

Labor Practices

Related SDGs



Basic Approach

In the “Lion Group Charter for Corporate Behavior”, Lion calls for “promotion of fair treatment respecting the diversity, individuality and personalities of our employees” and “ensuring a safe and comfortable workplace to realize the mental and physical well-being of our employees.” Also included in the “Behavioral Guidelines” are “to promote a healthy work-life balance and strive to maintain work environments that flexibly allow a variety of working styles,” “do our utmost to assist employees who strive to learn specialized skills and knowledge and aim for ambitious goals” and “engage sincerely in dialog and discussion with employees and their representatives.”

Promoting Amicable Labor-Management Relations

Lion executes labor agreements with the Lion Workers’ Union for the purposes of promoting sound labor-management relations based on mutual understanding and trust, observing the “Lion Group Charter for Corporate Behavior” by realizing the social mission and responsibilities of the company and its workers’ union, and working together to achieve growth of the company’s business and maintain/improve working conditions of union members. The agreements provide that: the company shall recognize freedom of lawful union activities by union members; the company shall not unfairly treat union members by reason thereof; and the company and the union shall have labor-management meetings on a regular basis to consult with each other on an equal position. Operating under a union shop agreement, Lion has endeavored to build amicable labor-management relations, in which employees

and management proactively conduct activities such as reporting on business conditions and exchanging opinions about the working environment at labor-management meetings. In overseas Group companies, we are actively establishing communication between employees and management in order to create a better work environment, and strive to establish and maintain a sound labor-management relationship, through the labor-management meetings.

Union Shop Agreement

A labor agreement in which a worker is employed by a company on condition of becoming a member of a specific labor union.

Developing Human Resources

Improvement of Training Systems

Newly Establish Lion Career Village (LCV)

In the past, we have implemented the level-specific training system in order to enhance individual abilities and connect them to organizational strength. From 2019, as we address changes in learning styles, we are also reviewing our level-specific programs in order to create learning opportunities and spreading the individual energy for learning broadly throughout the organization. In this way, we are putting together an environment that allows highly ambitions, motivated employees to generate dynamism throughout the organization.

Continuing the Marketing Study Program

The “Marketing Study Program” has been implemented continuously in the Marketing Division since 2014. This program offers systematic studying opportunities such as practical theory

learning of marketing and planning design based on consumer insights and competitive strategies. In addition, we are developing marketing personnel linked to the career path.

Fostering the Next Generation of Management

The Lion Management Consortium (LMC) is held mainly for the next-generation management candidate of overseas Group companies. On the fourth time, held in 2018, we implemented a program to review business projects. In addition, we give an opportunity for employees to look overseas as part of human resource development in order to accelerate growth of our overseas business, such as participation in International Conference Presentations and inspection training.



Scene of plant tour at Southern Lion (Malaysia)

Cultivating Personnel Who Create Innovations:

ReDesign FORUM

The “ReDesign FORUM” was held with the aim to convey directly to management the passionate desire of employees, particularly from young employees, to bring change to the company and to rapidly implement their proposals. (Please see Highlight 2, for more details)

LION CHALLENGE CUP – Innovation

The “Fourth LION CHALLENGE CUP – Innovation” was held in 2018 to enable employees to convey “dream-inspiring proposals

Promoting Diversity

In order to respond promptly to changes in the business environment, we are promoting on “Diversity”. A team responsible for diversity has been set up within the Personnel Department and has been implementing a variety of measures to promote diversity while fusing management and employee perspectives.

Regionally Based Employees Program

Since 2013, Lion has had the Regionally Based Employees Program with the aim of finding and securing excellent personnel from among our temporary employees, who are contributing greatly to the company, as well as enabling regular employees to choose diverse working arrangements. The regionally based employees can select their workplace from seven regions in Japan. Their compensation and benefits are at a similar level to regular employees.

Number of Appointed Personnel

2016	2017	2018	2019 (April)
9 persons	5 persons	17 persons	0 person

Approach for the Promotion of Women’s Participation and Advancement in the Workplace

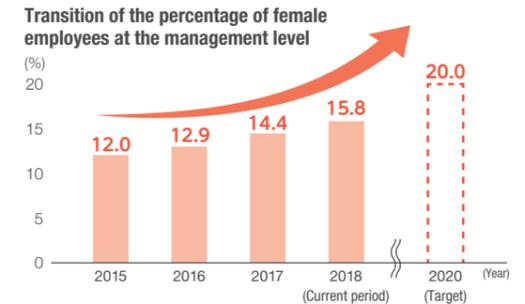
Lion is deeply aware that it is essential for women to work actively in order to further strengthen our corporate value, and hence we have addressed measures to advance the active participation of women in their workplace. In line with the “Act on Promotion of Women’s Participation and Advancement in the Workplace”, an act enacted by the National Diet in 2016 to promote activities by women as a part of their workplace, Lion has improved childcare-related systems and implemented support measures for balancing work and child-care so that they can continue to work for a long time.

We are also making efforts to increase the percentage of female employees at the management level to 20% or higher by 2020. In 2018, the percentage of female employees at the management level was 15.8% (2017: 14.4%). Lion’s Action Plans in accordance with the “Act on Promotion of Women’s Participation and Advancement in the Workplace” and Declaration for the Promotion of Women’s

for Lion” to the management. There were thirty-two entries. The themes for this competition were chosen by the participants who formed teams to present their research results directly to management. One team was awarded the gold prize and two teams won bronze prizes. The winning themes will be put through feasibility studies at the related divisions.

In 2019, we will replace this program with new program called “NOIL” to generate business with new value. For “NOIL,” we will recruit business ideas based on the “business that breaks common sense of healthcare” to employee of Lion and domestic Group companies. Aiming for creation of new business, we will brush up with the support of an external company.

Participation and Advancement in the Workplace are available on the “Positive Action (Women’s Promotion) Information Portal Site,” a project commissioned by the Japanese Ministry of Health, Labour and Welfare.



* Personnel in a managerial position, which is at the level of an assistant manager or higher.

www.ion.com

Declaration for the Promotion of Women’s Participation and Advancement in the Workplace (Japanese)

<http://positiveaction.mhlw.go.jp/declaration/>

Lion’s Action Plans in Accordance with the Act of the Promotion of Women’s Participation and Advancement in the Workplace (Japanese)

http://positiveaction.mhlw.go.jp/declaration/add/search_detail/?id=1664

Active Promotion of People with Disabilities

In order to make full use of individual abilities regardless of whether there is a disabilities or not, we proactively promote people with disabilities thus developing a corporate culture to improve the working environment and support such individuals in the entire workplace. In March 2016, we established a special subsidiary, Lion Tomoni Co., Ltd. and are promoting people with disabilities. Lion Tomoni Co., Ltd. has 26 employees and 9 instructor (as of December 31, 2018) engaged in the activities such as the management of interoffice mail and printing business cards for all Lion employees.

Employee Data

		2015	2016	2017	2018
Employees	Number of Male	2,268	2,239	2,203	2,267
	Number of Female	758	775	821	917
Female employee ratio (%)	%	25.0%	25.7%	27.1%	28.8%
New employees*1 (New graduates)	Number of Male	57	49	57	63
	Number of Female	28	29	36	33
Re-hired retirees	Number of people	262	250	216	210
	%	8.7%	8.3%	7.1%	6.6%
Temporary employees	Number of people	461	467	458	532
Female employees at the management level*2	Number of people	135	149	170	186
	%	12.0%	12.9%	14.4%	15.8%
Employees with Disabilities	Number of people	51	55	63	76
	%	2.0%	2.2%	2.4%	2.8%
Employees who took childcare leave	Number of Male	5	2	8	16
	Number of Female	33	53	57	53
Employees who took shorter work hours for childcare	Number of Male	0	0	0	0
	Number of Female	58	40	57	60
Average overtime per month (hours)*1	Hours	12.1	12.3	12.5	13.7
Annual paid leave used*1	%	51.8%	55.1%	50.7%	60.3%
Average service years	Number of Male (years)	19.8	20.3	20.4	19.6
	Number of Female (years)	17.4	18.0	18.0	16.8
Employees who resigned within three years of entering the company*1	Number of people	6	4	1	2
	%	2.4%	1.6%	0.4%	0.8%

Applicable Scope : Non-consolidated (includes employees assigned to affiliates)

*1 Some errors were found in past data and hence the figures have been revised.

*2 Female employees at the management level: Chief manager who take on an administrative position.
(Data is non-consolidated; excluding employees assigned to affiliates.)

Employee data related to domestic group companies are available on the website (Japanese).

URL <https://www.lion.co.jp/ja/csr/employee/various/>

Promoting Work-Life Balance

Lion strives to establish the working environment where employees can produce results while emphasizing work-life balance.

● Building an Environment Where Employees Can Work Dynamically

Since 2010, Lion has worked to reduce prolonged work and encourage employees to take paid leaves. In 2018, a weekly “No-overtime day” and monthly “No-overtime week” were implemented. In order to facilitate understanding of management of working hours, e-learning is provided for all employees. Furthermore, under a labor-management agreement, we proactively encourage employees to systematically take at least three days paid leave per year with the aim of having them take more than 70% of paid leave. We will make continuous efforts in this regard.

● Programs to Support a Balance Between Work and Nursing Care

As part of creating an environment that allows employees to continue to work without anxiety, Lion has enhanced support for employees engaged in nursing care. In addition to ordinary annual paid leave, we have in place programs for nursing care, including accumulated leave for medical nursing care (accumulation of expired annual paid leave), shorter work-hours for nursing care (Short Hours Flextime System), and nursing care leave expanded

up to 365 days (minimum unit of one day). At the same time, we have introduced a website to targeted employees aged 40 and provided a variety of information on nursing care.

● Work-at-Home System

The Work-at-Home System was introduced in 2015, as a flexible way of working that is not limited inside the office. Lion has been making efforts to raise business productivity and improve employees’ work-life balance. We expanded the system to make it usable for more employees starting from 2019.

● Initiatives to Comply with the Act on Advancement of Measures to Support Raising Next-Generation Children

Lion has formulated an Action Plans in accordance with the “Act on Advancement of Measures to Support Raising Next-Generation Children”, and we are actively working to create an environment where all employees can exercise their capabilities fully while achieving a balance between work and childcare. As a result, we have achieved all the goals in our plans from Phase 1 to 5, and we have received “Kurumin” certification as a company that supports childcare. Our company have also received an exceptional “Platinum Kurumin” certification from the Minister of Health, Labour and Welfare as a company working on even higher-level standards in Phase 5.

In the present period, we have newly formulated a 6th Phase of our Action Plan with the period from February 2019 to December 2022.

We will continue building a work-friendly environment that allows employees to achieve a balance between work

and childcare as well as to demonstrate their capabilities.



Act on Advancement of Measures to Support Raising Next-Generation Children Phase 6 Action Plan

Goals 1 Within the period of the Action Plan, implement support measures to create a working environment in which employees on childcare leave can smoothly return to work.

<Action>

- Start the Lion Career Village System and provide support for self-study while on childcare leave and for career development after return to work.
- Provide occasions for exchanging opinions on career development at back-to-work seminars with in-house instructors. Also provide explanations of the childcare leave system for the superiors of employees taking childcare leave.

Goals 2 Within the period of the Action Plan, have 13% or more of male employees take paternity leave, one or more taking related leaves and 30% or more of employees take childcare or special leave (for childbirth) .

<Action>

- Introduce the childcare leave system to employees who submit childbirth notification and to their superiors, and provide advice promoting use of such leave.
- Use internal newsletters to introduce cases of employee taking such leave and promote use of this system as a shared experience that enhances work-life balance.

Goals 3 Within the period of the Action Plan, promote measures for understanding and use of the work-at-home system and implement for support the establishing the system.

<Action>

- Expand target departments and employees for work-at-home system. Hold group briefings, workplace briefings, individual consultations, and other similar events to promote understanding and use of the system.
- Use internal newsletters to introduce cases of employee taking such leave and promote use of this system as a shared experience that enhances work-life balance.
- Improve the system after analyzing the system usage status at each workplace and the results of usage details.

Enhancing Group-wide Occupational Health and Safety Management System

We are taking steps to enhance our Occupational Health and Safety Management System in order to achieve our Group objectives of “Zero serious accident and zero serious incident” through a Lion Group. We hold a “Safety, Hygiene and Disaster Prevention Meetings” twice a year chaired by top management personnel, where ongoing initiatives are promoted with the goal of fully eliminating risks related to facility safety and occupational safety across the entire company. Our company has added “disaster prevention” items into the “Occupational Safety and Health Management System (OSHMS)” based on the guidelines of Japan’s Ministry of Health, Labour and Welfare and has established Lion’s unique “Safety, Hygiene and Disaster Prevention Management System” for domestic group companies and started its operation from 2009. And we are striving to raise standards of Safety, Hygiene and Disaster Prevention Activities.

Our domestic companies are also actively providing support to overseas Group companies to aid in preventing occupational accidents. In 2018, we established a “Safety and Disaster Prevention Promotion Department” directly below the management level, further strengthening the Lion Group’s Occupational Health, Safety and Disaster Prevention Management System.

* Occupational Safety and Health Management System (OSHMS)
A system to voluntarily conduct continuous safety and health management through PDCA.

In Collaboration with Our Employees (Japanese)
<https://www.lion.co.jp/ja/csr/employee/>



● Occupational Safety

In 2018, the number of labor-related accidents was 26 (excluding 8 cases which occurred during commutes to work). If any occupational accidents occur, the Safety Management Secretariat at our Headquarters conducts on-site investigations, thoroughly identifies the causes and takes thoroughgoing corrective response measures. In order to prevent occupational accidents, it is crucial to enhance our safety management system and heighten our awareness of occupational safety. We will continue to promote measures to further improve individual safety awareness and sensitivity.

Number of Employees who Participated in Risk Simulation Training (Safety Training) in 2018 (Internal education)

Chiba Plant	Odawara Plant	Osaka Plant	Akashi Plant	Total
436 persons	51 persons	122 persons	58 persons	667 persons

● Safety of Facilities

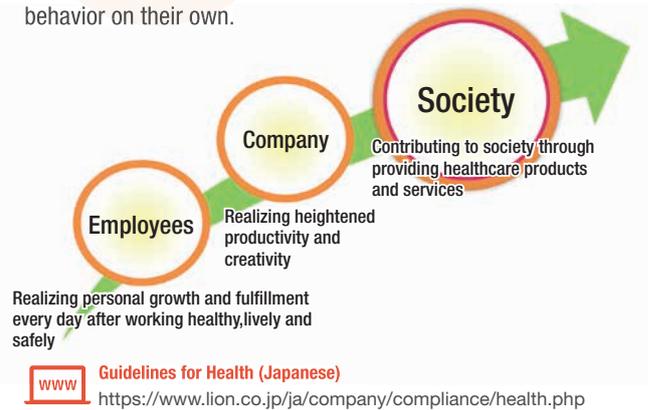
Our company conducts facility inspections to maintain safety through daily routine inspections and regular maintenance. Our diligent performance of maintenance inspections contributes to the ability to prevent failures and accidents before they occur. There were zero facility-related accident in 2018. We will continue to focus our efforts on passing down the technical know-how to our employees as well as on providing facility-related training.

Lion-Style Activities for Making Healthy Behavior Habituals

Employee's behavior with a high level of health awareness and efforts to acquire sound health habits spontaneously is a contributing factor in the personal growth and life satisfaction of a corporate citizen who has a full grasp of health maintenance and improvement as well as work satisfaction. And it leads to the improvement of corporate productivity and creativity, and we believe that we can contribute to the whole society through sustainable growth.

From 2019, we are adopting the concept of "ReDesign the health behavior to make it more natural, easy and enjoyable" for implementation of "Lion-style Health and Productivity Management 'GENKI' Action". This is our initiative to encourage

employees to practice of heightened health awareness and health behavior on their own.



Lion-Style Health and Productivity Management "GENKI" Action

Good life **EN**hancement for **(K)**今日を**(I)**愛する* * Life. Love in Japanese



<Key Measures>

1. Establish an individualized health information system

We will work on development of a mechanism that makes use of AI to forecast future risks of lifestyle-related diseases and contribute to voluntary behavior that improves health habits.

2. Promote preventive dentistry habits

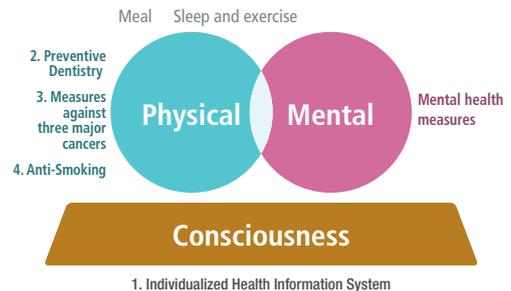
We aim to be a company where all employees practice preventive dentistry through self-care and regular visits at dental clinics and others as a leading company of oral care.

3. Strengthen measures against three major cancer: lung cancer, stomach cancer and colon cancer

In order to prevent cancer, we will establish a system that allows you to receive voluntarily and periodically the screening examinations at regular health checkups according to age and more accurate cancer examinations for applicant, and consequently will lead to early detection and treatment.

4. Anti-Smoking measures

We will implement an on-line program to support anti-smoking and improve our environment to make anti-smoking easier.



• Mental Health Initiatives

Lion established the "Mental Health Basic Policy" in 2004, and continually and systematically promoted mental care for employees based on the "Guidelines for Maintaining and Improving Mental Health of Workers". In 2018, 99% of employees took the stress level check test. The results are compiled and analyzed by section/department in such a way that individuals cannot be identified. And the feedback is sent to responsible officers, applied in manager training and otherwise applied to our ongoing organizational measures.

• Management System

We are building a management system in which management level, led by the president, participates in strengthening initiatives and accelerating the deployment of our measures. Actual measures developed include promoting cooperation between the Health Support Office (including industry physicians and carers), the Lion Health Insurance Society, and the person responsible for health management at each office.

[www Health Management Program for "Mental", "Physical" and "Consciousness" \(Japanese\)](https://www.lion.co.jp/ja/csr/employee/health/#program)

• Dental Checkups for All Employees

In collaboration with the Lion Foundation for Dental Health (LDH), we are implementing dental checkups for all employees annually from 2002. In recent years we have introduced the Salivary Multi Test (SMT) system and oral cameras to carry out oral health guidance.

[www Preventive Dentistry Data on Lion Employees \(Japanese\)](https://www.lion.co.jp/ja/csr/employee/health/pdf/lion_health.pdf)

We will implement a variety of measures geared towards specific age groups under the themes of "Mental", "Physical" and "Consciousness" in order to realize "healthy minds and bodies for all".

Selected as a "White 500, 2019 Certified Health and Productivity Management Organization Recognition Program"

Lion has been recognized as a "White 500, Outstanding Certified Health and Productivity Management Organization" for three consecutive years.

