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01 Human Rights

Basic Approach

At LOTTE CO., LTD. and its Group companies, we ensure human rights are respected in all 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 has been 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/pdf/humanrights.pdf>

Human Rights Due Diligence

To ensure human rights are respected for all individuals affected by our business throughout our 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 then mitigate such risks. The first step of identifying human rights-related risks is to reference international standards and guidelines*¹. We conducted an assessment*² of 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 any identified human rights-related risks. To accommodate changes in the business environment whenever appropriate, we regularly perform assessments. In 2024, 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 UN 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

Q Main Initiatives

2019 to 2020	- Conducted human rights risk assessment and field surveys on Group companies in Japan - Identified human rights risks with highest priority
2021 to 2022	- Started and expanded human rights training for employees - Conducted field surveys on Group companies overseas and took corrective action for identified risks - Requested major suppliers to join Sedex* and started risk assessment
2023 to 2024	- Conducted field surveys on trading companies that handle main raw materials, contracted factories in Japan, and some Group companies in Japan - Re-assessed human rights-related risks and reviewed the human rights-related risks to be prioritized
2025 onward	- Re-conduct surveys to understand the actual situation at overseas Group companies and some Japanese Group companies - Establish a grievance mechanism for business partners - Revise the Policy on Human Rights and formulate a customer harassment policy

* 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 and Crisis Management Committee, is ready to respond to risks that may have a significant impact on our business (page 59). Human rights issues are considered to be 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 Group companies, they identify risks and actions and then report progress to the Risk and Crisis Management Committee at least once a year. The Risk and Crisis 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

Group companies provide human rights education and raise awareness among their employees to ensure that 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 3,400 employees took the training courses in FY2024. 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 in which employees should take care during the course of business activities. We distribute leaflets translated into the local language to 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 and 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, nor will they 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 (Japanese only)

● Whistleblowing System

Internal Whistleblowing

We have opened a whistleblowing hotline called *Clean Line* (see Whistleblowing System on page 61) to provide employees with a platform to seek advice or report cases, both from inside and outside LOTTE CO., LTD. and its Group companies. We teach about this hotline as part of our annual human rights training and also as part of training for new employees.

External Whistleblowing

We have established a grievance mechanism in the form of a hotline that enables business partners and prospective employees to consult or report on matters related to human rights. All reports are handled with due consideration for privacy and no one is to be subjected to adverse treatment as a result of reporting a violation. There is also an option for reporting anonymously.

Q Progress in Addressing Human Rights Risks

	Human Rights Risks Identified	Specific Concerns	Action	Progress	Action Plan	Relevant Page
Business as a whole	Grievance mechanism	Lack of a contact point for external stakeholders	● Establish a hotline for external stakeholders to report grievances	● Established a hotline for business partners to report grievances	● Expand scope of applicable users	34
In our own operation (Japan)	Discrimination and harassment	Insufficient human rights education for employees	● Provide training on human rights ● Prepare Guidelines	● Provided e-learning for all employees in Japan ● Communicated guidelines and verified operation	● Continue to provide annual training ● Conduct a periodic review of the guidelines	34
		Insufficient support for minorities, including the LGBTQ+ community and people with disabilities	● Provide training to promote awareness and plan actions	● Started the ALLY* community ● Extending benefits programs gradually for spouses to include same-sex partners (ongoing)	● Ensure a safe workplace for everyone ● Expand hiring of people with disabilities and provide accommodations	49
In our own operation (Overseas)	Discrimination and harassment	Insufficient communication about the whistleblowing hotline or human rights education for employees	● Raise awareness of human rights and notify employees that the whistleblowing hotline is available	● Distributed leaflets to raise awareness about human rights and inform employees of the whistleblowing hotline	● Monitor whistleblowing hotline operations on a regular basis	33–34
Supply chain	Discrimination and harassment	Insufficient supply chain management capacity	● Implement supplier management using Sedex and conduct field surveys for contracted factories	● Encourage suppliers to join Sedex ● Conducted on-site surveys on trading firms and the subcontracted factories	● Conduct on-site surveys on trading firms and the subcontracted factories continuous management using Sedex ● Engage continuously with trading firms and subcontracted factories	35
	Respect for fundamental rights of workers	Child labor in regions producing cocoa beans	● Promote monitoring through LOTTE Sustainable Cocoa procurement to prohibit child labor and ensure fair practices	● LOTTE Sustainable Cocoa procurement: 51% (FY2024)	● Promote activities to achieve goals	35–38
	Indigenous people and local residents' rights to be respected	Forced and child labor in regions producing palm oil	● Support producers through procurement of RSPO-certified oil	● RSPO-certified oil procurement ratio: 89% (FY2024, in Japan)	● Promote continuous procurement of third-party verified palm oil	38

* A person who understands and supports LGBTQ+ people and their issues

02 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 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.

▶ Policy on Procurement

<https://www.lotte.co.jp/english/charter/pdf/procurement.pdf>

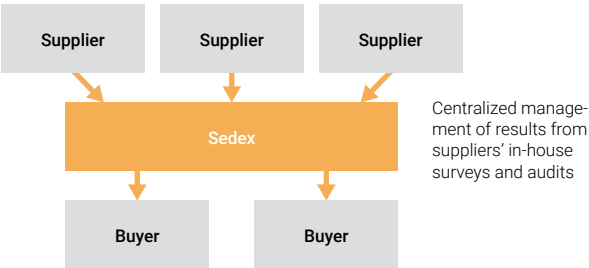
Building a Responsible Supply Chain

We advocate for sustainable procurement based on our procurement policy. This policy outlines ethical business practices and 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 environmental and social impact on our own. In that light, it is essential that we work alongside our suppliers, and we formulated the LOTTE CO, LTD. Supplier Guidelines in April 2019. 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 CO., LTD. Supplier Guidelines

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 using Sedex while encouraging our primary suppliers to join and share information on this platform. As of June 30, 2025, about 60% of our primary suppliers (based on the amount of raw materials transactions) share 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 the global environment.

Q Primary Raw Materials

Cocoa 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

Cocoa Beans

With chocolate being one of our core products, sustainable procurement of cocoa beans is vital to the company. Cocoa 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 cocoa 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 cocoa beans we procure and providing support for local communities to overcome their challenges. Cocoa beans procured with such traceability intact are called LOTTE Sustainable Cocoa (LSC). We are working to expand the procurement ratio, aiming to switch all cocoa beans procured from Ghana to LSC by FY2025 then switch over the rest of our cocoa beans by FY2028. We are currently supporting LSC suppliers to help them with issues that face their respective production areas.



Q Amount of Cocoa Beans Procured

FY2022	6.0 thousand tons, LSC 26%
FY2023	7.5 thousand tons, LSC 43%
FY2024	6.3 thousand tons, LSC 51%

Weight of cocoa beans procured in the form of beans
The previously provided information has been updated due to an error.

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 the farmers we source from.

Q LSC Procured Region (2023/24 Harvest year* Results)

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

* For West Africa, the largest cocoa 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 cocoa beans. The description "2023/24" means the period from October 2023 to the end of September 2024.

Q LSC Sourcing Farmers (Ghana)

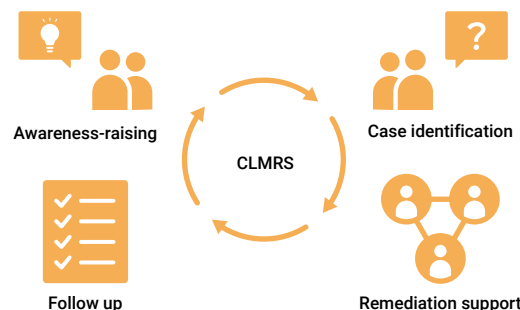
	Harvest year		
	2021/22	2022/23	2023/24
Number of LSC sourcing farms	2,124	3,188	4,696

● Elimination of Child Labor

To eliminate child labor, one of the social issues in Ghana, we have implemented CLMRS* or a comparable system to monitor child labor in collaboration with local partners at LSC 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 is a child labor monitoring and improvement system developed by the International Cocoa Initiative (ICI), an NPO that promotes activities to eliminate child labor in cocoa-producing areas. This is a system for identifying child labor risks and taking measures to curb them.

Q Overview of CLMRS



Q CLMRS Usage (Ghana)

	Harvest year		
	2021/22	2022/23	2023/24
Number of farmers using CLMRS	2,008	3,083	4,696
Adoption rate	94.5%	96.7%	100%

Adoption rate = Number of farms with CLMRS adopted/Number of LSC sourcing farms

Q Number of Child Labor Cases Identified and Remediated (Ghana)

	Harvest year
	2023/24
Number of child labor cases identified	184
Number of child labor cases remediated	548

● Grievance Mechanism

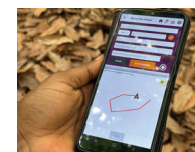
In LSC sourcing regions, we have a system that allows farmers to report suspected human rights violations such as child labor in their communities to CLMRS and local partners who provide training on agricultural methods.

Q Status of Grievance Mechanism (Ghana, 2023/24 Harvest Year Results)

State (Region)	County (District)	Implementation
Ashanti	New Edubiase /Nsokote	Complete
Central	Dunkwa	Complete
	Twifo Praso	Partial (under development in some areas)
Western	Manso Amenfi	Complete

● Deforestation Survey

We engage in cocoa plantation mapping to ensure farms do not contribute to deforestation. Currently, we monitor the risk of deforestation by mapped farms using the Satelligence* platform. When farms are deemed high risk, we verify with our suppliers and consider measures to improve the situation.



* A monitoring tool that uses satellite images and AI to locate deforestation.

◆ Plantation mapping using smartphone GPS app

Q Mapping Status (Ghana)

	Harvest year		
	2021/22	2022/23	2023/24
Number of mapped farms	1,265	3,100	4,356
Coverage ratio	59.6%	97.2%	92.8%

Coverage ratio = Number of mapped farms/Number of LSC sourcing farms

Q Farms Inside or in The Presence of Protected Areas

	Harvest Year
	2023/24
Farms inside or in the presence of protected areas	427

Farms inside or in the presence of protected areas = Number of farms that have undergone Satelligence plantation mapping and determined to be inside or in the presence of protected areas

● Agricultural Training

We provide guidance to farmers supplying LSC on proper use of fertilizers and pesticides as well as agricultural methods leading to higher yields.

Q Status of Agricultural Training Conducted (Ghana)

	Harvest year		
	2021/22	2022/23	2023/24
Number of farms receiving agricultural training	1,725	2,368	3,729
Participation rate	81.2%	74.3%	79.4%

Participation rate = Number of farms that participated in agricultural training/Number of LSC sourcing farms

● Empowerment of Farmers

We help set up and operate Village Savings and Loan Associations (VSLAs)* for farming communities in LSC sourcing regions with limited access to financial services. Community members can use funds borrowed from the VSLA to purchase pesticides, fertilizers, and other products, and also to pay for life events.

* An organization that provides savings and loan services operated by members in the village. Regular meetings and discussions held by members help the community and its members to become more self-reliant.



Q Number of New VSLA Support Cases (Ghana)

	Harvest year	
	2022/23	2023/24
Number of new VSLA support cases	8	19

● Verifying the Effectiveness of Regenerative Agriculture Using Biochar Derived from Cocoa Pods

Four companies working in cocoa-related businesses are conducting a joint pilot project to verify the effectiveness of regenerative agriculture, spreading biochar derived from cocoa pod husks on cocoa plantations, with eyes on

commercialization. This test is expected to improve soil quality and aid with decarbonization. Cocoa pod husks are a by-product of cocoa farms that are typically left unused. These husks will be converted to biochar via combustion and will be spread on cocoa plantations to test their effectiveness.



● Water Well Donation

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



● ReCacao Note PROJECT

In October 2024, we visited primary and secondary schools in Ghana and donated notebooks (ReCacao Note) made from upcycled cocoa husks.



● 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 cocoa industry, including industry associations, chocolate manufacturers, trading companies, consulting firms, and NGOs, to work collaboratively toward a socially, economically, and environmentally sustainable cocoa 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 cocoa industry.



In addition, we take part in the activities of the World Cocoa Foundation, an international non-profit organization established in the United States in 2000 to support cocoa farmers, provide technical guidance to cocoa farmers in the equatorial cocoa 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 services 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 and their training of healthcare staff, as well as awareness-raising and education programs for young people.

女性。選択できる世界を。



● School Meal Support

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



© WFP/Derrick Botchway

● Group Company Initiatives

Dari K Co., Ltd is a Group company that was founded in 2011 as company that specializes in making chocolate. On Indonesia's Sulawesi Island, we practice sustainable chocolate production through the 'All-win Chocolate' concept, aiming to bring smiles to cocoa bean producers and consumers, and ensure a happy, protected environment. Dari K Co., Ltd. is also focused on food tech, aiming to explore the possibilities of cocoa beans. This includes the development

of a cocoa grinder that turns cocoa nibs into cocoa mass instantly, and special fermentation technology that ferments a combination of fruits, spices, and cocoa beans. Working with Dari K, we will embark on the journey of unlocking new potential in cocoa beans, venturing beyond the conventional scope of chocolate.

Column

Donating Cocoa Seedlings as Token of Appreciation

In 2024, we celebrated 60 years since the launch of *Ghana Milk Chocolate* in 1964, which marked the start of LOTTE's chocolate business. To express our gratitude for their efforts to ensure a stable supply of high-quality cocoa over the course of many years, the LOTTE Group donated approximately 125,000 cocoa seedlings* to cocoa-producing areas in Ghana.

In recent years, the world's largest cocoa-producing countries, Côte d'Ivoire and Ghana, have seen a significant decline in cocoa harvests. This is thought to be due to a combination of factors that include poor weather, pests and diseases, aging cocoa trees, and the rising costs of pesticides and chemical fertilizers. These areas need seedlings to replant cocoa trees as a way to combat damage from pests, diseases and aging trees. In light of these circumstances, we donated cocoa seedlings to support sustainable cocoa production in Ghana. We will continue cultivating a strong relationship with the country and work towards sustainable procurement.

* Combined total of approximately 25,000 seedlings grown in nature and approximately 100,000 seedlings grown at a seedling center



Palm Oil

In FY2024, we procured 14.4 thousand tons of palm oil total, of which 89% was certified by the third parties. Through our association with the Roundtable on Sustainable Palm Oil (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 became a member of the RSPO.

* An international NPO founded to promote the sustainable production and use of palm oil

Q Amount of Palm Oil Procured

FY2021	15.5 thousand tons, third-party verified oil 65%
FY2022	15.2 thousand tons, third-party verified oil 89%
FY2023	14.4 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

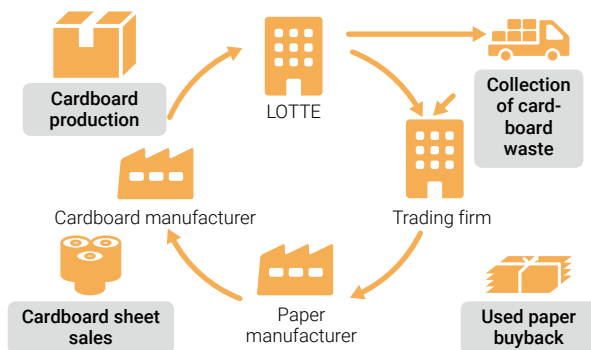
In FY2024, 43.3 thousand tons of paper was procured for product containers and packaging in Japan, of which 95% was environmentally-friendly paper. We will continue to ensure sustainable paper sourcing and increase the percentage of FSC-certified and eco-friendly paper sourcing.

● Paper Resource Recycling

Our Urawa and Kyushu factories engage in closed-loop recycling, whereby discarded cardboard is reused in-Company. Previously, cardboard boxes that were no longer needed after being used as raw material packaging, or generated as waste material from production were disposed of, creating paper waste. However, recycling these materials internally has enabled us to maintain a stable supply of resources. Beginning in January 2025, the Sayama Factory began an initiative to recycle paper waste, such as product boxes

generated through production, as materials for *Koala's March* product boxes. These efforts are aimed at ensuring a stable supply of raw materials in the form of used paper and to maintain their quality, making them an important step toward realizing a circular economy.

Q Closed-Loop Recycling for Cardboard Boxes



03 Sustainable Food Offerings

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 foods. Since March 2023, *COOLish GREEN Vanilla*, made with plant-based milk, has been available throughout Japan (except convenience stores).



04 Animal Welfare

Animal Testing

We have formally determined our 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.

* 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 to consider from the perspective of animal welfare. To remain in line with animal welfare trends in Japan and abroad and to fulfill society's current requirements on eggs, we engage in dialogue with NPOs specializing in the field.

05 Food Safety and Reliability

Basic Approach

Quality is one of the LOTTE Values, essential to the company since its founding. In the process of pursuing quality of the highest order, we also strive to ensure food safety and reliability. 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 values of "enjoyment," "delicious flavor," and "repose." All of these are the "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 approaches to these matters.

► Policy on Quality

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

► Policy on Food Safety

<https://www.lotte.co.jp/english/charter/pdf/foodsafety.pdf>

LOTTE ADVANCE, Our Quality Assurance System

The factories of LOTTE CO., LTD. and its Group companies have already obtained certification under the Global Food Safety Initiative (GFSI)*1 approval scheme (FSSC 22000*2/ 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 and 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 risks from the product design and development stage to reduce risks throughout the entire supply chain from an even wider variety of perspectives than ever before.

We have also set a high standard on the overall quality and safety that previously 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 A non-profit organization established in May 2000 operating globally to promote the continuous improvement of the Food Safety System

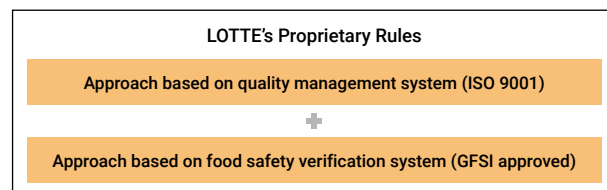
*2 A globally-recognized food safety standard that supplements ISO 22000, the International Organization for Standardization's standard for food safety management systems, with additional requirements

*3 British Retail Consortium. Provides third-party certification to ensure food safety

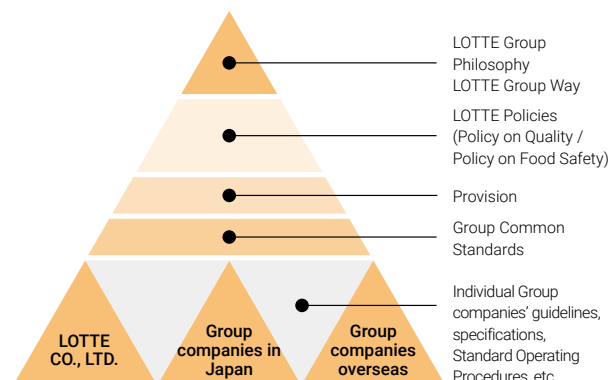
*4 The International Organization for Standardization's international standard for quality management systems aimed at enhancing customer satisfaction by supplying products and services of consistent quality

Q LOTTE ADVANCE Framework

LOTTE ADVANCE



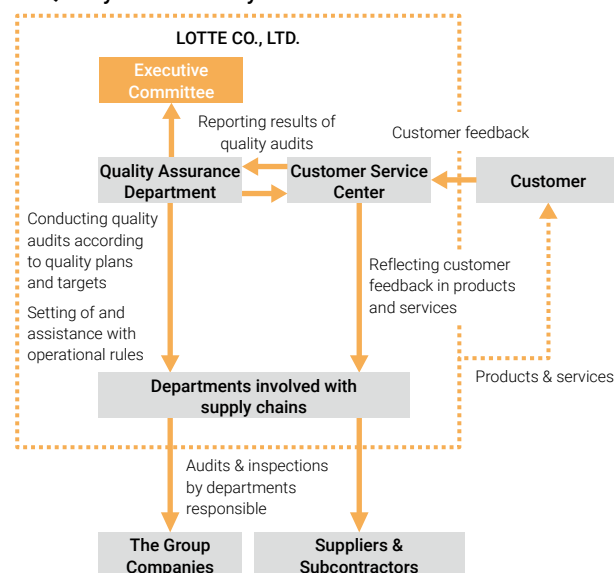
Q LOTTE ADVANCE-Related Documentation



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.

Q 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.

Q Supply Chain



● Product Development

To deliver safe, high-quality products to customers, we will adopt a 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 every lot of purchased raw materials, manage them appropriately, and ensure traceability so that we know in which products specific lots are used. We also evaluate suppliers based on safety and quality, followed by a sanitation inspection. Thus, we strive to continuously improve quality 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 then check the results of such remedial measures.

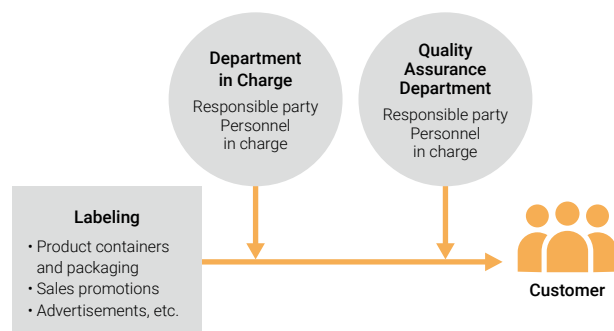
● Production

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 then 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

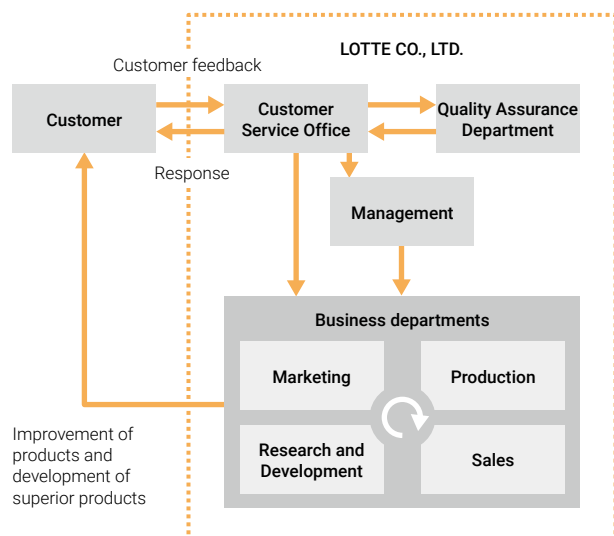
To enable customers to buy and consume our products with peace of mind, labeling related to product packaging, sales promotions, and advertisements is conducted in accordance with all relevant laws and regulations, with every effort made to provide information to customers in an easy-to-comprehend manner that avoids misunderstandings. We maintain a system where information to be disclosed is subject 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 human rights guidelines for expressions that may lead to harmful stereotyping, discrimination, or negative influence on minors, ensuring that our materials do not include these.

Q Our Labeling Check System



● Communication with Customers

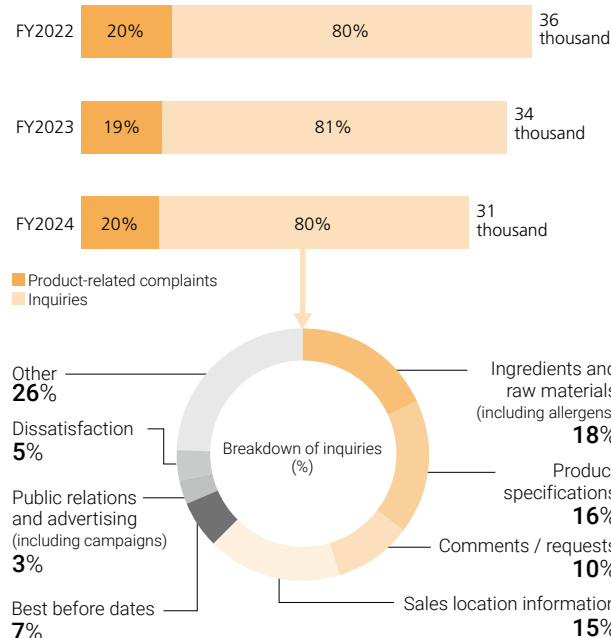
We have established a Customer Service Center as a means to handle customer inquiries and consultations, which is part of our commitment to providing sincere support and clear information so that customers can use our products and services with peace of mind. Customer feedback is shared with management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



Number of Inquiries from Customers and Breakdown

In FY2024, our Customer Service Center received roughly 31 thousand inquiries from our Group companies' customers in Japan.

Q Number of Inquiries from Customers



Scope of Tabulation

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

Recalls and Legal Violations

In FY2024, there were no recalls due to legal violations. 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. In the unlikely event of a recall or legal violation, we will conduct a thorough investigation to determine the cause and take action to prevent a recurrence.

06 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 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 close calls at factories from the previous day 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

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

Preventing 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.

07 Mental and 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 developed 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 as a chewing gum that helps keep teeth strong and healthy. We will continue to put our efforts into

the 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/pdf/sustainability.pdf>

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 mastication check gum* to over 1 million per year by FY2028, as well as spreading awareness about the health benefits of chewing by FY2038.

* A specialized gum that changes color as it is chewed and is used to assess chewing ability.

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

FY2023	470,000
FY2024	550,000

Scope of Tabulation

LOTTE CO., LTD.

● Research and Communication

To achieve these targets, we established the KAMUKOTO Research Department within the Research and Development Center. The KAMUKOTO Research Department specializes in 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 health longevity and well-being. We are also working to popularize chewing gum as a means to put KAMUKOTO into practice. In FY2018, we also launched the

KAMUKOTO Institution, which aims to research the relationship between chewing and 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 under investigation 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)

● Initiatives with Local Governments and Other Organizations

As part of our efforts to promote the importance of KAMUKOTO, we are working in collaboration with local governments and regional dental associations. Our goal is to extend health longevity by spreading awareness and promoting dental and oral health among residents. To do this, we will provide information about the health benefits of KAMUKOTO and provide mastication check gum for assessments of chewing ability, among other initiatives.



FY2023	Chino City, Nagano Prefecture
	Nishitokyo City, Tokyo
	Fujimi City, Saitama Prefecture
	Tochigi Dental Association
	Osaka City Board of Education / Osaka City School Dental Association / Osaka University
FY2024	Atsugi City, Kanagawa Prefecture/Atsugi Dental Association
	Naha City, Okinawa Prefecture/Southern District Dental Association
	Tama City, Tokyo/Tokyo Hachinan Dental Association Tama Branch
	Gifu Prefecture Dental Association
	Chiba Prefecture/Chiba Prefecture Dental Association
	Chiba City, Chiba Prefecture/Chiba City Dental Association

● Estimating Social Impact

We are working to quantitatively visualize the social impact created by our sustainability activities using a logic model*. We believe this will enable us to prioritize our efforts and make efficient investment decisions. It will also make it easier to convey the impact of our activities to stakeholders, which we expect to ramp up co-creation and expand our positive effect on society.

* A model for clearly showing the logical causal relationships between a certain measure and the achievement of its objective; it is composed of four elements: inputs, activities, outputs, and outcomes

Estimation of the Effect of KAMUKOTO on Reducing Nursing Care Expenses

In FY2024, the Japanese government announced that chewing gum could save 5.2 billion yen per year in nursing care expenses associated with oral frailty,* illustrating one aspect of the social impact of popularizing proper KAMUKOTO. This estimate assumed that 13.98% of Japan's population aged 65 and over chew gum as a habit, and calculated the effect of reducing nursing care costs by limiting it to those requiring level 3 care or higher. It is expected that if the habit of gum chewing becomes more widespread, the social impact will also increase.

* A state of frailty in which oral function is slightly reduced. It is said to be closely related to overall frailty, which refers to the decline in physical and mental functions as we age.

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 and verified results confirming the health benefits of KAMUKOTO.

● Improving Oral and Physical Function with an Intervention Program that Combines Gum-Chewing and Other Oral Exercises with Regular Senior Wellness Gatherings

We took part in the Digital Health Co-Creation Promotion Project, part of the greater Aichi Digital Health Project. Working with Eisai Co., Ltd., and with the cooperation of Toyota City, Aichi Prefecture, we conducted a three-month intervention program combining oral exercises* and regular senior wellness gatherings for the city's elderly residents. Following the program, participants showed improvements in chewing ability, tongue strength (tongue pressure), walking

speed, balance, and grip strength, as well as improvements in oral and overall frailty. Participants were highly satisfied with the program and showed improved eating form thanks to the education and hands-on demonstrations provided during the wellness gatherings, and they also had a strong desire to continue with the exercises. For these reasons, the changes in eating form and greater awareness are expected to have lasting effects.

* https://www.lotte.co.jp/kamukoto/assets/pdf/oralfrailty_20250321.pdf (Japanese only)

● Bubble Gum Training Helps with Developing Oral Functionality in Children

Continuing our work from FY2023, in FY2024 we collaborated with the Yamaguchi Dental Association to provide two months of bubblegum training to approximately 900 senior kindergarten (age 5-6) children in Yamaguchi Prefecture. Based on questionnaire results, 55% of children showed improved chewing ability and 54% of children with symptoms of oral incompetence (mouths hanging open) showed improvement as well. Additionally, 65% of the children showed a reduction in chewing sounds while eating and 55% of the children showed a reduction in snoring while sleeping. Of the respondents, 74% also indicated a high intention to continue bubble gum training at home in the future.

● Confirmed Improvement in Occlusal Balance and Motor Function Through Gum Chewing Training

In collaboration with Tomotaka Takeda, visiting professor at the Division of Sports Dentistry of Tokyo Dental College, we conducted chewing gum training with 22 professional soccer players over a one-year period. The training caused a significant reduction in the difference in bite force between the left and right teeth, and improvement in occlusal balance was observed. Improvements in motor function were also observed in vertical jump and static balance (the ability to remain still and balanced). Commenting on the results, Professor Takeda noted that chewing gum evened out and improved occlusal balance and stabilized the body's center of gravity, which I believe led to better static balance. He also noted that the improved occlusion may have caused changes in chewing muscle activity during jumping, which may have resulted in a higher vertical jump.

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 researching xylitol, which had captured our attention due to its role in Finnish dental health. In 1997, when xylitol was approved as a food additive in Japan, LOTTE was the first company to commercialize xylitol and make it available to the public, and our approach helped address the importance of having cavity-free teeth in society. In 2020, we launched "Project Xylitol: Your Own Teeth for 100 Years" aiming to enrich people's lives through researching health benefits and raising public awareness about the dental and oral health benefits of xylitol. Following the example of Finland, a leader in preventive dentistry, we are working with local governments and regional 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 made xylitol part of their daily lives for the sake of their dental and oral health in Japan to at least 50% by 2028

Goal of Initiatives

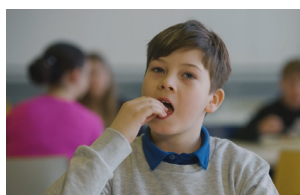
Spread the habits of toothbrushing, fluoride, and xylitol, supplemented by regular dental check-ups, to help maintain dental health in Japan

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 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 11 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, and Naha City in Okinawa Prefecture) have used our products. We will encourage children to have good oral care habits from an 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 are also moving forward with SMART HABIT, a borderless project in Japan, Korea, and Vietnam to raise awareness about dental health by adopting Finland's approach of using 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 this "smart xylitol habit" from Asia to the world, bringing smiles and creating a healthy and sustainable society for people worldwide.



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.

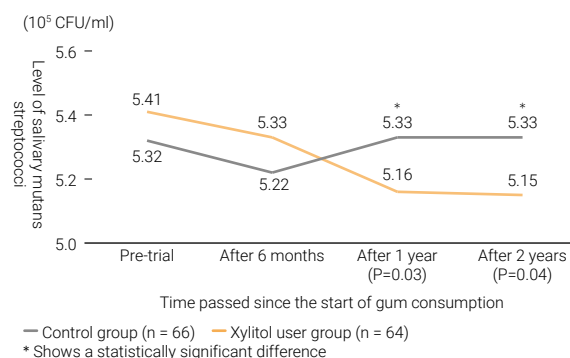
● Reduction of Mutans Streptococci

Mutans streptococci is a bacteria that exists inside almost everybody's mouth. 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.

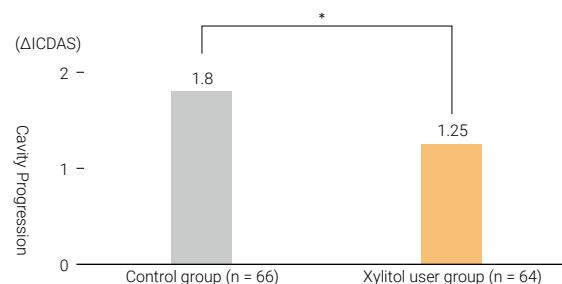
In research that targeted adults with high levels of mutans streptococci, a group of individuals consumed chewing gum containing xylitol for one year, then underwent follow-up observation during the following year when they did not consume any gum. The results showed that, compared with a control group,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

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



Q 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)



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.

08 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 food education activities to more than 20% by FY2028. Also, by FY2038, we expect our employees to apply their experience and skills to society under the belief that diverse experiences outside the company will drive individual and organizational growth.

Q Participation Rate in Food Education Activities

FY2024	14.5%	Number of people surveyed	2,655
		Number of respondents	1,819
		Number of participants in food education activities	264

Scope of Tabulation

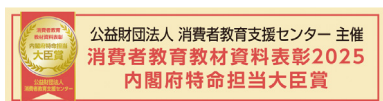
LOTTE CO., LTD. (Via survey of full-time and contract employees)

Number of people who participated in food education activities, seminars other than food education, and community/social contribution activities

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.

At the 2025 Consumer Education Materials Awards, hosted by the National Institute on Consumer Education (NICE), the program Your Choice Will Create a Happier Future received the Cabinet Office Minister of State for Special Missions Award, the top prize for outstanding teaching materials, in the corporations and industry associations category.



Q Main Initiatives

Category	Details of Initiatives	Details of Initiatives
Factory Tour	OKASHI SCHOOL	This tour facility, themed around learning about food, was renovated and reopened in 2022, with digital technology added.  https://www.lotte.co.jp/kengaku/ (Japanese only)
Online	Chocolate Seminar Online	Visitors can learn about our approach and unique ideas regarding the ingredients and production methods of <i>Ghana Milk Chocolate</i> .  https://www.lotte.co.jp/kengaku/remote-seminar/ (Japanese only)
	Virtual Factory Tours	Visitors can learn about our processes from raw material sourcing to production for each product.  https://www.lotte.co.jp/entertainment/factory/ (Japanese only)
Visiting Lecture	LOTTE Innovation Challenge—Future Okashi Lab	LOTTE employees provide lectures for senior elementary school students to learn about important concepts in product development and to inspire them with creative ideas. In FY2023, we introduced a concurrent instructor system allowing employees to visit schools as a dedicated lecturer while continuing their current duties.  https://teacher-site.net/lotte/innovation/index.html (Japanese only)
Providing Teaching Materials	Be a KAMUKOTO Master	This is a set of educational materials for the first and second grade of elementary school to learn about the importance of chewing and tips on how to chew well and make it a habit.  https://teacher-site.net/lotte/kamukoto/index.html (Japanese only)
	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.  https://teacher-site.net/lotte/ethical/index.html (Japanese only)

09 Employee Empowerment

Basic Approach

The most important pillar of support for a business is its human capital. Our goal for FY2048 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 motivated and physically and mentally healthy. In 2018, we developed the Policy on Human Resources and defined our approach to this matter.

► Policy on Human Resources

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

Human Capital Strategy

To achieve sustainable growth, it is essential to have the human capital to execute business strategies. We have established a human capital strategy that is interlinked with our business strategies and are working to cultivate human capital while also building a foundation and organization that can support them, following an approach that values autonomy and a challenge-seeking spirit.

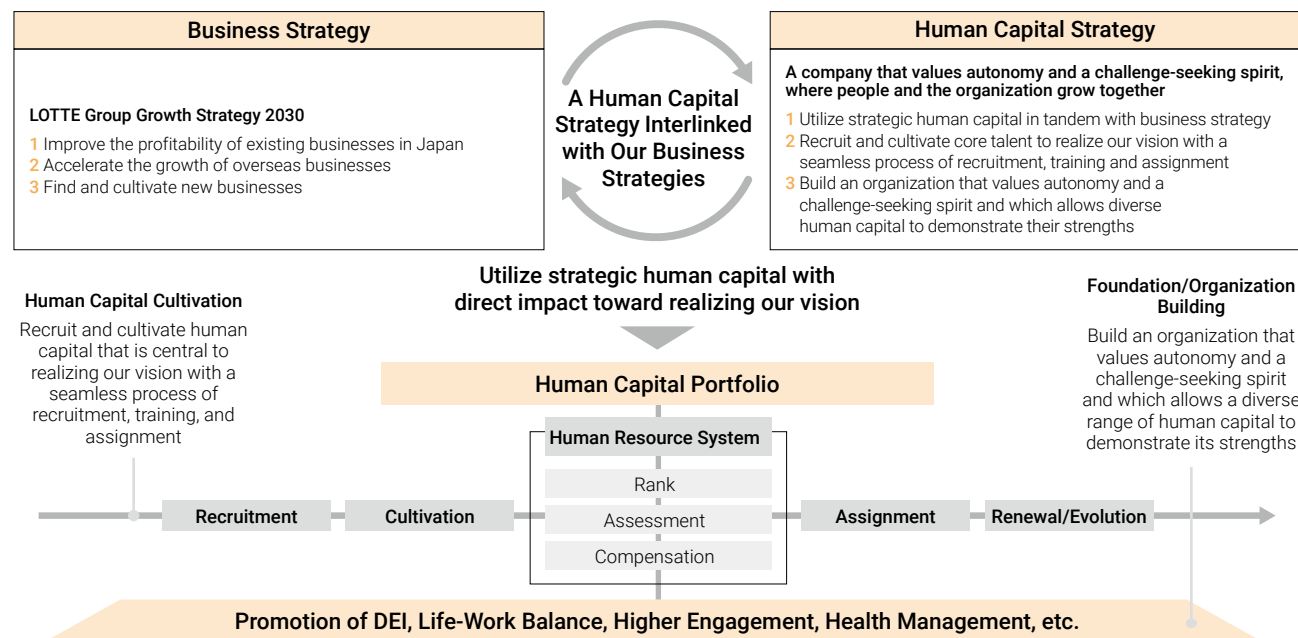
● Profile for Ideal LOTTE Talent

We recruit and develop human capital using a common Groupwide profile for ideal LOTTE talent. This ensures that employees can thrive as part of the Group, which operates a diverse range of businesses worldwide.

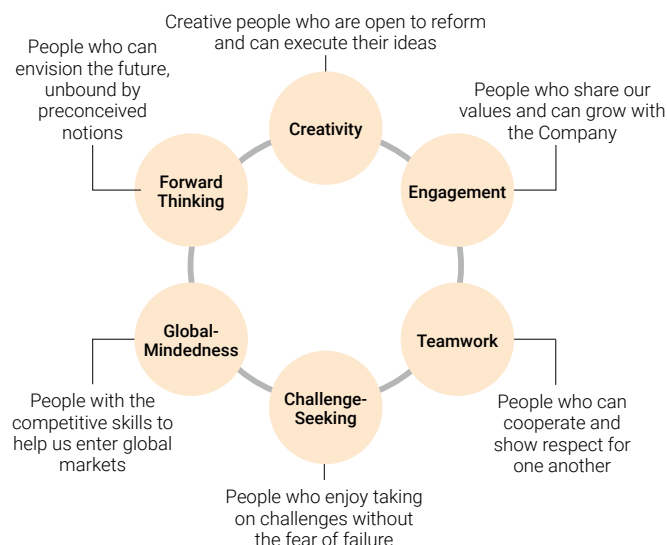
● Human Capital Portfolio

We are building a portfolio of human capital based on our business strategies and our profile for ideal LOTTE talent. To assemble this portfolio, we strategically hire and cultivate human capital that is central to implementing our business strategies, utilizing diverse human resources, which includes talent from outside the Group.

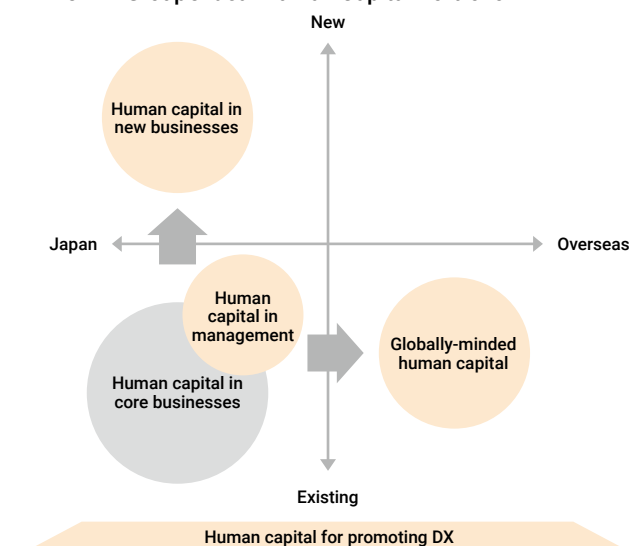
Q Overview of Human Capital Strategy



Q LOTTE Group's Profile for Ideal LOTTE Talent



Q LOTTE Group's Ideal Human Capital Portfolio



Human Capital Cultivation

We are increasing investment in human capital in order to build a portfolio of people necessary to execute our business strategy. We also value the autonomy and challenge-seeking spirit of each employee and provide opportunities for employees to take on any such challenges. This includes a system where employees can take the initiative to develop themselves or take on tasks outside of their current work.

● Recruitment

To hasten the creation of our ideal human capital portfolio, we also recruit talent who have built their careers at other companies and possess the necessary experience, expertise, and skills to perform in their roles. We have also introduced a “welcome-back recruitment” (alumni recruitment) program for former employees who have left LOTTE, allowing them to utilize the diverse range of experiences and skills they gained outside the Group. In addition, we have established an employee referral system for full-time employees.

● Cultivation

We are increasing investment in human capital and run a systematic training program aimed at increasing their capabilities. This program helps employees acquire the basic knowledge, skills, and mindset required for their work. We also value the autonomy and challenge-seeking spirit of each employee and provide opportunities for employees to take on any such challenges. This includes a system where employees can take the initiative to develop themselves or take on tasks outside of their current work.

Q Structure of Human Capital Cultivation Programs

	Position-Based Training Program	Departmental Training Programs	Elective Self-Development Training Programs	Support for Self-Development		
Manager	Manager training	Sales/Factories	Cultivation of the next generation of human capital in management	Foreign language training	Online training and e-learning	Correspondence courses
			Cultivation of next-generation leaders			
			Cultivation of women in management roles			
Mid-career	Training for newly-promoted employees		Cultivation of human capital for promoting DX			
			Off-the-job training			
Entry-level	Annual training		Cultivation of globally-minded human capital			
New employees	New Employee training/OJT		—			

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 career advancement through practical experience in the workplace, while cultivating a team environment where young employees feel comfortable enough to take on challenges.

Departmental Training Programs

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

Elective Self-Development Training Programs

We also offer training for self-development, aimed at realizing our ideal human capital portfolio, which also includes members of management. In 2022, the LOTTE University was established as an in-Company educational institution, offering leadership programs designed to foster the growth of LOTTE. These programs comprise lectures and discussions led by senior executives from both inside and outside the company, along with action learning sessions where participants propose new business ideas and offer recommendations to upper management. We have also worked to include content aimed at cultivating globally-minded human capital and human capital for promoting DX.

Q Elective Self-Development Training Programs

		Program Goal	Number of attendees	Average class time (hours)
Management	Management Cultivation of the next generation of human capital in management	· Cultivation of candidates for the next generation of upper management · Expansion of personal network through external assignments	4	165
	Cultivation of next-generation leaders	· Cultivation of candidates for the next generation of executives · Acquisition of advanced knowledge necessary for managers and exploration of new business opportunities	29	140
	Cultivation of women in management	· Cultivation of the next generation of women in management · Acquisition of practical know-how, including logical thinking, problem-solving, and communication skills	2	20
Cultivation of human capital for promoting DX		· Cultivation of human resources to lead digital and corporate transformation · Acquisition of knowledge in digital fields to facilitate proposals aimed at transforming one's own department	21	63
New businesses	Off-the-job training	Development of a broad perspective and high standards through systematic knowledge acquisition and contact with other industries	2	29
Cultivation of globally-minded human capital		Deepening of global understanding and cultivation of human capital that can thrive both in Japan and overseas	32	36

Support for Self-Development

We value autonomy and a challenge-seeking spirit in each individual. Therefore, we have established the LOTTE-Novation College as a place of learning where employees who possess this spirit can participate voluntarily. We also offer foreign language training, e-learning, and correspondence courses to help in gaining a diverse set of knowledge and skills.

Proposals for New Businesses

In 2022, we started the Miralnnovation Project, a project that promotes the selection and commercialization of new business proposals. Under this project, we actively recruit employees who want to try their hand at launching a new business. Ideas that pass the selection process undergo close examination with the goal of commercialization. This project also helps employees challenge themselves and achieve autonomy, while also encouraging cultivation of human capital.

ミライノベーション



Q Active New Businesses

Theme	Description
Cocoa upcycling	Secondary use of cocoa husks (the outer skin of cocoa beans) produced during the chocolate-making process
Made by me	Sales of handmade cake kits for fans of popular idols
Learning Companion (Education)	Proposals for inquiry-based learning using LOTTE's process for developing new products

Internal Awards System

The LOTTE Awards, a Groupwide internal awards system, celebrate the successes of teams achieved through the practice of the LOTTE Group Philosophy. We have also established the “Nice Challenge Award” to recognize those individuals who proactively take on new challenges. These awards encourage autonomy and a challenge-seeking spirit, helping to cultivate our human capital.



● Assignment (Career Development)

We assign human capital strategically to enable growth for both our employees and the Company. We also have a career development support system in place to encourage autonomy and a challenge-seeking spirit.

Job Rotation

New graduates undergo a job rotation program in which they gain experience working in three different departments within the first 10 years of joining the Company. This allows them to acquire a wide range of experience within the Group. Trying a variety of different tasks also opens up a wider range of possibilities for career development.

Voluntary Job Transfers

In 2022, we implemented a system for open recruitment within the Company as another way to support autonomy and challenge-seeking.

Career Development Support

A career interview is scheduled once a year for all young employees, which involves discussing career plans with their supervisor, providing employees with an opportunity to reflect on their career paths. For mid-career employees and higher-level positions, a career design workshop is offered at specific milestones, which gives them the chance to contemplate their career paths while fostering growth in tandem with the organization. These workshops aim to foster a constructive work mindset and energize the workforce with boosted motivation. We also offer a program to encourage employees in their 50s to embark upon a second career path. Retirees having reached 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

All employees are invited to attend a regular 1-on-1 meeting to speak with their supervisor individually. Rather than solely focusing on work-related topics, these meetings help individuals receive support toward their career development and growth, build a trusting relationship between supervisors and team members, and ensure their physical and mental well-being.

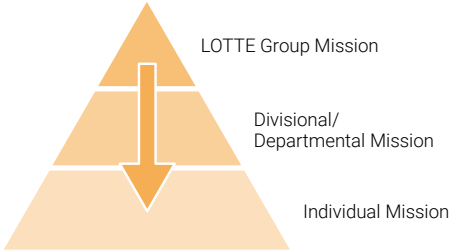
● Human Resource System

We believe that it is important to set appropriate goals and provide fair and reasonable evaluations in order for employees to grow in tandem with the Company.

Mission-Based Evaluation

To successfully carry out our business strategy, employees set a clear mission and goals that are based on our mission as a company. We encourage employees to set challenging goals, then provide a comprehensive evaluation of their work to achieve those goals, as well as evaluating their contributions across the Company. Outside of confidential information, employee missions and goals are publicly available to other employees.

Executing a Successful Strategy



Multifaceted Evaluation

Once a year, some employees receive a multifaceted evaluation in which they are evaluated not only by their superiors but also by their colleagues. This type of feedback increases objectivity and helps ensure that evaluations are seen by the recipient as reasonable.

Foundation/Organization Building

We also treat organization building as an important aspect of our human resource strategy, since a strong organization is an important supporting foundation for our human capital portfolio. By fostering a corporate culture that accepts diverse values, by working to achieve life-work balance, and by trying to improve employee engagement, we are striving to build an organization that attracts diverse talent and enables each individual to demonstrate their potential. Moreover, we strive to build an organization that is highly productive by promoting health management and by working strategically to maintain and improve the physical and mental health of our employees.

● Diversity, Equity & Inclusion (DEI)

We promote DEI based on the belief that, for each employee to truly flourish, we need to foster a corporate culture that celebrates a broad spectrum of values.

Formation of Corporate Culture

In January 2023, we signed the Women's Empowerment Principles (WEPs*) to further advance the promotion of gender equality and its related initiatives. 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 their alignment with our

business strategies. We also provide diversity training for all managers and other key personnel.

* 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 Empowerment

We have set a goal for ratio of women in management of 10% or more, to be achieved by FY2028. Since 2016, we have conducted annual joint seminars on promoting women's success for six food and beverage companies to nurture the young employees who are the next generation of potential women in management. This program turned out to be successful, allowing participants to interact with other companies' women managers and explore their own career path. The seminar provides an opportunity for participants to learn about various career paths and role models so that they can envision their own career in the medium-to long-term. We also introduce exceptional employees within the Company to serve as role models and work to raise awareness of internal support systems that can help employees going through significant life events. These efforts have led to a steady increase of women leaders (deputy manager class) who pursue managerial positions. We also value women's success. Our target hiring ratio for women among new graduates is at least 40% or higher.

Ratio of Women Managers in Japan

As of March 31, 2023	7.4% (4.6% for LOTTE CO., LTD.)
As of March 31, 2024	7.5% (5.1% for LOTTE CO., LTD.)
As of March 31, 2025	8.2% (6.1% for LOTTE CO., LTD + LOTTE HOLDINGS CO., LTD.)

Scope of Tabulation

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

Due to organizational changes, parent company LOTTE HOLDINGS CO., LTD. will be included in the calculations from the end of March 2025.

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. This was previously limited to mid-career hires but was extended to new graduate hires in FY2023. To ensure a comfortable environment for a diverse group of people, we have also made improvements to restrooms and eliminated steps and stairs. 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 or commuting. To further raise awareness among employees, we offer training programs for Group companies in Japan so staff can learn about people with disabilities.

Employing Retirees

LOTTE and its Group companies offer post-retirement reemployment to allow 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 Support the LGBTQ+ Community

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

Raising awareness	- Training programs - Help desk - Communication about the existence of an LGBTQ+ ALLY* community
Recruiting	"Other" and "Prefer not to say" added to the gender field of our entry sheet - Clear communication to hiring staff regarding guidelines to ensure compliance
Benefits	Extension of benefits and HR programs for spouses to include same-sex partners

* A person who understands and supports LGBTQ+ communities and issues



©L/KMP

ALLY Koala

In recognition of our efforts, we have received a Gold rating (the highest rating) in the PRIDE Index, which evaluates LGBTQ+ initiatives in the workplace.



Achieving Life-Work Balance

We have adopted flexible work arrangements to help a diverse workforce in all stages of their lives perform at their best. We are making use of these schemes to reduce work hours by increasing productivity, which is in turn aimed at achieving life-work balance for employees.

Corporate Culture Reforms

In January 2021, we became part of the *IKUBOSS** Corporate Alliance. At the time, upper management conveyed a message emphasizing the significance of both a positive workplace culture and proper understanding and mindfulness from management in achieving a healthy life-work balance. Over the course of four years, starting in 2021, a total of 74 managers have declared their commitment to being an *IKUBOSS*, notifying their staff of this declaration to ensure continued accountability.

* Bosses, at upper-management or managerial positions, who manage their team effectively and support team members' career path and life-work balance while taking care to enjoy their own work and personal life as well.



IKUBOSS declaration relayed by 74 managers

Promoting the Usage of Paid Leave

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

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 any responsibilities to be transferred. All of our workplaces follow a protocol that facilitates smooth communication between supervisors and pregnant employees (and the partners of these employees).

Support for Parenting

We are working to ensure employees with small children can continue their career while balancing childcare and work. Our programs offer more benefits than those required by laws and regulations. The Urawa and Sayama Factory both have their own on-site daycare center. We also host workshops for employees just returned from parental 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.

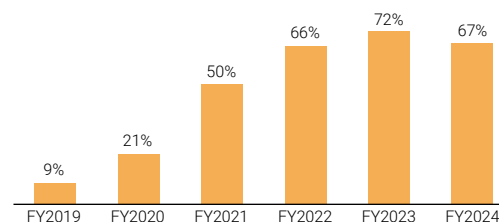


Poplar Urban Nursery School
(locations in Musashi-Urawa and Shin-Sayama, Saitama Prefecture)



Work-Childcare Balance Guidebook

Childcare Leave Utilization Rate for Male Employees



Scope of Tabulation

LOTTE CO., LTD. and 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.

Telecommuting Program

Using information and communication technology, we have introduced a telecommuting program to enable effective use of time and place, promote flexible work styles, and boost productivity. This program gives options for employees to continue their career even when they face stressful life events, such as raising children or 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 start and finish times. Our aim is to create an employee-friendly environment by accommodating individual lifestyles, while making it easier 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 that allow people to concentrate on their tasks. In 2023, we renovated the cafe so that it can be used as a multipurpose space for 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.

Employee Engagement

LOTTE and its Group companies strive to create workplaces and foster a corporate culture that 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 aware of their own development is linked to both personal and corporate growth and leads to higher corporate value. We remain committed to pursuing strategies that enhance employee motivation and their job engagement.

Employee Satisfaction Survey

We conduct an employee satisfaction survey every year to ascertain employee engagement. The results are converted to an engagement rating*, and we work to identify and improve any issues in order to receive a rating of A or higher.

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

Engagement Rating

FY2023	B
FY2024	B

Scope of Tabulation

LOTTE CO., LTD.

Labor Thanksgiving Week

To coincide with Labor Thanksgiving Day, a public holiday in Japan, we have established Labor Thanksgiving Week. We treat this week as a special time for expressing gratitude and appreciation to one another. We encourage colleagues in the workplace to exchange chocolates with messages of appreciation attached in an effort to spark communication.



LOTTE Family Day

In FY2024, we held our inaugural LOTTE Family Day, an in-Company event for employees and their families. We introduced the event to inspire a feeling of pride among LOTTE Group employees, a way to establish LOTTE as a company that is open and appreciative of its employees and their families.



Health Management

We believe that the growth of the Company 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. Management holds the responsibility of creating an environment that enables employees to unleash their full potential.

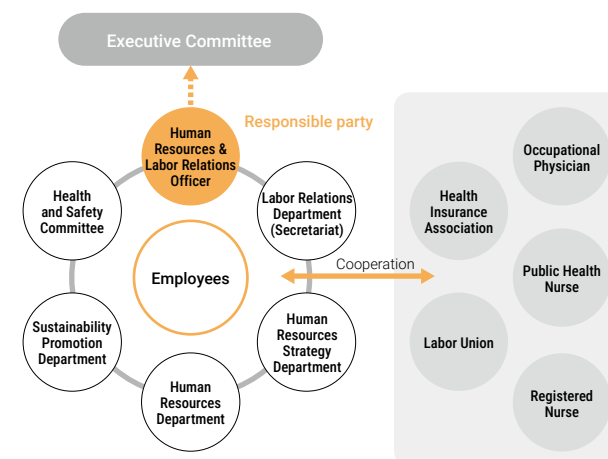
Management is dedicated to advancing health management initiatives, recognizing the well-being of employees and their families as one of their most important management issues.

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 that enables 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 Human Resources Department and Labor Relations Department is responsible for promoting health management. The Labor Relations Department, Human Resources Department, Human Resources Strategy Department, 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.



For our efforts to promote health management, we have been recognized as a "2025 Outstanding Organization of KENKO Investment for Health" in the large-enterprise category, under the recognition program sponsored by the Ministry of Economy, Trade and Industry. We were also recognized as a White 500 enterprise, as one of the top 500 in the large-enterprise category.



Health Management

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

Q Main Initiatives

Health management	• Periodic health checkups • Specific health guidance • Short-stay health screening • Brain checkups with MRI • Free dental checkups • On-site dental checkups • 24-hour health consultation service by phone • Online health consultations • Mail-in lab test • Health consultation day • Mental health counseling • Influenza vaccinations • Subsidies for detailed examination costs
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 <i>HAPPYLTH</i> • Utilization of the healthcare app <i>QOLism</i> • Health promotion education • Distribution of health promotion organization newsletters • Promotion of dental and oral health • Health and Safety Committee • Mental health seminars
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

Q Activity Details

Health management

Free dental checkups	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 partners. 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, which is provided by an outside organization and available 24/7, 365 days a year. This service comprises a wide range of support services for employees and their families, including health, medical, nursing care, and childcare 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 organization contracted from outside the Company. The hotline is available 24/7 via phone or the Internet, allowing us to identify early signs of mental health issues and provide timely support.
On-site dental checkups	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, they also make employees more aware of their dental and oral health by teaching proper brushing techniques.

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 for home-use 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 outdoor areas of the head office building. We also make active efforts such as providing free online consultations and smoking cessation aid as part of our support program.

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® assessments.

Improvement of health literacy

Utilization of the health portal site <i>HAPPYLTH</i>	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 <i>QOLism</i>	The health app ' <i>QOLism</i> ', developed by QOLeal, 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-friendly 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 <i>KAMUKOTO</i> for overall well-being and consumption of xylitol for dental health throughout the company. As part of this effort, we offer <i>Xylitol Gum</i> in our company cafeterias. 

Mental health seminar	As a preventive measure for 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 <i>QOLism</i> 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 memberships 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 on a regular basis. Based on the stress check results of each department, we analyze the data to improve the work environment. To help foreign national employees perform self-checks, we offer this assessment in their native languages.
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10 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.

11 Support Activities

Support for Child-Rearing Households

To support child-rearing households with financial difficulties, we donate confectionery through the Food Box for Children project of Save the Children*, an international NGO.



* An international organization that implements private-sector, non-profit initiatives to help children in 110 countries, including Japan. The Japanese branch of the organization was established in 1986 to tackle issues such as poverty among children. As part of this effort, the organization has been working to improve the food situation of children since 2020.

12 Initiatives of Group Companies

Mary Chocolate Co., Ltd.

As a way to contribute to our community, every year, Mary's Chocolate donates chocolates to children's facilities in Matsudo City and Funabashi City in Chiba prefecture, and Ota Ward in Tokyo, where its factories are located. Continuing its efforts from the previous year, in FY2024 the company assisted the local government's activities in each area by donating chocolates to their respective Children's Cafeteria initiatives. In addition, to honor the disaster prevention agreement with Ota Ward, the company distributed baked confectionery items to visitors during the Ota Ward Comprehensive Disaster Prevention Training event.

The company has also donated chocolates to children's homes in Tokyo every Christmas since 2009 and every year children from the children's homes respond with letters expressing their gratitude.

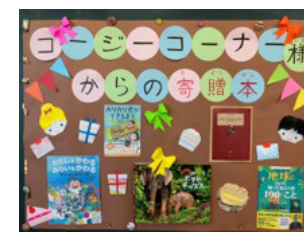


The company also makes environmental conservation efforts. For Mary Chocolate's "RURU MARY'S" brand, a portion of the proceeds from sales of paper bags and gift wrapping is donated to the WWF Japan's environmental conservation activities. Environmentally friendly measures include using FSC-certified or recycled paper and biomass ink.

Ginza Cozy Corner Co., Ltd.

● Donation of Partial Proceeds from Plastic Bag Sales

Based on the concepts of "appreciation for the community" and "supporting children's dreams," since 2021 Ginza Cozy Corner has been donating partial proceeds from the sales of plastic bags to an environmental organization in Saitama Prefecture. Donations to the organization are spent on purchasing books for the SDGs learning program at 52 elementary schools in Kawaguchi City. The company received a letter of appreciation from NPO Kawaguchi Citizen's Environmental Council for its contribution to the community in 2022.



● Pastry Class and Hands-On Sales Experience

Recognizing that a pâtissier is a popular choice for future jobs among children, in 2023 Ginza Cozy Corner started pâtissier-led pastry classes and hands-on experiences of selling cakes at a store. Since participating children and their families enjoyed these events so much, the company plans to continue these activities.

LOTTE Wedel sp. z o.o.

● The Chocolate Factory E. Wedel Museum

The Chocolate Factory E. Wedel Museum, opened in September 2024, is designed as an inclusive space, welcoming all guests—including people with disabilities, seniors, and families with children.



● Support for Work and Childcare Balance

LOTTE Wedel ran the #SweetExcuse campaign over the Christmas season. Through the campaign, children could write “sweet excuses”—playful notes asking their parents’ employers to grant them time off. The announcement of this campaign reached over 50 companies and nearly 60,000 people. When companies encourage family bonding, they help build communities that foster well-being.

LOTTE VIETNAM CO., LTD.

● Xylitol Dental Roadshow

Awareness-raising events were held for students at 19 universities. Under the supervision of dentists, we have raised awareness of oral care among young people by providing accurate information about cavity prevention and the functions of xylitol. This initiative aims to contribute toward creating a healthy society and communicate the brand’s value of LOTTE from a sustainability perspective.



PT. LOTTE INDONESIA

We invited children and staff from local orphanages to a hotel where we donated LOTTE products and held an event to celebrate the end of Ramadan together.



THAI LOTTE CO., LTD.

Following the Myanmar earthquake that occurred in March 2025, THAI LOTTE donated 50 cases of *Koala’s March* to the Myanmar Embassy. These products were delivered to disaster-stricken areas via the embassy.



LOTTE TAIWAN CO., LTD.

LOTTE TAIWAN makes donations that contribute to the wildlife conservation activities of Taipei Zoo, offering support for protection, treatment, and enhancements to the animals’ habitats.



13 Social Data

Employee Information

Indicators			Unit	As of March 31, 2023			As of March 31, 2024			As of March 31, 2025		
				Total	Male	Female	Total	Male	Female	Total	Male	Female
Total number of LOTTE Group employees	Total number of employees in Japan	Persons		11,794	—	—	11,686	—	—	11,332	5,464	5,869
		Full-time employees	Persons	7,375	—	—	7,189	—	—	7,061	4,005	3,056
		Part-time employees	Persons	4,419	—	—	4,497	—	—	4,271	1,459	2,813
		Persons		7,446	—	—	7,436	3,500	3,936	7,292	3,408	3,885
		Full-time employees	Persons	3,713	2,301	1,412	3,644	2,245	1,399	3,513	2,153	1,360
		Part-time employees	Persons	3,733	—	—	3,792	1,255	2,537	3,779	1,255	2,525
		LOTTE CO., LTD.	Persons	4,436	—	—	4,408	2,647	1,761	4,316	2,582	1,734
		Full-time employees	Persons	2,459	1,702	757	2,409	1,668	741	2,299	1,597	702
		Part-time employees	Persons	1,977	—	—	1,999	979	1,020	2,017	985	1,032
		Group companies in Japan	Persons	3,010	—	—	3,028	853	2,175	2,977	826	2,151
	Total number of employees overseas	Full-time employees	Persons	1,254	599	655	1,235	577	658	1,214	556	658
		Part-time employees	Persons	1,756	—	—	1,793	276	1,517	1,763	270	1,493
		Persons		4,348	—	—	4,250	—	—	4,040	2,056	1,984
		Full-time employees	Persons	3,662	—	—	3,545	—	—	3,548	1,852	1,696
		Part-time employees	Persons	686	—	—	705	—	—	492	204	288
		Asia subtotal	Persons	2,860	—	—	2,835	1,558	1,277	2,787	1,442	1,345
		Full-time employees	Persons	2,560	—	—	2,520	1,386	1,134	2,536	1,373	1,163
		Part-time employees	Persons	300	—	—	315	172	143	251	69	182
		U.S. and Europe subtotal	Persons	1,488	—	—	1,415	—	—	1,253	614	639
		Full-time employees	Persons	1,102	—	—	1,025	—	—	1,012	479	533
		Part-time employees	Persons	386	—	—	390	—	—	241	135	106
Average age of employees in Japan		Age		40.4	41.4	38.9	40.7	41.8	39.1	40.9	41.7	39.4
	LOTTE CO., LTD.	Age		39.6	40.2	38.2	39.9	40.5	38.5	40.0	40.5	38.8
	Group companies in Japan	Age		42.0	44.7	39.6	42.4	45.4	39.8	42.5	45.2	40.0
Average length of employment in Japan		Years		17.1	18.2	15.5	17.6	18.5	16.0	17.6	18.5	16.1
	LOTTE CO., LTD.	Years		17.0	17.1	16.8	17.3	17.3	17.1	17.3	17.3	17.3
	Group companies in Japan	Years		17.4	21.3	14.0	18.2	22.0	14.8	18.2	22.2	14.9
Age group of employees in Japan		Persons		—	—	—	3,644	2,245	1,399	3,513	2,153	1,360
	20s and under	Persons		—	—	—	808	442	366	786	427	359
	30s	Persons		—	—	—	883	522	361	850	507	343
	40s	Persons		—	—	—	927	573	354	838	529	309
	50s and up	Persons		—	—	—	1,026	708	318	1,039	690	349

Q DEI (Due to organizational changes, parent company LOTTE HOLDINGS CO., LTD. is included in calculations from March 31, 2025)

Indicators		Unit	As of March 31, 2023			As of March 31, 2024			As of March 31, 2025		
			Total	Male	Female	Total	Male	Female	Total	Male	Female
Number of managers in the Group		Persons	790	626	164	749	587	162	785	607	178
	Ratio of women in management roles	%	20.8			21.6			22.7		
	Number of managers in Japan	Persons	529	490	39	533	493	40	549	504	45
	Ratio of women in management roles	%	7.4			7.5			8.2		
	LOTTE CO., LTD + LOTTE HOLDINGS CO., LTD.*	Persons	329	314	15	336	319	17	358	336	22
	Ratio of women in management roles	%	4.6			5.1			6.1		
	New graduate hires	Persons	273	262	11	279	267	12	291	278	13
	Mid-career hires	Persons	56	52	4	57	52	5	67	58	9
	Number of managers overseas	Persons	261	136	125	216	94	122	236	103	133
	Ratio of women in management roles	%	47.9			56.5			56.4		
Ratio of women supervisors (section manager class)	LOTTE CO., LTD + LOTTE HOLDINGS CO., LTD.*	%	12.2			14.1			13.5		

* Results as of March 31, 2023 and March 31, 2024 are for LOTTE CO., LTD only.

Q Gender gap in wages

Indicators		Unit	FY2022		FY2023		FY2024	
Gender gap in wages	LOTTE CO., LTD.	%	61.8		62.1		62.4	
	Permanent employees	%	72.8		72.5		73.7	
	Contingent workers	%	68.4		70.5		71.3	

Q Human Resource Cultivation and Life-Work Balance

Indicators		Unit	FY2022			FY2023			FY2024		
			Total	Male	Female	Total	Male	Female	Total	Male	Female
Average annual training hours per employee*	LOTTE CO., LTD.	Hours	10	—	—	13	—	—	16	—	—
Annual training expenses*		Million yen	89	—	—	91	—	—	99	—	—
Total working hours per year	LOTTE CO., LTD. and its Group companies in Japan	Hours	1,923	—	—	1,930	—	—	1,912	—	—
Overtime work hours (excluding managers)		Hours	163	—	—	167	—	—	164	—	—
Number of paid leave days taken		Days	15.2	—	—	16.1	—	—	15.0	—	—
Paid leave utilization rate		%	76	—	—	81	—	—	75	—	—
Number of employees who took childcare leave		Persons	120	56	64	105	46	59	103	61	42
Rate of childcare leave utilization		%	79	66	97	83	72	94	79	67	102
Ratio of employees who returned to work after childcare leave		%	99	100	98	99	100	98	99	100	98
Retention rate after childcare leave		%	100	100	100	98	98	98	100	100	100
Number of parents who worked shorter hours		Persons	180	5	175	211	5	206	218	3	215

* Skill development training hosted by the HR department

Q Engagement

Indicators		Unit	FY2022			FY2023			FY2024		
			Total	Male	Female	Total	Male	Female	Total	Male	Female
Engagement Rating*	LOTTE CO., LTD.	—	—	—	—	B	—	—	B	—	—

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

Hiring, Dismissal and Retirement

Indicators			Unit	FY2022			FY2023			FY2024			
				Total	Male	Female	Total	Male	Female	Total	Male	Female	
Number of employees hired in the Group			Persons	1,461	899	562	1,345	887	458	1,329	823	506	
	Number of employees hired in Japan		Persons	111	40	71	156	80	76	204	109	95	
		New graduates	Persons	72	30	42	93	45	48	125	58	67	
		Mid-career		Persons	39	10	29	63	35	28	79	51	28
			20s and under	Persons	—	—	—	16	10	6	31	20	11
			30s	Persons	—	—	—	26	18	8	30	21	9
			40s	Persons	—	—	—	16	6	10	12	6	6
		50s and up	Persons	—	—	—	5	1	4	6	4	2	
	LOTTE CO., LTD.		Persons	62	32	30	103	67	36	134	86	48	
		New graduates	Persons	49	26	23	65	38	27	83	47	36	
		Mid-career	Persons	13	6	7	38	29	9	51	39	12	
		Group companies in Japan		Persons	49	8	41	53	13	40	70	23	47
		New graduates	Persons	23	4	19	28	7	21	42	11	31	
		Mid-career	Persons	26	4	22	25	6	19	28	12	16	
Number of employees hired overseas		Persons	1,350	859	491	1,189	807	382	1,125	714	411		
Asia subtotal		Persons	1,265	818	447	983	690	293	885	582	303		
U.S. and Europe subtotal		Persons	85	41	44	206	117	89	240	132	108		
Ratio of women among new graduate hires	LOTTE CO., LTD.		%	46.9			41.5			53.6			
Number of employees retired/dismissed from the Group			Persons	1,615	1,025	590	1,399	908	491	1,235	817	418	
		Retirement	Persons	54	42	12	75	52	23	89	64	25	
		Personal reasons	Persons	1,561	983	578	1,324	856	468	1,146	753	393	
		Number of employees retired/dismissed in Japan		Persons	165	84	81	195	118	77	191	113	78
		Retirement	Persons	34	29	5	63	45	18	72	54	18	
		Personal reasons	Persons	131	55	76	132	73	59	119	59	60	
		LOTTE CO., LTD.		Persons	83	60	23	121	84	37	92	67	25
	Retirement		Persons	21	19	2	47	34	13	40	32	8	
	Personal reasons		Persons	62	41	21	74	50	24	52	35	17	
	Group companies in Japan		Persons	82	24	58	74	34	40	99	46	53	
		Retirement	Persons	13	10	3	16	11	5	32	22	10	
		Personal reasons	Persons	69	14	55	58	23	35	67	24	43	
	Number of employees retired/dismissed overseas		Persons	1,450	941	509	1,204	790	414	1,044	704	340	
	Asia subtotal		Persons	1,330	880	450	1,059	716	343	911	633	278	
		Retirement	Persons	5	5	0	1	1	0	4	2	2	
		Personal reasons	Persons	1,325	875	450	1,058	715	343	907	631	276	
	U.S. and Europe subtotal		Persons	120	61	59	145	74	71	133	71	62	
Retirement		Persons	15	8	7	11	6	5	13	8	5		
Personal reasons		Persons	105	53	52	134	68	66	120	63	57		
Turnover rate at LOTTE CO., LTD.		%	2.4	2.3	2.7	3.0	2.9	3.2	2.2	2.1	2.4		
Turnover rate within 3 years for new graduates		%	12.7	—	—	14.8	—	—	10.2	—	—		
Percentage of employees with disabilities in Japan			%	2.3	—	—	2.5	—	—	2.7	—	—	
			Persons	138	110	28	152	122	30	162	124	38	
Number of rehired employees in Japan*	LOTTE CO., LTD.		Persons	70	63	7	105	87	18	113	89	24	
	Group companies in Japan		Persons	68	47	21	47	35	12	49	35	14	
			%	100	100	100	96	96	97	100	100	100	
Re-employment ratio in Japan*	LOTTE CO., LTD.		%	100	100	100	96	96	100	100	100	100	
	Group companies in Japan		%	100	100	100	96	97	92	100	100	100	

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

Q Occupational Health and Safety

Indicators		Unit	FY2022			FY2023			FY2024		
			Total	Male	Female	Total	Male	Female	Total	Male	Female
Number of workers involved in occupational accidents resulting in lost workdays		Persons	70	37	33	69	42	27	78	40	38
	Japan	Persons	28	11	17	30	14	16	25	8	17
	Group companies overseas	Persons	42	26	16	39	28	11	53	32	21
Number of work-related fatalities		Persons	0	0	0	0	0	0	0	0	0
Lost-time injury frequency rate		—	—	—	—	3.50	—	—	4.56	—	—
	Japan	—	1.96	—	—	2.08	—	—	2.21	—	—
	Group companies overseas	—	—	—	—	7.38	—	—	9.19	—	—
Lost-time injury severity rate		—	—	—	—	0.0728	—	—	0.1116	—	—
	Japan	—	0.0338	—	—	0.0205	—	—	0.0595	—	—
	Group companies overseas	—	—	—	—	0.2155	—	—	0.2140	—	—

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

Q Sustainable Procurement

Indicators		Unit	FY2022	FY2023	FY2024
Raw material procurement volume	Japan	Thousand t	216	224	218
	Amount of cocoa beans procured	LOTTE CO., LTD.	6.0	7.5	6.3
	Ratio of LOTTE Sustainable Cocoa	LOTTE CO., LTD.	%	43	51
	Amount of palm oil procured	Japan	15.5	15.2	14.4
	Ratio of third-party verified palm oil	Japan	%	89	89
	Amount of paper procured (for product containers and packaging)	Japan	41.9	43.6	43.3
	Environmentally-friendly paper	Japan	%	95	95

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

Q Mental and Physical Health

Indicators	Unit	FY2022	FY2023	FY2024
Number of chewing assessments using the mastication check gum*1	Number of assessments	—	470,000	550,000
Percentage of people who practice KAMUKOTO*2	%	22	21	18
Percentage of people who have made xylitol part of their daily lives for the sake of their dental and oral health*2	%	25	25	22

*1 Based on annual shipments of mastication check gum

*2 Based on an online survey conducted by LOTTE of approximately 3,000 people. Results of the survey are published in spring of the following year (e.g. results for FY2025 are published in FY2024). The survey method has been changed from FY2024 onward.

Q Food Education

Indicators		Unit	FY2022	FY2023	FY2024
Participation rate in food education activities	LOTTE CO., LTD. (via survey of full-time and contract employees)	%	—	—	14.5
	Percentage of people who participated in food education activities, seminars other than food education, and community/social contribution activities				
					Number of people surveyed: 2,655 Number of respondents: 1,819 Number of participants in food education activities: 264