

# ◆ LOTTE's Approach to Materiality

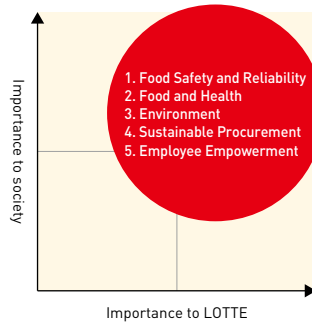
Since our founding, we have upheld the three LOTTE Values of "User Oriented," "Originality," and "Quality," as the basis for all of our corporate activities. Under the LOTTE Group Philosophy, on which these values are based, we have continued to grow by providing new value for customers, local communities, and society. In order to help realize a sustainable society and environment, we have in recent years set materiality themes (key priority issues) to guide our operations, based on impact on society and importance to our own business activities.

## STEP1

### Map and Organize Materiality

In order to help realize a sustainable society and environment, we defined the issues we should address through our business activities. First, we sought to gain an overall grasp of the issues according to the seven core subjects set out in ISO 26000\* and shortlisted issues of importance to our business activities. Next, we exchanged opinions with external experts regarding the issues we might be expected to tackle, mapping and organizing five materiality themes.

\* ISO 26000: The standard for social responsibility published by the International Organization for Standardization in November 2010.

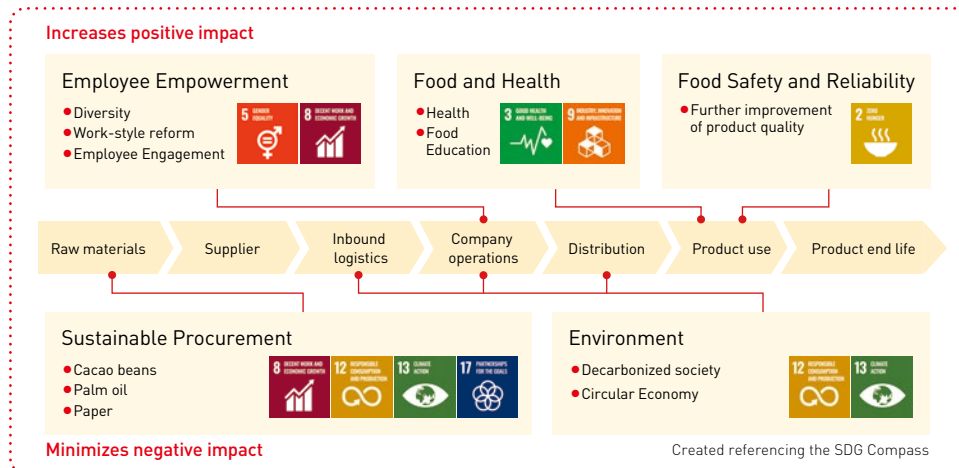


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## STEP2

### Mapping Materiality in the Value Chain

The Sustainable Development Goals (SDGs) established by the United Nations in 2015 comprise an action plan that seeks broad cooperation from governments, communities, and companies around the world to achieve the prosperity of humankind and the planet. Aiming to help achieve the SDGs and build a better world, we identified whether each materiality theme "increases positive impact" or "minimizes negative impact" in the value chain.



## STEP3

### Formulate Medium-Term ESG Targets

To properly address each materiality theme, we defined the Medium-Term ESG Targets. These were devised in light of contributions to the SDGs. For each materiality theme, we decided which of the 17 SDGs that we could contribute to, focusing our efforts on addressing those goals. To ensure that our targets are met, we will confirm the progress annually and disclose the information.

2028  
**Medium-Term ESG Targets**

## STEP4

### Dialogues with Stakeholders

We continuously engage in dialogues with stakeholders and reflect their opinions in our sustainability activities, including the revision of our materiality themes and Medium-Term ESG Targets and the improvement of our information disclosure.

