



Sustainability Material Issues and Objectives for 2030

With an eye to achieving its management vision of “Becoming an advanced daily healthcare company” by 2030 and contributing to the Sustainable Development Goals (SDGs), a set of shared global goals for 2030, in 2018 the Lion Group established the Lion Group Sustainability Material Issues. We are working toward objectives based on these issues by the end of 2020.

The Lion Group believes that it is crucial to take a longer-term perspective in order to ensure that it can continue to meet the needs of society and customers and grow its businesses. Accordingly, we have reexamined the material issues the Group will face in the period leading up to 2030 and set new objectives. The 2030 objectives are based on previously identified material issues but aim for a higher level of achievement and set quantitative indicators for evaluating such achievement.

The world today faces enormous social problems, from demographic graying and declining birthrates to climate change, marine plastics and pandemics.

The Lion Group has designated as top-priority material issues “Promoting Environmental Initiatives for a Sustainable Planet” and “Creating Healthy Living Habits,” the latter of which contributes to the realization of everyday happiness and has been a constant focus of the Group since its founding. We are advancing initiatives aimed at solving social issues through our business activities accordingly. Some of the innovative new initiatives we are implementing in these areas are showcased in this section.



Basic Approach

Through sustainable business activities that adhere to its corporate motto and management philosophy, the Lion Group is working to address the Sustainability Material Issues with the aim of contributing to a healthy future for people and the planet.

The Sustainability Material Issues and 2030 Objectives

	Core Subjects	Material issues	Objective	Indicator	Related SDGs
E	The Environment	Promoting Environmental Initiatives for a Sustainable Planet	Reduce CO ₂ emissions throughout business activities and product life cycles.	• CO ₂ emissions ⇒ Down 30% compared with 2017 levels	3 6 7 9
			Promote the 3Rs (reduce, reuse, recycle) and renewable activities.	• Recycled plastic and biomass plastic usage ⇒ Double 2017 levels	12 13 14 15
			Reduce water usage throughout product life cycles.	• Water usage ⇒ Down 30% compared with 2017 levels (per unit of net sales)	17
Community Involvement and Development	Top priority material issues	Creating Healthy Living Habits	Provide opportunities for everyone to practice oral healthcare whenever necessary, regardless of living environment, physical condition, economic status, education or access to information, etc.	• Persons provided with oral healthcare opportunities ⇒ 1 billion	3 4 6 10 12 17
			Promoting Diversity	Enable human resources with diverse values and ideas to fully express their individuality and abilities and succeed professionally, regardless of such factors as nationality or gender.	• Employees who understand the necessity of diverse values ⇒ 80% or more
S	Labor Practices	Promoting Work-Life Balance	Enable employees in all countries and regions to achieve high productivity and professional fulfillment in their work.	• Employees who feel a sense of professional fulfillment ⇒ 80% or more • Productivity (profit per employee) ⇒ Increase from the 2019 level	3 8
		Developing Human Resources	Foster human resources who think independently and create value.	• Employees who are taking action to create new value ⇒ 80% or more	5 8 10
		Reinforcement of Health and Productivity Management	Increase the health awareness of and foster healthy living habits among employees and their families.	• Employees and their family members who get regular dental checkups ⇒ 80% or more • All employees are working toward personal health goals	3 8 17
		Enhancing the Occupational Safety Management System	Enhance systems to ensure compliance with occupational health and safety in each country and region, thoroughly enforce safety awareness and facility safety and ensure employee occupational safety, healthy and comfort.	• Serious health and safety legal violations ⇒ Zero • Serious accidents and serious incidents ⇒ Zero	3 8
		Human Rights	Respecting Human Rights	Reinforce systems for preventing human rights problems in line with the LION Human Rights Policy.	• Serious human rights-related issues at the Lion Group and suppliers ⇒ Zero
Fair Operating Practices	Building Responsible Supply Chain Management	Implement sustainable procurement with zero tolerance for child labor, forced labor or environmental destruction in line with the Sustainable Material Procurement Policy and Lion Group Supplier CSR Guidelines.	• Procurement of third-party certified paper, pulp, palm oil and palm kernel oil ⇒ 100% • Procurement of third-party certified palm oil and palm kernel oil from suppliers that support efforts aimed at zero deforestation ⇒ 100%	5 6 7 8 10 12 13 14	
		Reinforce systems for preventing corruption and bribery in line with the LION Anti-Bribery Principles	• Serious problems related to corruption or bribery at suppliers ⇒ Zero	15 16 17	
Consumer Issues	Pursuing Customer Trust and Satisfaction	Promote and reinforce consumer-oriented management by improving customer support quality and the value of products and services.	• Products in which consumer opinions are reflected ⇒ 100%	3 10 12	
G	Organizational Governance	Promoting Risk Management	Implement comprehensive, extensive management of risk-related initiatives and reinforce security systems to prevent information leakage, etc.	• Risk incidents that significantly impact management ⇒ Zero • Disclosure of information about serious future risks ⇒ At least once a year	8 12
		Embedding Compliance	Reinforce effective compliance initiatives.	• Serious compliance violations ⇒ Zero	5 10 16
		Enhancing Group Governance	Reinforce management transparency and management systems in line with the Basic Corporate Governance Policy.	• Disclosure in line with the Basic Corporate Governance Policy ⇒ At least once a year	16

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Promoting Environmental Initiatives for a Sustainable Planet

In 2019, the Lion Group established the LION Eco Challenge 2050, a set of long-term environmental objectives, to contribute through its business activities to the accomplishment of worldwide goals related to addressing global-scale environmental problems, such as those identified

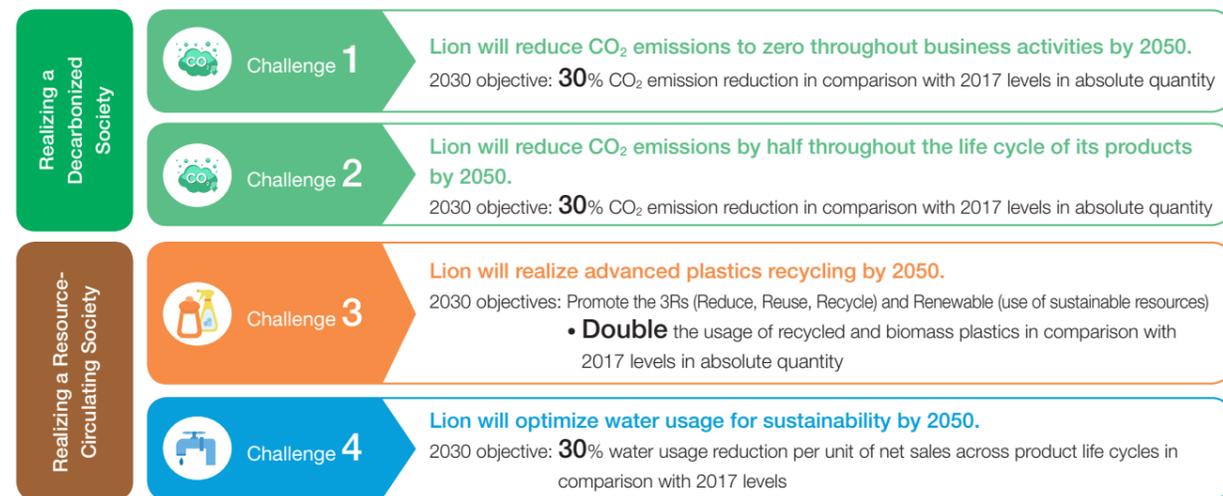
by the Paris Agreement and the Sustainable Development Goals (SDGs). Aiming to realize a decarbonized, resource-circulating society, we are putting into practice initiatives aimed at solving issues related to decarbonization, plastics and water resources.

LION Eco Challenge 2050

Healthy future for people and the planet

While striving for business growth, the Lion Group is working to contribute to global environmental sustainability, aiming to realize decarbonized, resource-circulating society by 2050.

- Through all of its businesses, the Lion Group will address the issues of decarbonization (climate change) and resource circulation (plastics, water resources) to contribute to the realization of a healthy future for people and the planet.
- By offering products and services based on an environment-conscious design, the Lion Group will reduce the environmental burden attributable to the household use stage of its products' life cycles.
- The Lion Group will provide products that contribute naturally to environmental conservation without entailing user inconvenience or sacrifice and promote the formation of eco-friendly living habits by engaging in interactive communication with consumers.



Related SDGs



Making Daily Living Environmentally Friendly

Through innovation and coordination with diverse stakeholders, the Lion Group aims to provide consumers with products and services that "ReDesign" everyday habits and, through interactive communication, create effortless ways for consumers to be more environmentally friendly just by living

comfortably. We hope to expand these endeavors from the individual lifestyle to the local community and global levels.



Realizing a Decarbonized Society

Climate change due to global warming is causing extreme weather around the world and greatly affecting all our lives. Lion's products help make consumers' lives more comfortable and convenient. However, each stage of our business

activities, from raw material procurement to production and distribution, creates environmental burden. The stages of product use in households and disposal afterward represent an especially large part of the environmental burden.

Aiming for Innovation and Providing New Value to Consumers

The use of Lion's super-concentrated liquid laundry detergents (such as *TOP SUPER NANOX*) by consumers as part of their daily lives helps them realize clean, comfortable living while contributing to the reduction of CO₂ emissions, plastic use and water use.

By expanding our lineup of products like this that make daily living environmentally friendly, we aim to achieve business growth while reducing the environmental burden.

Making Daily Living Environmentally Friendly

CO₂ reduction:
53%
(Product emissions, compared with 1990 levels)



- Carbon neutral: In which the CO₂ emission and absorption over the product life cycle cancel each other out.
- Water savings of 23 l (the equivalent of forty-six 500 ml water bottles) per wash when using a horizontal drum washing machine with a 9 kg capacity to wash 3 kg of clothing.
- Biomass plastics are polymer materials that are produced by synthesizing, either chemically or biologically, materials which contain renewable organic materials. (Source: Website of the Japan BioPlastics Association).

Realizing a Resource-Circulating Society

Because Lion manufactures and sells plastic products, it has a significant responsibility regarding plastic-related problems.

To help fulfill this responsibility, since 2015, we have been implementing an initiative to collect and recycle used

toothbrushes in cooperation with TerraCycle Japan. Many municipal governments and schools across Japan have taken part in this initiative. Through the Toothbrush Recycling Program, as a leader in oral care, Lion is also promoting good oral care habits, aiming to help maintain and improve consumer health.

Focus

Toothbrush Recycling in Coordination with Municipal Garbage Collection

In April 2020, based on an agreement with Sumida-ku, Tokyo, where its headquarters is located, the Sumida-ku government set up toothbrush collection boxes at public facilities and schools and other educational facilities (in a total of 85 locations). As part of this initiative, in addition to

collecting and recycling used toothbrushes, Lion is providing instruction on correct tooth brushing to children at non-profit children's facilities in the area, helping spread and firmly establish healthy oral care habits.

Respond to the TCFD

In May 2019, Lion endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and began evaluating the financial impact on its operations of climate-related risks and opportunities (scenario analyses*).

Going forward, we will leverage insights gleaned thus far while enhancing our scenario analyses, considering response measures and advancing disclosure based on the TCFD framework.

* Conducted with support from the Ministry of the Environment.



The "Practical guide for Scenario Analysis in line with the TCFD recommendations 2nd edition" was published on the Ministry of the Environment's website in March 2020. Lion's analysis results are on pp. 136-142. http://www.env.go.jp/policy/policy/tcfd/TCFDguide_ver2_0_E.pdf

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Creating Healthy Living Habits

For more than a century, the Lion Group has been carrying out educational activities aimed at spreading healthy oral care habits. Today, these activities extend beyond Japan to countries and regions across Asia. In line with the Group's purpose, the "ReDesign" of everyday rituals, we are now launching ambitious new initiatives to help create healthy living habits for even more people by working to solve issues ranging from the personal to the societal.



Promoting Cleanliness and Hygiene Habits

In response to the worldwide spread of the novel coronavirus, the World Health Organization (WHO) and Japan's Ministry of Health, Labour and Welfare recommend hand washing with soap as a means of preventing infection. The Lion Group sells hand soaps and disinfectants.

As such, to fulfil our corporate social responsibility, we not only provide products, but conduct educational activities to spread correct hand washing habits in Japan and across Asia.

New Business Initiatives for 2030

Reducing Health Disparities

Health is influenced not only by individual factors, such as genetics and living habits, but also the culture and value of a person's living environment, their socioeconomic status and other social factors.

Going forward, health disparities* caused by socioeconomic disparities are expected to worsen, becoming a greater issue around the world.

We aim to become an advanced daily healthcare company. Accordingly, we will create shared value for our businesses and for society and contribute to the realization of healthy minds and bodies for all by addressing the social issue of health disparities.

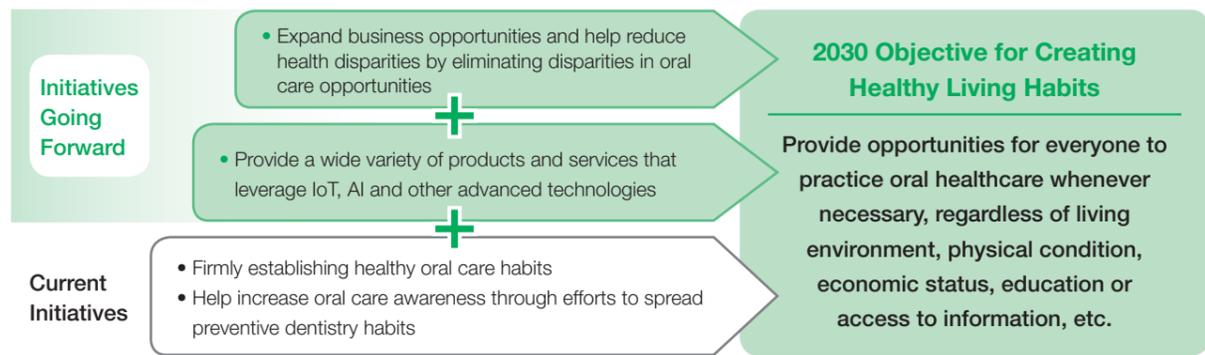
As a first step, we are rolling out new business initiatives in oral care, an area that contributes greatly to creating healthy living habits.

New Business Initiative: Inclusive Oral Care

What Is Inclusive Oral Care?

Inclusive oral care refers to activities aimed at eliminating disparities in oral care opportunities due to such factors as living environment, physical condition, economic status, education and access to information and sustainably providing oral care opportunities to all people, without exception, so that they can nurture their natural capacity to live in good health through oral care.

Approach to Initiatives and Our 2030 Objective



* A concept put forth by Chiba University's Professor Katsunori Kondo, an expert in health disparities due to socioeconomic differences.

- China:** Teaching correct hand washing at nursery schools, hospitals and parks.
- South Korea:** An employee teaching children correct hand washing.
- Thailand:** Students learning correct hand washing at an event.
- Japan:** Children enjoying practicing correct hand washing while learning.
- Malaysia:** An employee using creative ways to teach children correct hand washing.
- Hong Kong:** (Image of hand soap)
- Taiwan:** (Image of hand soap)
- Singapore:** Nursery school students enjoying learning about hand washing through a quiz with the Lion mascot.

Related SDGs



The Lion Group's Goals

The Lion Group has long worked to create better living habits, such as practicing preventive dentistry and correct hand washing, in coordination with its business activities in the areas of oral care and cleanliness and hygiene. We believe that such efforts carry on our founding spirit of "benefitting society through business activities," and that by sincerely working to solve evolving social issues, we can achieve ongoing business development and contribute to the realization of healthy minds and bodies for all.

Japan is said to be one of the first countries to face certain challenges, such as severe demographic graying, and countries across Asia are forecast to face similar issues in the near future. In addition, globalization has created the conditions for infectious diseases to spread rapidly around the world. Aiming to contribute to everyday health and comfort and longer healthy life expectancy, the entire Lion Group will continue to work as one to create everyday happiness by creating healthy living habits.