

Materiality and Medium-Term ESG Targets

*KAMUKOTO means "Mastication" or "Chewing" in English, which contains the movement of the muscles around the mouth and tongue used for eating. KAMUKOTO has many benefits for the body, such as increasing cerebral blood flow and activating brain functions.

Materiality	Key Items	Indicators	2023 Target	2028 Target	Relevant SDGs Targets	
1 Food Safety and Reliability	Further improvement of product quality	GFSI recognized certification schemes (FSSC 22000/BRC)	Certification maintained	Certification maintained	2.1, 2.4	
		Introduction of LOTTE ADVANCE, our new quality assurance system	Start roll out in development and production sites	Continue to operate the system in development and production sites		
2 Food and Health	Health	Percentage of people who practice KAMUKOTO* with proper awareness (Japan)	35% or more	50% or more	3.4, 9.5	
		Percentage of people who have made xylitol part of their daily lives for the sake of their dental and oral health (Japan)	—	50% or more		
	Food Education	Number of people attending our Food Education	100 thousand persons per year or more	150 thousand persons per year or more		
3 Environment	Decarbonized society	Reduction rate of energy-related CO ₂ emissions (Scope 1 and 2) [comparison with FY2019]	—	23% or more reduction (2050 Target: Carbon neutrality)	13.1	
		Reduction rate of food loss and waste (FLW) (Per-unit volume comparison with FY2019)	—	50% or more reduction		12.3
	Circular Economy	Recycling rate of waste generated by production processes	99% or more (Japan)	99% or more (Japan and overseas)		12.5
4 Sustainable Procurement	Cacao beans	Usage rate of Fair Cacao	—	100% (2025 Target: 100% for Ghana beans)	8.7, 8.8, 12.7, 17.16, 17.17	
	Palm oil	Usage rate of third-party verified palm oil	100% (Japan)	100% (Japan and Overseas)		8.7, 8.8, 12.7, 13.1, 17.16, 17.17
	Paper	Usage rate of environmentally friendly paper (for product containers and packaging)	100% (Japan)	100% (Japan and Overseas)		8.4, 12.7, 13.1, 17.16, 17.17
5 Employee Empowerment	Diversity	Ratio of female managers (Japan)	10% or more	20% or more	5.1, 5.5, 5.b, 8.5	
	Work-style reform	Annual total working hours per person (Japan)	1,850 hours or less	1,800 hours or less		5.4, 5.b, 8.1, 8.2
	Employee Engagement	Percentage of employees with high job satisfaction (Japan)	80% or more	At least 80%		8.1, 8.2