

## ◆ Message from the President



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**Eiichi Gochou**

President / Representative Director  
LOTTE CO., LTD.

Our Mission is, “We enrich people’s lives by providing superior products and services that our customers love and trust.” This precisely expresses our founder’s strong belief that creating better products is what would enrich people and society in a time when goods were scarce, and those that were available were of poor quality after the war. This belief of our founder has been handed down to the present day more than 70 years later in the form of the LOTTE Values of “User Oriented,” “Originality,” and “Quality.”

Today, the business environment is rapidly changing, and includes unfamiliar infectious diseases, war, and soaring prices of crude oil and raw materials, so we felt the need to more explicitly share the reason why LOTTE exists company-wide. Therefore, we held discussions with a variety of stakeholders, including employees, and newly expressed in words the reason why we exist as our Purpose, which is “To create a happier future by connecting people through original ideas and uplifting experiences.” “A happier future” as stated in our purpose means that LOTTE will provide customers with the value of well-being and contribute to the realization of a sustainable society. We will continue driving the transformation of our business model to enable realization of these goals.

Our Group has organized the various issues related to sustainability into five materialities (Food Safety and Reliability, Food and Health, Environment, Sustainable Procurement, and Employee Empowerment). We have also incorporated these materialities into management strategy by setting Medium-Term ESG Targets with deadlines and have been implementing initiatives while disclosing our progress on the targets. In FY2022, we took on the challenge of new sustainability initiatives in collaboration with external stakeholders, including demonstration testing of cacao beans traceability using blockchain and the release of a “Mastication Check Application” that enables accurate and easy evaluation of bite force, and these approaches are beginning to produce results. In 2023, we are supporting more new challenges with the theme of “Co-Creation.”

A long-term perspective is important for our approach to sustainability. At present, energy and raw material costs are soaring, and we have also been affected significantly. However, we mustn’t halt the progress of sustainability. From a short-term perspective, switching to renewable energy and respecting human rights in the supply chain are viewed as costs. However, from a long-term perspective, we can understand these measures are necessary investments in order to continue doing business into the

future. The same applies to human resource development. Viewing human resources as human capital changes the perspective on the expense required from a cost to an investment. Therefore, in order to adopt a long-term perspective and accelerate our sustainability initiatives, we plan to deepen our Medium-Term ESG Targets using a backcasting approach that targets the vision of where we want to be in 2048, the 100th anniversary of our founding, so you should look forward to that.

In order to achieve the transformation of our business model, it is important for each and every employee to have a correct understanding of sustainability based on a long-term perspective. To this end, we provide a variety of training on sustainability. We also encourage deep understanding through practice with the establishment of an ESG Prize as part of the LOTTE Award program to commend outstanding employee initiatives. In addition, a study into deepening the Medium-Term ESG Targets for the 100th anniversary of our founding is underway through a young employees’ project with the hope that sustainability will permeate throughout the company led by the project members.

There is still much to be accomplished in order to realize “a happier future” as stated in our Purpose, so we will keep a steady pace in driving the transformation of our business model. The rapidly-changing and challenging business environment is expected to persist. However, we regard this turmoil as an opportunity for transformation and will continue to set ourselves a variety of challenges to realize this transformation. Continue to be excited about the challenge for LOTTE-Novation.