






Materiality and Medium-Term ESG Targets through FY2023

Here is an overview of the progress we have made towards our Medium-Term ESG Targets. We updated the goals in 2024 to align with the LOTTE MIRAI CHALLENGE 2048 in an effort to increase our capacity.

Materiality	Key Items	Indicators	2021 Result	2022 Result	2023 Result	2023 Target	2028 Target
1 Food Safety and Reliability 	Further improvement of product quality	GFSI recognized certification schemes (FSSC 22000/BRC) Applicable: LOTTE CO., LTD., Mary Chocolate Co., Ltd., Ginza Cozy Corner Co., Ltd. (Saitama Factory, Kawaguchi Factory) and production sites of Group companies overseas	Certification maintained	Certification maintained	Certification maintained	Certification maintained	Certification maintained
		Introduction of LOTTE ADVANCE, our quality assurance system	Completed the draft of Group Common Standards applicable to Japan	Finalized the shared Group Common Standards (Japan and overseas)	Started using the system in development and production sites	Start roll out in all development and production sites	Continue to operate the system in development and production sites
2 Food and Health 	Health	Percentage of people who practice <i>KAMUKOTO</i> with proper awareness (Japan) Results of an online survey of 3,000 people (conducted by LOTTE)	20%	22%	21%	35% or more	50% or more
	Food Education	Percentage of people who have made xylitol part of their daily lives for the sake of their dental and oral health (Japan) Results of an online survey of 3,000 people (conducted by LOTTE)	28%	25%	25%	—	50% or more
		Number of people attending our food education lectures Scope of Tabulation: LOTTE CO., LTD.	46 thousand persons	66 thousand persons	101 thousand persons	100 thousand persons per year or more	150 thousand persons per year or more
3 Environment 	Decarbonized society	Reduction Rate of Energy-Related CO ₂ Emissions (Scope 1 and 2) (Comparison with FY2019)* Scope of Tabulation: Same as the items listed in page 19	13% reduction	13% reduction	17% reduction	—	23% or more reduction (2050 Target: Carbon neutrality)
	Circular Economy	Reduction rate of food loss and waste (FLW) (Per-unit volume, comparison with FY2019) Scope of Tabulation: LOTTE CO., LTD. and its major Group companies	13% reduction	18% reduction	22% reduction	—	50% or more reduction
		Recycling rate of waste generated by production processes Scope of Tabulation: LOTTE CO., LTD. and its major Group companies in Japan	96.8%	96.0%	94.5%	99% or more (Japan)	99% or more (Japan and overseas)
4 Sustainable Procurement 	Cacao Beans	Usage rate of LOTTE Sustainable Cacao Scope of Tabulation: LOTTE CO., LTD. Weight of cacao beans procured in the form of beans	19%	26%	44%	—	100% (2025 Target: 100% for Ghana beans)
	Palm Oil	Usage rate of third-party verified palm oil Scope of Tabulation: LOTTE CO., LTD. and its major Group companies in Japan Weight of palm oil contained in oil and oil processed goods	18%	65%	89%	100% (Japan)	100% (Japan and overseas)
	Paper	Usage rate of environmentally friendly paper (for product containers and packaging) Scope of Tabulation: LOTTE CO., LTD. and its major Group companies in Japan	96%	95%	95%	100% (Japan)	100% (Japan and overseas)
5 Employee Empowerment 	Diversity	Ratio of female managers (Japan) Scope of Tabulation: LOTTE CO., LTD. and its Group companies in Japan	7.3%	7.4%	7.5%	10% or more	20% or more
	Work-style reform	Annual total working hours per person (Japan) Scope of Tabulation: LOTTE CO., LTD. and its Group companies in Japan	1,880 hours	1,923 hours	1,930 hours	1,850 hours or less	1,800 hours or less
	Employee Engagement	Percentage of employees with high job satisfaction (Japan) Scope of Tabulation: LOTTE CO., LTD. and its major Group companies in Japan	62.4%	59.7%	No result due to a change in the survey method	80% or more	At least 80%

* The previously provided information has been updated due to an error.