

Member of DJSI World, DJSI Asia Pacific, DJSI Korea

Company Information

Country	Republic of Korea
No of Employees	28,940
Market cap (USD million)*	2,848

*Source: S&P Global BMI, 31 July 2015

Company Description

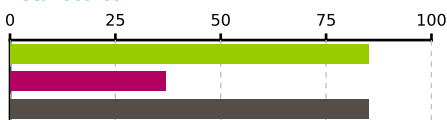
Established in Seoul, Korea, in 1979, Lotte Shopping has since expanded into a large and successful retail group comprising four divisions: Lotte Department Store, Lotte Mart, Lotte Super and Lotte Cinema. The group primarily operates retail stores, supermarkets and cinemas. Lotte Shopping controls a large part of South Korea’s department store and cinema markets, and has significant operations in foreign markets including China, Russia, Vietnam and Indonesia. Despite difficult market conditions, including increased competition and changing consumer habits, the retailer continues to increase the number of outlets in domestic and overseas markets, investing in its stores and developing a multi-channel sales model. The strategy has increased online sales and the company now has a large number of online members thanks to the availability of these services.

Industry Drivers

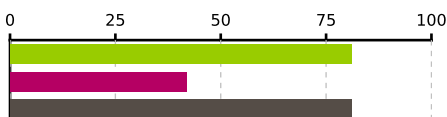
The retailing industry continues its shift toward multinational conglomerates with global supply and distribution networks focused on increasingly sophisticated inventory management and marketing strategies. Brand management is a key success factor, while successful retailers also need to continue to develop new strategies and technologies to retain and analyze customers' purchasing habits, as well as implement more responsive and tailored customer relationship management systems. Distribution channels such as e-commerce, home delivery services and pick-up systems are gaining importance. Faced with continuous stakeholder scrutiny, companies need to address the efficiency and safety of their supply chain management, distribution systems and the use and disposal of packaging. Labor and human rights issues within the supply chain pose a key risk. Retailers must establish long-term relationships with suppliers and provide enhanced transparency on their supply chain management systems in order to minimize reputational risk and support operational efficiency.

Sustainability Scores

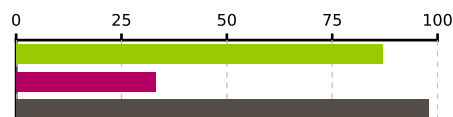
Total Scores



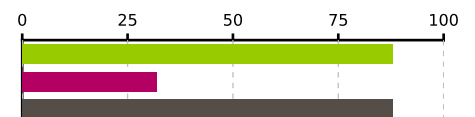
Economic Dimension



Environmental Dimension



Social Dimension



■ Lotte Shopping Co Ltd ■ DJSI industry average ■ Best company within industry

Sustainability Performance

Lotte Shopping has remained the top performer in its industry the sixth consecutive year and has been named Industry Group Leader for the Retailing Industry. Through its comprehensive environmental policy and management systems, the company strives to create new economic value and sustainable growth. The retailing and cinema group has continually improved product packaging policies and has devoted attention to corporate efficiencies, making significant site investments. Furthermore, all plastic disposable food containers have been replaced with biodegradable starch material. Lotte Shopping's stakeholder management strategy is notable for its extensive use of the company's intranet Ideas System, supplier satisfaction surveys, and active dialogue with government agencies. Moreover, the use of 'voice of customer' procedures as part of its customer relationship strategy is central to maintaining a strong brand presence.

Company Performance for Selected Criteria



■ Lotte Shopping Co Ltd
 ■ DJSI industry average
 ■ Best company within industry

For information on assessment criteria, visit www.sustainability-indices.com

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