

About 125,000 Cocoa Seedlings Donated to Cocoa-Producing Regions in the Republic of Ghana

— Supporting sustainable cocoa bean production

Tokyo, Japan – [October 11, 2024] –As a token of our gratitude for the long-standing cocoa trade, the LOTTE Group is donating about 125,000 cocoa seedlings* to cocoa-producing regions in the Republic of Ghana. The seedlings will be delivered through COCOBOD, a Ghanaian government agency established to manage cocoa bean production and distribution. A presentation ceremony was held in Ghana on October 8th and was attended by LOTTE Group Chairman Akio Shigemitsu, LOTTE HOLDINGS Co., Ltd. President and Representative Director, CEO Genichi Tamatsuka, LOTTE CO., LTD. President and Representative Director Hideki Nakashima, LOTTE Group Food Division HQ Chief Executive Lee Young-goo, and LOTTE Wellfood Co., Ltd. CEO Paul Yee.

*A total of about 25,000 seedlings to be donated, combined with about 100,000 seedlings to be cultivated at the cocoa nursery by around June 2025



Presentation ceremony on October 8th

This year marks the 60th anniversary of the LOTTE Group's entry into the chocolate business with the launch of “Ghana Milk Chocolate” in 1964. This milestone is thanks to the ongoing efforts of Ghana's cocoa-producing regions to secure a stable supply of high-quality cocoa. However, Ghana has recently faced structural challenges in its cocoa industry, including poverty among farmers, child labor, and deforestation. Additionally, during the most recent harvest season, the country experienced a significant decline in cocoa yields. This decline is believed to be due to unfavorable weather, pests and diseases, aging cocoa trees, and rising pesticide and fertilizer costs. To address pest damage and aging trees, new cocoa trees must be planted. In light of this situation, we are donating cocoa seedlings with gratitude to support sustainable cocoa production in Ghana. We will continue to foster good relations with the country while working toward sustainable sourcing.

■ Overview

- Contribution: About 125,000 cocoa seedlings (equivalent to 40,000 USD)

(About 25,000 seedlings donated, with another 100,000 seedlings expected to be donated after cultivation at the cocoa nursery)

- Timeline: October 2024 to June 2025

- Target Area: Cocoa-producing regions of the Republic of Ghana (distributed primarily in our group's procurement areas)



■ Reference: LOTTE CO., LTD.'s activities in cocoa-producing regions of the Republic of Ghana

For LOTTE CO., LTD., achieving a sustainable cocoa bean supply chain is vital, as chocolate is our flagship product. Cocoa-producing regions face many challenges, such as child labor, deforestation, and reduced harvests due to pests and diseases. Our mission is to improve these conditions, promote the well-being of those involved in chocolate production, and establish a sustainable cocoa bean supply chain.



To this end, we are establishing traceability for the cocoa bean production areas we source from while providing support to address the challenges these regions face. We have named the cocoa beans sourced through these efforts “LOTTE SUSTAINABLE COCOA” and are increasing the proportion we procure. Our goal is to source all cocoa beans from Ghana through this program by FY2025 and our entire supply of cocoa beans through this program by FY2028.

- LOTTE CO., LTD. Sustainability Initiative, LOTTE MIRAI CHALLENGE 2048
<https://www.lotte.co.jp/english/sustainability/>

About LOTTE HOLDINGS CO., LTD. (<https://lotte-hd.com/>)

Starting with its core confectionery and ice cream businesses, LOTTE HOLDINGS has expanded into a wide range of business fields, including professional baseball team management, real estate, finance, corporate venture capital, hotels, and healthcare. Looking ahead, LOTTE HOLDINGS aims to drive further innovation in its core food business while pursuing new growth opportunities by leveraging business synergies between Japan and South Korea.

The LOTTE Group began its operations in 1948 with the manufacturing and selling of chewing gum in Tokyo, Japan. Today, with headquarters in both Japan and South Korea, the LOTTE Group operates across more than 30 countries and regions worldwide, spanning businesses including food, retail, finance, biopharmaceuticals, healthcare, data centers, hotels and resorts, entertainment, and construction. Guided by its vision as a "Lifetime Value Creator," the LOTTE Group is committed to delivering sustainable value throughout every moment of people's lives.