

# Sustainability Activities

## Policy on Sustainability

Established on April 18, 2018

We aim to improve our corporate value through LOTTE Group Philosophy and contribute to the realization of a sustainable society.

- 1. Solving social issues through our business operations**  
 We make proactive efforts to achieve a society in which people can be physically and mentally healthy and contribute to solving social issues through our business operations.
- 2. Pursuing safety**  
 We extensively pursue the safety of products and services and contribute to improving the well being of society by providing "good taste," "fun," and "comfort."
- 3. Reducing the impact of our business on the environment**  
 We understand that we are growing upon the blessings of nature as citizens of the earth and contribute to a low-carbon society and recycling-oriented society through our business operations.
- 4. Creating a workplace that enables our employees to maximize their potential**  
 We respect the personalities and workstyles of employees, promote Life-Work balance, and create a workplace that enables our employees to maximize their potential.
- 5. Contributing to the realization of a sustainable society throughout the entire value chain**  
 We contribute to realization of a sustainable society throughout the entire value chain in cooperation with stakeholders.
- 6. Establishing trust through productive dialogues with society**  
 We comply with all laws and regulations, respect human rights, and conduct sincere and fair business operations based on ethics.  
 We establish appropriate and positive relationships with stakeholders and fulfill our social responsibilities such as fair competition, appropriate disclosure of corporate information, etc.

## Dialogues with Outside Parties

The Company pays close attention to outside feedback in regard to its sustainability activities and holds regular dialogues with outside experts, whose opinions are reflected in these activities. In addition, the Company promotes these efforts based on ISO26000, the International Organization for Standardization's standard for social responsibility, as well as the SDGs and other international initiatives. In terms of disclosure, the company references Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards while also working to expand the breadth of information disclosed and contribute to the dialogues with all of our stakeholders.

## Educating Employees

To promote sustainability, it is important that employees, to whom this duty falls, have a full understanding of the concept. We employ various methods to ensure that employees receive and understand this information.

### ● Company Newsletter

A company newsletter issued monthly by LOTTE CO., LTD. contains articles explaining materiality and Medium-Term ESG Targets. In addition, since May 2019 we have switched to an online format, allowing us to disseminate information in a timelier manner.

### ● Education through Training Held by the Human Resources Division

Information pertaining to sustainability is included in each form of training held by the Human Resources Division. In FY2018, the Company held workshops aimed at senior management, which contained explanations of sustainability-related content as well as the stance adopted by LOTTE CO., LTD. Furthermore, from FY2019 onward we plan to include an explanation on sustainability when providing feedback to managers in the employee satisfaction survey.

### ● ESG Lecture Series

The CSR Promotion Department, part of LOTTE CO., LTD. Corporate Strategy Division, holds a lecture series arranged by materiality themes and led by outside experts. Moreover, these lectures are published on the Company's internal intranet in order to share them with employees who are unable to attend in person. In FY2018, a series of lectures were held on food loss and waste, diversity, and food labelling.

## Sustainability Promotion System

The CSR Promotion Department, part of LOTTE CO., LTD. Corporate Strategy Division, also serves as the secretariat and promotes sustainability activities for the entire Group in cooperation with related departments. In addition, the Executive Committee looks into important sustainability policies, materiality, and medium-term targets, and then confirms the progress of related efforts.

