

HOTEL LOTTE

2021

ESG STORY

SUSTAINABLE

JOURNEY





This report has been published as an interactive PDF with features including navigation to relevant pages in the report and shortcuts to related web pages.

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Hotel Lotte's ESG Story

Hotel Lotte's ESG Story introduces to its stakeholders ESG management performance in 2021 and the first half of 2022 as well as plans for the four domestic businesses that belong to Hotel Lotte, including Lotte Hotel, Lotte Duty Free, Lotte World, and Lotte Resort. This report signals the start of Hotel Lotte's long journey to simultaneously improve the global environment, social community, and corporate sustainability through sustainable management. We hereby inform that Hotel Lotte is an unlisted company, and this report did not follow the guidelines for listed companies upon sustainability report preparation.

Hotel Lotte took ISO26000 (international standard on corporate social responsibility) into reference for sustainable management strategies and story composition.

HOMEPAGE

www.hotellotte.com



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CEO Message

Hotel Lotte

Hotel Lotte will create social and environmental values through ongoing trials and innovations and become a ‘Company with a global top level sustainable management system’.

Dear respected stakeholders,

I would like to express my deepest gratitude on behalf of all our employees for your unwavering interest and support toward Hotel Lotte.

Since the foundation of its corporation in 1973, Hotel Lotte has continued its journey to enrich human life through bold changes and innovation, expanding tourism and service projects leading up to the businesses of Lotte Duty Free, Lotte World, and Lotte Resort.

To survive and reinforce corporate values amid the rapid changes such as COVID-19 pandemic and climate crisis, companies must invigorate themselves to create a sustainable future and contribute to social development. Instead of making it a short-term, single project, we will essentially build phases of development and supplementation to transform the corporate culture, and let our employees come together for us to become a sustainable company.

Hotel Lotte is preparing to take a great leap in facing challenges of the new era. We will act in vigor and fulfill commitments to accelerate the UN Sustainable Development Goals (SDGs) implementation. We also plan on placing more efforts to promote gender equality, respect diversity, protect human rights, and grow together by carefully examining the safety and well-being of all our stakeholders throughout the value chain. Accordingly, Hotel Lotte makes the following 3 commitments to promote sustainable management.

First, we will add environmentally friendly values to the management of ‘Hotel Lotte’.

With the goal of reducing carbon emissions by 35% by 2030 and achieving carbon neutrality by 2040, we will strive to promote a circulation economy and realize an eco-friendly future society by reducing energy consumption,



establishing a virtuous cycle of resources, and introducing renewable energy. Along the path, we will become an eco-friendly company where customers can naturally participate in environmental activities with Hotel Lotte and perform eco-consumption.

Second, we will shape a happy world where we communicate with employees, partners, and community members and grow together.

We will become a company with a positive influence, focusing on mutual growth and development with others by respecting the diversity of members, stabilizing a corporate culture focusing on cooperation and coexistence, and establishing various welfare systems for employees and support programs for partner companies. Also, with the active implementation of differentiated social contribution activities suiting each of our business divisions, we will strive for more sustainable development of society.

Third, we will implement trusted management based on transparent and sound governance.

As the society and environment change rapidly, the risks and opportunities that companies need to respond to and manage are becoming increasingly complex. Based on the governance structure with expertise, we will review the ESG risks and opportunities, reflect them in management decisions, and drive sustainable growth. Furthermore, we will earn the trust of stakeholders as we disclose transparent and precise corporate information through the corporate website and the publication of annual reports.

For a sustainable future, Hotel Lotte will strive to create social values by walking side by side with all our stakeholders, and rather than finding a quick path, we will find the right path for a sustainable future. We ask for your active interest and support to continue in the future. We also wish for the good health and well-being of all our stakeholders, executives, and employees who are always working hard in their positions.

Hotel Lotte Co., Ltd., CEO

Seijin Ahn



The Most Trusted Travel Partner

Lotte Duty Free

The COVID-19 pandemic had me ponder upon the survival of the company, as it posed unprecedented crisis in the duty-free industry.

ESG management for corporate sustainability is the task of this era. The establishment of new values for business management goals and directions is necessary. Accordingly, Lotte Duty Free established the ESG Value-Oriented Committee for the first time in the industry in 2021 and announced the ESG activity goals for each major business field.

For our promises to be implemented, we set detailed goals under the slogan, 'Duty 4 Earth' and have continued with eco-friendly management. We have installed the first solar power facilities at our Integrated Distribution Center, and replaced bonded transport vehicles with electric vehicles, with expectation to reduce carbon emissions by 902 tons annually.

Also, Lotte Duty Free is striving to establish a corporate culture of diversity and inclusion so that we can coexist with our society. We support young businesses and small business owners in the community, continue donation activities

for vulnerable people in the climate crisis, and received international standards as the first in the industry with anti-corruption management system (ISO37001), securing trust of our employees and stakeholders.

Lotte Duty Free will continue to increase corporate value with systematic practice of ESG management.

We appreciate our executives, employees, and stakeholders for trusting Lotte Duty Free even in difficult times. We will keep on with our path to make Lotte Duty Free 'the most reliable travel partner' through continuous communication and innovation.

Thank you.

Hotel Lotte Co., Ltd. Lotte Duty Free CEO
Kap Lee



A Better World

Lotte World

Lotte World is a whole new world where people delve into joyful experiences, taking a break from everyday life. Lotte World has strived for the past 30 years to create a pleasant world and is now taking a step further, setting a vision to create 'A Better World!' Hence we provide three promises for its implementation as below.

First, Green World. Lotte World practices eco-friendly management with a sense of calling for protecting the environment. We save hundreds of thousands of tons of water annually by operating heavy water plants in the Adventure World. We are in our trials to minimize the negative impact on the environment through eco-friendly waste treatment and replacing boilers with low-NOx boilers. Lotte World Aquarium carries out various specialized projects to conserve marine species diversity and protect the oceans. As such, Lotte World Aquarium is becoming a place to research and preserve future marine ecosystems without limiting itself to a plain exhibition space.

Second, Together World. Lotte World holds various programs for mutual growth. We signed a Work-Life Balance Campaign MOU with the Ministry of Employment and

Labor and expanded opportunities to cooperate with startup companies. We also have hosted the 'Visiting Theme Park' where we perform for sick children with difficulties visiting the park, and 'Dream Ticket,' inviting socially vulnerable groups to the amusement park to realize community values in continuation.

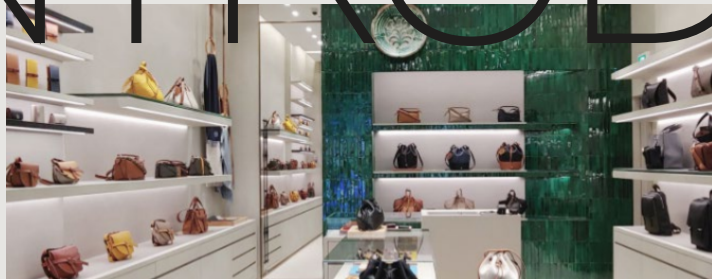
Third, Fair World. We implement transparent and reasonable management. For sustainable management, we have formed an ESG Council and established a more systematic ESG management system. Lotte World will keep on with the efforts for our stakeholders to rely on and trust us.

A better world comes true only on top of a sustainable future. We will make our best endeavors in dreaming of such future. Please look forward to the better world we create together with you.

Thank you.

Hotel Lotte Co., Ltd. Lotte World CEO
Hong-hoon Choi

INTRODUCTION OF



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LOTTE



Hotel Lotte's Global Network

Hotel Lotte is a leading global group that has grown by contributing to the development of tourism and service businesses in Korea and abroad, centering on four business units: Lotte Hotel, Lotte Duty Free, Lotte World, and Lotte Resort. Hotel Lotte operates business locations in 10 main cities and regions in Korea, including Seoul, Busan, Incheon, Dajeon, and Jeju, and has entered 24 cities in 9 countries, including the United States, Japan, Vietnam, Australia, Russia, and Uzbekistan.

Company	Hotel Lotte Co., Ltd.
Address	30, Ulji-ro, Jung-gu, Seoul
Foundation	May 5, 1973
Employees	4,698
Credit	AA-

2021 Financial Performances

Total Asset	Sales	Operating Profit
180,196	45,967	(2,610)

(Unit: KRW 100 million)

Lotte Hotel

Domestic 17
 Signiel: Seoul, Busan
 Lotte Hotel: Seoul, World, Busan, Jeju, Ulsan
 L7: Myeong-dong, Gangnam, Hongdae
 Lotte City Hotel: Gimpo Airport, Guro, Mapo, Myeongdong, Daejeon, Ulsan, Jeju

Overseas 12

Lotte Hotel: Seattle, Guam, Moscow, St. Petersburg, Vladivostok, Samara, Saigon, Hanoi, Yangon, Lotte New York Palace, Lotte Arai Resort
 Lotte City Hotel: Tashkent Palace

Lotte Duty Free

Domestic 7
 Main DownTown Store, World Tower Down Town Store, Busan DownTown Store, Jeju DownTown Store, Incheon Airport Store, Gimpo Airport Store, Gimhae Airport Store

Overseas 12

Ginza DownTown Store, Kansai Airport Store, Guam Airport Store, Da Nang Airport Store, Nha Trang Airport Store, Brisbane Airport Store, Darwin Airport Store, Wellington Airport Store, Melbourne DownTown Store, Sydney DownTown Store, Hanoi Airport Store, Changi Airport Store

Lotte World

Domestic 7
 Lotte World Adventure Seoul
 Lotte World Adventure Busan
 Lotte World Folk Museum
 Lotte World Ice Rink
 Lotte World Aquarium
 Seoul Sky
 Gimhae Lotte Water Park

Lotte Resort

Domestic 6
 Lotte Resort Sokcho
 Lotte Resort Buyeo
 Lotte Resort Jeju Art Villas
 Lotte Skyhill CC Jeju
 Lotte Skyhill CC Gimhae
 Lotte Skyhill CC Buyeo

LOTTE HOTEL

LOTTE HOTELS & RESORTS was founded in 1973, and since then, the company has developed as a global hotel chain representing Korea.

Lotte Hotel has a hotel portfolio that satisfies customers' various lifestyles, including top-class luxury hotel 'Signiel', 5-star 'Lotte Hotel', lifestyle hotel 'L7', premium business hotel 'Lotte City Hotel' and senior residence brand 'VL'.

As a global hotel expanding beyond Asia towards the world, it aims to be a brand that impresses customers with elegant services and facilities worldwide.

LOTTE HOTEL BRAND

Signiel

Lotte Hotel

Lotte City Hotel

L7

VL

2021 Sales

6,324

KRW 100 million

Membership

1.35

million people
(As of March 2022)

2021 Domestic/
Foreign Branches

29

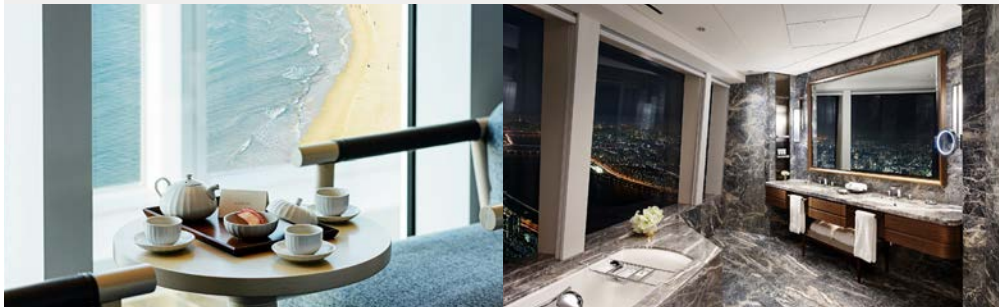
branches
(As of 2021)





Signiel

Signiel is the best luxury brand of Lotte Hotel launched in 2017. The first Signiel branch is in Lotte World Tower, the tallest building in Korea, and Signiel Busan opened as the second branch in 2020. Signiel is a luxury landmark hotel representing Korea and provides the best customer service demonstrating brand quality.



Lotte Hotel

A representative brand of Lotte Hotel located in the major cities around the world. Starting with its opening in Seoul in 1979, 15 branches of 5-Star hotels have been operated, including 5 in Korea and 10 abroad. The hotel has luxurious and comfortable rooms, restaurants with delicacies from around the world, and large banquet facilities. Lotte Hotel also provides services that meet various needs of customers for business, recreation, leisure, and events.



Lotte City Hotel

Lotte City Hotel is a premium business hotel brand that operates 7 branches in Korea, starting with Seoul Mapo Branch in 2009, and one in Uzbekistan. Lotte City Hotel provides business-optimized spaces and services for business customers who need work and rest simultaneously.



L7

L7 Hotel is a brand that captures the image of Seoul, Korea, in bold design and provides creative cultural content. Starting with the Seoul Myeongdong Branch in 2016, L7 has also been operated in Gangnam and Hongdae Branches. It is a hotel brand loved by young tourists from across the world visiting Seoul with unique and sophisticated interior designs and geographical merits.



VL

VL is a senior residence brand, which is the first of its kind to be presented in Korea's hotel industry. Starting with Osiria Tourist Complex in Busan, VL is in preparation to expand and offers convenient access to oriental medicine hospitals, medical centers, sports facilities, and commercial facilities in the complex. Lotte Hotel VL offers new alternatives to customers who want lively and vibrant golden years.

LOTTE DUTY FREE

LOTTE DUTY FREE, which first opened in Sogong-dong, Seoul in February 1980, operates overseas stores in Guam, Japan, Vietnam, Australia, New Zealand, and Singapore along with domestic stores, including Main DownTown Store, World Tower DownTown Store, Incheon Airport Store, Gimpo Airport Store, Gimhae Airport Store, Busan DownTown Store, and Jeju DownTown Store.

Lotte Internet Duty Free provides the best products and services online and offline in various languages, including Korean, English, Chinese, Japanese, and Vietnamese. Lotte Duty Free constantly strives to satisfy customers with comfortable shopping spaces, substantial discount events, and various other events, making a strong leap forward as the No. 1 global duty-free shop leading the global duty-free industry.

LOTTE DUTY FREE BUSINESS

LUXEMALL

LDFBUY

STAR AVENUE

FAMILY CONCERT

2021 Sales

37,184

KRW 100 million

Exchange Ticket Issuance (cases)

134,522,789

(Online and Offline Summation)
(As of June 2022)

Domestic and Foreign Countries with Our Stores

7

Countries
(As of 2021)





New Biz

'New Biz' is a new project introduced by Lotte Duty Free through which it makes various attempts on top of the duty-free business to create future values.



LUXEMALL provides a variety of famous overseas brand products as an online duty-free mall for domestic customs clearance and allows customers to shop for luxuries without having to depart.

LUXEMALL operates offline malls in World Tower, Busan, and Jeju branches as well as online malls where purchase could be made anytime, anywhere with various payment methods. Online LUXEMALL conducts live commerce broadcasts every week to communicate directly with customers and provides special products and benefits with the operation of unique exhibitions.



LDFBUY is an online cross-border shopping mall that introduces representative brands of famous Australian specialty products. Lotte Duty Free's Australian subsidiary takes the role of its main body, providing efficient overseas direct purchase service by sourcing products.



Star Avenue

Star Avenue is a cultural complex decorated with videos and photos of Hallyu Stars and thus provides opportunities to experience Korean culture. It introduces various content through which customers can learn about and experience Korean culture, which is beyond having its sole focus on selling duty-free products.

Star Avenue

Family Concert

Family Concert

Family Concert is a representative show of Lotte Duty Free that combines Hallyu stars with cultural tourism content.

Family Concert enhances the competitiveness of the Korean tourism industry through various marketing activities linked to cultural content. Since 2006, about 1.19 million Koreans and foreigners have watched the Family Concert in person, and the 2021 Online Family Concert recorded nearly 3 million views.



LOTTE WORLD

LOTTE WORLD is an online and offline themed entertainment corporation overarching the business areas: from tourism and leisure industries, including theme parks, aquariums, and observatories to digital contents. Lotte World Adventure is Korea's first theme park which opened in 1989. It has been loved by visitors of all ages and has served as the basis for Lotte World to evolve into the country's leading comprehensive entertainment company—with successful expansion, opening 'Water Park', 'Aquarium', and 'Seoul Sky'.

Furthermore, it has been actively expanding domestic and foreign businesses, opening 'Lala Kids Adventure', 'Lotte World Adventure Busan', and scheduling to open 'Hanoi Aquarium in Vietnam' in 2023, implementing the vision of a global entertainment company.

LOTTE WORLD BRAND

- Lotte World Adventure
- Lotte World Adventure Busan
- Lotte World Aquarium
- Lotte Water Park
- Seoul Sky





Lotte World Adventure

Lotte World Adventure Seoul, which opened in 1989, is Korea's representative theme park within a city. Local and foreign tourists love the place for being an indoor theme park, which allows easy access via public transportation and enables people to enjoy the area regardless of the weather.



Seoul Sky

Lotte World Tower Observatory, Seoul Sky is a representative Korean landmark certified by the Guinness Book of World Records for its height, ranking 4th in the world and 1st in Korea. Seoul Sky is an experiential observatory and complex cultural space where visitors can enjoy the entire city view of Seoul and skywalking.



Lotte World Adventure Busan

Lotte World Adventure Busan is an outdoor theme park in the Osiria Tourist Complex in Gijang-gun, Busan, with a size of 158,000㎡. In 6 zones under the theme of 'Fairy Tales Kingdom', it operates 17 attractions and facilities including the ride first introduced in Korea.



Gimhae Lotte Water Park

Gimhae Lotte Water Park is Korea's largest water park, 17 times the size of a soccer field, with a South Pacific Polynesian concept/theme. Visitors can enjoy playing in the water throughout four seasons with the indoor and outdoor water attractions, and various performances and events are also held in the place.



Lotte World Aquarium

Lotte World Aquarium possesses the longest underwater tunnel and the largest water tank in Korea and avails visitors to meet about 55,000 marine animals of 650 kinds. The aquarium operates various educational programs, including differentiated ecosystem briefings and experiential content.

LOTTE RESORT

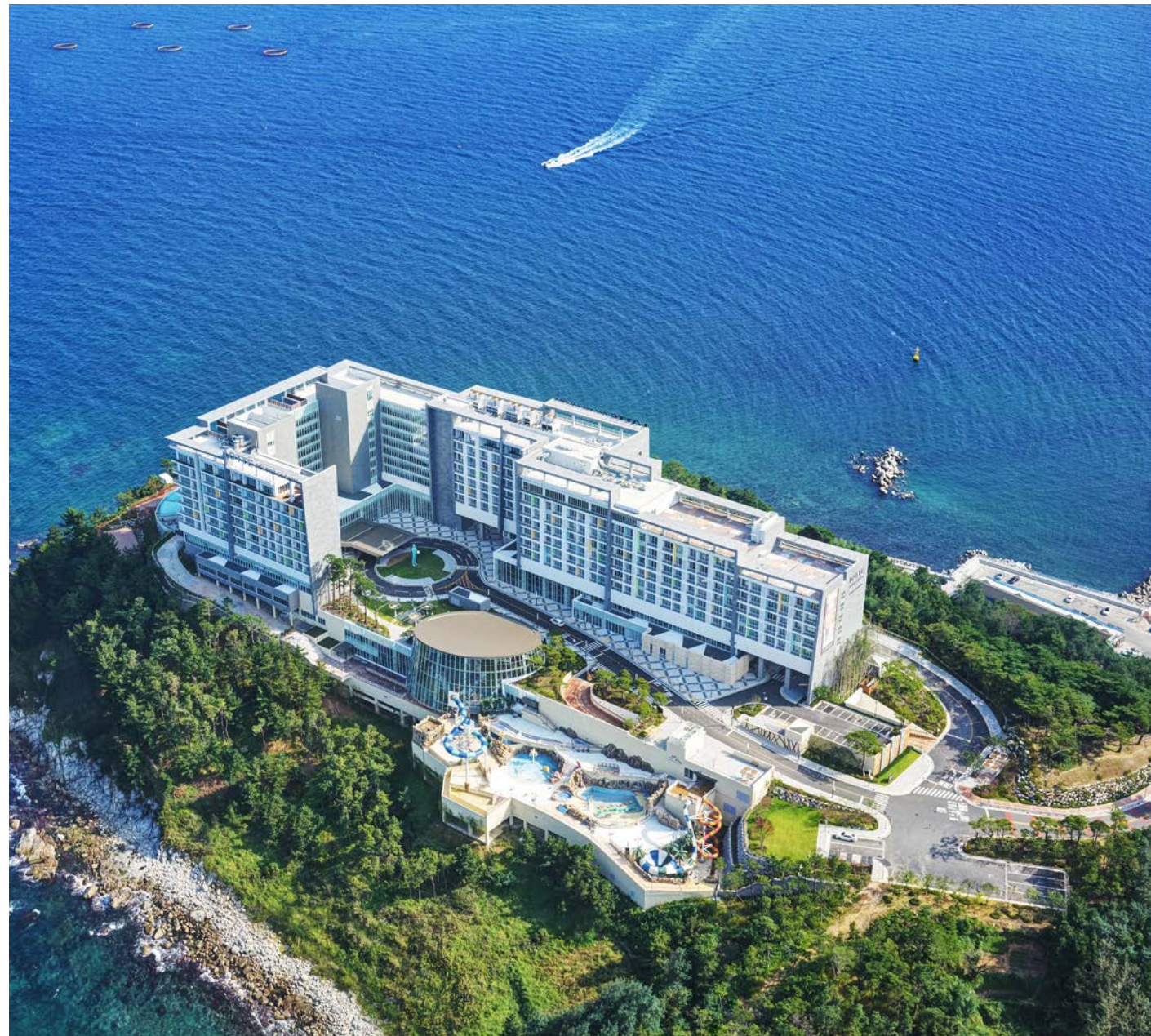
LOTTE RESORT is a corporation that specializes in leisure complex by operating hotels, condominiums, and country clubs. Since starting the country club business in 2005, it has operated Lotte Skyhill Country Club in several areas, including Jeju, Gimhae, and Buyeo.

Lotte Resort has brought a fresh breeze to the industry with the successful settlement of 'Lotte Resort Buyeo', 'Lotte Resort Jeju Art Villas' and 'Lotte Resort Sokcho'.

The company will continue providing differentiated services and facilities that embed nature, culture, and rest. Revolving on such, it vies to develop as a leisure company, expanding further into the world.

LOTTE RESORT BRAND

- Lotte Resort Sokcho
- Lotte Resort Jeju art villas
- Lotte Resort Buyeo
- Lotte Skyhill CC Jeju
- Lotte Skyhill CC Gimhae
- Lotte Skyhill CC Buyeo





Lotte Resort Sokcho

Lotte Resort Sokcho is famous for its ocean view in all rooms and attraction of fantastic sunrise. With an infinity pool of around 2,150m², a water park of approximately 13,225m², a rooftop bar, and various entertainment facilities, the resort is in the spotlight for customers who love the ocean.



Lotte Resort Jeju Art Villas

Lotte Resort Jeju Art Villas is a luxury resort located in Seogwipo, Jeju. It is an art resort designed by world-class architects with Jeju's 'nature' as a motif, in the size of 73 single-pool villas.



Lotte Skyhill CC Buyeo

Lotte Skyhill CC Buyeo is a country club representing Buyeo where Baekje's past and present coexist. It operates an 18-hole membership-based golf club. Customers accompanying family love the place for providing excellent accessibility, being in a shape of a complex with facilities including a resort and outlet.



Lotte Skyhill CC Jeju

Lotte Skyhill CC Jeju is a nature-friendly country club with a total of 36 holes, 18 holes each for membership and the public. The country club is loved for its open scenery, stability, and optimal geographical conditions where snow melts quickly in the winter.



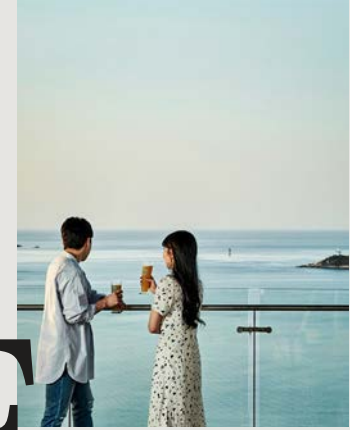
Lotte Skyhill CC Gimhae

Lotte Skyhill CC Gimhae is an 18-hole membership-based country club located in a beautiful forest. Unlike most country clubs built on a wide flatland, visitors can enjoy a comfortable round on a terraced course in the forest.

Lotte Resort Buyeo

Lotte Resort Buyeo is a resort complex with themes that invite visitors to experience the history of Baekje culture from 1,400 years ago. It serves as a representative resort of Chungcheong-do, harmonizing tradition and the modern with Korea's largest circular corridor of 117m circumference in the center.





SUSTAINABLE

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JOURNEY

2021 Sustainability Highlights

In 2021, Hotel Lotte achieved sustainable management in every moment and space we met our customers. Lotte Hotel, Lotte Duty Free, Lotte World, and Lotte Resort implement sustainable management by highlighting the characteristics of each business division within the value chain.

HOTEL LOTTE

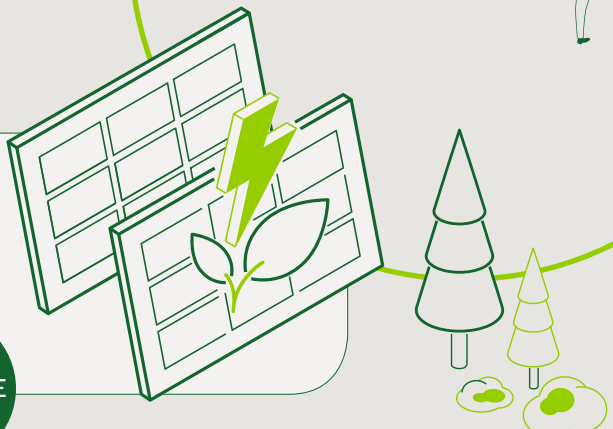
HOTEL

- Hotel Maker Project
- Large capacity dispenser
- Virtuous cycle of resources
- Solar power plants



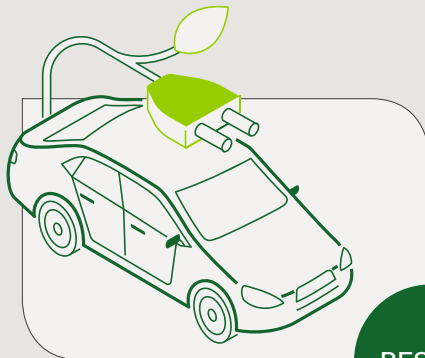
DUTY FREE

- Solar power generation at the Integrated Distribution Center
- Integrated Distribution Center electric bonded transportation
- STAR★UPS, CHEER♥UPS



RESORT

- Electric vehicle charging station
- High-efficiency boiler

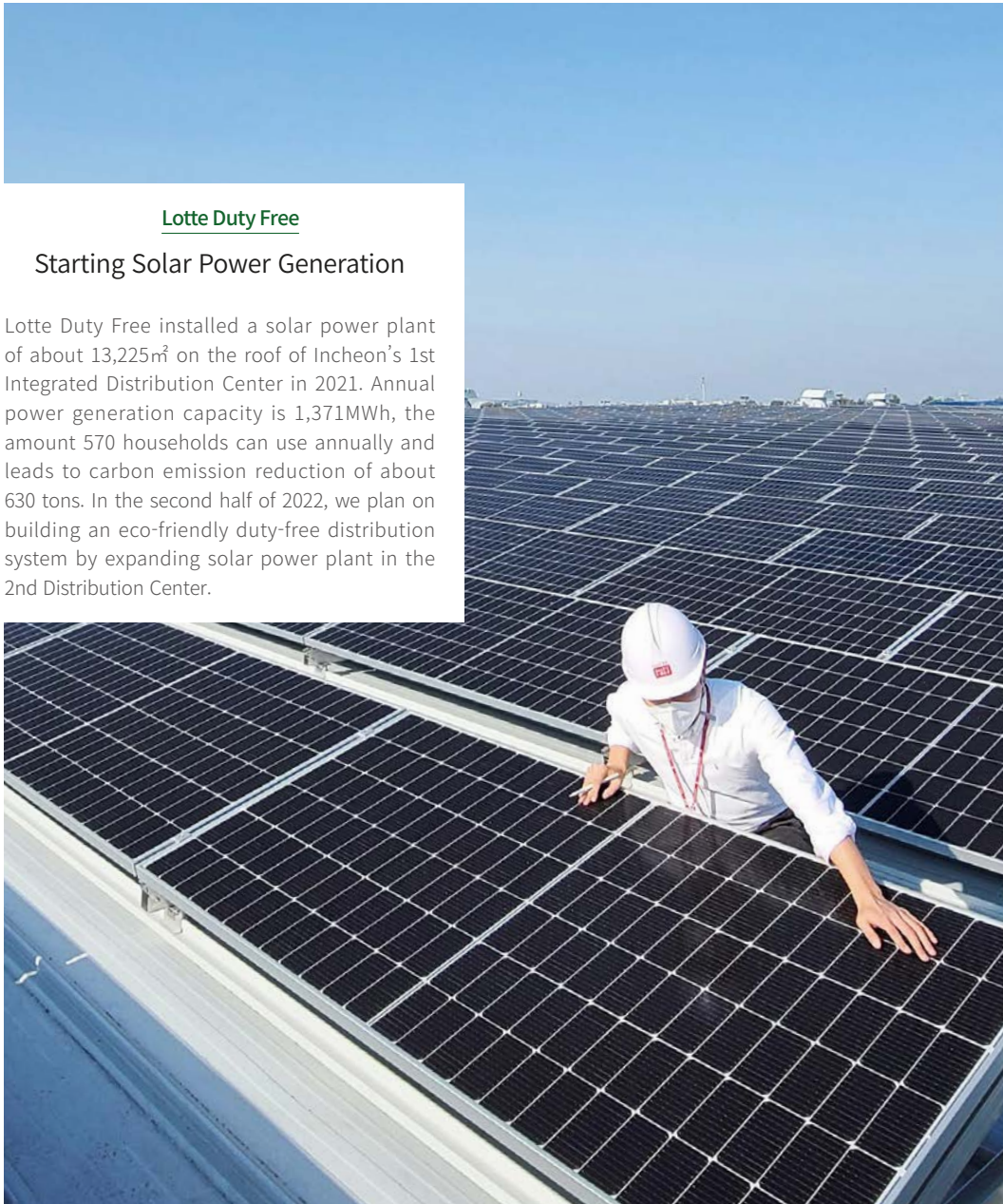


WORLD

- Recycling at 500M high observatory
- Atmospheric emissions reduction facility
- Heavy water treatment facilities, Seokchon Lake water quality improvement
- Aquarium's conservation of marine ecosystem



Lotte Hotel conducted 'Hotel Maker Training' for young people dreaming of becoming hoteliers, and Lotte Duty Free installed a solar power plant on the roof of the Integrated Distribution Center to reduce greenhouse gases. To protect Seoul's clean air, Lotte World is keeping its emission standards well below the legal standards, and research and efforts are ongoing at Lotte World Aquarium to breed rare sea creatures. Lotte Resort has installed an electric vehicle charging station for environmentally conscious customers and a new high-efficiency boiler that can generate much more energy with less fuel.



Lotte Duty Free

Starting Solar Power Generation

Lotte Duty Free installed a solar power plant of about 13,225㎡ on the roof of Incheon’s 1st Integrated Distribution Center in 2021. Annual power generation capacity is 1,371MWh, the amount 570 households can use annually and leads to carbon emission reduction of about 630 tons. In the second half of 2022, we plan on building an eco-friendly duty-free distribution system by expanding solar power plant in the 2nd Distribution Center.

2021 Sustainability Highlights

Environmental Management

Hotel Lotte implements eco-friendly management by setting mid-to-long-term goals of ‘Carbon Neutrality by 2040’. We promote various environment management activities across the entire business operation, such as introducing eco-friendly energy, saving water resources, reducing air pollutants, and enhancing energy efficiency.

Lotte World

Saving Water

Lotte World saves water by storing about 700 tons of rainwater from the rooftop of the well-being center every year. In the future, we plan to apply it to Lotte Mart, Lotte Shopping Mall, and Charlotte Theater sequentially. Also, the seawater in the aquarium is being recycled, and the seawater recycling rate will be increased through the seawater storage tank construction in the future. We also connected the discharge pipes of five types of waterway-type rides (Sinbad’s Adventure, Flume Ride, Atlantis, Dreamboat, and Jungle Exploration Boat) in the Adventure World to a heavy water plant, saving about 14,000 tons of water resources annually. Lotte World saves an average of 300,000 tons of water resources a year by securing additional water sources and utilizing heavy water plants.



Lotte World, Lotte Resort

Air Pollutant Reduction, Energy Efficiency

Lotte World and Lotte Resort have been replacing boiler facilities with high-efficiency eco-friendly equipment to reduce the emission and spread of air pollutants, through which we streamline energy use and continue to reduce carbon emissions. Lotte World has reduced energy consumption by 1/3, replacing high-efficiency eco-friendly boilers, and has maintained its emission level below 40% of the emission standard stipulated by the Clean Air Conservation Act. Lotte Resort Buyeo also reduced energy consumption by about 28% by replacing high-efficiency boiler facilities and LNG gas used for cooling and heating with absorption-type cold and hot water dispensers.



2021 Sustainability Highlights

Social Value Management

Hotel Lotte promotes sustainable management with all our stakeholders across the general management process. We aim for the 'value of being together' with the ultimate goal of creating better social values in mind.



[Lotte Hotel](#)

Hotel Maker Project, Future Job Creation

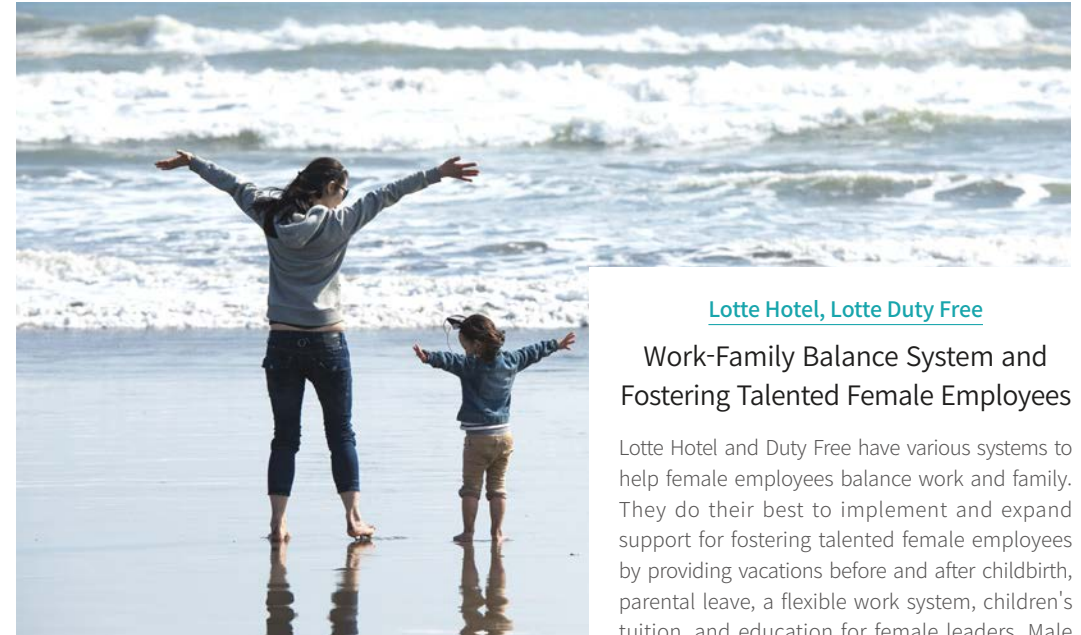
Lotte Hotel strives to fulfill its social responsibility by implementing various projects to create jobs for the future. This year, it participated in the 'ESG Support Project for Youth-Friendly Company' organized by the Ministry of Employment and Labor and conducted a program titled, 'Hotel Maker Project'. To help solve the youth employment problem, it has prepared programs that can be of practical help in hotel employment, such as job training, service education, and experience, based on 40 years of operational expertise. Lotte Hotel, through various experiences, not only provided employee candidates with employment capabilities but contributed to the creation of future jobs by giving them employment incentives for applying to the company. Also, it provides various service education for youths who wish to work in the service industry.



[Lotte Duty Free](#)

CHEER♥UPS, Coexistence with Local Communities

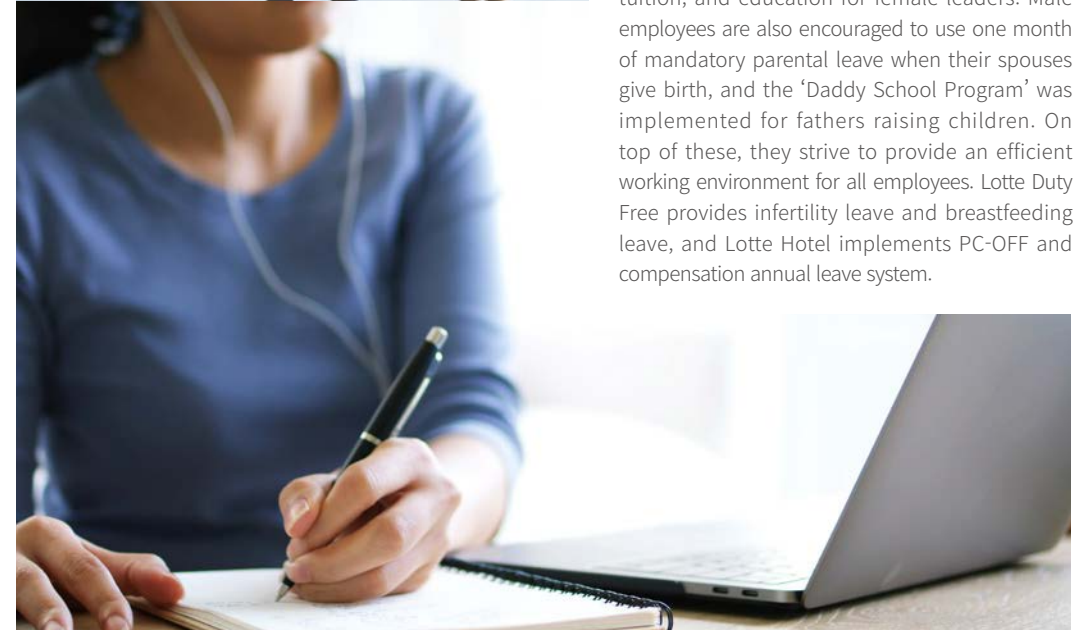
CHEER♥UPS is a social contribution program of Lotte Duty Free that supports small business owners and contributes to vitalizing the local economy and tourism. In 2021, 15 restaurants in Songpa district increased their sales by about 10% through the program's support for eco-friendly packaging containers and promotional content production. A total of 62 restaurants have been growing with CHEER♥UPS, and in 2022, 40 restaurants in Incheon selected as participants of the 'CHEER♥UPS Season 2' received consultations. CHEER♥UPS will continue to operate activities in cooperation with major local communities where Lotte Duty Free stores are located to become a sustainable growth partner.



[Lotte Hotel, Lotte Duty Free](#)

Work-Family Balance System and Fostering Talented Female Employees

Lotte Hotel and Duty Free have various systems to help female employees balance work and family. They do their best to implement and expand support for fostering talented female employees by providing vacations before and after childbirth, parental leave, a flexible work system, children's tuition, and education for female leaders. Male employees are also encouraged to use one month of mandatory parental leave when their spouses give birth, and the 'Daddy School Program' was implemented for fathers raising children. On top of these, they strive to provide an efficient working environment for all employees. Lotte Duty Free provides infertility leave and breastfeeding leave, and Lotte Hotel implements PC-OFF and compensation annual leave system.



2021 Sustainability Highlights

Sustainable Customer Value

Check out the rooms of Lotte Hotel incorporating sustainable customer value. Lotte Hotel offers sustainable hospitality to customers, leading them to feel sustainable enjoyment and comfort through the experience of participating in meaningful activities. Presented here is Lotte Hotel's sincerity in its preparation for guests to experience sustainability, from the moment of walking into the room until stepping out the door.



Grey Card

A grey card is placed on the bed when guests check in a room. The bedding is replaced if the guest puts the card on the bed. If not, the bedding is reused during the stay, reducing environmental pollution, and saving resources used for laundry.



Label-Free Mineral Water

By providing label-free mineral water, the label wastes unnecessarily thrown away are reduced, hence increasing the reusability rate of PET mineral water bottles.



Large-Capacity Multi-Use Dispenser

For waste reduction, Lotte Hotel boldly replaced the disposable amenities that were discarded after a single-use. Lotte Hotel offers multi-use dispensers that are hygienic, luxurious, and reusable.



Wooden Key Card

Lotte Hotel World changed the room key material from plastic to walnut tree. Consequently, 97% of carbon emissions in the process of making key cards has been reduced.



Disposal Item Reduction

To protect the environment and conserve resources, Lotte Hotel does not provide disposables such as toothbrush, toothpaste, and razors. It encourages active participation of customers in reducing disposables.



Water-Saving Facility

Lotte Hotel's faucets and showerheads have been replaced with water-saving products certified to improve resource circulation.



Sustainable Management Strategies

Purpose of Sustainable Management Strategies



2025 Priority for Core Targets*

Environment	Social	Customer Value
<p>EMS*</p> <p>ISO14001 Certification completion</p> <p>Emissions</p> <ul style="list-style-type: none"> Active in GHG Inventory control by 2023 Energy efficiency up by 10% Renewable energy plant expansion members doubled Eco-friendly transportation doubled <p>Wastes</p> <ul style="list-style-type: none"> Active in waste inventory control by 2023 Waste recycling and reuse up by 20% Food waste from business down by 10% <p>Resources</p> <ul style="list-style-type: none"> Water use in business down by 5% Sustainability certification and renewable resource up by 10% 	<p>Great Place to Work & DEI</p> <ul style="list-style-type: none"> Implementation of regular human rights surveys and GPTW sample surveys for all staffs at domestic operations Improving welfare and treatment for non-regular workers and partner company members: more than 10 cases annually More employees with disabilities hired <p>Win-win Cooperation</p> <ul style="list-style-type: none"> Establishment of ground rules of responsible purchasing and production, and application to supplier contracts Settlement of ESG spread program for partners Win-win cooperation assessment index measurement and improvements <p>Social Contribution</p> <ul style="list-style-type: none"> Jobs for the future: Vocational training of teens and youth expanded by 1.5 times Protection of Ecosystems: Contribution for environment doubled Creation and implementation of system for emergency and disaster relief 	<p>Sustainable Hospitality</p> <ul style="list-style-type: none"> Certified sustainable products up by 10% Adoption of the Sustainable Service Selection System in 2023; expansion to all domestic operations by 2024 Universal Design/Service principles and manual created and applied in 2023 for certification of major operations by 2025 <p>Sustainable Enjoyment</p> <ul style="list-style-type: none"> Access to recycling facilities for every customer by 2023 Proposal of sustainability standard for the Hotel, Duty Free, Resort, World(theme park) business; implementation of internal certification system

Governance **Reinforcing sustainable management leadership of the Board of Directors**

Participation in sustainable management by the Board of Directors, enhanced expertise of the board of directors in sustainable management, and transparent disclosure of information on governance structure

Core Value	Management Principle
<p>Respect for human rights</p> <p>Establishment of human rights management system and respect for human rights across the value chain</p>	<p>Establishment and internalization of a sustainable management action framework</p> <p>Compliance, Business ethics, Transparent management, Workplace safety, Employee development, Stakeholder communication and participation, Privacy</p>

*Goals and tasks are for domestic business sites and will be extended to global sites afterward
 *Priority tasks for each domain target performances in 2025 compared to 2022
 *EMS: Environmental Management System



ENVIRONMENT

Sustainable Journey

Environment

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Carbon Neutrality by 2040



Hotel Lotte's Journey towards Carbon Neutrality

With climate change rapidly increasing global temperatures and threatening a sustainable future, Hotel Lotte perceives it crucial for corporate management to respond against climate change.

Hotel Lotte has joined the Lotte Group's 2040 Carbon Neutrality Declaration by promoting various activities. Such include targeting carbon emissions (Scope 1, 2) reduction of all corporations by 35% by 2030, introducing renewable energy facilities for efficient use of energy, establishing environmental system management, and disclosing the Carbon Disclosure Project (CDP) Climate Change report to achieve carbon neutrality by 2040.

As provided, we will continue reducing greenhouse gases due to corporate activities and implement eco-friendly management until we achieve 2040 Carbon Neutrality by setting appropriate goals and implementing them step-by-step.

CDP Climate Change Assessment and Response Disclosure

As part of efforts to self-diagnose the environmental management system and spread internal awareness of the need for climate change response, the entire Hotel Lotte Corporation has decided to participate in the climate change response assessment organized by the UK Carbon Disclosure Project (CDP). We submitted a response to the CDP in 2022 and will continue to improve environmentally friendly management systems and disclose the process transparently.

Efforts of Joint Promotion by Group Companies

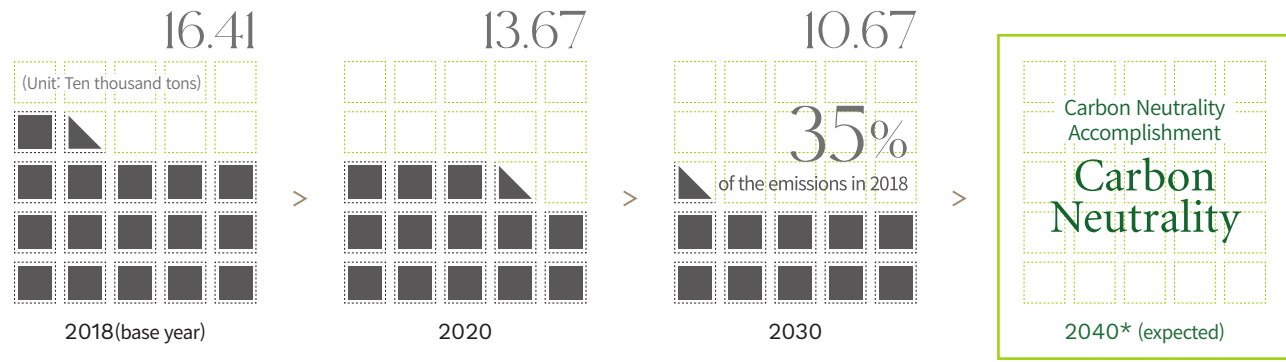
To achieve the goal of carbon neutrality by 2040, company-wide, Mid- to long-term efforts are required.

Organizations In charge of environmental management by each of the leading group companies have been established, communicating and cooperating with Lotte Corporation in the center and Hotel Lotte participating in such efforts.

We also share key environmental issues through environmental management seminars, seek cooperation between affiliates, and manage carbon emissions by establishing the greenhouse gas inventory and carbon neutrality roadmap.

Carbon Neutrality Implementation Road Map

[Carbon Emissions of All Corporations]



*Actual emissions achieved by equalizing net emissions and absorptions
 *Deadline for Lotte Group's goal accomplishment

Goal setting in line with the group's goal to achieve carbon neutrality by 2040 and incremental implementation

35% Carbon Emissions Reduction Goal by 2030 (Based on emissions in 2018)

Global Certification/ Renewable Energy



Environmental Management, Energy Management Certification

Hotel Lotte seeks sustainable management based on environmentally friendly policies. Accordingly, we will maintain certification on establishing environment/energy related systems and processes and continue to expand them.



System Establishment and Systematization through ISO International Certification

Lotte Duty Free acquired the 'Environmental Management System ISO14001' certification for environmental management practice and systematic management for the first time in the duty-free industry in 2021. It was highly assessed that Lotte Duty Free executed regular on-site inspections for the head office and 8 domestic branches and logistics centers along with the fact that continuous monitoring was conducted to correct non-conformities within one month. Lotte Duty Free establishes and

implements specific goals for the entire business to perform systematic environmental management. Also, the organization in charge of environmental safety has been upgraded to a team organization directly under the CEO's direction to encourage all executives and employees to perceive environmental management as a key management element and actively participate in achieving environmental goals. Lotte Resort Buyeo has gained ISO14001 certification and Lotte Hotel Seoul has established a foothold to continuously expand international certification by obtaining ISO50001 certification for energy management system.

Introducing and Expanding Renewable Energy

Hotel Lotte intends to practice sustainable development by introducing renewable energy. Starting with Lotte Hotel Ulsan and the 1st Integrated Distribution Center of Incheon Lotte Duty Free, we plan to expand solar facilities in the 2nd Integrated Distribution Center and Lotte Hotel Jeju.

Lotte Hotel: Solar Power Plant

Lotte Hotel makes efforts to reduce carbon emissions by rapidly changing the energy structure, such as introducing solar power plants for domestic businesses, expanding the installation of energy-efficient devices, and replacing company vehicles with electric ones. Lotte Hotel signed a 'Joint business MOU for carbon neutrality through greenhouse gas emissions and social contribution' with Korea Energy Agency and introduced a solar power plant (Lotte Hotel Ulsan Solar Power Plant). Through these facilities, the company plans on fighting against climate change by generating 26MWh of electricity per year. Lotte Hotel Jeju's parking lot and dormitory rooftop will be used to install a solar power facility capable of generating 135MWh per year, which can reduce carbon emissions as a result of self-generated energy consumption.

Renewable Energy Facility Installation

Business Division	Business Site	Installation Capacity(kW)	Installation Area(m ²)
Hotel	Lotte Hotel Ulsan	19	93
Hotel	Lotte Hotel Jeju	100	Scheduled (2nd half)
Duty Free	1 st Integrated Distribution Center	1,000	13,224

Lotte Duty Free: Solar Power Plant

Lotte Duty Free introduced a solar power plant as the first in the domestic duty-free industry. The solar power facility has been completed at the 1st Integrate Distribution Center in Yeongjong-do, Incheon, and currently in operation. Considering the spatial efficiency, 2,240 solar modules were installed on the rooftop of the integrated distribution center, a previously idle space, with the size of about 13,224m², which is a combined size of two soccer fields. The annual power generation capacity equals 1,371MWh and reduces carbon emissions by about 630 tons, resulting in the annual cost savings of about KRW 200 million. In the second half of 2022, the 2nd Integrated Distribution Center will also install an additional solar power plant to accelerate the effect of carbon emissions reduction.

630 Carbon Emissions Reduction (ton) Made by the Solar Power Plant



Energy Efficiency



Energy Efficiency through High Efficiency Facility

Aging facilities left unattended relatively drop energy efficiency. Hotel Lotte actively reviews and introduces eco-friendly and high-efficiency facilities/equipment when replacing old facilities/equipment.

Lotte Hotel: High Efficiency Air Conditioning System

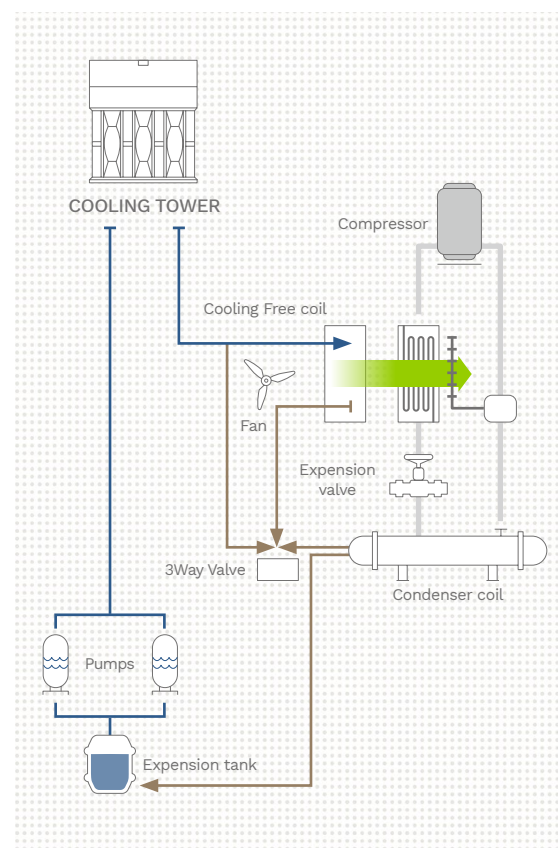
Because the hotel is open 24/7, the facility system cannot be shut down, resulting in high energy consumption. Due to the nature of the hotel industry, where an unspecified number of people enter and leave the hotel, there is a great need to introduce equipment with stability, comfortability, convenience, and economic feasibility. Accordingly, Lotte Hotel has introduced an air conditioning system to control the temperature by changing the airflow according to the indoor load's fluctuation. It also performs energy-saving operations by controlling the inverter.



Hotel – Free Cooling System

Lotte Hotel has been introducing equipment and facility to improve energy efficiency. Typically, Lotte Hotel World completed 1st renovation and introduced Free Cooling System to enhance energy efficiency. The facility is a system that uses the cold air from outside to flow into the hotel pipe rather than operating a freezer in rooms, business sites, or offices that use air conditioning in the winter. The free cooling system runs from November to March every year and is expected to reduce more than 100,000 kWh annually.

Free Cooling System



Lotte Resort: High Efficiency Boiler

An accommodation is operated 24 hours a day, 365 days a year, without resting. Due to the nature of the business, there is no other choice but to use air conditioning and heating facilities for the convenience of customers. Lotte Resort implements environmental management through a 'high-efficiency boiler'. Lotte Resort Buyeo introduced the high-efficiency boiler in 2021 and increased operation efficiency, reducing gas energy and power consumption by around 19%. Also, replacing the facility with no firebox has resolved the risk of an explosion fatal to the safety of facility managing workers.

Additionally, using online real-time surveillance and data communication, convenience, speed, and accuracy of management have increased. Lotte Resort Buyeo also has participated in the EERS (Energy Efficiency Resource Standards) executed by Korea Gas Corporation to promote KT-MEG-linked remote monitoring of real-time mal-functional response and performance management. It has thus reduced energy usage and greenhouse gas emissions.

Preventing Air Pollution



Preventing Air Pollution by Reducing Emissions of Harmful Substances

Hotel Lotte is in the process of replacing facilities, converting logistics transportation into electric vehicles, and expanding electric charging stations to reduce emissions of smoke and fine dust-creating substances.

Lotte Duty Free: Introducing Electric Trucks for Bonded Transportation Vehicles

Lotte Duty Free introduced eco-friendly electric vehicles for bonded transportation vehicles for the first time in the domestic duty-free industry. Lotte Duty Free's bonded transportation vehicle is a distribution vehicle that carries duty-free goods for an average of more than 100km per day, going back and forth between downtown branches, integrated distribution center, and airports. The replacement of 1-ton bonded vehicles in constant operation is expected to



Duty Free – Introduced Electric Trucks

reduce approximately 51 tons of greenhouse gases and 24 kg of fine dust. Electric vehicles will be increased in the second half of 2022 and will continue to grow in number afterward.

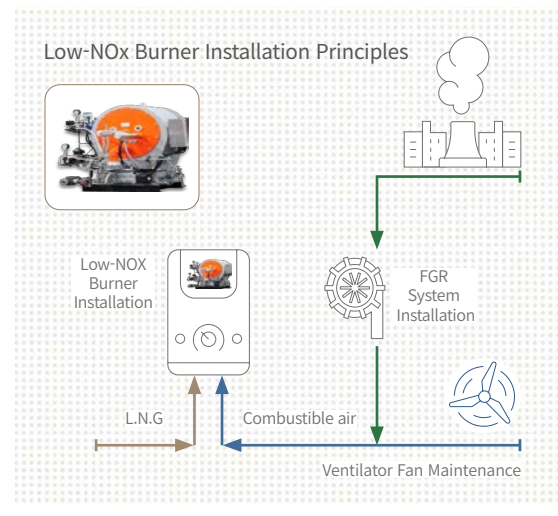
Lotte World: Low-NOx Burner Replacement

Lotte World steps forward in activities to improve environmental protection and safety by overseeing Jamsil Lotte complex facilities and maintenance.

According to the revision of the Clean Air Conservation Act by the Ministry of Environment in May 2019, Lotte World replaced 5 out of 6 boilers with low-NOx burners.

Through this, the concentration of air environment emissions was reduced from emission standard of 60 ppm to 20 ppm, and the company was acknowledged as a type 2 business from type 1 business regarding air pollutant emissions. Also, low-NOx burner not only reduces nitrogen oxide emissions, which are ultrafine dust-creating substances, by about 79% compared to ordinary boiler types, but also reduces heating costs by about 10% on account of its energy efficiency.

Low-NOx Burner

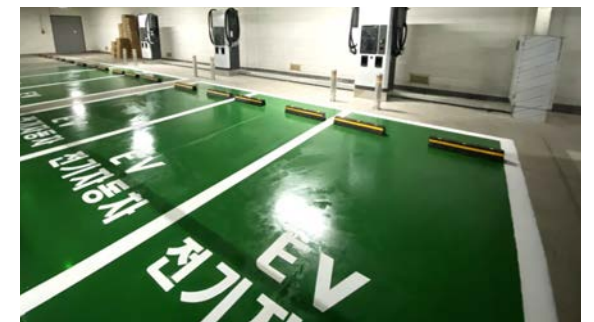


Lotte Resort: Installing Low-NOx Burner

Aware of the seriousness and the need to improve the fine-dust issue, Lotte Resort introduced a low-NOx burner that increases combustion efficiency by adjusting flame temperature and oxygen concentration during combustion to reduce nitrogen oxide (NOx), which causes fine dust. Starting with Lotte Skyhill CC Jeju and Gimhae in 2020, Lotte Resort has completed the introduction of low-NOx burners in Buyeo in 2021. Meanwhile, Lotte Resort Sokcho has introduced a boiler equipped with a low-NOx burner since its opening in 2017. In 2022, Lotte Resort Sokcho has been actively participating in reducing air pollutant emissions by replacing additional absorption chiller heater burners with low-NOx burners.

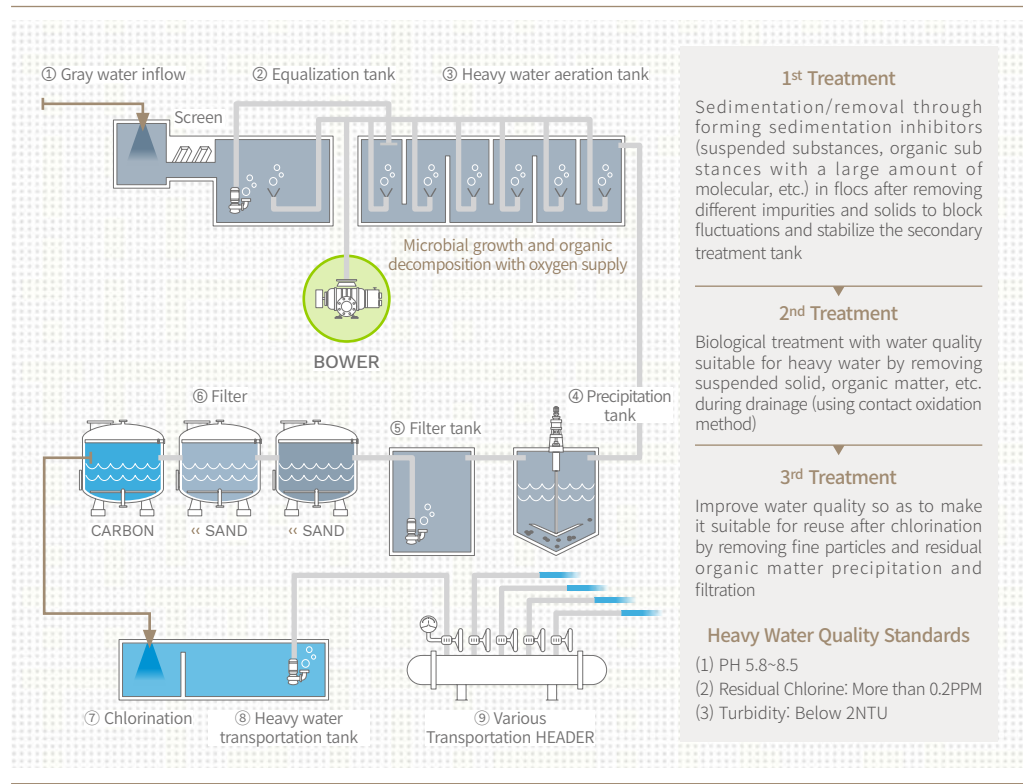
Lotte Resort: Expanding Installation of Electric Vehicle Charging Stations

Lotte Resort has installed electric vehicle charging stations in all branches. Starting with two stations in Lotte Resort Buyeo and Lotte Resort Sokcho, Jeju Art Villas, and Lotte Skyhill CC are planning to install the charging stations. Also, it operates a customer-participating carbon neutrality program by conducting a water park discount promotion for electric-hydrogen vehicle users.



Saving Water

Treatment Process of Water Supply by Stages



Protecting Water Resources by Saving Water and Recycling

Hotel Lotte continues its efforts to use water efficiently without waste by introducing various facilities to reduce water consumption and establishing a heavy water utilization system that purifies rainwater and sewage for daily use.

Lotte World: Operating Heavy Water Plant

One of the important ways to save water is the use of heavy water. Heavy water, which is an intermediate stage between water supply and sewage, has been processed from already used water to be reused. Since its opening, Lotte World has expanded its water circulation facilities to operate a heavy water plant that purifies and reuses various wastewater generated in the theme park. Lotte World Heavy Water Plant is a facility that purifies and reuses domestic water, saving water and preventing water pollution of the river water due to domestic sewage discharge. An average of 1,850 tons of water is treated daily, and the 496 tons of such purified water are reused in toilets, refrigerator cooling water, landscaping water, etc. This has saved about KRW 4.3 billion a year and an average of 300,00 tons of water.

Lotte Hotel: Water-Saving Faucets and Heavy Water Use

When a new hotel is opened or remodeled, Lotte Hotel installs water-saving faucets at all workplaces, including shower heads in guest rooms. It also uses heavy water, supplied by its heavy water plant, in public toilets.



Lotte Resort: Rainwater Recycling

Lotte Resort Sokcho, which opened in 2017, has installed a 200-ton water tank on the 3rd basement floor from the design state of the building to use the stored rainwater as landscaping water. In October 2020, Lotte Skyhill CC Jeju Island installed rainwater bearer and water storage tanks in the clubhouse building. In 2021, about 5.4 tons of rain water was used as landscaping water supply for golf courses. Also, Lotte Resort installed water-saving faucets in the public spaces of all workplaces and in toilets for executives and employees, as well as actively practicing water conservation by purifying sauna water and recycling it for landscaping.

200 Lotte Resort Sokcho's water tank installation size (ton)

Resource Circulation/ Waste Reduction



Resource Circulation for Environmental Protection

Hotel Lotte has established a circulation of resources to prevent environmental pollution by reducing and recycling wastes. In all stages of the value chain, we implement 5R strategies: Reduce – Replace – Redesign – Reuse – Recycle.

Lotte Hotel: Resource Circulation Platform

Lotte Hotel is building a <Resource Circulation Platform> with other affiliates of the Lotte Group. It aims to collect and recycle 100% of disposable plastic products (including PET bottles) provided to customers. Lotte Hotel aims to establish a management data system for the environment and wastes, including waste emission, resource recycling rate, waste sorting status, and carbon reduction performance of all hotels. It plans to implement systematic environmental management in connection with LCEMS (Lotte Hotel Carbon & Environment Management System).



Lotte Duty Free: Eco-friendly Shopping Bag, Smart Receipt

Lotte Duty Free replaced the “Small” shopping bags, which carry light products, from plastic shopping bags to eco-friendly paper bags (with 40% recycling material). In the second half of 2022, Lotte Duty Free plans to introduce additional packaging materials for eco-friendly materials and will continue to expand eco-friendly policies. It also launched a smart receipt issuance service as the first in the domestic duty-free industry. Smart receipts are electronic receipts received on smart devices such as mobile devices. Introduction of smart receipts has reduced the waste from paper receipts and the hassle of keeping receipts for exchange or refunds of goods. Lotte Duty Free members can automatically receive a smart receipt on the Lotte Internet Duty Free website or mobile application immediately after purchasing the product. In the future, the exchange ticket required for duty-free delivery at the airport will also be replaced by smart receipts.

Lotte World: Aquarium Eco-friendly Garbage Disposal Unit Introduction

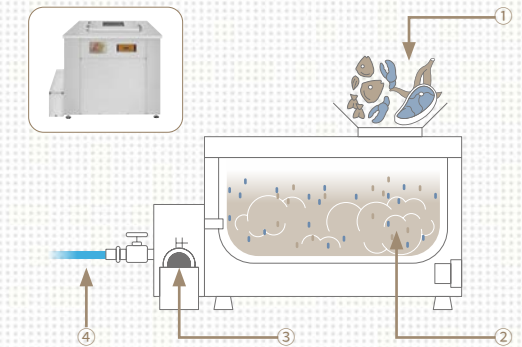
Lotte World Aquarium introduced an eco-friendly garbage disposal unit in November 2021 to increase the efficiency of self-processing of marine animals’ food by-products and non-

infectious fish carcasses. This garbage disposal unit works as eco-friendly microorganisms ferment food waste and process it with water and gas, and by-products discharged from the solids separator are used as compost. Hence it is optimized for business sites like aquarium where a great amount of food waste is disposed.

Lotte World expects to reduce waste by about 89% and costs by 78% annually through eco-friendly garbage disposal units, aiming to zero food disposal costs by 2026.

Eco-friendly Garbage Disposal Unit

Microbial fermentation reduction device process



- ① Insert food wastes
- ② Insert microorganisms, self-proliferation fermentation of microorganisms and decay process
- ③ By-products that can be used as compost, feed, or raw materials by fermenting and incubating food waste (water content less than 40%)
- ④ Discharged water after fermentation and decay process of food waste (solid food effluence rate less than 20/100)

Interview

People making a sustainable journey

① Lotte Duty Free Incheon Airport Distribution Center SCM Team



“We gained the confidence that distribution centers can practice ESG management.”

2,240 solar power panels are installed on the roof of Lotte Duty Free’s 1st Integrated Distribution Center, where planes on the runway are observed in proximity. This interview is on Lotte Duty Free Incheon Airport Distribution Center’s Distribution Team striving to demonstrate that distribution centers can implement ESG management well enough.

Q. What was the reason for constructing solar power panels?

A. Since 2020, the importance of ESG management has been delivered to the company from the head office. After pondering, the members of the distribution center gathered ideas and decided to find ways to take advantage of the large space of our center. One of the ideas was to install solar panels on the roof of the distribution center.

Q. Installation must have been difficult due to the particular condition of the region where the airport is located. How did you solve such difficulties?

A. Because there is an airport nearby and the wind blows hard on Yeongjong Island, we were not sure if the safe installation of solar panels would be possible at first. We also had some misconceptions about solar power encountered in the media. However, we confirmed that solar power technology has improved during the meeting with the facility company and installed solar panels safely in careful consideration of the natural environment of this area and the characteristics of the area adjacent to the airport. Incheon International Airport Corporation also perceived the importance of ESG and actively cooperated. So far, the facility has been working well without problems.

Q. How much electricity can be replenished in the distribution center with the solar power generated here?



A. Solar power facilities installed in the 1st Integrated Distribution Center can produce up to 1,000 kWh per hour, which is enough to replenish most of the electricity used during the day at the logistics center. We will also install these facilities in the second half of 2022 for the 2nd Integrated Distribution Center. Likewise, we expect to produce enough daytime electricity there.

Q. What are some responses of the distribution center members or the positive effects that followed the solar power plant establishment?

A. Our distribution center members like the fact that their idea was reflected. ESG management was difficult at first, but when gathering the ideas of our members, everyone was very positive and active about moving towards an eco-friendly direction. In addition to solar power generation, members have also proposed many ideas to reduce waste and packaging waste generated from the distribution center. So, we are planning to achieve these goals one at a time. By installing the solar power plant, that we had planned and yet did not expect to work at first, the members of the distribution center have become more interested in ESG management and gained the confidence that ‘we can do many things,’ or ‘we can do well.’ And most of all, we now have something to boast about. Neighboring corporate distribution centers visit our center to look at the facility, and we also receive a lot of related inquiries. ESG management is the trend here in Yeongjong Island for sure.

Interview

People making a sustainable journey

② Lotte World Facilities Tech Team



“The duty of protecting the environment for clear skies and clean water is very important for all of us.”

Lotte World is a fantasy world with exciting music and cheerful voices of children riding attractions here and there. In the amusement park that attracts tens of thousands of people a day, some people carefully manage and coordinate temperature, air, and water so the customers can enjoy their time at the park in a pleasant environment. Lotte World Facilities Tech Team is at the forefront of ESG management practice while being responsible for the safety and convenience of customers and the environment.

Q. What does the Facilities Tech Team do?

A. We manage all the facilities of Lotte World. Our job is to ensure that customers can use the amusement park facilities safely and have fun in a pleasant environment. It is also our team’s job to prevent and resolve environmental issues that arise in the operation process.

Q. What kind of environmental issues are there in Lotte World?

A. Because it is a facility used by tens of thousands of people, the park uses a great amount of water and energy, including electricity, and generates much waste. Subtly managed among them are boiler exhaust gas and wastewater.

Q. How do you manage boiler gas?

A. Lotte World uses Liquefied Natural Gas (LNG) boilers for heating and hot water supply. Greenhouse gases and environmental pollutants are inevitably emitted from burning natural gas. Especially, NOx accounts for the largest portion of the effluent gas. While the Ministry of Environment’s standard for NOx emissions is 60ppm, Lotte World keeps the number below 20ppm, for which we replaced the boilers with eco-friendly low NOx boilers. We have also been

using advanced management technologies to reduce the concentration of environmental pollutants in the effluent gas.

Q. How do you manage wastewater?

A. Lotte World uses a lot of water as many people visit the amusement park. Also, several rides in the park use water. Therefore, effective use and management of water are critical tasks. Since its initial construction, Lotte World has been thoroughly managing water by installing a heavy water plant underground. It is a waste of resources to throw away used water. Highly polluted wastewater is inevitably discharged into the sewage system, but the water that can be used after purification is used for toilet and cleaning after cleansing at the heavy water plant. On average, 1,000 tons of water is used after being purified from the heavy water plant, which allows us to save water and costs and reduce environmental pollution.

Q. What is the future ESG plan concerning Lotte World’s facility management?

A. We use a lot of lights and operate a lot of attractions, so we use a lot of electricity. We continuously think about how to efficiently use electricity and expand the use of renewable energy such as solar power. There are still many tasks to resolve, but we are going to take the challenge one by one.

As we learn more about ESG, we increasingly feel the importance of our team’s role since it has always been our job to protect the environment for clear skies, air, and water.





Sustainable Journey

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Building a Better Society Together

Building Society Together

Hotel Lotte seeks for growth with all our stakeholders and creates 'value of being together' by co-existing with the local communities. We fulfill various activities to contribute to the sustainable development of our society.

Hotel Lotte's Representative Welfare System



Hotel Lotte operates various welfare systems for the employees' work-family balance and work-life balance.

There is an organizational culture for a balanced life between work and family, including support for leave before and after childbirth, parental leave, child admission care leave, and flexible work. Also, we strive to foster female talent by providing diversity forums.

We deeply perceive the importance of safety as key to all facility operations and thus create a safe workplace. Regular safety inspections and safety training are conducted, and a safety management system is established based on international standards of ISO22000 and ISO45001 certification.



Hotel Lotte endeavors to grow and co-exist with non-regular workers and members of partner companies.

We strive to provide non-regular workers with the same level of welfare as regular workers, and to ensure that all members, including the operation of commuting buses, work happily and joyfully.

Also, to help the growth and development of partner companies, we provide funds and education to small and medium-sized partners and hold retreats with partner companies to provide a venue for harmony and friendship among members.



Hotel Lotte practices meaningful activities to implement the values of mutual well-being and sharing.

Through the 'Charlotte Volunteer Group', in which labor and management of the group company participate, we regularly practice sharing in the community to fulfill our responsibilities as a social enterprise.

Also, we practice sharing by conducting social contribution activities tailored to the characteristics of each Hotel Lotte division, such as small business support projects, invitation events for experience and sharing, and marine life protection campaigns. To create a sustainable society and good local communities to live in, Hotel Lotte will continue with our authentic social contribution activities.



Human Rights Management

Human Rights Management Policies

Hotel Lotte complies with policies based on principles required by international organizations for human rights and labor, including the UN Guiding Principles on Business and Human Rights, the UN Convention on the Rights of the Child, and the ones required by the International Labor Organization (ILO) to prevent human rights violations across the business.

To respect and protect the dignity of members in all management processes, we review and manage human rights issues and possible risks through committees, management meetings, and working-level meetings of human rights management departments. To create a sustainable working environment with work-life balance, we set up the organizations (Grievance handling committee, department, etc.) responsible for preventing workplace human rights issues and strengthening human rights protection through the remedy process.

Human Rights Training for Members

Hotel Lotte conducts human rights training to stay aware of the respect for human rights of all members and to improve awareness of human rights management. Every year, compulsory training is provided to all members to raise awareness on human rights and develop the ability to actively respond to human rights issues in the workplace.

Establishment of Human Rights Management Principles

In June 2022, Hotel Lotte enacted the 'Hotel Lotte Human Rights Management Principles' as the standard for correct behavior and value judgment that all executives and employees must comply with in the entire management process. All our executives and employees will actively promote and disseminate human rights management principles to model exemplary behaviors.

Human Rights Training

Lotte Group Code of Conduct

Improving awareness of the disabled

Prevention of sexual harassment

Prevention of bullying

Occupational safety and health

Personal information security

Ethical management

Hotel Lotte Human Rights Principle

Respect for Human Rights

Respect all executives and employees as human beings, and strive to prevent any acts that constitute human rights violation.

Freedom of Association

Give all executives and employees sufficient opportunities for communication for sound organizational development.

Fair Work Conditions

Comply with the standards under the labor-related laws of each country and region regarding standard working hours, overtime hours, resting hours, and holidays.

Protection of Customer Human Rights

All executives and employees shall prioritize the protection of customers' lives, health, and property in providing products and services, and endeavor to protect personal information collected through management activities or any other routes.

Prohibition of Forced Labor

Forced labor against any executive or employee is prohibited. Mentally or physically restraining individuals through violence, intimidation, confinement, etc., and holding their private information to enforce unwanted labor is not allowed.

Prohibition of Child Labor

Do not employ children under the age of 15 (or based on the age of children under labor-related laws in each country and region), and the age of all new entrants is verified for this purpose.

Guarantee of Occupational Health and Safety

Consider safety and health of all executives and employees as top priorities and make best efforts to create the best working environment.

Responsible Supply Chain Management

Pursue mutual development underlying equal relationship with the partner companies, support and cooperate for them to practice human rights management.

Prohibition of Discrimination

Recruitment, employment, promotion, education, wages, and benefits are not discriminated against based on one's gender, race, nationality, skin color, age, religion, political beliefs, pregnancy, etc. without reason.

Prohibition of Sexual Harassment and Bullying

All behaviors that cause sexual humiliation in the workplace are prohibited, and all acts of harassment that cause physical and mental pain by taking advantage of the superiority of status or relationship in the workplace are prohibited

Guarantee of Environmental Rights

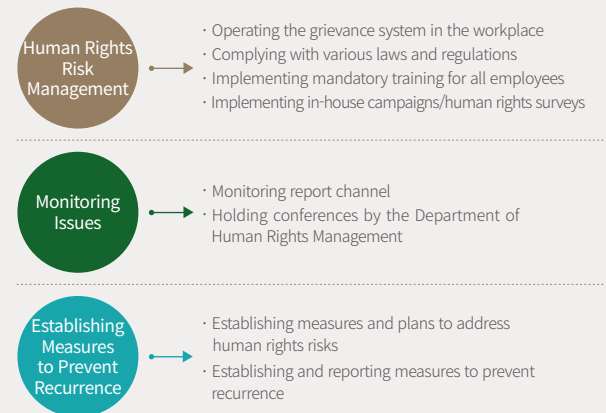
Efforts shall be made to comply with domestic and foreign environmental laws and to achieve carbon neutrality, environmental conservation, and resource circulation.

Stakeholder Human Rights Management System

To protect the human rights of all stakeholders, faithfully implement our human rights management system and process to prevent risks and monitor human rights issues.

Human Rights Impact Management System

Hotel Lotte operates a human rights impact management system to prevent human rights violations or human rights risks in advance. Regular meetings, compulsory education, reporting channel operation, surveys, etc., are conducted at all times to monitor and prevent human rights risks through periodical activities. Also, measures to prevent recurrence are provided through a strict investigation process in cases of human rights issues.



Great Place to Work



Hotel Lotte operates a variety of systems to help employees balance out between work and family, to maintain a work-life balance.

Support for Work-Family Balance

Lotte Hotel's work-family balance policies include support for leave before and after childbirth, parental leave, maternity leave, child admission care leave, work daycare center operation, flexible work, and child scholarship.

Lotte Duty Free guarantees up to 49 months of vacation and leave, including 10 months of unpaid leave before childbirth, one year of extended childcare leave, and one year of leave to take care of children. The parental leave rate for female employees reaches 90%, and everyone has returned. In addition, it operates a paid lactation leave system once a month for up to 12 months of infertility leave and one year after childbirth. Also, all business units must provide one month of parental leave for a male employee whose spouse is giving birth.

Fostering Female Talent

Hotel Lotte aims to foster female talent as leaders by supporting their stay and growth.

Lotte Hotel strives to foster talented women based on the philosophy that 'diversity in the organization greatly affects corporate culture and work performance.' It participates in diversity forums to develop women's talent skills and intends to minimize career breaks for women and foster female managers and executives.

Furthermore, Lotte Duty Free holds the 'Women Leader Mentoring' workshop once a year to foster female leaders by matching female executives in the group with female team leaders at Lotte Duty Free. These efforts resulted in the long average female service years of 14.9.

Supporting Work-Life Balance



Hotel Lotte has a variety of systems to help employees maintain a work-life balance. Lotte Hotel guarantees employees to leave work on time by implementing the PC-OFF system and compensation annual leave. Lotte Duty Free also operates a PC-ON/OFF system, and for a flexible working environment,

it has adopted a time-difference commuting system for headquarters employees and a two-week flexible work system for employees of branches. Also, it conducts a campaign 'L-Fresh' every year to boost the use of annual leave. Autonomous vacation is guaranteed through designation of holidays interspersed with workdays, mandatory use of team leader annual leave once a month, and the Early Duty System (duty-free gift card worth KRW 100,000 given for using 5 consecutive days or 5 annual leaves in the same month).

In addition, Lotte Duty Free operates a professional psychological counseling program, 'Simple' to support counseling services on various topics such as job stress, family concerns, and personal emotions of executives and brand promoters. Due to

these efforts, Lotte Duty Free is recognized as a great company to work with, which has been proven by receiving '2021 Best Leisure-Friendly Company', 'Best Family-Friendly Company', and 'Best Labor-Management Culture Company Certification'.

Lotte Resort started a psychological counseling program in 2021. This program supports executives and employees to relieve their stress through counseling with professional counselors. Furthermore, more than 61% of all executives and employees participated in the online 'Heart Health Diagnosis' program, which began in 2022 and has been operating in popularity.

Lotte World runs various systems to create a great place to work by implementing: a time difference commuting system, working at home, good-bye song, and core working hours, 'I am Here in the World (meeting)', junior board, mandatory paternal leave, club management, and more.

Lotte World: MOU for Work-Life Balance Campaign with the Ministry of Employment and Labor

Lotte World signed a business agreement with the Seoul Eastern Office of the Ministry of Employment and Labor in May 2022 to support the 'Work-Life Balance Campaign' to form a labor culture that enables a work-life balance.

Lotte World offers discounts on tickets for Lotte World Adventure, Aquarium, and Seoul Sky to executives and employees of the companies participating in the Work-Life Balance Campaign.



Safe Workplace



Safety as the Key to Operate Facilities

Safety is the key and fundamental part of operating all facilities. Hotel Lotte is deeply aware of the importance of safety and focuses on creating a physically and institutionally safe workplace for the health and safety of its employees, partners, and customers. We will bolster safety management by preventing and adequately responding to accidents and disasters in accordance with the Act on the Punishment of Serious Disasters.

[Lotte Hotel: Safety Inspection and ISO22000 Certification](#)

Lotte Hotel's Central Facility Control Monitoring Team operates an advanced central control system for customers' safety. Also, the emergency stand-by group operates 24 hours a day, and a fire prevention system has been established, which includes the installation of smoke masks, emergency broadcasting and lighting devices, smoke shutters, sprinklers, gas leakage detectors, and automatic fire detections in all rooms.

In addition, it thoroughly manages customer evacuation facilities in case of an emergency, organize its own fire brigade, and conducts regular fire drills.

Lotte Hotel operates its hygiene and safety management system based on HACCP. It prevents risks by preventing, eliminating, and minimizing the risk elements that are likely to occur, from food inspection to services and managing possible hazards in the process.

It has raised the level of hygiene through monthly hygiene safety training for all employees as well as on-site inspections and verification for hotels across the company. Through these activities, ISO22000 (Food Safety Management System) was obtained in 2012 and has been maintained.

[Lotte Duty Free: ISO45001 Certification](#)

Lotte Duty Free has established and implemented a safety and health management system based on ISO45001 (Safety and Health Management System).

Lotte Duty Free acquired ISO45001 certification in 2019 for eight businesses and logistics centers, including Main DownTown Store, World Tower DownTown Store, and Incheon Airport Store. Lotte Duty Free is the first in the duty-free industry in Korea to obtain ISO45001 certification for all its business sites, including the distribution center.



Lotte Duty Free has strengthened its safety management system at the company level by establishing a safety and health organization composed of dedicated personnel and reorganizing it directly under its CEO. Also, it operates a safety consultative body to prevent safety accidents of partner companies and conducts joint safety inspections with partner companies.

[Lotte World: Finding a Gap Day](#)



[Lotte Resort: Safety and Health Management at Workplaces](#)

Lotte Resort conducts regular safety inspections through specialized companies and operates its safety patrol inspections (once a week) and comprehensive safety inspections (once a month). Along with legal training, special training and job-specific safety training are provided to reinforce the safety consciousness of executives and employees. Special safety training and regular safety and health training are supported for particular types of workers, such as caddies at golf courses.

Also, to prevent safety accidents and reinforce management capabilities, the 'Safety Management Manager System' under the direction of each branch's general manager has been established since 2022.



Reinforcing Member Capabilities



Reinforcement of Member Capabilities for Differentiated Values

Hotel Lotte operates a high-quality and systematic training system throughout the corporation to reinforce the capabilities of members.

[Lotte Hotel: Sustainable Human Resources Development System](#)

Lotte hotel operates a systematic training program centered on Lotte Hotel Service Academy, which opened in 2015. We utilize F&B Lab and Rooms Lab to produce beverage/room experts such as baristas and sommeliers and operate programs to allow these experts to be trained in continuation.

Also, the company has developed a 'Lotte Hotel Signature Service (LHSS) Curriculum' so that all hotels can operate a standardized service training program. Additionally, each hotel chain provides 'Skill-up Training' for services according to the on-site monitoring results.



Lotte Hotel operates a 'Video Training Contents (L-Tube) Program' so that employees can freely develop various capabilities on their own.

[Lotte Duty Free: Roadmap for Self-Development](#)

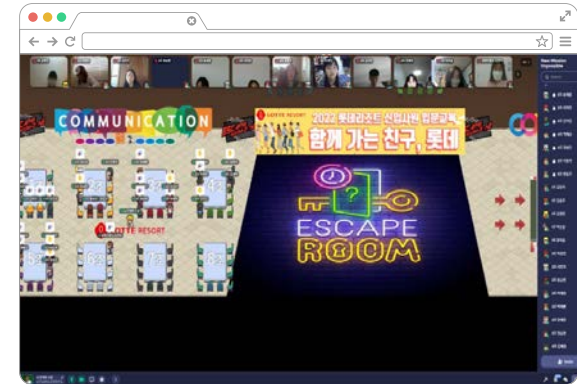
Lotte Duty Free operates a 'Career Change Program' to provide the sales workers on-site with opportunities to transform their jobs through job-trainings if they want office job positions. It also runs training for change in job awareness and re-employment for long-term employees to lead stable lives after retirement.

In the first half of 2022, the company provided job (MD, platform) academy training programs to strengthen the expertise of the personnel for crucial jobs. For the members to adjust to the fast-changing digital era, a digital technology personnel expertise course was newly opened and has been provided. Other than these, support for foreign language and external job trainings has been conducted to provide various opportunities for its members to increase job capabilities and develop themselves.

[Lotte World: Service Level-Up](#)

Lotte World conducts a 'Service Level-Up Process' to provide the best service to customers.

This process is for all field workers at customer contact points and is conducted online due to COVID-19 situations. The training content consists of service strategies and manners required for responding quickly to changeable field situations, such as effective methods of customer response while wearing a mask.



[Lotte Resort: Advancement of Training System](#)

Lotte Resort actively implements service training for coaching leaders (CS), external training system, and training for license acquisition. Since 2022, it has utilized metaverse content for new employees entrance training and introduced the mentoring system to assist with effective job training and quick adjustment.

Furthermore, Lotte Resort develops and provides customized training per the executives' and employees' promotion and growth cycle, encouraging them to fulfill responsibilities and roles in accordance with their growth and promotion.

Supporting Non-Regular Workers and Partner Members



A Company Where All Members Work Happily and Safely

Hotel Lotte strives to provide non-regular workers and partners with a happy, safe, and comfortable working environment.

Lotte Hotel

For non-regular workers (excluding part-timers), Lotte Hotel applies the same level of welfare system as regular workers according to their service years. It provides resting areas and conducts regular labor inspections for partners so workers dispatched from partner companies can work comfortably and safely.



Hotel – Providing a lounge for partner members



Lotte Duty Free

Lotte Duty Free's Incheon Airport Store operates commuter buses to help employees commute to and from a long distance. The commuter buses run in five routes in Seoul (2), Gyeonggi (1), and Incheon (2). The service is provided free of charge for workers including partners' promoters, office workers, executives, and employees.



Lotte World

Lotte World operates a variety of compensation and approval systems for 'cast' who are non-regular workers working closest to customers. When working 4/8/12 months, the corresponding employee receives two invitation tickets and can use Lotte World's five business places freely. Also, Lotte World provides sunscreen, ion drinks, saline glucose, and ice cream for the health and safety of casts who work outdoors for a long time in the summer. Furthermore, regular surveys and meetings are conducted by all casts for the company to understand their difficulties during work and to provide better customer service in a better working environment.

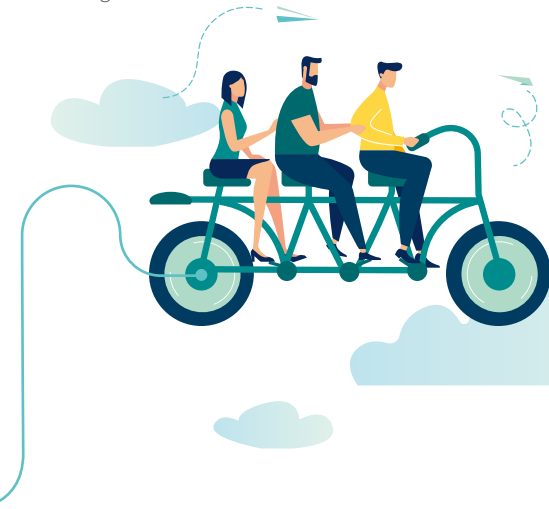


Lotte Resort

Lotte Resort provides the equivalent number of birthday and holiday celebration points (Lotte L.POINT) for both regular and non-regular employees, along with resort accommodation tickets on birthdays and vacation fees during the holiday season.

Lotte Resort also provides online job training to empower its members. It also offers holiday, year-end, and Family Month gifts and accommodation discounts to our partner employees in charge of facility cleaning, food, and safety.

Also, excellent quarterly employees (including non-regular employees and partner employees) are selected for each branch to provide integrated resort accommodation rights as rewards. Other than the regular rewards, special awards are also given to employees who have achieved excellent performances in addition to regular rewards.



Win-Win Cooperation with Partners



Hotel Lotte implements sustainable management values through win-win cooperation on an equal footing with our partners.

Lotte Hotel: Funding and Training Support

Lotte Hotel operates a total of KRW 10 billion in special funds for hotel partners in cooperation with the Industrial Bank of Korea. Its partners can borrow at a lower interest rate than the market rate through the recommendation of Lotte Hotel.

Also, we make early payments for the smooth circulation of funds by our partners during the holidays. Furthermore, Lotte Group's online training contents are shared free of charge to support the development of employees' capabilities.



Lotte Duty Free: Cooperation and Support for Small and Medium-Sized Partners

Lotte Duty Free has obtained the "WE Duty Free" certification from the Seoul Headquarters Customs Office in recognition of its contribution to win-win cooperation with small and medium-sized businesses.

The WE (Win-win Excellent) duty-free shop certification is the first certification system introduced by Seoul Customs in 2021. It aimed to create an atmosphere of voluntary win-win cooperation between the duty-free industry and small and medium-sized businesses and to drive growth in export. Lotte Duty Free operates the 'Blooming Beauty' store that combines small and medium-sized cosmetics brands in Korea. 12 overseas Lotte Duty Free branches are helping them step their feet on foreign markets while supporting marketing activities such as producing promotional videos.

Also, we have created and operated a KRW 50 billion win-win cooperation fund to provide low-interest financial support for our partners. Lotte Duty Free will continue to create a corporate culture that is fair, trusted, and in pursuit of mutual well-being with partner companies.

Lotte World: Finding a Community Partner

Lotte World Adventure Busan's representative ride, 'Giant Splash', splashes a lot of water. Therefore, an increasing number of visitors wear raincoats, and many disposable raincoats are thrown away. Lotte World signed a contract with a new partner in Busan to collect and recycle discarded raincoats. The collected raincoats are dried, processed, and recycled as a plastic PVC piping material.



Lotte Resort: Win-win Cooperation

Lotte Resort holds retreats involving all members, including employees of partner companies working at resorts and golf courses, such as 'One Mind Family Night'(2011~) and 'One Mind Sports Festival'(2013~). Through these events, Lotte Resort prepares a venue for harmony and friendship among members. Lotte Resort Sokcho conducted a work satisfaction survey on guest room maids from partner companies to listen to complaints and derive improvement tasks for a better working environment. Accordingly, the company carried out the improvement activities such as modifying the weight of vacuum cleaners, introducing automated devices, and installing faucets in major maintenance areas.



Creating Future Jobs

Hotel Lotte provides various opportunities and programs for the growth of young people who will lead the future and strives to create new jobs.

Lotte Hotel: Hotel Maker Project

Lotte Hotel has signed a business agreement with the Ministry of Employment and Labor for the 'National Employment Support System: Work Experience Program', providing opportunities for young people interested in finding a job at hotels. Participants in this program can join special training programs designed to foster sommeliers and baristas after completing basic training in the Lotte Hotel Signature Service (LHSS).

In 2022, Lotte Hotel participated in the 'Youth-Friendly Enterprise ESG Support Project' organized by the Ministry of Employment and Labor and conducted the 'Hotel Maker Project'. This project was designed to allow young job seekers who want to work at a hotel to have various and practical experiences such as basic job training, service training, field experience, and team projects. Furthermore, incentives are given to youths who have completed this program if they apply for a job at Lotte Hotel.

Lotte World: Job Experience Program for Youth, <Dream Job>

Lotte World's 'Dream Job' program introduces Lotte World's distinctive occupational groups to adolescents and helps them experience these jobs. Since 2016, about 2,000 adolescents have been introduced to various occupations, such as aquarium aquarists, curators of folk museums, and theme park ride mechanics, and provided with opportunities for field experience. In December 2021, Lotte World completed the re-certification of the 'Institution Conducting Donation for Education and Career Experience' selected by the Ministry of Education. In 2022, it extended the experience programs, additionally introducing the work of theme park performance planners and high-rise building facility managers at Seoul Sky Observatory.



World - 'Dream Job' Program

Lotte Duty Free: STAR★UPS

Lotte Duty Free's 'STAR★UPS' project fosters young entrepreneurs and provides new business solutions tailored to local economic issues. In 2021, a total of 62 companies applied for the STAR★UPS Season 3 which took place for young entrepreneurs in Busan, and 5 companies were finally selected through a 12:1 competition rate. The selected companies were provided with up to KRW 40 million in business expenses and opportunities to participate in the startup incubation program 'L-Camp' run by Lotte Ventures.

Also, Lotte Duty Free signed a business agreement with Busan City, conducted a coaching program at the Busan Creative Economy Innovation Center, and supported companies selected for STAR★UPS to make announcements to attract investment at Busan's representative startup festival, 'BSW Bounce 2021.' As a result of these efforts, the total sales of the five participating companies increased by 47% compared to the year before, creating 19 new jobs.



Lotte Resort: Fostering Talent through Industry Academia Collaboration with Local Universities

Lotte Resort has operated industry-academia collaboration programs with local universities since Jeju Art Villas signed an industry-academia cooperation agreement with Jeju National University in 2013. The list of these universities includes Hyecheon University (2014~), Catholic Kwandong University (2018~), Korea University Of Media Arts (2020~), and Dongseo University (2022~). Students who participated in the industry-academia cooperation program can prepare for employment through the recruitment and field experience of the company they want to enter.

INTERVIEW

CEO Jiyoung Kim
STAR★UPS Season 2 Participant (BLOCALLY Company)



How would you introduce BLOCALLY Company? BLOCALLY Company is a social venture that makes organic cosmetics using local specialties. We have a business model that utilizes local grasses and abandoned ugly agricultural products to make cosmetics and return profits to the region.

How did you get help by participating in the Lotte Duty Free STAR★UPS program? I went to Jeju for the first time through the Lotte Duty Free STAR★UPS program. Our company's biggest goal is to expand local lines across the country. In this regard, it was an opportunity to study Jeju properly. Jeju Island has a lot of characteristic regional infrastructure and abundant resources. It is also an excellent area to brand local stories to consumers, which has been a great help to our company in developing and expanding new products.

What differentiates the Lotte Duty Free STAR★UPS program as a start-up support program? Lotte Duty Free has a strong distribution line, which greatly benefits new cosmetic companies like us. It was also beneficial in the marketing aspect that Lotte Duty Free supported our company. Many young entrepreneurs try to make environmentally and socially better cosmetics. For them, Active leads of support from the cosmetics industry's big hands, like Lotte Duty Free, will be of significant help.

Social Contribution

Hotel Lotte with Local Communities

Each division of Hotel Lotte strives to create a community that is happy and great to live in by utilizing the strengths and characteristics of the company.



Lotte Hotel: Charlotte Volunteer Group Operation and Support for Social Welfare Facilities

Lotte Hotel operates Charlotte Volunteer Group composed of voluntary participation of executives and employees. Since 2015, the Charlotte Volunteer Group has formed an alliance with local welfare facilities and has been actively carrying out the 'Hope & Dream Place' program to support cafes and bakeries in social welfare facilities.

Starting with supporting the first Happy Bakery store in Shinawon, a social welfare corporation located in Songpa-gu, Seoul, Lotte Hotel currently supports 10 social welfare facility stores nationwide, in Seoul, Gyeonggi, Daejeon, Busan, Ulsan, and Jeju. Also, various social contribution programs are being conducted, including the 'Dream Program', where adolescents dreaming of becoming hoteliers can experience hotel service training, and 'Mom Comfortable' activity facilitating volunteer work for single-parent families.



Lotte Duty Free: 'CHEER♥UPS' for Small Business Owners in Local Communities

The representative social contribution program of Lotte Duty Free, 'Cheer♥Ups', is a project to support small business owners in the community. Starting with 'Nakhyang Food' in 2018, the program supported foreign language menu production and management consulting, and changed its name to 'CHEER♥UPS' in 2021, extending its scope of support to overall restaurant management consulting, including marketing and promotion consulting, rebranding, and menu development.

A total of 62 restaurants have grown so far through the Lotte Duty Free CHEER♥UPS program, and 40 restaurants in Incheon have been selected as the 'CHEER♥UPS Season 2' participants in 2022 with consulting provided. The CHEER♥UPS Season 2 program provides necessary support to restaurant workers, such as 1:1 customized consulting, in preparation for the inflow of foreign tourists and revitalization of tourism after the end of COVID-19. Also, Lotte Duty Free selected CHEER♥LOVE Season 1 participants who are college students to promote and support the CHEER♥UPS projects through SNS.



Lotte World: Marine Life Protection Campaign

Lotte World Aquarium continuously carries out the 'Protect the Sea' campaign to raise awareness of the conservation of endangered marine life. The protection campaign consists of exhibitions and participation programs and aims to convey the importance of preserving the marine ecosystem beyond just providing displays. Customers can learn marine life protection activities that can be practiced naturally in their daily lives.

In 2022, a special exhibition with the themes of Coral, 'Sea-Stories', and 'Sea Horses' took place to inform changes in the ecosystem increasingly destroyed by human's indiscriminate consumption and pollution. In particular, Soft Coral informed the problem of gradually disappearing colonies due to rising water temperatures and the inflow of pollutants due to global warming and conveyed that it plays an essential role in the marine ecosystem as a guardian of the sea.

Lotte Resort: Sharing Love in Community

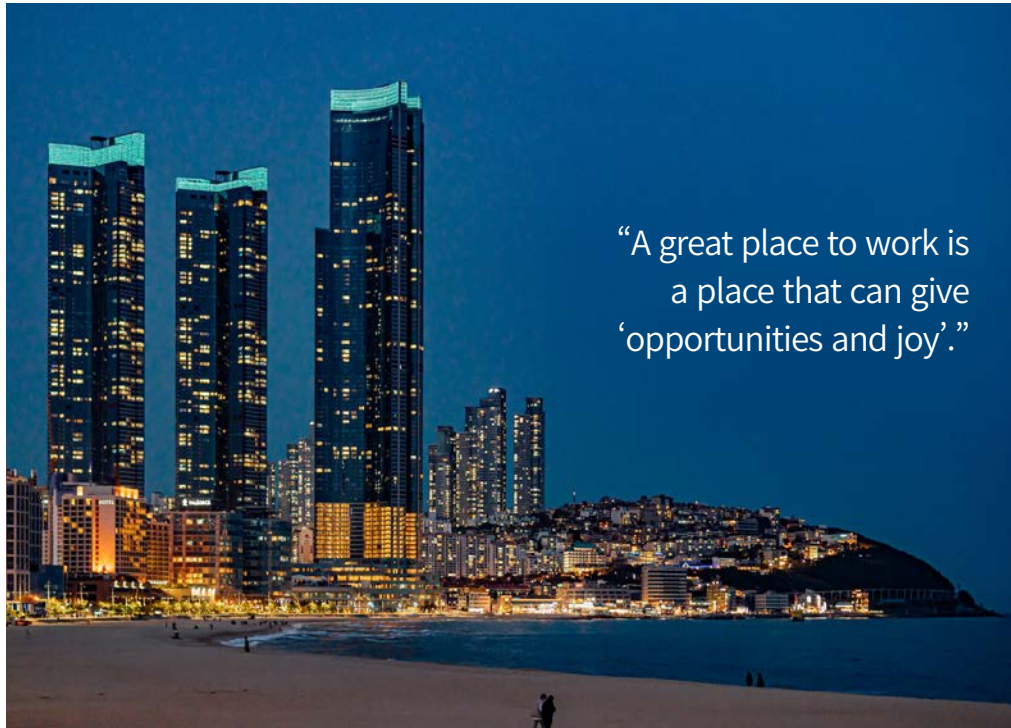
Since 2012, Lotte Resort has been hosting the 'Sharing Love Invitation Event', inviting children from local child welfare facilities to present fun games at resorts and golf courses. Children invited to the event eat at restaurants located in resorts and golf courses and enjoy playing in the water park, and experience golf putting.

Lotte Resort pursues mutual well-being with the local communities by introducing local restaurants and tourist attractions through the web magazine, 'Travel:brary', purchasing coupons that can be used in the region for customer events or for launching packages.

Interview

People making a sustainable journey

① **Hyunmi Bae**, General Manager of Signiel Busan



We met the General Manager of Signiel Busan, Hyunmi Bae, who claims hotel as her companion and life, at Signiel Busan where it has Haeundae Beach for the front yard. We interviewed her on ‘A Great Hotel to Work’.

Q. What are the advantages and disadvantages of a hotel as a workplace?

A. A hotel is a place where customers come from a broad spectrum. For me, the greatest advantage of this job is that I can meet various people and indirectly experience their lives. It is an extraordinary experience to communicate with a wide variety of customers using our facilities and services. Sometimes, the experience of learning from the lives of these customers becomes an opportunity for self-reflection. The downside might be the stress caused while providing services. There are some difficulties, but I think it is a part of building experience as a hotelier.

Q. What is your thought on a ‘Great Place to Work?’

A. That’s a difficult question to answer. Each member of the company will have a different standard. Looking back on my work life from a personal point of view, I thought, ‘I was right to work in this company’ when I sensed the ‘opportunity to grow’ and ‘the joy of working’. 30 years ago, when I first started working, the societal atmosphere was much different from now. It was common for a woman to quit her job after getting married or going through pregnancy. Witnessing my respected seniors, who worked very hard, leaving the company for these reasons, I thought, ‘Are there no opportunities for us (women)?’ But society has changed a lot by now. There are more opportunities for women as ‘talented women’ have become important in society and the CEO’s management philosophy emphasizes the need to foster their talent. The ‘Diversity Committee’ was formed in the company, and a plenty of ideas were shared to create a great company for women to work. With the ideas becoming reality one by one, our hotel has earned the reputation of a great place for women to work in the hotel industry. And to use these opportunities as a growth engine, good teamwork is essential.

Due to the nature of the hotel, perfect harmony is required from different teams to serve the customers properly. Great harmony is based on your happiness, as it is impossible to make good harmony, frowning and disliking each other. We as individuals and a team achieve growth through the experience of encouraging each other and cooperating even in difficult situations to make good services and good results.

Q. What should Lotte Hotel do to make a better place to work?

A. The hotel’s future is the MZ generation which carries many advantages. For Lotte Hotel to become a great place to work for the MZ generation and for the MZ generation to grow into excellent hoteliers, we should give them more opportunities and conduct more new experiments to benefit the strengths of the MZ generation. Following old ways can be necessary sometimes, but the lifestyle of people is changing, and MZ generation customers are increasing.

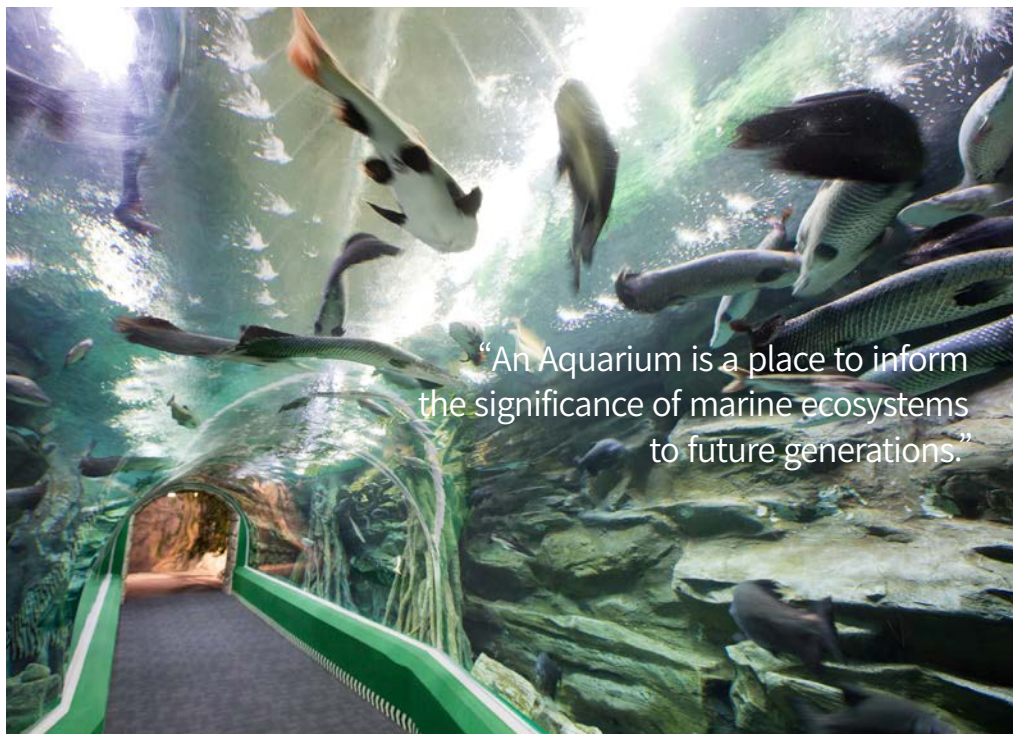


New and diverse perspectives are required to create a new type of hotel with services that can accommodate this change. There should be sufficient opportunities and institutional support to recruit members with various characteristics, perspectives, experiences, and ideas and to manifest their diverse traits for advantage. Once these are accomplished, I am confident that Lotte Hotel will be the best hotel in the world as well as the best place to work.

Interview

People making a sustainable journey

② **Jiyun Jung**, Chief of Marine Science Research Center at Lotte World Aquarium



An aquarium does not confine its roles to display marine life but conducts various activities, including research and education, to conserve the marine ecosystem. Let's hear about it from Jiyun Jung, the Chief of Marine Science Research Center at Lotte World Aquarium.

Q. Can you describe the importance of marine ecosystem conservation?

A. People already know the importance of the forest. They think it will be very unfortunate if the forests disappear, and environmental groups perform a lot of forest conservation activities. However, there are forests in the sea as well – A coral forest. Recently, coral forests around the world, not to mention Korea, are disappearing very quickly due to environmental pollution and rising water temperatures. When coral forests disappear, many marine life habitats are also lost and a lot of marine life can disappear. Marine life being a very important food resource, and coral reefs protecting marine ships, human survival may be difficult unless the marine ecosystem is conserved.

Q. What does Lotte World Aquarium do to conserve the marine ecosystem?

A. The aquarium used to be a place to catch and display fish. However, it plays a bigger role as an underwater ecosystem research and education institution, aside from continuing with the display. In fact, Lotte World Aquarium is an ‘out-of-habitation conservation institution’ and a ‘marine animal rescue treatment institution’ designated by the Ministry of Oceans and Fisheries. It is also a ‘Seoul Student Learning Center’ designated by the Seoul Metropolitan Office of Education. To give you an example, the ‘Clownfish’ taking a main role in the animation, ‘Finding Nemo’

is very popular as an aquarium fish. If we catch clownfish in the tropical sea, the population decrease, and coral reefs are also damaged in the process. With this in mind, we are conducting research on clownfish breeding. We have reproduced all the clownfish on display and continue to study the reproduction and conservation of creatures such as scarce ‘Sea Horses’. And when natural treasures such as ‘Largha seals’ are injured, washed ashore, or caught in nets, we send professional personnel to support rescue and treatment.

Q. What is a popular educational program at Lotte World Aquarium?

A. The most popular program is ‘Veterinary Experience, Rescue for Seals’, where children act as veterinarians assuming that the seal swallowed a plastic straw and became sick. There have been many reviews on this program by parents saying that children do not use plastic straws at home afterward. Such shows that it is better to allow children to experience why using plastic straws is bad for the environment rather than telling them 100 times. The second popular program is the middle school and high school career experience program. About 1,500 students participate a year. Since there are few opportunities to experience sea or marine life in Seoul, we also operate a program in cooperation with the Seoul Metropolitan Office of Education. This program informs middle and high school students about the importance of preserving the marine ecosystem and related jobs. Also, many veterinary students from universities come to practice. Aquariums are the only places people can observe marine animals worldwide and the aquarium's medical treatment applied to them.

Q. What should we do to conserve the marine ecosystem?

A. Since we cannot look inside the water or sea, less interest or preservation efforts are given to the marine ecosystem compared to the land environment. I hope more people recognize the apparent fact that the survival of humanity is threatened if the ocean, which accounts for larger areas compared to the land on Earth, is polluted, and more actively perform protection activities for the marine environment. I also hope companies provide more support for marine ecosystem preservation activities at the ESG management level. Lotte World Aquarium will work harder on this, too.



Sustainable Journey

CUSTOMER VALUE

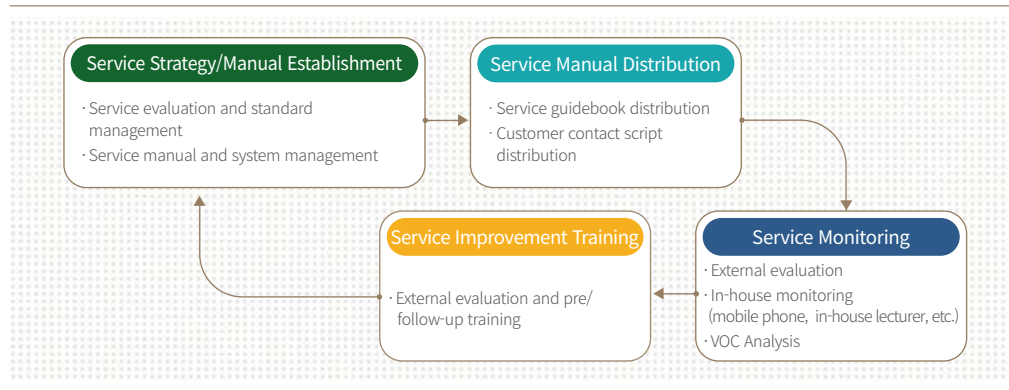
Customer Service Improvement	43
Protecting Customer Information	44
Sustainable Hospitality	45
Sustainable Enjoyment	46



Customer Service Improvement

Customer Service Standard Process and Management

Hotel Lotte operates a service improvement process in consideration of issues by customer contact point to set and manage service standards. Standards for service frequently reflect changes in business procedures, changes in relevant laws, customer satisfaction survey results, and VOC analysis results for each central customer contact point.



Customer Satisfaction Survey

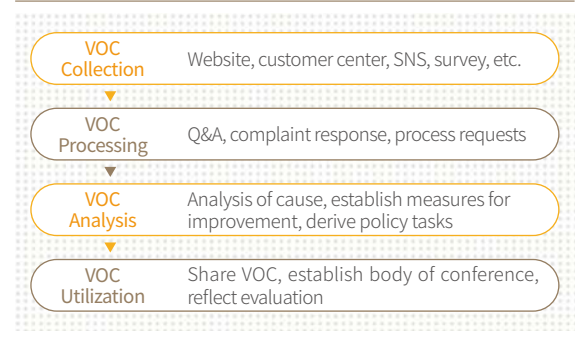
Hotel Lotte analyzes service satisfaction by consumer type by conducting regular service quality surveys and customer satisfaction surveys by reliable external research institutions. Customer feedback from the satisfaction survey is considered to improve and develop products and services.

- ① **Activating participation in CS activities:** Using employee communication boards (compliments, comments, Q&A, etc.)
- ② **Finding and sharing best practices for services:** Customer satisfaction activity essay contest, reward system operation, etc.

Activating Customer Communication

Hotel Lotte has increased customer satisfaction by listening to customers' opinion through Voice of Customer (VOC) channels and improving complaints with quick feedback.

VOC Process



Customer Satisfaction Certifications

- KS-SQI**
 - Lotte Hotel**
 - 2021 Korean Standard Service Quality Index Hotel Division No. 1 for 9 consecutive years
 - 2021 Business Hotel Division No.1 for 5 consecutive years
- NCSI**
 - Lotte Hotel**
 - 2021 National Customer Satisfaction Index Hotel Division No. 1 for 4 consecutive years
 - Lotte Duty Free**
 - 2019 National Customer Satisfaction Index Duty-Free Division No.1 for 3 consecutive years
- Korea Service Grand Prix**
 - Lotte Hotel**
 - 2020 Korea Service Grand Prix Hall of Fame
 - Lotte World**
 - 2017 Korea Service Grand Prix Hall of Fame
- GCSSI**
 - Lotte Duty Free**
 - 2019 Global Customer Satisfaction No.1 for 9 consecutive years
- Travellers' Choice**
 - Lotte Hotel**
 - 2022 Seoul Hotel Traveler's Choice 'No.1 Among Korea's Top 25 Hotels'
 - 2022 Lotte Hotel Hanoi Traveler's Choice 'No.1 Among Vietnam's Top 25 Hotels'

Lotte Hotel: LCS Audit Integrated Management and Professional Service Training

To provide differentiated experiences to customers, Lotte Hotel reorganized its CS (Customer Satisfaction) department into CX (Customer Experience) and established the global top-level service system, focusing on major items that affect customer satisfaction, such as service, hygiene, safety, information protection, and environment.

Specifically, it operates a customer care dashboard that measures and shares the level of satisfaction within the VOC and customer service processes within the CS platform 'Lotte Hotel CS Index'. It has established a system to improve the service immediately by analyzing the hotel's ratings, NPS, and customer comments received in real-time and sharing them with hotels across the network.

Also, employees who receive excellent customer comments are selected as 'CS Star' every month and rewarded to motivate service improvement. Furthermore, the company trains job specialists such as sommeliers, baristas, and mixologists through signature service education programs. In addition, the Wadi Club, under the supervision of the CEO, was established to help sommeliers grow into professional human resources by encountering and researching wines of different kinds.

Lotte Duty Free: Customer-Oriented Management

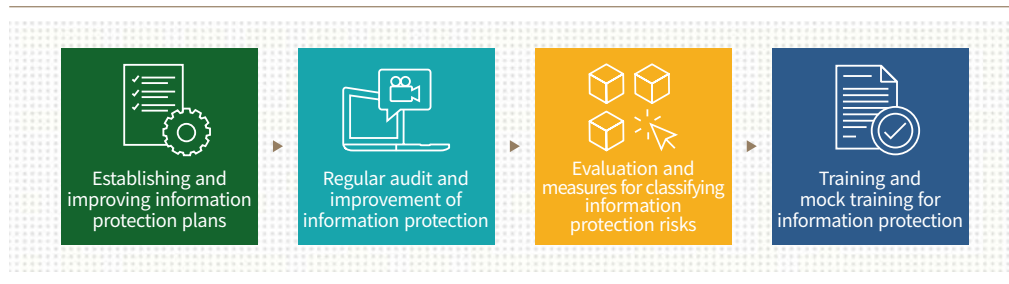
Lotte Duty Free actively reflects the voices of customers in service improvement through the VOC Field Council. It has developed a systematic and specific customer service manual to reinforce service competitiveness in customer safety, information protection, and complaint process. The company has increased customer satisfaction through a customer-oriented service operation system. It also focused on enhancing customer service by expanding the telephone counseling reservation system, upgrading chat counseling, and introducing counseling satisfaction surveys. Lotte Duty Free's Myeong-dong Main Store, Lotte Duty Free Busan Store, and Lotte Duty Free Jeju Store have obtained Customer-Centered Management (CCM) certification twice in a row since 2019. CCM certification is achieved through evaluation of the Korea Consumer Agency and certification of the Fair Trade Commission.

Protecting Customer Information

Principles for Information Security

As a global leading company, Hotel Lotte is deeply aware of the fact that activities to protect information are essential in building sincere relationships with customers and implementing sustainable service value. Accordingly, we handle customer information safely and actively respond to threats upon information security through: information security-related activities such as the presentation of information security guidelines, operation of an organization that conducts information protection, operation of CISO(Chief Information Security Officer)/CPO (Chief Privacy Officer) working group, training for members, and certification.

Operational Process of Information Security



Response to Information Breach



Hotel Lotte has established and operated an information breach response system to quickly respond to information security accidents. Also, we actively respond to information breaches through information protection crisis management activities, such as implementation of information security measures, inspection of security measures, and system improvement.

Framework of Information Security System

	Policy Establishment	Establishing Organizations	Acquiring Expertise	
Administrative Protection Measures	<ul style="list-style-type: none"> Information Security Policy Management/physical/technical operation guideline Personal information guideline Information system security management 	<ul style="list-style-type: none"> CISO/CPO Information Security Organization and Committee operation 	<ul style="list-style-type: none"> Information Security Policy Management/physical/technical operation guideline Personal information guideline Information system security management 	Information protection certification
Technical Protection	<ul style="list-style-type: none"> IPS/SHELL Monitoring Vaccine/EDR 	<ul style="list-style-type: none"> Firewall/Web Firewall DLR 	<ul style="list-style-type: none"> NW Access Control Anti-ransomware 	
Physical Protection	<ul style="list-style-type: none"> Designate Control Area 	<ul style="list-style-type: none"> Access Control 	<ul style="list-style-type: none"> CCTV 	
	Security Control			Cooperation through consortium with external specialized institutions
	Monitoring			

Information Security Training and Activities

Hotel Lotte provides training customized by job characteristics to make all members aware of the importance of information security. Also, we operate mandatory training courses for information security personnel to improve their security expertise. We enhance our members' awareness of the need for information protection and the ability to respond against it through campaigns and mock training on security accidents.

Autonomous Disclosure of Information Security

Hotel Lotte voluntarily disclosed corporate information security to the KISA (Korea Internet & Security Agency Information Security Public Notice) under the Information Security Industry Promotion Act, Enforcement Decree, and related notices. We disclosed each division's data on the followings: information protection investment status, information security personnel status, information protection certification/evaluation/inspection and activities for information and communication service users.

Information Security Certification

Hotel Lotte has obtained information protection certification and has been verified for information protection stability every year. Lotte Duty Free acquired ISO27001 (Information Protection Management System) certification and ISO27701 (International Personal Information Security Management System) certification from the British Standards Institution (BSI) for the first time in the duty-free industry. It also obtained ISMS-P (Personal Information & Information Security Management System) certification from the Korea Internet & Security Agency and PCI-DSS certification, an international security standard for the payment card industry, established to prevent the threat of credit card information leakage. As a result, Lotte Duty Free has acquired all major security certifications considered credible in Korea and abroad and proven reliable for customer information protection and service.



Sustainable Hospitality

Providing Customer Value through Sustainable Hospitality

Hotel Lotte aims to provide sustainable customer value by increasing products and services containing eco-friendly and social values.

Lotte Hotel: Grey Card System

Lotte hotel implements Grey Card System as part of its **Re:think** environmental campaign. Grey Card is a service of replacing bedding and towels only in case customers place the grey card on beds during their stay.

Lotte Hotel created the system to minimize environmental pollution when washing the bedding and encourage customer participation in environmental protection. Once the Grey Card System shows a successful implementation, the company is expected to save up to 420 tons of carbon emissions annually.



Lotte Duty Free: CHEER UP, EARTH

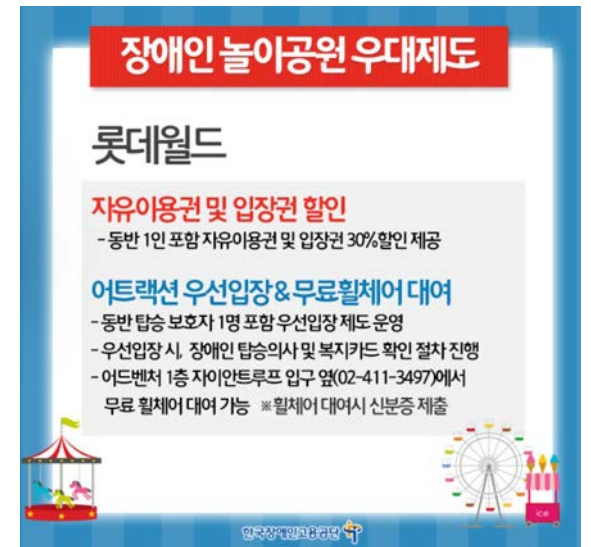
In celebration of Earth Day on April 22, Lotte Internet Duty Free held an event opening an eco-friendly product zone consisting of eco-friendly material products and recycling products. Many domestic and foreign brands participated, covering makeup, skincare, hair, body products, fashion categories, and more.



In May 2022, Lotte Duty Free introduced vegan cosmetics manufactured using only eco-friendly ingredients without going through animal experiments at LDF-BUY, an online shopping mall for overseas products. Following brands participated therein: 'Grown Alchemist', which received 'Cruelty Free (No harm to animals) Certification' from 'PETA', an animal rights protection group, and 'Hunter Lab', certified by the FSC (Forest Stewardship Council) for eco-friendly cosmetics containers.

Lotte World: Priority Admission System for Persons with Disabilities

Article 24-2 of the Act on the Prohibition of Discrimination Against Persons with Disabilities prohibits discrimination against participation in tourism activities. It mandates the provision of legitimate convenience for the disabled to participate in tourism activities. Lotte World implements various convenience systems so that disabled customers can use the facilities conveniently. It provides a 'Priority Admission System for Attractions' for disabled guests who have difficulties waiting in a single spot for a long time, a representative service of Lotte World's sustainable hospitality. Lotte World Adventure, Lotte World Adventure Busan, and Lotte Water Park operate the system. By presenting a welfare card, a person with a disability and an accompanying guardian can use the attraction first.



Sustainable Enjoyment

Sharing Customer Value through Sustainable Enjoyment

Hotel Lotte considers and practices ways to create sustainable happiness while thinking about the environment and society.



Lotte Hotel: Green Traveler's Guide

Lotte Hotel deeply sympathizes with the seriousness of the greenhouse gas problem and strives to lead sustainable tourism business with eco-friendly services.

In 2021, the Ministry of Environment signed a 'Business Agreement for the Spread of Carbon-Neutral Living Practices' and produced and distributed 'Green Traveler's Guide' to introduce carbon-saving activities that can be carried out with customers.

The 'Green Traveler's Guide' provides simple and reasonable practices for customers to reduce carbon footprint while traveling by dividing them into 'a step to reduce carbon', 'a step to reduce disposable items', and 'a step to save energy'.

➤ [Go to the Homepage URL for reference](#)

Green Traveler's Guide
Lotte Hotel sustainable Management
[Lotte Hotels & Resorts (lottehotel.com)]



Lotte Duty Free, Resort: Plogging Campaign

Lotte Duty Free held a sharing event of plogging to celebrate Environment Day in 2022. Many customers practiced plogging in various places, and Lotte Duty Free Incheon Airport Branch conducted plogging around Mongyudo Beach, Busan Branch near Gwangalli Beach, and Jeju Branch near the business site. Lotte Resort has also been conducting a Plogging Day campaign once a month since 2019.



Lotte World: Installation of Recycling Bins, Drink-Only Bins

Lotte World installed recycling bins and drink-only bins in the park. Thereby, customers can more easily separate and discharge garbage, and the system has increased the waste recycling rate.

Lotte Resort: Recycling by Each Floor

Lotte Resort facilitates a separate recycling space on each floor from the designing phase of building construction. It encourages environmental protection activities for the customers by creating an environment where they can separately discharge waste and waste resources generated during travel.

Lotte Duty Free: Duty4Earth Walking Donation Campaign

Lotte Duty Free conducted the 'Duty4Earth Walking Donation Campaign', a participatory donation challenge, for a month in November 2021 to save energy and practice carbon neutrality. The campaign was carried out by Lotte Duty Free, donating 10 million KRW if the cumulative number of steps by participants reached 1 billion steps. Around 30,000 people, including its customers, executives, and employees, gathered 2 billion steps, which is twice the original goal.

The donation proceeds produced 'Beautiful Sharing Packages' consisting of cold weather supplies, groceries, and nutrients. These were delivered to 100 families vulnerable to the climate crisis, including elderly living alone and skipped-generation households in regions where the company stores are in Seoul, Incheon, Busan, and Jeju.





Sustainable Journey

GOVERNANCE

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Ethics & Compliance Management

Ethics & Compliance Management System



Ethics and Compliance Management Policies

Hotel Lotte aims to achieve sustainable growth and development by fulfilling corporate social responsibilities and gaining the trust of stakeholders.

To this end, we have prepared a Code of Conduct, guidelines for preventing corruption, and a compliance management system to present the correct value judgment and behavioral standards for our members.

The Code of Conduct provides a pattern of behavior to build trust in relationships with stakeholders, including customers, employees, partners, shareholders, and society. We also strive to develop into the best company standing with customers, in pursuit of a fair and transparent corporate culture and sustainable management, by setting behavioral guidelines for all members to prevent corruption and bribery.

Hotel Lotte's Code of Conduct

Hotel Lotte established the Code of Conduct and has shared it with all employees and stakeholders to set the right standards for behavior and value judgment for all members and to lay the foundation for ethical management activities.

We also operate related internal regulations and systems based on Hotel Lotte's Code of Conduct.

Trust with Customers	<ul style="list-style-type: none"> - Respect customers - Customer satisfaction - Customer's trust
Trust with Executives and Employees	<ul style="list-style-type: none"> - Compliance with norms - Sincere performance of one's duties - Self-improvement - Mutual respect - Company assets and information protection - Establishment of labor-management relations
Trust with Partners	<ul style="list-style-type: none"> - Fair trade - Pursuit of mutual development - Prohibition of unethical conduct to partner companies
Trust with Shareholders	<ul style="list-style-type: none"> - Increase of shareholder value - Preventing conflict of interest - Increase of transparent accounting - No insider dealing - Listening to minority shareholders and protecting their rights
Trust with Society	<ul style="list-style-type: none"> - Sound business activities - Social contribution - Environmental protection - Respecting diversity - Safety management and preventing accidents

Hotel Lotte Whistleblower System

Hotel Lotte operates an ethical management reporting channel open to anyone for 365 days to prevent and resolve ethical problems. Hotel Lotte also operates an informant security system that allows informants to report confidentially without any disadvantages.

The informants and reports are strictly managed confidentially, and the reporting system is operated as a safe information security system. A limited number of people manage the reported content to ensure that security is thoroughly maintained and information leakage is subject to disciplinary action according to regulations.

Subject for Reporting to Whistleblower System

- 01 • Bribery, money transaction, entertainment
- 02 • Embezzlement and theft of public funds
- 03 • Violence and verbal abuse
- 04 • Misconduct by executives and employees
- 05 • Unfair collaborative actions and unfair trade practices
- 06 • Violations of Subcontracting Act
- 07 • Violation of Fair Trade-related Act
- 08 • Other unethical acts

Lotte Duty Free: Demonstration of Ethical Management through ISO37001 Certification

Based on efforts for ethical management, Lotte Duty Free obtained the certification of ISO37000, the international standard for an anti-corruption management system, for the first time in the duty-free industry in November 2021 and has maintained it since then.

ISO37001 is the most prestigious international standard certification in the field of anti-corruption management established by the International Organization for Standardization (ISO) and specifies requirements for the prevention and systematic control of possible bribery risks during the operation of a company.

Operation of the Board of Directors

Hotel Lotte practices responsible management centered on the Board of Directors. The Board of Directors decides on matters prescribed by statutes or articles of association, matters delegated by the general shareholders' meeting, basic policies of the company's management, and major matters concerning business execution. Hotel Lotte forms the Board of Directors based on transparency, fairness, and diversity, and strives to promote the rights and interests of stakeholders, enhance corporate value, and sustainable development.

Hotel Lotte has articles of association and the Board regulations. The Board regulations specifically stipulate its authority, responsibility, and operating procedures. For the professionalism and fairness of the Board of Directors, four specialized committees (Transparent Management Committee, Compensation Committee, Outside Director Candidate Recommendation Committee, and Audit Committee) are organized and operated under the Board of Directors. In accordance with the Board of Directors' regulations, regular board meeting is held at least once a quarter, and temporary board meeting is held from time to time depending on cases.

Candidates for the Board of Directors are appointed on the principles of professionalism, diversity, and independence. Directors are appointed at the general shareholders' meeting.



The Board of Directors and the Outside Director Candidate Recommendation Committee select the director candidates to be appointed at the general shareholders' meeting. Their appointment is confirmed as a proposal to be submitted to the general shareholders' meeting. The Board of Directors consists of inside directors who are corporate management experts and outside directors who are financial, legal, and management experts with industrial-related histories. The objective supervisory function of the Board is secured through the varying perspectives of the individuals selected through the process. We also ensure the independence of the members for the Board to oversee the company's business executions with objectivity.

Status of the Board of Directors

Classification	Name	Position	Specialization	Key Experience	Tenure
Inside Director	Seijin Ahn	CEO, Chairman of BOD	Management	(Former) CEO of Nolbu, Managing director of LS Group	Jan. 21, 2022 ~ Mar. 25, 2024
Inside Director	Kap lee	CEO	Management	(Former) CEO of Daehong Corp, Managing Director of Lotte Shopping Policy HQ Management Division	Mar. 26, 2021 ~ Mar. 24, 2023
Inside Director	Honghoon Choi	CEO	Management	(Former) Lotte World Head of Management Planning Division, Head of Sales Division	Mar. 25, 2022 ~ Mar. 25, 2024
Inside Director	Weonseok Ko	Director	Management	(Former) Lotte Resort General Manager	Mar. 25, 2022 ~ Mar. 25, 2024
Inside Director	Jonghwan Lee	Director	Management	(Former) Lotte Duty Free Global Business Headquarters, Korea Business Headquarters	Jan. 21, 2022 ~ Mar. 25, 2024
Outside Director	Hyunhan Shin	Director	Economics, Finance, Management	(Former) executive director of the Korean Management Association, member of the Securities Business License Review and Assessment Committee of the Financial Supervisory Service, and director of the Korean Securities Association	Mar. 25, 2022 ~ Mar. 25, 2024
Outside Director	Jongyul Kim	Director	Industry-relevant	(Former) Deputy Director General of Ministry of Culture, Sports and Tourism	Mar. 26, 2021 ~ Mar. 24, 2023
Outside Director	Seonjong Yoo	Director	Real-estate/appraisal	Professor of Real Estate Department at Konkuk University, (Former) Non-executive director of Korea Appraisal Board	Mar. 26, 2021 ~ Mar. 24, 2023
Outside Director	Yeongju Lee	Director	Domestic/Foreign Law	(Former) vice president of Judicial Research and Training Institute, Chief Prosecutor of the Prosecution Office	Mar. 26, 2021 ~ Mar. 24, 2023
Outside Director	Younghyun Choi	Director	Government experience	(Former) Deputy Director General of Ministry of Health and Welfare, Presidential secretary for Health and Welfare	Mar. 26, 2021 ~ Mar. 24, 2023
Non-executive Director	Seungwook Kim	Director	Finance/Accounting	General Manager of Lotte Holding Management Innovation Team	Mar. 26, 2021 ~ Mar. 24, 2023

Board Composition

The Board of Directors	
Transparent Management Committee	Compensation Committee
<p>Purpose Strengthen the company's internal control over transactions with affiliates and related parties</p> <p>Key Authority</p> <ul style="list-style-type: none"> ① Review and approve internal transactions ② If necessary, request the company to submit and report related data, such as the main contents of relevant project, contract method and standards for selecting counterparty, and detailed transaction conditions 	<p>Purpose Strengthen management transparency and compliance by determining executive remuneration through compensation committee</p> <p>Key Authority</p> <ul style="list-style-type: none"> ① Limit remuneration for registered directors to be submitted to the general shareholders' meeting ② Approval of individual remuneration by registered directors (including bonuses) ③ Other matters delegated by the Board of Directors
Outside Director Candidate Recommendation Committee	Audit Committee
<p>Purpose Improve corporate governance, strengthen the Board of Directors' capabilities, and enhance management transparency through fair selection of candidates for outside directors by recommending optimal outside directors</p> <p>Key Authority Recommendation of candidates for outside directors to be appointed at the general shareholders' meeting</p>	<p>Purpose Conduct an independent and objective evaluation of the adequacy and effectiveness of internal control policies and systems</p> <p>Key Authority</p> <ul style="list-style-type: none"> ① Audit procedures and audit results of accounting-related documents, such as financial statements, and accounting firms ② Review of the operational status of the internal accounting management system ③ Conduct occasional and regular audits

ESG Key Performances

[ESG FACT BOOK & APPENDIX]

ESG Fact Book

Classification	Index	Unit	Corporation	Hotel	Duty Free	World	Resort
Environment	Total Greenhouse Gas Emissions	tCO ₂ eq	138,062	78,294	11,445	29,294	19,029
	Scope 1 Emissions	tCO ₂ eq	39,485	25,395	1,389	5,027	7,674
	Scope 2 Emissions	tCO ₂ eq	98,577	52,899	10,056	24,267	11,355
	Total Energy Consumption	TJ	2,812	1,603	225	600	384
	Direct Energy Consumption	TJ	744	491	14	93	146
	Indirect Energy Consumption	TJ	2,068	1,112	211	507	237
	Total Energy Consumption Reduction	TJ	37	37	-	-	-
	Renewable Energy Use Rate	%	0.1	0.1	0.3	-	-
	NOx Emissions	Ton	11	9	-	2	-
	SOx Emissions	Ton	4	4	-	-	-
	Dust Emissions	Ton	0.5	0.5	-	-	-
	VOC Emissions	Ton	-	-	-	-	-
	Total Water Intake	Ton	3,021,568	1,357,249	60,782	643,643	959,894
	Water Recycling Rate	Ton	140,588	25,827	13,379	101,218	164
	COD Emissions	Ton	0.2	0.2	-	-	-
	BOD Emissions	Ton	62.4	62.4	-	-	-
	SS Emissions	Ton	0.2	0.2	-	-	-
	Total Waste Emissions	Ton	19,690	6,162	7,883	5,156	489
	Total Waste Recycled	Ton	5,653	1,327	3,138	984	204
	Waste Recycling Rate	%	28.7	21.5	39.8	19.1	41.7

* Counting measures per business division differ for some of the indices

ESG Key Performances

[ESG FACT BOOK & APPENDIX]

ESG Fact Book

Classification	Index	Unit	Corporation	Hotel	Duty Free	World	Resort
Social	Total Members ¹⁾	Person	4,782	2,592	911	1,000	279
	Type of Employment – Regular Workers	Person	4,351	2,286	907	916	242
	Type of Employment – Non-regular Workers	Person	431	306	4	84	37
	Gender – Male	Person	2,536	1,460	306	633	137
	Gender – Female	Person	2,246	1,132	605	367	142
	Fostering Female Talent – Female Percentage	%	47.0	43.7	66.4	36.7	50.9
	Total Workers in Overseas Business Sites	Person	4,061	3,464	577	20	-
	New Recruitment	Person	606	407	28	133	38
	Total Displaced Workers	Person	575	402	86	56	31
	Rate of Female Executives	%	9.5	12.5	7.1	8.3	0.0
	Annual Training Counsel Participants ²⁾	Person	49,604	15,547	21,667	12,102	288
	Use of Maternity/Paternity Leave	Person	151	83	39	20	9
	Use of Maternity Leave	Person	79	41	26	8	4
	Use of Maternity/Paternity Leave	Person	72	42	13	12	5
	Use of Parental Leave	Person	200	86	68	33	13
	Use of Parental Leave – Female	Person	124	42	52	22	8
Use of Parental Leave – Male	Person	76	44	16	11	5	
Governance	Rate of Female Directors in the Board of Directors ³⁾	%	9.1	-	-	-	-
	Rate of Outside Directors in the Board of Directors ⁴⁾	%	45.5	-	-	-	-
	Rate of Annual Board Attendance by the Board Members ⁵⁾	%	97.7	-	-	-	-
	Violations of Anti-Corruption Regulations	Case	-	-	-	-	-

1)Data from corporations located in Seoul 2)By the counting measures of each division, there are cases in which duplicate number of trainees per training or employees on leave of absence/resignation are counted 3), 4), 5)As of June 2022



HOTEL LOTTE Co., Ltd. 2021 ESG STORY

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