

LOTTE MIRAI CHALLENGE 2048

Goals to Achieve by the 100th Anniversary

To realize our sustainability visions and create a happier future, we defined our new goals leading up to our 100th anniversary in 2048. We will periodically review these goals as we make progress and in light of societal changes, and update abstract objectives to be more concrete.

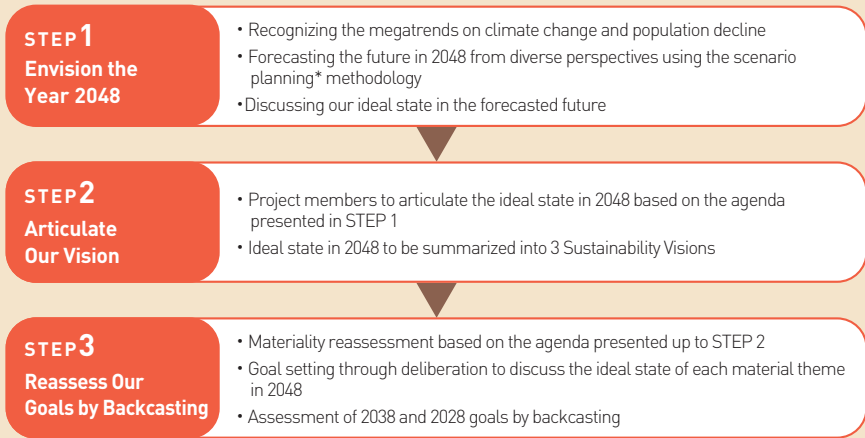
		FY2028 (80th Anniversary) Target	FY2038 (90th Anniversary) Target	FY2048 (100th Anniversary) Target
Evolving Our Brand Tailored to Customers for a Happier Future	 <p>Mental & Physical Health</p>	<ul style="list-style-type: none"> Promoting health benefits of <i>KAMUKOTO</i> and increasing the number of chewing assessments using the mastication check gum to more than 1 million times per year 	<ul style="list-style-type: none"> Spreading awareness about the health benefits of <i>KAMUKOTO</i> Renewal of products and services aligned with better well-being 	<ul style="list-style-type: none"> Building a happier future by introducing new products, services, and businesses to improve well-being  
	 <p>Sustainable Procurement</p>	<ul style="list-style-type: none"> Ensuring traceability of all cacao beans to be procured and offering support for the community (Product from Ghana by FY2025) 	<ul style="list-style-type: none"> Building a sustainable supply chain for the main raw materials 	<ul style="list-style-type: none"> Creating a sustainable supply chain for all raw materials    
Connecting People, Creating a Sustainable Planet	 <p>Circular Economy</p>	<ul style="list-style-type: none"> Renewal of packaging for three of our main products Ratio of FLW reduction to be 50% or more (per-unit volume in comparison with FY2019) 	<ul style="list-style-type: none"> Minimizing the use of plastics in containers and packaging, or switching to a recyclable form 	<ul style="list-style-type: none"> Discontinuation of petroleum-based single-use plastics for containers and packaging Minimization of FLW in collaboration with our stakeholders  
	 <p>Decarbonization</p>	<ul style="list-style-type: none"> Ratio of energy-related CO₂ emission to be reduced by 23% or more (Scope*1 1+2 in comparison with FY2019) Calculation of supply-chain GHG emissions using primary data feasible for reduction (Scope 3) 	<ul style="list-style-type: none"> Ratio of energy-related CO₂ emission to be reduced by 62% or more (Scope 1+2 in comparison with FY2019) Reduction of GHG emissions in the supply chain by 50% or more (Scope 3, main category) 	<ul style="list-style-type: none"> Achieving the carbon neutrality goals [Scope 1 + 2 + 3]  
	 <p>Social Engagement</p>	<ul style="list-style-type: none"> 100% completion rate for the environmental training classes taken by directors and employees Employee participation ratio in food education to be 20% or more (LOTTE CO., LTD., at least once during the term) 	<ul style="list-style-type: none"> Individual contribution to decarbonization in the entire value chain and realization of circular economy Helping individuals and organizations grow through diverse experiences outside the company by a way of giving back our experiences and skills 	<ul style="list-style-type: none"> Linking co-creation efforts with outside stakeholders for individual and organizational growth and contributing to resolve issues in society  
Becoming a Company with Diverse Talent and Continuous Innovation through Original Ideas	 <p>Human Capital</p>	<ul style="list-style-type: none"> Ratio of female managers to be 10% or more (Group companies in Japan) Engagement Rating*2 A or higher (LOTTE CO., LTD.) 	<ul style="list-style-type: none"> Eliminating the gender wage gap (Group companies in Japan) Being socially recognized as a good company to work for 	<ul style="list-style-type: none"> Creating a workplace where diverse global talent can join and thrive  

*1 Scope: Classification of calculation boundaries based on GHG Protocol

*2 Engagement Rating: An indicator of company-employee engagement (degree of mutual understanding and affinity) rated at 11 levels from AAA to DD

LOTTE MIRAI CHALLENGE 2048 Planning Process

LOTTE CO., LTD. formulated the Medium-Term ESG Targets in 2018 and engaged in promoting its sustainability efforts. Our activities and disclosures have made steady progress during five years since then, but we received feedback from inside and outside, indicating a lack of long-term vision beyond medium-term goals with an unclear link to future enterprise value. In response, we revisited our goals and outlined a new vision for our 100th anniversary in 2048. Recognizing the importance of including the perspectives of those who will shape the future in 2048, we organized a project team comprised of entry-level to mid-career members to discuss the agenda.



Project Members' View on LOTTE in 2048

The project members participated in a workshop titled "Envisioning LOTTE's 100th Anniversary" to discuss the agenda shown in STEP 1. First, they explored the likely megatrends, such as climate change and population decline, and used scenario planning to assess the external environmental changes that could impact us in 2048. They discussed what our company should be, what we should do to survive, and what we aspire to become, focusing on the key areas of value proposition, environment, and work styles in the predicted future of 2048. Below are the meeting minutes (graphic recording) from the discussion on our sustainability vision and the LOTTE MIRAI CHALLENGE 2048.



* What is Scenario Planning?
It is a method that involves envisioning multiple likely future scenarios and how to respond to each situation. While it's impossible to predict the future with complete accuracy, exploring a wide range of possibilities helps strengthen our ability to navigate an uncertain and complex future.



Message from Outside Director

Ayako Sonoda Outside Director

What will the global environment and society be like in 2048, when we celebrate our 100th anniversary? If we continue on our current path, we will push the Earth to its limits, and our economic and social systems will become unsustainable. But if we take action, we can change the future. I like to think of backcasting as "memory for the future." By envisioning our ideal future, we empower ourselves to tackle uncharted challenges and spark meaningful change.