without conversations with partners; for example, prior to the establishment of the **E.Wedel Chocolate Factory Museum**, a [workshop process with the local community](#) was conducted – including residents, representatives of the District Office, social organizations, and local businesses. As a result of these discussions, several changes were made to the project, both in terms of architecture and the functionality of the space.

We maintain regular contact with local communities, primarily residents of Warsaw's Praga district. Cooperation is conducted both directly with residents and through their representatives, including local institutions and non-governmental organizations.



As part of our ongoing collaboration, we carry out initiatives together with non-governmental organizations, including:

1. **'Fundacja Dobrych Inicjatyw' ('Good Initiatives Foundation')** – supporting children and youth from care and educational centres.

For the past seven years, the **Good Initiatives Foundation** has been a regular beneficiary of the skills-based volunteering program 'Akademia Wedla' ('Wedel Academy'. In 2024, ahead of Easter, we supported the Foundation's social project **#PaczkaDlaSeniora (#PackagefortheSenior)** through product donations and the engagement of employee volunteers. Thanks in part to financial support from Wedel, the Foundation carried out an extensive social study on the future of young people leaving foster care institutions. Additionally, through the Chocolate Lounges network, we helped the Foundation promote its 1.5% tax donation campaign.

2. **'Stowarzyszenie Serduszko dla Dzieci' ('Heart for Children Association')** – working with Praga residents, particularly children.

Since 2001, we have been consistently supporting the activities of the **Association** for the education of children and youth from Warsaw's Praga-Północ district, carried out, among others, in community centres. In 2024, we supported, among other initiatives, the **Serduszko Cup** football tournament.

3. **Omenaa Foundation** - promoting education both in Poland (Rio centre) and in Africa (school in Tema, Ghana).

Since cocoa, Wedel's most important raw material, is sourced from Ghana, the company has been cooperating with the **Omenaa Foundation** since 2019 to support a school in the city of **Tema**, built in part thanks to Wedel's contribution. The aim of this initiative is to help young Ghanaians in their education and development. In 2024, we provided the foundation with a financial donation to further equip the sports and therapy space at the

school. We also support the foundation's activities in Poland, by providing aid to the **Rio Edu Centre** in Warsaw, which currently houses refugees from Ukraine.

Other, smaller initiatives that have been taking place for several years now are carried out in cooperation with organizations such as the **'Ocalenie' Foundation, Teach for Poland Association, 'Zwolnieni z Teorii' ('Excused from Theory'), and 'Stowarzyszenie Mali Bracia Ubogich' ('Little Brothers of the Poor Association')**.

For over 20 years, Wedel has been regularly donating products to **'Bank Żywności SOS' ('SOS Food Bank')** in Warsaw.

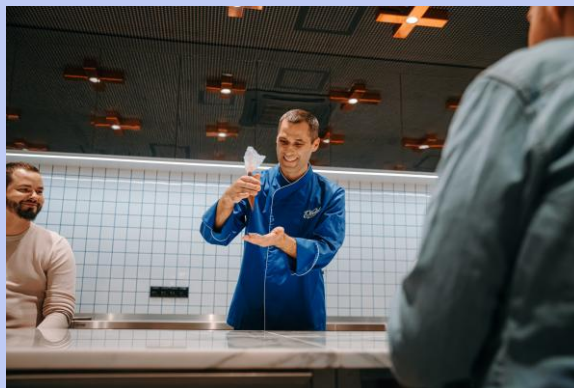


## GOOD PRACTICE

### A Museum Accessible to All

Opened in September 2024, the **E.Wedel Chocolate Factory Museum** was designed as an accessible and inclusive space, open to all visitors – including people with disabilities, seniors and families with children.

In cooperation with '**Fundacja Polska Bez Barier**' ('**Poland Without Barriers Foundation**'), a number of solutions were implemented to ensure that everyone could visit the museum comfortably. This included an accessibility audit of the space, ongoing consultations and staff training, including on inclusivity and supportive behaviour, and evacuation.



Visitors can enjoy:

- 🍫 wide aisles, lifts and adapted toilets for people with reduced mobility, seniors and parents with prams,
- 🍫 adjustable display heights and rest areas for greater physical comfort,
- 🍫 contrast signage, tactile plans and graphics, and audio captions for visitors with visual and hearing impairments,
- 🍫 sound adjustment options and noise-cancelling headphones for visitors on the autism spectrum.

These measures are part of Wedel's broader mission to promote openness, inclusiveness and equality, so that everyone can truly enjoy visiting the museum.

## Donations

In 2024, we continued our long-standing commitment to supporting people in need through an extensive programme of in-kind and financial donations. We responded to both ongoing social needs and crisis situations, working with trusted organizations across Poland.

🍫 In-kind (product) donations: **PLN 516,367.81**

🍫 of which to the Warsaw SOS Food Bank: **PLN 459,283.82**

🍫 to other charitable organizations and institutions: **PLN 57,083.99**

🍫 Financial donations: **PLN 195,000.00**, including **PLN 95,000.00** under the traditional '**Wedel od Serca**' ('**Wedel from Heart**') grant programme

🍫 Additional support for flood victims.

In response to the devastating floods in southwestern Poland in September 2024, Wedel donated several tons of products to affected communities. The value of this aid amounted to **PLN 139,240.89** (included in product donations).

**In 2024, Wedel donated a total of PLN 945,608.70.**




**3**


## **Governance**



## Our approach to managing sustainable development

Responsibility for making key decisions and overseeing the management of issues relevant to the company's economic, environmental, and social impact lies personally or collectively with:

 Members of the Management Board (statutory)

 Members of the Management Team

The Management Board has an executive function and also acts as a communication bridge between the company and the owner. The role of the Management Team, on the other hand, is operational, including the implementation of the resolutions of the Management Board.

Members of the Management Team are directly involved in projects. They monitor the progress of these projects by sitting on steering committees and approving the company's internal regulations. Long-term strategies and policies in the area of sustainable development are approved at the level of the dedicated Strategic Steering Committee of the ESG Programme (the ESG SteerCo) and the Management Team.

**In 2024, there were no women on the Management Board, while their share in the Management Team was 12.5%.**

As at 31 December 2024 and as at the date of signing the financial statements (17 March 2025), the Management Board of LOTTE Wedel consisted of:

• **Tsuyoshi Fukatsu**

• **Hiroaki Ishiguro**

• **Gohsuke Hiramatsu**

• **Tomokazu Kono**

• **Andrzej Pałasz**

• **Maciej Herman**



As of December 31, 2024, in addition to the Members of the Statutory Management Board (T. Fukatsu, G. Hiramatsu, H. Ishiguro, and T. Kono), the Management Team also included:

**Maciej Herman**  
Managing Director

**Andrzej Pałasz**  
Finance and IT Director

**Krzysztof Bogacz**  
Marketing Director

**Kamila Luttmann**  
ESG and Legal Director

The Management Team plays a key role in shaping standards of business conduct – its members provide strategic directions, define guidelines for building a value-based corporate culture, and approve and apply internal regulations that promote integrity, transparency and compliance with legal regulations and market standards.

Their actions have a direct impact on how the business is run – ensuring that the Company is a credible and responsible manufacturer, business partner and employer. The decisions made by the Management Team incorporate not only economic criteria, but also ethical ones – an example of this is the decision not to sell products on foreign markets whose activities are contrary to the company's values (i.e. aggression towards another country).

The Management Team actively participates in meetings devoted to the implementation of ethical principles and sustainable development into operational processes, as well as in training on corporate culture and compliance. Key decisions – including those concerning resource allocation,

cooperation with external partners and communication – are made with consideration for their impact on the company's reputation and stakeholder trust.





At LOTTE Wedel, we continuously monitor the [evolving regulatory landscape](#) affecting our operations. As a result, we regularly review and refine our strategies and policies, as well as introduce new ones.

An example of our initiatives in the area of Governance (G) is the ongoing revision of our CSR Strategy, which began in 2024 in response to changes in EU and, consequently, national sustainability regulations. This process will lead to the introduction of a new ESG Strategy.

New policies, including the [Diversity and Inclusion Policy](#), are also a result of new legal requirements as well as the changing expectations of our stakeholders.

Listening to the voices of our stakeholders is the foundation for building trust in our company. At Wedel, we strive to be leaders in transparency, enabling us to offer our consumers high-quality products created in line with the highest ethical standards.

**Mateusz Hendzel**

Governance and Compliance Manager





# Corporate culture

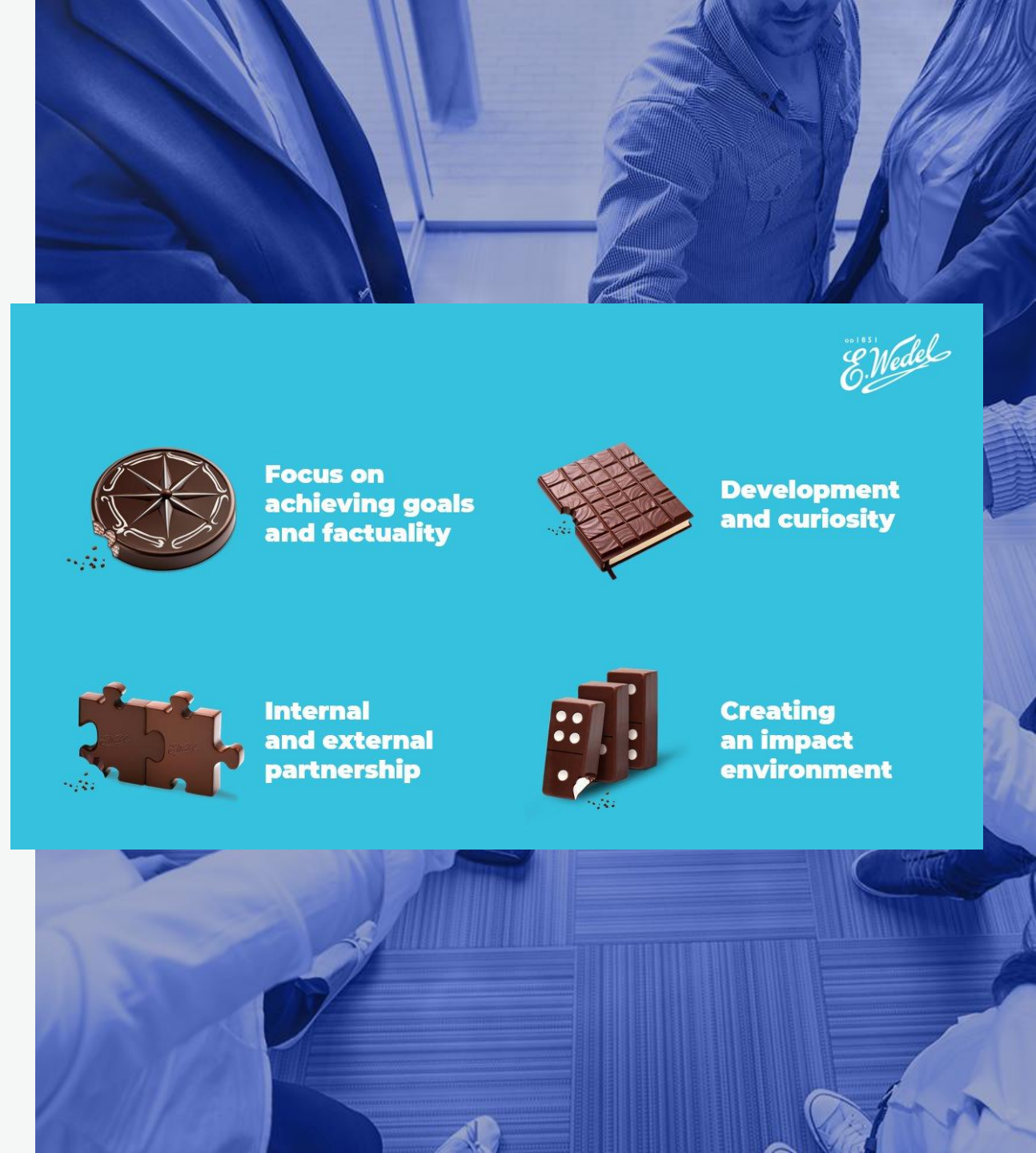
Corporate culture and the establishment of shared values for both the business and employees are key issues within Wedel. The Company's market presence and stakeholder trust are founded on the values it upholds. These values are shaped, among others, by the *CSR Strategy* and internal regulations such as the *Code of Ethics* and the *Diversity and Inclusion Policy*.

In the first half of 2023, we revised our business strategy and redefined the values that form the foundation of our organizational culture, ensuring that they align with the adopted direction and reflect the current spirit of the organization.

We approached the topic of organizational culture in a completely new way, based on the belief that each team, due to the specific nature of its work, requires an individual set of norms and behaviours that support the achievement of business objectives. At the same time, collectively defining and understanding attitudes fosters stable and highly effective teams. Therefore, employees from all areas of the company were engaged in this unique, organization-wide process to jointly develop the company's four core values.

The Company's organizational culture is reflected in its internal regulations, which serve as tools for achieving its main objectives.

We are aware of the impact it has on its stakeholders and of its responsibility toward them. The organization is committed to making moral and fair decisions and demonstrating ethical conduct – you can read more about this [here](#).



## Diversity and Inclusion Policy (DEI)

At LOTTE Wedel, we have put in place the *Diversity and Inclusion Policy* that emphasizes the Company's commitment to creating an open, safe, and inclusive work environment. The policy promotes respect for differences and equal treatment regardless of gender, age, origin, orientation, or disability. It encourages responding to any signs of exclusion and supports a culture of mutual respect and collaboration.

Based on the *Diversity and Inclusion Policy*, we are developing a *DEI Strategy*, which will be approved by the end of 2025.

## GOOD PRACTICE

### Ethical Company Award

In 2024, LOTTE Wedel was honoured with the title of **Ethical Company in the 11th edition of the competition organized by 'Puls Biznesu' daily**. The jury emphasized that, as a Company with a rich tradition, Wedel is committed to development based on social responsibility, business ethics, and sustainable growth. In particular, the jury highlighted the Company's strong focus on creating a friendly work environment through initiatives promoting diversity and inclusion, including the implementation of the *Diversity and Inclusion Policy*.

## Business conduct

At Wedel, we adopted a host of policies addressing business conduct and responding to identified material impacts, including:

❖ *Compliance Policy*,

❖ *Code of Ethics*,

❖ *Procedure for Reporting and Investigating Irregularities/Whistleblowing Procedure*,

❖ *CSR Strategy*, which will be replaced by the *ESG Strategy* currently under development,

❖ *Supplier Sustainability Policy*.



Photos from the Ethical Company 2024 Awards Gala. On the right: Kamila Luttelmann and Mateusz Hendzel from Wedel.



## Compliance Policy

The foundation of responsible and ethical business conduct at Wedel is the comprehensive compliance management system described in the *Compliance Policy*. The main principles of this document are:

### 1. Management Responsibility and 'Tone from the Top'

Compliance is the responsibility of senior management, who are required to lead by example and promote ethical values. The management is obligated to take actions that ensure adherence to legal regulations, internal policies, and market standards.

### 2. Systemic Approach to Compliance

The *Compliance Policy* is built on an established *Compliance Management System* (CMS), which includes managing non-compliance risks, a whistleblowing system, training and awareness-building activities, as well as procedures for responding to audits and crisis situations.

### 3. Supporting Documents and Regulations

The *Compliance Policy* is linked to other regulatory documents, such as:

 *Code of Ethics*

 *Anti-Corruption Policy*

 *Procedure for Reporting and Investigating Irregularities/Whistleblowing Procedure*

 *Policy for Preventing Mobbing and Discrimination*

## 4. Education and Communication

An important element of the policy is educational activities, including in-person and e-learning training sessions, as well as informational campaigns targeted at employees (e.g., *Compliance Day*).

## 5. Monitoring and Improvement

The compliance system emphasizes continuous improvement through audits, management reviews, risk analyses, and implementation of corrective actions. Tools supporting this include non-compliance risk matrices and the reporting and investigation procedure.

### Code of Ethics

We are aware of the impact our activities have on our stakeholders and of our responsibility toward them. We are committed to making moral and fair decisions and demonstrating ethical behaviour.

This is guided and regulated by Wedel's *Code of Ethics*, in effect since 2012, which serves as the overarching document defining the company's values and culture. It sets out the principles that guide our daily business activities, reflecting our responsibilities as an employer, manufacturer, neighbour, and business partner.

The Code establishes a hierarchy of values and standards of conduct for all employees, regardless of their role or position. Every employee is required to familiarize themselves with the document and apply its principles in their daily work. The Code is also publicly available on our website:



## Procedure for Reporting and Investigating Irregularities/ Whistleblowing Procedure

The purpose of the **Procedure for Reporting and Addressing Irregularities/Whistleblowing Procedure** is to define the rules for reporting, verifying, and resolving cases of irregularities and behaviours prohibited by law and other regulations, including internal ones. This particularly concerns issues such as corruption and other fraud, employment-related misconduct (discrimination, harassment, violations of personal rights), or breaches of internal rules set out in company policies, procedures, and instructions.



The procedure includes provisions for the protection of whistleblowers — any form of retaliation, whether direct or indirect, against a person reporting irregularities is strictly prohibited.

More information about the procedure is available on our website:

[Information on the Internal Reporting Procedure – LOTTE Wedel Sp. z o.o.](#)

## ESG (CSR) Strategy

Since 2020, Wedel has in place a CSR strategy for the period 2020-2027, which has been regularly updated. It is built on three pillars:



### People

Wedel focuses on its employees, consumers, and business and social partners, prioritizing good relationships with all stakeholder groups.



### Innovation

Wedel develops its product portfolio, processes, and procedures using innovative solutions.



### Environment

Wedel's products are created with respect for the natural environment, aiming to minimize the negative impact of business activities on the surroundings.

## Evolution of LOTTE Wedel's Sustainability Strategy

In 2024, we began a comprehensive revision of our *CSR Strategy* based on new guidelines, including the EU Deforestation Regulation (EUDR) on the placing on the EU market and export from the EU of certain goods and products linked to deforestation and forest degradation, the Corporate Sustainability Reporting Directive (CSRD), and the Corporate Sustainability Due Diligence Directive (CSDDD). At the beginning of the year, we conducted a *gap analysis* to prepare the company for compliance with the new reporting standards.

The next stage, carried out in 2025, involved a full revision of the current *CSR Strategy* and its transformation into the *ESG Strategy*, which will become an integral part of *LOTTE Wedel Business Strategy*.

The *CSR Strategy* revision was based on a *double materiality assessment* (DMA) conducted with extensive involvement from stakeholders. The results of this process served as the foundation for defining strategic sustainability goals for 2025-2030 and planning the actions needed to achieve them.

The Management Team has already approved a comprehensive report from the double materiality study, which forms the basis of the new strategy and includes insights into the opinions, needs, and interests of stakeholders. The new *ESG Strategy* is awaiting formal adoption by the Management Team, expected by the end of 2025.



## Supplier Sustainability Policy

An important document addressing the impacts identified in social dialogue is the [LOTTE Wedel Supplier Sustainability Policy](#). Its purpose is to ensure that the company's suppliers of goods or services, in the course of their operations, adhere to global business standards, ethical principles, sustainability practices, and applicable legal regulations.

We encourage and support suppliers to consider social and environmental responsibility in their activities. Suppliers, contractors, and business partners are expected to embrace and act in accordance with these values and principles, maintaining honesty, integrity, respect for diversity, and adherence to the rights of all individuals and entities.

Non-compliance with these values or violation of the principles may result in the termination of cooperation and can serve as a basis for ending all relations with the supplier.

Supplier obligations under the Policy include:

- ❖ Ensuring that employees, subcontractors, and other partners are informed about the policy and adhere to its principles and values.
- ❖ Maintaining documentation demonstrating compliance with the policy and providing it to LOTTE Wedel upon request.
- ❖ Reviewing and accepting the policy (either fully or with comments) when signing a contract or accepting an order. If a supplier does not accept the policy, they must provide written confirmation of this.

The policy aligns with the United Nations Charter, the Universal Declaration of Human Rights, the European Convention on Human Rights, and the OECD Guidelines.

The document is publicly available on the company website ([LOTTE Wedel Supplier Sustainable Development Policy](#)) and forms an integral part of LOTTE Wedel's internal procurement system and process.

## GOOD PRACTICE

### ESG Survey for Suppliers

In 2024, we introduced **a detailed survey** containing a range of cross-sectional questions on sustainability topics, including environmental issues, corporate governance, and community engagement. The survey serves as a starting point for further collaboration with our partners to reduce the negative environmental impact across the value chain.

In 2024, the survey covered approximately **10%** of our suppliers, and this number will be expanded in the coming years.





This ESG Report presents a summary of the key information from the LOTTE Wedel Group Consolidated Sustainability Statement for the period from 1 January to 31 December 2024.

In 2024, the LOTTE Wedel Group Consolidated Sustainability Statement was prepared for the first time in accordance with. Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (ESRS).

This document is voluntary, as the Group is not required to publish sustainability reporting for 2024.

The full statement can be found at: [www.wedel.pl/o-firmie/spoleczna-odpowiedzialnosc](http://www.wedel.pl/o-firmie/spoleczna-odpowiedzialnosc)

## Karolina Kopińska

ESG Junior Manager



[karolina.kopinska@wedel.pl](mailto:karolina.kopinska@wedel.pl)



+48 609 126 375