



Our mission is to enrich people's lives by providing superior products and services that our customers love and trust. We are working to realize our CSV (Creating Shared Value) goals by delivering products and services that will improve people's lives while minimizing the negative impact on diverse stakeholders through our business activities.

- ◆ Human Rights
- ◆ Sustainable Procurement
- ◆ Proposal of Sustainable Food
- ◆ Animal Welfare
- ◆ Food Safety and Reliability
- ◆ Occupational Health and Safety
- ◆ Mental & Physical Health
- ◆ Shokuiku (Food Education)
- ◆ Employee Empowerment
- ◆ Support Activities
- ◆ Initiatives of the Group Companies
- ◆ Social Data

## ◆ Human Rights

### Basic Approach

At LOTTE CO., LTD. and its Group companies, we ensure human rights are respected in all of our business activities. We make every effort to ensure that we do not commit any direct human rights violations as a matter of course. In addition to complying with the international standards, including the International Covenants on Human Rights and the Guiding Principles on Business and Human Rights, we endorsed the UN Global Compact in April 2021. We have also expressed our alignment with the Basic Guidelines for the Acceptance of Foreign Nationals, which was issued by the National Federation of Consumer Product Industries and Consumer Organizations (SEIDANREN) since 2024.

#### ▶ Policy on Human Rights

<https://www.lotte.co.jp/english/charter/humanrights.html>

### Human Rights Due Diligence

To ensure the human rights are respected for all the individuals affected by any aspect of our business throughout the entire supply chain, we undertake human rights due diligence according to the procedures specified in the United Nations Guiding Principles on Business and Human Rights, seeking to identify risks related to human rights and mitigate such risks. The first step of identifying human rights-related risks is to reference the international standards and guidelines\*1. We conducted an assessment\*2 on human rights-related risks resulting from business activities and identified potential issues associated with human rights. Furthermore, we conduct field surveys through questionnaires and interviews, and take corrective measures for the identified human rights-related risks. To accommodate changes in the business environment whenever appropriate, we regularly perform assessment. In 2023, we evaluated the identified risks again and confirmed that there was no major change.

\*1 The Ten Principles of the UN Global Compact, the Global Reporting Initiative (GRI) Standards, the United Nations Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct, etc.

\*2 Indices including the ITUC-Global Rights Index and the Global Slavery Index used as the input data

#### — Main Initiatives

2019 to 2020	<ul style="list-style-type: none"> <li>• Conducted human rights risk assessment and field surveys on the Group companies in Japan</li> <li>• Identified human rights risks with highest priority</li> </ul>
2021 to 2022	<ul style="list-style-type: none"> <li>• Started and expanded the human rights training for employees</li> <li>• Conducted field surveys on the Group companies overseas and took corrective action for the risks</li> <li>• Requested major suppliers to join Sedex* and started the risk assessment</li> </ul>
2023 and beyond	<ul style="list-style-type: none"> <li>• Conducted field surveys on the trading firms that handle main raw materials, the contracted factories in Japan, and some of the Group companies in Japan</li> <li>• Re-assessed human rights-related risks and reviewed the human rights-related risks to be prioritized</li> </ul>

\* Sedex: Supplier Ethical Data Exchange. An NPO set up in the UK in 2004 that provides a platform for sharing and managing companies' ethical data with the aim of establishing responsible business practices within supply chains.



### Human Rights Management System

Our risk management team, led by the Risk Management Committee, is ready to respond to risks that may have a significant impact on our business (page 51). The human rights issues are considered as the most critical management risks of all.

The Planning Section of the Sustainability Promotion Department manages human rights-related risks, with the officer in charge of the Sustainability Promotion Department serving as Director. Together with the related departments and the Group companies, they identify risks and actions, and then report the progress to the Risk Management Committee at least once a year. The Risk Management Committee examines business risks and countermeasures based on these reports and then escalates them to the Executive Committee and the Board of Directors for decisions.

### Human Rights Education & Promotion

The Group companies provide human rights education and raises awareness among our employees to ensure that our business activities are conducted in line with the human rights principles.

#### ● Training on Human Rights

In 2021, we started offering e-learning courses on human rights to all the employees of LOTTE CO., LTD. and its Group companies in Japan. Approximately 3,200 employees took the training courses in FY2023. In addition to promoting a basic understanding of human rights, including the prohibition of discrimination and unconscious bias, the training also made use of case studies to explain specific situations to be careful about in the course of business activities. We distribute the leaflets translated into the local language to its Group companies overseas to promote awareness and understanding of our human rights policy.

### ● Education for Personnel Engaged in Hiring

In order to ensure the fairness of our recruitment process, LOTTE CO., LTD. and its Group companies have established guidelines that outline key principles for hiring and provide education for personnel engaged in hiring. From the perspective of eliminating child labor, we also make sure that candidates meet the minimum age requirement stipulated by law at the time of hiring.

### ● Education for Personnel Engaged in PR/Marketing

To ensure that our PR and marketing activities are aligned with human rights principles, LOTTE CO., LTD. and its Group companies have established guidelines outlining key principles for respecting human rights. Additionally, we make sure that external communications will not lead to discrimination or prejudice, or will be interpreted as explicit or implicit stereotyping.

#### ▶ Guidelines for Respecting Human Rights in Public Relations and Marketing

[https://www.lotte.co.jp/corporate/sustainability/pdf/respect\\_human%20rights\\_guideline.pdf](https://www.lotte.co.jp/corporate/sustainability/pdf/respect_human%20rights_guideline.pdf) (japanese only)

### ● Whistleblowing Hotline

We have opened a whistleblowing hotline called “Clean Line” (see “Whistleblowing System” on page 53) to provide employees with a platform to seek advice or report cases, both from within and outside LOTTE and its Group companies. Alongside the human rights education, we have informed our employees of the hotline they can contact. We explain the response flow to manager-class personnel when the hotline is notified of a case. New employees receive training about this hotline.

### — Progress in Addressing Human Rights Risks

	Human Rights Risks Identified	Specific Concerns	Action	Progress	Action Plan	Relevant Page
In our own operation (Japan)	Discrimination and harassment	Insufficient human rights education for employees	<ul style="list-style-type: none"> <li>● Provide training on human rights</li> <li>● Prepare Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>● Provide e-learning for all employees in Japan</li> <li>● Inform guidelines and verify operation</li> </ul>	<ul style="list-style-type: none"> <li>● Continue to provide the training once a year</li> <li>● Periodic review of the guidelines</li> </ul>	P29-30
		Insufficient support for minorities including the LGBTQ+ community and people with disabilities	<ul style="list-style-type: none"> <li>● Provide training to promote awareness and plan actions</li> </ul>	<ul style="list-style-type: none"> <li>● Start the ALLY* community</li> <li>● Extend benefits programs gradually for spouses to include same-sex partners</li> </ul>	<ul style="list-style-type: none"> <li>● Ensure safe workplace for everyone</li> <li>● Expand hiring of people with disabilities and provide accommodations</li> </ul>	P40
In our own operation (Overseas)	Discrimination and harassment	Insufficient communication about the whistleblowing hotline or human rights education for employees	<ul style="list-style-type: none"> <li>● Raise awareness of human rights and notify that the whistleblowing hotline is available</li> </ul>	<ul style="list-style-type: none"> <li>● We distributed the leaflets to raise awareness about human rights and inform employees of the whistleblowing hotline</li> </ul>	<ul style="list-style-type: none"> <li>● Periodic monitoring of the whistleblower hotline operation</li> </ul>	P29-30
Supply chain	Discrimination and harassment	Insufficient supply chain management capacity	<ul style="list-style-type: none"> <li>● Supplier management with Sedex and field survey on contracted factories</li> </ul>	<ul style="list-style-type: none"> <li>● Encourage suppliers to join Sedex</li> <li>● Conducted on-site surveys on trading firms and the subcontracted factories</li> </ul>	<ul style="list-style-type: none"> <li>● Continuous management using Sedex</li> <li>● Continuous engagement for trading firms and the subcontracted factories</li> </ul>	P31
		Forced and child labor				
	Lack of respect for fundamental rights of workers	Child labor in regions producing cacao beans	<ul style="list-style-type: none"> <li>● Promote monitoring through LOTTE Sustainable Cacao procurement to prohibit child labor and ensure fair practice</li> </ul>	<ul style="list-style-type: none"> <li>● LOTTE Sustainable Cacao procurement: 44% (FY2023)</li> </ul>	<ul style="list-style-type: none"> <li>● Promote activities to achieve the goals</li> </ul>	P31-33
	Indigenous people and local residents' rights to be respected	Forced and child labor in regions producing palm oil	<ul style="list-style-type: none"> <li>● Support producers through procurement of RSPO-certified oil</li> </ul>	<ul style="list-style-type: none"> <li>● RSPO-certified oil procurement ratio: 89% (FY2023, in Japan)</li> </ul>	<ul style="list-style-type: none"> <li>● Continuous procurement of the third-party verified palm oil</li> </ul>	P34

\* ALLY: A person who understands and supports LGBTQ+.

# Sustainable Procurement

## Basic Approach

While the role of safety and reliability in the stable provision of high-quality goods and services cannot be overstated, we also believe in the importance of sustainable procurement of ingredients, with due consideration given to the environment and society. To this end, we are working with clients and stakeholders both inside and outside of the food industry to promote sustainable procurement throughout the supply chain. In 2018, we developed the Policy on Procurement and defined our approach to this matter.

### ▶ LOTTE Procurement Policy

<https://www.lotte.co.jp/corporate/about/philosophy/procurement.html>  
[Japanese only]

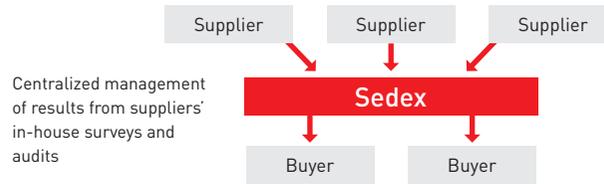
## Building a Responsible Supply Chain

We advocate for sustainable procurement based on our procurement policy. This policy outlines ethical business practices, quality and safety standards, as well as environmentally friendly practices and consideration for society. However, as our supply chain becomes more globalized, it is more difficult to control every aspect and therefore difficult to control its environmental and social impact on our own. In that light, it is essential that we work alongside our suppliers and we formulated LOTTE CO., LTD. Supplier Guidelines in April 2019 to this end. These guidelines allow us to share our fundamental value system with suppliers and, coupled with more effective relationships built through dialogue, are helping achieve our goal of realizing a sustainable society. We hold regular orientations on these guidelines to further deepen understanding and strengthen supplier relationships.

### ▶ LOTTE Supplier Guidelines

[https://www.lotte.co.jp/corporate/sustainability/pdf/supplier\\_guideline.pdf](https://www.lotte.co.jp/corporate/sustainability/pdf/supplier_guideline.pdf)  
[Japanese only]

Since 2021, we have been a member of Sedex\*, the world's largest platform for sharing sustainability-related data and other results from in-house surveys and audits. We will evaluate our suppliers and gather data by using Sedex while encouraging our primary suppliers to join Sedex and share information on this platform. As of June 30, 2024, about 60% of our primary suppliers (based on the amount of raw materials transaction) share the questionnaire results and evaluation with us via Sedex.



## Primary Raw Materials

After a comprehensive assessment based on quantities used, dependence level, availability of alternative items, and environmental and social factors, we evaluate which of the ingredients will be considered our primary raw materials. We regularly review and update the primary raw materials to respond to the needs of society and changes to our business and global environment.

### — Primary Raw Materials

Cacao beans	Main ingredient in chocolate products
Palm oil	Oil used in a wide range of products and food additives
Paper	Packaging for a wide range of products

## Cacao Beans

With chocolate being one of our core products, sustainable procurement of cacao beans is vital to the company. Cacao bean-producing regions are affected by a range of issues, including child labor, deforestation, and yield reduction due to pests and diseases. Our mission is to improve these situations and establish a sustainable supply chain for cacao beans while contributing to the happiness of all people involved in the chocolate industry.

Our efforts to build a sustainable supply chain include traceability of the cacao beans we procure and providing support for local communities to overcome their challenges. The cacao beans procured in such a way are called LOTTE Sustainable Cacao, for which we are expanding the procurement ratio, aiming to achieve this goal for all cacao beans procured from the Republic of Ghana by FY2025 and for the rest of cacao beans by FY2028.



### — Amount of Cacao Beans Procured

FY2021	5.1 thousand tons, LOTTE Sustainable Cacao 19%
FY2022	6.0 thousand tons, LOTTE Sustainable Cacao 26%
FY2023	7.5 thousand tons, LOTTE Sustainable Cacao 44%

Weight of cacao beans procured in the form of beans

### Scope of Tabulation

LOTTE CO., LTD.

### ● Traceability

We believe that traceability is essential for a sustainable supply chain, and we are working to ensure traceability through on-site warehouses dedicated to our products, in addition to keeping track of farmers we source from.

### — LOTTE Sustainable Cacao Procured Region (2022/23 Harvest year\* Results)

Country	State (Region)	County (District)
Republic of Ghana	Ashanti	New Edubiase/Nsokote
	Central	Dunkwa
	Western	Twifo Praso
		Manso Amenfi

\* Harvest year: For West Africa, the largest cacao bean-producing region in the world, the harvest year is from October through the end of September in the following year, based on the harvesting of cacao beans. The description "2022/23" means the period from October 2022 to the end of September 2023.

### — LOTTE Sustainable Cacao Sourcing Farmers (Republic of Ghana)

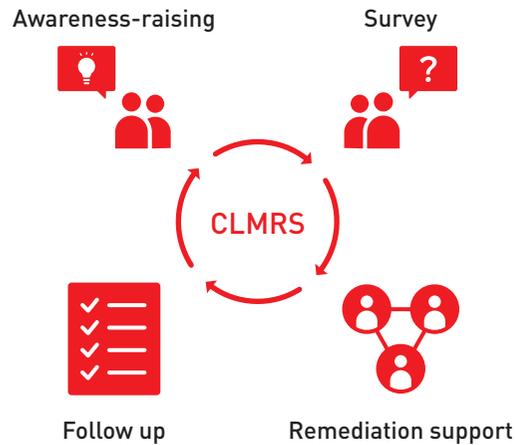
	Harvest year	
	2021/22	2022/23
Number of LOTTE Sustainable Cacao sourcing farms	2,124	3,188

● **Elimination of Child Labor**

To eliminate child labor, one of the social issues in the Republic of Ghana, we have implemented the CLMRS\* (or comparable system) to monitor child labor in collaboration with local partners at LOTTE Sustainable Cacao sourcing locations. The first step of CLMRS is to teach the definition of child labor and the importance of sending children to school. In addition to finding and remediating child labor, we aim to identify issues unique to the region by monitoring and making continuous improvements through follow-up.

\* CLMRS: Stands for Child Labor Monitoring and Remediation System. This system was developed by the International Cocoa Initiative (ICI), a non-profit organization dedicated to the elimination of child labor in cacao-producing regions, aiming to identify and remediate child labor risks per farming community.

— **Overview of CLMRS**



— **CLMRS Usage (Republic of Ghana)**

	Harvest year	
	2021/22	2022/23
Number of farmers using CLMRS	2,008	3,083
Adoption rate	94.5%	96.7%
Number of child labor cases identified	36	617
Number of remediated cases	35	617

Adoption rate=Number of farms with CLMRS adopted/Number of LOTTE Sustainable Cacao sourcing farms

● **Grievance Mechanism**

In New Edubiase/Nsokote and Dunkwa, which belong to LOTTE Sustainable Cacao sourcing regions, we have a system that allows farmers to report suspected human rights violations such as child labor in their communities to CLMRS and local partners who provide training on agricultural methods.

● **Deforestation Survey**

We are in the process of mapping the cacao plantations in the LOTTE Sustainable Cacao sourcing area to ensure that they do not contribute to deforestation.

— **Plantation Mapping Status (Republic of Ghana)**

	Harvest year	
	2021/22	2022/23
Number of mapped farms	1,265	3,100
Coverage ratio	59.6%	97.2%
Farms in forest reserve area/ Number of adjacent farms	0	126

Coverage ratio = Number of mapped farms/Number of LOTTE Sustainable Cacao sourcing farms

● **Agricultural Training**

We provide guidance to farmers supplying LOTTE Sustainable Cacao about proper use of fertilizers and pesticides, as well as agricultural methods leading to higher yields.

— **Status of Agricultural Training Conducted (Republic of Ghana)**

	Harvest year	
	2021/22	2022/23
Number of participating farms	1,725	2,368
Participation rate	81.2%	74.3%

Participation rate=Number of farms participated in agricultural training/Number of LOTTE Sustainable Cacao sourcing farms

● **Empowerment of Farmers**

We provide support to farmer communities in LOTTE Sustainable Cacao sourcing regions that have limited access to financial services to set up and run VSLA\*. The community members can use funds borrowed from VSLA to purchase pesticides, fertilizers, and other products, as well as to pay for their life events.

\* VSLA: Stands for Village Savings and Loan Association. This is an organization that provides savings and loan services operated by the members in the village. Regular meetings and discussions held by the members help the community and its members to become more self-reliant.



— **VSLA Activity Status (Republic of Ghana)**

	Harvest year
	2022/23
Number of VSLA support cases	27

● **Water Well Donation**

We donated wells to supply clean water essential for people's living. This project has also reduced the workload of women and children, who are primarily responsible for fetching water.



● Collaboration with Stakeholders

We have been a member of the Platform for Sustainable Cocoa in Developing Countries founded by the Japan International Cooperation Agency (JICA) since its establishment in 2020. The platform provides an opportunity for stakeholders in the cacao industry, including industry associations, chocolate manufacturers, trading companies, consulting firms, and NGOs, to work collaboratively towards a socially, economically and environmentally sustainable cacao industry. We also endorsed the “Action Plan to Eliminate Child Labor in the Cocoa Industry” (announced in September 2022), specific activity goals announced by the platform to identify, prevent, and reduce the risks of child labor in the cacao industry.



In addition, we take part in activities of the World Cocoa Foundation, an international non-profit organization established in the United States in 2000 to support cacao farmers, provide technical guidance to cacao farmers in the equatorial cacao growing regions, and support activities to eliminate exploitative child labor in society.



● Support for Women’s Health

Since 2007, we have been providing support for community health service in Ghana through JOICFP, an international NGO founded in Japan in 1968 to protect women’s lives and well-being. Our activities include donating refurbished bicycles for community health volunteers to use for health education outreach, and providing aid for the construction of wells to provide safe and clean water. In recent years, we offer support for healthcare facilities to improve their sanitary environment, training of healthcare staff, as well as awareness-raising and education programs for young people.



● School Meal Support

We support the school lunch program in the Republic of Ghana as a member of the Red Cup Campaign, which is run by the UN World Food Programme (WFP), the agency of the United Nations dedicated to achieving zero hunger.



© WFP/Derrick Botchway

Building a Sustainable Cacao Industry

Since 2015, we have been working to realize a sustainable future in all aspects, including cacao production, delivery, and consumer experiences. We are expanding our initiatives by conducting research on varieties, fermentation, and upcycling of unused parts at an experimental farm in Papua New Guinea and at a dedicated lab in the LOTTE Central Laboratory.



Dari K Co., Ltd.

Dari K Co., Lt d., a Group company, was founded in 2011 as a bean-to-bar company that handcrafts chocolates from cacao beans. On Indonesia’s Sulawesi Island, we practice sustainable chocolate production through the ‘All-win Chocolate’ concept, aiming to bring smiles to cacao bean producers, consumers, and the environment. Dari K Co., Ltd. is also dedicated to advancing food technology, exploring the possibilities of cacao beans by developing fruit fermentation technology and specialized roasting techniques that minimize the loss of polyphenols. Together, we will embark on the journey of unlocking new potential in cacao beans, venturing beyond the conventional scope of chocolate.

## Palm Oil

In FY2023, we procured 15.2 thousand tons of palm oil total, of which 89% was certified by the third parties, up 34 percentage points from the previous fiscal year. Through our association with the RSPO, we will contribute to the sustainable development of the palm oil industry by working in solidarity with member companies and organizations. As an effort to promote sustainable sourcing of palm oil, we have been a member of the RSPO\*.

\* RSPO: Stands for Roundtable on Sustainable Palm Oil. It is an international NPO founded to promote the sustainable production and use of palm oil.

### Amount of Palm Oil Procured

FY2021	16.0 thousand tons, third-party verified oil 18%
FY2022	15.5 thousand tons, third-party verified oil 65%
FY2023	15.2 thousand tons, third-party verified oil 89%

Weight of palm oil contained in oil and oil processed goods

### Scope of Tabulation

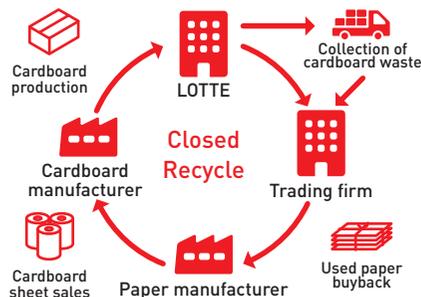
LOTTE CO., LTD. and its major Group companies in Japan

## Paper

In FY2023, 43.6 thousand tons of paper was procured for product containers and packaging in Japan, of which 95% was environmentally friendly paper. We will continue to ensure sustainable paper sourcing and increase the percentage of FSC-certified and eco-friendly paper sourcing.

### Recycled use of Cardboard Boxes

We launched a closed-loop recycling project to reuse cardboard items generated from our operations. Previously, cardboard boxes that were no longer needed after being used as raw material packaging or generated as waste materials from production were disposed of as paper waste. However, recycling these materials internally enabled us to have a stable supply of resources.



## Proposal of Sustainable Food

### Plant-Based Food

As a solution to food shortages arising from global population growth and climate change, we are working on the development of plant-based food. Since March 2023, "Coolish GREEN Vanilla" made with plant-based milk has been available throughout Japan (except convenience stores).



## Animal Welfare

### Animal Testing

We have now formally determined its Approach to Animal Testing.

#### Approach to Animal Testing

We will not engage in testing involving animals or outsource such testing to others unless (i) we are required to do so to fulfill our duty of accountability to society, (ii) no appropriate alternative method of testing is available, or (iii) we are required to perform such tests for regulatory reasons, or at the request of the authorities. If testing involving animals is unavoidable, we will observe the principles of the 3Rs\* in conformity with applicable laws, regulations, and guidelines.

\* 3Rs: Replacement (use alternative methods), Reduction (minimize the number of animals used), and Refinement (minimize suffering)

### Primary Raw Materials and Dialogues with Society

LOTTE and its Group companies use eggs and milk (including dairy products) as the main ingredients derived from animals. Based on a comprehensive evaluation of factors, including usage volume and rearing conditions, eggs are the primary raw materials from the perspective of animal welfare. In order to catch up with the animal welfare trends in Japan and abroad and to fulfill the society's current requirements on eggs, our primary raw materials, we engage in dialogue with NPOs specializing in the field.

## Food Safety and Reliability

### Basic Approach

"Quality" is one of the three LOTTE Values that we have been trying to convey since the founding. While pursuing the highest quality, we've made sure our food is safe and reliable. In food manufacturing, safety, reliability, and product quality are all must-haves, but we believe that our products must also be able to convey the added value of "enjoyment," "delicious flavor," and "repose." All of these are "Quality" that we strive for, and they are something that each of our employees works to further improve. In 2018, we developed the Policy on Quality and the Policy on Food Safety, and defined our approach to these matters.

▶ LOTTE Policy on Quality / Policy on Food Safety

<https://www.lotte.co.jp/english/charter/quality.html>

### LOTTE ADVANCE, Our Quality Assurance System

The factories of LOTTE CO., LTD. and its Group companies have already obtained certification under the GFSI\*1 approval scheme (FSSC22000\*/BRC\*3), which serves as the benchmark for international food safety standards. Our goal is to uphold compliance with the scheme or to promote the food safety initiatives aligned with the approval scheme.

To further improve quality and ensure a high level of safety in the future, we rolled out LOTTE ADVANCE, our proprietary quality assurance system, beginning in FY2023.

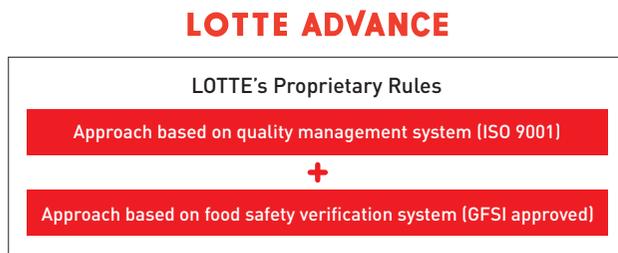
LOTTE ADVANCE, is built upon food safety initiatives aligned with the approach of the GFSI-approved scheme, which is an international food safety certification. LOTTE ADVANCE incorporates the approach of ISO 9001\*4, the International Organization for Standardization's standard for quality management systems, as well as our proprietary rules for high quality and safety. Focusing primarily on products sold in Japan, we will adopt this new system with the capacity to assess food safety-related risk from the product design and development stage to reduce risk throughout the entire supply chain from an even wider variety of perspectives than ever before.

We also have set a high standard on the overall quality and safety that were varied by regions or items manufactured. LOTTE ADVANCE will be adopted for our mainstay products of confectionery and ice cream. It comprises provisions associated with the Policy on Quality and the Policy on Food Safety, Provision, Group Common Standards and individual Group companies' guidelines, specifications, Standard Operating Procedures, and so on.

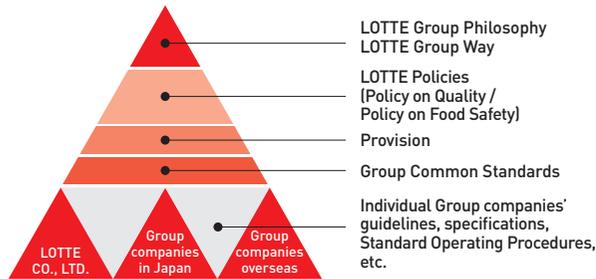
Our Quality Assurance Department plays a central role in determining standards and guidelines, which are also applicable to the Group companies.

- \*1 GFSI: Stands for Global Food Safety Initiative. It is a non-profit organization established in May 2000 operating globally to promote the continuous improvement of the Food Safety System.
- \*2 FSSC 22000: A globally recognized food safety standard that supplements ISO 22000, the International Organization for Standardization's standard for food safety management systems, with additional requirements
- \*3 BRC: Stands for British Retail Consortium. BRC provides third-party certification to ensure food safety.
- \*4 ISO 9001: The International Organization for Standardization's international standard for quality management systems aimed at enhancing customer satisfaction by supplying products and services of consistent quality

— LOTTE ADVANCE Framework



— LOTTE ADVANCE-Related Documentation

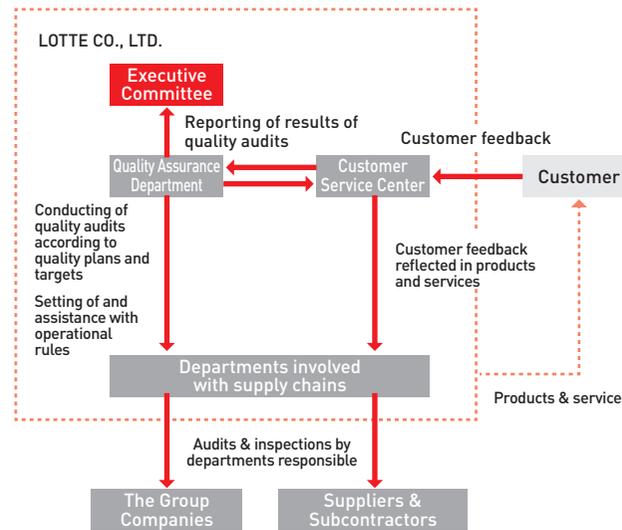


Quality Assurance Promotion System

Our Quality Assurance Department takes the lead in quality assurance throughout the entire supply chain of our products sold in Japan, from product development to communication with customers. We also provide internal training related to quality and sanitation in order to improve the skills of personnel at respective departments and Group companies.

In addition, our Executive Committee examines important policies regarding quality assurance and medium-term targets, and confirms the status of efforts to reach these targets.

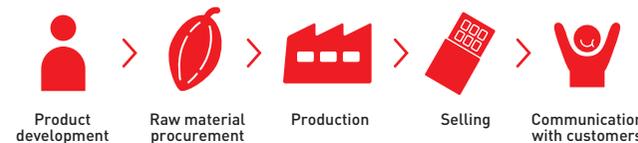
— Quality Assurance System



Quality Assurance in the Supply Chain

Our Group is committed to ensuring quality at every stage of the supply chain as defined in the Policy on Quality and the Policy on Food Safety.

— Supply Chain



● Product Development

To deliver safe, high-quality products to customers, we will adopt the risk assessment system, focusing primarily on products sold in Japan, and assess risk at each stage of product development. This will enable us to reduce risk further by broadening the scope of our safety and reliability measures, which in the past focused primarily on manufacturing processes.

● Raw Material Procurement

We inspect each lot of raw materials purchased, manage raw materials appropriately, and ensure traceability so that we know which products specific lots are used in. We also evaluate suppliers based on safety and quality, followed by the sanitation inspection. Thus, we strive to improve quality continuously by working with our suppliers. Our sanitation inspections entail the use of a checklist to verify all the required items in full, after which we request remedial measures where necessary, and check the results of such remedial measures.

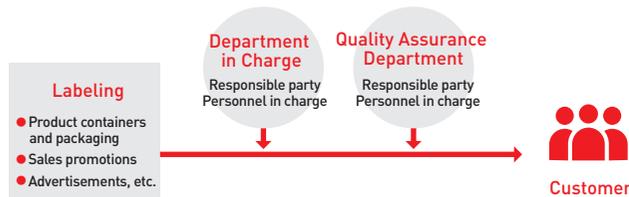
● Production

Measures to protect against contamination from foreign substances are implemented at factories belonging to LOTTE CO., LTD. with great care. Those entering a production site must wash their hands and use an alcohol disinfectant as a standard measure, and must undergo an additional three-step process to remove any foreign hair or dust affixed to their clothing, comprising an air shower that utilizes pneumatic jets, a vacuum hair and dust removal system, and an adhesive roller system. In the manufacturing process, metal detectors, X-ray devices, and several other tools are employed to inspect for foreign objects and ensure safe products.

● Selling

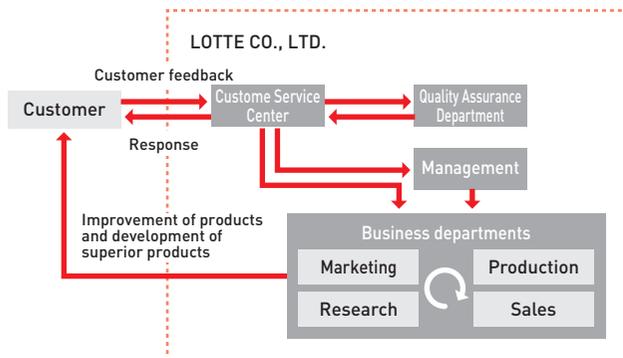
To enable customers to buy and consume our products with peace of mind, labeling related to product packaging, sales promotions, and advertisements is conducted in accordance with all relevant laws and regulations, with every effort made to provide information to customers in an easy-to-comprehend manner that avoids misunderstandings. We maintain a system where information to be disclosed is subjected to checks by multiple departments and people in order to prevent errors. Furthermore, the Quality Assurance Department leads in-house training on food labeling to improve the knowledge of those in charge of the task. We also defined the human rights guidelines for expressions that may lead to harmful stereotyping, discrimination, or negative influence on minors, ensuring that our materials do not include such expressions.

— Our Labeling Check System



● Communication with Customers

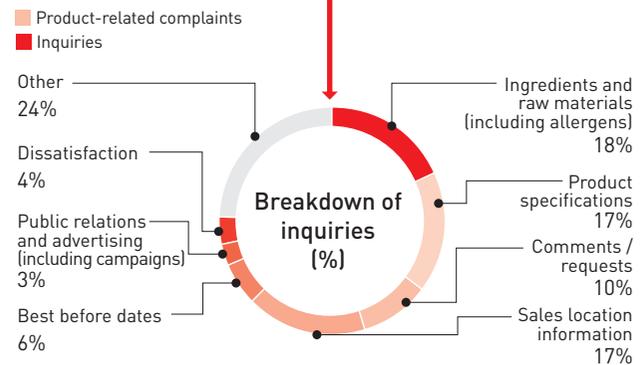
We have established a Customer Service Center as a means to handle customer inquiries and consultations, which is part of our commitment to providing sincere support and clear information so that customers can use our products and services with peace of mind. Customer feedback is shared with management and related departments to develop new products and improve existing products. We share customer feedback with the management and relevant departments internally to improve existing products and develop new products.



Number of Inquiries from Customers and Breakdown

In FY2023, our Customer Service Center received roughly 34 thousand inquiries from our Group companies' customers in Japan.

— Number of Inquiries from Customers



Scope of Tabulation

LOTTE CO., LTD. and its major Group companies in Japan

Recalls and Legal Violations

In FY2023, we issued one recall. We will conduct a thorough investigation to determine the cause and take action to prevent a recurrence. In addition, none of the Group companies have been reported to violate the Act against Unjustifiable Premiums and Misleading Representations stipulated by Japan's Consumer Affairs Agency.

◆ Occupational Health and Safety

Promotion System

Our Central Health and Safety Committee works with the Health and Safety Committee at each business location and coordinates efforts to reduce the risk of occupational accidents. In addition, to prevent the reoccurrence of these accidents, we promote education that includes sharing cases of past accidents through bulletins and training.

Occupational Health and Safety Education

We provide a range of occupational health and safety education to prevent accidents from occurring. For employees starting work in factories for the first time, we offer basic safety education and a first aid course. In addition, we run regular training sessions at our facility for hands-on education (the Safety Dojo) to develop employees' sensitivity to hazards. These forms of education are supplemented by annual hazard awareness training at which employees from different business locations share information about hazards and discuss remedial measures.



Safety Audits and Inspections

We conduct safety audits and inspections to safeguard against compliance violations and reduce the risk of occupational accidents. To reduce occupational accidents, each department reports the previous day's close call during the morning meeting. If a case is reported, the site will be reviewed during the management meeting so that we can take action accordingly. In the unfortunate occurrence of an accident, a thorough investigation is coupled with extensive countermeasures in order to prevent recurrences.

**Examples of Risk Reduction Measures**

- Raised awareness of accident risk by introducing equipment that enables employees to experience potential dangerous situations
- Improvement of workbenches to boost productivity and prevent accidental tripping and falling
- Implementation of measures to prevent overturning or collision outside production lines
- Use of highly protective gear (gloves) to prevent chemical splashing

Past Occupational Accidents

If an occupational accident occurs, we take action to prevent repeat occurrences, conducting a thorough investigation and a safety inspection of equipment and implementing countermeasures. At the same time, we share information among business locations to prevent a similar accident from happening again.

## ◆ Mental & Physical Health

### Basic Approach

Our goal toward FY2048 is to create a happier future with new products, services, and businesses that contribute to well-being. Leveraging the knowledge and technology accumulated to date since the founding, we will continue our growth by providing new value to local communities and society. For example, *Xylitol Gum*, launched in 1997, contributed to society and created new value that gums can keep your teeth strong and healthy. We will continue to put our efforts into research and development of products that are beneficial for our physical and mental health, as well as communication and promotion activities, and help solve social issues by providing health-oriented value through delicious food we take pride in. In 2018, we developed the Policy on Sustainability and defined our approach to this matter.

#### ▶ Policy on Sustainability

<https://www.lotte.co.jp/english/charter/sustainability.html>

### Spreading KAMUKOTO (Chewing) Awareness

Founded as a chewing gum company during the postwar era, we have a long history of research on *KAMUKOTO*, which means chewing in Japanese. As a result, we have come to understand that *KAMUKOTO* is closely associated with the health of the entire body. We will create a happier future by developing new products, services, and businesses that enhance well-being, through researching and communicating the health benefits of *KAMUKOTO* and raising public awareness.

Our goals to realize this vision include the promotion of chewing to enhance health and increasing the number of chewing assessments using the mastication check gum to over 1 million times a year by FY2028, as well as spreading awareness about the health benefits of chewing by FY2038.

#### — Number of Chewing Assessments Using the Mastication Check Gum (Annual Shipment)

2023	470,000 times
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#### Scope of Tabulation

LOTTE CO., LTD.

To achieve these targets, we established the *KAMUKOTO* Research Department, which specializes in the research on chewing and shares the outcome with the public. We have come to understand that *KAMUKOTO* is closely associated with the health of the entire body, and we believe that it can be used to help resolve a range of societal challenges relating to healthy longevity and well-being. We are also working to popularize chewing gum as a means to put *KAMUKOTO* into practice as a solution. In FY2018, we also launched the *KAMUKOTO* Institution, which aims to research the relationship between chewing and the overall health, and to build a network for exchanging related information. This is the first initiative of its kind, aimed at conducting multifaceted research on *KAMUKOTO* in cooperation with researchers from different fields, such as medicine, nutrition, and sports science, as well as dentistry. Topics the society is investigating include establishing a rule of thumb for the number of chews that contribute to good health.



▶ *KAMUKOTO* Research Laboratory <https://www.lotte.co.jp/kamukoto/> (Japanese only)

▶ *KAMUKOTO* Institution <https://kamukotokenko.jp/> (Japanese only)

### KAMUKOTO and Health

Many years of our *KAMUKOTO* research has revealed that *KAMUKOTO* is closely associated with the health of the entire body. Here are some of the research findings on health benefits associated with *KAMUKOTO*.

#### ● Elderly People Who Regularly Chew Gum Have Better Physical and Cognitive Function as Well as Oral Function

A study on 1,474 elderly people was conducted to compare the health of two groups: those who regularly chewed gum for at least 30 minutes a week and those who did not. The study revealed that the elderly who had the habit of chewing gum had better oral function and were 40% less likely to have declining oral function. Other findings include a lower number of items listed on the physical frailty checklist, better performance on grip strength and balance ability tests, and higher scores on cognitive function tests.

#### ● Bubble Gum Training Can Improve Children's Oral Function

A group of children aged 4 to 8 participated in the bubble gum training. The participants showed better lip movement compared to those who did not have the training. Also, their parents reported that many children showed improvement in involuntary their mouth open unintentionally. The training also allowed the children to chew harder items and speak better. In a joint project with the Yamaguchi Dental Association to improve the oral function, around 1,300 senior kindergartners in Yamaguchi Prefecture participated in the bubble gum training. Among those who responded to our questionnaire, about 60% of the children had better chewing ability, and 40% showed improvement in involuntary mouth opening and snoring.

#### ● Gum Chewing Training Can Improve Elder People's Biting Strength

A study conducted on elderly people who participated in gum chewing training revealed that their biting strength (maximum occlusal force) improved compared to the elderly people who did not. Another study also reported higher tongue strength (maximal tongue pressure) after the training compared to the elderly group that did not. It suggests that gum chewing training can potentially inhibit the decline in oral function that leads to conditions requiring nursing care or even a mortality risk increase.

### Dental and Oral Health

Starting out as a chewing gum company, we have studied dental and oral health for many years. In the 1970s we began research on xylitol, which had captured our attention with its role in Finnish dental health. In 1997, when xylitol was approved as a food additive in Japan, we were the first company to commercialize xylitol and made it available to the public, and our approach helped address the importance of having cavity-free teeth in society. As a way to enrich people's lives through researching the health benefits and raising public awareness about dental and oral health benefits of xylitol, we launched "Project Xylitol: Your Own Teeth for 100 Years" in 2020. Following the example of Finland, a leader in preventive dentistry, we are working with local governments and dental associations on initiatives to spread oral care habits comprising toothbrushing, fluoride, and xylitol, supplemented by regular dental checkups.

#### Project Xylitol: Your Own Teeth for 100 Years

##### Overall Purpose of Initiatives

To increase the percentage of people who have incorporated xylitol into their lifestyle for the sake of their dental and oral health to at least 50% in 2028 (in Japan)

##### Goal of Initiatives

Spread the habits of toothbrushing, fluoride, and xylitol, supplemented by regular dental check-ups, to help maintain dental health in Japan through xylitol.

##### Details of Initiatives

1. Recommendation of cavity-prevention programs through coordination with local governments and dental associations
2. Provision of xylitol tablets and soft candies to educational institutions such as kindergartens and nursery schools

As the first step of this project, we have supplied xylitol tablets and soft candies packed in special dispensers to kindergartens and nursery schools in the city of Aizuwakamatsu, Fukushima Prefecture, with the support of the local government. As of today, kindergartens/nursery schools in 10 municipalities (Hokkaido, Goshogawara City in Aomori Prefecture, Aizuwakamatsu City in Fukushima Prefecture, Chiba Prefecture, Ebina City in Kanagawa Prefecture, Yamaguchi Prefecture, Kitakyushu City in Fukuoka Prefecture, Gifu Prefecture, Okayama Prefecture, Kumamoto City in Kumamoto Prefecture) have used our products. We will encourage children to have good oral care habits from the early age, and plan to be involved in activities based on the cavity ratio of children by working together with the city's dental associations.

We also launched a new borderless project "SMART HABI" in Japan, Korea, and Vietnam to raise awareness about dental health by adopting Finnish-style xylitol to realize a cavity-free society in Japan and on a global scale. To contribute to the dental health of people around the world beyond our product rollout, we will eliminate the cultural and customary barriers between borders and countries, and spread the "smart xylitol habit" from Asia to the world, bringing smiles and creating a healthy and sustainable society for people worldwide.



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## Xylitol Explained

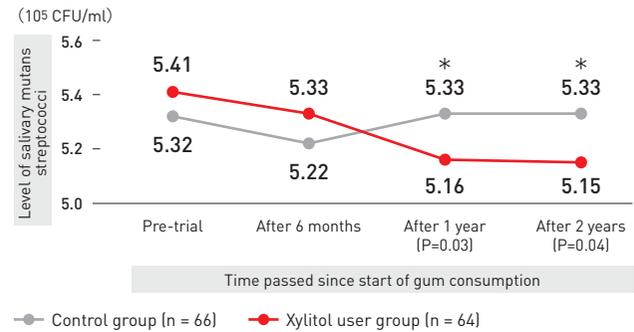
Xylitol is a type of sugar alcohol that does not create the acid that causes cavities; it is made from trees such as white birch and oak. It is roughly as sweet as sugar, but has fewer calories at around 3 kcal/g, compared with sugar's 4 kcal/g. Xylitol's key distinguishing feature is the smooth burst of refreshing coolness it delivers.

### ● Reduction of Mutans Streptococci

Mutans streptococci are bacteria that exist inside almost everybody's mouths. They create dental plaque and use the sugars inside the mouth as food to reproduce, creating the acid that causes cavities. Xylitol has been reported to reduce the level of mutans streptococci in the mouth, decreasing the risk of cavities.

In research that targeted adults with high levels of mutans streptococci, a group of individuals consumed chewing gum containing xylitol for one year, then underwent follow-up observation during the following year, when they did not consume any gum. The results showed that, compared with a control group, the level of salivary mutans streptococci in the gum-consuming group was reduced and cavity progression was held in check.

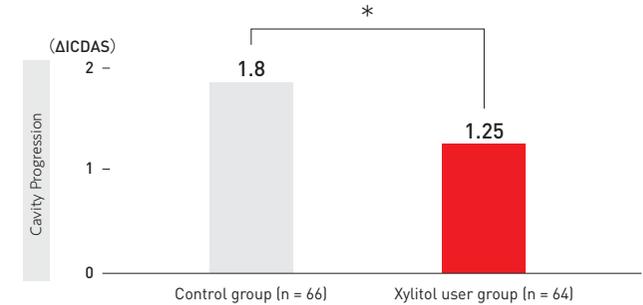
### 📊 Changes in Level of Salivary Mutans Streptococci after Consuming Chewing Gum Containing Xylitol



\* Shows a statistically significant difference

### 📊 Effects of Xylitol Consumption on Cavity Progression

ΔICDAS score for severe caries, filled teeth, and extracted teeth over the entire trial period (one year of gum consumption and one year of follow-up)



\* Shows a statistically significant difference (P=0.01)

Source: Cocco, F., Carta, G., Cagetti, M.G. et al. Clin Oral Invest (2017) 21: 2733. ©2017 The Author(s); Creative Commons Attribution 4.0 International License.

Every day for a year the xylitol user group consumed six tablets of chewing gum containing 30% xylitol, equating to 2.5 grams of xylitol per day. During the following year, when they did not consume any gum, they underwent follow-up observation. The control group consumed chewing gum that contained no xylitol for a year, and during the following year, when they did not consume any gum, they also underwent follow-up observation.

### ● Mitigation of Risk of Transmission from Mother to Baby

No mutans streptococci exist inside the mouth of a newborn baby, but practices such as sharing a spoon between a baby and an adult transmit the bacteria through saliva, and the bacteria become established inside the baby's mouth. However, xylitol is an ingredient with the capacity to reduce mutans streptococci and it has been reported that, when prospective mothers start consuming xylitol continuously during pregnancy, the transmission of mutans streptococci to their babies is slowed. In research that targeted pregnant women with high levels of mutans streptococci, the control group received guidance on maintaining good health, including advice on cleaning their teeth and on meals. The xylitol user group also received the health guidance, and consumed chewing gum containing xylitol as its only sweetener for 13 months. The xylitol consumption targeted was 5 grams or more per day, but the actual average amount consumed was 3.83 grams per day. When the researchers assessed the percentage of babies in which mutans streptococci was detected (the "detection rate"), it was found that during the period from 9 to 24 months after birth, the mutans streptococci detection rate was significantly lower for the xylitol user group's babies than the control group's babies.

## Shokuiku (Food Education)

### Concept and Goals

We view food as a resource for good health, and on that basis, we use a variety of means to engage in food education activities aimed at spreading accurate food knowledge and promoting greater understanding. Our goal is to increase employee participation in nutrition education activities to more than 20% by 2028. Also, by 2038, we expect our employees apply their experience and skills to society, leveraging diverse experiences outside the company to drive individual and organizational growth.

#### Number of People Attending Our Food Education Lectures

FY2021	17 persons (0.4% participation rate)
FY2022	43 persons (1.0% participation rate)
FY2023	597 persons (13.5% participation rate)

#### Scope of Tabulation

LOTTE CO., LTD.

#### Primary Measures

Category	Details of Initiatives	Activity Details
Factory Tour	OKASHI SCHOOL	This tour facility featuring "Food Education" was renovated and reopened with digital technologies in 2022.  <a href="https://www.lotte.co.jp/kengaku/">https://www.lotte.co.jp/kengaku/</a> [Japanese only]
Online	Chocolate Seminar Online	Learn about our approach and unique ideas about the ingredients and production methods of <i>Ghana Chocolate</i> .  <a href="https://www.lotte.co.jp/kengaku/remote-seminar/">https://www.lotte.co.jp/kengaku/remote-seminar/</a> [Japanese only]
	Virtual Factory Tours	Learn about our processes from raw material sourcing to production for each product.  <a href="https://www.lotte.co.jp/entertainment/factory/">https://www.lotte.co.jp/entertainment/factory/</a> [Japanese only]
Visiting Lecture	LOTTE Innovation Challenge Future Okashi Lab	LOTTE employees provide lectures for senior elementary school students to learn about the important concept in product development and to inspire them with creative ideas. In FY2023, we started the "cross-functional work" allowing employees to visit schools as a dedicated lecturer while continuing their current duty. 
Providing Teaching Materials	Be a <i>KAMUKOTO</i> Master	This is an educational material for the first and second graders of elementary school to learn about the importance of chewing and the tips on how to chew well and make it a habit. 
	Your Choice Will Create a Happier Future	This is a program for junior high school students focused on "ethical consumption," providing an opportunity to find a link between their "choices" and society, and to have an in-depth look at their consumer behavior. 

### External Recognition

In the 13th Career Education Award hosted by METI Japan, "LOTTE Innovation Challenge—Future Okashi Lab" and "Be a *KAMUKOTO* Master—Chew & Stay Healthy!" received the Encouragement Award for large enterprises.



In the "Consumer Education Material Award 2024" hosted by the National Institute on Consumer Education (NICE), "Your Choice Will Create a Happier Future" received the Excellence Award for corporations and industry associations.



## Employee Empowerment

### Basic Approach

The most important pillar of support for a business is its human capital. Our goal for 2048 is to offer a workplace where a diverse global workforce comes together and participates in our continued growth through innovation.

For this to happen, it is important to create an environment where each and every employee can maximize their potential while being physically and mentally healthy and motivated. In 2018, we developed the Policy on Human Resources and defined our approach to this matter.

#### ▶ LOTTE Policy on Human Resources

<https://www.lotte.co.jp/english/charter/humanresources.html>

### DEI (Diversity, Equity & Inclusion)

We promote the DEI initiatives because personnel with diverse background plays an important role in creating our innovation and competitiveness. As part of our efforts, we aim to increase the ratio of female managers at Japanese Group companies to at least 10% by FY2028.

#### Ratio of Female Managers in Japan

As of March 31, 2022	7.3% (LOTTE CO., LTD. 4.8%)
As of March 31, 2023	7.4% (LOTTE CO., LTD. 4.6%)
As of March 31, 2024	7.5% (LOTTE CO., LTD. 5.1%)

#### Scope of Tabulation

LOTTE CO., LTD. and its Group companies in Japan

#### ● Formation of Corporate Culture

In January 2023, we signed the WEPs\* (Women's Empowerment Principles) to further advance the promotion of gender equality and its related agenda. Using a video interview with a gender specialist, we communicate with our employees to share the top management's commitment to promoting DEI initiatives and its alignment with our business strategies. We also provide diversity training for all managers and other key personnel.

\* WEPs: Action principles of a company's voluntary efforts on women's empowerment created jointly with the UN Global Compact and the UN Development Fund for Women (now UN Women)

● Promoting Women’s Success

Since 2016, we have conducted annual joint seminars on promoting women’s success for six food and beverage companies to nurture the young female employees who are the next generation of potential female managers. This program turned out to be successful, allowing them to interact with other companies’ female managers and exploring their own career path. The seminar provides an opportunity for participants to learn about various carrier paths and role models so that they can envision their own carrier in the medium-to long-term. These efforts led to a steady increase of female leaders (section manager class) who pursue managerial positions. We also value women’s success. Our target hiring ratio for women is at least 40% in new graduates.

● Employing People with Disabilities

To promote DEI, we actively hire people with disabilities, whom we seek to employ at a rate above the legal requirement. We make improvements to restrooms, eliminate steps, and ensure a comfortable work environment for a diverse workforce. Our website for recruiting also provides information on accessible, barrier-free routes to our headquarters building to help alleviate their concerns when visiting the office for interviews and commuting. To further raise awareness among employees, we offer training programs for the Group companies in Japan for their staff to learn about people with disabilities.

● Employing Retirees

LOTTE and its Group companies offer post-retirement reemployment to enable employees to continue working after retiring at the official retirement age of 60. In addition to using knowledge and skills they have cultivated over many years to perform their work, retirees also play a role in guiding and nurturing younger employees.

● Measures to Supporting the LGBTQ+ Community

Our human rights policy explicitly prohibits discrimination based on sexual orientation, gender identity, and gender expression. We are engaged in various LGBTQ+ initiatives to provide a safe work environment for everyone.

Raising awareness	<ul style="list-style-type: none"> <li>• Training programs</li> <li>• Help desk</li> <li>• Communication about ALLY* and community launch</li> </ul>
Recruiting	<ul style="list-style-type: none"> <li>• “Other” and “Prefer not to say” added to the gender field of our entry sheet</li> <li>• Ensuring hiring staff comply with the guidelines</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>• Extension of benefits and HR programs for spouses to include same-sex partners</li> </ul>

\* ALLY: A person who understands and supports LGBTQ+



Human Capital Cultivation

We believe that when every employee works with enthusiasm, expressing their unique character and abilities to the fullest, it fosters the growth of the company and elevates its corporate value. Our goal is to cultivate a corporate culture that brings out innovation by offering opportunities and building an environment conducive to our employees’ autonomous career development.

● Position-Based Training Program

We provide group training, including new employee orientation, to equip young employees with basic skills to complete their assigned tasks independently. For individuals who are promoted, we offer position-specific programs tailored to their career stage, including mindset coaching and fundamental management courses. Concurrently, we encourage on-the-job training aimed at facilitating the career advancement through practical experience in the workplace, while cultivating a team environment where young employees feel comfortable enough to take on challenges.

● Program Departmental Training

The respective department (sales site, factory, etc.) provides training for employees to acquire specialized knowledge and skills.

● Programs Elective Self-Development Training

We also offer several training programs designed for the next-generation leadership and top management candidates. In 2022, the LOTTE University was established as an in-company educational institution, offering leadership programs designed to foster growth of LOTTE. The program comprise lectures and discussions led by senior executives from both within and outside the company, along with action learning sessions where participants propose new business ideas and offer recommendations to the top management. We also provide cross-industry exchange and off-the-job training opportunities, allowing participants to acquaint themselves with different industries, expand their network, and gain a broader perspective at an elevated level.

● Support for Self-Development

In this era of fast-paced changes, the knowledge and skills expected of employees are also changing day by day. The LOTTE-Novation College is also available as a place of learning where self-motivated employees can participate voluntarily. We also offer foreign language training, e-learning, and correspondence courses to help them gain a diverse set of knowledge and skills.

— Structure of Human Capital Cultivation Programs

	Position-Based Training Program	Departmental Training Programs	Elective Self-Development Training Programs	Support for Self-Development	Career Development Support
Manager	Manager training		Fostering the future managerial resources		Re-employment career design workshop
Mid-career	Training for promotion	Sales Factories	Cultivation of next-generation leaders	Foreign language training	Career design workshop for 50s
			Cultivation of female managers		Career design workshop for 40s
Entry-level	Annual training		Cross-industry exchange training	Correspondence courses	Career design workshop for 30s
			Off-the-job training		Career interview for 1st, 2nd, and 3rd-year employees
New employees	New employee training (OJT)		Cultivation of globally minded human capital	Online training and e-learning	

Career Development Support

The Lotte Career Support Center was established in 2021. Our mission is to guide our employees toward self-sufficiency, enabling them to uncover their distinctive qualities and take control of their career paths. A career interview is scheduled once a year for all the young employees, and involves discussing career plans with their supervisor, providing employees with an opportunity to reflect on their career paths. For mid-career employees and the higher-level positions, a career design workshop offered at specific milestones enables them to contemplate their career paths while fostering growth in tandem with the organization. The

program aims to foster a constructive work mindset and energize the workforce with boosted motivation. A career interview is scheduled once a year for all the young employees, and involves discussing career plans with their supervisor, providing employees with an opportunity to reflect on their career paths. For mid-career employees and the higher-level positions, a career design workshop offered at specific milestones enables them to contemplate their career paths while fostering growth in tandem with the organization. The program aims to foster a constructive work mindset and energize the workforce with boosted motivation.

Also, we offer a program to encourage employees in their 50s to have their second career path. All the retirees at the retirement age who wish to be rehired can take advantage of the post-retirement re-employment option to continue working.

● 1-on-1 Meeting

Starting in 2021, all the employees are invited to participate in a 1-on-1 meeting to speak with their supervisor individually. A 1-on-1 meeting serves as an opportunity where individual members can express their circumstances, emotions, growth, and future aspirations, rather than solely focusing on work-related topics. With communication becoming increasingly diverse, we conduct this meeting to help individuals achieve their career goals, build a trusting relationship between supervisors and team members, and ensure their physical and mental well-being.

Life-Work Balance

Having a balance between life and work is essential for our employees to be healthy and vigorous physically and mentally. We have adopted flexible work arrangements to help a diverse workforce in all stages of their lives perform at their best. We also work toward ensuring proper labor management and providing support for departments with many overtime hours to improve their processes. Through these initiatives, we aim to reduce work hours by boosting productivity and realize a better life and work balance.

We introduced an array of programs to promote a flexible work style and built an environment allowing a diverse range of personnel to pursue their goals regardless of their stage in life. We are making use of these schemes to reduce work hours by increasing productivity, which is in turn aimed at achieving lifework balance for employees.

● Formation of Corporate Culture

In January 2021, we became part of the IKUBOSS\* Corporate Alliance. Our top management conveyed a message emphasizing the significance of workplace culture, understanding and awareness of the management in order to achieve a healthy life-work balance. Managers notify their staff of this declaration to ensure a continuous awareness of this practice.

\* IKUBOSS: Bosses (at top-management or managerial positions) who effectively manage their team and support the team members' career path and life-work balance while enjoying their work and personal life.



● Promoting the Usage of Paid Leave

We actively encourage our employees to utilize their paid leave for leisure and self-study, fostering a balance between work and personal life.

● **Telecommuting Program**

Using the ICT, we introduced a telecommuting program to enable effective use of time and place, promote flexible work styles, and boost productivity. This program gives options for the employees to continue their career even when they face stressful life events, such as raising children and providing nursing care to their families.

● **Staggered Working Hours Scheme**

We have introduced a staggered working hours scheme that enables individual employees to choose their own hours for starting and finishing work. Our aim in so doing is to create an employee-friendly environment by accommodating individual lifestyles, as well as to handle early-morning and late-night work efficiently.

● **Office Renovation**

In our headquarters building, we have renovated some office areas to include hot desking, where employees can choose a seat that best suits their needs for the day. These offices offer different seating, such as those designated for meetings or quiet places allowing people to concentrate on their tasks. In April 2023, we renovated the cafe as a multipurpose space that enables open and lively communication.



● **Relaxed Dress Code**

To respect the diversity of our employees and to encourage creative thinking and communication, we have changed our dress code to allow casual wear at work, appropriate for the time, place and occasion.

**Balancing Life Events with Work**

We provide various forms of support to enable employees to continue working with peace of mind, while experiencing life events such as pregnancy, parenting, or caregiving.

● **Support for Pregnancy**

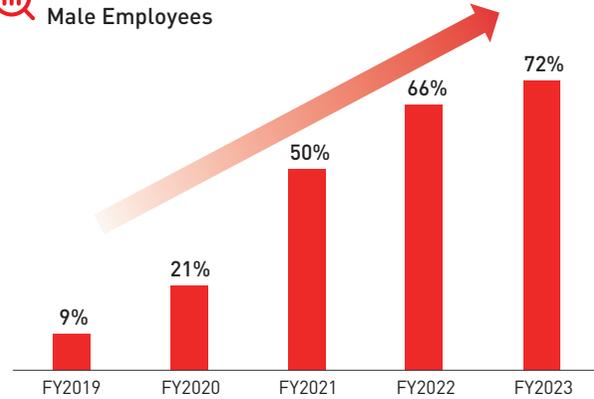
We support employees to ensure they have a worry-free start to their maternity leave and experience a smooth return to the workplace afterward. An employee's supervisor uses the Pregnancy and Parenting Related Meeting Sheet to verify the employee's health conditions and responsibilities to be transferred. All of our workplaces follow the protocol that facilitates smooth communication between pregnant employees and their supervisors.

● **Support for Parenting**

We are working to ensure employees with small children can continue their career while balancing their work and childcare. Our programs offer more benefits than those required by the laws and regulations. Urawa Factory and Sayama Factory both have their own on-site daycare center. We also host workshops for employees just returned from their maternity leave to join with their supervisors, a lunchtime get-together for employees who have children, and networking and gathering events to cultivate a sense of security in parenting and promote understanding. To encourage male employees to be a part of parenting, we do offer briefing and in-company training on the childcare leave programs.



📊 **Childcare Leave Utilization Rate for Male Employees**



Scope of Tabulation

Group companies in Japan

● **Support for Caregiving**

We provide support to enable employees with caregiving commitments to continue working with peace of mind while balancing caregiving and employment. We offer a broader selection of company support schemes than is legally required, and also provide access to an external consultation desk so that employees can seek advice from experts regarding their caregiving-related concerns and problems. As a further benefit, we provide a specialized website for employees that they can use to gather information and search for care facilities and services.

**Employee Engagement**

LOTTE and its Group companies strive to create workplaces and foster a corporate culture to help our employees grow and feel engaged at work. We believe that a workplace where employees can perform their duties in a lively manner while staying motivated and sensing their own development is linked to both personal and corporate growth and leads to higher corporate value. The Group companies in Japan have their employees complete an annual employee satisfaction survey to assess their motivation quantitatively and continuously, identify issues, and make improvements. We remain committed to pursuing strategies that enhance employee motivation and their job engagement. Note that the survey items have been changed since FY2023.

**Labor Relations**

We have a labor union. The collective labor agreement stipulates that, if management plans to implement a change that could affect employees, it must consult with the labor union and inform the union and the employees' representative in advance.

## Health Management

We believe that our company's growth goes hand in hand with the health of our employees. We are committed to creating a workplace environment where employees can work with a healthy body and mind, in line with our Health Management Declaration, which articulates this belief.

### Health Management Declaration

For LOTTE to thrive under the banner of 'Everyday Sweet Life' and enrich people's lives, we need to maintain our employees' physical and mental well-being. The management holds the responsibility of creating an environment that enables them to unleash their full potential.

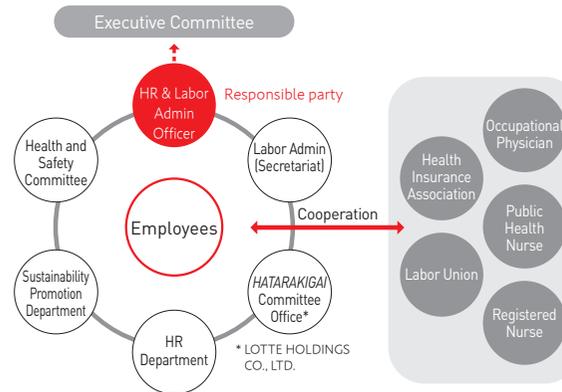
The management is dedicated to advancing health management initiatives, recognizing the well-being of employees and their families as one of the most important managerial agenda.

1. We respect the diversity of employees and build a workplace where each one of our employees can work comfortably and have a healthy life-work balance.
2. We are committed to providing a work environment enabling employees to work comfortably and maintain their physical and mental well-being through health promotion programs for employees and their families.
3. We promote self-care awareness for employees through health management and wellness promotion activities.

LOTTE CO., LTD.

### Promotion System

The director overseeing our HR Department and Labor Administration Department is responsible for promoting health management. The Labor Administration Department, HR Department, HATARAKIGAI Committee Office\*, Sustainability Promotion Department, and Health and Safety Committee collaborate with the Health Insurance Society, along with the labor union, occupational physicians, public health nurses and registered nurses to manage employees' health.



### Primary Measures

	Primary Measures			
Health management	Periodic health checkup	Specific health guidance	Short-stay health screening	Brain checkup with MRI
	Free dental checkup	On-site dental checkup	24-hour health consultation service by phone	Online health consultation
	Mail-in lab test	Health consultation day	Mental health counseling	Influenza vaccination
Health support Life support	Household medicine purchasing service	Support for smoking cessation	Maternity healthcare financial aid	Infant healthcare financial aid
	Second opinion referral	Group health insurance plan (Medical/Specified diseases)	Outsourcing of employee benefits services	Childcare and caregiving support
	Health promotion events			
Improvement of health literacy	Utilization of the health portal site "HAPPYLTH"	Utilization of the healthcare app "QQLism"	Health promotion education	Distribution of health promotion organization newsletters
	Promotion of dental and oral health	Health and Safety Committee	Mental health seminar	
Support for regular exercise	Walking events	Sports gym/facility contracts	Extracurricular activities	
Survey	Employee Satisfaction Survey	Stress checks	SPQ (Single-Item Presenteeism Question)	Pulse survey
	Questionnaire on harassment			

### Evaluation & Recognition

We were recognized as a corporation with excellent health management under the "Certified H&PM Organization Recognition Program (METI)" for our efforts in promoting health management.



### Health Management

<https://www.lotte.co.jp/corporate/sustainability/society/healthmanagement.html> (Japanese only)

— Activity Details

Health management

Free dental checkup	We provide employees with free dental checkups at affiliated dental clinics, and encourage them to take advantage of this service. Besides general dental checkups, our benefits include consultations on orthodontic treatment, cosmetic dentistry, and dental implants.
Mail-in lab test	As part of our disease prevention efforts, we offer mail-in lab tests for employees and their spouses. Our plan includes a free checkup for one of the twelve items, along with nutritional counseling over the phone.
24-hour health consultation service	Employees are encouraged to use the telephone or web-based health consultation service available 24/7, which is provided by an outside organization. Our program comprises a wide range of support services for employees and their families, including health, medical, nursing care, and child-care consultations, as well as arrangements for second opinions and follow-up medical exams, counseling for lifestyle diseases, and other services.
Mental health counseling	As a secondary mental health issue prevention measure, we offer a consultation hotline through an outside organization we contracted. The hotline is available 24/7 via phone or online, allowing us to identify early signs of employees' mental health issues and provide timely support.
On-site dental checkup	To help employees maintain good dental and oral health, we offer annual dental checkups at our facilities. Not only do the checkups help detect cavities early and encourage treatment, but teaching proper brushing techniques also makes employees more aware of their dental and oral health.

Health support / Life support

Household medicine purchasing service	As part of our efforts to promote the use of OTC products, we offer a periodic purchase option of general medications used at home at discounted prices.
Support for smoking cessation	To lower smoking rates among employees, we have introduced a non-smoking policy on our premises, including the out door areas of the headquarter building. We also make active efforts by providing online consultations and smoking cessation aid without fee in our quit-smoking programs.

Outsourcing of employee benefits services	As for employee benefits, we offer a comprehensive plan through an external service provider. Employees are encouraged to use healthcare and sports-related services for the improvement and management of their health.
Hosting health promotion events	Health assessment events are held at our head office and factories. On the day of the event our experts offer advice on how to improve health based on the results of vascular age, autonomic nervous system, and Vege-Check® assessment.

Improvement of health literacy

Utilization of the health portal site "HAPPYLTH"	We use a health portal site to help improve employees' health literacy. Using the health exam data stored on the portal site, we help employees understand their current health conditions and encourage them to use the portal to manage and improve their health. We also recommend them to watch and read health-related information stored on the portal site.
Utilization of the healthcare app "QOLism"	The health app "QOLism," developed by QOLeap, Limited was introduced to help employees adopt healthy lifestyle habits. We encourage employees to utilize the app to improve their lifestyle (diet, sleep, exercise), mental health, and daily physical conditioning.
Health promotion education	On our intranet, we have established a dedicated website featuring health-related videos and columns covering a wide range of topics aimed at promoting lifestyle improvement and enhancing health literacy. We encourage employees to watch and read the content to enhance their well-being. This website is mobile-responsive and can be easily shared with family members at home.
Promotion of dental and oral health	To enhance and promote employees' health literacy, we have a dental and oral health campaign that encourages employees to chew gum as part of their health-enhancing routines. We promote the health benefits of KAMUKOTO for overall well-being and consumption of xylitol for dental health throughout the company. As part of this effort, we offer Xylitol Gum in our company cafeterias. 

Mental health seminar	As a preventive measure for employees' mental health problems, we conduct self-care education for all employees through e-learning and booklets. We also offer line care seminars for managers and leadership personnel to help them support our employees and improve the workplace.
Approaches to women's unique health needs	To help employees better understand health issues unique to women, we distribute videos on "menstruation, fertility, and menopause" and encourage employees of all genders to watch them. Employee surveys are carried out as a reference to assess their awareness of women's health issues and their views and needs regarding our programs and policies.

Support for regular exercise

Walking events	We host an annual walking event to help employees adopt a healthy lifestyle and exercise routine. The QOLism app enables employees to track their daily steps and compete with others in this event, encouraging participation and enhancing motivation.
Sports gym/facility contracts	We also encourage employees to utilize the corporate gym member ships available as health promotion benefits. There are more programs to support the well-being of our employees, such as granting access to our company-owned tennis courts and providing discounted access to golf courses operated by Group companies.

Survey

Stress checks	We implement stress checks periodically. Based on the stress check results of each department, we analyze the data to improve the work environment. To help employees of foreign nationals perform self-check, we offer this assessment in their native languages.
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## Support Activities

### Support for Child-Rearing Households

To support child-rearing households with financial difficulties, we donate confectionery through the project of Save the Children Japan\*.



\* Save the Children Japan: The Japanese branch of an international organization established in 1919 that implements private-sector, non-profit initiatives to help children. In Japan, the organization was established in 1986 to tackle issues such as poverty among children. They helped financially unstable families by donating food items and other goods to improve the dietary needs of children since 2020.

## Initiatives of the Group Companies

### Mary Chocolate Co., Ltd.

As a way to contribute to our community, every year, we donate chocolates to children's facilities in Matsudo City, Funabashi City, and Ota Ward, where our plant is located. During FY2023, we helped the local governments' activities through donations to "Children's Cafeteria," one of their recent initiatives.

We have been giving chocolates to orphanages in Tokyo every Christmas since 2009. Children's happy messages are delivered to us every year. Also, for the brand "RURU MARYS" of Mary Chocolate, a portion of the proceeds from sales of paper bags and others are donated to the WWF Japan's environmental conservation activities.



### Ginza Cozy Corner Co., Ltd.

#### ● Donation of Partial Proceeds from Plastic Bag Sales

Based on the concept "appreciation for the community" and "supporting children's dreams," since 2021, we have been donating partial proceeds from the sales of plastic bags to the environmental organizations in Saitama Prefecture. Donations to the organization are spent on purchasing books for the SDGs learning program at 52 elementary schools in Kawaguchi City. We received a letter of appreciation from NPO Kawaguchi Citizen's Environmental Council for our contribution to the community in 2022.

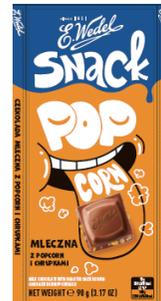


#### ● Pastry Class and Hands-on Sales Experience

Recognizing that a patissier is one of the popular future jobs among children, in 2023, we started patissier-led pastry cooking classes and hands-on experiences of selling cakes at a store. Since the children and their families who participated enjoyed these events so much, we plan to continue these activities.

### LOTTE Wedel sp. z o.o.

We use Rainforest Alliance\* certified cacao in some of our main chocolate products. These products have the certification mark on the packaging to let customers know that the products are environmentally and human rights friendly.



\* Rainforest Alliance: An international NPO established to protect the global environment and ensure sustainable livelihoods for people.

#### ● Support for Work and Childcare Balance

To support employees who struggle to find time to spend with their children because of their busy work schedules, we launched the #Sweet Excuse campaign to encourage parents to leave work early or take a day off on Children's Day. On the campaign website, children submitted an 'excuse form' to their parents' superiors so that their parents could go home early or take a holiday. Around 60,000 people inside and outside the company took part in the initiative, which was very well received.



#### ● Volunteer Activities by Employees

Wedel encourages its employees to actively participate in volunteer activities. Support activities are determined by an internal vote, and during the 17 years of this program, Wedel has completed more than 260 projects. In 2023 Wedel carried out an educational program that brought 30 young people from a child care home to the office for anti-hate speech training, career development workshops and other activities.



● Support for People with Disabilities

Wedel promotes initiatives to support people with disabilities: The employment rate of people with disabilities was 5.9% in 2023, compared to 0.85% in 2021. To promote understanding among employees, Wedel also organizes internal training courses and workshops in cooperation with NGOs.

● Charity Activities

Wedel donates its products to Bank Żywności SOS in Warsaw (Food Bank) every year. Wedel continuously responds to the needs of a wide range of stakeholders, including NGOs, institutions supporting children and individuals.

**LOTTE VIETNAM CO., LTD.**

They host activities like package crafting and environmental conservation project using their own package boxes with the slogan "Happy to eat! Fun to make!"



**PT. LOTTE INDONESIA**

The employees of PT. LOTTE INDONESIA visited local orphanages and donated confectionery and other items. They also celebrated the end of the Islamic fasting month together with orphans.



**THAI LOTTE CO., LTD.**

● Animal and Environment Protection Activities

We made a donation to Chiang Mai Zoo for the conservation and breeding of koalas.

We also organized a social tour together with the Chiang Mai Zoo to raise awareness about animal and environmental conservation.



● Planting and Forest Conservation Activities

A unique reforestation and conservation event was held at Khao Nang Panthurat Forest Park where participants shot out seeds wrapped in soil material.



**LOTTE TAIWAN CO., LTD.**

Their donation contributes to the wildlife conservation of Taipei Zoo, offering support for protection, treatment, and enhancements to the animals' habitats.



## Social Data

### Employee Information

Indicators	Unit	As of March 31, 2022			As of March 31, 2023			As of March 31, 2024		
		Total	Male	Female	Total	Male	Female	Total	Male	Female
Total number of Lotte Group employees	Persons	11,704	—	—	11,794	—	—	11,686	—	—
	Full-time employees	7,356	—	—	7,375	—	—	7,189	—	—
	Part-time employees	4,348	—	—	4,419	—	—	4,497	—	—
Total number of employees in Japan	Persons	7,509	—	—	7,446	—	—	7,436	3,500	3,936
	Full-time employees	3,766	2,354	1,412	3,713	2,301	1,412	3,644	2,245	1,399
	Part-time employees	3,743	—	—	3,733	—	—	3,792	1,255	2,537
LOTTE CO., LTD.	Persons	4,496	—	—	4,436	—	—	4,408	2,647	1,761
	Full-time employees	2,491	1,738	753	2,459	1,702	757	2,409	1,668	741
	Part-time employees	2,005	—	—	1,977	—	—	1,999	979	1,020
Group companies in Japan	Persons	3,013	—	—	3,010	—	—	3,028	853	2,175
	Full-time employees	1,275	616	659	1,254	599	655	1,235	577	658
	Part-time employees	1,738	—	—	1,756	—	—	1,793	276	1,517
Total number of employees overseas	Persons	4,195	—	—	4,348	—	—	4,250	—	—
	Full-time employees	3,590	—	—	3,662	—	—	3,545	—	—
	Part-time employees	605	—	—	686	—	—	705	—	—
Asia subtotal	Persons	2,727	—	—	2,860	—	—	2,835	1,558	1,277
	Full-time employees	2,500	—	—	2,560	—	—	2,520	1,386	1,134
	Part-time employees	227	—	—	300	—	—	315	172	143
U.S. and Europe subtotal	Persons	1,468	—	—	1,488	—	—	1,415	—	—
	Full-time employees	1,090	—	—	1,102	—	—	1,025	—	—
	Part-time employees	378	—	—	386	—	—	390	—	—

Indicators	Unit	As of March 31, 2022			As of March 31, 2023			As of March 31, 2024		
		Total	Male	Female	Total	Male	Female	Total	Male	Female
Average age of employees in Japan	Age	39.7	40.7	38.2	40.4	41.4	38.9	40.7	41.8	39.1
	LOTTE CO., LTD.	38.9	39.5	37.5	39.6	40.2	38.2	39.9	40.5	38.5
	Group companies in Japan	41.4	44.0	39.0	42.0	44.7	39.6	42.4	45.4	39.8
Average length of employment in Japan	Years	16.6	17.5	15.0	17.1	18.2	15.5	17.6	18.5	16.0
	LOTTE CO., LTD.	16.4	16.4	16.3	17.0	17.1	16.8	17.3	17.3	17.1
	Group companies in Japan	16.9	20.6	13.6	17.4	21.3	14.0	18.2	22.0	14.8
Age group of employees in Japan	Persons	—	—	—	—	—	—	3,644	2,245	1,399
	20s and under	—	—	—	—	—	—	808	442	366
	30s	—	—	—	—	—	—	883	522	361
	40s	—	—	—	—	—	—	927	573	354
	50s and up	—	—	—	—	—	—	1,026	708	318
Number of managers in the Group	Persons	827	656	171	790	626	164	749	587	162
	Ratio of female managers	%	20.7		20.8			21.6		
Number of managers in Japan	Persons	536	497	39	529	490	39	533	493	40
	Ratio of female managers	%	7.3		7.4			7.5		
LOTTE CO., LTD.	Persons	332	316	16	329	314	15	336	319	17
	New graduates	276	264	12	273	262	11	279	267	12
	Mid-career	56	52	4	56	52	4	57	52	5
Group companies in Japan	Persons	204	181	23	200	176	24	197	174	23
	New graduates	159	140	19	159	139	20	157	137	20
	Mid-career	45	41	4	41	37	4	40	37	3
Overseas total	Persons	291	159	132	261	136	125	216	94	122
	Ratio of female managers	%	45.4		47.9			56.5		
Ratio of female managers	LOTTE CO., LTD.	%	4.8		4.6			5.1		
Ratio of female supervisors (section manager class)	LOTTE CO., LTD.	%	11.0		12.2			14.1		

Indicators		Unit	FY2021	FY2022	FY2023
Gender gap in wages	LOTTE CO., LTD.	%	—	61.8	62.1
	Permanent employees	%	—	72.8	72.5
	Contingent workers	%	—	68.4	70.5

## ● Human Resource Cultivation and Life-Work Balance

Indicators	Unit	FY2021			FY2022			FY2023			
		Total	Male	Female	Total	Male	Female	Total	Male	Female	
Average annual training hours per employee*	LOTTE CO., LTD.	Hours	9	—	—	10	—	—	13	—	—
Annual training expenses*		Million yen	45	—	—	89	—	—	91	—	—
Total working hours per year	LOTTE CO., LTD. and its Group companies in Japan	Hours	1,880	—	—	1,923	—	—	1,930	—	—
Overtime work hours (excluding managers)		Hours	129	—	—	163	—	—	167	—	—
Number of paid leave days taken		Days	14.1	—	—	15.2	—	—	16.1	—	—
Paid leave utilization rate		%	71	—	—	76	—	—	81	—	—
Number of employees who took childcare leave		Persons	78	39	39	120	56	64	105	46	59
Rate of childcare leave utilization		%	67	50	100	79	66	97	83	72	94
Ratio of employees who returned to work after childcare leave		%	99	100	97	99	100	98	99	100	98
Retention rate after childcare leave		%	99	100	97	100	100	100	98	98	98
Number of parents who worked shorter hours		Persons	160	2	158	180	5	175	211	5	206

\* Skill development training hosted by the HR department

## ● Hiring and Dismissal and Retirement

Indicators	Unit	FY2021			FY2022			FY2023				
		Total	Male	Female	Total	Male	Female	Total	Male	Female		
Number of employees hired in the Group	Persons	1,362	926	436	1,461	899	562	1,345	887	458		
Number of employees hired in Japan	New graduates	Persons	103	56	47	111	40	71	156	80	76	
		Persons	88	50	38	72	30	42	93	45	48	
	Mid-career	Persons	15	6	9	39	10	29	63	35	28	
		20s and under	Persons	—	—	—	—	—	—	16	10	6
		30s	Persons	—	—	—	—	—	—	26	18	8
		40s	Persons	—	—	—	—	—	—	16	6	10
50s and up	Persons	—	—	—	—	—	—	5	1	4		
LOTTE CO., LTD.	Persons	90	50	40	62	32	30	103	67	36		
	Persons	81	46	35	49	26	23	65	38	27		
Group companies in Japan	Persons	9	4	5	13	6	7	38	29	9		
	Persons	13	6	7	49	8	41	53	13	40		
New graduates	Persons	7	4	3	23	4	19	28	7	21		
	Persons	6	2	4	26	4	22	25	6	19		
Number of employees hired overseas	Persons	1,259	870	389	1,350	859	491	1,189	807	382		
Asia subtotal	Persons	1,138	801	337	1,265	818	447	983	690	293		
U.S. and Europe subtotal	Persons	121	69	52	85	41	44	206	117	89		
Ratio of female in new graduates	LOTTE CO., LTD.	%	43.2			46.9			41.5			

Indicators	Unit	FY2021			FY2022			FY2023			
		Total	Male	Female	Total	Male	Female	Total	Male	Female	
Number of employees retired/ dismissed from the Group	Persons	1,369	869	500	1,615	1,025	590	1,399	908	491	
	Retirement	Persons	51	26	25	54	42	12	75	52	23
	Personal reasons	Persons	1,318	843	475	1,561	983	578	1,324	856	468
Number of employees retired/ dismissed in Japan	Persons	150	67	83	165	84	81	195	118	77	
	Retirement	Persons	36	22	14	34	29	5	63	45	18
	Personal reasons	Persons	114	45	69	131	55	76	132	73	59
LOTTE CO., LTD.	Persons	88	52	36	83	60	23	121	84	37	
	Retirement	Persons	25	19	6	21	19	2	47	34	13
	Personal reasons	Persons	63	33	30	62	41	21	74	50	24
Group companies in Japan	Persons	62	15	47	82	24	58	74	34	40	
	Retirement	Persons	11	3	8	13	10	3	16	11	5
	Personal reasons	Persons	51	12	39	69	14	55	58	23	35
Number of employees retired/ dismissed overseas	Persons	1,219	802	417	1,450	941	509	1,204	790	414	
	Asia subtotal	Persons	1,121	741	380	1,330	880	450	1,059	716	343
		Retirement	Persons	2	1	1	5	5	0	1	1
U.S. and Europe subtotal	Persons	98	61	37	120	61	59	145	74	71	
	Retirement	Persons	13	3	10	15	8	7	11	6	5
	Personal reasons	Persons	85	58	27	105	53	52	134	68	66
Turnover rate at LOTTE CO., LTD.	%	2.5	1.8	4.0	2.4	2.3	2.7	3.0	2.9	3.2	
Turnover rate within 3 years for new graduates	%	9.5	—	—	12.7	—	—	14.8	—	—	
Percentage of employees with disabilities in Japan	%	2.4	—	—	2.3	—	—	2.5	—	—	
Number of rehired employees in Japan*	Persons	107	84	23	138	110	28	152	122	30	
	LOTTE CO., LTD.	Persons	70	64	6	70	63	7	105	87	18
	Group companies in Japan	Persons	37	20	17	68	47	21	47	35	12
Re-employment ratio in Japan*	%	100	100	100	100	100	100	96	96	97	
	LOTTE CO., LTD.	%	100	100	100	100	100	100	96	100	
	Group companies in Japan	%	100	100	100	100	100	100	96	97	

\* Employees between the ages of 60 and 65 who wish to be rehired

## ● Occupational Health and Safety

Indicators	Unit	FY2021			FY2022			FY2023			
		Total	Male	Female	Total	Male	Female	Total	Male	Female	
Number of workers involved in occupational accidents resulting in lost workdays (Group total)	Persons	50	38	12	70	37	33	69	42	27	
	Japan	Persons	17	13	4	28	11	17	30	14	16
	Group companies overseas	Persons	33	25	8	42	26	16	39	28	11
Number of work-related fatalities (Group total)	Persons	0	0	0	0	0	0	0	0	0	
Lost-time injury frequency rate (Group total)	Persons	—	—	—	—	—	—	3.50	—	—	
	Japan	Persons	1.68	—	—	1.96	—	—	2.08	—	—
	Group companies overseas	Persons	—	—	—	—	—	—	7.38	—	—
Lost-time injury severity rate (Group total)	Persons	—	—	—	—	—	—	0.0728	—	—	
	Japan	Persons	0.0289	—	—	0.0338	—	—	0.0205	—	—
	Group companies overseas	Persons	—	—	—	—	—	—	0.2155	—	—

Japan: LOTTE CO., LTD. and its Group companies in Japan

## ● Sustainable Procurement

Indicators		Unit	FY2021	FY2022	FY2023
Raw material procurement volume	Japan	Thousand t	207	216	224
Amount of cacao beans procured	LOTTE CO., LTD.	Thousand t	5.1	6.0	7.5
Ratio of LOTTE Sustainable Cacao		%	19	26	44
Amount of palm oil procured	Japan	Thousand t	16.0	15.5	15.2
Ratio of third-party verified palm oil		%	18	65	89
Amount of paper procured (for product containers and packaging)		Thousand t	41.2	41.9	43.6
Environmentally friendly paper		%	96	95	95

Japan: LOTTE CO., LTD. and its major Group companies in Japan  
The previously provided information has been updated due to an error

## ● Mental and Physical Health

Indicators	Unit	FY2021	FY2022	FY2023
Percentage of people who practice <i>KAMUKOTO</i>	%	20	22	21
Percentage of people who have made xylitol part of their daily lives for the sake of their dental and oral health	%	28	25	25

Results of an online survey of 3,000 people (conducted by LOTTE)

## ● Food Education

Indicators	Unit	FY2021	FY2022	FY2023	
Employee participation rate in food education (cumulative total)	LOTTE CO., LTD.	%	0.4	1.0	13.5
Number of people attending our food education lectures		Ten thousand	4.6	6.6	10.1