LOTTE SHOPPING

LOTTE SHOPPING

2025 Sustainability Report

Dream Together for Better Earth

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About This Report

About This Report

LOTTE Shopping publishes an annual sustainability report to transparently disclose its sustainability management strategy, activities, and performance to stakeholders. Through this report, we will continue to transparently share key business performance and sustainability information across LOTTE Shopping and its business divisions (LOTTE Department Store, LOTTE Mart·Super, and LOTTE e-Commerce), and actively engage with our diverse stakeholders.

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, the international guidelines for sustainability reporting. To reflect key issues relevant to the retail industry, the report aligns with the Task Force on Climate-related Financial Disclosures (TCFD) framework and the Sustainability Accounting Standards Board (SASB) industry standards. Furthermore, environmental and social reporting topics are structured around the 'Governance, Strategy, Risk Management, and Metrics and Targets' framework. Financial information is presented in accordance with the Korean International Financial Reporting Standards (K-IFRS), while non-financial information is reported on a fiscal-year basis in line with the Company's disclosure system. Due to refinements in calculation methodologies for certain quantitative data and an expanded reporting scope, some data from the previous year's report have been restated. These restatements are specified in the footnotes of the respective sections.

Reporting Scope and Boundary

The reporting scope covers all domestic business sites operated by LOTTE Shopping and its business divisions, including headquarters, branches, and research institutes. Certain items include data and performance from overseas business sites.

Reporting Period

This report covers activities and performance from January 1, 2025, to December 31, 2025. Some key information includes data up to the first half of 2026. For quantitative performance and indicators, including financial information, data from the past three years (2023–2025) is provided to illustrate trends.

Report Assurance

This report has been verified by an independent third-party assurance provider to ensure the accuracy and reliability of its information. Detailed information on the assurance scope and results is available on pages 108-111 of the report.

Contact Information

For any inquiries regarding this report or its contents, please contact us using the information below. We welcome feedback from our stakeholders.

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Letter From CEO

LOTTE Department Store will go beyond a simple shopping space to serve as an ESG lifestyle curator committed to a sustainable future for our customers.

Dear Stakeholders,
I am Jung Hyun-seok, CEO of LOTTE Department Store.

Last year, LOTTE Department Store faced numerous considerations and challenges amid profound changes. The consumption environment evolved rapidly, and customer expectations grew higher than ever. Despite these circumstances, we remained committed to corporate social responsibility and sustainability management, striving to implement industry-leading ESG management.

Through the dual pillars of Fair Trade Compliance and robust Win-Win Growth, we have continuously advanced our win-win strategy with partners. As a result, in 2025, we became the first in the department store and duty-free industry to achieve the highest rating in the Win-Win Growth Index evaluation, earning external recognition for our Win-Win Growth Management performance. Furthermore, we advanced our Carbon Neutrality Roadmap by introducing the industry's first Power Purchase Agreement (PPA), implementing a 1.1MW pilot at the Paju Premium Outlet. In addition, we received a plaque of appreciation from the Presidential Committee on Ageing Society and Population Policy and an award from the Minister of Culture, Sports and Tourism for protecting employee rights beyond legal requirements and implementing Leisure-friendly Management.

The business environment this year remains challenging. Uncertainty has become the norm, and past approaches are no longer sufficient to guarantee future growth. I believe what we need now is time to reflect more deeply and calmly realign our strategic direction. Accordingly, sustainability will serve as a more critical business standard than ever before.

2026 marks the 10th anniversary of RE:JOICE, LOTTE Department Store's flagship community engagement campaign. The RE:JOICE campaign was initially launched to support the mental health and well-being of LOTTE Department Store customers, as well as our employees and supplier staff engaged in emotional labor. We believe that our ability to consistently operate this campaign over the past decade and achieve KRW 10 billion in cumulative donations reflects our genuine commitment to social responsibility toward our diverse stakeholders. The growth, development, and sustainability of the society in which we operate are just as important as LOTTE Department Store's own growth, development, and improved performance.

Based on this belief, LOTTE Department Store will continue to go beyond a simple shopping space and serve as an ESG lifestyle curator responsible for our customers' sustainable future. I would like to take this opportunity to thank you for your unwavering interest and support for LOTTE Department Store, and ask for your continued attention and encouragement for our future ESG initiatives.

LOTTE Department Store
CEO **Jung Hyun-seok**

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Letter From CEO

LOTTE Mart·Super will create new value in our customers' everyday lives.

Dear Stakeholders,
I am Cha Woo-chul, CEO of LOTTE Mart·Super.

In 2025, LOTTE Mart·Super translated its commitment to sustainability into action and tangible results. We achieved meaningful milestones, including receiving the Presidential Commendation for Win-Win Growth in recognition of our contributions to win-win partnerships, and ranking first in the discount store category of the Korea Sustainability Index (KSI) for two consecutive years.

These achievements reflect our efforts to embed ESG principles throughout our management system, rather than treating ESG as a short-term initiative. This year, we aim to take our sustainability efforts a step further by bringing them into our customers' everyday lives and creating new value through the choices they make, the products they purchase, and the experiences we provide.

First, as an eco-friendly retail leader, LOTTE Mart·Super will expand the use of in-store automated bottle return machines and its range of eco-friendly products, encouraging customers to participate in recycling and make more sustainable purchasing choices. Furthermore, through the 'Sangsaeng Seed' project, we are supporting young farmers, strengthening rural engagement, and expanding eco-friendly agricultural products. Ultimately, LOTTE Mart·Super will evolve beyond traditional retail spaces into retail hubs that promote healthy lifestyles and deliver new value to customers.

LOTTE Mart·Super also operate stores in overseas markets, where we strive to deliver the same values and quality of customer experience to local communities. Following last year's Mangrove Planting and K-Food experience events in Indonesia, we plan to organize various activities this year—including a West Lake plogging event with customers, a bicycle parade, and private brand (PB) product experience booths—centered around the LOTTE Mall West Lake, a landmark in Hanoi, Vietnam. Through these initiatives, we will bring LOTTE Mart·Super's distinctive approach to sustainability to more customers overseas.

As more customers participate in and share these experiences, sustainability will move beyond being a campaign to become part of everyday life—and ultimately, part of our culture. In 2026, we will continue to lay the groundwork for future growth through key initiatives, including the opening of new stores in Bac Giang and Tay Ninh, Vietnam, and the launch of the ZETTA Smart Center, an advanced automated logistics center powered by the Ocado Smart Platform. Throughout this journey, we will place the value and meaning our customers experience at the heart of everything we do, while building a sustainable virtuous cycle of growth together with our partners and local communities.

We hope this report faithfully records our journey and serves as a starting point to convey our commitment to a better tomorrow. We ask for your continued support and encouragement along the way.

Thank you.

LOTTE Mart·LOTTE Super
CEO **Cha Woo-chul**

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Letter From CEO

LOTTE e-Commerce will organically connect customers, data, and the Group's online and offline assets to strengthen its foundation for sustainable growth amid a rapidly changing retail environment.

Greetings. I am Choo Dae-sik, CEO of LOTTE e-Commerce.

In 2025, the domestic e-commerce industry reached a major turning point driven by economic stagnation, shrinking consumer sentiment, and intensifying competition among platforms. Despite these market shifts, LOTTE e-Commerce did not settle for short-term top-line growth. Instead, we focused on strengthening our fundamental, customer-centric competitiveness and building a foundation for sustainable growth.

In particular, throughout 2025, we further strengthened our operating system centered on direct brand partnerships and focused on expanding our competitiveness as a specialty mall. We advanced our customer preference-based curation and brand experience, focusing on core fashion and beauty categories.

In addition, we focused on establishing a foundation for new traffic growth. We expanded customer touchpoints by integrating with LOTTE Group's diverse online and offline channels, and worked to deliver optimized shopping experiences by enhancing AI-based personalized recommendations and data analytics capabilities. Through these efforts, we are evolving LOTTE ON beyond a simple shopping platform into an Online Gateway Platform that connects all aspects of the customer lifestyle.

Strengthening our content and IP competitiveness was also a key strategic initiative. We are continuously expanding differentiated content linked to Group assets and strengthening our platform competitiveness by developing new services focused on customer experience and integrating Group IPs. Simultaneously, we are advancing AI- and data-driven IT services, strengthening the foundation to achieve both operational efficiency and innovation in customer experience.

LOTTE e-Commerce also considers ESG management a core value for corporate sustainability. To fulfill our social responsibility, we collaborate with local governments and relevant organizations to provide online sales channel support for small and medium-sized merchants. We also support their digital transformation and independent growth by providing training and consulting on online business operations. Furthermore, through the operation of a dedicated Onnuri Gift Certificate marketplace, we are also contributing to the revitalization of online sales for quality products from traditional markets, continuously expanding the foundation for win-win growth with local communities.

"Change is not an option but a prerequisite for survival, and innovation is the most powerful driver of sustainable growth." Amidst a rapidly changing market environment, LOTTE e-Commerce will relentlessly innovate to deliver enhanced customer value and customer experience. Moving forward, we will leverage data, technology, and Group synergies to create new growth opportunities and evolve into a company deeply trusted by customers and society.

We ask for your continued attention and support in LOTTE e-Commerce's journey toward a sustainable future.

Thank you.

LOTTE e-Commerce
CEO **Choo Dae-sik**

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About LOTTE Shopping Co., Ltd.

Company Overview

LOTTE Shopping Co., Ltd.

Established in 1970, LOTTE Shopping is an integrated retail company that has driven the development of the Korean retail industry. Operating diverse retail channels—including department stores, hypermarkets, supermarkets, and e-commerce—LOTTE Shopping leverages online-to-offline integration to provide customers with differentiated shopping experiences and value. Each business division responds to evolving customer lifestyles by offering differentiated products and services, thereby enhancing its competitiveness in the domestic retail market. Furthermore, we are boosting our digital competitiveness through data-driven marketing and investments in digital technologies. In addition, we are expanding our global business, focusing on regions with high growth potential, such as Vietnam and Indonesia. Through continuous, customer-centric retail innovation, LOTTE Shopping is committed to establishing itself as customers' first-choice shopping destination.

General Information of LOTTE Shopping Co., Ltd. (As of March 20, 2026)

Date of Establishment	July 2, 1970
Date of Listing	February 9, 2006
Primary Industry	Large-scale Retail Business
CEOs	Shin Dong-bin, Jung Hyun-seok, Cha Woo-chul, Lim Jae-chul
Head Office	1 Sogong-dong, Jung-gu, Seoul
Credit Rating	Domestic AA- / Overseas A Stable (JCR)

Vision

LOTTE DEPARTMENT STORE	A premium lifestyle curator offering new and joyful experiences daily
	No.1 GROCERY MARKET Discover a joyful food life
	The Most Customer-Centric EC Platform

Business Overview

Revenue (Consolidated basis, Unit: KRW 100 million)

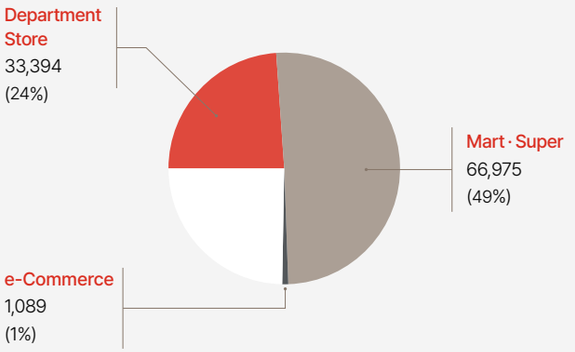
137,384

Operating Profit (Consolidated basis, Unit: KRW 100 million)

5,470

2025 Revenue Breakdown by Major Business Division

(Consolidated basis, Unit: KRW 100 million)



2025 Revenue (Unit: KRW 100 million)

Category		Department Store	Mart	Super	e-Commerce
Domestic		32,127	39,252	12,261	1,089
Overseas	Vietnam	1,053	4,266	-	-
	Indonesia	214	11,195	-	-

Key Subsidiaries

Category	Unit	LOTTE Himart	LOTTE Home Shopping	LOTTE Cultureworks
LOTTE Shopping Ownership	%	65.3	53.5	86.4
Revenue	KRW 100 million	23,001	9,023	4,345
Store	stores	296	-	178

2025 Business Operations

Department Store
- 58 Domestic stores
- Vietnam 3 stores
- Indonesia 1 store

Mart
- 112 Domestic stores
- Vietnam 15 stores
- Indonesia 48 stores

Super
- 338 Domestic stores

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Mid- to Long-term Business Strategy

Role of the Board of Directors

LOTTE Shopping is advancing Transformation Journey 2.0 based on six core strategies to become "Customers' First Shopping Destination."

Transformation Journey 2.0

Mission

Customers' First Shopping Destination

Six Core Strategies

1	2	3	4	5	6
Enhancing the fundamental competitiveness of the department store business	**No.1 Grocery Market in Korea**	**e-Commerce Pivoting**	**Full-Scale Turnaround of Subsidiaries**	**No.1 Premium Shopping Destination in Southeast Asia**	**Retail Tech Transformation**

Key Initiatives

1	2	3	4	5	6
Enhancing the Competitiveness of Core Stores, Rebalancing Assets, and Investing in Future Growth	**Transitioning to a Food-centric Specialized Retail Format**	**Restructuring Toward a Profitability-centered Business and Strengthening Fashion/Beauty Commerce Competitiveness**	**Reorganizing the Business Portfolios of Major Subsidiaries and Improving Profitability**	**Expanding into the Southeast Asian Market by Leveraging the Group's Retail Capabilities**	**Pursuing New Business Initiatives Through Tech Transformation**
• Enhancing core store competitiveness Renovating strategic stores, including LOTTE Town Jamsil and Myeongdong • Asset rebalancing Selling and redeveloping assets, closing underperforming stores, and revitalizing small and medium-sized stores • Investing in future growth Expanding the shopping mall business and redefining business strategies	• Renovating key stores and restructuring layouts to focus on fresh foods and delis • Establishing a profit base through strategic new store openings • Configuring stores to reflect consumer trends and enhancing product competitiveness	• Expanding Onnuri Store market share • Enhancing care for LOTTE ON VIP customers • Expanding collaboration with group affiliates and creating synergy • Profitability-focused restructuring of the fashion and beauty specialty mall	• Improving LOTTE Himart's GPM[1] and enhancing total home services • Discovering promising brands for LOTTE Home Shopping and expanding IP commerce (operating profit increased by 503%) • Creating specialized theaters centered on LOTTE Cultureworks' overseas cinemas and transforming them into complex cultural spaces	• Becoming the No. 1 grocery retailer through grocery-driven growth • Offering a new shopping experience by applying a K-Food-centric new format • Lifestyle shopping complex developer	• Building a retail media network (RMN) business — an advertising revenue model leveraging data assets • Driving a company-wide transition to an agentic enterprise, powered by four AI agent

1) Gross Profit Margin

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LOTTE DEPARTMENT STORE

Premium Lifestyle Curator offering new and joyful experiences daily

Performance Highlights

Business Overview

LOTTE Department Stores is a comprehensive retail company that provides differentiated shopping experiences across customer touchpoints. We are enhancing competitiveness through large-scale renovations of core stores, including the Jamsil and Main stores, while expanding shopping mall business—a future growth engine—in locations such as Hanoi and Seongsu. Furthermore, we are building a foundation for global expansion by evaluating strategic sites to expand our overseas business. Through these efforts, we aim to establish ourselves as a Premium Lifestyle Curator for our customers.

Business Strategy

Enhancing Core Business Competitiveness and Preparing for a New Future

- Core store renovation, asset rebalancing, and investment in future growth
- Expanding shopping mall development based on the successful model of LOTTE Mall West Lake Hanoi

2025 Key Performance

Domestic Revenue | Overseas Revenue

KRW 3,212.7 billion | KRW 126.7 billion

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LOTTE MART, LOTTE SUPER

No.1 GROCERY MARKET
Discover a joyful food life

Performance Highlights

Business Overview

LOTTE Mart is a discount retailer operating Grocery-focused stores, including Grand Grocery and Zettaplex, with 175 locations across South Korea, Vietnam, and Indonesia. LOTTE Super is a community-based proximity retail channel offering fresh foods, supporting the growth of small business owners through its franchise operations. Together, LOTTE Mart·Super aim to become grocery market leaders by providing a differentiated shopping experience grounded in sustainability management and social responsibility.

Business Strategy

Grocery Market in Korea

- Enhancing product competitiveness (e.g., fresh food innovation, PB development) and strengthening e-grocery
- Expanding market share through new store openings and generating new revenue by strengthening collaboration with overseas local companies

2025 Key Performance

Domestic Revenue

KRW 5,151.3 billion

Overseas Revenue

KRW 1,546.1 billion

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LOTTE e-Commerce

The Most Customer-Centric EC Platform

Performance Highlights

Business Overview

LOTTE e-Commerce operates LOTTE's online business, having launched Korea's first online shopping mall on June 1, 1996. We are building shopping solutions to expand the offline presence into the online space. We are growing into a fashion and beauty specialty mall while implementing ESG management by expanding investments in environmental and social areas, such as eco-friendly management, building organizational culture, and pursuing win-win growth with partners.

Business Strategy

Transition to a Profitability-Focused e-Commerce Strategy

- Restructuring into a profitability-focused fashion and beauty specialty mall
- Enhancing care for LOTTE ON VIP customers
- Expanding collaboration with group affiliates and creating synergy

2025 Key Performance

Total Revenue

KRW 108.9 billion

LOTTE ON Revenue

KRW 95.3 billion

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ESG Management System and Performance

ESG Governance

Role of the Board of Directors

LOTTE Shopping operates its ESG Committee as the highest decision-making body for sustainability management. The Committee deliberates on mid- to long-term ESG strategies, key policies, and targets, while regularly reviewing the implementation status and performance of ESG initiatives across business divisions. We also review key ESG issues and potential risks arising from business operations and oversee the corresponding response strategies and management systems.

We report resolutions and key agendas discussed by the ESG Committee, along with major ESG risks that may significantly impact business operations, to the Board of Directors.

Role of the ESG Working Group

LOTTE Shopping operates dedicated ESG teams within each business division to establish and implement its ESG strategy. Each business division plans and manages initiatives across the environmental, social, and governance domains, reporting key issues and performance to the ESG Committee and the Board of Directors. Furthermore, we regularly convene the ESG Working Group, comprising ESG personnel from each business division, to share group-level ESG policies and strategic directions, and to discuss the implementation status of key initiatives and areas for improvement.

LOTTE Department Store oversees ESG operations through the ESG Fair Trade Team under the Communication Division. We manage ESG strategy development, non-financial risk management, fair trade, and win-win growth initiatives.

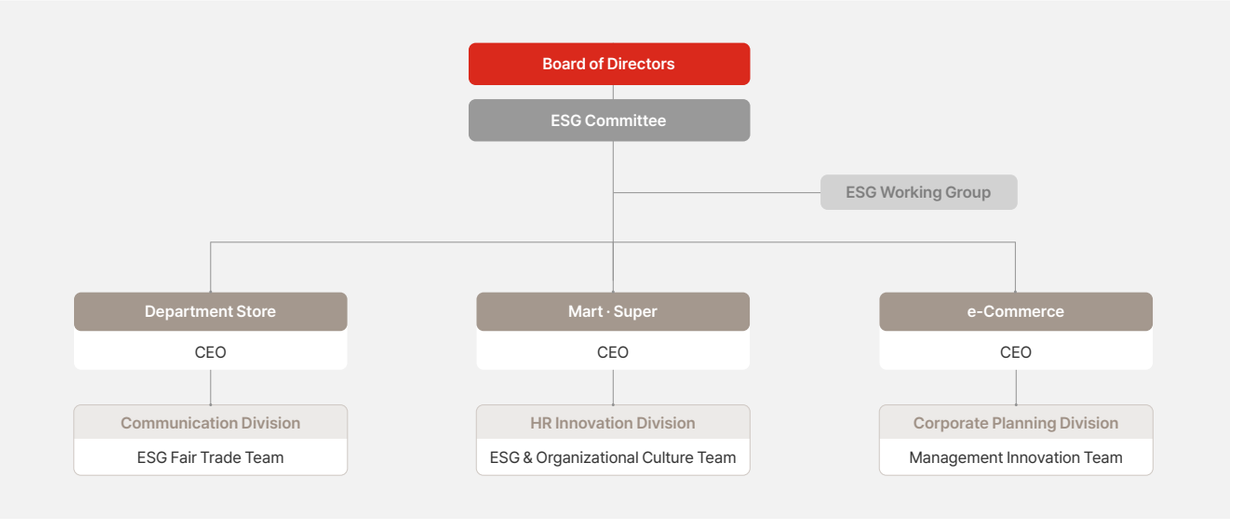
LOTTE Mart·Super oversee ESG operations through the ESG Organizational Culture Team under the HR Innovation Division. We manage ESG strategy implementation, organizational culture, and win-win growth policies.

LOTTE e-Commerce oversees ESG strategy establishment and execution through the Management Innovation Team under the Corporate Planning Division.

Implementing Executive ESG KPIs

LOTTE Shopping is strengthening its ESG implementation by linking sustainability management performance to CEO Key Performance Indicators (KPIs). To ensure management takes clear responsibility for achieving ESG targets, approximately 10% of the KPIs for business division CEOs are dedicated to ESG-related metrics. Through this approach, LOTTE Shopping integrates ESG management into its corporate business strategy to drive sustainable growth and enhance corporate value.

[LOTTE Shopping] ESG Governance



Composition of Executive Sustainability KPIs

Category	Agenda
Environment	• Implementation of Carbon Neutrality • Emissions Management against Reduction Target • YoY Carbon Intensity Management • Investment Execution Performance • Expansion of Eco-friendly Material Use • Adoption of Renewable Energy (PPA)
Social	• Enhancement of Human Rights Management • Supply Chain ESG Risk Management • Adequacy of IT Investment • Improvement of Security Levels and Management of Security Solution Implementation • Management of Disaster Recovery System Establishment • Minimization of Information Security Incidents
Governance	• Enhancement of ESG Committee Operations • Board of Directors' Review and Management of Climate Change Strategies and Risks
Other	• Advancement of ESG Disclosure • Other Specialized Indicators by Business Division

ESG Management System and Performance

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ESG Management System and Performance

ESG Vision and Mission

Dream Together for Better Earth

LOTTE Shopping promotes ESG management under its slogan, "Dream Together for Better Earth," reflecting the characteristics and social responsibilities of the retail industry. We recognize ESG as a core driver of competitiveness and future growth and have established five key ESG initiatives to align ESG strategy with business strategy.

Guided by the Five Key ESG Initiatives, each of LOTTE Shopping's business divisions develops tailored action plans suited to its own characteristics and implements sustainability management across various areas, including environmental protection, resource circularity, energy savings, social value creation, partnerships, and risk management.

LOTTE Shopping ESG Strategic Framework

LOTTE Shopping Vision	To be the First Destination for Shopping				
	Dream Together for Better Earth				
ESG Slogan & Priority	Responsible Product Retail	Creating a Sustainable Environment	Building a Diverse and Inclusive Society	Strengthened Partnerships	Enhancing Corporate Transparency
Main Initiatives	• Product responsibility • Eco-friendly R&D • Raw material procurement management	• Waste reduction • Reduction of carbon emissions • Energy transition • Protection of water resources	• Addressing social inequality • Enhancing local community relations • Improving working environments • Securing employment and job stability • Safety and health	• Supply chain management • Win-Win growth with the supply chain partners	• Business ethics • Governance improvement • Information security
ESG Goals and Detailed Strategies	Profitability Contribution		Corporate Value Enhancement		Risk Response
	Direct business linkages		Indirect linkage via investment base		Focus on internal risk management

Five Key ESG Initiatives

01 RE:EARTH
Eco-friendly Brand for the Earth
Embedding eco-friendly values across the entire retail value chain and promoting sustainable consumption through eco-friendly products and packaging improvement.

02 RE:NERGY
Green Energy That Does Not Harm the Earth
Creating low-carbon store environments by introducing high-efficiency facilities and transitioning to renewable energy to achieve carbon neutrality by 2040.

03 RE:USE
Together, We Make a Difference
Promoting resource circulation through conservation, enhanced recycling, and system improvement, while providing opportunities for everyday practice.

04 RE:JOICE
Emotional Wellness for All
Strengthening social sustainability through emotional care content and programs that support the emotional stability and recovery of customers and local communities.

05 RE:VIVE
Creation of a Collaborative Ecosystem
Enhancing retail sustainability and fostering responsible management through investment and partnership.

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ESG Management System and Performance

ESG Highlights

LOTTE Shopping

Approved for SBTi

Since joining SBTi (Science Based Targets initiative) in 2023 — the first in Korea's retail industry to do so — LOTTE Shopping completed final SBTi approval in March 2025.

LOTTE Department Store

Achieved the Highest Rating in the Win-Win Index

LOTTE Department Store became the first in the department store and duty-free industry to achieve the highest rating in the Win-Win Index evaluation conducted by the Win-Win Growth Committee.

LOTTE Department Store

Received the Minister's Award from the Ministry of Culture, Sports and Tourism for Leisure-friendly Management Excellence

LOTTE Department Store was selected as an outstanding "2025 Leisure-friendly Management Company/Organization" and received the Minister's Award from the Ministry of Culture, Sports and Tourism.

LOTTE Department Store

Received a Plaque of Appreciation from the Presidential Committee on Ageing Society and Population Policy

In recognition of activities such as protecting employee rights and running the "Il-mom CLUB" workshop for working mothers, LOTTE Department Store received a Plaque of Appreciation from the Presidential Committee on Ageing Society and Population Policy in April 2025.

LOTTE e-Commerce

Selected as a Best Practice Case in the ON DREAM Project by the Ministry of SMEs and Startups' Win-Win Honors

In recognition of its achievements in win-win cooperation with SMEs and small business owners, LOTTE e-Commerce received a commemorative plaque as a best practice case at the 1st Win-Win Honors.

LOTTE Mart

Ranked No. 1 in the Korea Sustainability Index (KSI) for the Second Consecutive Year

In recognition of its performance across all areas of ESG — including Win-Win Growth Management and Community Engagement — LOTTE Mart was ranked No. 1 in the Korea Sustainability Index (KSI) for the second consecutive year.

LOTTE Department Store

Ranked 2nd for World's Best Innovation at WDSS 2025

At the World Department Store Summit (WDSS) 2025 — which comprehensively evaluates department stores worldwide on their impact on customers, employees, and stakeholders, as well as their business innovation performance — LOTTE Department Store's Jamsil store was ranked 2nd for "World's Best Innovative Department Store."

LOTTE Mart

Received a Presidential Citation at the 2025 Win-Win Growth Week Ceremony

In recognition of its ESG-based win-win management performance — including support for global expansion, cooperation with SMEs, and win-win growth with farming and fishing communities — LOTTE Mart received the Presidential Citation for Excellence in Win-Win Growth Between Large and Small/Medium Enterprises (Organization category).

LOTTE Department Store

Became the First in the Retail Industry to Obtain "2025 Human Rights Management System" Certification

Based on the UN Declaration of Human Rights and the guidelines of the National Human Rights Commission of Korea, and certified to ISO standards, LOTTE Department Store obtained Human Rights Management System certification from the Korea Management Registrar (KMR), earning recognition as a "Human Rights Management Practicing Company."

Double Materiality Assessment

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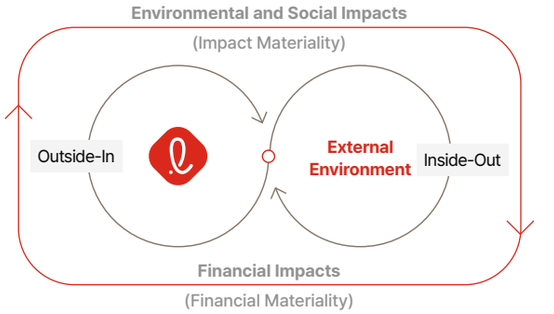
Double Materiality Assessment Process

LOTTE Shopping conducts a systematic materiality assessment every year to proactively identify ESG issues inherent in our business activities from a sustainability management perspective, and to integrate these issues into our management decision-making. This assessment is designed with reference to the implementation guidance for the ESRS[1] of the European Financial Reporting Advisory Group (EFRAG), and comprehensively examines both the impact of our business activities on external stakeholders and the environment, and the impact of external sustainability issues on our financial performance. In the issue identification stage, we selected candidate issues based on global disclosure standards, key initiatives, major ESG issues within our industry, internal operational data, and customer requirements, and then analyzed the resulting impacts, risks, and opportunities from multiple perspectives across our entire value chain. In particular, for each issue we derived its level of materiality through a combination of quantitative and qualitative assessment, based on criteria such as the severity and scope of its impact and its financial implications. We also incorporated the views of key stakeholders, including our employees and customers, throughout the assessment process to ensure objectivity and reliability, and we use the resulting findings as a foundation for establishing our mid- to long-term strategy and improving our ESG management system.
LOTTE Shopping systematically manages the material topics derived through this process in alignment with its mid- to long-term management direction, and transparently discloses the management status and response activities for each topic to stakeholders through its Sustainability Report.

1) ESRS (European Sustainability Reporting Standards): Sustainability reporting standards under the European CSRD (Corporate Sustainability Reporting Directive)

Assessing the environmental and social impacts of business activities



Assessing the financial impacts of sustainability issues on the company

1 ESG Issue Pool Development

Identification and compilation of ESG issues relevant to business activities and the value chain

2 Identification of Impacts, Risks, and Opportunities (IROs)

Identification and classification of impacts associated with each issue based on an analysis of business activities and value chain characteristics

3 Impact, Risk, and Opportunity Assessment

Impact assessment of LOTTE Shopping's sustainability issues on internal and external stakeholders

4 Selection of Material Topics

Review of the assessment results and the appropriateness of material topics by the ESG Committee following the final selection of material topics

Development of the ESG Issue Pool
• Develop an ESG issue pool based on business operations and value chain analysis across Department Store, Mart & Super, and e-Commerce • Derive a shortlist of eight key issues based on ESG initiatives, evaluation indicators, investor and customer requirements, ESG-related laws and regulations, and media analysis

Identification of Environmental and Social Impacts	Identification of Financial Impacts
Positive	Risks
Negative	
Actual	Opportunities
Potential	

Environmental and Social Impact Assessment	Financial Impact Assessment
Scale	Scale
Scope	
Remediability (for negative impacts)	Likelihood
Likelihood (for potential impacts)	

Final Selection of Three Material Topics
Internal Experts : Assess appropriateness of identified sustainability issues
Highest Decision-Making Body : Review and confirm final material topics

Double Materiality Assessment

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Double Materiality Assessment Results

For 2026, LOTTE Shopping conducted a double materiality assessment that comprehensively considered both environmental and social impacts (Impact Materiality) and financial impacts (Financial Materiality) across eight short-listed issues. We assessed materiality against a pre-defined threshold for each issue and derived the final material topics, focusing on the issues that exceeded this threshold.
As a result, "Climate Change Response," "Customer-Centric Quality Management," and "Information Security Management" were selected as LOTTE Shopping's top three material topics for 2026. In particular, the climate change response and energy management issue was identified as a core initiative affecting the entire value chain—upstream, own operations, and downstream—and thus an area requiring integrated management at the company-wide level. Centered on these top three issues, LOTTE Shopping has organized its "Material Topics" section and intends to systematically disclose related information and strengthen communication with stakeholders based on the four disclosure pillars (Governance, Strategy, Risk Management, and Metrics and Targets) presented under IFRS S1 and IFRS S2 by the International Sustainability Standards Board (ISSB). Furthermore, we recognize the importance not only of our material topics but also of all other sustainability issues, and we plan to advance our overall ESG response through continuous company-wide monitoring and management systems.

Short-listed Issues

Topic			Impacted Value Chain		
			Up	Own	Down
E	Climate Change Response	Previously Identified Material Topic	O	O	O
S	Customer-Centric Quality Management	Previously Identified Material Topic	O	O	O
S	Information Security Management	New Topic		O	
E	Environmental Management		O	O	O
S	Human Rights Management			O	
S	Talent Management			O	
S	Community Engagement			O	O
S	Sustainable Supply Chain			O	

Material Topic Response Status

Material Topic	Impact Type	Impact	Characteristics	Response Status of LOTTE Shopping
Climate Change Response	Environmental and Social	· Exacerbation of climate change, including extreme weather events and sea-level rise, caused by greenhouse gas (GHG) emissions from business site operations	Negative and Actual	LOTTE Shopping identifies physical and transition risks caused by climate change and continuously reviews their business impacts and strategic responses. It is advancing GHG emissions reduction and operational efficiency through the transition to renewable energy, energy efficiency improvements, the expansion of eco-friendly vehicles, logistics efficiency improvement, and the operation of an environmental management system.
	Financial	· Increased burden of capital expenditures (CAPEX), depreciation expenses, and operating costs due to rising electricity rates and the transition to high-efficiency equipment · Increase in costs for responding to GHG emission regulations and emission allowance liabilities due to a decrease in the proportion of free emission allowances and rising prices of emission allowances · Failure to achieve carbon neutrality targets may worsen customer and investor perceptions, potentially reducing revenue and capital inflows.	Risks	
Customer-Centric Quality Management	Environmental and Social	· Food and product safety incidents may harm consumer health (e.g., food poisoning, allergic reactions, long-term health issues) and cause negative environmental impacts through resource waste and increased waste during recalls and disposal.	Negative and Potential	LOTTE Shopping operates a quality and safety management system across the entire value chain, from merchandising and sourcing to distribution and sales. In collaboration with the LOTTE Central Research Institute Safety Center, it conducts product safety testing, store hygiene inspections, manufacturer management, online product screening, and operates a digital food safety management system.
	Financial	· Improved revenue and margins driven by expanded sales of premium products. · Increased revenue driven by enhanced price competitiveness based on brand trust.	Opportunities	
Information Security Management	Environmental and Social	· A personal data breach may lead to financial fraud and phishing using the compromised information, resulting in financial losses for victims.	Negative and Potential	LOTTE Shopping protects personal data and information assets based on its information security policies and certified management systems. It assesses and maintains its information security management level through security monitoring, computer emergency response, vendor inspections, employee training, and simulation training.
	Financial	· Increased audit and operational costs, including outsourcing fees, due to enhanced security system operations and management. · Disputes or litigation arising from a personal data breach may incur non-operating expenses, such as litigation costs, fines, and penalties. · A personal data breach caused by security vulnerabilities and inadequate response systems may lower user trust and damage corporate reputation, resulting in a decline in revenue.	Risks	

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Stakeholder Engagement

Stakeholder Engagement Channels

LOTTE Shopping operates diverse engagement channels to identify and continuously engage with stakeholders who affect and are affected by its business activities, products, and services across economic, environmental, and social dimensions. Through these channels, the Company identifies the key interests and expectations of each stakeholder group. By meaningfully integrating these insights into its business operations and sustainability management strategy, the Company strives to build trust with stakeholders and create sustainable value.

Stakeholders	Key Interests	Engagement Channels	Key Issues	Key Activities	2025 Engagement Status
Customers	• Product and Service Quality and Safety • Provision of transparent information	• VoC channels (online, call center) • Chatbot • Chat consultations	• Strengthening product and service quality and safety • Enhancing customer satisfaction	• Customer complaint management • Sharing information via website, app, and social media • Operating customer satisfaction service programs	• 873,536 VoC cases received[1] (100% resolved)
Employees	• Fair evaluation and compensation • Improving organizational culture • Capacity building support	• Labor Union and Labor-Management Council • Employee town halls • Internal enegagement channels	• Employee engagement • Human rights • Capacity development	• Quarterly labor-management council meetings • Employee town halls • Junior board operations • CEO communication program	• Labor-management council held 4 times • 4 CEO town hall meetings
Partners	• Win-Win growth and mutual cooperation • Fair and transparent partnerships • ESG issue responsiveness and information sharing	• Partner meetings • Partner roundtables • Partner grievance channels	• Win-Win growth • Human rights	• Operation of reporting channel • Operating mutual growth and cooperation programs (market access support, capability training, etc.) • Operating win-win growth fund	• 5 partner grievances received (100% resolved) • Roundtables held as needed • Annual joint workshops held
Local Communities	• Participation in addressing social issues • Promotion of Win-Win development	• Channels with civic/environmental groups • Community engagement meetings	• Climate change response • Community engagement and social contribution	• Local donations and sponsorships • Eco-friendly campaigns • Counseling center operation • Volunteer corps operation • Disaster relief activities	• KRW 15.23 billion in donations • 2,080 RE:JOICE counseling cases
Shareholders and Investors	• Corporate growth • Enhancing shareholder and investor value • ESG issue responsiveness	• General shareholders' meetings • Earnings announcements • Online/offline communications	• Business portfolio enhancement • Financial/non-financial risk management	• Quarterly investor NDRs • Earnings calls	• Annual general meeting • Quarterly earnings announcements

1) Integrated Customer Service Center performance (including VoCs for Department Store, as well as Mart·Super and e-Commerce via LOTTE ON)

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Climate Change Response

Governance

Climate-related Oversight Role of the Decision-making Body

Responsibilities and Roles of the Board of Directors and Management

LOTTE Shopping's ESG Committee serves as the highest decision-making body overseeing sustainability management, including climate change, and holds the authority to oversee the development and implementation of strategies addressing climate-related risks and opportunities. The Committee's responsibilities and authority are defined in the ESG Committee Regulations published on our website. Its role includes setting climate-related targets and reviewing implementation progress, examining GHG reduction targets and strategies, deliberating on the identification of and response to climate-related risks and opportunities, and approving the establishment and revision of climate-related policies. To carry out these responsibilities effectively, the ESG Committee is briefed on key climate-related matters on a regular basis or as needed, and the outcomes of all matters deliberated and resolved by the Committee are reported to the Board of Directors in accordance with our Board of Directors Regulations and ESG Committee Regulations.

Climate-Related Matters Deliberated and Resolved by the ESG Committee

Date	Agenda	Category
2025.03.05	Establishment of LOTTE Shopping's 2025 ESG Implementation Plan	Approved
2025.04.11	Carbon Neutrality Implementation Plan	Approved
2025.08.19	LOTTE Shopping 2025 ESG Progress	Reported

LOTTE Shopping ESG Committee Regulations

Article 3 Authority

① The Committee shall deliberate on the company's environmental, social, and governance (ESG) policies and on matters necessary for ESG activities.

② The Committee may deliberate on or resolve the matters set forth in Article 9 of these Regulations.

Article 9 (Matters for Submission and Reporting)

① The following matters shall be submitted to the Committee:

1. Matters concerning the establishment of policies and strategies for ESG management
2. Matters concerning the setting of mid- to long-term ESG targets and annual plans
3. Other matters delegated by the Board of Directors or deemed necessary by the Committee

② The following matters shall be reported to the Committee:

1. Matters concerning ESG performance and implementation results
2. Matters concerning the management of and response to key ESG-related non-financial risks
3. Matters concerning ESG assessment management and stakeholder communication
4. Other matters deemed necessary by the Committee

[LOTTE Shopping] Climate Change Response Governance

Competency of the Decision-making Body

LOTTE Shopping stipulates in its Corporate Governance Charter that the Board of Directors shall be composed of individuals with the expertise to make a substantive contribution to corporate management in terms of Board composition and director appointment. In particular, we have established competency criteria that Board members and Committee members are expected to possess, reflecting ESG-related expertise including climate change response, and we disclose the current status of Board competencies through a Board Skills Matrix (BSM) comprising seven indicators. For further details on Board competencies, please refer to "Governance—Board of Directors—Board Expertise" in this report.

Reporting System to the Decision-making Body

LOTTE Shopping's ESG Committee is briefed at least twice a year on the status of responses to climate-related risks and opportunities, carbon neutrality targets, and implementation plans, enabling comprehensive oversight of key climate-related risks and opportunities. To ensure that directors can make sound decisions on climate-related agendas based on sufficient information, we provide the relevant reporting materials at least seven days prior to each Committee meeting.

Management and Oversight of Target Setting and Progress

LOTTE Shopping oversees the setting of climate-related targets and their overall implementation through the ESG Committee. The Committee receives regular reports on the progress of the Carbon Neutrality Roadmap and related implementation plans, and reviews the status of target achievement. In addition, we incorporate climate-related KPIs into the performance evaluation and compensation systems of each Business Division CEO, assessing performance according to the level of achievement for each KPI.

Target		Climate-linked Performance Indicator	Weight
Each Business Division	Department Store	• Adoption of renewable energy in line with the 2040 Carbon Neutrality initiative (PPA adoption; additional installation of self-consumption solar power plants)	0.5%
	Mart	• Expansion of the renewable energy use ratio at the Business Division level	0.6%
All Business Divisions		• Climate change response, carbon reduction management, carbon intensity management, and investment execution performance	2%

Climate Change Response

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Governance

Role of Management

Oversight Role Delegated to Management

LOTTE Shopping delegates the authority and responsibility for implementing climate-related strategies to each Business Division CEO, enabling the ESG Committee under the Board of Directors to oversee climate-related risks and opportunities effectively. Each business division CEO makes decisions to align climate risks and opportunities with the achievement of climate targets, reflecting the specific characteristics of their respective business operations across the Department Store, Mart, Super, and e-Commerce divisions. We also receive regular reports from the dedicated ESG departments on the implementation status and performance of climate change response initiatives, and we review and advance climate-related tasks such as GHG reduction, energy efficiency improvements, and the expansion of eco-friendly products and packaging. The activities and key decisions of each business division CEO are subject to the oversight of the ESG Committee, which comprehensively reviews the status and adequacy of climate-related implementation.

Management Controls and Procedures

LOTTE Shopping incorporates climate-related factors into its company-wide risk management system to manage climate-related risks and opportunities systematically. Each Business Division CEO regularly receives reports from the dedicated ESG departments on relevant developments and responses, thereby managing and overseeing climate-related matters in a comprehensive manner. The ESG Working Group, composed of ESG personnel from each business division, reviews key climate-related issues, shares response activities across divisions, and identifies climate-related risks and opportunities to drive overall response and management efforts. Each business division's environmental management organization continuously monitors key indicators such as energy use and GHG emissions through a climate-related data monitoring system, managing climate-related risks arising on-site. Climate-related data is collected and managed in accordance with internal management standards, and its reliability and accuracy are secured through step-by-step procedures including business division reviews, departmental verification, and external assurance.

Strategy

Climate-related Risks and Opportunities

Identification of Risks and Opportunities

Based on the recommendations of the TCFD and IFRS S2, LOTTE Shopping reviewed acute and chronic physical risks; transition risks across policy, regulation, technology, market, and reputation; and opportunity factors such as resource efficiency for each Business Division, thereby identifying key climate-related risks and opportunities expected to have significant financial impact. In addition, we comprehensively reviewed the applicability of the industry-based disclosure topics presented in the Industry-based Guidance on Implementing IFRS S2 to the specific characteristics of our business. Further details on the process for identifying climate-related risks and opportunities can be found in "Climate Change Response—Risk Management."

Results of Climate-Related Risk and Opportunity Identification

Risk & Opportunity	Type	Factor	Description of Risk & Opportunity	Affected Business Model	Short-term	Mid-term	Long-term
Physical Risks	Acute	Heatwaves, torrential rain, etc.	Decline in offline store visitors	Department Store, Mart·Super		●	●
	Acute	Torrential rain, typhoons, etc.	Production/logistics disruptions, facility damage, etc.	All Business Divisions		●	●
	Chronic	Abnormal temperatures, droughts, etc.	Raw material supply instability affecting PB product manufacturing and procurement	All Business Divisions		●	●
Transition Risks	Policy & Legal	Enhanced disclosure obligations	Strengthened GHG emissions disclosure requirements	All Business Divisions	●	●	●
		Carbon pricing	Carbon taxes and volatility in carbon credit prices	All Business Divisions	●	●	●
	Reputation	Rising customer sensitivity	Increased customer sensitivity to the carbon emissions of products and services	Department Store, Mart·Super	●	●	●
		ESG reputation risk	Growing attention to and impact of external assessments on climate change response	All Business Divisions	●	●	●
Opportunities	Products & Services	Eco-friendly product development	Revenue growth through the development of eco-friendly products	Mart·Super	●	●	●
	Energy Resources	Renewable energy incentives	Utilization of policy incentives for expanded renewable energy use	Department Store, Mart·Super		●	●
		Carbon market participation	Sale of surplus allowances in the GHG emissions trading market	Department Store, Mart·Super		●	●

Alignment between Climate-related Time Horizons and Strategic Decision-making Planning Periods

LOTTE Shopping defines the time horizons over which climate-related risks and opportunities are reasonably expected to materialize as short-term (within 1 year), mid-term (1 to 5 years), and long-term (after 5 years), taking into account global climate goals such as the Paris Agreement's 1.5°C target, the 2030 Nationally Determined Contribution (NDC[1]), and the 2050 carbon neutrality goal. Meanwhile, compared with these climate-related time horizons, we operate our strategic decision-making planning period on a relatively shorter cycle, reflecting the characteristics of the retail industry, which requires rapid responses to changes in consumer preferences and trends. We monitor the implementation status of long-term targets primarily through annual action plans.

Expected Time Horizons for Climate-related Risks and Opportunities

Category	Criteria	Applicable Period (Base Year)
Short-term	Climate-related risks or opportunities expected to occur within one year	2026
Mid-term	Climate-related risks or opportunities expected to occur between one and five years	2027–2030
Long-term	Climate-related risks or opportunities expected to occur beyond five years	2031–2050

1) NDC: Nationally Determined Contribution

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Business Model and Value Chain

Current and Anticipated Changes to the Business Model and Value Chain

Physical Risks

Current Effects: LOTTE Shopping operates stores across the Department Store, Mart, and Super divisions in major cities nationwide, giving rise to a structural vulnerability whereby extreme weather events may temporarily reduce store visitors and result in sales losses. To date, however, instances of store operation suspensions or material impacts on the overall business model have been limited. In addition, abnormal temperatures have altered seasonal demand patterns for products such as apparel and food, and have increased heating and cooling energy costs. Along the value chain, in the upstream, future abnormal temperatures and droughts may cause instability in the supply of raw materials for agricultural, livestock, and PB products, along with upward pressure on costs; in the downstream, acute weather events such as torrential rain and typhoons may intermittently disrupt logistics hubs and delivery processes, undermining the stability of product supply.

Anticipated Effects: Should the frequency and intensity of extreme weather events increase, the sales impact could grow due to reduced foot traffic stemming from the profit structure centered on offline stores, and stores in prime urban locations could face greater risks of flooding and higher facility restoration costs. Furthermore, if production sites or logistics hubs along the value chain sustain damage, disruptions to product supply—including PB products—could extend from the upstream throughout the downstream.

Transition Risks

Current Effects: LOTTE Shopping maintains a business model that generates sales through customer visits to large-scale offline stores directly owned and operated in major cities nationwide. To date, no fundamental change to this business model has emerged; however, we are building an internal management system to respond to strengthened GHG disclosure obligations. In addition, as customer sensitivity to eco-friendly products rises, our product portfolio is gradually shifting toward a higher proportion of eco-friendly products in our merchandising mix.

Anticipated Effects: Should carbon regulations tighten and consumer demand for eco-friendly products intensify, the current business structure—based on directly owning and operating large-scale offline stores—may inevitably transition toward a lower-carbon operating model. This could lead to a restructuring across the overall business, including store operation methods, location strategies, and store size and numbers. From a value chain perspective, transaction structures with partners that have not established low-carbon supply chains may need to be reorganized, which could entail changes to our product procurement structure.

Opportunities

Current Effects: LOTTE Shopping maintains a mass-consumption retail structure that operates both a nationwide network of large-scale offline stores and online channels in major cities. This extensive retail platform serves as a strength in delivering eco-friendly products directly to consumers through both offline and online channels. Centered on the Mart and Super divisions, we are gradually expanding our lineup of eco-friendly PB products, and we generate additional revenue by selling surplus allowances secured through GHG reduction activities in the carbon market.

Anticipated Effects: As the expansion of eco-friendly products becomes a core corporate strategy and the transition to a sustainable retail model accelerates, LOTTE Shopping can continuously expand its eco-friendly PB product line-up and maximize the accessibility of eco-friendly products by leveraging both its nationwide network of urban offline stores and online channels—thereby establishing a differentiated market position relative to competitors. This could enhance loyalty among eco-conscious consumers and attract new customers. In particular, as the eco-friendly PB product line-up advances, the establishment of low-carbon supply chains with upstream partners is expected to accelerate, strengthening our competitiveness in raw material and product procurement.

Resource Allocation Plan for Risks and Opportunities

LOTTE Shopping allocates resources across implementation strategies—such as PPA[1] and REC[2] procurement, the expansion of self-generated solar power facilities, and investment in energy-efficiency equipment—to advance its 2040 Carbon Neutrality Roadmap. In addition, at the Busan Customer Fulfillment Center (CFC), which is scheduled to commence operations in the second half of 2026, we are making eco-friendly infrastructure investments—including the expanded adoption of electric vehicles and the installation of solar power facilities—alongside improved logistics efficiency based on the Ocado Smart Platform. Beyond these initiatives, we continue to invest in energy efficiency across our business sites, including the replacement of aging in-store equipment, the transition to high-efficiency LED lighting, and the installation of refrigerated showcase doors.

1) Power Purchase Agreement (PPA)
2) Renewable Energy Certificate (REC)

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Direct and Indirect Climate Change Mitigation and Adaptation Activities

Solar Power Facility Operation

LOTTE Shopping continues to expand its solar power facilities, primarily at offline stores. As of December 2025, we operated a total of 95 solar power facilities, generating 16,241,758 kWh of energy annually.

LOTTE Department Store operated 30 solar power facilities as of 2025, generating and consuming 2,538,263 kWh of energy annually and thereby reducing GHG emissions by approximately 1,166 tons.

LOTTE Mart·Super operated a combined 65 solar power facilities, generating 13,703,495 kWh of energy annually.[1] This is comparable to the electricity used by 3,440 four-person households over one year, corresponding to a GHG emissions reduction of approximately 6,296 tons.

1) LOTTE Mart: 53 facilities; LOTTE Super: 12 facilities

Adoption of PPAs (Power Purchase Agreements)

LOTTE Department Store established a structure to procure electricity directly from external renewable energy generation projects by adopting the retail industry's first PPA at its Premium Outlet Paju store, as part of its carbon neutrality efforts. This has laid the foundation to gradually expand the share of renewable energy within its business electricity consumption, and the agreement is estimated to deliver an annual GHG emissions reduction of approximately 682 tons.

Logistics System Optimization

LOTTE Mart reduces the environmental impact arising from distribution processes by optimizing its logistics system. The LOTTE Mart ZETTA Smart Center under construction in Busan, targeted for operation in the second half of 2026, is designed to handle approximately twice the product volume of existing logistics centers within the same floor area, and is built to advance demand forecasting and inventory management capabilities by applying the AI- and big-data-based Ocado Smart Platform. In addition, we have established an operating system capable of structurally reducing GHG emissions generated during transportation by adopting a real-time communication-based vehicle dispatch and delivery route optimization system.

Renewable Energy Transition

LOTTE Shopping operates self-generation solar power facilities and procures renewable energy to achieve carbon neutrality by 2040, expanding solar power facilities primarily at offline stores nationwide. Since 2022, we have participated in the support program of the Korea Energy Agency, and in 2025 we installed an additional 100 kW each at LOTTE Outlet Gwangju Suwan, LOTTE Department Store Incheon, and LOTTE Mall Jinju, reaching a cumulative capacity of 1.3 MW.

Energy Efficiency Activities

LOTTE Department Store advances its energy efficiency activities by replacing low-efficiency equipment. At its stores, we continuously measure the efficiency of energy-intensive equipment such as refrigeration units and replace aging equipment in phases; at outlet stores, we have completed the phased replacement of inverter-type system air conditioners, achieving an overall replacement rate of over 50%. We have also replaced existing low-efficiency lighting with high-efficiency LEDs, alongside upgrades to air handling unit inverters and refrigeration/boiler insulation and cooling tower fans. In addition, we are reviewing further efficiency initiatives, such as adopting water-saving devices and inverter-type built-in direct-connection fans, and establishing new-technology research projects.

LOTTE Mart·Super have applied 100% LED lighting across their stores, having advanced their LED lighting replacement project since 2010. Since 2022, we have also strengthened the foundation for reducing energy losses and maintaining product freshness by installing refrigerated showcase doors. Going forward, we plan to advance the replacement of heating and cooling equipment with high-efficiency units, the adoption for refrigeration equipment inverter, the adoption of high-efficiency motors for ventilation equipment, and the expansion of self-consumption solar power facilities.

[LOTTE Shopping] Solar Panel Installation

[LOTTE Department Store] High-efficiency Air Conditioner Replacement

Energy Management System

LOTTE Shopping enters and verifies environmental data—such as monthly GHG emissions, energy use, and emissions trading status—through the LOTTE Environmental & Energy Total Service (LETS) system operated by the Group. Accordingly, we manage this data at the Group level under the responsibility of the Board of Directors, including the CEO, covering the scope and standards of data calculation.

LOTTE Department Store measures and manages environmental and safety-related data across its business sites nationwide through the Safety, Environment, Facility, and Construction Data Integrated Management System (SE-FMS[2]), advanced to suit its business characteristics. In addition, we analyze real-time electricity consumption based on the Korea Electric Power Corporation's Power Planner to identify sources of energy waste, and we reflect variations in energy use according to equipment operation and temperature in our energy-saving plans.

LOTTE Mart has operated the Facility Energy Management System (FEMS) since 2018 to optimize facility management and manage energy use, utilizing it for facility risk prevention measures and monitoring energy use status. In 2026, we plan to advance the system to include supplier API integration and real-time consumption tracking and analysis capabilities.

LOTTE Super introduced an Integrated Facility Control System in 2024 and currently operates it at 29 stores, utilizing it for indoor air quality analysis, fire detection, automated control of lighting and HVAC equipment, and energy monitoring.

2) Safety Energy Facility Management System

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Direct and Indirect Climate Change Mitigation and Adaptation Activities

Activities Operation of Low-carbon Transportation

LOTTE Shopping operates eco-friendly vehicles for its corporate fleet to reduce GHG emissions. As of year-end 2025, we operated 62 eco-friendly vehicles out of a total of 112 registered corporate vehicles, representing a ratio of 55.4%.

LOTTE Mart is expanding electric vehicle deliveries to reduce GHG emissions generated during distribution and transportation, and supports its delivery drivers in operating electric vehicles by applying the same fuel-cost reimbursement standards as those for diesel vehicles. As of year-end 2025, 50 of its 547 delivery vehicles were electric vehicles, representing an electric vehicle ratio of 9.1%. In addition, we have established an operating system to deploy a fleet of 100 delivery vehicles entirely as electric vehicles at the LOTTE Mart ZETTA Smart Center in Busan, scheduled to commence operations in the second half of 2026.

Eco-friendly Vehicles[1)] (As of December 31, 2025)

Category	Unit	Department Store	Mart	Super	e-Commerce	Total
Company-owned Vehicles	Units	44	31	28	9	112
Eco-friendly Vehicles	Units	26	18	18	0	62
Proportion of Eco-friendly Vehicles	%	59.1	58.1	64.3	0	55.4

1) Includes electric and hybrid vehicles

Electric Delivery Vehicles (As of December 31, 2025)

Category	Total Vehicles (units)	Electric Vehicles (units)	Proportion of Electric Vehicle (%)
Delivery Vehicles	547	50	9.1

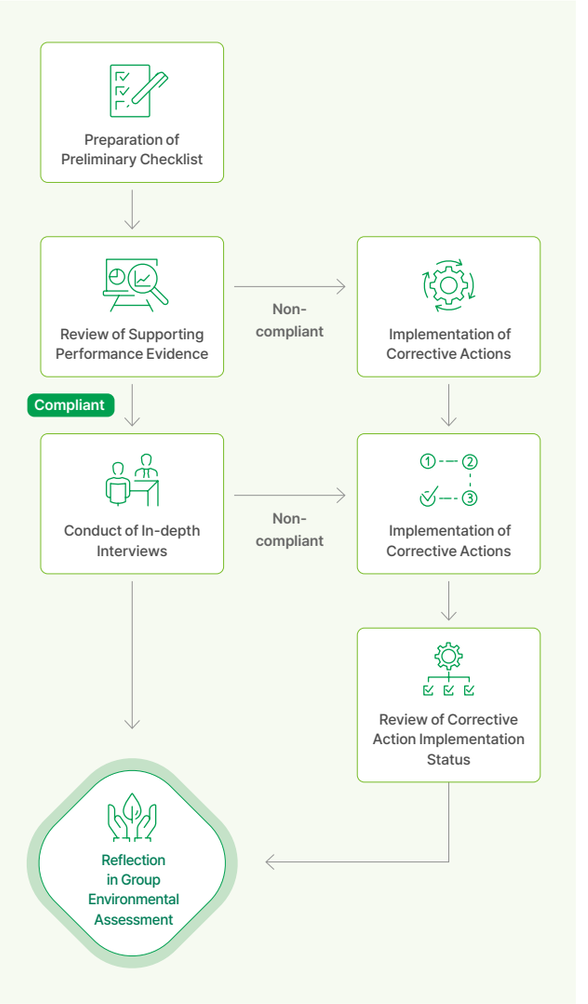
Environmental Management Inspection

LOTTE Shopping undergoes an annual inspection by the Eco-friendly Task Force, composed of Group environmental experts, covering climate change governance, carbon emissions management, carbon intensity management, and investment execution performance. We also receive performance analysis and feedback on the assessment results at the Group level.

Environmental Inspection Assessment Indicators

Category	Assessment Items
Climate Change Governance	Operation of climate-related organizations, training, and processes
	Establishment of reduction targets and plans
	Establishment of climate change-related systems and processes
	Periodic performance reporting to management
	Climate change reporting to the Board of Directors
Carbon Emissions Management	Performance against absolute reduction targets
Carbon Intensity Management	Performance in reducing carbon intensity year-on-year
Investment Execution	Execution performance against plan

Environmental Inspection Process



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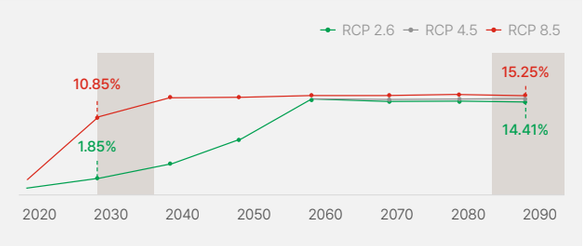
Financial Effects

Financial Effects by Risk and Opportunity Factor

Physical Risks

LOTTE Shopping assessed the operating and management costs associated with six risk factors—including abnormal temperatures, droughts, and wildfires—as well as the loss costs incurred should these risk factors materialize, in order to analyze the financial effects of physical risks. Based on this assessment, we quantified the Modeled Average Annual Loss (MAAL) of asset value by scenario in ten-year increments from 2020 to 2090. The analysis indicates that loss costs from physical risk factors are expected to increase from 2030 to 2060 across all scenarios; we reflect these findings in our business operations and carbon neutrality strategy and work to minimize these risk factors.

Analysis of Physical Risk Financial Effects (Modeled Average Annual Loss, %)



Category	RCP 2.6	RCP 4.5	RCP 8.5
2020	0.88	0.88	2.21
2030	1.85	1.85	10.85
2040	3.74	3.74	14.51
2050	7.38	7.38	14.65
2060	14.49	14.53	14.79
2070	14.49	14.56	14.93
2080	14.44	14.56	15.06
2090	14.41	14.59	15.25

Transition Risks

LOTTE Shopping classified transition risks into five domains—carbon pricing, laws and regulations, technology, reputation, and market—and analyzed the financial effects by BAU, Intermediate, and Emission-Mitigation scenarios as the Modeled Average Annual Loss (MAAL) of asset value relative to current asset value. The analysis confirmed that market risk has the greatest financial effect.

Analysis of Transition Risk Financial Effects

Category		Emission Mitigation Scenario			Intermediate Scenario			BAU Scenario		
		2030	2040	2050	2030	2040	2050	2030	2040	2050
Carbon Pricing	Loss Rate	0	2.104	3.491	0	0.697	1.224	0	0.322	0.542
	Effect	Rising allowance demand and prices from high-intensity reductions to limit warming to within 2°C by 2100			Maintained-to-rising allowance demand and prices from NDC-level reductions by country			Maintained-to-slightly-declining allowance demand and prices from low-intensity reductions		
Laws and Regulations	Loss Rate	0.037	0.041	0.045	0.037	0.041	0.045	0.04	0.046	0.053
	Effect	Risk mitigation through enhanced management levels and significant workforce expansion in response to stringent GHG laws and regulations			Need to secure workforce for regulatory compliance and response amid strengthened GHG laws and regulations			Higher response and restoration costs when risks materialize, due to lower regulatory response and management levels under existing GHG laws and regulations		
Technology	Loss Rate	0.233	0.264	0.284	0.233	0.264	0.286	0.252	0.292	0.334
	Effect	Active investment in low-carbon emissions technology development and adoption * Scope: LOTTE Shopping's business sites, upstream, downstream, capital goods, and partners			Delayed low-carbon technology development and adoption due to relatively insufficient investment * Scope: LOTTE Shopping's business sites, upstream, downstream, and capital goods			Insufficient investment in low-carbon technology development and adoption due to passive investment * Scope: LOTTE Shopping's business sites, upstream, and downstream		
Reputation	Loss Rate	0.262	0.296	0.319	0.233	0.264	0.321	0.283	0.328	0.375
	Effect	Positive reputation formation through active responses to the demands of stakeholders such as capital markets, assessors, and customers			Reputation management through gradual feedback management on the demands of stakeholders such as capital markets, assessors, and customers			Negative impact on reputation and business operations from passive responses to the demands of stakeholders such as capital markets, assessors, and customers		
Market	Loss Rate	5.243	5.922	6.376	5.243	5.922	6.428	5.655	6.561	7.502
	Effect	Active eco-friendly PB product development and expanded related marketing to respond to rising demand for eco-friendly, low-carbon products			Maintained eco-friendly PB product development and marketing implementation to sustain market preference for eco-friendly, low-carbon products			Declining customer preference and confusion over business direction from insufficient response to demand for eco-friendly, low-carbon products		

Climate Change Response

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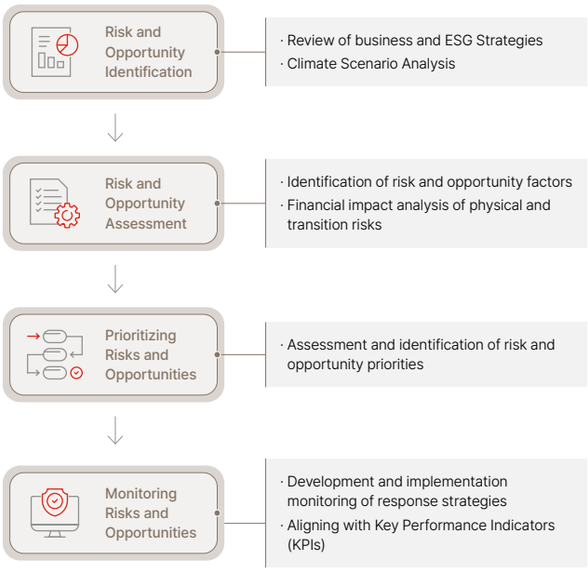
Risk Management

Climate Change Response Risk and Opportunity Management Process

Risk and Opportunity Management Process

LOTTE Shopping leverages the proactive identification of climate-related risks and opportunities to set its company-wide management direction. We have established a risk management procedure based on the TCFD guidelines, identifying the risk and opportunity factors that may affect our business operations and deriving and assessing each factor through financial-effects analysis. We then determine the priority of factors requiring proactive management by considering their likelihood and severity (the scale of negative impacts and their relevance to future business plans), and we manage and monitor them on an ongoing basis.

Climate Change Response Risk Management Process



Risk and Opportunity Identification

LOTTE Shopping applies separate scenarios to transition risks and physical risks in order to analyze the financial effects of climate change. For transition risk analysis, we apply three scenarios—BAU, Intermediate, and Emission-Mitigation—to estimate the financial effects by transition risk factor, such as carbon pricing and market changes. For physical risk analysis, we apply the IPCC's RCP 2.6, RCP 4.5, and RCP 8.5 scenarios to analyze loss effects from acute and chronic physical risks in ten-year increments from 2030 to 2090.

Risk and Opportunity Assessment

LOTTE Shopping classifies physical risks, transition risks, and opportunity factors into short-term (within 1 year), mid-term (1 to 5 years), and long-term (after 5 years) based on the point at which they affect the company's financial performance, and assesses them by quantifying the scale of financial effects as the average annual loss rate of asset value relative to current asset value.

Prioritization of Risks and Opportunities

LOTTE Shopping manages climate-related risks by incorporating them into its company-wide risk management system, operating a process of risk identification → scenario-based financial-effects analysis → derivation of risk and opportunity factors → development and implementation of response strategies → monitoring → reporting to the ESG Committee. In addition, we identify transition risks (carbon pricing, laws and regulations, technology, reputation, and market) and physical risks (abnormal temperatures, droughts, wildfires, etc.), and set response priorities by analyzing financial effects by scenario.

Risk and Opportunity Monitoring

LOTTE Shopping operates monitoring systems tailored to the characteristics of each Business Division to track and manage climate-related risks. The relevant climate change response departments within each Business Division monitor the risks arising during business operations and report key matters to the ESG Committee.

Integration with the Company-wide Risk Management System

LOTTE Shopping incorporates its response strategies for climate-related risks and opportunities into the company-wide risk management system. We assess company-wide risks based on likelihood and impact, classifying them as Major, Medium, or Minor, and apply the same assessment criteria to climate-related risks to determine their materiality. The implementation status of the resulting climate-related response strategies is reported to the ESG Committee.

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Metrics and Targets

Climate Change Response Metrics

Greenhouse Gas (GHG) Emissions Monitoring

Scope 1·2 Emissions Monitoring

LOTTE Shopping applies the operational control approach to measure its GHG emissions, calculating and managing Scope 1·2 emissions in accordance with the IPCC Guidelines and Korea's GHG emissions calculation guidelines. Each Business Division measures emissions by site through the systems set out below, and emissions data from all Business Divisions is entered into the LOTTE Environmental & Energy Total Service (LETS) system for integrated management at the Group level. Emissions across all Business Divisions also undergo third-party verification.

Scope 3 Emissions Monitoring

LOTTE Shopping has calculated Scope 3 emissions since 2023 to manage carbon emissions across the entire distribution value chain. Of the 15 categories, we selected 13 categories in consideration of the characteristics of the distribution industry and our business operations. Having obtained SBTi[1] certification in March 2025, we have established and are implementing a near-term Scope 3 reduction plan through 2031 in accordance with its recommendations.

1) SBTi: Science Based Targets initiative

GHG Emissions Calculation Approach

Category	Standards and Guidelines
GHG Direct and Indirect Emissions (Scope 1·2)	• Guidelines on Emissions Reporting and Verification under the Emissions Trading Scheme (Ministry of Environment Notice No. 2025-64) • Verification Guidelines for the Operation of the Emissions Trading Scheme (Ministry of Environment Notice No. 2025-165) • 2006 IPCC Guidelines, KS I ISO 14064-1:2018, and KS I ISO 14064-3:2019
GHG Other Indirect Emissions (Scope 3)	• ISO 14064-1: 2018 • Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Accounting and Reporting Standard • Technical Guidance for Calculating Scope 3 Emissions • Guidelines for Scope 3 GHG Emissions Calculation and Reporting (National Institute of Green Technology)

Greenhouse Gas (GHG) Emissions

Scope 1·2 (Unit: tCO_2eq, tCO_2eq/KRW 100 million)

Category	2023	2024	2025
Scope 1	96,042	96,482	94,406
Scope 2	613,981	621,267	611,075
Total	710,023	717,749	705,298[3]
Emission Intensity[2]	8.21	8.53	8.62

2) Based on LOTTE Shopping's separate revenue
3) As emissions by site are rounded to fewer than the smallest decimal unit before aggregation, there may be discrepancies between the total and the sum of emissions by type

Scope 3[4] (Unit: tCO_2eq)

Category		2023	2024	2025
Upstream	1. Purchased Goods and Services	19,867,509	19,633,442	18,696,242
	2. Capital Goods	1,218	358	362
	3. Fuel and Energy	62,906	63,606	113,468
	4. Upstream Transportation and Distribution	7,261,874	7,143,375	8,198,644
	5. Waste Generated in Operations	2,765	2,461	2,589
	6. Business Travel	1,405	1,318	723
	7. Employee Commuting	25,188	20,448	25,377
	8. Upstream Leased Assets	3,072	2,948	2,916
	9. Downstream Transportation and Distribution	9,492	7,153	1,325
Downstream	11. Use of Sold Products	2,988,281	2,719,849	2,953,566
	12. End-of-Life Treatment of Sold Products	201,616	182,703	209,517
	14. Franchises	10,174	12,778	946
	15. Investments	239,072	230,227	261,018
Total Emissions		30,674,573	30,020,667	30,466,692

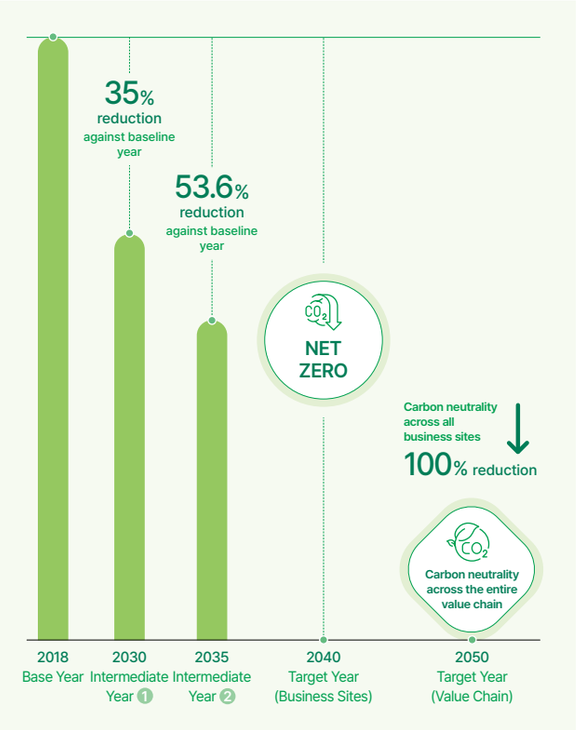
4) Aggregation scope: all Business Divisions (Department Store, Mart, Super, e-Commerce), LOTTE Cultureworks, LOTTE Himart, and LOTTE Shopping

Climate Change Response Targets

2040 Net Zero Roadmap

LOTTE Shopping established its 2040 Carbon Neutrality Roadmap, reflecting domestic and international climate-related laws, regulations, and policy trends, as well as its mid- to long-term business strategy. We set targets to reduce emissions by 35% by 2030 and 53.6% by 2035 against a 2018 baseline, to achieve carbon neutrality across all business sites by 2040, and to reach value chain carbon neutrality by 2050 through supply chain management and oversight. These targets are based on the Paris Agreement's 1.5°C goal and the Nationally Determined Contribution (NDC). As the first company in Korea's retail industry to join the SBTi, we obtained final approval in March 2025 for our target to reduce Scope 1·2·3 emissions by 46.2% by 2031 against a 2021 baseline.

Net Zero Roadmap and Targets



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Environmental Management Oversight System

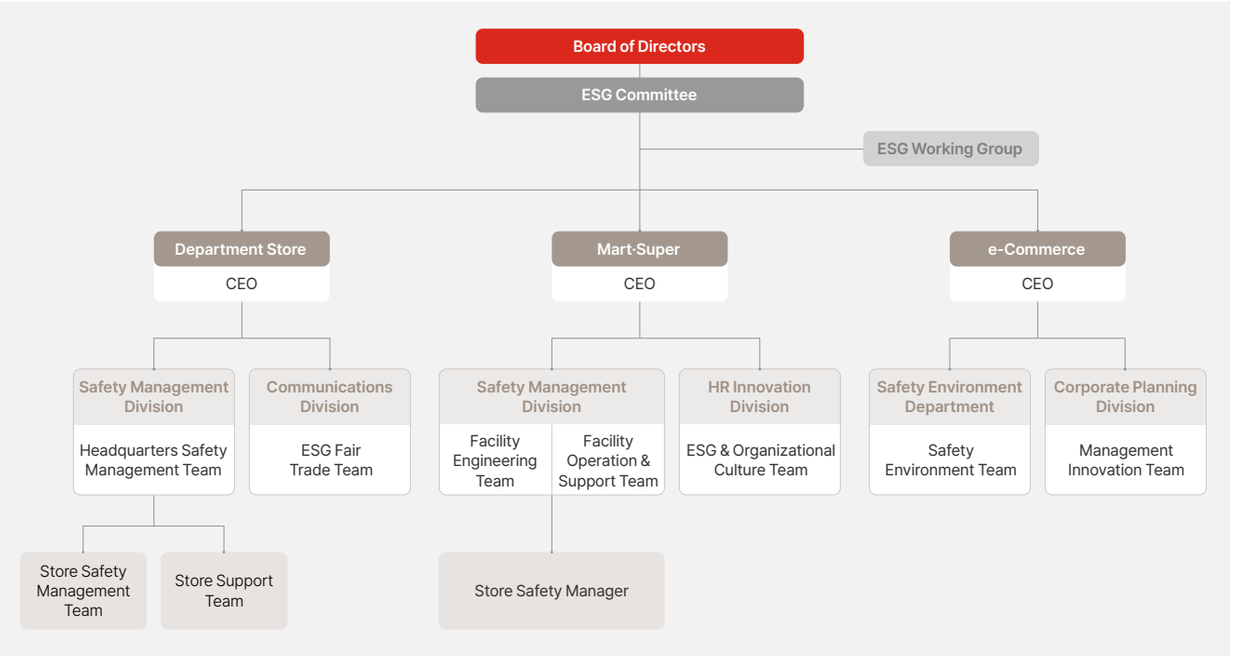
Responsibilities and Roles of the Board of Directors and Management

LOTTE Shopping's ESG Committee reviews environmental management strategies, policies, and implementation plans encompassing key environmental issues such as circularity and waste management, biodiversity conservation, the expansion of eco-friendly products and packaging, chemical substance management, and water resource management. The Committee also comprehensively manages and oversees implementation performance and progress against targets by business division. Each business division CEO reviews environmental management targets and implementation plans and holds the authority and responsibility for managing budget execution and the status of activity implementation. In addition, each business division CEO also reviews response strategies for environmental risks that may affect business operations and receives reports on their management status.

Environmental Management Matters Deliberated and Resolved by the ESG Committee

Category		Agenda
2025.03.05	Approved	Establishment of LOTTE Shopping's 2025 ESG Implementation Plan
2025.08.19	Reported	LOTTE Shopping's 2025 ESG Implementation Progress
2025.09.17	Reported	Environmental Management Implementation Progress

[LOTTE Shopping] Environmental Management Governance



Responsibilities and Roles of the Working-Level Organization

LOTTE Shopping's environmental management departments and the ESG Working Group within each business division develop and implement action plans to achieve environmental management targets, along with response strategies for environmental risks and opportunities that may arise during business operations. In addition, the environmental management departments of each business division carry out tasks such as responding to environmental laws and regulations, managing and improving environmental facilities, treating waste, and managing water use. Reflecting the characteristics of the retail industry, we also collaborate with relevant departments and undertake activities such as advancing circularity, managing the environmental impact of products and services, conserving biodiversity, and conducting eco-friendly campaigns.

Executive KPIs Linked to Performance Compensation

LOTTE Shopping has adopted a Key Performance Indicator (KPI) system to enhance environmental management performance and strengthen accountability. In 2025, we introduced environmental management-related indicators into the KPIs of each Business Division.

2025 Environmental Management-Linked KPIs for the CEO

Category		Description
Each Business Division	Department Store	• Contributing to Resource Circularity and Profitability through the 'RE:USE' Project under the Five Key ESG Initiatives
	Mart	• Building a Sustainable Packaging Materials Value Chain and Expanding Application to Private Brand (PB) Products
Bonus and Penalty Factors		• Bonus Points Awarded for Participation in the LOTTE Group Eco-friendly Task Force

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Building the Foundation for Environmental Management

Environmental Management Implementation Strategy

LOTTE Shopping established "Dream Together for Better Earth" as its ESG vision and defined "Responsible Product Retail" and "Creating a Sustainable Environment" as the core strategies of its business divisions, thereby managing environmental impacts across the entire process from product sourcing and consumption to disposal and circularity. "Responsible Product Retail" is implemented through the RE:EARTH initiative, which manages environmental impacts across the retail value chain by expanding eco-friendly products and improving packaging, while also encompassing efforts to encourage eco-friendly choices and behavioral change among consumers. "Creating a Sustainable Environment," based on the RE:USE initiative, manages the resource consumption and waste of our large-scale store network at the operational-structure level and utilizes customer touchpoints as circularity channels, advancing resource conservation, enhanced recycling, and improvements to the circularity structure.

Environmental Management Strategy and Key Initiatives

Environmental Management Policy

LOTTE Shopping reflects the environment as a key criterion in decision-making related to business operations and value creation, having declared environmental value management in 2004, and has set the creation of environmental value for customers, consumers, and nature as the goal of its environmental management. Accordingly, we establish and implement environmental management policies and targets by business division, in line with our environmental management direction.

- LOTTE Shopping Environmental Management Policy
- LOTTE Mart·Super Environmental Management Policy
- LOTTE Department Store Environmental Management Policy
- LOTTE e-Commerce Environmental Management Policy

Environmental Management Training

LOTTE Shopping provides environmental management training for environmental management personnel and relevant departments across its business divisions. By participating in the environmental management seminars hosted by LOTTE Group, we identify key issues and domestic and international trends and strengthen job competencies through the sharing of best practices among affiliates and specialized training. To advance company-wide environmental management, we also held meetings with site-level environmental management personnel and partner facility managers to share implementation strategies and key issues.

2025 Environmental Management Training

Category	Training Audience	Training Name
Common	Environmental Management Personnel	2025 1st Environmental Management Seminar
		2025 2nd Environmental Management Seminar
		2025 3rd Environmental Management Seminar
		2025 4th Environmental Management Seminar
Department Store	Site Safety Management Team Leaders	2025 Business Plan and ESG Issue Meeting
	Environmental Management Working-Level Staff	Site GHG Reduction Working-Level Training
	Site Partner Managers	Facility Management Partner ESG Meeting
Mart·Super	Company-wide Safety Management Managers	Job Training (GHG, Water and Electricity Management)

Business Site Environmental Impact Management

Water Management

LOTTE Shopping records water use by site and establishes and implements reduction plans through quarterly usage analysis.
LOTTE Department Store and LOTTE Mart have installed water reclamation facilities at select sites and equipped them with rainwater storage, water-saving toilets, and dishwashers to reduce water use and expand water reuse.

Waste Management

LOTTE Shopping treats waste through methods such as incineration and landfill by outsourcing to specialized treatment providers. To reduce waste and enhance resource utilization, we also set and manage annual waste discharge targets and carry out circularity activities.

Air Pollutant Management

LOTTE Department Store and LOTTE Mart manage air pollutant reduction and indoor air quality to protect the health and safety of customers, employees, partners, and local communities. For sites subject to Article 2 of the Enforcement Decree of the Indoor Air Quality Control Act, we assess the indoor air quality of stores and parking lots annually through external specialized agencies; in 2025, all 50 Department Store sites and 96 Mart sites met the legal standards. In addition, we set internal hazardous substance management targets by site and measure key items—such as sulfur oxides (SOx), nitrogen oxides (NOx), and dust—at air emission facilities subject to self-monitoring under the Clean Air Conservation Act. In 2025, all 37 Department Store sites and 73 Mart sites met the legal standards.

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RE:EARTH | Eco-friendly Raw Materials | Eco-friendly Manufacturing Methods | Eco-friendly Certification | Eco-friendly Packaging | Other Environmental Improved Products

Responsible Product Retail Eco-friendly Product Retail System

Eco-friendly Product Procurement

LOTTE Shopping has established products certified with the Ministry of Environment's Environmental Labelling as its eco-friendly procurement standard and reflects this in its procurement decision-making stages. As this certification is awarded to products with superior environmental performance relative to others of the same use, we use the procurement of these certified products as the foundation of our sustainable product retail system.

Eco-friendly Certified Product Procurement (Unit: KRW million)

Category	2023	2024	2025
Eco-friendly Certified Product Procurement	7,024	4,271	5,889

Eco-friendly Products Sales

LOTTE Shopping established and operates the "LOTTE Shopping Eco-friendly Product Sales" five principles to build a sustainable product retail system. Based on domestic eco-friendly certification standards, we expand the sale of products whose environmental performance is verified at each stage—from raw material selection to manufacturing methods, packaging, and disposal.

LOTTE Shopping Eco-friendly Product Sales Principles

1 Eco-friendly Raw Materials	Products made from eco-friendly raw materials
2 Eco-friendly Manufacturing Methods	Products manufactured through eco-friendly processes
3 Eco-friendly Certification	Products that have obtained eco-friendly certification
4 Eco-friendly Packaging	Packaging that has obtained eco-friendly, green technology, forest, or textile certification
5 Other Environmentally Improved Products	Products without official certification but with demonstrable or verifiable eco-friendly attributes

Eco-friendly Product Sales[1)] (Unit: KRW million)

Category	2023	2024	2025
Eco-friendly Product Sales	284,303	300,200	278,012

1) 2023 and 2024 sales figures were restated due to changes in calculation standards

LOTTE Mart and LOTTE Super established sustainable product standards that incorporate social impact, based on LOTTE Shopping's five eco-friendly product principles, and reflect these in PB product development and direct-purchase product operations. These standards comprise 11 proprietary criteria reflecting the environmental and social impacts across the entire process—from raw material selection to manufacturing, processing, consumption, and disposal—verified together with 26 domestic third-party certifications. We also review operational status annually to update these standards, and in 2025 we developed a system to integrally manage the registration, status, classification, and sales of sustainable products. For PB products and fresh products, sustainability is considered from the planning stage, and we apply LOTTE Shopping's ESG campaign brand RE:EARTH to products that meet the standards following internal review. For RE:EARTH products, we operate a label guideline that displays the reasons for application and environmental impact information on the packaging, providing accurate product information to consumers.

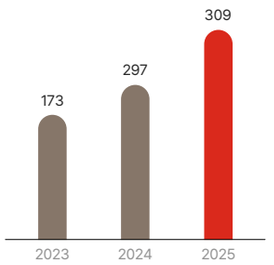
2025 Sustainable Product Handling[2)] (Unit: SKU, KRW million)

Category	Number of Items Handled	Sales
Product/Raw Material Certifications	1,287	202,236
Others	769	130,502
Total	2,056	332,737

2) Includes multiple certifications

RE:EARTH Brand Application

(Unit: SKU)



[LOTTE Mart·Super] RE:EARTH Shopping Bag

Green Product Sales through Green Stores

LOTTE Mart·Super operate a total of 57 Green Stores, and LOTTE Super obtained Green Store certification for the first time at its LOTTE Super Premium Gongdeok Store in 2024. In accordance with the Ministry of Environment's Green Store designation system, LOTTE Mart handles approximately 200 green product items each month and operates a Green Card service that accumulates 5–15% of the purchase amount as eco-money when green products are purchased. In addition, in line with the "Green Consumption Week" hosted by the Ministry of Environment and the Korea Environmental Industry and Technology Institute, we operate a "Green Lion Campaign," whereby customers who purchase more than KRW 10,000 in green products during the campaign period receive an additional 5% of the purchase amount in L.Points.

Expansion of EPD-Certified Products

LOTTE Mart·Super have pursued EPD (Environmental Product Declaration) certification for PB products since 2022, measuring and disclosing carbon emissions across the entire product life cycle. EPD certification is a system that quantifies and displays environmental impacts across the entire process, including raw material extraction, production, transportation and distribution, use, and disposal. To support certification for SME partners participating in the production and distribution of PB products, we have signed a business agreement with the Korea Environmental Industry and Technology Institute and provide related cost support. As a result, as of 2025, a total of 18 PB products have obtained and maintained EPD certification, of which 4 products have additionally obtained low-carbon certification.

2025 PB Product EPD Certification Status (Unit: SKU)

Category	2025
Snacks	10
Beverages and Meal Replacements	3
Agricultural Products	5

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RE:EARTH | Eco-friendly Certification | Eco-friendly Packaging | Other Environmental Improved Products

Responsible Product Retail Eco-friendly Packaging

Sustainable Product Packaging Guidelines

LOTTE Mart·Super published the Sustainable Product Packaging Guidelines in collaboration with the Korea Packaging Recycling Cooperative, WWF[1], and the hypermarket industry. These guidelines aim to share standards for transitioning to sustainable packaging with customers and suppliers, laying the foundation for expanding eco-friendly packaging. As the outcome of the 2023 agreement on the Sustainable Product Packaging Value Chain Project, the guidelines establish grading criteria across six key indicators to evaluate packaging sustainability, including legal compliance, recyclability, and the use of recycled materials.

1) World Wide Fund for Nature

Eco-friendly Packaging

LOTTE Department Store introduced eco-friendly gift packaging for its premium market brand Lépicerie in 2024. The packaging applies non-wood pulp made from sugarcane byproducts and kraft paper. In addition, we enhanced convenience for recycling and separate disposal by introducing reusable paper baskets that can be repurposed after use as picnic bags, along with eco-friendly ice gels and water ice packs for fresh food packaging.

[LOTTE Department Store] Lépicerie Eco-friendly Gift Packaging

LOTTE Mart·Super are expanding the use of recycled plastic, label-free packaging, and paper packaging to improve product packaging. For tomato-category products, we apply recycled plastic containers; for the private brand "GOOD TODAY" bifidus yogurt and bottled water, we apply label-free packaging; and for "YORIHADA" meal kits, we apply kraft paper packaging. We also operate packaging that utilizes paper materials, recycled plastic, and soybean-oil ink for approximately 20% of all gift sets.

[LOTTE Mart·Super] Private Brand "GOOD TODAY" Label-free Bottled Water

[LOTTE Mart·Super] Private Brand "YORIHADA" Meal Kit

LOTTE Mart also ran a "Sustainable Packaging Product Sales Promotion" joint campaign. Organized jointly by six companies—the Korea Packaging Recycling Cooperative, three major retailers, and two manufacturers—the campaign targeted products that achieved a top grade (A) or higher under the Sustainable Product Packaging Guideline. Across 100 stores nationwide, we provided additional giveaways to customers who purchased KRW 20,000 or more in Grade-A packaging products, thereby raising consumer awareness of products with superior packaging and supporting the expanded use of sustainable packaging. LOTTE Mart plans to advance sustainable packaging transition activities in 2026, including the continuation of this promotion.

2025 LOTTE Mart·Super PB Product Packaging Improvement Results

Category	Unit	2025
"YORIHADA" Meal Kit: Paper Packaging		
Sales Volume (Units)	EA	1,032,824
Plastic Reduction[2]	Ton	37
"GOOD TODAY" Bottled Water: Label-free[3]		
Sales Volume (Units)	EA	3,202,760
Plastic Reduced[4]	Ton	18

2) Weight (volume) of plastic reduced through the use of paper packaging
3) Combined total for 300ml, 500ml, and 2L products
4) Weight (volume) of plastic reduced through the removal of labels

Diversification of Packaging Methods

LOTTE Mart·Super operate a system that allows online-order customers to select their packaging method to reduce unnecessary packaging use. For deliveries, we use eco-friendly paper bags instead of single-use plastic bags, and we also offer delivery options in which drivers place products directly in the customer's own basket or hand them over in person without separate packaging.

Sustainable Packaging Improvement Consulting for Partners

LOTTE Mart·Super provide consulting based on best-practice improvement cases, working-level training, and technical support for packaging improvement to help SME partners facing difficulties in packaging improvement. In 2025, we conducted packaging improvement consulting on 9 items for 2 PB partners.

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RE:EARTH | Resource Circularity

Responsible Product Retail | Customer-Participation-Based Circularity Program

Second-hand Clothing Circularity Program

LOTTE Department Store launched the "RE:EARTH Green Reward" service in July 2025, offering L.Points to customers who return clothing they no longer wear, with the goal of advancing circularity. As of May 2026, we collect apparel and miscellaneous goods from a total of approximately 100 brands, resulting in a cumulative 11,909 apparel collection cases.

RE:EARTH Green Reward

[LOTTE Department Store] RE:EARTH Green Reward Service

Resource Circularity through Bottle Collection

LOTTE Mart·Super operate unmanned empty-bottle and plastic collection machines to collect and treat empty bottles that are difficult for customers to sort and dispose of separately. As of 2025, we have collected a cumulative total of approximately 60.02 million empty bottles, securing a carbon reduction effect of approximately 12,605 tons. The collected empty bottles are disposed of through specialized providers or reused as raw materials for the production of eco-friendly products.

Empty Bottle Collection

Category	Performance	Unit	2025
Bottle and Plastic Collection Machines	Cumulative Collection Volume	Bottles	60,024,345
	Cumulative Carbon Reduction Effect	tCO_2eq	12,605
	Tree-Planting Effect[1]	trees	19,225

1) Based on 2025 figures for the year, representing the number of pine trees required to offset the annual CO_2 in tCO_2eq (Source: National Institute of Forest Science)

Cooler Bag Collection

LOTTE Department Store operates a collection program to reuse and upcycle cool bags, whose usage increases during seasonal periods. We offer points to customers who return cool bags, and the collected bags are washed and reused or utilized in upcycling projects.

2025 Cooler Bag Collection Status

Number of Cooler Bags Collected	Weight of Cooler Bags Collected
21,043 bags	99 Ton

Mobile Receipts

LOTTE Department Store, LOTTE Mart·Super participate in the carbon-neutral point program, which additionally accumulates carbon-neutral points for customers who receive mobile receipts, to reduce paper waste by setting mobile receipts as the default option for point accumulation. LOTTE Department Store operates the "LOTTE Review" program, which grants additional points to customers who write purchase reviews after receiving a mobile receipt, and LOTTE Mart introduced mobile receipts at its Vietnam stores as well, effective January 2025.

Mobile Receipt Issuance (Unit: Cases)

Category	2023	2024	2025
LOTTE Department Store	112,535,212	115,923,487	115,873,137
LOTTE Mart and Super	3,493,082	4,791,637	11,924,191

Delivery-Stage Waste Reduction

LOTTE Department Store ran a pilot project for box-free courier service for online products, in collaboration with LOTTE Global Logistics. Instead of shipping boxes, we applied a technology that prints shipping information directly on the surface of the courier box tape, reducing waste generation and strengthening the level of customer information protection.

Creating a Sustainable Environment | Waste Oil Collection System

Waste Oil Collection System

LOTTE Mart·Super operate a waste oil collection process at Mart stores nationwide and directly operated Super stores to treat and recycle the waste oil generated at their sites. The waste oil generated at each site is collected and treated through specialized collection providers, and LOTTE Mart has registered its collection volume with "Allbaro," the Ministry of Environment's waste management system.[2] The collected waste oil is refined at a purity of approximately 90% through primary processing and supplied to biodiesel companies, then recycled into biodiesel through secondary processing.

2) LOTTE Super is not subject to Allbaro system registration

Expanding the Culture of Reusable Cup Use

LOTTE Mart·Super signed a business agreement to adopt reusable cups with "The Venti," a coffee franchise located within its headquarters, to reduce single-use cup use among employees. Under the agreement, we actively encourage the use of reusable cups among headquarters employees, partner employees, and visitors who use the café; as a result, 65,873 cups of beverages were served in reusable cups in 2025.

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RE:EARTH RE:USE

Creating a Sustainable Environment **Eco-friendly Community Engagement Activities**

RE:EARTH MARKET

LOTTE Department Store has operated the customer-participation environmental campaign "RE:EARTH MARKET" in collaboration with the Korea Green Foundation since 2022, raising awareness of urban and marine waste issues and carrying out resource circularity activities. RE:EARTH MARKET provides participating customers with a "REALS Plogging Kit," consisting of Tyvek bags, tongs, gloves, and biodegradable bags, and operates by exchanging waste collected through city plogging in urban areas and beach combing along the coast for zero-waste and upcycled products from 33 eco-friendly brands. In 2024, we introduced "REALS Week (RE:EARTH WEEK)" and expanded the operational scale into a "One Store, One Site Environmental Cleanup Project" in which stores nationwide—including department stores, outlets, and shopping malls—participate. In 2025, in line with World Environment Day (June 5), we introduced the REALS campaign at an international event held at the Jeju International Convention Center, and through "LOTTE RE:EARTH WEEK with the Ministry of Environment," a total of 1,637 participants from local communities, customers, and employees conducted plogging in living spaces near 39 department stores, malls, and outlets nationwide.

RE:EARTH Plogging

LOTTE Mart·Super operate the REALS (RE:EARTH) plogging campaign to respond to the climate crisis and spread eco-friendly culture. In 2025, we ran a walking-donation and carbon-neutral action certification program for all Mart and Super employees from October 13 to November 12, using a walking application, with a total of 818 participants recording approximately 32 million steps. Through this, we confirmed a participation distance of 224,815 km, an energy savings effect of 61,485 kWh, and a carbon reduction effect of 29,396 kg. We also exceeded our target of 200 million steps, securing a total donation of KRW 10 million. This donation was used to deliver gift boxes containing various winter daily necessities to a total of 55 migrant workers through the Indonesia support program of the Ansan Foreign Residents Support Center.

Community-linked Waste Plastic Upcycling Activities

LOTTE Mart held a "Waste Plastic Upcycling Facility Handover Ceremony" in September 2025 as part of its resource circularity activities. Marking Resource Circulation Day (September 6), we produced and donated facilities—such as desks, chairs, and benches—for students at community grassroots schools, in collaboration with the Gyeonggi Environment & Energy Promotion Agency, using approximately 520 kg of waste plastic collected in the region and our own donated funds. The facility production applied the high-pressure press extrusion technology of a local SME upcycling company, thereby expanding waste plastic circularity, enhancing community benefits, and linking these efforts to a foundation for SME cooperation. In addition, we operated a special performance and resource circularity talk concert for Guri City residents, raising community awareness of the need for circularity and of eco-friendly value.

[LOTTE Department Store] World Environment Day International Event Booth

[LOTTE Mart·Super] 2025 RE:EARTH Puruging

[LOTTE Mart] Waste Plastic Upcycling Facility Handover Ceremony

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Creating a Sustainable Environment Biodiversity Conservation Activities

With Love: Sea Campaign

LOTTE Mart·Super have operated the "With Love: Sea" campaign since 2024, under the slogan "Loving the Sea, Filled with Sincerity," to create a retail environment that provides customers with safe food. As the risk of marine ecosystem damage expands due to rising seawater temperatures and increasing waste driven by climate change, the need to manage marine environment conservation and the sustainable supply of seafood is growing. Accordingly, through the "With Love: Sea" campaign, we operate marine environment activities linked across the entire retail process—including marine ecosystem conservation, the creation of a sustainable fishing environment, win-win growth with fishing villages and local communities, marine forest creation projects, biodegradable fishing net and smart water tank support, marine ecosystem education, customer-participation donation campaigns, and the promotion of sustainable seafood.

Marine Ecosystem Conservation and Creating a Sustainable Fishing Environment

LOTTE Mart·Super signed a "With Love: Sea" business agreement with the City of Yeosu and the Korea Green Foundation in April 2025 and conducted underwater waste cleanup work in the waters off Yeosu on three occasions through July, together with 20 professional divers. Through this, we collected approximately 3,540 kg of marine waste, including submerged underwater debris such as waste nets, waste ropes, and ropes.

In addition, in May 2025, we held the "REALS Kids Camp (RE:EARTH Kids Camp)" for 30 local elementary school students in Bali, Indonesia. Through this camp, planned in line with World Environment Day (June 5), we transplanted 500 mangrove seedlings at the Mangrove Everitum Park and conducted education on endangered sea turtles and a release experience at the Bali Serangan Sea Turtle Conservation Center.

Win-Win Growth with Fishing Villages and Local Communities

LOTTE Mart·Super conducted safety education (life rings, CPR, AED use) for Yeosu citizens in July 2025, marking Coastal Safety Day, and provided 160 life rings to fishing communities in the Yeosu area. In addition, in October, we supported smart water tanks for "Boheae Fisheries Cooperative," a flatfish farming cooperative in Jeju. Through the loss-rate improvement effect of the smart water tanks (a level of 4.6% compared to before) and reduced antibiotic use, we were able to contribute to building a sustainable seafood production system for our fishing-village partners.

[LOTTE Mart·Super] Partner Smart Water Tank Handover Ceremony

[LOTTE Mart·Super] Life Ring Handover Ceremony

[LOTTE Mart·Super] Marine Environment Improvement Activities

[LOTTE Mart·Super] Underwater Waste Cleanup Activities in Yeosu, Jeollanam-do

[LOTTE Mart·Super] RE:EARTH Kids Camp in Bali, Indonesia

Promoting Sustainable Seafood Consumption

LOTTE Mart·Super are expanding the supply of seafood based on sustainable certifications such as ASC[1] and MSC[2]. In 2025, through collaboration with the WWF (World Wide Fund for Nature), we held a "Sustainable Seafood Cooking Class" at store culture centers, with a total of 300 customers participating over a period of three months.

1) Aquaculture Stewardship Council
2) Marine Stewardship Council

[LOTTE Mart·Super] Sustainable Seafood Cooking Class

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Human Rights Management Organizational Structure

Responsibilities and Roles of the Board of Directors and Management

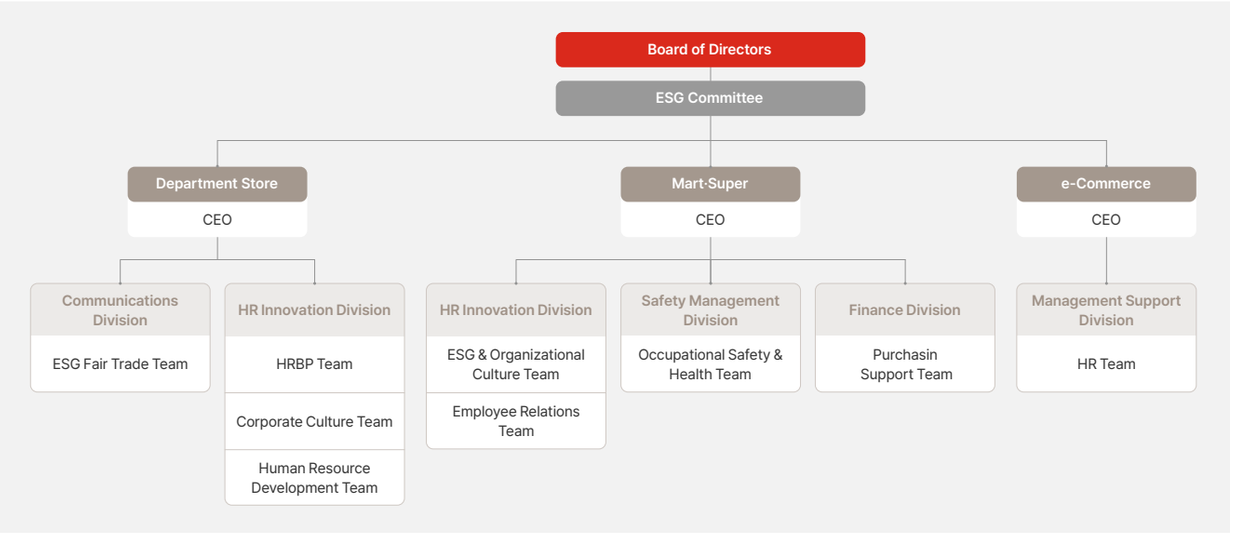
The ESG Committee of LOTTE Shopping reviews and determines the mid- to long-term direction and key initiatives for human rights management, and deliberates and resolves on the establishment and modification of related plans. It also receives regular reports on the human rights management status and key issues of each business division to monitor implementation levels. Furthermore, we oversee human rights management as a whole by reviewing the operational outcomes of the human rights management system and areas for improvement, and by monitoring the management of potential human rights risks across business operations and the value chain.

The CEO receives reports on key human rights management status and issues and participates in decision-making on major human rights matters. The CEO also reviews the implementation of human rights policies and activities, directing relevant departments to address and manage any areas for improvement.

Human Rights Management Matters Deliberated and Resolved by the ESG Committee

Category		Agenda
2025.03.05	Approved	Establishment of LOTTE Shopping's 2025 ESG Implementation Plan
2025.05.27	Reported	Progress and Plan for Enhancing Human Rights Management at Department Stores
2025.08.19	Reported	LOTTE Shopping's 2025 ESG Implementation Progress
2025.09.17	Reported	Acquisition of Human Rights Management System Certification at Department Stores

[LOTTE Shopping] Human Rights Management Governance



Responsibilities and Roles of the Working-Level Organization

LOTTE Shopping designates a dedicated human rights management organization for each of its three business divisions, sharing responsibilities—such as establishing human rights policies, protecting labor rights, improving the working environment, and conducting partner human rights inspections—tailored to each division's characteristics.

LOTTE Department Store's ESG Fair Trade Team under the Communications Division oversees the establishment and implementation of human rights management plans, conducting Human Rights Impact Assessments, formulating human rights policies, and communicating them to relevant departments. Within its HR Innovation Division, responsibilities are allocated by issue: the Human Resource Business Partner Team (HRBP Team) protects fundamental labor rights—including the prohibition of forced labor, compliance with labor standards, and non-discrimination in employment—while the Corporate Culture Team handles freedom of association, internal remedy procedures, and the prevention of workplace harassment.

LOTTE Mart·Super's Employee Relations Team under the HR Innovation Division protects employees' fundamental rights, including labor-management relations, freedom of association, compliance with labor standards, and grievance handling, while the ESG & Organizational Culture Team oversees Human Rights Impact Assessments and organizational culture improvement. The Occupational Safety & Health Team under the Safety Management Division ensures employees' physical safety, working environment improvement, and emotional support, and the Purchasing Support Team under the Finance Division periodically recommends and monitors human rights training for security service providers' employees to protect their rights.

LOTTE e-Commerce's Head of the Management Support Division serves as the officer in overall charge, while the HR Team leads the working-level human rights management organization—overseeing human rights policies, working environment improvement, non-discriminatory hiring, and workplace human rights protection.

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Human Rights Management System

Human Rights Management Policy

LOTTE Department Store has established a Human Rights Management Policy to prevent human rights violations and proactively mitigate related risks for its diverse stakeholders, including employees, customers, business partners, and local communities. This policy is aligned with international standards, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labour Organization (ILO) Constitution, and the principles prohibiting child and forced labor, and complies with the human rights and labor laws of all countries and regions where LOTTE Shopping operates. All employees must comply with the Human Rights Management Policy in all business activities, and we encourage our business partners and other stakeholders to adhere to it as well.

LOTTE Shopping Human Rights Management Declaration

LOTTE Department Store Human Rights Management Policy

Certification-Based Human Rights Management System

In 2025, LOTTE Department Store obtained Human Rights Management System certification from the Korea Management Registrar (KMR). This certification is awarded based on an evaluation of the overall human rights management policy and operating system, and we have established and operate our human rights management system in accordance with these standards.

[LOTTE Department Store] Human Rights Management System Certificate and Certification Mark

Mid- to Long-term Human Rights Management Roadmap

LOTTE Department Store has established a mid- to long-term roadmap and annual strategic directions to advance human rights management, and operates its human rights management system based on phased action plans. In 2023, we established the system by enacting a human rights policy and introducing a Human Rights Impact Assessment. In 2024, we laid the foundation for implementation by refining our management system and operational framework. In 2025, we monitored and managed key human rights risks through regular evaluations and status surveys, and obtained Human Rights Management System certification. Moving forward, LOTTE Department Store will continue to operate the system in line with its annual strategic directions and address areas for improvement based on assessment results.

By 2027 → By 2030 →

Establishing a Human Rights Management System
- Conducting regular human rights impact assessments
- Strengthening ESG Committee functions
- Updating policies and manuals

Expanding and Implementing Human Rights Management
- Sharing best practices
- Expansion across all business divisions
- Expanding the scope of human rights impact assessment
- Conducting human rights impact surveys for employees

Performance Management and Internalization of Human Rights Management
- Enhancing human rights maturity
- Expanding application to customers and partners

Human Rights Management Activities

Promoting a Culture of Respect for Diversity

LOTTE Shopping stipulates anti-discrimination clauses regarding working conditions in its rules of employment to foster a work environment that respects employees' diverse backgrounds and values and enables them to reach their full potential. We implement policies to promote social diversity, such as securing female leaders and expanding the employment of people with disabilities, and conduct training to prevent discrimination and unethical behavior, alongside an employee counseling support system. To enhance employee diversity, we set and monitor annual short-term targets for the percentage of female team leaders by business division. In 2025, the Department Store and e-Commerce divisions achieved their targets for the percentage of female team leaders[1].

1) 2025 Target and Performance for Female Team Leader Ratio:
- Department Store: Target 20.0%, Actual 22.2%
- e-Commerce: Target 25.0%, Actual 28.1%

Employee Grievance Handling and Mutual Respect Program

LOTTE Department Store operates an ongoing grievance channel and conducts regular employee surveys. Through these efforts, we collect grievances that are difficult to report directly, such as workplace harassment, and take follow-up measures after investigating cases identified through the surveys.

LOTTE Mart·Super run a monthly "Building a Culture of Mutual Respect" campaign to prevent workplace bullying and harassment and foster an organizational culture based on mutual respect. The campaign focuses on raising employee awareness and strengthening ethical standards through monthly training.

Human Rights Training

LOTTE Department Store provides mandatory human rights training for all employees to prevent human rights violations, including workplace discrimination, harassment, and sexual harassment. To foster a culture that respects diversity, we also conduct annual disability awareness training.

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Stakeholder Human Rights Protection Activities

Worker Human Rights Protection

To foster a healthy working environment, LOTTE Department Store operates an on-site communication program for employees at customer touchpoints. Through this program, we provide training to prevent workplace and sexual harassment, listen to grievances, and promote a communication culture based on mutual respect. In the event of human rights violations, such as workplace harassment or sexual harassment, we provide counseling support in partnership with professional psychological counseling centers.

LOTTE Mart·Super provide a response manual for customer-facing employees to manage potential conflicts during customer interactions, and handle any grievances in accordance with established procedures. In 2025, we also provided 586 professional psychological counseling sessions to 92 employees, and conducted job stress assessments and related training for 13,186 employees.

Protecting Partner Human Rights

Since July 2024, LOTTE Department Store has implemented a policy requiring partners to submit agreements on protecting their employees' human rights. These agreements cover establishing management policies for human rights protection, prohibiting discrimination in hiring, compensation, and promotion, implementing labor and safety measures, banning violence and coercion, complying with statutory working hours, guaranteeing the right to rest, and adhering to relevant laws.

To protect the human rights of partner employees, LOTTE Mart·Super recommend that security contractors conduct human rights training, and regularly monitor its implementation and results. We request this training be held at least once a year, covering human rights topics such as preventing workplace harassment and improving disability awareness.

Grievance Handling System

Each business division of LOTTE Shopping operates various reporting channels, including its website, internal messenger, KakaoTalk, and email, to ensure stakeholders—such as customers, employees, and partners—can easily file grievance reports. We receive, investigate, and resolve reports not only on direct human rights violations, such as discrimination, harassment, and sexual harassment, but also on issues that negatively impact organizational culture and the working environment.

Upon receiving a report, we operate a remediation process in accordance with relevant principles, prioritizing the protection of informants and victims and the minimization of harm. For cases confirmed through investigation, we take appropriate personnel actions, including disciplinary measures, in accordance with internal standards and procedures.

2025 Grievance Reports and Resolutions (Unit: Cases)

Category		Department Store	Mart[1]	Super	e-Commerce
Workplace Harassment	Received	18	12	7	0
	Resolved	18	13	7	0
Sexual Harassment	Received	3	2	1	0
	Resolved	3	3	1	0
Discrimination	Received	0	3	1	0
	Resolved	0	3	1	0

1) Some cases received in 2024 were resolved in 2025

Grievance Handling Process

STEP.1

Receipt of Report

- Enhancing reporting convenience by providing various channels, including the website, hotlines, and social media

STEP.2

Consultation

- Providing counseling for whistleblowers and receiving officers, as needed
- Implementing victim protection measures, including guaranteeing anonymity and prohibiting retaliation

STEP.3

Investigation and Decision

- Conducting fact-finding investigations on received reports
- Submitting cases to the HR Committee and reviewing disciplinary actions

STEP.4

Personnel Action

- Taking personnel actions for substantiated cases in accordance with standards and procedures

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Risk Management

Human Rights Impact Assessment

Overview of Human Rights Impact Assessment

LOTTE Department Store identifies and manages key human rights risks through a company-wide Human Rights Impact Assessment[1]. The assessment is conducted through procedures including indicator-based written assessments, stakeholder analysis, on-site inspections, and interviews. In 2025, we conducted a Human Rights Impact Assessment based on this process to review the implementation level of our company-wide Human Rights Management.

1) Human Rights Impact Assessment Period: Nov. 8, 2024 – Jan. 24, 2025

Setting Indicators and Scope

We established our Human Rights Impact Assessment indicators based on key human rights standards, including the OECD Guidelines, EU and German supply chain due diligence regulations, ILO standards, the Universal Declaration of Human Rights, recommendations from the National Human Rights Commission of Korea, and the K-ESG Guidelines. These indicators were categorized into 10 areas, reflecting LOTTE Shopping's business characteristics and operational status. In addition, we identified key stakeholders for each area and assessed the potential negative impacts of our business activities on them.

Written Assessment and On-site Inspection

Prior to the Human Rights Impact Assessment, we provided training to the managers responsible for each indicator and subsequently conducted a written self-assessment. This assessment reviewed the human rights management system, policies, and remedy procedures against 259 indicators across 10 areas. To supplement the findings, external experts conducted business site visits, manager interviews, individual stakeholder interviews, and focus group interviews (FGIs). The assessment was finalized by incorporating the evaluation results and recommendations from external experts, along with feedback from relevant departments. The final achievement rate reached 96.9%, a 7.6 percentage point increase from the previous assessment (89.3%).

Identifying Risk Factors

Based on the results of the 2025 Human Rights Impact Assessment, we identified certain areas for improvement and are reviewing them alongside recommendations from external experts. Compared to the previous assessment, key improvements include establishing a dedicated Human Rights Management department, defining the roles and responsibilities of relevant personnel, and enacting Human Rights Management regulations. We regularly review and revise these regulations as necessary. Regarding partner management, we operate a system to prevent human rights violations by incorporating an agreement on the protection of workers' rights into our contracts. Additionally, we implement measures to prevent human rights violations by security personnel through initiatives such as meetings with security service providers.

Human Rights Impact Assessment Results (Unit: %)

Category	2023-2024 Achievement Rate	2024-2025 Achievement Rate
Human Rights Management System and Grievance Procedures	92.6	95.5
Prohibition of Child Labor and Forced Labor	80.8	100.0
Freedom of Association and Collective Bargaining	100.0	100.0
Humanitarian Treatment	100.0	99.0
Occupational Health and Safety (OHS)	100.0[2]	100.0
Responsible Supply Chain Management	0[2]	68.8
Guarantee of Environmental Rights	97.7	100.0
Protection of Local Residents' Human Rights	100.0	100.0
Customer Human Rights Protection	100.0	100.0
Improvement of Working Conditions	N/A	100.0
Total Score	89.3	96.9

2) Figures corrected following a data discrepancy identified in 2024

Composition and Scope of Human Rights Impact Assessment Indicators

Category	Indicator	Key Indicators	Vulnerable Stakeholders
Human Rights Management System and Grievance Procedures	56 indicators	• Policies and Guidelines on Human Rights Management • Dedicated Human Rights Organization and Committee • Stakeholder Identification and Human Rights Due Diligence	Employees, Customers (Consumers), Partners
Prohibition of Child Labor and Forced Labor	26 indicators	• Prohibition of Child Labor • Prohibition of Forced Labor • Remedial Action When Child Labor is Identified	Employees
Freedom of Association and Collective Bargaining	26 indicators	• Freedom of Association and Collective Bargaining • Prohibition of Discrimination Against Union Activities • Alternative Measures in the Absence of Labor Unions	
Humanitarian Treatment	51 indicators	• Compliance with Labor Standards • Prohibition of Employment Discrimination • Prohibition of Gender Discrimination • Prohibition of Workplace Harassment and Sexual Harassment	
Occupational Health and Safety	25 indicators	• Obligations for Workplace Safety and Labor Protection • Workplace Safety • Provision of Essential Equipment and Education	
Responsible Supply Chain Management	16 indicators	• Prevention of Human Rights Violations at Partners • Implementation of Monitoring Practices • Consideration of Business Relationships	Partners
Protection of Local Residents' Rights	11 indicators	• Right to Health in the Community • Protection of Intellectual Property Rights • Respect and Protection of Local Residents' Rights	
Customer Rights Protection	20 indicators	• Responsibility for Products and Services • Protection of Customer Privacy • Compliance with Customer Protection Laws	Customers (Consumers)
Improvement of Working Conditions	8 indicators	• Guarantee of the Right to Rest • Guarantee of the Right to Health	Employees

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Human Rights Impact Assessment

Identifying Material Human Rights Issues

LOTTE Department Store conducted a human rights materiality assessment based on the Human Rights Impact Assessment results to identify and manage key human rights issues. The assessment comprehensively evaluated the implementation level, impact, and likelihood of each issue. The 2025 assessment identified the Human Rights Management System and remediation procedures, humane treatment, and responsible supplier management as key human rights issues. The Company plans to manage related initiatives focused on these identified issues.

Response Measures for Material Human Rights Issues

Material Topic	Response Measures	Detailed Plans
Human Rights Management System and Remediation Procedures	• Establishment of a Human Rights Management policy and execution of human rights committee functions by the ESG Committee	• Strengthening the oversight function of the ESG Committee • Regularizing annual reporting on the Human Rights Management plan
Humanitarian Treatment	• Incorporating amended maternity protection laws	• Conducting employee awareness and satisfaction surveys on overall programs, reviewing the operational status of support programs across all stages of pregnancy, childbirth, and childcare, and promoting their utilization
Responsible Supplier Management	• Establishing a system to monitor supplier compliance with human rights standards	• Planning to establish a phased monitoring process • Establish a supplier grouping system → Design a monitoring process → Establish an execution and evaluation system (develop evaluation indicators) → Implement monitoring → Evaluate and provide feedback • Gathering feedback through supplier roundtables

Human Rights Issue Management Status

LOTTE Department Store continuously strengthens its human rights-centric organizational culture and management system by reflecting amendments to the Single-Parent Family Support Act, the Act on Welfare of Persons with Disabilities, and laws related to infertility, premature infants, and pregnant women in its internal regulations. In addition, we operate family-friendly programs that exceed legal requirements, including ultrasound leave for expectant fathers, reduced working hours during childcare periods, automatic paternity leave, and school admission care leave.

Metrics

Human Rights Management Indicators

Human Rights Management Performance by Area

LOTTE Department Store sets and regularly monitors indicators across key areas—including corporate culture, diversity, partner management, and the human rights management system—to measure and manage its human rights performance.

Area	Indicator	2023	2024	2025
Corporate Culture	Workplace Sexual Harassment and Bullying Resolution Rate	100%	100%	100%
Diversity	Female Managers Ratio[1]	22.7%	25.1%	25.0%
Partner Management	Number of Partner Human Rights Violation Incidents	0	0	0
Human Rights Management System	Number of Business Sites Subject to Human Rights Due Diligence	1	-	2
	Human Rights Maturity Score[2]	-	-	78.8 points

1) Applied the Affirmative Action criteria of the Ministry of Employment and Labor; includes direct employees of the separate corporate entity (LOTTE Station Building Co., Ltd.)
2) Human Rights Maturity Survey Period: Feb. 21, 2025 – Feb. 27, 2025

Targets

Human Rights Management Targets

Mid- to Long-term Human Rights Management Targets by Area

LOTTE Department Store establishes mid- to long-term targets and regularly monitors implementation status to continuously enhance its human rights management system. By 2027, we plan to expand human rights management company-wide by disseminating it to other business divisions, and strengthen the human rights management system with the goal of conducting human rights due diligence at 55 business sites and achieving a human rights maturity score of 85 points by 2030.

Area	Indicator	Target	Target Year
Human Rights Management System	Expansion of human rights management	Rollout to other business divisions	2027
	Number of business sites undergoing human rights due diligence	55 (All business sites)	2030
	Human rights maturity score	85 points	2030

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Talent Management Organizational Structure

Responsibilities and Roles of the Board of Directors and Management

Based on periodic reports, the ESG Committee at LOTTE Shopping regularly reviews and oversees key talent management issues, including major policies, strategic directions, human resource management systems, diversity and inclusion, and talent acquisition and development plans. The Committee also exercises board-level oversight by monitoring key talent management risks and mitigation efforts, proposing strategic improvements as needed. The CEO directs the formulation and execution of talent management strategies, advancing HR policies that reflect our business characteristics and organizational goals. In this capacity, the CEO oversees all aspects of human resources—including recruitment, evaluation, compensation, and training—and carries out initiatives to secure core talent and strengthen organizational capabilities. Furthermore, the CEO reports key talent management updates and performance to the ESG Committee and, under its oversight, refines strategies and their execution to ensure ongoing effectiveness.

Responsibilities and Roles of the Working-Level Organization

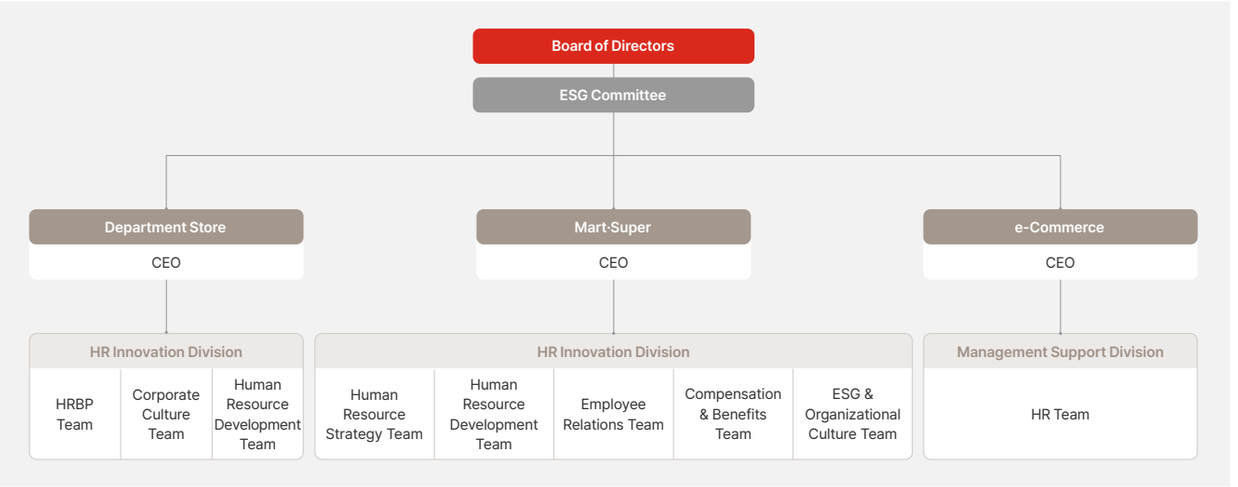
LOTTE Shopping tailors its HR structure to each division, supporting employees' growth and organizational capability across the full employment lifecycle—recruitment, training, evaluation, compensation, and retirement.

LOTTE Department Store's talent management spans three teams under the HR Innovation Division: HRBP (HR systems, workforce planning, recruitment, evaluation, compensation), Corporate Culture (working environment, labor relations, benefits), and Talent Development (training, capability building).

LOTTE Mart·Super operates its talent management organization centered on five teams under the HR Innovation Division. The Human Resource Strategy Team is responsible for establishing HR policies, workforce management, performance evaluation, and promotions, while the Human Resource Development Team oversees talent recruitment and the overall training system. The Employee Relations Team handles labor relations and welfare programs, and the Compensation & Benefits Team manages compensation planning and operations, as well as the wage system. The ESG & Organizational Culture Team is responsible for the overall organizational culture of employees.

At LOTTE e-Commerce, the HR Team under the Management Support Division oversees all HR functions, including recruitment, transfers and placements, training, and compensation.

[LOTTE Shopping] Talent Management Governance



Strategy

Talent Management System

Talent Management Strategy Model

To enhance competitiveness in the retail industry and achieve sustainable growth, LOTTE Department Store defines 'job expertise' as its core competitiveness and introduced the 'Expertise Growth-centric HR System' in 2026. We abolished our existing grade and seniority systems and introduced a Growth Level (GL) system based on expertise, implementing a level management framework that operates without minimum tenure requirements for promotion. Furthermore, we enhanced our job structure by establishing Job Levels (JL) for each role, applying performance-based differential compensation for higher JLs. We also redefined the required competencies and skills for each position to operate a tailored training roadmap. Through this system, LOTTE Department Store operates a talent development and compensation framework grounded in job expertise.

Expertise Growth-centric HR System

Category	Job-based HR
Operational Standard	Securing and developing expertise-based specialists
GL (Growth Level)	Level system based on expertise
JL (Job Level)	Establishing a job system based on task and job value
Performance Evaluation	Expertise-based level assessment, coaching, and feedback
Compensation	Expertise x Job Value x Performance
Recruitment / Training	Securing and developing job experts

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HR Management System

LOTTE Shopping operates an HR management system encompassing all HR functions across the entire employee lifecycle, from recruitment to retirement. During recruitment, we secure diverse and specialized talent in a timely manner through job-specific screening processes. Post-hire, we provide various job experiences and internal mobility opportunities, empowering employees to proactively design their careers and enhance their professional expertise. In the evaluation and compensation phase, we ensure fairness and reliability through ongoing coaching, continuous feedback, and 360-degree evaluations, applying differentiated compensation based on performance. Furthermore, we establish customized metrics for each business division across HR functions, enabling timely talent management within an integrated talent management system.

Talent Recruitment

Recruitment Process

As Korea's leading retail company, LOTTE Shopping prioritizes customer value and operates a fair and systematic recruitment process, having introduced various year-round recruitment programs since 2021.

LOTTE Department Store recruits new employees through the 'Potential' and 'I'M' tracks. The Potential track focuses on evaluating applicants' potential and growth prospects, and is linked to an internship program and interview process designed to enhance practical adaptability. The I'M track, newly established in 2024, aims to discover professionals equipped with job competency, passion, and vision.

LOTTE Department Store and LOTTE Mart are expanding and refining their interviewer panels to strengthen competency-based recruitment and evaluate talent from diverse perspectives. Shifting from panels traditionally composed of managers with over 10 years of experience, they now include junior employees with three to five years of experience, who observe candidates and provide feedback on their suitability as future colleagues. For experienced hires, both the relevant business division and the HR department participate in interviews to conduct multifaceted competency assessments, comprehensively evaluating job expertise and organizational fit.

Operating the Internal Job Posting System

LOTTE Department Store operates the Inhouse Resume and Job Market programs to support employees' self-directed career development and job exploration. Through the Inhouse Resume, employees manage their career goals and key achievements using a standardized format, which serves as the basis for applying to the Job Market, an internal job posting system. The Job Market allows employees to voluntarily apply for positions posted directly by department heads. Suitable candidates are selected based on their comprehensive records accumulated in the Inhouse Resume, including performance, training, language proficiency, and awards. These programs provide employees with opportunities to proactively pursue their desired roles and expand their expertise.

LOTTE Mart·Super operate the Internal Job Posting System to expand growth opportunities for internal talent. When vacancies arise, this system prioritizes internal applications to facilitate job transfers. Applicants submit their understanding of the desired role and department, along with an execution plan, and undergo a comprehensive evaluation of their passion and competencies. We facilitate competency-based job transfers; for example, employees with specific expertise and foreign language skills may transfer to overseas expatriate roles, while those with an understanding of the online market and product sourcing capabilities may transition to online-focused positions.

HR Management Strategy by Business Division

Category	Transfer and Placement	Education and Training	Level-up	Compensation
Department Store	• Personnel request and selection through the Job Market based on business department demand • Reflecting individual preferences based on employees' voluntary applications and job exploration	• Enhancing professional capabilities through systematic training by job function and rank • Fostering role-specific leadership • Nurturing future-ready talent	• Level-up based on individual performance and expertise • Incorporating 360-degree feedback • Ensuring fairness through discussion-based reviews	• Individual salary system based on performance and job expertise • Compensation based on evaluation (performance and expertise) • Cumulative differential compensation system
Mart and Super	• Strategic workforce allocation based on business priorities • Facilitating customized career mobility based on individual capabilities and career aspirations	• Securing a pool of top talent through systematic job competency programs • Strengthening communication and coaching leadership • Enhancing future leader readiness through regular leadership programs	• Operating a performance-based promotion system • Enhancing procedural transparency and fairness	• Strengthening employee motivation through a performance-based individual salary system
e-Commerce	• Operating an agile organization aligned with business strategy and implementing competency-based placements to foster individual growth and performance	• Driving performance by supporting job competency enhancement • Planning and operating training programs to improve productivity	• Level-up based on individual performance and job expertise • Incorporating 360-degree feedback • Ensuring fairness through discussion-based reviews	• Individual salary system based on performance and job expertise

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Job Competency Enhancement

Key Talent Development System

LOTTE Department Store operates talent development programs to build professional expertise from the start of employment. We provide new hires with a one-year onboarding program tailored to their roles, supporting organizational integration through On-the-Job Training (OJT) and career path mentoring. We also run specialized programs for functions such as merchandising (MD), marketing, and design—including CAD training and foundational buyer capacity building for MD personnel—and offer diverse role experience through the internal Job Market, the Operation Specialist (OP.S) course, and pre-departure training for expatriates.

LOTTE Mart·Super operate 'Career Journey,' a talent development roadmap providing customized training tailored to the expertise and leadership competencies needed at each stage of career growth. From SA Grade, we support employees in balancing job expertise, growth potential, and leadership through preparatory courses for future store managers, expatriates, and team leaders, based on their specific roles. Team leaders and store managers who complete leadership courses go on to Junior HiPO, Senior HiPO, and GIANTS —next-generation CEO development programs run by the holding company, centered on new business ventures and challenging missions.

LOTTE e-Commerce operates a systematic onboarding program to help new hires integrate and perform, including the 'Buddy Buddy Program,' which connects new hires with colleagues across departments. We also support capability building from onboarding through career development via five training tracks: general, competency enhancement, introductory, level-specific, and core talent training.

Job Expertise Enhancement

LOTTE Department Store operates job-specific training roadmaps and customized programs to enhance job expertise, helping employees set learning plans tailored to their level. Alongside core job competency training, we offer courses in foreign languages, business skills, AI content, and reading, and support external programs such as site development and PM master courses.

LOTTE Mart·Super provide training for new merchandisers (MDs) covering basic MD duties, practical skills such as product development and system use, and relevant regulations including the Fair Trade Act and the Act on Fair Labeling and Advertising. We also partner with LOTTE R&D Center on product quality management and hygiene training, and offer annual online courses on retail trends, product sourcing, and marketing.

LOTTE e-Commerce develops and manages internal training content using in-house instructors to build employees' data utilization capabilities across all functions. We provide training on data tools, including AI applications, for roles such as development, marketing, sales, and strategy, delivered through a dedicated platform for self-directed learning, and evaluate outcomes through company-wide testing and certification.

Common Competency Enhancement Education

LOTTE e-Commerce operates an SQL[1] training course to strengthen the common competencies of all employees. We have developed a self-directed curriculum, structured in stages from basic to advanced, delivered by in-house instructors. The training is designed for immediate application to daily work, with the aim of improving work efficiency and building data utilization capabilities.

1) Structured Query Language

Top Team Insight Forum

Since 2023, LOTTE Department Store has hosted a regular breakfast forum bringing together the CEO, executives, team leaders, and junior employees. Centered on shared themes, the forum encourages employees across ranks to exchange views and deepens their understanding through lectures on economic, business, and retail trends as well as the humanities. The forum operates as an internal learning program to foster communication and knowledge-sharing among employees.

Leadership Capabilities Enhancement

Nurturing Key Leaders and Fostering Leadership

LOTTE Shopping operates leadership programs to foster organizational growth and leadership capabilities. Upon executive promotion, we offer career lectures and leadership talks to build awareness of leadership roles, and develop problem-solving skills through HRM-linked tools—evaluation feedback and servant-leadership assessments—paired with real-world leadership and organizational management simulations. We conduct retail-specific leadership assessments and debriefings for LOTTE Shopping and key affiliates focused on leader development, guiding growth through eight competencies aligned with the Group's leadership model plus two retail-specific servant leadership competencies. We also host a 'Women Leadership Workshop' offering CEO lectures, mentoring, strengths coaching, and networking, creating a forum to discuss on-site challenges and solutions.

LOTTE Department Store supports phased leadership development across all ranks, from entry-level to executive, with training tailored to its team leader-centric culture. The 'Team Leader Leadership Level UP' program offers a basic course for newly appointed team leaders and an advanced course for experienced ones, building competencies for leadership transition and growth. We also run the Leaders Change Workshop for executives and store managers, along with programs such as Leaders Talk and AI training for business insights.

LOTTE Mart·Super provide leadership training tailored to job grade and role, including a four-month 'Prospective Leader Training' program for prospective store managers and team leaders to build fundamental leadership competencies and store operation skills. To keep pace with management trends and technological change, we train executives three times a year on topics such as Amazon's innovation culture and AI, and provide annual leadership training for store managers and team leaders covering generative AI and one-on-one coaching.

LOTTE e-Commerce operates a 'New Team Leader Training' program for newly appointed team leaders to help them understand HR systems and identify their personal strengths, and develops their leadership based on evaluations from team members and senior leaders.

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Performance Evaluation and Compensation

Performance Evaluation System

LOTTE Shopping operates a compensation system based on individual performance. Rather than relying on absolute criteria such as tenure, the system uses a diversified evaluation framework designed to be fair to employees, ensuring that top performers receive greater compensation.

LOTTE Department Store conducts performance evaluations twice a year, providing feedback on work performance and supporting professional development through performance assessments and expertise diagnostics. To foster a goal-oriented, efficient work culture, we operate our own goal management system, under which department heads set annual organizational goals and key initiatives and share progress with team members throughout the year; employees record their ongoing contributions, and department heads provide feedback to guide performance. Regular evaluations feature a 360-degree assessment—including peer feedback and leadership evaluations in which team members assess their department heads—for comprehensive performance analysis and tailored coaching. As a result, average salary per employee has risen annually, up 4.6% year-over-year for male employees and 5.6% for female employees in 2025.

LOTTE Mart·Super conduct competency evaluations twice a year and performance evaluations monthly. Before each evaluation, team leaders and members hold preliminary meetings to align on criteria and identify strengths and areas for improvement; after results are disclosed, leaders hold follow-up meetings to discuss outcomes, future targets, and career plans. We also run an evaluation review process letting employees request re-evaluation based on their records, with results shared individually. We assess team leaders' leadership twice a year and provide coaching accordingly, and from 2025 are expanding this to prospective leaders such as deputy store managers and managers to manage leadership competencies organization-wide. We also operate an external award review system recognizing employees who have enhanced our credibility through contributions to national and social development, with a deliberation committee awarding promotion points and monetary rewards for recognized achievements.

LOTTE e-Commerce has abolished the traditional rank system in favor of a role-based 'Level System' and performance-based individual salary system, applying an OKR[1)]-based performance management system to systematically set and review targets through regular 1:1 leader-member meetings. Initial results are discussed and calibrated through a 'Talent Review' involving multiple evaluators to ensure consistency and objectivity, with participating departments, schedules, and procedures shared with all employees in advance. After the evaluation, we confirm evaluators followed the feedback guidelines and gather employee input to gauge the process's acceptability, incorporating this feedback into future improvements.

1) Objectives and Key Results

Performance Evaluation System Operation Status (Unit: Persons, %)

Category	Indicators	2023	2024	2025
Department Store	Employees Subject to Performance Evaluation	3,993	3,701	3,590
	Employees Who Received Performance Evaluation	3,993	3,701	3,590
	Percentage of Employees Who Received Performance Evaluation	100	100	100
Mart	Employees Subject to Performance Evaluation	4,153	4,161	4,216
	Employees Who Received Performance Evaluation	4,153	4,161	4,216
	Percentage of Employees Who Received Performance Evaluation	100	100	100
Super	Employees Subject to Performance Evaluation	1,120	1,078	1,088
	Employees Who Received Performance Evaluation	1,120	1,078	1,088
	Percentage of Employees Who Received Performance Evaluation	100%	100%	100%
e-Commerce	Employees Subject to Performance Evaluation	955	674	482
	Employees Who Received Performance Evaluation	955	674	482
	Percentage of Employees Who Received Performance Evaluation	100	100	100

Organizational Culture

Organizational Culture Assessment

LOTTE Shopping conducts an annual organizational culture assessment evaluating employees' perceptions of the culture and their overall satisfaction. The assessment covers 'ways of working' (behaviors and values) and 'support systems' (policies and systems), along with employee satisfaction with their work, the organization, and their duties. We use the results to analyze organizational culture by business division, improve the employee experience, and set strategic directions for culture management.

LOTTE e-Commerce regularly conducts its own organizational culture survey gathering employee feedback on key programs, including leadership, OKRs, and organizational culture. The results serve as a basis for reviewing these programs and identifying areas for improvement.

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Organizational Culture

Organizational Culture Improvement

LOTTE Department Store operates the 'Gamja-hamnida' program to foster a culture of appreciation and regularly conducts the 'Better Work Culture' Survey to assess work practices and improve inefficient processes. The 'Junior Board,' a representative body for junior employees, gathers employee feedback on processes requiring improvement and drives various organizational culture initiatives based on direct communication with the CEO.

LOTTE Mart·Super operate a staggered working hour system to support employees' work-life balance. Employees can choose from four different starting times tailored to their personal lifestyles, such as childcare and self-development. Furthermore, morning assemblies at each store have been abolished to secure time for operational preparation, and regular employee roundtables are held to gather feedback and improve work procedures.

LOTTE e-Commerce operates the 'M.O.M (Member of the Month)' reward program to recognize employees for outstanding monthly performance, sharing their best practices across the organization. To foster open communication, we hold monthly CEO-led town hall meetings both online and offline. To promote cross-functional networking, we run 'Mingle Lunch Day,' providing extended lunch hours and meal subsidies to facilitate interaction among employees from various departments. Additionally, the 'Small Pleasure' program organizes seasonal events, such as Boknal and Pepero Day.

[LOTTE e-Commerce] Mingle Lunch Day

[LOTTE e-Commerce] Company-wide Town Hall Meeting

Employee Welfare and Working Environment Support Programs

Employee Welfare Programs

LOTTE Department Store provides various lifestyle support programs across the entire employee life cycle, from onboarding to childbirth, childcare, and senior years. We also expand individual benefit options through the 'Welfare Wallet' system, allowing employees to customize their own benefit packages.

Following the integration of their business divisions, LOTTE Mart·Super expanded the cash-equivalent welfare point system, previously available only to LOTTE Mart employees, to include LOTTE Super employees. We also upgraded the system to allow employees to use these points anywhere, lifting the previous restriction that limited usage to LOTTE Mart or LOTTE Super stores.

LOTTE e-Commerce operates a family-friendly benefits program, offering early childhood education subsidies to employees with children aged five to seven.

Category	Program	Employee Benefits
Department Store	Family-Friendly and Low Birthrate Support	Prenatal checkup leave, prenatal testing support, prenatal travel support, childcare leave for school admission, school admission gift allowance (elementary/middle/high school), fertility treatment leave and financial support, children's tuition support, vehicle rental for multi-child families
	Life-Style Care	Pet bereavement leave, home security service for single-person households, remarriage leave, congratulatory and condolence support for unmarried employees, relocation allowance and transportation expenses, medical and nursing care expenses, company housing and lease deposit support
	Congratulatory and Condolence / Retirement / Others	Support for family events (cash gifts and leave), retirement care, condo and resort access, employee housing loans, 20% discount on company products (employee discount)
	Welfare Wallet	Customizable Self-Design Welfare Program
Mart·Super	Financial Support Program	Financial assistance for living, medical, and children's educational expenses, as well as encouragement funds, for employees facing sudden financial crises (all direct, partner, and outsourced employees)
	Welfare Point	Provision of cash-equivalent points for flexible use
	Housing Subsidies	Support for moving and transportation expenses, along with housing subsidies for employeesassigned to areas without company-provided housing
	Group Insurance for Employees	Provision of health and life insurance
	Summer Resort Program	Support for the use of affiliated facilities during summer vacations
e-Commerce	Family-Friendly Programs	Early childhood education support (children aged 5–7), congratulatory gifts for elementary school entrance, and paid leave for wedding anniversaries

Work-Family Balance Support Programs

LOTTE Department Store offers various leave programs to support employees' work-family balance, including maternity leave (up to nine months), unpaid childcare and family care leave (up to one year each), and mandatory paternity leave (three months). Since its introduction, the mandatory paternity leave program has maintained a 100% utilization rate among male employees. To minimize workflow disruptions during an employee's absence, we provide a substitution allowance for up to three covering colleagues. Furthermore, we support employees' work-life balance by implementing a remote work system for emergencies—such as personal or family illness and school closures—and a selective working hour system that allows employees to flexibly adjust their commuting times and working days within their total monthly hours. LOTTE Department Store has maintained its Family-Friendly Certification since 2009. In recognition of the effective implementation of our family support programs, we were named an Excellent Company for Work-Life Balance in South Korea. In 2025, we also acquired the Leisure-Friendly Certification, reflecting our corporate culture that encourages employee rest and leisure activities.

[LOTTE Department Store] Korea Outstanding Work-Life Balance and Family-Friendly Certification Mark

[LOTTE Department Store] Work-Life Balance and Leisure-Friendly Company Certification

Re-employment Support Services

LOTTE Department Store, LOTTE Mart·Super offer reemployment support services for prospective, regular, and voluntary retirees. Through partnerships with specialized agencies, we provide career planning and counseling, as well as customized consulting and training tailored to the experience and competencies of those seeking reemployment.

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Governance

Occupational Health and Safety Organizational Structure

Responsibilities and Roles of the Board of Directors and Management

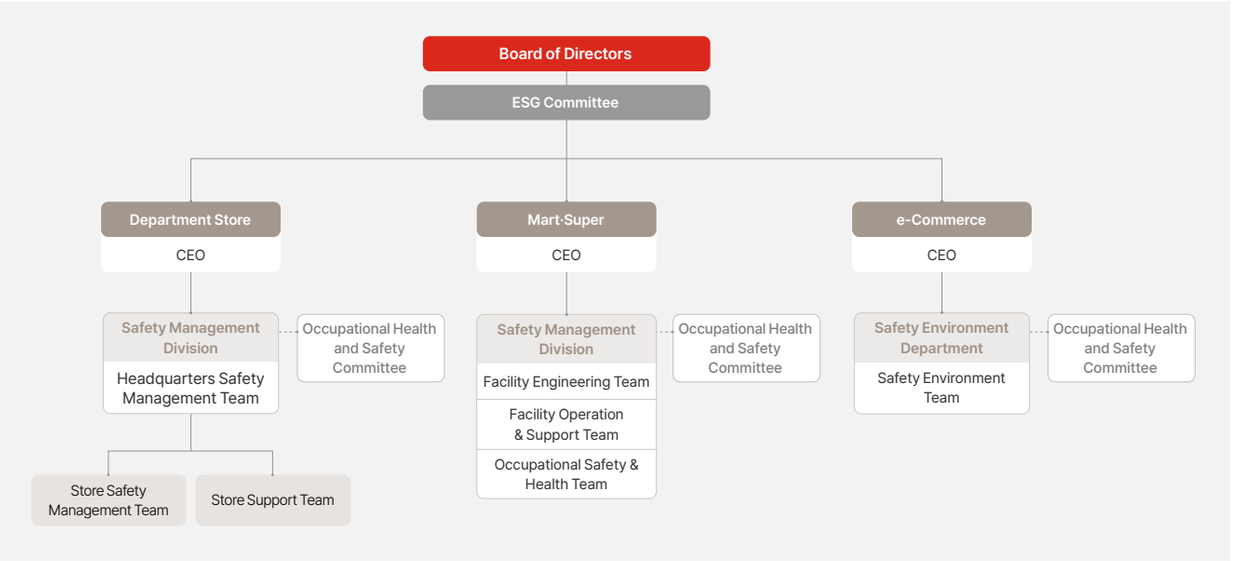
As the highest decision-making body for company-wide occupational health and safety management, the Board of Directors of LOTTE Shopping deliberates and approves OHS policies and strategic directions, and oversees the management system for key issues and risks. It regularly reviews key OHS status and areas for improvement reported by each business division, and establishes company-wide response directions to prevent serious accidents and ensure the safety of employees and customers.

The CEO of each Business Division serves as the Chief OHS Officer, overseeing the operation and implementation of the company-wide Occupational Health and Safety Management system. Led by the Chief OHS Officer, each Business Division assesses on-site risks, establishes and implements prevention-oriented management measures, and operates policies and programs to ensure the safety of employees and customers. The divisions continuously monitor compliance with OHS-related laws and regulations, and report key performance and plans to the Board of Directors annually.

Occupational Health and Safety Management Matters Approved by the Board of Directors

Category		Agenda
2025.01.14	Approved	Approval of the Safety and Health Plan for the Department Store Division
	Approved	Approval of the Safety and Health Plan for the Mart Division
	Approved	Approval of the Safety and Health Plan for the Super Division
	Approved	Approval of the Safety and Health Plan for the e-Commerce Division

[LOTTE Shopping] Occupational Health and Safety Management Governance



Occupational Health and Safety Committee

LOTTE Department Store operates the Occupational Health and Safety Committee on a quarterly basis to deliberate on material topics related to health and safety at its business sites. Key agenda items include the previous quarter's health and safety performance and future plans. We also collect feedback from field workers to address actual risks and implement areas for improvement.

LOTTE Mart·Super operate the Occupational Health and Safety Committee[1] on a quarterly basis. LOTTE Mart manages the committee across 31 business sites with 100 or more employees (including the headquarters), while LOTTE Super operates it centrally at the headquarters.

1) For business sites with 100 or more employees, the committee operates at the branch level

Roles of Working-level Organizations

LOTTE Shopping has established dedicated safety management organizations across all business sites, including its headquarters, to conduct occupational health and safety (OHS) activities aimed at promoting employee health, improving the working environment, and ensuring customer safety. Through regular safety assessments, we proactively identify risk factors and implement improvement measures while monitoring and complying with OHS-related laws and regulations. Furthermore, we operate OHS training programs to build employees' practical capabilities.

Led by the Safety Management Division, LOTTE Department Store conducts health and safety management activities across all locations—from the headquarters to individual stores—through the Headquarters Safety Management Team, Store Safety Management Team, and Store Support Team.

LOTTE Mart·Super deliberate on health and safety issues primarily through the Occupational Health and Safety Committee under the Safety Management Division. The Facility Engineering Team, Facility Operation & Support Team, and Occupational Safety & Health Team share responsibilities to carry out facility safety and occupational health and safety management activities across all business sites.

At LOTTE e-Commerce, the Safety Environment Team under the Safety Environment Department oversees overall health and safety management at business sites.

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Health and Safety Management System

Occupational Health and Safety Management Policy

LOTTE Mart·Super have implemented an occupational health and safety management policy to define organizational roles and effectively eliminate and control workplace hazards. The policy applies to everyone at our business sites, including employees and partners, whom we encourage to comply as well. It is issued and updated with the CEO's approval, with revision history tracked and published on our website.

LOTTE Department Store and LOTTE e-Commerce also maintain occupational health and safety management policies to protect employees, partners, and customers, proactively identifying and managing hazards through continuous monitoring and improvement.

- LOTTE Department Store Occupational Health and Safety Management Policy
- LOTTE Mart·Super Occupational Health and Safety Management Policy
- LOTTE e-Commerce Occupational Health and Safety Management Policy

Certification-based Occupational Health and Safety Management System

LOTTE Department Store, LOTTE Mart·Super have acquired and maintain ISO 45001 certification—the global standard for occupational health and safety management systems designed to protect workers' health and safety and prevent work-related injuries and illness—across all business sites and branches. Under this certification, we proactively identify and manage risk factors at each store and site, and verify system effectiveness through regular internal audits and external surveillance audits.

ISO 45001 Certification Status

Certification Scope and Period

- Department Store
  - Scope: Operation of department stores, outlets, and shopping malls
  - Period: 2024.09.09~2027.09.08
- Mart
  - Scope: Sales of groceries and daily necessities
  - Period: 2024.12.23~2027.12.26
- e-Commerce
  - Scope: e-Commerce platform operations, online shopping center and logistics center operations
  - Period: 2024.09.02~2027.09.01

Certification Standard

ISO 45001: 2018

Certification Body

Korea International Standards Certification Institute

Health and Safety Management Activities

Business Site Safety Inspections

LOTTE Shopping deploys specialized safety personnel to regularly inspect and manage major facilities. In accordance with Article 4, Paragraph 5 of the Enforcement Decree of the Serious Accidents Punishment Act, we evaluate the safety management status across all business sites at least semi-annually and report the results and areas for improvement to the CEO.

LOTTE Department Store conducts semi-annual inspections of Occupational Health and Safety (OHS) implementation across all stores and implements corrective actions for identified hazards and risks. These inspections verify the OHS implementation status at each business site and gather employee feedback. The H2 2025 evaluation awarded an S rating to 36 branches, an increase of eight year-over-year. For business sites with identified deficiencies, we immediately established corrective action plans.

LOTTE Mart·Super conduct regular annual risk assessments and safety audits. Identified risk factors are classified into three levels based on severity. We promptly implement corrective actions for high- and medium-risk factors while continuously monitoring low-risk factors. For items requiring structural improvements, we establish and manage phased mid- to long-term improvement plans.

Integrated Facility Safety Management System

LOTTE Department Store operates SE-FMS[1] for the integrated management of safety, health, and facility safety. We enhanced its fire monitoring capabilities using machine learning AI and designed exhaust fans in underground parking lots to activate automatically in the event of a fire, thereby minimizing its spread. To address the unique nature of electric vehicle (EV) fires, we custom-built and installed a direct water injection system that sprays water directly onto the vehicle's undercarriage. Additionally, we equipped all stores with specialized EV fire response gear, including fire protective clothing, heat-resistant gloves, smoke masks, and fire shields. Furthermore, we installed dedicated sprinklers connected to fire hydrants at the Gimpo and Suwon stores to ensure swift and effective EV fire suppression. These measures strengthen our response framework, enabling us to extinguish EV fires—which are more challenging than conventional vehicle fires—more quickly and effectively.

LOTTE Mart proactively prevents accidents at its business sites by comprehensively managing the entire facility inspection and safety management process through its Integrated Facility Management System (FEMS[2]).

1) Safety Energy Facility Management System
2) Facility Energy Management System

2025 Business Site Safety Inspection Results

LOTTE Department Store[3]

(Unit: Stores)

Category	Department Store		Outlet		Shopping Mall	
	H1	H2	H1	H2	H1	H2
Grade S (95 points and above)	27	18	18	15	5	3
Grade A (90 points and above)	2	11	2	5	-	1
Grade B (Below 90 points)	-	-	-	-	-	1

3) Based on number of sites where risk factors were identified

LOTTE Mart·Super[4]

(Unit: Cases)

Category	Mart		Super	
	H1	H2	H1	H2
Risk Assessment	828	1,074	116	89
Safety Assessment	Total of 116 stores, average of 10.35 cases per store		Total of 40 stores, average of 6.78 cases per store	

4) Based on number of risk factors identified

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Health and Safety Management Activities

OHS Training

LOTTE Shopping mandates Occupational Health and Safety (OHS) training for all employees, building practical response capabilities grounded in strong safety awareness and regulatory compliance to prevent workplace risks and enhance accident response.

LOTTE Department Store operates role-specific OHS training programs, including statutory training for all employees, supervisory training for team leaders, and OHS management training for store managers and safety management division heads. We also strengthen autonomous on-site inspection through ISO 45001 internal and lead auditor training, and regularly hold roundtables and job training for OHS managers to share information and develop practical solutions.

LOTTE Mart·Super regularly conduct OHS training to prevent work-related injuries, including quarterly training for all employees, onboarding training for new hires, and quarterly job training for safety personnel, alongside statutory training for safety managers (biennial) and supervisors (annual). Risk Assessment training builds capacity to identify and prevent hazards, regional safety managers complete annual AED training, and we distribute musculoskeletal risk assessment materials to all stores.

To strengthen the expertise of its health and safety managers, LOTTE e-Commerce supports their completion of ISO 45001 auditor and internal auditor training, thereby enhancing the operational capabilities of its occupational health and safety management system. Furthermore, we mandate fire safety training for all new and experienced hires to improve employee emergency response capabilities.

Employee Health Promotion

LOTTE Shopping provides regular health checkups to foster a healthy working environment and prevent illness, systematically managing follow-up care—including detailed examinations and specialist referrals—for employees who need it.

Through its newly revamped benefits platform, Welfare Wallet, LOTTE Department Store has expanded health checkup benefits to cover both employees and their families. In partnership with the RE:JOICE Psychological Counseling Center, we also offer mental health programs for employees and their family members.

LOTTE Mart·Super provide professional psychological counseling and proactively address stress through regular job stress assessments and training, alongside an on-site health clinic offering first aid, health counseling, and rest areas.

LOTTE e-Commerce operates a full-time health clinic for both employees and partner company staff, offering health counseling and emergency response services. Furthermore, we publish a "Monthly Health Guide" to share information on seasonal disease prevention and general wellness.

Seasonal Safety Management

LOTTE Department Store conducts on-site inspections and training for major seasonal accidents: winter brings fire prevention training and demonstrations plus heating-facility checks in vulnerable areas; summer focuses on storm/flood safety and refrigeration equipment hygiene; and the thaw season brings inspections of structural stability and ground subsidence risks.

To protect worker health and maintain a safe working environment across seasons, LOTTE Mart·Super provide winter gear, such as insulated gloves, earmuffs, neck warmers, and heat packs, during the winter. In the summer, we supply protective equipment to prevent heat-related illnesses, including cooling vests, cooling sleeves, and portable air conditioners. Additionally, we have developed and distributed perceived temperature thermometers across our worksites to monitor high-temperature environments during the summer.

Safety Management Investment

LOTTE Department Store, LOTTE Mart·Super allocate and execute annual occupational health and safety budgets to create a safe working environment. Each business division invests in site-focused safety management, such as regular facility inspections, aging equipment upgrades, and safety gear expansion, while allocating funds to health promotion activities, including employee health management programs and medical support.

Emergency Preparedness Measures

LOTTE Department Store operates practical training and technology-driven prevention systems for emergency response. We regularly conduct emergency response team deployment drills, elevator rescue drills, severe weather response drills, emergency evacuation drills, and CPR training across all stores. In addition, we developed and distributed a crowd management manual for multi-use facilities to all branches to ensure emergency preparedness. To address electric vehicle (EV) fires, we reinforced our initial response equipment and operate an AI-based CCTV system that detects smoke and flames in real time. Furthermore, we periodically conduct comprehensive inspections of electrical equipment to prevent power outages and fires, and have installed arc fault circuit breakers to prevent electrical accidents.

LOTTE Mart·Super established a safe battery storage environment by providing battery storage boxes in the backrooms of stores and logistics centers to prevent fire and explosion risks. Furthermore, we conducted CPR training for store managers and headquarters executives and required safety managers at all branches to obtain CPR instructor certifications, thereby securing first-aid capabilities to respond to emergencies.

[LOTTE Department Store] Legally Mandated Fire Safety Training

[LOTTE Mart·Super] Quarterly Job Training for the Safety Management Division

Occupational Health and Safety Management

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Metrics and Targets

Metrics

Occupational Health and Safety Management Indicators

LOTTE Shopping manages the number of work-related injuries and safety management costs by area to create safe business sites. The Company monitors work-related injuries by business division, recording 4 cases in the Department Store, 68 in the Mart, 18 in the Super, and 0 in the e-Commerce divisions in 2025. Furthermore, the Company is strengthening its prevention-oriented occupational health and safety management system by tracking costs across key areas, including facility inspections, facility and OHS investments, the establishment of OHS management systems, the prevention of serious accidents and public accidents, and OHS training.

Number of Work-related Injuries (Unit: Cases)

Indicator	2023	2024	2025
Department Store	6	4	4
Mart	80	60	68
Super	17	14	18
e-Commerce	0	0	0

Safety Management Cost Indicators (Unit: KRW 100 million)

Category	Department Store			Mart·Super			e-Commerce		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Facility Inspections	1,324	1,452	1,451	358.5	431.5	456	1.57	1.84	1.66
Facility and OHS Investment	154	179.4	243.3	249.8	138.5	171.7	0.12	0.03	0.01
OHS Management System	-	0.3	0.1	0.65	0.5	0.5	-	0.17	0.04
Prevention of Serious, Public, and Industrial Accidents	224.6	187.2	183.9	24.2	73.9	135.9	1.81	1.54	1.34
OHS Training	0.4	1	0.9	2.6	1.4	3.9	0.14	0.12	0.09

Targets

Occupational Health and Safety Management Targets

LOTTE Shopping has established and manages mid- to long-term occupational health and safety targets for 2026 to 2028 across all Business Divisions. Each Business Division sets annual targets based on its specific characteristics and key risk factors to strengthen its occupational health and safety management system. At the corporate level, the Company regularly monitors progress against these targets and analyzes performance to ensure that occupational health and safety management is effectively embedded throughout the organization.

Mid- to Long-term OHS Targets

Category	Indicator	2026	2027	2028
Department Store	Number of Work-related Injuries and Injury Rate Reduction	Reduce by over 50% YoY	Reduce by over 50% YoY	0 Cases (Zero-injury Business Sites)
	Zero-Accident Business Sites	-	-	Achieve
Mart·Super	Work-related Injury Rate	Manage below industry average	Manage below industry average	Manage below industry average
	Slip Accident Reduction Rate	Over 30% reduction	Maintain reduction rate	Maintain reduction rate
	Number of Employees Receiving Psychological Counseling	70 employees	100 employees	130 employees
	Establishment of an Integrated Monitoring System	16 business sites	116 business sites	Operational stabilization
	ISO 45001 Training and Certification	3 employees at headquarters	4 trainers	Expansion and maintenance
e-Commerce	First Aid Training Completion Rate	-	100%	100%

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Customer-Centric Quality Management

Governance

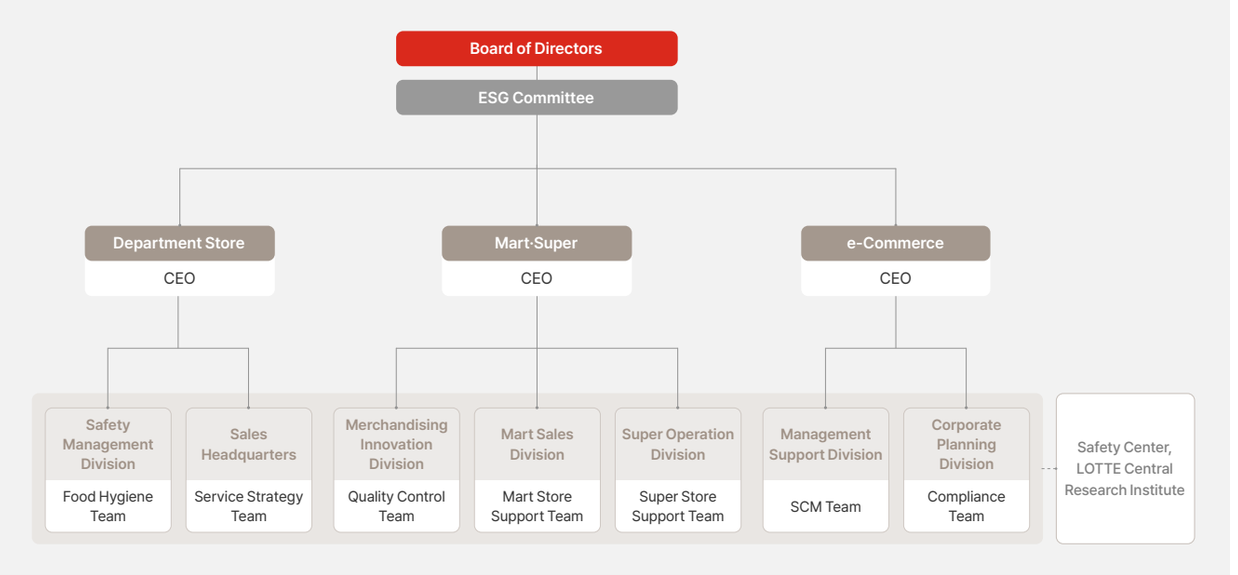
Quality Management Oversight System

Responsibilities and Roles of the Board of Directors and Management

As the highest decision-making body for company-wide quality management, the Board of Directors of LOTTE Shopping deliberates and approves quality and safety policies and strategic directions, and oversees the management system for key issues and risks. The Board regularly reviews key quality management status and improvement initiatives reported by each business division, and establishes company-wide response directions to protect the health and safety of customers and local communities.

As the final decision-makers for quality management, the CEOs of each business division review the operational direction of quality and safety evaluation and management processes for products and services, and support the implementation of quality management on-site. Each business division continuously monitors compliance with quality and safety laws and regulations, and reports key performance and plans to the Board of Directors.

[LOTTE Shopping] Customer-Centric Quality Management Governance



Responsibilities and Roles of the Working-Level Organization

LOTTE Shopping establishes and implements evaluation and management processes throughout the entire retail process to improve the quality and ensure the safety of its products and services. We conduct quality and safety inspections at every stage, from product sourcing to distribution and sales, and enhance our inspection and management standards through collaboration with the Safety Center of the LOTTE Central Research Institute. Furthermore, we protect customer interests and rights by managing customer touchpoints, and plan and implement product and service strategies to provide innovative customer experiences.

At LOTTE Department Store, the Food Hygiene Team, established in 2024, serves as the control tower for food quality and safety management, overseeing food safety and hygiene, while the Service Strategy Team under the Sales Headquarters manages customer touchpoints.

At LOTTE Mart·Super, the Quality Control Team serves as the control tower for overall product quality, safety, and hygiene management. The Mart Store Support Team and the Super Store Support Team support safety and hygiene management activities not only for products handled in each store but also for the overall sales environment, operating a field-centric management system.

At LOTTE e-Commerce, the SCM Team is responsible for the quality management of product partners, while the Compliance Team oversees regulatory compliance and risk management

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Strategy

Quality Management Oversight System

Quality and Safety Management Process

LOTTE Shopping operates an integrated quality and safety management system across its retail operations, led by the quality and safety management departments of each business division and the LOTTE Central Research Institute Safety Center (hereinafter LOTTE Safety Center). All products sold by us undergo rigorous verification procedures prior to purchase. For private brand products, we conduct quality and safety inspections at every stage, from raw material sourcing to manufacturing, distribution, and sales.

Furthermore, we continuously monitor the entire distribution and consumption process through a digital-based management system and a cooperative framework between the LOTTE Safety Center and government agencies, responding swiftly to any quality and safety issues.

Product Lifecycle-Based Quality and Safety Management

Phase 1 Product Development and Onboarding Management	• Quality management evaluation of partners (manufacturers) • Product regulatory compliance review • Pre-distribution quality and safety inspection • Labeling verification
Phase 2 Product Distribution Management	• Manufacturer and production facility inspection • Quality and Safety Inspection[1)] • In-store hygiene inspections • Expiration date and temperature control • Labeling Checking
Phase 3 Post-Market Product Management	• Customer complaint analysis and resolution • Operation of a system to block the sale of hazardous products • Monitoring of domestic and international product safety issues • Practical training on regulatory compliance and quality & safety

1) Conducted separately based on the distribution structure of each Business Division

Product Quality Management Activities

LOTTE Safety Center

LOTTE Shopping collaborates with the LOTTE Safety Center to ensure the safe distribution of products. The LOTTE Safety Center is a specialized research institute responsible for private brand, store hygiene, and product safety management across LOTTE Group's retail affiliates, employing dedicated research professionals in product inspection, analysis, and training.

The Safety Center establishes a hygiene and safety management system based on domestic regulations and international food safety management systems. It conducts regular on-site inspections to monitor store hygiene and support improvements. Furthermore, the Center is advancing its product safety testing system—including preliminary testing for private brand products, as well as regular and ad-hoc testing—by developing and implementing data-driven systems. In 2025, LOTTE Shopping conducted a total of 14,481 product safety tests through the Safety Center.

Foreign Substance Inspection

To prevent foreign substance contamination in food products, LOTTE Shopping conducts inspections in accordance with the LOTTE Safety Center's standard foreign substance analysis procedures. We have expanded the scope of foreign matter identification by applying DNA analysis for animal and plant tissues and Pyrolyzer GC/MS analysis for plastics. We also share foreign substance analysis casebooks with stores to enable prompt and accurate responses to related issues.

Product and Manufacturer Management

LOTTE Department Store implements quality risk management procedures for products and manufacturers across all stages, from merchandising to manufacturing and distribution. Before introducing new products, we review essential requirements, such as permits, certifications, and labeling, and verify quality and safety through product testing. In addition, experts conduct on-site inspections of manufacturers to assess their manufacturing environments and processes. Furthermore, we collaborate with the LOTTE Central Research Institute Safety Center to review quality and safety trends for products of concern, new products, exclusive products, and seasonally sensitive products. Based on these reviews, we select specific items for continuous monitoring.

Online Product Management

LOTTE e-Commerce operates a safety certification verification process when partner companies register products for LOTTE Department Store and LOTTE Mart. We verify the validity of certifications for items requiring them, such as electrical appliances, children's products, and household chemicals. For electrical and children's products specifically, we collaborate with the LOTTE Central Research Institute Safety Center to review KC certification status. Using the RPA[2)] system, we conduct initial monitoring within three days of a product going on sale, followed by a secondary verification by the LOTTE Central Research Institute Safety Center to identify non-compliant items. We request sellers and sales representatives to correct any non-compliance issues, and suspend sales if corrective actions are not completed within the specified timeframe. In 2025, we conducted a total of 28,891 inspections using the RPA system.

Household Chemical Product Management

LOTTE Mart·Super maintain management standards for product specifications and ingredients to verify the safety and regulatory compliance of household chemical products. For private brand products in particular, we set management grades and apply standards by product type based on domestic laws and regulations, factoring in risks associated with product characteristics, target age groups, and safety issues. As of the end of 2025, four 'GOOD TODAY' private brand products from LOTTE Mart·Super maintain the Excellent Chemical Reduction Product certification[3)]. Furthermore, we have participated in the Voluntary Agreement on Safety Management of Household Chemical Products since 2017 and disclose full ingredient information on the Ministry of Environment's website.

2) Robotic Process Automation
3) "GOOD TODAY" Sodium Percarbonate, Baking Soda, Moisture Absorber, and Ethanol Washer Fluid

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Product Quality Management Activities

Digital Food Safety Management System

LOTTE Shopping utilizes a smart safety management system to systematically inspect and improve store hygiene and product safety. Using 'Hi Genie', an integrated platform for food hygiene inspections and safety information, we collect store-specific data to analyze and manage compliance levels and risks. In 2024, we introduced 'L.Scan', a self-check app for household goods safety. By scanning products, store employees can instantly verify safety certifications, expiration dates, and recall histories, enabling continuous product safety monitoring and rapid risk response.

In collaboration with the Ministry of Food and Drug Safety, the Food Hygiene Team at LOTTE Department Store established a digital quality management system by introducing the 'Food QR' system to automatically block the sale of expired products. Furthermore, in 2025, LOTTE Department Store became the first in the department store industry to introduce a smart HACCP system. By applying this system to its meat departments, we monitor and record temperatures in real time, triggering automated alerts and follow-up procedures if temperatures deviate from set standards.

LOTTE Mart installed IoT-based smart sensors in its refrigerators and freezers to monitor temperature, door openings, and power consumption in real time from a central control room, becoming the first retail company to acquire Smart HACCP certification in 2023. We also apply a smart monitoring system to in-store instant cooking facilities to inspect and manage operational safety in real time.

Operation of Food Safety Certification

LOTTE Department Store operates the Food Safety Certified Store and Food Safety Zone certification systems for its F&B tenants. As of 2025, 1,717 out of 1,879 establishments were designated as Food Safety Certified Stores, achieving a 91.4% certification rate. Additionally, 42 department stores, outlets, and shopping malls were designated as Food Safety Zones. To help SME tenants obtain certification, we provide financial incentives, document preparation assistance, on-site consulting, and accompanied audit support.

Store Hygiene Management Activities

Quality and Hygiene Supervision

LOTTE Department Store provides quality and hygiene supervision to partners across its department stores, shopping malls, and outlets nationwide through designated Food Hygiene Leaders for each branch and region. In collaboration with the LOTTE Central Research Institute Safety Center, we develop evaluation plans tailored to the operational characteristics of each branch and partner. The Safety Center and Food Hygiene Leaders conduct cross-inspections to manage the entire process, from initial evaluation and improvement planning to the implementation of corrective actions and follow-up inspections.

Quality Management System for Stores and Cooking Facilities

LOTTE Department Store manages quality risks across the entire distribution process through a comprehensive quality and hygiene management system covering store operations and products. We deploy dedicated Food Hygiene Leaders to the sales teams at each store to conduct continuous quality and hygiene monitoring and provide hygiene coaching to partners. We record and manage inspection results in real time via the integrated platform 'Hi Genie', utilizing this data alongside historical improvement records to analyze vulnerabilities and drive improvement activities. In addition, we conduct regular food hygiene risk assessments across all domestic and overseas locations—twice a year domestically and once a year overseas—to quantitatively manage the hygiene levels of each store.

LOTTE Mart·Super operate a hygiene and safety management system for in-store cooking facilities to support the expanded fresh foods and prepared foods offerings following the transition to grand grocery-focused stores. In collaboration with LOTTE Safety Center, we conduct regular hygiene inspections of cooking facilities, verify regulatory compliance, and continuously monitor raw materials and finished products. Each store appoints a Quality Supervisor (QSV) to conduct regular hygiene inspections, recording the results on the integrated platform 'Hi Genie' to drive follow-up actions when issues arise or potential risks are identified.

2025 Quality and Hygiene Supervision Status

Category	Unit	2025
Food Hygiene Leader	Persons	4
Evaluated Partners	Companies	2,459
Quality and Hygiene Supervision	Times	2,165
	Hours	86,600

Capacity Building for Food Quality and Safety Management

LOTTE Shopping conducts training for quality and safety personnel to respond to the demand for advanced quality and safety standards in the global market. The curriculum covers essential topics for capacity building, including legal and regulatory trends related to product hygiene and safety, quality certification systems, quality and safety management for export products, and partner management. In 2025, we provided this training to 1,816 employees.

LOTTE Department Store focuses on enhancing expertise in food safety management and strengthening on-site management capabilities through customized job training curricula that reflect the required competencies for each position.

Furthermore, we host a monthly Food Hygiene Conference to establish a collaborative food safety framework involving company-wide sales teams, relevant headquarters departments, LOTTE Central Research Institute, and external specialized agencies. Through these conferences, we share key internal and external food safety issues and cases while discussing countermeasures, thereby strengthening a proactive, prevention-oriented food safety management foundation across the organization. Moreover, we conduct biannual workshops for food team leaders to strengthen the food safety leadership capabilities and on-site quality management execution of sales managers, ultimately elevating the overall safety management level of the organization.

To prevent food hygiene and quality degradation risks, LOTTE Mart·Super collaborated with LOTTE Central Research Institute to conduct theoretical and practical training on microbiology for food private brand partners in 2025.

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Customer Experience Improvement

Naeil-ONDA (Next day delivery)

LOTTE e-Commerce is enhancing its delivery service operations. Launched in March 2024 with approximately 10,000 products, the next-day delivery service "Naeil-ONDA" has expanded to cover 660,000 items as of May 2025. We plan to further broaden this service by refining its product selection and delivery data management criteria. Additionally, we are introducing "Oneul-ONDA," a same-day delivery service exclusively for department store products on LOTTE ON.

In addition, we have operated the 'Preferred Delivery Date' service since March 2023, allowing customers to choose their delivery dates. Customers can specify a delivery date up to 30 days in advance and receive their products on the designated day without additional consultation. This service shows high utilization rates in the furniture category, which features many large items.

Order Cancellation Process Enhancement

LOTTE e-Commerce improved its order cancellation process in 2024. We revamped the process to allow customers to cancel orders directly through the application without contacting the customer service center, and upgraded features to enable changes to shipping addresses and product options even after purchase. As of 2025, the cumulative number of order cancellations was 3,689,339, and the number of returns was 1,341,818.

Enhanced Accessibility for Self Check-Out (SCO) System

LOTTE Mart·Super are continuously upgrading their Self Check-Out (SCO) systems to enhance shopping convenience and customer experience. In 2024, we introduced a parking pre-payment feature directly at the SCO to streamline customer flow and expanded mobile payment services for international customers. In particular, we are advancing system improvements to enhance information accessibility and usability, ensuring that all store visitors can use the SCO easily and conveniently. We have been piloting barrier-free kiosks since February 2025, which will serve as a foundation for implementing inclusive shopping services that accommodate diverse user needs. Moving forward, LOTTE Mart·Super remain committed to creating a customer-centric shopping environment and realizing retail spaces that are accessible and convenient for everyone.

Introduction of Cash & Gift Certificate SCO

LOTTE Mart·Super revamped their payment and settlement operations by introducing cash and gift certificate SCO machines in 2024. These machines are designed to process various payment methods, including cash, credit cards, gift certificates, and checks, through a single unmanned kiosk.

By integrating checkout counters and machines previously separated by payment method, we unified our equipment operation structure. Customers can now use the same SCO regardless of payment method, reducing checkout wait times. The automated settlement function completes the entire transaction—from inserting cash or gift certificates to processing payment and dispensing change—in under five seconds, improving customer satisfaction. Furthermore, automating cash and gift certificate settlements significantly reduced the time and effort required for manual processing and error checking, allowing on-site staff to focus more on customer service and store operations.

As of December 2025, LOTTE Mart operates cash and gift certificate SCO machines at 56 branches. We plan to expand these machines to all Mart branches by 2026, followed by a phased rollout to Super branches.

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Risk Management

Customer Experience Improvement

Integrated Customer Center Operations

LOTTE Shopping operates an integrated call center to respond to customer inquiries quickly and efficiently. In particular, we have enhanced customer accessibility and convenience by establishing various consultation channels, including voicebots and chatbots, in addition to direct phone connections with agents.

To provide more sophisticated and personalized customer service, LOTTE Department Store operates a dedicated online Voice of Customer (VoC) channel in addition to the integrated call center. VoCs received at each branch are addressed through real-time 1:1 consultations via the customer service office every day, and we ensure a 100% resolution and response rate for all submitted issues.

Management of VoC on Material Topics

LOTTE Department Store identifies and evaluates customer-related risks and opportunities using VoC collected through its channels. We review VoC cases based on their financial, non-financial, and operational impacts. Cases expected to have a significant impact or create business opportunities through improvement are classified and managed as material topics. These material topics are immediately reported to relevant department heads and management through a fast-track system. Following the report, the responsible departments lead the response and follow-up measures.

Key Identified Risks

1. Customer Safety

Issues that cause or are expected to cause physical or property damage to customers, such as facility defects and food hygiene issues

Key Examples

Slips, falls, and injuries occurring in stores, parking lots, and auxiliary facilities

2. Legal Risks

Issues involving potential violations of regulations, such as consumer protection and fair trade, which may lead to administrative penalties or civil and criminal lawsuits

Key Examples

Unfair trade practices against partners, copyright and trademark infringement, and violations of the Food Sanitation Act

3. Brand Value

Decline in brand value due to deteriorated service quality for VIP customers and failure to provide differentiated experiences

Key Examples

Deterioration of service quality at lounge touchpoints and issues related to the operation of tier-based benefits and programs

VoC Management System

LOTTE Shopping actively responds to customer requests and complaints through its VoC management system. VoC reports received through the integrated customer center are immediately shared with the relevant branch via the system. As a rule, we verify the facts and take action within two days of registration. Furthermore, we track VoC history across various categories, including type, branch, and originating department, and develop and implement improvement measures based on VoC analysis reports.

VoC Intake → **VoC Processing** → **VoC Analysis**

Integrated Customer Service Center / Online
- Inquiry classification
- Notifying relevant personnel

Relevant Departments / Stores
- Identifying facts and issues
- Developing solutions and responding to customers

Relevant Departments at Headquarters
- Identifying customer complaint trends
- System and process improvement

VoC-Based Service Improvement

LOTTE Department Store creates a monthly VoC calendar to identify key VoC types by season and situation. Identified VoCs are categorized into material and general topics, with improvement plans established and implemented for each type.

LOTTE e-Commerce responds to customer inquiries and complaints received through its customer service center. Key issues related to product and service quality—such as counterfeit goods, food contamination or spoilage, and personal data breaches—are immediately reviewed and addressed by relevant departments within two business days. Additionally, data on products with return rates exceeding the standard threshold due to defects is shared with merchandisers (MDs) in real time, who then determine whether to suspend sales or source alternative products.

2025 Customer Experience KPIs

Increase in Customer Satisfaction	Reduction in VIP Customer Dissatisfaction	Reduction in Critical VoCs
+15.5%	-20.6%	-7.7%
Enhanced customer satisfaction through proactive responses	Enhancing proactive guidance for frequent inquiries	Proactive preparation through enhanced monitoring of emerging VoC issues

Customer Satisfaction Survey

LOTTE Department Store has conducted biannual customer satisfaction surveys since 2023 to assess customer experience and gather service feedback. We select participants based on customer data, such as visit frequency and purchase amount, with approximately 28,000 customers participating in 2025. The surveys collect feedback on branch-specific experiences, service inconveniences, and suggestions for improvement. We utilize these results to enhance service operations and identify areas for improvement.

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Metrics and Targets

Metrics

Quality and Safety Indicators

LOTTE Shopping conducts safety testing on both food and non-food items to ensure product quality and safety. Additionally, the Department Store, LOTTE Mart, and LOTTE Super divisions operate digital-based safety management systems and quality and hygiene management systems to mitigate quality risks across all product lines.

LOTTE Shopping has consistently maintained a stable volume of product safety tests for three consecutive years, supported by an advanced quality management system and continuous monitoring, and continues these tests to create an environment where customers can purchase products with confidence.

Safety Inspection Status (Unit: Cases)

Category	2023	2024	2025
Food	7,703	6,892	7,148
Non-food	8,994	7,694	7,333
Total	16,697	14,586	14,481

Customer Service Quality Indicators

To manage customer service quality, LOTTE Shopping tracks key indicators such as the service defect rate per online order and customer VoC resolution status. The VoC resolution rate has remained at 100% for three consecutive years, while the service defect rate per online order continues to decline.

Integrated Customer Center Operation Status[1] (Unit: Cases)

Category	2023	2024	2025
VoC Received	1,532,919	1,219,740	873,536
VoC Resolution Rate	100	100	100

1) Integrated Customer Center performance (including VoC of Department Store, LOTTE Mart·Super via LOTTE ON, and e-Commerce)

e-Commerce Service Defect Rate Relative to Online Orders (Unit: %)

Category	2023	2024	2025
Service Defect Rate	0.39	0.30	0.25

Department Store Service Dissatisfaction VoC Reports[2] (Unit: Cases)

Category	2023	2024	2025
Number of VoC Reports Received	6,549	6,039	6,012

2) Data revised due to changes in management standards in 2023 and 2024

Mart·Super Service Dissatisfaction VoC Reports[2] (Unit: Cases)

Category	2023	2024	2025
Number of Mart Offline VoC Reports Received	2,369	2,756	2,684
Number of Super Offline VoC Reports Received	3,241[3]	200	144

3) Combined LOTTE Super online VoC results (LOTTE Super online operations ended in June 2023)

Targets

Service Defect Rate Target

LOTTE e-Commerce manages the service defect rate per online order as a key metric to provide customers with a reliable online shopping experience. Building on recent steady improvements in this rate, we have set a target to gradually reduce it from 2026 to 2028, aiming to deliver a consistently reliable customer experience by enhancing service operations and strengthening quality management.

e-Commerce Service Defect Rate Target per Online Order (Unit: %)

Category	2026	2027	2028
Service Defect Rate Target	0.20	0.19	0.18

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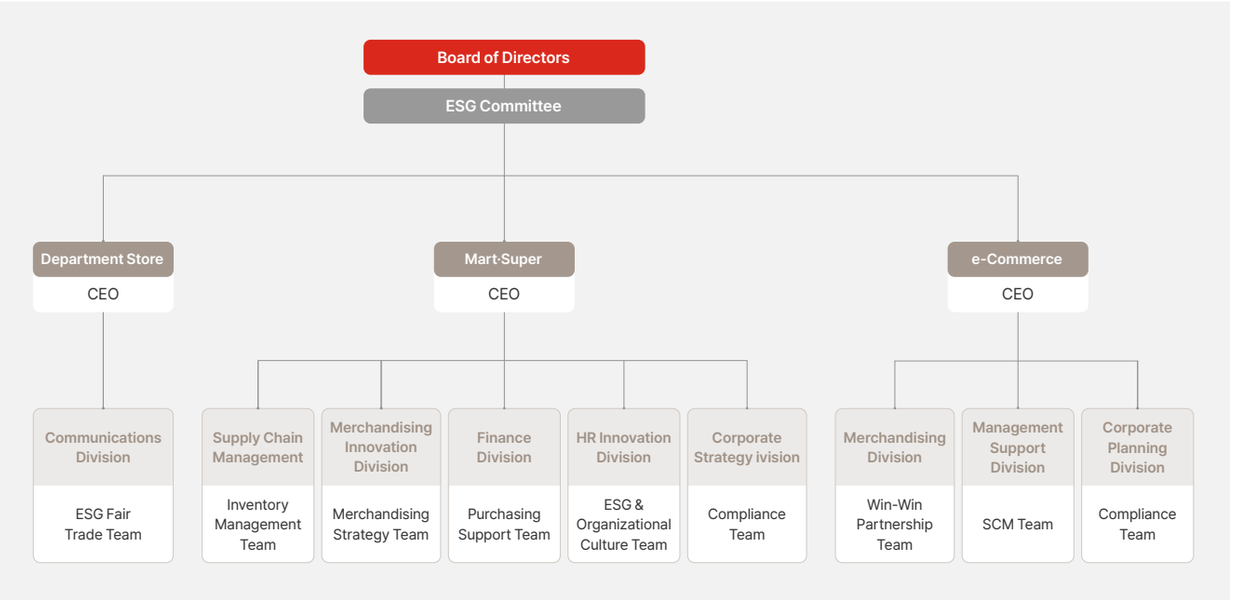
Responsibilities and Roles of the Board of Directors and Management

As the highest decision-making body for company-wide partner management, LOTTE Shopping's ESG Committee deliberates and approves partner policies and strategic directions, and oversees the management system for key issues and risks. The Committee regularly reviews partner status and areas for improvement reported by each business division, and evaluates company-wide responses to key sustainability matters, including partner ESG risks, fair trade issues, and human rights and environmental concerns.

The CEO of each business division serves as the final decision-maker for partner management, overseeing the execution and operation of partner-related policies and strategies. Each division proactively prevents financial and non-financial partner risks, operates the partner ESG evaluation system, identifies areas for improvement, provides feedback, and monitors fair trade compliance. When partner issues arise, the divisions prevent risks from spreading through prompt action and decision-making, and report key performance and plans to the Board of Directors.

[LOTTE Shopping] Sustainable Supply Chain Governance



Responsibilities and Roles of the Working-Level Organization

At LOTTE Department Store, the Win-Win Growth Unit under the ESG Fair Trade Team oversees working-level operations to strengthen win-win partnerships with partners. This unit manages partner support programs and collaborates with external organizations, including the Korea Commission for Corporate Partnership and the Korea SMEs and Startups Distribution Center, to plan and operate joint initiatives. Externally, it manages responses to the Shared Growth Index assessments.

LOTTE Mart·Super manage their partners through dedicated working-level organizations within each division. The Supply Chain Management Division's Inventory Management Team manages the new product onboarding process and product partner master data, while the Product Innovation Division's Product Strategy Team establishes contract guidelines. The Finance Division's Purchasing Support Team manages contracts and ESG risks for purchasing and service partners, and the HR Innovation Division's ESG & Organizational Culture Team operates win-win growth policies while supporting partners' ESG capacity building through funding, sales channel support, and training programs. Furthermore, the Strategic Management Division's Compliance Team monitors contracts related to fair trade.

The SCM Team at LOTTE e-Commerce establishes partner onboarding policies and operational processes, ensuring fair trade by revising terms and conditions and establishing a code of conduct. The Win-Win Partnership Team operates the Win-Win Growth Fund in collaboration with external organizations and supports partner capacity building by providing training for government-supported businesses.

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Sustainable Supply Chain

Strategy

Partner ESG Management System

Sustainable Supply Chain Management Policy

LOTTE Mart·Super have established and disclosed a sustainable supply chain management policy on their website to secure stakeholder trust through fair, open, and transparent transactions with partners. This policy applies to all executives and employees of LOTTE Mart·Super, as well as all stakeholders related to partners, including suppliers and subcontractors doing business with us. We also recommend that our partners maintain an equivalent level of policy compliance.

LOTTE Mart·Super Sustainable Supply Chain Management Policy

Partner Code of Conduct

LOTTE Shopping's Partner Code of Conduct establishes the standards required for all partners providing goods and services. It outlines management principles and action plans across key areas, including ethics and compliance, human rights, the environment, safety, and the establishment of a sustainable management system. We mandate compliance with this Code in all partner contracts and encourage its implementation across all business activities. Furthermore, we require partners to participate and cooperate in our ESG risk assessments and improvement measures.

LOTTE Shopping Partner Code of Conduct

Partner Selection and Evaluation

To build a sustainable supply chain, LOTTE Shopping selects and evaluates partners based on established transaction and evaluation criteria. We set minimum transaction standards based on financial soundness and credit ratings, and proactively identify potential risks through transaction restriction guidelines. In particular, we review key health and safety activities of partners, such as incorporating the SH (Safety & Health) assessment into the transaction criteria for new construction and service providers to evaluate their capabilities.

LOTTE Mart·Super conduct separate quality, safety, and ESG assessments for purchasing and service partners, specifically reviewing their occupational health and safety management systems, training programs, participation in facility inspections, and implementation of employee welfare programs. For annual workforce supply contracts, we conduct biannual contractor qualification assessments based on credit ratings, SH evaluations, and ESG assessments to determine contract renewal eligibility. Furthermore, we may impose penalties or terminate contracts if a partner's misconduct causes direct or indirect damage to the supply chain.

LOTTE e-Commerce operates separate seller screening criteria reflecting the characteristics of its open market platform. We comprehensively evaluate factors such as copyright and intellectual property infringement, the listing of products that violate laws, youth protection certification status, and Trust & Safety (TNS) issues.

Partner ESG Management Activities

Win-Win Partnership Activities

LOTTE Shopping is advancing comprehensive win-win partnerships to foster sustainable win-win growth with its partners. We enhance partner competitiveness by providing financial assistance to build a stable business foundation, coupled with technological and management support. Furthermore, we support the establishment of sustainability management systems through dedicated ESG assistance. Additionally, we continuously improve partners' practical capabilities and expertise through systematic training programs.

Type	Support Activities	Details	Unit	2025 Performance[1]
Financial Support	Early Payment to Partners	Number of Partners Receiving Early Holiday Payments	Companies	5,300
		Amount of Early Holiday Payments	KRW 100 million	9,300
	Operation of Win-Win Growth Fund	Provision of Low-Interest and Interest-Free Loans to Partners	KRW million	124,106
	Win-Win Margin System	Reduction of sales commissions for outstanding SME partners	KRW 100 million	7.8
Technological Cooperation	Support for Partners' R&D Processes	Number of partners participating in the L-LAB project	Companies	1
Management Support	Overseas Export Support for SMEs	Number of SMEs participating in the Brand Expo (hosted by the Group)	Companies	100
		Contract achievements from the Indonesia Export Consultation (Global Bridge in Indonesia)	KRW 100 million	102
	Small Business Brand Support	Total sales from Small Business Online Brand Development (TOPS)	KRW 100 million	38
	Sales Support for SME and Local Community Products	Number of partners selling in department stores through the Integrated SME Product Evaluation	Companies	2
ESG Management Support	Support for Partners' Sustainability Management	Number of partners receiving ESG management system consulting	Companies	42
	Food Safety Consulting	Number of partners receiving consulting for FSSC certification[2]	Companies	6
	Support for Environmental Product Declaration (EPD) and Low-Carbon Certification	Number of partners benefiting from EPD and low-carbon certification support	Companies	2
Training Support	Online Training for Partners	Number of partners completing online training programs	Companies	525
	Digital Competency Training for Small Business Owners	Number of digital competency training sessions conducted	Sessions	8

1) Combined performance of three business divisions
2) International food standard recognized by the Global Food Safety Initiative (GFSI)

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Financial Support

Early Payment to Partners

To proactively address partners' increased financial needs during the holiday seasons, LOTTE Department Store made early payments totaling approximately KRW 830 billion for Lunar New Year and Chuseok holidays to over 3,300 partners nationwide. By advancing the scheduled settlement dates by up to eight days, we supported the financial stability of SME partners facing heightened cash flow burdens, such as employee bonuses and raw material costs, ahead of the holidays. LOTTE Department Store fosters a fair and transparent trading environment for all partners regardless of their sales volume, and actively supports their stable business operations through practical win-win growth initiatives such as early payments.

To alleviate the financial burden on partners, LOTTE Mart·Super made early payments totaling approximately KRW 100 billion to around 2,000 partners ahead of the 2025 Seollal and Chuseok holidays, advancing payment dates by up to 10 days. This initiative helps partners secure liquidity and stabilize their business operations.

2025 Financial Support Performance (Unit: Companies, KRW 100 million)

Category		2025
Department Store	Number of partners receiving early holiday payments	3,300
	Amount of early holiday payments	8,300
Mart·Super	Number of partners receiving early holiday payments	2,000
	Amount of early holiday payments	1,000

Cash Payment Monitoring

LOTTE Department Store, LOTTE Mart·Super provide a Cash Payment Monitoring System free of charge to strengthen win-win partnerships with both direct tier-1 partners and their tier-2 partners. This system is designed to monitor actual payment dates against the schedules agreed upon between tier-1 and tier-2 partners, enabling the management of payment status and compliance.

Win-Win Growth Funds

LOTTE Shopping operates the Win-Win Growth Fund to support the financial stability of its business partners. Operated in collaboration with financial institutions, the fund enables partners to access necessary capital at low interest rates for business activities, including working capital and facility investments. This helps partners secure liquidity and alleviate financial burdens.

LOTTE Department Store operates a separate Win-Win Growth Fund that provides interest-free loans to partners in need of emergency financing, and is expanding the scope of this support to offer practical assistance. Complementing the financial support of the existing Win-Win Growth Fund, this fund provides direct and immediate financial assistance to small and medium-sized partners facing liquidity constraints, thereby supporting their stable business operations and business continuity.

Win-Win Margin System

LOTTE Department Store operates the Win-Win Margin System to strengthen win-win partnerships with small and medium-sized enterprise (SME) partners. This system reduces sales commission rates (margins) by up to 5 percentage points for outstanding SME partners with proven quality and competitiveness, practically improving their profitability. In 2025[1], we provided KRW 780 million in margin reduction benefits, helping partners improve their profit structures and secure financial stability.

1) Period: April 2025 – March 2026

Win-Win Payment System

LOTTE Shopping operates a Win-Win Payment System across all business divisions to support the financial stability and liquidity of its partners. This system leverages our credit rating to pay partners in cash or ahead of schedule, thereby improving cash flow and reducing financial costs for small and medium-sized partners. By implementing this system across all retail business divisions—including LOTTE Department Store, LOTTE Mart, LOTTE Super, and LOTTE e-Commerce—we ensure stable payment collection and help partners maintain stable business operations. Furthermore, we conducted training for tier-1 partners on the program's details and operational direction.

Financial Support for Indonesian Partners

LOTTE Mart partnered with UOB Indonesia to ease the financial burden on local partners. This partnership offers low-interest loans to approximately 1,400 local partners that provide goods to 48 stores across Indonesia. Partners can apply for loans through UOB Indonesia's digital banking platform, UOB Infinity, and access early payment services. By expanding its financial support from local franchise owners to partners, LOTTE Mart is advancing its win-win growth programs across its global operations.

[LOTTE Mart] Business Agreement with UOB Bank Indonesia

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Technological Cooperation

L-LAB

LOTTE Department Store's L-LAB is a win-win growth program that supports partners' research and development (R&D) through technological cooperation. The program provides product development funding to small and medium-sized enterprise (SME) partners planning collaborative products with LOTTE Department Store, while also assisting them in acquiring national certifications to improve product quality. By offering customized consulting across the entire product development process—spanning planning, design, quality improvement, and distribution—the program helps partners build independent competitiveness.

[LOTTE Department Store] Sisihosi-Pola Company Product Development (4 Types of Tableware)

Management Support

Overseas Export Support for SMEs

LOTTE Department Store supports domestic SMEs in expanding overseas by participating in the Korea Brand Expo hosted by LOTTE Group. At the 2025 Brand Expo held in France and Austria, LOTTE Corporation and affiliates from the retail and food sectors hosted export consultations for 100 SMEs, providing practical opportunities to enter local markets. Furthermore, through 1:1 export consultations between domestic SMEs and local buyers, we provided customized consulting on overseas market entry strategies and product localization, while also holding promotional events for local consumers.

In partnership with the Korea Foundation for Cooperation of Large & Small Business, Rural Affairs, LOTTE Mart·Super hosted 'Global Bridge in Indonesia' in Jakarta, Indonesia, to support 20 domestic SMEs in developing new sales channels. The export consultation sessions facilitated 126 meetings, generating KRW 25.5 billion in consultation value and approximately KRW 10.2 billion in MOUs, while local B2C events sold about 5,900 products and recorded KRW 8 million in revenue. Furthermore, in collaboration with the Korea International Trade Association (KITA), we operate export consultation sessions and local promotional events ('Step up to Export'). In 2025, we held integrated online-to-offline promotional events across 15 stores in Vietnam.

Sales Channel Support for SMEs

LOTTE Department Store supports domestic SMEs in expanding their sales channels through the integrated SME product evaluation hosted by the Korea Federation of SMEs. Six LOTTE Department Store buyers conduct in-person evaluations across the food, cosmetics, lifestyle, and fashion accessories categories. Companies receiving high evaluations are granted the opportunity to enter 'Dream Plaza,' a select shop dedicated to SMEs. Upon confirmed entry, they receive benefits including labor and interior cost support, as well as win-win margins.

LOTTE Mart·Super also support sales channel expansion for domestic SME consumer goods manufacturers by participating in the integrated SME product evaluation event. For SMEs that pass the document screening, we provide opportunities to enter retail channels through face-to-face consultations with category-specific merchandisers, offering benefits such as preferential commission rates and participation in pop-up events.

Sales Support for SME Products

Since 2014, LOTTE Department Store has operated Dream Plaza, a dedicated win-win store for SMEs, to provide sales channel support for its SME partners. Dream Plaza operates as a multi-brand store featuring selected brands that possess product competitiveness but struggle to secure sales channels. LOTTE Department Store fully covers all operational expenses, including store interior design and sales staff labor costs.

We also operate a local food repackaging support program through our lifestyle curation shop, "SISIHOSI." In partnership with Inje-gun, Gangwon-do, we selected five local food items featuring regional specialties following a year of market research and product evaluations. After collaborating with a design startup to upgrade the packaging, we now sell these products at "SISIHOSI" stores.

Online Brand Development Program for Small Business Owners (TOPS)

LOTTE e-Commerce's LOTTE ON partnered with the Korea Small Business Distribution Center to operate the Small Business Brand Incubation Project (TOPS), generating KRW 3.8 billion in total sales. The project featured a systematic incubation program that included 846 one-on-one merchandising (MD) consulting sessions and live commerce operations. Additionally, an offline pop-up store held at LOTTE Department Store Time Villas Suwon in November 2025 enabled three companies—Gonji Underwear, Isodang Company, and The Jinri—to generate approximately KRW 25 million in sales.

ON DREAM Project

LOTTE e-Commerce operates 'ON DREAM,' a win-win partnership project designed to support small and medium-sized enterprises (SMEs) in entering the online market and establishing self-sustaining operations. The project provides strategic solutions across the entire sales process, including product sourcing strategies leveraging LOTTE ON's big data analytics, customized promotions by category, and sales channel diversification. In 2025, we focused on enhancing one-on-one merchandiser (MD) consulting and specialized training curricula to empower partners to swiftly adapt to rapidly changing e-commerce trends, internalize operational expertise, and independently drive sales.

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ESG Management Support

Support for Partner Sustainability Management

LOTTE Department Store has partnered with the Korea Commission for Corporate Partnership for five consecutive years to operate a customized ESG consulting program for partner companies. The program consists of comprehensive environmental, social, and governance assessments, identification of areas for improvement, advisory services, and action plan development, helping partner companies build autonomous sustainability management capabilities.

LOTTE Mart·Super also operate various ESG management support programs to facilitate capacity building for their partner companies. In 2025, in collaboration with the Korea Commission for Corporate Partnership, we provided consulting to support six food partner companies in obtaining FSSC 22000 certification. Additionally, since 2022, we have provided annual consulting to approximately 20 partner companies to help them establish ESG management systems and identify risks. The consulting program consists of comprehensive environmental, social, and governance (ESG) assessments, identification of areas for improvement, advisory services, action plan development, and on-site inspections and improvements.

2025 ESG Consulting Support Performance (Unit: Cases)

Category	Details	2025
Department Store	Number of Consulting Sessions for Partner ESG Management System Establishment	14
Mart·Super	Number of Consulting Sessions for Partner ESG Management System Establishment	28
	Number of Partners Receiving FSSC22000 Certification Consulting	6

Environmental Product Declaration (EPD) Certification Support

Since 2022, LOTTE Mart·Super have provided free consulting on Environmental Product Declaration (EPD) certification to small and medium-sized private brand manufacturing partners. This certification quantifies and discloses the environmental impact across the entire life cycle of a product or service, from raw material procurement to production, distribution, and disposal. Starting in 2024, we expanded this support to include Low-Carbon Certification, which is granted to EPD-certified products with GHG emissions below a specified threshold.

Food Safety Consulting

LOTTE Department Store operates a food safety consulting program to enhance the quality competitiveness of its food partners and strengthen their safety management systems. We provide specialized food safety consulting through technical support and mentoring programs with expert researchers. Focused on capacity building for partners and fostering a safe retail environment, the consulting includes support for acquiring national certifications, such as the restaurant hygiene rating system; training on relevant regulations, including food safety policies and the Food Sanitation Act; and education on labeling requirements and the prevention of false or exaggerated advertising based on the Act on Fair Labeling and Advertising.

[LOTTE Department Store] Hygiene Inspection of Partner's Manufacturing Site

Hygiene Management for Food Suppliers

LOTTE Mart·Super operate an internal hygiene management support system to mitigate operational risks associated with food hygiene administrative penalties and consumer sales for individual owners and tenants in leased and concession stores. Regional Quality Service Visitor (QSV) personnel visit these stores weekly to inspect food hygiene conditions and conduct regular training for tenants on compliance with hygiene management standards.

Training Support

Online Training for Partners

LOTTE Department Store operates the 'Win-Win Growth Academy' for the capacity building of SME partner companies. The academy offers various courses ranging from policy training on ethics management and fair trade to practical training on leadership, job skills, and IT, helping partner company employees enhance their job expertise.

LOTTE Mart·Super have been operating an online training program for partner company employees since 2021. The training covers various topics, including management, retail, legal affairs, and ESG, and is provided online to foster a learning environment that can be balanced with on-site duties.

Digital Competency Training for Small Business Owners

LOTTE e-Commerce collaborates with the Small Enterprise and Market Service (SEMAS) to provide customized platform-specific training for small business owners facing difficulties entering the online market. The training features a practical curriculum covering e-commerce market trends, product operation strategies, and data-driven product page optimization, accompanied by hands-on mentoring directly provided by LOTTE ON experts.

[LOTTE e-Commerce] Platform Collaboration Training

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Strengthening Partner Communication

Partner Workshop

Since 2014, LOTTE Department Store has hosted an annual two-day workshop with its small and medium-sized enterprise (SME) partners to strengthen mutual trust and promote practical win-win growth. Held under the name "Companion Workshop for Fair Trade Agreement Partners," the program brings together approximately 300 SME partners operating within the department store and around 30 LOTTE employees to communicate and exchange ideas on various topics. The workshop features presentations on LOTTE Department Store's financial support programs, tenant policies, and operational support measures. It also provides partners with the opportunity to communicate directly with key personnel, including buyers, to share their challenges and discuss collaborative solutions. Additionally, we organize various networking programs to foster mutual understanding and strengthen bonds among participants.

[LOTTE Department Store] Workshop of Fair Trade Agreement Partners

Win-Win Growth Activities with Local Communities

Enhancing the Competitiveness of Fresh Foods from Rural Communities

LOTTE Mart·Super strengthen producers' cultivation stability and income base through a stable purchasing structure based on cooperation with local farmers. We purchase local agricultural products within a 50km radius and support farmers in improving quality through L-GAP training, which complies with GAP[1] standards. In response to the growing volume of agricultural products failing to meet cosmetic standards due to extreme weather, LOTTE Mart·Super purchase these items to market and sell as win-win products. In 2025, we purchased 60 tons of hail-damaged nectarines from Gyeongbuk province, selling them at approximately 30% below the regular retail price. We also purchased 300,000 small bell peppers from Gimje, Jeonbuk, offering them at about 30% below standard promotional prices. This approach realizes win-win distribution by securing stable sales channels for affected farmers while providing consumers with reasonably priced agricultural products.

In 2025, we expanded our procurement of high-quality regional agricultural products through the 'Tomorrow Farm', 'AI Sorting', and 'K-Variety' campaigns. As part of the K-Variety project, we introduced the 'Hopungmi' sweet potato, a domestic variety developed to replace imported ones, and sold domestic apple varieties such as 'Arisu' and 'Gamhong'. This contributed to securing income for local farmers and reducing seed royalty costs. Furthermore, we are expanding our procurement of produce sorted for sweetness using AI technology and supplying customers with consistent-quality agricultural products through direct sourcing from local farms.

1) Good Agricultural Practices

Special Exhibitions for Agricultural, Livestock, and Marine Products in Collaboration with Local Governments

LOTTE e-Commerce collaborates with the Ministry of Agriculture, Food and Rural Affairs, the Ministry of Oceans and Fisheries, and major local governments to expand sales channels and boost revenue for local farmers and fishers. Notably, we have hosted specialized seasonal fresh food events, such as 'Nongbuga Baro Farm', for two consecutive years, while expanding the online sales channels of representative regional brands from Gyeongsangbuk-do, Gyeongsangnam-do, and Gangwon-do nationwide. Through promotional activities, including dedicated pavilions on the LOTTE ON platform and targeted coupons, we increase the exposure of local agricultural and livestock products and help small and medium-sized farms secure stable revenue.

[LOTTE e-Commerce] Nongbuga Baro Farm Special Exhibition

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Community Engagement Activities Organizational Structure

Responsibilities and Roles of the Board of Directors and Management

LOTTE Shopping's ESG Committee reviews and approves the overall direction and strategy for Community Engagement activities across each Business Division. The CEO of each business division is responsible for allocating and executing the Community Engagement budget, and monitors plans and performance to ensure that activities remain aligned with this strategy.

Community Engagement Matters Deliberated and Resolved by the Board of Directors and ESG Committee

Category		Agenda
2025.01.14	Approved	Sponsorship of the Community Chest of Korea's "Hope Sharing Campaign"
2025.03.05	Approved	Establishment of LOTTE Shopping's 2025 ESG Implementation Plan
2025.03.06	Approved	Sponsorship Plan for the LOTTE Cultural Foundation
2025.08.19	Reported	LOTTE Shopping's 2025 ESG Implementation Progress
2025.09.17	Reported	Department Store Community Engagement Impact Measurement and Mid- to Long-term Goals

Responsibilities and Roles of the Working-Level Organization

LOTTE Shopping's planning and implementation of community engagement activities is handled by the ESG department within each business division.
LOTTE Department Store's ESG Fair Trade Team, under the Communications Division, leads the practical execution of Community Engagement activities, overseeing the full scope of work—from developing the community engagement strategy to planning and operating programs and advancing external partnership projects.
LOTTE Mart·Super's ESG & Organizational Culture Team, under the HR Innovation Division, handles community engagement operations, planning and running programs such as employee volunteer initiatives, win-win growth activities with local communities, and support projects for vulnerable groups.
LOTTE e-Commerce's Management Innovation Team, under the Corporate Planning Division, is responsible for community engagement operations, planning and implementing activities tailored to its business characteristics.

[LOTTE Shopping] Community Engagement Governance

Strategy

Management System for Community Engagement Activities

Mid- to Long-term Strategy for Community Engagement

LOTTE Shopping has established a company-wide community engagement strategy that draws on the characteristics of the retail industry—closely connected to customers and local communities—together with its core capabilities. Guided by its ESG management system and Five Key ESG Initiatives, we operate our community engagement efforts around two main pillars: RE:EARTH and RE:JOICE. RE:EARTH is an environmental campaign centered on promoting an eco-friendly culture and advancing environmental protection activities, while RE:JOICE is a mental health campaign that aims to embed a culture of mind care into everyday life, supporting the self-esteem, dreams, and challenges of all individuals. Building on this strategy, each business division establishes community engagement plans and targets suited to its own characteristics, and designs and operates its programs accordingly.

Community Engagement Campaign Brand

RE:EARTH — Environment Campaigns for a Sustainable Life

RE:JOICE — Mental Health Campaigns Supporting Everyone's Self-Esteem, Dreams, and Challenges

Community Engagement Goals

~2026
Systematizing Community Engagement Campaign Programs
- Launching at least one new project within the RE:JOICE and RE:EARTH campaigns
- Establishing a community engagement policy

~2027
Developing New Programs Tailored to Local Community Needs
- Launching at least one new program semiannually
- Conducting at least five employee-led programs each month

~2028
Advancing Social Value Creation
- Piloting social value measurement for the RE:EARTH campaign
- Achieving a social value multiple of at least 1.5 times

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RE:JOICE

Voice, by RE:JOICE

Social Value Impact Measurement

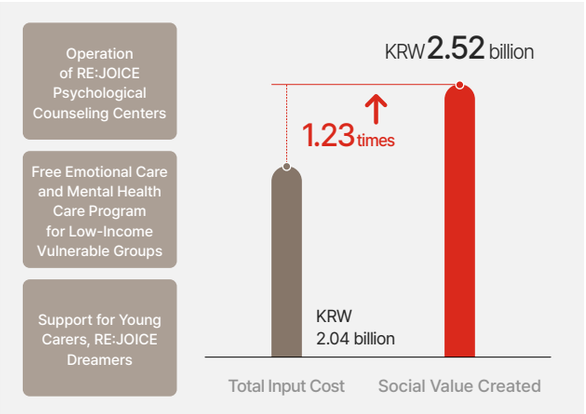
In 2025, LOTTE Department Store carried out a project to measure the social value of the RE:JOICE campaign. The project was conducted by Triplelight, a firm specializing in issue and impact measurement. It began with an internal diagnostic assessment based on each program's history and awareness levels, followed by the collection of lean data through quantitative metrics and stakeholder interviews. To quantify and monetize the key impact of each program, LOTTE Department Store also developed measurement formulas, calculating the multiple of social value created relative to the costs invested.

Impact of Key RE:JOICE Programs[1)]

RE:JOICE Counseling Center Operation of Psychological Counseling Centers	Reduced Aversion to the Space 83.3 % Percentage of respondents who cited the non-hospital setting as a key factor in their decision to seek counseling	Psychological Distance Reduction 165.6 m Reduced psychological distance to Psychological Counseling Centers
Mental Health Care Program Psychological and Emotional Recovery Support	Social Stigma Reduction 2.34 Points Percentage of respondents who cited the non-hospital setting as a key factor in their decision to seek counseling	Increased Resilience 4.13 Points Resilience: The attitude of not giving up and seeking help when facing psychological or emotional difficulties
RE:JOICE Dreamers Support for Young Carers	Increase in Self-Care Score 4.43 Points Frequency of trying new things, such as eating desired foods or visiting desired places	Increase in Self-Awareness 4.29 Points Awareness of likes, dislikes, strengths, and suitable career paths

1) Based on the results of a survey and interviews conducted with 586 program participants, from August 4 to 10, 2025

Social Value Creation Multiplier of Key RE:JOICE Programs[2)]



2) Measured for select programs from 2022 to 2025

Publication of Impact Report

In April 2026, LOTTE Department Store published an impact report presenting the results of its 2025 social value impact measurement alongside the journey of the RE:JOICE campaign, marking its 10th anniversary. Opening with the campaign's launch history, the report captures the voices of diverse stakeholders across its various programs, together with quantitative data accumulated over the past decade.

RE:JOICE Impact Report

[LOTTE Department Store] Impact Report Cover

[LOTTE Department Store] Impact Report Inside Pages

Hosting the Mental Health Care Forum

LOTTE Department Store hosted the "Voice, by RE:JOICE" Mental Health Care Forum to mark the 10th anniversary of the RE:JOICE campaign and the milestone of KRW 10 billion in cumulative donations. On April 22, 2026, around 70 participants—including Seoul Metropolitan Government officials, corporate ESG/CSR representatives, and Mental Health Care industry professionals—gathered at Myeong-dong Community House "Masil" to look back on the campaign's first decade and explore its future direction. The forum opened with a ceremony celebrating the KRW 10 billion donation milestone, followed by a presentation on the campaign's 10-year achievements, case-sharing sessions with stakeholders and on-site counselors, and a Mental Health Care lecture by Dr. Yoon Hong-gyun. As the industry's first forum of its kind, the event carried particular significance, bringing the public and private sectors together to recognize 'Mental Health Care' as a social issue in its own right and laying the groundwork for a sustainable network of cooperation.

[LOTTE Department Store] KRW 10 Billion Cumulative Donation Ceremony

[LOTTE Department Store] Interview with the Program Manager

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RE:EARTH RE:JOICE

Community Engagement Activities

Carbon-Neutral School Forest

LOTTE Department Store is advancing a School Forest Project to protect the environment and educate future generations. In September 2025, we established "Our Jangchung Forest" at Jangchung Elementary School in Seoul, where students and employees together planted 1,150 plants across 31 species, including endangered species. Eight selected Kids Eco Dreamers will continue to manage the school forest going forward.

[LOTTE Department Store] Our Jangchung Forest

[LOTTE Department Store] Carbon Neutral School Forest Kids Eco Dreamers

RE:JOICE Psychological Counseling Center

LOTTE Department Store and LOTTE Mart operate psychological counseling centers for customers and employees as part of the RE:JOICE campaign. Since opening the first center at the Centum City store in 2020, we have steadily expanded operations and now run four locations. The RE:JOICE Psychological Counseling Centers retain psychiatrists as advisory members and provide counseling services at roughly 50% lower cost than standard counseling centers. They serve a diverse customer base through specialized programs for children, including art therapy and child intelligence testing. Opened in April 2024, the Time Villas Suwon store features a dedicated space for child play therapy, reflecting the high proportion of local customers who are mothers with young children.

Number of Counseling Sessions at RE:JOICE Psychological Counseling Center

Category	2024	2025	Cumulative (2020-2025)[1]
RE:JOICE Psychological Counseling Center	2,451[2]	2,080	12,806

1) Cumulative figure as of the end of 2025
2) Figures corrected following a data discrepancy identified in 2024

Joint Sponsorship Agreement for Young Carers in Seoul

On June 10, 2025, LOTTE Department Store signed a joint sponsorship agreement for young carers with the Seoul Metropolitan Government, Mirae Asset, and Hanwha Life Insurance at Seoul City Hall. Through this agreement, we provided in-person and remote counseling at RE:JOICE Psychological Counseling Centers, along with scholarships and living expenses, to 200 young carers and their family members.

[LOTTE Department Store] MOU for Joint Sponsorship of Young Carers in Seoul

RE:JOICE Dreamers

LOTTE Department Store supports young carers who face difficulties in their studies and career development while caring for family members with an illness or disability. Starting with a crowdfunding-based scholarship program in 2021, we now offer a range of coaching programs (covering academics, career planning, and interpersonal skills), individual and group psychological counseling tailored to each participant, and overseas exploration opportunities, in addition to scholarships. The program is funded through donations from LOTTE Department Store and the Avenuel customer point donation system. We plan to continue providing scholarships to the 20 RE:JOICE Dreamers selected in 2023 until they achieve financial independence after graduating from high school.

Toys R Us Children's Invitational Event

Toys R Us, operated by LOTTE Mart·Super, carries out donation and support programs each year for children from underserved communities. On Children's Day in 2025, we ran a hands-on sharing program for 45 children from child welfare facilities, providing toy gifts along with meals at Lotteria and tours of Seoul Sky and LOTTE World Aquarium.
LOTTE Mart stores nationwide also carried out support programs for children from underserved communities in May and December, in partnership with local child welfare organizations, with a total of 41 stores (including repeat participants) taking part.

[LOTTE Department Store] RE:JOICE Dreamers Overseas Cultural Tour

[LOTTE Mart·Super] Children's Day Invitational Event

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Community Engagement Activities

Global Community Engagement Activity 'GOOD TODAY'

LOTTE Mart operates community engagement activities tailored to local needs in Vietnam and Indonesia in connection with its global business. In 2025, we provided LOTTE Mart "YORIHADA" lunch boxes and "PUNGMISO" bread to 600 residents in low-income areas of Jakarta, Indonesia, and offered cultural experience programs—including a toy-giving event and an aquarium visit—to 40 vulnerable children at LOTTE Mart Gandaria City Mall.

Support Program for Indonesian Migrant Workers

In 2025, LOTTE Mart carried out a support program for Indonesian migrants and children living in Korea. We provided winter gift boxes to 55 migrant workers residing in Ansan, Gyeonggi-do, and offered art therapy programs to select participants. We also hosted an event in which participants personally packaged letters, along with eight popular LOTTE Mart K-Food items, to send as gifts to their families in Indonesia.

CHARLOTTE Volunteer Corps

LOTTE Mart·Super operate "CHARLOTTE Volunteer Corps," an employee volunteer platform. As of 2025, a cumulative 414 employees from 153 stores nationwide have participated, forming regular partnerships with child and senior welfare institutions. Through bimonthly visits, we have carried out activities such as providing care, donating goods, and improving living environments.

'Visiting LOTTE Mart' for Wildfire Firefighters

In 2025, LOTTE Mart conducted the "Visiting LOTTE Mart" campaign for firefighters battling severe wildfires in Hadong, Gyeongsangnam-do, and Uiseong, Gyeongsangbuk-do. We delivered approximately 1,000 support kits—each containing 11 types of "GOOD TODAY" private brand products, including health supplements, protein bars, and snacks—to a total of 260 firefighters.

Employee Payroll Rounding Donation Program

Since 2010, LOTTE Mart has operated its payroll rounding donation program under a "Matching Grant" scheme, in which amounts under KRW 1,000 are deducted from employees' monthly salaries and matched by an equal contribution from us. Cumulative donations to date total approximately KRW 1.2 billion. Funds raised in 2024 were used for community engagement activities planned through an employee idea contest, and in February 2025, we supported meals with renowned chefs for vulnerable groups through a mobile meal-sharing initiative called "Happy Meal." Funds raised in 2025 were used in December of the same year for an employee Kimjang (kimchi-making) volunteer activity, in which the CEO, the Labor Union Chairperson, and approximately 40 employees participated. A total of 3.2 tons of kimchi were made, and 300 gift boxes — each containing three types of private brand (PB) meal kits and three types of winter items — were delivered to 300 single-mother households and 100 low-income senior citizens nationwide.

[LOTTE Mart] Sharing Kimjang (Kimchi-Making)

Sponsoring the KFHI 'Everyone's Ground' Football Tournament

LOTTE Mart·Super sponsor the "Everyone's Ground – Shooting for Hope" football tournament, hosted by Korea Food for the Hungry International (KFHI). The tournament is designed to highlight the challenges faced by children with migrant backgrounds in Korean society—such as difficulty forming peer relationships, discrimination, and isolation—and to support their social adaptation through sports activities. In 2025, we provided private brand snacks and bottled water to around 300 participating children and staff, along with kits featuring five or more "GOOD TODAY" products.

Transparent Use of Donations

Under its Donation Management Regulations, LOTTE Shopping sets donation execution standards and reviews each beneficiary organization's reliability, support area, and target recipients. We also assess fund management practices, donor–beneficiary communication, and post-execution monitoring capacity to confirm that outcomes align with the original purpose. To prevent bribery disguised as donations, we document our legitimacy reviews and follow a step-by-step process—preliminary checklist, approval procedure, and sign-off from the risk management department. Under Article 31 of the Political Funds Act, we also prohibit providing political funds, campaign funds, or lobbying funds to political organizations, as stated in our Donation Management Regulations. Actual budgets and donation records are managed per accounting standards and audit procedures, with related information disclosed accordingly.

Donation Execution Status (Unit: KRW million, consolidated basis)

Category	2023	2024	2025
Donations	15,759	17,540	15,231

Managing the Effectiveness of Community Engagement

LOTTE Department Store monitors donation spending effectiveness by activity and reflects the results in future program planning and budgeting. RE:JOICE Psychological Counseling Centers hold monthly meetings to review operating costs, session counts, client satisfaction, and notable issues. The Mental Health Care Program monitors each participating institution and holds an evaluation session after each program. For RE:JOICE Dreamers, we review individual coaching details and notable issues through quarterly meetings with coaching instructors.

LOTTE Mart·Super monitor expenditure effectiveness by activity, analyzing execution details by year, focus area, and stakeholder group to inform future planning and budgeting. We also conduct one-on-one monitoring of implementing organizations and review their results reports to confirm funds were used as intended.

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Information Security Organizational Structure

Responsibilities and Roles of the Board of Directors and Management

The ESG Committee, a committee under LOTTE Shopping's Board of Directors, oversees and manages key risks related to information security and personal data protection. It receives regular reports on the status of establishing and operating information security policies, internal control systems, and response processes, and reviews whether systems for identifying and responding to key risk factors—such as cyber threats and data breaches—are being properly implemented. The Committee also reviews compliance with relevant laws and regulations, major security investment and improvement plans, and incident response and recurrence prevention measures, and oversees the adequacy of the company-wide information security management system by recommending improvements where needed.

In accordance with domestic information security laws[1], LOTTE Shopping designates a Chief Information Security Officer (CISO) and a Chief Privacy Officer (CPO) for each Business Division. These officers oversee the establishment of information security policies, risk assessments, the planning and operation of information security organizations, and security risk management, and they regularly review security-related issues.

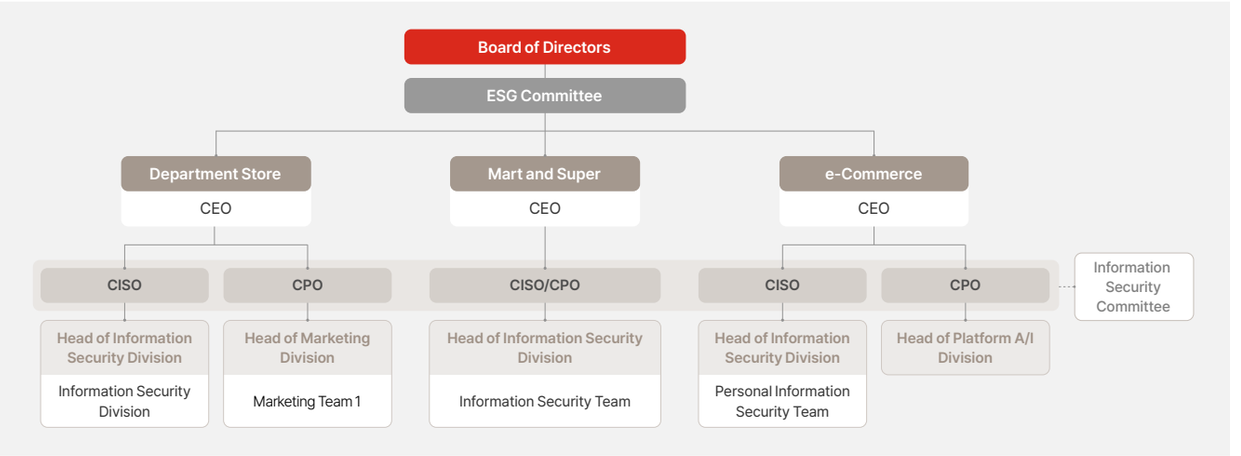
1) Act on Promotion of Information and Communications Network Utilization and Information Protection, etc. (Network Act)

LOTTE Shopping also operates an Information Security Committee, chaired by the CISO of each Business Division, on a quarterly or semiannual basis. As the consultative body responsible for establishing each division's information security strategy and making decisions on major issues, the Committee plays a core role in information security governance.

Information Security Matters Deliberated and Resolved by the Board of Directors and ESG Committee

Category		Agenda Item
2025.03.05	Approved	Establishment of LOTTE Shopping's 2025 ESG Implementation Plan
2025.04.11	Approved	Information Security Enhancement Plan
2025.08.19	Reported	LOTTE Shopping's 2025 ESG Implementation Progress
2025.09.17	Reported	Information Security Enhancement Progress

[LOTTE Shopping] Information Security Management Governance



Responsibilities and Roles of the Working-Level Organization

LOTTE Shopping operates a dedicated Information Security organization within each business division, responsible for ensuring compliance with relevant laws and regulations, establishing and implementing security policies, responding to information security issues, and providing training and inspections for working-level staff. In addition to these dedicated departments, each business division also operates a separate working-level council.

LOTTE Department Store holds a quarterly working-level council for the business division, led by the Sales Planning (Support) Team Leaders in charge of Information Security at each retail branch, to share information security issues across departments and develop practical response measures.

LOTTE Mart·Super hold a quarterly working-level committee led by the Information Security Team, managing and improving security levels across the administrative, physical, technical, and data privacy domains based on the Information Security Management System.

LOTTE e-Commerce operates a Personal Information Security Team, composed of dedicated personnel responsible for data privacy, management, and technical information security, reporting directly to the CEO.

Executive KPIs Linked to Performance Compensation

LOTTE Shopping has introduced a Key Performance Indicator (KPI) system for the CEO of each business division to effectively implement its information security response strategy. In 2025, we allocated 1% of each CEO's KPIs to information security metrics.

2025 CEO-linked Information Security Management Performance KPIs

Category	Content	Weight
Information Security	Establishment of KPIs Based on the Five Key Elements of Information Security * Activities / Investment / Adoption of Security Solutions / Establishment of Disaster Recovery Systems / Minimization of Incidents	1%

Information Security Management

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Strategy

Information Security Management System

Information Security Policy

In accordance with the LOTTE Group's information security policy, LOTTE Shopping establishes and operates company-wide Information Security Guidelines as well as division-specific information security policies and guidelines (one type each). We continuously revise each guideline to reflect amendments to relevant laws, changes in IT technology, and shifts in the business environment. We also share these policies through our internal groupware and bulletin boards so that all employees can easily access the relevant content.

LOTTE Department Store Information Security Policy
LOTTE Mart·Super Information Security Policy
LOTTE e-Commerce Information Security Policy

Personal Data Privacy Guidelines

To protect stakeholders' Personal Data privacy, LOTTE Shopping operates internal Data Privacy Regulations for each business division, covering the handling of personal data as well as administrative and technical safeguards. Under these regulations, we establish and disclose a Personal Data Privacy Policy to users, specifying within it the department responsible for handling personal data grievances.

LOTTE Department Store posts its employee Personal Data Privacy Policy separately on internal and groupware bulletin boards, while its Personal Data Privacy Policy for partners and customers is posted on its website, using a labeling function to improve user convenience. It also maintains a policy for the operation and management of fixed-type video information processing devices (CCTV).

LOTTE Mart·Super post a separate "Easy-to-Understand Personal Data Privacy Policy" on their website, along with their policy for the operation and management of fixed-type video information processing devices.

LOTTE e-Commerce applies a labeling function within its Personal Data Privacy Policy to enhance user convenience.

LOTTE Department Store Personal Data Privacy Policy
LOTTE Mart·Super Personal Data Privacy Policy
LOTTE e-Commerce Personal Data Privacy Policy

Operation of Certification-Based Information Security System

All business divisions of LOTTE Shopping have obtained and maintain ISMS[1] certification, Korea's national certification system for information security management. ISMS is a domestic standard designed to safely protect a company's information assets and prevent damage from security threats; through this certification, we have built an information security management system and laid the foundation to prevent and mitigate cybersecurity threats such as personal data breaches and hacking. We also verify the system's effectiveness and operational stability through regular internal inspections and audits by external certification bodies, and continue to pursue improvement activities to create a secure information environment that customers and employees can trust.

1) Information Security Management System

ISMS Certification Acquisition and Maintenance Status

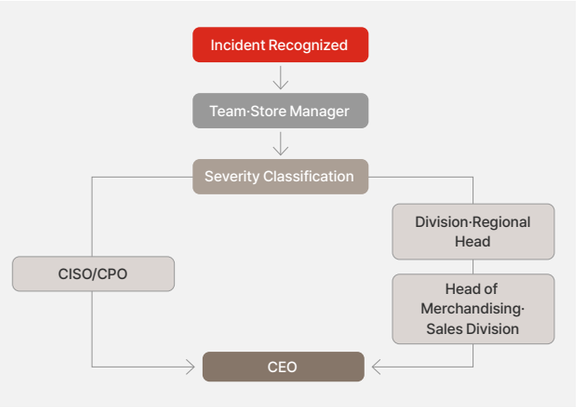
Category	Certification Standard	Certification Scope	Validity Period
Department Store	ISMS	Operation of LOTTE Department Store Online Services (Homepage, Culture Center, Wedding)	2024.10.06 ~ 2027.10.05
Mart·Super	ISMS	LOTTE Mart/Super online services (Company introduction, LOTTE Mart GO, LOTTE Mart Zeta, Bottle Bunker, Culture center, Recruitment, Mobile Dowa, SRM (partner portal))	2026.01.22 ~ 2029.01.21
	ISMS	LOTTE Mart Online Services (Company introduction, LOTTE Mart GO, Culture center, Recruitment, SRM (partner portal), BottleBunker)	2023.11.15 ~ 2026.11.14
	ISMS	LOTTE Mart/Super online services (Company introduction, LOTTE Mart GO, BottleBunker, Culture center, Recruitment, SRM partner portal)	2024.12.18 ~ 2027.12.17
e-Commerce	ISMS	Operation of Online Shopping (LOTTE ON)	2025.03.05 ~ 2028.03.04

Information Security Management Activities

Security Incident Response Process

LOTTE Shopping maintains a phased response process at all times for incident situations. When an incident occurs, the dedicated Information Security organization receives the incident report, and the incident response organization investigates the facts to confirm whether a breach has occurred. The incident is then classified by severity based on the estimated scope of damage and the level of system disruption, and management decides, where necessary, whether to declare the incident and approves the response level. For major incidents, we also report to the relevant authorities and carry out follow-up response measures.

Incident Response Process



Disaster Recovery System

To manage risk, LOTTE Shopping has built and operates a disaster recovery system for each Business Division. The disaster recovery system is designed to restore core systems and maintain business continuity even during emergencies such as system failures or cyberattacks. We classify enterprise information systems by criticality to determine recovery priorities in the event of a disaster, and establish recovery strategies based on the Recovery Point Objective (RPO) and Recovery Time Objective (RTO). We also verify our recovery procedures through regular inspections and simulation training that include response and recovery activities based on scenarios assuming disasters and security incidents.

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Strategy

Information Security Management Activities

Security Monitoring System

LOTTE Shopping operates a continuous monitoring program, working with the Group's Computer Emergency Response Team (CERT), to prevent security incidents and respond swiftly when they occur. To protect our information assets and respond proactively to cyber threats, we have built a range of security solutions and information security systems, and we monitor security attacks—such as hacking attempts and malware infiltration—in real time, 24 hours a day, 365 days a year, through our security monitoring service.

Security Assessment

LOTTE Shopping conducts annual security vulnerability assessments and penetration testing to check and strengthen our security posture. Through these assessments, we review the security status of key infrastructure and services company-wide, and identify and implement improvement measures based on the results. We also monitor compliance through an annual Group-level information security assessment.

LOTTE Mart·Super conduct annual penetration testing on their web and mobile environments to identify vulnerabilities, and maintain a 100% resolution rate by completing risk management measures for every vulnerability found.

Personal Data Processor Audits

LOTTE Shopping conducts annual audits of all contractors entrusted with the processing of personal information. These audits cover key areas such as security controls and data destruction practices. If areas for improvement are identified, we provide guidance and conduct follow-up training to ensure corrective actions are implemented.

LOTTE e-Commerce supplements document-based audits with on-site inspections. In 2025, we designated 46.2% of all processors as key processors and supported them with on-site inspections and improvement measures carried out by dedicated specialists, while strengthening protection management for the remaining processors through separate document-based audits and guidance.

2025 Personal Data Processor Audit Status

Category	No. of Audited Processors	Completion Rate
Department Store	50 Companies	100%
Mart·Super	76 Companies	100%
e-Commerce	52 Companies	100%

Information Security Drills

Recognizing the importance of information security, LOTTE Shopping operates a range of drill programs to prevent security incidents before they occur. To prepare for hacking attempts carried out through malware-infected emails, we conduct a "virus email simulation drill" twice a year[1], which strengthens employees' ability to recognize malicious emails and their proficiency in response procedures. During these drills, we also test our response capabilities against DDoS attacks. In addition, we take part in Group-level information security drills each quarter, and each Business Division plans and carries out its own simulation drills to further strengthen its security response system.

1) LOTTE Department Store conducts this four times a year

Information Security Training

To raise security awareness among employees, LOTTE Shopping provides data privacy training to all employees, and offers additional specialized information security training to employees who directly handle personal data or perform IT-related work.

Given the nature of its online platform-based digital business, LOTTE e-Commerce runs specialized information security training for IT personnel and employees who handle personal data.

2025 Information Security Training Status (Unit: Persons, Hours)

Category	Target	No. of Participants	Training Hours
Department Store	All Employees[2]	5,239	5,239
	Personal Data Handlers	30	30
	IT Personnel	61	61
	Information Security Personnel	4	192
Mart·Super	All Employees[2]	13,153	13,153
	Personal Data Handlers	248	496
	IT Personnel	38	38
e-Commerce	All Employees[2]	504	504
	Personal Data Handlers	144	144
	IT Personnel	171	171

2) The number of employees targeted for information security training is calculated based on the number of active employees at the time of the training

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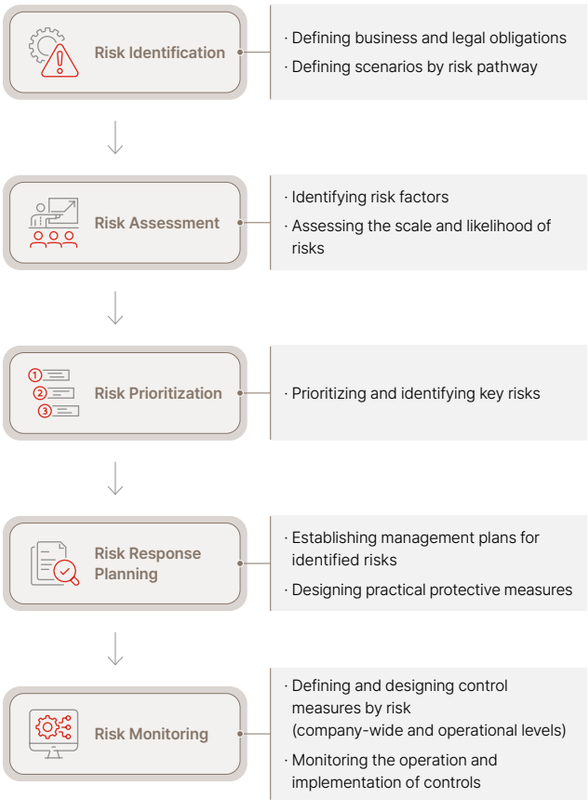
Risk Management

Risk Management Process

Risk Management Process

LOTTE Shopping identifies and assesses risks related to information security and personal data protection, and uses the results to establish our information security response strategy.

Information Security Risk Identification and Assessment Process



Risk Identification

In the Risk Identification stage, LOTTE Shopping defines the tasks each department performs and the legal obligations that apply to them, and translates situations that could breach these obligations into concrete scenarios by risk pathway.

For example, we link tasks related to the collection, use, consignment, provision, and destruction of personal data to the relevant provisions of the Personal Information Protection Act, and tasks related to the collection and use of advertising information to the relevant provisions of the Act on Promotion of Information and Communications Network Utilization and Information Protection, clarifying each department's compliance obligations. For each obligation, we then develop scenarios depicting potential breach situations that could arise in actual workflows, such as inadequate processor management, failure to conduct prior impact assessments, and insufficient access controls.

Risk Assessment

In the Risk Assessment stage, LOTTE Shopping rates the likelihood and scale (the level of impact if the risk materializes) of each identified scenario on a 1-to-3 scale, and derives a final risk level for each pathway.[1] The resulting risk scores serve as the basis for classifying key risks and designing control measures in the following stages.

1) Scale: 1–3 points; Likelihood: 1–3 points. The risk level is calculated as scale × likelihood

Risk Prioritization

In the Risk Prioritization stage, LOTTE Shopping classifies key risks based on the assessed risk scores, and designates the Information Security division of each Business Division as the department responsible for overseeing control activities. This clarifies accountability for managing key risks and establishes the basis for allocating information security control resources.

Risk Response Planning

LOTTE Shopping establishes response plans and management measures for key risks, and designs practical protective measures. After selecting the key strategies for responding to each risk, we allocate and design corresponding countermeasures for each strategy. Based on this, we prepare an information security implementation plan to manage our response measures. We also identify and assess any residual risk remaining after these strategies and countermeasures have been implemented.

Risk Monitoring

In the Risk Monitoring stage, LOTTE Shopping designs company-wide and operational-level control measures separately for each key risk, and periodically reviews whether each control is being operated and implemented as intended.

Risk Controls

Category	Details
Company-wide Level	Regulations, Training, Monitoring, Internal Reporting
Related Division Operational Level	Work procedures (approval authority, consensus), Segregation/division of duties, IT systems, Other controls

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Metrics and Targets

Information Security Metrics

LOTTE Shopping has established information security metrics to manage our performance in addressing identified risks, and we track key metrics such as the number of data privacy violations and the number of information security simulation training sessions.

Number of Data Privacy Violations (Unit: Cases)

Category	2023	2024	2025
Department Store	0	0	0
Mart·Super	0	0	0
e-Commerce	0	0	1
Total	0	0	1

Number of Information Security Simulation Trainings (Unit: Sessions)

Category	2023	2024	2025
Department Store	6	5	6
Mart·Super	8	9	10
e-Commerce	5	4	4
Total	19	18	20

Information Security Targets

LOTTE Shopping has established mid- to long-term targets for each business division to prevent information security incidents—including those involving personal data—and to advance its security systems, and we are carrying out detailed implementation measures accordingly.

Department Store

Category	Goal	2026	2027	2028
Governance	Obtain ISMS-P Certification	• Prepare to transition to/obtain ISMS-P certification	• Obtain ISMS-P certification	• Establish a process for post-certification audit response and prevention of recurring nonconformities
Information Security Activities	Advance Inspection and Management System	• Conduct infrastructure inspections and remediate vulnerabilities	• Strengthen security controls in cloud environments • Improve the personal data security review process in AI environments	• Establish an automated AI response strategy • Advance the integrated management system for personal data processing status
Internal System	Embed Security Capabilities and Culture	• Establish a management-centered decision-making structure (Information Security Committee, Data Privacy Committee)	• Strengthen specialized information security capabilities and partnerships	• Advance the company-wide Data Privacy governance operating system

Mart·Super

Category	Goal	2026	2027	2028
Certification	Strengthen Data Privacy Management System	Obtain ISMS-P certification	Maintain ISMS-P certification	Obtain ISMS-P certification
		Obtain CBPR[1] certification	Maintain CBPR certification	Obtain CBPR certification
Information Security Activities	Strengthen Data Utilization and Security Management System	Establish a data-labeling management system	Zero-trust-based network access control, data protection	Advance the data security management system for the cloud service environment
	Strengthen AI Security Management	Standardize the AI security checklist	Strengthen physical AI security in connection with logistics automation (CFC center establishment)	Strengthen AI security governance (internal system)

1) CBPR: Cross-Border Privacy Rules

e-Commerce

Category	Goal	2026	2027	2028
Certification	Maintain ISMS Certification and Obtain ISMS-P Certification	Post-certification ISMS audit	Obtain ISMS-P certification	Maintain ISMS-P certification
Monitoring/ Inspection	Zero Data Privacy Breaches	0 breaches	0 breaches	0 breaches
	Strengthen Personal Data processor Inspections	Conduct inspections at least once per half-year	Conduct inspections at least once per half-year and recognize outstanding processors	Conduct inspections at least once per half-year and recognize outstanding processors
Information Security Activities	Comply with Open Market Self-Regulation/ Guidelines	100% compliance rate	100% compliance rate	100% compliance rate
	Strengthen Data Privacy Awareness Activities	Progressively roll out data privacy–related services / Conduct awareness-improvement activities for employees and customers at least once a year		

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Board of Directors

Board Composition

Corporate Governance Principles

Given its business characteristics across the retail industry, LOTTE Shopping regards transparent, sound corporate governance as the foundation of responsible management and a core system for building stakeholder trust and creating long-term corporate and social value. We have set fairness, transparency, and independence as our core governance principles and operate a Board-centered system of responsible management accordingly, as clearly set out in our internal regulations, including the Corporate Governance Charter and Board Regulations.

To ensure the Board's independence and expertise, we compose it with directors of diverse backgrounds and maintain checks and balances on major management matters through a committee-centered review system.

Board Regulations

Corporate Governance Charter

Board Composition

LOTTE Shopping's Board consists of nine directors elected at the General Meeting of Shareholders, more than half of whom are independent directors, ensuring objective, balanced decision-making. Under the Independent Director Nomination Committee's regulations, the Board appoints directors after verifying candidates' expertise, independence, and transparency, with no direct conflicts of interest. We also consider gender, age, career background, and industry experience to enhance the Board's expertise and diversity.

Board Appointment

LOTTE Shopping follows a transparent verification and appointment process. Executive Director candidates are selected through the Board's recommendation, while Independent Director candidates are nominated by the Independent Director Nomination Committee from among individuals meeting the qualifications under Articles 382(3) and 542-8 of the Commercial Act. Candidates are finally appointed at the General Meeting of Shareholders after confirming they have no disqualifying grounds, and the Chairperson is elected through a Board resolution.

Board of Directors Status (As of March 31, 2026)

Category	Name	Position	Major Career	Gender	Nationality	Initial Appointment Year
Executive Director	Shin Dong Bin	CEO	(Current) CEO, LOTTE Holdings Co., Ltd. (Current) Chairman, LOTTE Group (Current) CEO, LOTTE Chemical Co., Ltd., LOTTE Wellfood Co., Ltd.	Male	Korea	2025.03
	Jung Hyun Seok	CEO	(Current) CEO, Department Store Division, LOTTE Shopping Co., Ltd. (Former) Head of Outlet Business Division, Department Store Division, LOTTE Shopping Co., Ltd. (Former) CEO, FRL Korea Co., Ltd.	Male	Korea	2026.03
	Cha Woo Chul	CEO	(Current) CEO, Mart and Super Division, LOTTE Shopping Co., Ltd. (Former) CEO, LOTTE GRS Co., Ltd. (Former) Head of Management Improvement Team, LOTTE Holdings Co., Ltd.	Male	Korea	2026.03
	Lim Jae Chul	CEO	(Current) Head of Finance Division, LOTTE Shopping Co., Ltd. (Former) Head of Management Improvement Team, Management Improvement Office, LOTTE Holdings Co., Ltd. (Former) Head of Finance Division II, Finance Headquarters, LOTTE Shopping Co., Ltd.	Male	Korea	2026.03
Independent Director	Cho Hyun Keun	Independent Director Nomination Committee, Compensation Committee, ESG Committee, Transparent Management Committee	(Former) CEO, Pulmuone Waters Co., Ltd. (Former) CEO, Diageo Japan K.K. (Former) Regional President, Philip Morris International Asia Ltd.	Male	Korea	2025.03
	Kanai Hiroyuki	Independent Director Nomination Committee, ESG Committee	(Former) CEO, Tokiwa Corporation (Former) President & Representative Director, Henkel Japan Ltd. (Former) Sales Director, Seoul Branch, P&G Korea	Male	Japan	2025.03
	Jeong Chang Kook	Audit Committee, Compensation Committee, Transparent Management Committee	(Former) CFO, Ecobit Co., Ltd. (Former) CFO, ADT CAPS Co., Ltd. (Former) CFO/COO, Acushnet Korea	Male	Korea	2025.03
	Woo Mi Young	Independent Director Nomination Committee, Audit Committee, ESG Committee	(Current) Internal Business Trainer, Amazon Web Services (Former) CEO, Adobe Korea (Former) Vice President, Enterprise Division, Microsoft Korea	Female	Korea	2026.03
	Park Se Hun	Audit Committee, Compensation Committee, Transparent Management Committee	(Former) Advisor, Morgan Stanley Private Equity Asia (Former) CEO, MSS Group (Former) CEO and Advisor, Hanwha Galleria Co., Ltd.	Male	Korea	2026.03

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Board of Directors

Board Composition

Board Expertise

To strengthen the Board's ability to deliberate on and advise on key management issues, LOTTE Shopping appoints directors with expertise and practical experience in management, marketing, global business, finance and accounting, and IT. We compose the Board primarily of management experts with diverse experience at major domestic and global companies, supporting mid- to long-term strategy and risk response.

Board Skills Matrix (Unit: Persons)

Category	Definition	Number
Leadership	Experience in executive- or senior management-level leadership and strategic decision-making	9
Retail·Marketing	Capability in building retail channels and executing brand and marketing strategy	7
Corporate Management Experience	Practical corporate management experience, including strategy development, organizational management, and operational efficiency	9
Global Business	Understanding and experience in overseas business operations and international market partnerships	9
ESG Strategy	Capability in establishing environmental, social, and governance policies and executing related strategy	8
Finance·Accounting	Specialized knowledge in finance and accounting, including financial statement analysis, budget management, and accounting audits	6
IT	Specialized knowledge in IT infrastructure, data utilization, and AI/DT	1

Board Diversity

To reflect diverse stakeholder perspectives and respond to a changing management environment, LOTTE Shopping considers gender, nationality, industry background, and career experience when composing the Board. The Board currently includes one female and one foreign national director, and in 2026 we appointed a new independent director with practical experience in marketing, management strategy, global business, and IT.

Board independence

To ensure Board independence, LOTTE Shopping has appointed 5 of its 9 directors as independent directors. They are appointed following review by the Independent Director Nomination Committee based on the qualification requirements under the Commercial Act, and may not concurrently serve as a director, executive officer, or auditor at two or more other companies. We also operate a Senior Independent Director system to support independent performance of duties, with authority to convene meetings of independent directors.

Board Operations

Board Meeting Procedures

Under LOTTE Shopping's Board Regulations, Board meetings may be convened by the Chairperson or by a director designated by the Chairperson, with notice given to each director one week in advance. Where all directors consent, the Board may convene without following this notice procedure.

As a general rule, regular Board meetings are held once a month, with ad hoc meetings convened as needed. A meeting requires the attendance of a majority of all directors to be validly constituted, and resolutions are passed by a majority vote of the directors present. For matters under Articles 397-2 and 398 of the Commercial Act, however, resolutions require the approval of at least two-thirds of all directors, and any director with a special interest in a resolution may not exercise voting rights on that matter. Directors may also attend remotely, provided the environment allows for simultaneous two-way voice communication.

2025 Board of Directors Meetings Held Status

Category	Unit	Regular Board of Directors Meeting	Extraordinary Board Meeting
Number of Meetings Held	Times	13	2
Average Notice Period	Days	8	8
Reported Agenda Items	Items	36	1
Approved Agenda Items	Items	50	2
Executive Director Attendance Rate	%	100	70
Independent Director Attendance Rate	%	93.9	81.3

Board Remuneration

In accordance with Article 388 of the Commercial Act and Article 42 of the Articles of Incorporation, LOTTE Shopping's director remuneration is determined by Board resolution under the Executive Compensation Regulations, within the limit approved at the regular General Meeting of Shareholders, and is paid following review and approval by the Compensation Committee. CEO remuneration is determined by comprehensively considering financial performance—such as revenue and operating profit—as well as non-financial performance, including leadership, ethical management, other contributions to the company, and the level of achievement of key performance indicators (KPIs) related to ESG management.

2025 Board of Directors Remuneration Status (Unit: KRW million)

Category	Number of Directors	Total Remuneration	Average Remuneration per Director
Registered Directors	5	11,062	2,330
Independent Directors	3	206	74
Audit Committee Members	3	238	79

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Board of Directors

Board Operations

Board Evaluation

In accordance with the evaluation provisions set out in the Corporate Governance Charter, LOTTE Shopping evaluates the management activities of Board members. In particular, to encourage active engagement by independent directors, we conduct a comprehensive annual review covering their attendance at Board and committee meetings, their input and contribution to agenda discussions, the adequacy of expert advice provided in their area of specialization, and, for Audit Committee members, their contribution to internal controls related to financial risk—reflecting the results in future Board composition. The evaluation covers the Board's roles and responsibilities, structure, and operations, with the results and improvement plans reported to the Board.

Board Committees

LOTTE Shopping has established five committees under the Board—the Audit Committee, the Independent Director Nomination Committee, the Transparent Management Committee, the Compensation Committee, and the ESG Committee—to strengthen the independence, transparency, and fairness of our governance structure. All committees are composed entirely of independent directors, enhancing the objectivity and expertise of decision-making.
Detailed information on each committee's activities is available in Section VI, "Matters Concerning the Board of Directors and Other Corporate Bodies," of our Business Report.

2025 Committee Meetings Held Status

Category	Committee Members[1]	Key Roles	Performance[2]		
			Meetings Held (Times)	Agenda Items Discussed (Numbers)	Attendance Rate (%)
Audit Committee	Jeong Chang Kook (Chair), Park Se Hun, Woo Mi Young	Corporate accounting and audit • Audits the legality and soundness of the Board's and management's business execution and financial activities • Reviews the appointment, change, or dismissal of auditors and evaluates the operation of the internal accounting control system	5	25	93.3
Independent Director Nomination Committee	Cho Hyun Keun (Chair), Kanai Hiroyuki, Woo Mi Young	Recommendation of independent director candidates • Forms a candidate pool and conducts a regular review at least once a year • Reviews candidates' expertise, capabilities, and independence against statutory qualification requirements before selecting and recommending nominees	2	3	100
Transparent Management Committee	Park Se Hun (Chair), Cho Hyun Keun, Jeong Chang Kook	Review of key matters related to internal transactions and compliance management • Reviews major policies and implementation records related to internal transactions among affiliates and compliance activities • Requests corrective measures—such as adjusting transaction terms or suspending transactions—when a violation occurs or is likely to occur	6	9	94.4
Compensation Committee	Jeong Chang Kook (Chair), Cho Hyun Keun, Park Se Hun	Evaluation of executive compensation policy • Reviews the appropriateness of the remuneration limit for registered directors submitted to the General Meeting of Shareholders	4	7	100
ESG Committee	Woo Mi Young (Chair), Cho Hyun Keun, Kanai Hiroyuki	Embedding sustainability management and building related systems • Establishes mid- to long-term ESG management goals, reviews implementation status and progress, and deliberates on related matters	5	12	100

1) As of March 2026
2) Operational performance data as of December 2025

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Shareholder-Centric Management

Protection of Shareholder Rights

Exercise of Shareholder Rights

To facilitate shareholders' exercise of voting rights and expand participation opportunities, LOTTE Shopping schedules its regular General Meeting of Shareholders to avoid peak concentration dates, and has held its meeting on a staggered date in each of the past three fiscal years. We have also introduced an electronic voting system to enhance shareholder accessibility and convenience, and provide timely information related to the General Meeting through electronic notices. In addition, we guarantee shareholders who meet certain shareholding requirements the right to propose agenda items for the General Meeting.

To protect the voting rights of shareholders who are unable to attend the General Meeting in person, we permit voting by proxy in accordance with Article 27 of the Articles of Incorporation. Shareholders may exercise their voting rights through a proxy by submitting a power of attorney in the prescribed form before the meeting begins, and in accordance with Article 153 of the Financial Investment Services and Capital Markets Act, we post the power of attorney and related reference documents on the Data Analysis, Retrieval and Transfer System (DART). After the General Meeting concludes, we also disclose the approval rate for each agenda item relative to the shares represented, on our website, enhancing the reliability and transparency of the decision-making process.

Shareholder Return Policy

LOTTE Shopping is committed to enhancing shareholder value through a stable and predictable dividend policy. In October 2024, we announced a three-year shareholder return policy covering 2024 to 2026, and by fully implementing the 2025 shareholder return policy, we have maintained an active stance toward returning value to shareholders.

Shareholder Return Policy and Performance

Category	2025 Performance
Target Shareholder Return Ratio[1] of 35% or Higher	2025 Shareholder Return Ratio: 154%
Minimum Dividend Per Share of KRW 3,500	KRW 4,000 per share paid (KRW 3,800 in 2024)
Review of Interim Dividend Payment	Interim dividend paid
Dividend Amount Determined Before Record Date	Dividend amount determined, then record date set

1) (Dividend amount+treasury stock acquisition amount) / Consolidated net income × 100

Communication with Shareholders

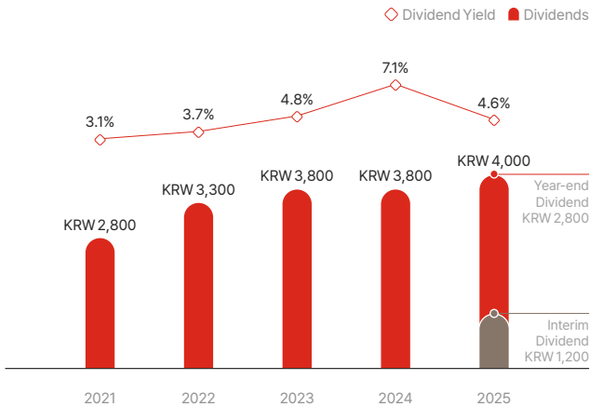
Alongside its quarterly earnings announcements, LOTTE Shopping holds domestic Non-Deal Roadshows (NDR) led by the CFO or an IR executive, and enhances shareholder accessibility and convenience through conference-call earnings presentations and by publishing presentation materials on our website. In 2023, we launched "CEO IR DAY" to strengthen communication between management and shareholders and investors, and in October 2024, we became the first company in the retail industry to announce a Corporate Value Enhancement Plan, further expanding our domestic and overseas IR activities. In 2025, the CEO personally presented LOTTE Shopping's mid- to long-term business strategy and its Value-Up goals and implementation status at "CEO IR DAY." We also held "CEO IR DAY" sessions in Hong Kong and Singapore to communicate with local investors.

Going forward, LOTTE Shopping will continue to provide transparent financial and non-financial information through regular communication channels involving the CEO and CFO directly, so that shareholders and investors can make well-informed decisions.

Status of General Shareholders' Meetings

Category	54th Fiscal year	55th Fiscal year	56th Fiscal year
Peak Date for Annual General Meetings	2024.03.22	2025.03.21	2026.03.25
	2024.03.27	2025.03.27	2026.03.27
	2024.03.29	2025.03.28	2026.03.30
Date of Annual General Meeting	2024.03.26	2025.03.24	2026.03.20
Avoidance of Peak Date	Yes	Yes	Yes
Implementation of Electronic Voting	Yes	Yes	Yes
Proxy Voting	Available	Available	Available

Five-Year Dividend Payment Trend



2025 IR Activities

Category	Key Activities	Annual Frequency
Regular IR (Earnings Announcement)	Quarterly Earnings Conference Call	4 times
Regular IR (NDR)	Quarterly Domestic NDR	4 times
Overseas IR	IR sessions for Major Overseas Investors	1 time
Executive IR	CEO IR Day and CEO IR Letter	2 times

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Ethics and Compliance Management System

Responsibilities and Roles of the Board of Directors

LOTTE Shopping's Board of Directors performs an oversight and supervisory function to ensure that the ethics and compliance management system is embedded across all areas of business operations, receiving reports on related policies and operational status and reviewing implementation company-wide. The CEO of each Business Division reviews the execution strategy for ethics and compliance management, and monitors the performance of activities aimed at preventing and mitigating risk.

Responsibilities and Roles of the Support Organizations

LOTTE Shopping has appointed the Head of the Communications Division at LOTTE Department Store as its Compliance Officer, who plans and carries out compliance support activities to identify and prevent the company's legal risks, and reports the results and key issues to the Board of Directors. The Compliance Officer is responsible for advancing the compliance management strategy and for establishing and implementing response strategies based on identified risks, and evaluates and manages the operational effectiveness of the Fair Trade Compliance Program (CP). To this end, we have organized the working-level compliance teams of each Business Division as a support organization, enabling company-wide compliance control activities.

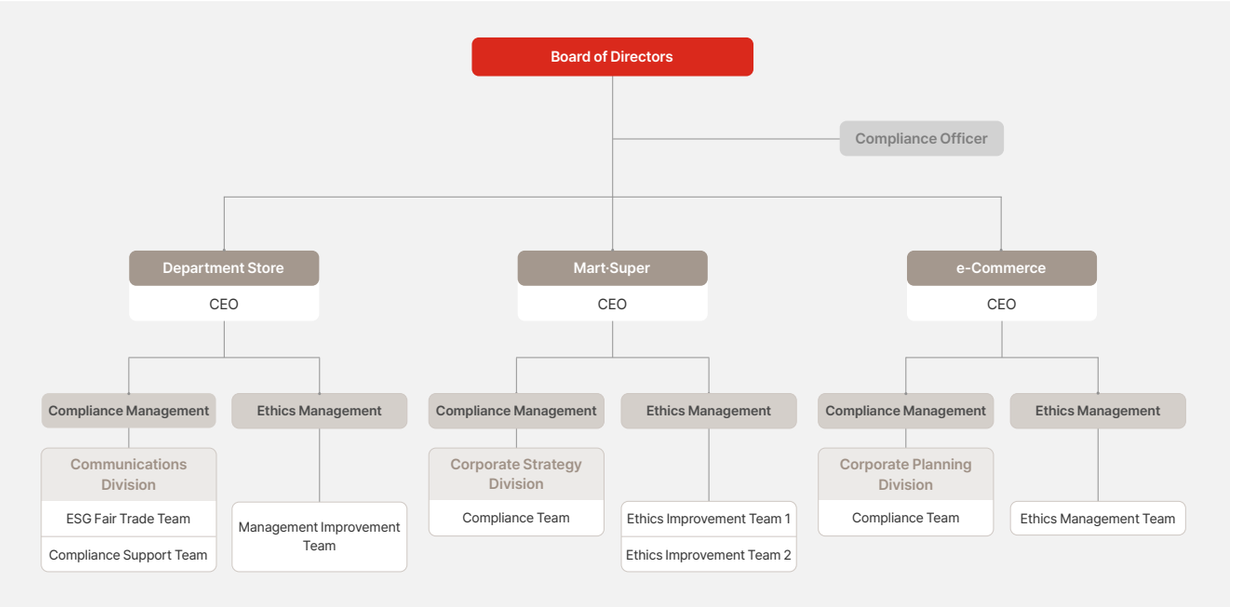
Responsibilities and Roles of the Working-Level Organization

LOTTE Shopping plans and implements activities to identify, prevent, and respond to compliance risks tailored to the characteristics of each Business Division. To embed field-level compliance management, we develop self-inspection checklists and provide training for managers and working-level staff, and when major issues arise, we build a rapid response system through consultation with each Business Division's working-level compliance team. In particular, to oversee fair trade compliance, the Board appoints a Fair Trade Compliance Officer for each Business Division and guarantees their independent activities. The Fair Trade Compliance Officer oversees each Business Division's fair trade compliance implementation status and the effectiveness of training and improvement measures carried out by compliance staff, and reports operating results and future plans to the CEO.

Executive KPIs Linked to Performance Compensation

To enhance ethics and compliance management performance and manage compliance risk, LOTTE Shopping has introduced ethics and compliance management-related metrics into its Key Performance Indicator (KPI) system, reflecting them in the performance evaluation of each Business Division's CEO.

[LOTTE Shopping] Ethics and Compliance Management Governance



2025 Ethics and Compliance Management-Linked Performance Indicator KPIs for CEOs

Category	Details
Deduction/Bonus Factor	• Minimizing anti-corruption/ethical management controversy issues

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Ethics Management Activities

Code of Ethics and Code of Conduct

To fulfill its corporate responsibility and pursue sustainable growth through right thinking, sound judgment, and ethical action, LOTTE Shopping has established and operates a Code of Ethics and a Code of Conduct to be observed by the company, its employees, and partner companies. The Code of Ethics sets out the principles to be observed from the perspective of various stakeholders, including customers, shareholders, employees, and partner companies, while the Code of Conduct presents standards for value-based judgment and implementation procedures across all areas of business activity, covering our commitments to customers, our responsibilities and obligations to shareholders, employees' basic ethical standards, sound relationships with partner companies, and considerations for the state and society.

LOTTE Shopping Code of Ethics and Code of Conduct

Promoting an Ethical Corporate Culture

LOTTE Department Store operates the "Clean Sharing" External Lecture Program to promote a corporate culture grounded in ethical values. When employees deliver lectures at external institutions using the professional knowledge and experience they have accumulated at the company, a portion of the lecture fees is donated to welfare organizations, putting into practice both heightened ethical awareness and the fulfillment of social responsibility. We are also pursuing a range of internalization activities to help ethical management take root as a culture that is voluntarily practiced across day-to-day work and external activities, rather than mere compliance with rules.

Ethics and Compliance Pledge

All employees of LOTTE Shopping sign an Ethics and Compliance Pledge each year. The pledge is based on our Compliance Management Policy and affirms employees' commitment to comply with domestic and international laws, the Code of Conduct, and internal regulations.

Ethics Education

To raise employees' ethical awareness and embed a culture of ethical management, LOTTE Shopping conducts company-wide ethics education covering foundational training on the Code of Ethics and Code of Conduct, as well as ethical issues that can arise in practice.

LOTTE Department Store includes relevant content in its training for new hires, newly appointed team leaders, and store managers to help them understand the importance of ethical management and become familiar with LOTTE Shopping's ethical principles and regulations. We also provide training twice a year for all employees on key management items, the voluntary gift reporting procedure, and how to use the unethical conduct reporting channel, to prevent unethical conduct and unfair transactions that can arise during the holiday season.

LOTTE Mart·Super provide training for operating department staff and store managers on violation cases, related regulations, and future risk management measures to prevent the recurrence of unethical conduct, and disseminate this training company-wide; training on key risks and management measures by job function is also provided to newly appointed managers.

LOTTE e-Commerce conducts anti-money laundering training for all employees under the Act on Reporting and Using Specified Financial Transaction Information. The training focuses on key compliance requirements, including understanding money laundering and terrorist financing, methods for recognizing suspicious transactions, customer identification procedures, and internal reporting systems.

Whistleblowing System

LOTTE Department Store has built and operates a Whistleblowing System to establish an ethical culture and provide internal monitoring of unethical conduct. In accordance with our Compliance Management System operation guidelines, we have established procedures covering everything from the receipt of reports to investigation and follow-up action, and reports can be submitted by landline or mobile phone, KakaoTalk, or our website. We inform employees of the reporting channels and procedures through internal bulletin boards, and have also established an internal system that allows partner companies to report unethical conduct, encouraging them to take appropriate action. The identity of whistleblowers and the content of their reports are kept strictly confidential, and we guarantee that no disadvantage will result from making a report; the operating status of the system is reported to the CEO and the Audit Committee.

Procedure for Reporting Unethical Conduct

Report Received → Fact Verification → In-depth Investigation → Notification of Results → Corrective Action

Monitoring of Ethical Violations

LOTTE Department Store operates the "Clean Center" program, under which employees who unavoidably receive gifts from stakeholders return them in principle, or, where returning is not feasible, donate them to welfare organizations. By clarifying internal control standards for accepting money and gifts, we are working to build sound relationships with partner companies and foster a fair working culture.

LOTTE Mart·Super conduct unannounced on-site inspections twice a year at sales locations, focusing on key items such as unauthorized removal of goods and the acceptance of money or gifts, to prevent potential ethical violations during the holiday season and raise employee awareness. We also regularly monitor all employees' corporate card usage to check for improper practices such as personal use or violations of internal guidelines, and are working to establish a culture of transparent expense management.

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Compliance Management Activities

Compliance Management Policy

To establish an ethical and fair corporate culture, LOTTE Shopping has established a Compliance Management Policy and manages its implementation to ensure adherence by all employees. We set and carry out annual compliance objectives based on core principles such as preventing corruption and prohibiting unfair trade practices. Going forward, we will continue to enhance fairness and transparency across the organization through responsible compliance management, and continuously strengthen the effectiveness of our ESG management system.

Compliance Management Policy

First. We faithfully comply with all applicable domestic and international laws, the Code of Conduct, and internal regulations in the performance of our duties, and under no circumstances shall we engage in any illegal conduct.

Second. We recognize all partner companies as essential stakeholders in our mutual growth and are committed to establishing a culture of fair and transparent transactions.

Third. We actively support the company's compliance practices and endeavor to foster an anti-corruption environment and uphold corporate social responsibility based on ESG principles and a commitment to strengthening our competitiveness.

Third-party Certification of Compliance Management System

LOTTE Shopping is building a global-level compliance management system to meet international standards. In 2018, LOTTE Department Store became the first in the department store industry to obtain ISO 37001, the international standard for anti-bribery management systems, and all Business Divisions have since obtained this certification, embedding anti-corruption systems throughout our management practices.

In 2025, a third-party verification body confirmed there were no material corruption-related risks and that the system was operating effectively. We have also built an integrated management framework covering key compliance risks beyond anti-corruption—including fair trade and industrial safety—and obtained ISO 37301, the international standard for compliance management systems, in 2022. Building on this foundation, we plan to continuously advance each Business Division's compliance monitoring system and further embed globally aligned compliance management.

Compliance Education

To embed the Compliance Management Policy, LOTTE Shopping conducts compliance training once a year for all employees. The training centers on key compliance risk areas, including the compliance management system, the Code of Conduct, anti-corruption and conflict-of-interest prevention, and management of internal transactions among affiliates, and is tailored to reflect the characteristics of each Business Division and the level of risk exposure by job role. For high-risk areas such as data privacy, fair trade, and sexual harassment prevention, we provide separate in-depth training to enhance effectiveness. In 2025, to strengthen management's sense of accountability for compliance management, we conducted compliance training for department store managers, Mart and Super regional managers, and headquarters executives, and the CEO personally delivered a lecture on the Compliance Code of Conduct to all employees, encouraging the spread of a compliance culture across the organization.

Compliance Newsletter

LOTTE Department Store publishes a monthly Compliance Newsletter to raise employees' compliance awareness and prevent risk in advance. The newsletter focuses on major issues in the retail industry, trends in laws and regulations, and matters requiring attention in daily operations, and also provides guidelines on legal risks that can arise across the business—such as in contracts, advertising, and event operations. This supports regulatory compliance in the field and strengthens our capacity for proactive response.

Promoting a Culture of Compliance Among Partners

To raise partner companies' compliance awareness and ensure compliance with relevant laws and regulations, LOTTE Shopping has developed the "Partner Company Code of Conduct," providing basic principles for responsible management across the entire trading relationship. This code includes key compliance items such as legal compliance, maintaining fair trade order, and preventing corruption, and we require all partner companies to comply with it. We also provide a self-assessment checklist that enables partner companies to check their own level of implementation of ethics and compliance management, helping to establish a compliance culture across the supply chain and strengthen the foundation for responsible management.

Compliance Internalization Program

LOTTE Mart·Super operate a "Fair Trade Daily Quiz" for all employees. Employees must answer a question related to issues requiring attention in their work—such as fair trade, the Large-Scale Distribution Business Act, the Subcontracting Act, and data privacy—each time they log in to the internal work system, in order to gain access. This naturally raises compliance awareness as part of employees' everyday work.

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Fair Trade Activities

Fair Trade Compliance Program

To establish a fair and transparent market order and cultivate a sound trading culture, LOTTE Shopping operates the Fair Trade Compliance Program (CP). The CP is a company-wide management system designed to prevent violations of the Fair Trade Act and other relevant laws and to raise employees' compliance awareness, and centers on advance inspection and training in key risk areas, along with ongoing system improvement activities.

We continuously refine our compliance management standards and processes in line with changes in laws and regulations, and maintain a foundation for a swift response to risk through monitoring and reporting channels. Going forward, LOTTE Shopping will continue to enhance the effectiveness of CP operations to spread a culture of fair trade and realize responsible compliance management.

Fair Trade Guidelines and Handbook

To prevent fair trade risks in advance and respond effectively to changes in laws and regulations, LOTTE Shopping establishes and operates fair trade guidelines for each Business Division. We also produce and distribute separate work guidelines to address risks that can arise during special periods such as holidays, and continuously provide guidance on labeling and advertising considerations and the operation of promotional events, strengthening our on-site response capabilities.

LOTTE Mart·Super establish fair trade guidelines based on business-related laws, including the Fair Trade Act, the Large-Scale Distribution Business Act, the Subcontracting Act, and the Act on Labeling and Advertising. Through the handbook, we share amendments to relevant laws and practical considerations, supporting risk prevention and management across the entire contracting and operating process. We also produce and distribute separate work guidelines to address risks that can arise during special periods such as holidays, and provide advance guidance on issues related to online business, such as dark patterns, to strengthen our on-site response capabilities.

Fair Trade Self-Assessment

LOTTE Mart·Super continuously monitor risks embedded across their fair trade operations, and operate a Fair Trade Self-Assessment System that shifts away from a purely reactive approach, enabling risks to be identified and managed proactively in the field. The self-assessment items cover key areas of fair trade compliance in daily operations, including the retention of contracts and official documents, management of promotional staff, adherence to work procedures for returns and promotional events, and labeling and advertising, with each store conducting a self-assessment and registering the results in the system once a month. Headquarters reviews the results and associated risks from each store and provides feedback, and also conducts unannounced on-site inspections based on the assessment results, combining headquarters-level oversight with self-assessment at the store level.

Unfair Trade Reporting Channel

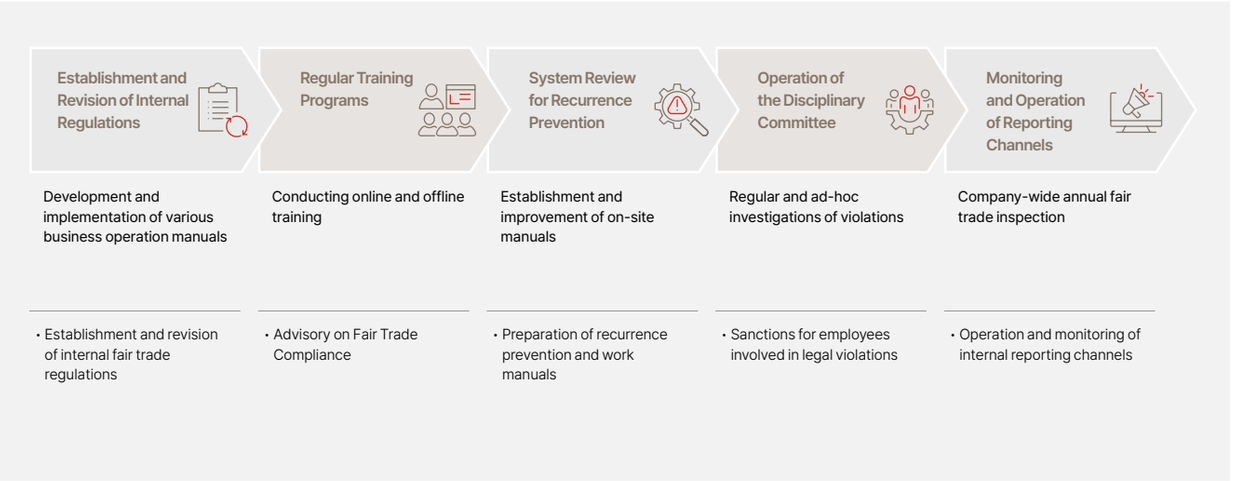
To strengthen the prevention and monitoring of Fair Trade Act violations, LOTTE Shopping operates a Fair Trade Whistleblowing System for partner companies, alongside our internal Unethical Conduct Reporting System for employees. Partner companies can report unfair practices or damage experienced during business transactions by phone, email, or through our website, and reports received are reviewed for facts in accordance with relevant regulations, with follow-up measures such as personnel sanctions taken where necessary.

LOTTE Department Store operates reporting channels in English, Vietnamese, and Indonesian to improve accessibility for overseas partner companies, strengthening the foundation for fair trade in a global business environment.

Prior Agreement System for Promotional Events

LOTTE Department Store operates a "Prior Agreement System for Promotional Events" to verify compliance with the Large-Scale Distribution Business Act when carrying out promotional event-related work. The department responsible for fair trade compliance reviews procedural compliance from the initial planning stage of each promotional event, strengthening internal controls related to promotional events and reducing the likelihood of unfair practices.

Compliance Program



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Fair Trade Activities

Fair Trade Education

To raise fair trade awareness and strengthen practical implementation, LOTTE Shopping provides education tailored to the rank and job characteristics of each business division.

LOTTE Department Store provides fair trade education to all employees, and offers additional job-specific education focused on roles with responsibility for fair trade implementation, including executives in sales-related departments, self-compliance officers at headquarters and each store, and buyers.

LOTTE Mart·Super provide mandatory fair trade education to all employees, along with job-specific education for executives and the Merchandising, Franchise, and Sales Divisions. In 2025, we revised and distributed a practice-oriented fair trade handbook and provided education based on newly established or revised internal work guidelines on key issues.

LOTTE e-Commerce disseminates relevant fair trade laws and practical considerations through education materials, guideline distribution, and remote training. In 2025, we shared review management guidelines through an internal bulletin board, and conducted education on key industry trends relevant to daily operations, including online price display considerations, review management guidelines, and online dark patterns.

Key Fair Trade Education in 2025

Category	Main Content	Number of Participants
Department Store	Education for New Store Managers and New Employees	23
	Employee Compliance Education	2,102
Mart · Super	Guidance on Lunar New Year Work Guidelines	All Mart·Super Division employees
	Regular Fair Trade Education	574
	Fair Trade Education for Executives	27
	Store-Level Fair Trade Guideline Education	555
e-Commerce	Online Price Display Guideline Education	609
	Review Management Guideline Education	111
	Online Dark Pattern Education	495

Risk Management

Compliance Risk Management

Compliance Risk Monitoring

LOTTE Shopping has appointed the Head of the Communications Division at LOTTE Department Store as its Compliance Officer, who plans compliance support activities to prevent legal risks in advance and reports the implementation results to the Board of Directors. Each Business Division's working-level compliance organization carries out related activities centered on the Fair Trade Compliance Program, supporting company-wide management.

In 2025, we monitored key risk items—including contract execution records, product return issues, display fees, changes in PB subcontracting prices, and pre-disclosure documents for franchise agreements—and identified and implemented improvements through fair trade self-assessments and on-site inspections. In particular, by overseeing the fair trade self-assessment activities carried out independently at each store, we raise employees' compliance awareness and continuously advance our field-based response system.

Conflict of Interest Risk Management

To prevent executives' direct or indirect interests from influencing management decisions, LOTTE Shopping defines transactions involving executives themselves or their relatives as "Related Party Transactions," and operates procedures for advance reporting and verification of such transactions. All executives, including independent directors, are required to report any such transaction to the ESG Fair Trade Team of the Department Store Division when it occurs, and to personally submit a status confirmation statement for "Related Party Transactions" once a year. These matters are reported to the Board of Directors on a regular basis, continuously strengthening a trust-based decision-making culture.

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Risk Management Governance

Governance

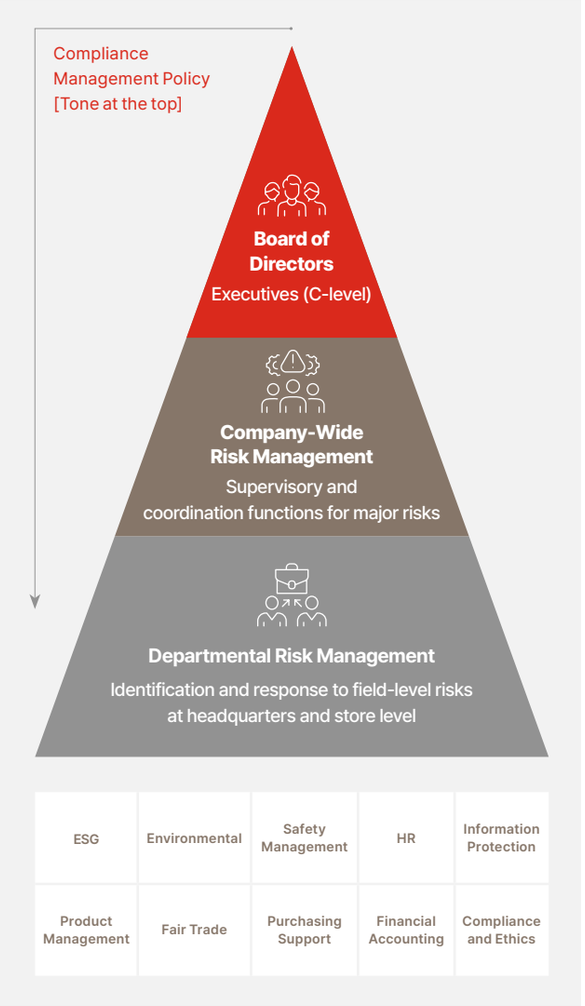
Responsibilities and Roles of the Board of Directors

To respond to changes in the internal and external business environment and ensure business stability, LOTTE Shopping's Board of Directors oversees the entire process of identifying and managing risks related to business operations. The Board monitors the status of risk management at each business division to review the adequacy of response strategies and supports training to build capabilities, and receives reports on the status of risk management and improvement plans at least once a year. For risks expected to have a material impact on business operations, the Board directly assesses the significance of the matter and deliberates and resolves on the formulation and implementation of response strategies. In addition, to identify and respond to ESG-related risks, the Board receives related agenda items reported by the ESG Committee, with key agenda items submitted to the Board.

Responsibilities and Roles of the Working-Level Organization

Each of LOTTE Shopping's business divisions operates both a working-level department that identifies and responds to risks arising at headquarters and stores, and a control department that establishes response strategies for risks identified in the field and supports the activities of the working-level department. For general risks, the working-level department directly sets risk management goals, monitors implementation status, and carries out training and improvement measures, while for key risks, a control department is designated in accordance with the company-wide risk response framework to strengthen the level of response.

Risk Management Governance



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Risk Management Training

Based on its company-wide risk management framework, LOTTE Shopping establishes and carries out an annual training plan for key identified risks, reflecting the type of risk and the characteristics of each business division. Risk training is categorized into regular training, specialized training, job-specific training, and legally mandated training according to its operational purpose and target audience, and covers a range of risks related to business operations, including ethics and compliance, fair trade, information security, safety and health, and quality. Depending on the scope of each risk's impact, the training is organized into company-wide common courses and business division-specific courses, and we operate programs designed to raise risk awareness among working-level organizations and strengthen their response capabilities.

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Risk Management Strategy

Risk Management Process

Risk Identification and Assessment

LOTTE Shopping identifies enterprise-wide risks based on the Group Code of Conduct action items and derives a final risk pool comprising 10 categories. It conducts risk assessments by designating the departments where each risk may occur (operational departments) and those responsible for controlling it (control departments). The Company also analyzes the operations of relevant departments to specify risk scenarios, causes, and the scope of affected stakeholders, and quantitatively evaluates likelihood and impact using a tailored assessment tool. Based on the risk assessment results, risks are classified into Major, Medium, and Minor categories. The Company designates areas with a high concentration of high-risk items as key risk areas (Red Zones) for priority management[1].

1) Major risks: Major; General risks: Medium, Minor

Risk Monitoring

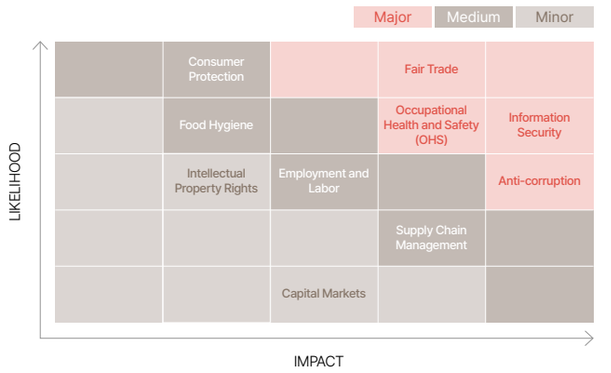
LOTTE Shopping establishes and implements annual monitoring plans for key risks related to its business operations, considering risk types and the characteristics of each business division.

The compliance organization of each business division inspects the management status of key risks, including fair trade, information security, occupational health and safety (OHS), and quality, and continuously enhances the monitoring system to reflect changes in the external environment, such as major legislative amendments, industry trends, and emerging risks.

Establishing Response Strategies for Identified Risks

LOTTE Shopping applies response strategies at the business division and site levels based on risk severity. For major risks, the Company designates control and operational departments to establish a two-track strategy for oversight. For general risks, operational departments independently establish management targets and respond accordingly.

Compliance Risk Materiality Assessment Results



Key Risk Control and Response Strategies

Category		Fair Trade	Anti-Corruption	Occupational Safety and Health	Information Protection
Major Violation Types		• Shifting interior/promotional costs to partners • Requesting business information • Unfair practices toward partners	• Solicitation and provision of money or valuables • Bribery	• Failure to fulfill safety management duties • Failure to assign legally mandated personnel • Failure to conduct risk assessments	• Unauthorized use of personal data • Failure to implement adequate data protection measures • Unauthorized disclosure of trade secrets
Key Control Measures	Enterprise-Level Controls	• Appointment of fair trade compliance managers • Fair trade training for store managers and staff • Operation of fair trade whistleblowing channels • On-site compliance clinics for sales and merchandising(covering the Large-Scale Distribution Act, Subcontracting Act, and Labeling and Advertising Act)	• Anti-corruption training for all employees • Collection of ethics and compliance pledges • On-site compliance monitoring at headquarters and stores • Operation of anti-corruption reporting channels	• Establishment of a dedicated safety and health organization • Formulation of safety and health management plans • Company-wide safety and health training for all employees • Workplace risk assessments and implement corrective actions	• Collection of personal data and trade secret pledges • Personal data protection training for all employees • Specialized training for data handlers and IT developers • Manage information security solutions, Monitor personal data disposal, and Check system logs
	Operational-Level Controls	• Completion of MD move-in/outchecklists • Control through the Electronic Contract System (ECS) • Appointment of compliance managers at store	• Preparation of anti-corruption prevention checklists and prior approvals(e.g., for entertainment expenses, donation disbursements, external event participation)	• Deployment of safety management professionals at store • Stakeholder engagement with employees and partners(via Occupational Safety and Health Committees and safety subcontracting consultative bodies)	• Prior agreement on personal data access and disposal, and IT system/program use • Check data deletion and disposal upon employee termination

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Financials

Consolidated Statement of Financial Position

(Unit: KRW million)

Category	56th	55th	54th
Total Assets	37,910,299	39,003,045	30,644,699
Current assets	5,195,039	5,516,938	5,563,803
Non-Current assets	32,715,260	33,486,107	25,080,896
Total Liabilities	21,044,103	21,969,427	19,808,249
Current liabilities	9,989,934	9,836,042	10,903,416
Non-current liabilities	11,054,168	12,133,385	8,904,833
Total Equity	16,866,196	17,033,617	10,836,450
Stockholders' equity attributable to owners of the Company	15,185,024	15,503,955	9,493,521
Non-controlling interests	1,681,172	1,529,663	1,342,928
Total Equity and Liabilities	37,910,299	39,003,045	30,644,699

Consolidated Statement of Comprehensive Income

(Unit: KRW million)

Category	56th	55th	54th
Sales	13,738,355	13,986,578	14,555,864
Cost of Sales	(7,075,160)	(7,251,356)	(7,781,159)
Gross Profit	6,663,195	6,735,222	6,774,705
Selling, general and administrative expenses	(6,115,217)	(6,249,345)	(6,263,902)
Bad debt expense	(940)	(12,763)	(2,398)
Operating Profit	547,037	473,114	508,405
Other income	83,994	225,525	181,663
Other expenses	(218,290)	(1,271,508)	(334,285)
Other bad debt recovery (expense)	(44,972)	(42,222)	8,732
Finance income - Interest income calculated using the effective interest method	116,733	144,824	161,344
Finance income - Others	123,238	239,096	250,814
Finance costs	(688,596)	(932,685)	(739,853)
Equity Method Income on Instruments in Associates	164,302	142,626	147,141
Profit(loss) before Income Tax	83,447	(1,021,230)	183,961
Income tax revenue (expense)	(9,891)	27,155	(14,780)
Profit (loss)	73,556	(994,075)	169,180
Other Comprehensive Income	(87,749)	7,191,635	(176,781)
Items that will never be reclassified to profit or loss	(76,004)	7,108,910	(111,804)
Items that will be subsequently reclassified	(11,744)	82,724	(64,977)
Total Comprehensive Income	14,193	6,197,559	(7,600)
Profit (loss), attributable to			
Owners of the Company	51,556	(968,016)	174,404
Non-controlling interests	22,000	(26,059)	(5,223)
Total comprehensive income (loss) attributable to			
Owners of the Company	(10,205)	6,188,851	20,820
Non-controlling interests	(3,988)	8,708	(28,421)
Earnings (loss) per Share			
Basic earnings (loss) per share[1]	1,824	(34,674)	5,794
Diluted earnings (loss) per share from continuing operations[1]	1,824	(34,674)	5,794

1) Unit: KRW

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ESG Data Reporting Scope

- LOTTE Shopping's ESG data includes data from LOTTE Shopping and each business division.
- Environmental data covers domestic business sites, while social data partially includes overseas business sites. Governance data is disclosed at the LOTTE Shopping level.
- The reporting scope for some indicators may vary depending on data characteristics and calculation standards. The specific scope and calculation standards for each indicator are detailed in the footnotes.

Environment

Greenhouse Gas (GHG) Emissions (Scope 1 & 2)

Indicators	Unit	2023					2024					2025				
		Department Store	Mart	Super	e-Commerce	Total	Department Store	Mart	Super	e-Commerce	Total	Department Store	Mart	Super	e-Commerce	Total
Total Emissions (Scope 1 & Scope 2)	tCO_2eq	384,081	272,946[2]	52,503	493	**710,023**	388,862	275,852[2]	52,485	550	**717,749**	386,288	268,153	50,674	365	**705,298[4]**
Direct Emissions(Scope 1)	tCO_2eq	40,285	46,340	9,346	70	**96,042**	40,470[3]	46,789	9,141	82	**96,482**	40,816	44,594	8,917	79	**94,406**
Indirect Emissions(Scope 2)	tCO_2eq	343,796	226,606[2]	43,156	423	**613,981**	348,392[2]	229,063[2]	43,344	468	**621,267**	345,472	223,559	41,757	286	**611,075**
Emissions Intensity(Scope 1 & Scope 2)[1]	tCO_2eq/ KRW 100 million					**8.21**					**8.53**					**8.62**

1) Based on LOTTE Shopping's separate revenue 2) Data recalculated and total emissions corrected due to changes in emission factors 3) Data recalculated due to aggregation errors in the previous year
4) The sum of emissions by type may differ from the total as decimals are rounded down for each business sites

Greenhouse Gas (GHG) Emissions (Scope 3)[5]

Indicators	Unit	2023	2024	2025
Total Emissions(Scope 3)	tCO_2eq	30,674,573	30,020,667	30,466,692
Other indirect emissions(Upstream)	tCO_2eq	27,225,937	26,867,956	27,040,321
C1. Purchased Goods and Services	tCO_2eq	19,867,509	19,633,442	18,696,242
C2. Capital Goods	tCO_2eq	1,218	358	362
C3. Fuel and Energy	tCO_2eq	62,906	63,606	113,468
C4. Upstream Transportation and Distribution	tCO_2eq	7,261,874	7,143,375	8,198,644
C5. Waste Generated in Operations	tCO_2eq	2,765	2,461	2,589
C6. Business Travel	tCO_2eq	1,405	1,318	723
C7. Employee Commuting	tCO_2eq	25,188	20,448	25,377
C8. Upstream Leased Assets	tCO_2eq	3,072	2,948	2,916
Other indirect emissions(Downstream)	tCO_2eq	3,448,635	3,152,710	3,426,372
C9. Downstream Transportation and Distribution	tCO_2eq	9,492	7,153	1,325
C11. Use of Sold Products	tCO_2eq	2,988,281	2,719,849	2,953,566
C12. End-of-life Treatment of Sold Products	tCO_2eq	201,616	182,703	209,517
C14. Franchises	tCO_2eq	10,174	12,778	946
C15. Investments	tCO_2eq	239,072	230,227	261,018

5) Reporting Scope: All business divisions (Department Store, Mart·Super, e-Commerce), LOTTE Cultureworks, LOTTE Himart, and LOTTE Homeshopping

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Energy

Indicators	Unit	2023					2024					2025				
		Department Store	Mart	Super	e-Commerce	Total	Department Store	Mart	Super	e-Commerce	Total	Department Store	Mart	Super	e-Commerce	Total
Total Energy Consumption[1]	TJ	8,058	5,538	1,048	9	**14,653**	8,164	5,550	1,048	11	**14,773**	8,105	5,454	1,011	7	**14,577**
Electricity	TJ	6,984	4,665	901	9	**12,559**	7,076	4,680	905	10	**12,671**	7,024	4,612	873	6	**12,515**
Heat	TJ	793	786	136	1	**1,715**	796	795	132	1	**1,724**	803	763	128	1	**1,695**
Steam	TJ	262	88	1	0	**351**	271	72	1	0	**344**	252	76	0	0	**328**
Renewable energy	TJ	19	0	10	0	**28**	21	3	10	0	**34**	27	2.87	10	0	**39**
Energy Change[1]	TJ	(16)	(80)	(72)	(8)	**(176)**	106	12	0	2	**120**	(59)	(96)	(37)	(4)	**(196)**
Consumption Intensity[2]	TJ/KRW 100 million					**0.169**					**0.176**					**0.178**
Renewable Energy Usage Rate	%	0.23	0	0.95	0	**0.19**	0.26	0.05	0.93	0	**0.23**	0.33	0.05	0.96	0	**0.27**
Total Self-Generated Energy	TJ	18.56	0	12.421	0	**30.981**	21.31	2.721	12.858	0	**36.889**	26.68	2.866	9.594	0	**39.140**

1) Figures for 2023 and 2024 have been restated due to a recalculation of renewable energy consumption
2) Based on LOTTE Shopping's non-consolidated revenue

Waste

Indicators	Unit	2023				2024				2025			
		Department Store	Mart	Super	Total	Department Store	Mart	Super	Total	Department Store	Mart	Super	Total
Total Waste Generated	Ton	25,178	20,931	123	**46,232**	28,358	21,188	157	**49,703**	32,081	20,758	128	**52,967**
Recycled Waste	Ton	24,431	20,623	70	**45,124**	27,742	20,899	52	**48,693**	31,375	20,430	128	**51,933**
General Waste	Ton	24,431	20,616	70	**45,117**	27,742	20,887	52	**48,681**	31,375	20,423	128	**51,926**
Hazardous Waste	Ton	0	7	0	**7**	0	12	0	**12**	0	6	0	**6**
Non-Recycled Waste	Ton	748	309	53	**1,110**	616	289	105	**1,010**	706	329	0	**1,035**
Landfilled	Ton	42	47	0	**89**	159	98	0	**257**	117	128	0	**245**
Incinerated	Ton	706	244	53	**1,003**	457	191	105	**753**	589	201	0	**790**
Other	Ton	0	18	0	**18**	0	0	0	**0**	0	0	0	**0**
Waste Recycling Rate	%	97.0	98.5	56.9	**97.6**	97.8	98.6	33.0	**98.0**	97.8	98.4	100	**98.0**

* The e-Commerce division is excluded from the scope as waste management is not applicable

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Water

Indicators	Unit	2023					2024					2025				
		Department Store	Mart	Super[1]	e-Commerce[2]	Total	Department Store	Mart	Super[1]	e-Commerce[2]	Total	Department Store	Mart	Super[1]	e-Commerce[2]	Total
Total Water Withdrawal	Ton	5,180,329	2,186,497	-	4,558	**7,371,384**	5,400,007	2,203,320	-	5,258	**7,608,585**	5,378,549	2,182,028	212,589	2,112	**7,775,278**
Groundwater	Ton	223,326	0	-	1,818	**225,144**	280,844	0	-	2,635	**283,479**	286,396	0	-	1,075	**287,471**
Rainwater Harvested	Ton	720	0	-	0	**720**	245	0	-	0	**245**	9,418	0	-	0	**9,418**
Municipal Water Supply	Ton	4,956,283	2,186,497	-	2,740	**7,145,520**	5,118,918	2,203,320	-	2,623	**7,324,861**	5,082,735	2,182,028	212,589	1,037	**7,478,389**
Total Water Discharge	Ton	5,180,329	2,186,497	-	4,558	**7,371,384**	5,400,007	2,203,320	-	5,258	**7,608,585**	5,378,549	2,182,028	212,589	2,112	**7,775,278**
Discharged to Sewer	Ton	5,180,329	2,186,497	-	4,558	**7,371,384**	5,400,007	2,203,320	-	5,258	**7,608,585**	5,378,549	2,182,028	212,589	2,112	**7,775,278**
Total Water Reused	Ton	732,728	47,521	-	2,608	**782,857**	581,648	33,685	-	2,551	**617,884**	629,507	42,077	-	1,194	**672,778**
Greywater	Ton	732,008	47,521	-	2,608	**782,137**	581,403	33,685	-	2,551	**617,639**	620,089	42,077	-	1,194	**663,360**
Rainwater Harvested	Ton	720	0	-	0	**720**	245	0	-	0	**245**	9,418	0	-	0	**9,418**
Water Recycling Rate	%	14.1	2.2	-	57.2	**10.62**	10.8	1.5	-	48.5	**8.12**	11.7	1.9	-	56.5	**8.65**

1) For Super business sites, water usage data could not be calculated through 2024 due to the lack of operational control over water use, and were therefore excluded from the calculation scope. From 2025, calculations are limited to stores in standalone buildings
2) Based on the e-Commerce business site's floor area relative to the total floor area of LOTTE World Tower. Leased offices are excluded from the calculation scope

Environmental Compliance Violations

Indicators	Unit	2023						2024						2025					
		LOTTE Shopping	Department Store	Mart	Super	e-Commerce	Total	LOTTE Shopping	Department Store	Mart	Super	e-Commerce	Total	LOTTE Shopping	Department Store	Mart	Super	e-Commerce	Total
Number of Violations	Cases	1[3]	0	0	0	0	**1**	0	2[4]	1[5]	0	0	**3**	0	0	1[6]	0	0	**1**
Fines and Penalties Incurred	KRW million	0	0	0	0	0	**0**	0	1[4]	0	0	0	**1**	0	0	2[6]	0	0	**2**

3) A fine was imposed for failing to meet the submission deadline for the notice of grounds for cancellation of GHG emission allowance allocation (applicable to 7 discontinued LOTTE Shopping business sites)
4) A fine was imposed for delayed entry of waste transfer and acceptance records, and 2024 data was corrected to reflect data omitted in the previous year
5) A suspended indictment was issued for failing to conduct self-measurement of air emissions as required under the Clean Air Conservation Act; the measurement was subsequently carried out and re-reported
6) A fine was imposed for failing to meet the indoor air quality inspection deadline (LOTTE Mart Yeonsu Branch)

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Procurement of Eco-Friendly Products

Indicators	Unit	2023					2024					2025				
		Department Store	Mart	Super	e-Commerce	Total	Department Store	Mart	Super	e-Commerce	Total	Department Store	Mart	Super	e-Commerce	Total
Total Purchase Amount	KRW million	126,200	87,298	21,717	32,031	**267,246**	135,300	94,829	15,059	11,302	**256,490**	157,100	75,673	13,902	163,308	**409,983**
Purchase Amount of Eco-certified Products	KRW million	2,329	4,595	27	73	**7,024**	2,731[1]	1,443	25	72	**4,271**	3,701	2,002	185	2	**5,890**
Percentage of Eco-certified Products Purchased	%	1.85	5.26	0.13	0.23	**2.63**	2.02[1]	1.52	0.17	0.64	**1.67**	2.36	2.65	1.33	0.001	**1.44**

1) The 2024 purchase amount and purchase ratio of eco-certified products were recalculated due to a correction in the calculation formula

Sales of Eco-friendly Products[2]

Indicators	Unit	2023				2024				2025			
		Department Store	Mart·Super	e-Commerce	Total	Department Store	Mart·Super	e-Commerce	Total	Department Store	Mart·Super	e-Commerce	Total
Eco-certified Products	SKU	4,393	1,340[3]	117,633	**123,366**	4,393	1,730[3]	107,433	**113,556**	3,867	1,984	69,768	**75,619**
Sales Amount of Eco-certified Products	KRW million	7,929	273,520[3]	2,854	**284,303**	8,013	289,231[3]	2,956	**300,200**	4,078	270,722	3,212	**278,012**
Percentage of Eco-certified Products Sales[4]	%				**3.29**				**3.57**				**3.40**

2) Sales performance is compiled based on the following eco-friendly product classification criteria:
- Product/Raw Material Certification: Products that have obtained official third-party certification, domestic or international, at the product or raw material level (25 types, including organic, pesticide-free, eco-friendly, low-carbon, ASC, MSC, FSC, and GRS)
- Products without official certification that can reasonably be considered eco-friendly by general social standards (8 types, including natural fiber, paper packaging, recycled plastic, label-free, and upcycled/recycled products)

3) Data for 2023–2024 was recalculated due to the integrated management of Mart and Super performance data and a change in the scope of aggregation
4) Based on LOTTE Shopping's separate (non-consolidated) revenue

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Domestic Employees[1)]

Indicators	Unit	2023				2024				2025			
		Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce
Total Number of Employees	Persons	4,601	10,616	3,481	970	4,279	10,348	3,511	688	4,162	9,792	3,194	554
Gender													
Male	Persons	1,694	3,321	1,064	425	1,587	3,306	1,041	315	1,502	3,268	993	238
Management Level and Above[2)]	Persons	823	916	225	226	795	988	245	185	780	1,002	266	41
Female	Persons	2,907	7,295	2,417	545	2,692	7,042	2,470	373	2,660	6,524	2,201	316
Management Level and Above[2)]	Persons	340	122	19	181	390	170	22	161	401	189	29	16
Percentage of Female Managers	%	29	12	8	44	33	15	8	47	34	16	10	28
Employment Type													
Permanent	Persons	4,590	10,614	3,481	927	4,264	10,347	3,511	673	4,158	9,792	3,194	549
Non-permanent	Persons	11	2	0	43	15	1	0	15	4	0	0	5
Age													
Under 30	Persons	582	399	141	159	567	349	120	86	501	281	93	47
30 to under 50	Persons	3,150	4,692	1,425	753	3,002	4,608	1,413	573	2,851	4,403	1,241	474
50 and above	Persons	869	5,525	1,915	58	710	5,391	1,978	29	810	5,108	1,860	33
Diversity													
Employees with Disabilities	Persons	173	215	72	7	169	205	65	4	165	195	56	3
Persons eligible for veterans' benefits	Persons	36	94	4	10	36	90	4	8	35	82	3	7
Foreign Employees	Persons	2	3	1	0	0	4	3	0	0	6	3	0

1) Disclosed as revised figures, excluding registered executive officers
2) M grade level and above

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Overseas Employees

Indicators	Unit	2023						2024						2025					
		Department Store[1]			Mart			Department Store			Mart			Department Store			Mart		
		Vietnam	Indonesia	Total	Vietnam	Indonesia	Total	Vietnam	Indonesia	Total	Vietnam	Indonesia	Total	Vietnam	Indonesia	Total	Vietnam	Indonesia	Total
Total Number of Employees	Persons	465	86	**551**	2,738	4,686	**7,424**	413	84	**497**	2,657	4,231	**6,888**	414	77	**491**	2,632	4,372	**7,004**
Gender																			
Male	Persons	-	-	-	1,093	3,340	**4,433**	95	41	**136**	1,063	3,018	**4,081**	97	37	**134**	1,046	3,025	**4,071**
Management Level and Above	Persons	-	-	-	29	76	**105**	9	5	**14**	31	73	**104**	7	5	**12**	39	73	**112**
Female	Persons	-	-	-	1,645	1,346	**2,991**	318	43	**361**	1,594	1,213	**2,807**	317	40	**357**	1,586	1,347	**2,933**
Management Level and Above	Persons	-	-	-	35	23	**58**	29	7	**36**	39	29	**68**	31	8	**39**	34	25	**59**
Percentage of Female Managers	%	-	-	-	55	23	**36**	76	58	**72**	56	28	**40**	82	62	**76**	47	26	**35**

1) Due to the transfer of overseas business operations, detailed indicators have been managed since 2024, and some 2023 data is therefore not disclosed

New Hires and Turnover

Indicators	Unit	2023				2024				2025			
		Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce
Total Recruitment	Persons	103	32	4	30	103	66	21	32	63	113	30	59
Gender													
Male	Persons	44	28	4	11	36	30	13	22	30	74	21	24
Female	Persons	59	4	0	19	67	36	8	10	33	39	9	35
Age													
Under 30	Persons	57	7	0	4	66	48	15	11	40	34	18	11
30 to under 50	Persons	46	24	4	26	34	16	6	21	23	77	12	47
50 and above	Persons	0	1	0	0	3	2	0	0	0	2	0	1
Position Level													
Management Level and Above	Persons	22	4	0	12	21	4	0	14	12	16	0	38
Below Management Level	Persons	81	28	4	18	82	62	21	18	51	97	30	21
Turnover Rate[2]	%	2.4	6.7	3.9	13.0	5.4	4.2	5.1	23.0	4.2	4.3	5.7	30.0
Voluntary Turnover Rate[2]	%	2.1	4.4	7.0	10.8	2.3	4.0	3.1	23.0	1.9	4.3	2.8	18.2

2) Some data for 2023–2024 has been recalculated due to a change in the data calculation criteria

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Indicators	Unit	2023				2024				2025			
		Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce
Average Annual Salary per Employee													
Male	KRW 10,000	8,737	6,839	6,634	7,997	9,139	6,530	6,079	7,395	9,563	6,793	6,658	8,595
Female	KRW 10,000	5,716	4,403	5,537	6,242	6,057	3,648	4,845	6,516	6,393	3,751	5,280	6,754
Average Entry-Level Salary Relative to Minimum Wage													
Male	%	233	178	148	194	234	179	164	189	240	185	176	194
Female	%	233	178	148	194	234	179	164	189	240	185	176	194
Female-to-Male Base Salary Ratio[1]	%	100	100	100	100	100	100	100	100	100	100	100	100

1) Based on the base salary of new regular employees; there is no difference in pay by gender within the same job grade and tenure.

Training & Education

Indicators	Unit	2023				2024				2025			
		Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce
Total Training Hours	Hours	358,852	147,786	51,709	5,535	332,212	152,162	33,675	1,243	267,400	144,077	41,839	2,807
Training Hours per Employee	Hours	78	31	45	6	78	33	30	2	64	35	39	5
Total Training Expenditure	KRW	2,981,347,222	2,258,238,417	723,046,660	529,540,000	3,247,189,390	2,513,136,052	643,988,736	424,032,928	3,003,357,081	2,371,614,505	492,464,818	388,975,996
Training Expenditure per Employee	KRW	646,853	467,157	624,932	580,636	757,627	545,741	577,051	643,449	721,614	575,216	455,143	650,462

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Parental Leave[1)]

Indicators	Unit	2023				2024				2025			
		Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce
Number of Employees Taking Parental Leave	Persons	105	65	6	66	109	53	16	67	101	81	13	23
Male	Persons	34	43	4	23	34	24	12	23	30	43	8	4
Female	Persons	71	22	2	43	75	29	4	44	71	38	5	19
Number of Employees Eligible for Parental Leave	Persons	108	103	19	66	110	106	24	67	102	116	20	28
Male	Persons	34	62	16	23	34	62	20	23	30	68	15	8
Female	Persons	74	41	3	43	76	44	4	44	72	48	5	20
Parental Leave Utilization Rate	%	97	63	32	100	99	50	67	100	99	70	65	82
Male	%	100	69	25	100	100	39	60	100	100	63	53	50
Female	%	96	54	67	100	99	66	100	100	99	79	100	95
Number of Employees Retained for 12 Months or More After Returning from Parental Leave	Persons	135	63	40	49	129	53	28	54	103	122	27	9
Male	Persons	41	41	37	16	51	24	23	21	37	65	23	6
Female	Persons	94	22	3	33	78	29	5	33	66	57	4	3

1) Based on the business report

Employees Receiving Regular Performance Reviews[2)]

Indicators	Unit	2023				2024				2025			
		Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce
Ratio of male Employees Receiving Regular Performance Reviews	%	100	100	100	100	100	100	100	100	100	100	100	100
Ratio of female Employees Receiving Regular Performance Reviews	%	100	100	100	100	100	100	100	100	100	100	100	100

2) Based on the number of employees who received regular performance evaluations out of those eligible

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Human Rights Risk Management

Indicators	Unit	2023				2024				2025			
		Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce
Grievances Received	Cases	32	48	11	2	22	32	10	5	21	17	9	0
Grievances Resolved	Cases	32	48	11	2	22	27[1]	10	5	21	19[2]	9	0

1) As of the end of 2024, five cases are under review
2) As of the end of 2025, three cases are under review

Collective Bargaining Agreement

Indicators	Unit	2023		2024		2025	
		Department Store	Mart	Department Store	Mart	Department Store	Mart
Number of Employees Who Are Union Members	Persons	507	6,368	390	6,149	375	5,974
Union Membership Rate	%	58	78	48	82	52	88

* LOTTE Super and LOTTE e-Commerce operate a labor-management council

Community Engagement

Indicators	Unit	2023		2024		2025	
		Department Store[3]	Mart·Super	Department Store	Mart·Super	Department Store	Mart·Super
Community Engagement Investment Amount							
Charitable Donations	KRW million	5,551	2,654	5,967	2,923	4,090	3,219
Employee Fundraising	KRW million	18	44	17	43	16	41
Volunteer Activities							
Number of Employee Volunteers	Persons	-	884	79	750[4]	68	414
Total Volunteer Hours	Hours	-	1,768	518	1,500	499	828

3) Volunteer activities were carried out in 2023, but the data was not disclosed due to non-collection
4) 2024 data was corrected due to a misstatement

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Work-related Injury Status

Indicators	Unit	2023				2024				2025			
		Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce
Total Work-related Lost-time Cases	Cases	6	80	17	0	4	60	14	0	4	68	18	0
Injury-related	Cases	6	79	14	0	4	58	14	0	4	68	18	0
Illness-related	Cases	0	1	3	0	0	2	0	0	0	0	0	0
LTIFR[1]	Cases /1,000,000 labor hours	0.52	3.93	2.87	0	0.37	2.57	2.18	0	0.40	3.47	2.98	0

1) Number of lost-time injury cases per 1M labor hours

OHS Training

Indicators	Unit	2023				2024				2025			
		Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce	Department Store	Mart	Super	e-Commerce
Occupational Safety and Health Training													
Number of Trainees	Persons	5,660	10,877	3,448	1,010	5,754	10,538	3,306	967	4,688	10,110	3,308	572
Total Training Hours	Hours	135,840	261,036	77,664	12,120	138,096	309,808	74,904	11,604	112,512	328,230	104,311	6,870
Supervisor Safety Training[2)3)]													
Number of Trainees	Persons	-	1,287	210	12	-	1,156	206	6	288	1,278	202	2
Total Training Hours	Hours	-	20,592	3,360	16	-	18,496	3,296	16	4,608	24,546	4,024	16

2) Mart training target: Part Leaders, Deputy Store Managers, Safety Management Managers; Super training target: Store Managers, Center Managers
3) Through 2024, data were managed individually by each Department Store business sites, making it impossible to calculate data for the Department Store division as a whole

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Status of Partner Management

Indicators	Unit	2023			2024			2025		
		Department Store	Mart·Super	e-Commerce	Department Store	Mart·Super	e-Commerce	Department Store	Mart·Super	e-Commerce
Total Number of Partners[1)]	Companies	7,848	3,325	93,375	8,081	3,042	128,802	8,804	3,139	139,260
Partner ESG Capacity Building										
Training	Cases	20	280	N/A	21	283	N/A	14	238	N/A
Consulting	Cases	20	19	N/A	20	25	N/A	14	28	N/A
Win-Win Growth Support for Partners										
Financial Support	KRW million	77,250	65,344	217,500	69,090	76,531	17,000	64,518	59,588	18,890
Technical Support[2)]	Cases	23	10	8,000	45	12	0	7	60	0
Training Support	Companies	1,192	280	167	1,000	283	24	1,337	238	94

1) Data for 2023 and 2024 were corrected due to a change in the Mart and Super calculation criteria
2) For e-Commerce, this reflects performance under "Purchasing/Sales Cooperation"

Supplier Grievance Handling

Indicators	Unit	2023			2024			2025		
		Department Store	Mart·Super	e-Commerce	Department Store	Mart·Super	e-Commerce	Department Store	Mart·Super	e-Commerce
Grievances Received	Cases	0	1	15	0	6	2	0	4	1
Grievances Resolved	Cases	0	1	15	0	6	2	0	4	1

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Governance

Board Composition

Indicators	Unit	2023	2024	2025
Total Number of Directors	Persons	9	8	8
Executive Directors	Persons	4	3	2
Independent Directors	Persons	5	5	6
Number of Female Directors	Persons	2	2	1

Board of Directors Activities

Indicators		Unit	2023	2024	2025
Board Operations	Number of Board Meetings Held	Times	15	15	15
	Attendance Rate of Executive Directors	%	95	100	96
	Attendance Rate of Independent Directors	%	95	96	94
	Total Number of Agenda Items Reviewed	Cases	68	87	89

Annual Total Compensation Ratio

Indicators	Unit	2023	2024	2025
Total Compensation of the Highest-Paid Individual (CEO)	KRW million	1,603	1,677	1,478[1]
Average Annual Total Compensation of All Employees (Excluding CEO)	KRW million	55	53	55

1) Earned income of the former CEO of Retail HQ; calculated for the January-November period due to retirement.

Economic Value Generated and Distributed

Indicators		Unit	2023	2024	2025
Stakeholders	Employees[2]	KRW million	1,610,846	1,714,565	1,687,987
	Shareholders/Investors[3]	KRW million	744,967	764,530	776,637
	Government[4]	KRW million	214,551	164,643	224,577
	Local Communities[5]	KRW million	15,759	17,540	15,231

2) Salaries and welfare programs
3) Dividends and interest expenses
4) Taxes and corporate tax
5) Donations

Corruption Risk Assessment

Indicators	Unit	2023	2024	2025
Number of Assessed Teams[6]	Cases	59	56	58
Percentage of Total Business Sites	%	100	100	100

6) For the Mart and Super divisions, the headquarters of each division is considered a single business site when calculating the total number of sites

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Ethics and Compliance Training

Indicators	Unit	2023					2024					2025				
		Department Store[1]	Mart	Super	e-Commerce[2]	Total	Department Store	Mart	Super	e-Commerce[2]	Total	Department Store[1]	Mart[3]	Super[3]	e-Commerce	Total
Total Training Hours	Hours	3,296	36,818	32,766	1,611	**74,491**	2,618	132,397	49,380	2,410	**186,805**	2,102	16,062	7,247	3,875	**29,286**
Total Number of Participants	Persons	3,296	13,380	5,122	1,074	**22,872**	2,618	21,222	7,372	2,752	**33,964**	2,102	10,760	3,746	1,728	**18,336**

1) Department Store compliance training performance
2) Data for 2023 and 2024 were recalculated due to a change in the calculation criteria
3) Following a change in how ethics training is conducted (in-person training led by online administrators), figures were calculated based on the total number of training sessions and the number of participants who completed the training in 2025

Violations of the Code of Ethics

Indicators	Unit	2023					2024					2025				
		Department Store	Mart	Super	e-Commerce	Total	Department Store	Mart	Super	e-Commerce	Total	Department Store	Mart	Super	e-Commerce	Total
Violations of Code of Ethics	Cases	14	6	4	1	**25**	16	20	3	8	**47**	13	11	6	5	**35**
Disciplinary Actions Taken[4]	Persons	14	4	4	1	**23**	33[5]	15	6	35	**89**	29[5]	3	3	14	**49**

4) Number of employees who received disciplinary action for violating the Code of Ethics
5) Data was recalculated to include employees who were dismissed as a disciplinary measure

Violations of Laws and Regulations

Indicators	Unit	2023					2024					2025				
		Department Store	Mart	Super	e-Commerce	Total	Department Store	Mart	Super	e-Commerce	Total	Department Store	Mart	Super	e-Commerce	Total
Violations of Laws and Voluntary Codes on Product and Service Information and Labeling	Cases	0	2	0	0	**2**	0	0	0	0	**0**	0	0	0	0	**0**
Violations of Laws and Regulations Related to Marketing Communications	Cases	0	0	0	0	**0**	0	0	0	0	**0**	0	0	0	0	**0**
Violations of Anti-competitive and Anti-monopoly Laws and Regulations	Cases	1	0	0	0	**1**	0	0	0	0	**0**	0	0	0	0	**0**
Violations of Laws on the Health and Safety Impacts of Products and Services[6]	Cases	0	1	1	0	**2**	0	1	1	0	**2**	0	1	1	0	**2**

6) Data recalculated due to changes in criteria (cases involving fines or penalties of KRW 1 million or more, or business suspension related to food hygiene or product safety and health)

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Information Security Training

Indicators	Unit	2023				2024				2025			
		Department Store	Mart·Super	e-Commerce	Total	Department Store	Mart·Super	e-Commerce	Total	Department Store	Mart·Super	e-Commerce	Total
Information Security Training													
Total Training Hours	Hours	6,234	14,174	1,004	**21,412**	5,602	14,061	686	**20,349**	5,239	13,153	504	**18,896**
Total Number of Participants	Persons	6,234	14,174	1,004	**21,412**	5,602	14,061	686	**20,349**	5,239	13,153	504	**18,896**
Training for Personnel with Access to Personal Information													
Total Training Hours	Hours	32	286	98	**416**	25	392	27	**444**	30	496	144	**670**
Total Number of Participants	Persons	32	143	98	**273**	25	196	27	**248**	30	248	144	**422**
Specialized Training for IT Personnel													
Total Training Hours	Hours	103	91	760	**954**	101	28	248	**377**	61	38	171	**270**
Total Number of Participants	Persons	107	91	380	**578**	101	28	248	**377**	61	38	171	**270**

Data Privacy Risk Management

Indicators	Unit	2023					2024					2025				
		Department Store	Mart	Super	e-Commerce	Total	Department Store	Mart	Super	e-Commerce	Total	Department Store	Mart	Super	e-Commerce	Total
Incidents of Customer Personal Information Leaks, Theft, or Breaches	Cases	0	0	0	0	**0**	0	0	0	0	**0**	0	0	0	1	**1**

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Statement of use: LOTTE Shopping has reported the information cited in this report for the period from January 1, 2025 to December 31, 2025, in accordance with the GRI Standards.
GRI 1 Used: GRI 1: Foundation 2021
Applicable GRI Sector Standards: As of the publication date in June 2026, the GRI Sector Standard applicable to LOTTE Shopping has not yet been published; therefore, no sector standard was applied.

Universal Standards

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GRI 3: Disclosures on material topics	3-3	Management of material topics	18
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LOTTE Department Store | Multiline and Specialty Retailers & Distributors

Topic	Code	Metric	2025 Data	Page	Remark
Energy Management in Retail & Distribution	CG-MR-130a.1	(1) Total energy consumed	8,105TJ		
		(2) Percentage grid electricity	86.9%		
		(3) Percentage renewable	0.33%		
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	-	68, 70	
	CG-MR-230a.2	(1) Number of data breaches	0		
		(2) Percentage that are personal data breaches	0		
		(3) Number of customers affected	0		
Labour Practices	CG-MR-310a.1	(1) Average hourly wage	KRW 30,381		
		(2) Percentage of in-store and distribution centre employees earning minimum wage, by region	0		
	CG-MR-310a.2	(1) Voluntary turnover rate for in-store and distribution centre employees	1.9%		
	CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	0		
Workforce Diversity & Inclusion	CG-MR-330a.1	(1) Percentage of gender representation in executive management	16.4%		
		(2) Percentage of gender representation in non-executive management	12.5%		
		(4) Percentage of women among employees other than those covered in (1)–(3) above	64.5%		
	CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	0		
Product Sourcing, Packaging & Marketing	CG-MR-410a.1	Revenue from products third-party certified to environmental or social sustainability standards	KRW 4,078 million		
	CG-MR-410a.2	Discussion of processes to assess and manage risks or hazards associated with chemicals in products	-	56	
	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	-	30-33	
Activity Metrics	CG-MR-000.A	Number of retail locations	54		Based on domestic operations
		Number of distribution centers	3		
	CG-MR-000.B	Total area of retail locations	4,156,931 m^2		Based on domestic operations
		Total area of distribution centers	15,629 m^2		

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LOTTE Mart | Food Retailers & Distributors

Topic	Code	Metric	2025 Data	Page	Remark
Energy Management	FB-FR-130a.1	(1) Operational energy consumed	5,454TJ		
		(2) Percentage grid electricity	84.3%		
		(3) Percentage renewable	0.05%		
Food Waste Management	FB-FR-150a.1	Amount of food waste generated	8,460Ton		
		Percentage diverted from the waste stream	100%		
Data Security	FB-FR-230a.1	(1) Number of data breaches	0		
		(2) Percentage that are personal data breaches	0		
		(3) Number of customers affected	0		
	FB-FR-230a.2	Description of approach to identifying and addressing data security risks	-	68, 70	
Food Safety	FB-FR-250a.1	High-risk food safety violation rate	0		
	FB-FR-250a.2	(1) Number of recalls	0		
		(2) Number of units recalled	0		
Product Health & Nutrition	FB-FR-260a.1	Revenue from products labelled or marketed to promote health and nutrition attributes	KRW 2,324 million		
	FB-FR-260a.2	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns	-	52-53, 55	
Product Labelling & Marketing	FB-FR-270a.1	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	0		
	FB-FR-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices	0		
Labour Practices	FB-FR-310a.1	(1) Average hourly wage	KRW 19,218		
		(2) Percentage of in-store and distribution centre employees earning minimum wage, by region	0		
	FB-FR-310a.2	Percentage of active workforce employed under collective agreements	69%		
	FB-FR-310a.3	Number of work stoppages / Total days idle	0		
	FB-FR-310a.4	Total amount of monetary losses as a result of legal proceedings associated with: (1) labour law violations and (2) employment discrimination	0		
Management of Environmental and Social Impacts in the Supply Chain	FB-FR-430a.1	Revenue from products third-party certified to environmental or social sustainability sourcing standards	KRW 202,235 million		
	FB-FR-430a.2	Percentage of revenue from (1) eggs that originated from a cage-free environment	0.46%		
		Percentage of revenue from (2) pork produced without the use of gestation crates	0.01%		
	FB-FR-430a.3	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	-	35	
	FB-FR-430a.4	Discussion of strategies to reduce the environmental impact of packaging	-	30-33	
Activity Metrics	FB-FR-000.A	Number of retail locations	112		
		Number of distribution centers	3		
	FB-FR-000.B	Total area of retail locations	874,972m^2		
		Total area of distribution centers	203,726m^2		
	FB-FR-000.C	Number of vehicles in commercial fleet	31		
	FB-FR-000.D	Tonne-kilometres travelled	714,464km		

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LOTTE SUPER | Food Retailers & Distributors

Topic	Code	Metric	2025 Data	Page	Remark
Energy Management	FB-FR-130a.1	(1) Operational energy consumed	1,001TJ		
		(2) Percentage grid electricity	87.2%		
		(3) Percentage renewable	0.96%		
Food Waste Management	FB-FR-150a.1	Amount of food waste generated	54Ton		
		Percentage diverted from the waste stream	100%		
Data Security	FB-FR-230a.1	(1) Number of data breaches	-		Managed jointly with the Mart division
		(2) Percentage that are personal data breaches	-		Managed jointly with the Mart division
		(3) Number of customers affected	-		Managed jointly with the Mart division
	FB-FR-230a.2	Description of approach to identifying and addressing data security risks	-	68, 70	
Food Safety	FB-FR-250a.1	High-risk food safety violation rate	0		
	FB-FR-250a.2	(1) Number of recalls	0		
		(2) Number of units recalled	0		
Product Health & Nutrition	FB-FR-260a.1	Revenue from products labelled or marketed to promote health and nutrition attributes	KRW 168 million		
	FB-FR-260a.2	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns	-	52-53, 55	
Product Labelling & Marketing	FB-FR-270a.1	Number of incidents of non-compliance with industry or regulatory labelling or marketing codes	0		
	FB-FR-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing or labelling practices	0		
Labour Practices	FB-FR-310a.1	(1) Average hourly wage	KRW 18,113		
		(2) Percentage of in-store and distribution centre employees earning minimum wage, by region	0		
	FB-FR-310a.2	Percentage of active workforce employed under collective agreements	-		Operates Labor-Management Council
	FB-FR-310a.3	Number of work stoppages / Total days idle	0		
	FB-FR-310a.4	Total amount of monetary losses as a result of legal proceedings associated with: (1) labour law violations and (2) employment discrimination	0		
Management of Environmental and Social Impacts in the Supply Chain	FB-FR-430a.1	Revenue from products third-party certified to environmental or social sustainability sourcing standards	-		Managed jointly with the Mart division
	FB-FR-430a.2	Percentage of revenue from eggs that originated from a cage-free environment (Rearing Environment Codes 1 and 2)	0.46%		
	FB-FR-430a.3	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	-	35	
	FB-FR-430a.4	Discussion of strategies to reduce the environmental impact of packaging	-	30-33	
Activity Metrics	FB-FR-000.A	Number of retail locations	194		
		Number of distribution centers	6		
	FB-FR-000.B	Total area of retail locations	142,372m2		
		Total area of distribution centers	75,951m2		
	FB-FR-000.C	Number of vehicles in commercial fleet	28		
	FB-FR-000.D	Tonne-kilometres travelled	960,580km		

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LOTTE e-Commerce | e-Commerce

Topic	Code	Metric	2025 Data	Page	Remark
Hardware Infrastructure Energy & Water Management	CG-EC-130a.1	(1) Total energy consumed	7TJ		
		(3) Percentage renewable	0		
	CG-EC-130a.2	(1) Total water withdrawn	3,515Ton		
Data Privacy & Advertising Standards	CG-EC-220a.1	Number of users whose information is used for secondary purposes	0		
	CG-EC-220a.2	Description of policies and practices relating to targeted advertising and user privacy	-		
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	-	68, 70	
Employee Recruitment, Inclusion & Performance	CG-EC-330a.1	Employee engagement as a percentage	45.5%		
	CG-EC-330a.2	Voluntary turnover rate for all employees	18.2%		
	CG-EC-330a.3	(1) Percentage of gender representation in executive management	6%		
		(2) Percentage of gender representation in non-executive management	0		
		(3) Percentage of gender representation in technical employees	33.6%		Based on IT job functions
		(4) Percentage of women among employees other than those covered in (1)–(3) above	57%		
	CG-EC-330a.4	Percentage of technical employees that require a work visa	0		
Product Packaging & Distribution	CG-EC-410a.2	Discussion of strategies to reduce the environmental impact of product delivery	-	24-25, 33	
Activity Metrics	CN0404-A	Entity-defined measure of user activity: App Monthly Active Users (MAU) in 2025	2,365,252 users		
	CN0404-C	Number of shipments	22,952,162		

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온실가스 검증의견서

롯데쇼핑㈜ MPC-25-006

검증 범위

한국표준협회는 롯데쇼핑㈜의 온실가스 배출량 명세서의 직접배출(Scope1) 및 간접배출 (Scope2)에 대한 검증을 수행하였습니다.

검증 기준 및 절차

한국표준협회는 다음의 기준 및 절차에 따라 검증을 수행하였습니다.

- 온실가스 배출권거래제의 배출량 보고 및 인증에 관한 지침(환경부고시 제2025-64호)
- 온실가스 배출권거래제 운영을 위한 검증지침(환경부고시 제2025-165호)
- 기타 지침에 정해지지 않은 사항은 관련 가이드라인 또는 KS I ISO 14064-1 및 3에 따르며, 상거 열거된 검증기준은 최신호를 상시 적용함

검증 수준

롯데쇼핑(주)의 온실가스 배출량에 대한 중요성 평가 결과 합리적 보증수준(총배출량의 ±2.5% 미만)을 만족하고 있습니다.

검증 결론

검증팀 검증결과 명세서에 중대한 오류, 누락 및 허위사실이 발견되지 않았으며, 온실가스 배출량 데이터가 적절하게 산정되었음을 확인합니다.

2025년 온실가스 배출량(Scope 1, Scope 2) (단위 : tCO_2eq)

연도	직접배출	간접배출	총량
2025	94,405.57	611,074.642	705,298

※ 참고 : 온실가스 배출량은 사업장별로 소수점단위 이하를 절사하여 합산하므로 종류별 배출량 합계와 차이가 있습니다.

2026년 6월 16일

한국표준협회장

KSA-MOF-644(Rev.0,'24.02.14)

GHG Emission Verification Opinion

LOTTE SHOPPING Co., Ltd. MPC-25-006

Verification Scope

Korean Standards Association has conducted verification for GHG emissions based on GHG report provided by LOTTE SHOPPING Co., Ltd. which includes Scope1 and Scope2 emissions.

Verification Standards and Guidelines

To conduct verification activities, verification team applied verification standards and guidelines. The standards and guidelines are as follows.

- Guidance for reporting and verification of GHG emissions trading scheme (No. 2025-64 provided by Ministry of Environment, Republic of Korea)
- Verification Guidelines for the Operation of the Greenhouse Gas Emission Trading System (No. 2025-165 provided by Ministry of Environment, Republic of Korea)
- For matters not specified in other guidelines, refer to KS I ISO 14064-1: 2018 and KS I ISO 14064-3: 2019

Level of Assurance

LOTTE SHOPPING Co., Ltd.'s GHG emissions satisfies the under Reasonable Assurance (less than ±2.5% of total emissions).

Verification Conclusion

As a result of verification activities, verification team has found no significant errors, omissions, and misstatements. Therefore, Korean Standards Association confirms that following emissions data are adequately quantified.

2025 GHG Emissions(Scope1, Scope2) (Unit : tCO_2eq)

Year	Scope 1	Scope 2	Total
2025	94,405.57	611,074.642	705,298

* Decimal place is not considered when calculating the emission of each workplace.

June 16, 2026

Dongmin Moon

KOREAN STANDARDS ASSOCIATION

KSA-MOF-644(Rev.0,'24.02.14)

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To readers of 2025 LOTTE Shopping Sustainability Report

Introduction

Korea Management Registrar (KMR) was engaged to conduct an independent assurance of 2025 LOTTE Shopping Sustainability Report for the year ending December 31, 2025. The preparation, information and internal control of the report are the sole responsibility of LOTTE Shopping's management. KMR's responsibility is to comply with the agreed engagement and express an opinion to LOTTE Shopping's management.

Subject Matter

The reporting boundaries included the performance and activities of sustainability-related organizations as described in LOTTE Shopping's report:

- 2025 LOTTE Shopping Sustainability Report

Reference Standard

- GRI Standards 2021

Assurance Criteria

KMR applied the quality management system in accordance with ISO 17029 and KMR EDV 01, and carried out the verification in accordance with the assurance criteria of AA1000AS v3 and KMR's proprietary SRV1000. Under AA1000AS v3, we assessed the adherence to the four principles presented in AA1000AP:2018—Inclusivity, Materiality, Responsiveness, and Impact—and evaluated the reliability and quality of the data and information using these criteria. Under SRV1000, we conducted a multidimensional review aimed at zero data errors, applying expert judgment to determine the materiality criteria.

- ISO 17029 : 2019, ISO 14065 : 2020, AA1000AS v3 : 2020 (AccountAbility), AA1000AP : 2018 (AccountAbility), SRV1000 : 2022 (KMR), KMR EDV 01 : 2024 (KMR)
- Levels of assurance/materiality: AA1000AS v3 – Type 2/moderate, limited/ not set

Scope of Assurance

The information subject to verification in the sustainability report is as follows.

- GRI Standards 2021 Reporting Principles
- Universal Standards
  - GRI 2: General Disclosures 2021
  - GRI 3 Material Topics 2021
- Topic Specific Standards
  - GRI 101: Biodiversity (101-1, 101-2, 101-6, 101-7, 101-8),
  - GRI 201: Economic Performance (201-1, 201-2), GRI 202: Market Presence, GRI 203: Indirect Economic Impacts, GRI 206: Anti-competitive Behavior,
  - GRI 301: Materials (301-2, 301-3), GRI 302: Energy (302-1, 302-2, 302-3, 302-4), GRI 303: Water and Effluents (303-3, 303-4, 303-5), GRI 305: Emissions (305-1, 305-2, 305-3, 305-4, 305-5), GRI 306: Waste, GRI 308: Supplier Environmental Assessment,
  - GRI 401: Employment, GRI 403: Occupational Health and Safety, GRI 404: Training and Education, GRI 405: Diversity and Equal Opportunity, GRI 406: Non-discrimination, GRI 407: Freedom of Association and Collective Bargaining, GRI 408: Child Labor, GRI 409: Forced or Compulsory Labor, GRI 413: Local Communities(413-1), GRI 414: Supplier Social Assessment, GRI 415: Public Policy, GRI 416: Customer Health and Safety, GRI 417: Marketing and Labeling, GRI 418: Customer Privacy

As for the reporting boundary, information external to the organization was excluded from the scope of assurance.

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KMR's Approach

Our Assurance Team undertook the following activities for the agreed scope of assurance using the standard outlined above:

- Evaluating the appropriateness of the reference standard used as a basis for preparing sustainability information and the reliability of the materiality assessment process and its findings;
- Conducting inquiries to understand the data management and control environment, processes, and information systems (the effectiveness of controls was not tested);
- Evaluating the appropriateness and consistency of the methodology for estimation (note that the underlying data was not tested and KMR has not made any estimates);
- Visiting the headquarters, determining visit sites based on the site's contribution to sustainability and the possibility of unexpected changes since the previous period and sampling data, and carrying out due diligence on a limited number of source records at the sites visited;
- Interviewing people in charge of preparing the report;
- Considering whether the presentation and disclosures of sustainability information are accurate and clearly defined;
- Identifying errors through comparison and check against underlying information, recalculation, analyses, and backtracking; and
- Evaluating the reliability and balance of information based on independent external sources, public databases, and press releases.

Limitations and Recommendations

The absence of generally accepted reporting frameworks or well-established practices on which to draw to evaluate and measure non-financial information allows for different measures and measuring techniques, which can affect comparability between entities. Therefore, our assurance team relied on professional judgment. In a limited assurance engagement, the scope of the risk assessment procedures and the subsequent procedures performed in response to the assessed risks are limited than in a reasonable assurance engagement. Our assurance team conducted our work to a limited extent through inquiries, analysis, and limited sampling based on the assumption that the data and information provided by LOTTE Shopping are complete and sufficient. To overcome these limitations, we confirmed the quality and reliability of the information by referring to independent external sources and public databases, such as DART and the National GHGs Management System (NGMS).

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with LOTTE Shopping on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. We found that the report was prepared in accordance with the criteria presented by LOTTE Shopping, and nothing comes to our attention to suggest that the evidence obtained regarding its content is insufficient to provide a basis for our opinion. Our opinion on the principles is as follows:

- Inclusivity

LOTTE Shopping has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

- Materiality

LOTTE Shopping has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

- Responsiveness

LOTTE Shopping prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of LOTTE Shopping's actions.

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• Impact

LOTTE Shopping identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

• Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of sustainability performance data, including economic, environmental, and social performance data. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

KMR's Competence, Independence, and Quality Control

Korea Management Registrar (KMR) is a verification body for the Republic of Korea Emissions Trading Scheme (K-ETS), accredited to ISO/IEC 17029:2019 (Conformity Assessment - General principles and requirements for validation and verification bodies), ISO 14067, the additional accreditation criteria ISO 14065, and ISO/IEC 17021:2015 (Requirements for bodies providing audit and certification of management systems). Additionally, KMR maintains a comprehensive quality control system that includes documented policies and procedures of the KMR EDV 01:2024 (ESG Disclosure Assurance System) based on ISO/IEC 17029 requirements and compliant with IAASB ISQM1:2022 (International Standard on Quality Management 1 by the International Auditing and Assurance Standards Board). Furthermore, KMR adheres to the ethical requirements of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior in accordance with the IESBA Code:2023 (International Code of Ethics for Professional Accountants). Our assurance team consists of sustainability experts. Other than providing an independent assurance, KMR has no other contract with LOTTE Shopping and did not provide any services to LOTTE Shopping that could compromise the independence of our work.

Limitations of Use

This assurance statement is made solely for the management of LOTTE Shopping for the purpose of enhancing an understanding of the organization's sustainability performance and activities. We assume no liability or responsibility for its use by third parties other than the management of LOTTE Shopping. As this assurance statement may be subject to revision after the assurance date below, we recommend verifying whether this is the latest version.

KMR SRV1000 Sustainability Committee Assurance AA1000 Licensed Report 000-129/V3-2H7VW

June 16, 2026
KMR
Eun-ju Hwang, CEO

E. J Hwang

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Memberships

Business Division	Association
LOTTE Shopping Co., Ltd.	UN Global Compact Network Korea
	Korea Enterprises Federation
	Korea Department Store Association
Department Store	Korea Fair Competition Federation
	CONCERT(CONsortium of CERT)
	Korea Personnel Improvement Association(Korean HR Managers & Training Officers)
Mart	Korea Chainstores Association
	Federation of Distribution Industry
	Korea Management Association
	Korea Personnel Improvement Association
Super	Korea Chainstores Association
	Federation of Distribution Industry
e-Commerce	Mutual Benefit Consultative Group of Small, Medium and Large Enterprises in the Distribution Field
	Korea On-Line Shopping Association(KOLSA)
	Korea Internet Corporations Association(K-Internet)
	Korea Fintech Industry Association(KORFIN)

Awards

Business Division	Date	Organization	Awards
Department Store	2025.04	Presidential Committee on Ageing Society and Population Policy	Certificate of Appreciation
	2025.07	Ministry of Employment and Labor	Minister's Award, Ministry of Employment and Labor
	2025.11	Ministry of Culture, Sports and Tourism	Minister's Award, Ministry of Culture, Sports and Tourism
	2025.11	Ministry of SMEs and Startups	Industrial Service Medal
Mart·Super	2025.03	iF Design Award	Interior Architecture Winner
	2025.05	MONDE SELECTION	Gold Award: 2 "YORIHADA" products, 1 "GOOD TODAY" product
			Silver Award: 4 "YORIHADA" products, 3 "GOOD TODAY" products
	2025.05	Korea Management Registrar (KMR)	Green Star Certification
	2025.11	Korea Standards Association (KSA)	Ranked 1st in the Discount Store Category, 2025 Korea Sustainability Index (KSI)
	2025.11	Korea Commission for Corporate Partnership, et al.	Presidential Citation for Merit in Win-Win Growth Between Large and Small/Medium Enterprises
	2025.12	EToday	Minister's Award, Ministry of Trade, Industry and Energy, 2025 CSR Film Festival Awards
	2026.01	Korea Foundation for Cooperation of Large & Small Business, Rural Affairs	Certified 2025 Rural ESG Practice Company
e-Commerce	2025.07	Korea Federation of SMEs (KBIZ)	Citation from the Chairperson of the Trade, Industry, Energy, SMEs and Startups Committee of the National Assembly, Retail Win-Win Growth Competition
	2025.09	Ministry of SMEs and Startups	SME and Small Business Owner Win-Win Growth "Win-Win Honors"
	2025.11	Korea Productivity Center (KPC)	Korea Productivity Center Citation (Customer Satisfaction Category)
	2025.12	Ministry of SMEs and Startups	Minister's Award, Ministry of SMEs and Startups, Korea Small Business Owner Awards

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LOTTE Department Store

ESG Fair Trade Team, Communications Division

Lee Sung Hyun, Jung Dae Kwang, Yoon Jae Won, Cho A Ram, Lee Min Seok

Management Improvement Team	Kim Hak Hyung
Purchasing Planning Team	Park Jae Hee, Cho Su Hyun
Global Corporate Management Team	Kim Sun Woo
Corporate Culture Team	Yoo Ho Chan
Planning Team	Hwang Ye In
Marketing Team 1	Kwon Tae Hwan
Corporate Accounting Team	Kim Seo Yoon
Service Strategy Team	Lee Byung Jun, Kim Larn
Food Hygiene Team	Han Ji Woo, Park Yeon Hong
Safety Management Team	Park Jong Hoon, Choi Ki Hoon
Human Resource Development Team	Jung Gu Seung, Shim Young Sun
Information Security Division	Park Ji Eun
ESG Fair Trade Team	Kim Myun Jung, Park Na Young, Lee Su Yeon
HRBP Team	Bong Ju Hyeon
IR Team	Hwang Jee Eon

LOTTE Mart·Super

ESG & Organizational Culture Team, HR Innovation Division

Kim Hye Young, Park Tae Soon, Seo Ju Yeon

Fruit Team	Choi Duk Soo
Purchasing Support Team	Park Jin Yeong, Kim Il Rok
Compensation & Benefits Team	Son Seung Gyun, Jung Ye Jin
Employee Relations Team	Kang Soo Min, Kim Dong Gi
Mart Store Support Team	An Joon Young
Occupational Safety & Health Team	Song Dong Kyu, Choi Hyun Seok
Super Store Support Team	Jung Eun Sil
Facility Operation & Support Team	Kim Sung Jong, Kim Min Je
System Operations Team	Jung Chang Yong
Sales Accounting Team	Kim Tae Ho, Shin Min Jung
Ethics Improvement Team 1	Park Ji Eun
Human Resource Development Team	Jang Han Sol, Lee Seung Hyun
Human Resource Strategy Team	Kim Yeong Sang, Shin Dong Chan, Lim So Youn, Kim Ji Yoon, Lee Jin Hyup
Information Security Team	Choi Ha Na
Quality Control Team	Choi Ji Young, Yang Ju Hee
Compliance Team	Kim Yu Mi
Last Mile Team	Kang Shin Wook

LOTTE e-Commerce

Management Innovation Team, Corporate Planning Division

Lee Sang Woo, Nam Ho Jin

Management Support Team	Kim Jong Ik, Oh Sang Hoon, Kim Nu Ri
Personal Information Security Team	Kim Ye Jin, Kim Si Hyun, Choi Eun Jin
Win-Win Partnership Team	Lee Jung Ju, Choi Hye Ri
Safety Environment Team	Kim Sun Woo
Ethics Management Team	Song Jin Young, Son Chan Bae
Compliance Team	Moon So Yun, Kim Jung Hye
HR Team	Seo Han Ju, Ga So Yeon, Bang Chae Rin, Song Yeon Ju, Choi Seo Yul
SCM Team	Kim Jin Soo, Jang Kyung Ah, Yoon Seo Won, Lee Chul Gyu

LOTTE SHOPPING