



Labor Practices



Basic Approach

Based on the Lion Group Charter for Corporate Behavior*¹ and the Behavioral Guidelines,*² we aim to have all employees spurring one another on and operating as autonomous individuals in order to generate waves of innovative change, that is, dynamism, across the organization as a whole. We believe that enhancing the professional fulfillment, ambition and motivation of each individual helps to increase productivity and create new value. We are advancing the Lion Professional Fulfillment Reforms*³ toward a new growth stage. By promoting mutual understanding and respect between organizations and employees, we aim to build stronger organizations.

*1. The Lion Group Charter for Corporate Behavior stipulates that "We shall promote fair treatment and respect the diversity, individuality and personalities of our employees" and "We shall ensure a safe and comfortable workplace to realize the mental and physical well-being of our employees."

*2. The Behavioral Guidelines state that "We will promote a healthy work-life balance and strive to maintain work environments that flexibly allow a variety of working styles," "We will do our utmost to assist employees who strive to learn specialized skills and knowledge and aim for ambitious goals" and "We will engage sincerely in dialog and discussion with employees and their representatives."

*3. Initiatives to increase the professional fulfillment of each and every employee, develop personnel who generate new value and improve labor productivity.

Lion Professional Fulfillment Reforms

To realize the targets of the LIVE Plan, we aim to ensure that each individual is able to take total ownership of their role and exercise their abilities to the fullest. To this end, we have launched a new initiative, the Lion Professional Fulfillment Reforms, focused on health, work styles and enabling diverse human resources to succeed, with the key themes of "first, just do it" and "mutual acceptance."

Our professional fulfillment reforms comprise four initiatives: Make maximum use of diverse talent through work management; change ways of working with emphasis on independence; strengthen relationships to foster mutual understanding and respect while invigorating organizations; and, as the foundation supporting the first three, implement Lion-style health support, "GENKI" Action. By implementing multifaceted initiatives, we are promoting diversity and openness among our human resources, organizations and corporate culture.

Through the Lion Professional Fulfillment Reforms, we will increase the job satisfaction of each and every employee, develop personnel who generate new value and increase labor productivity.

Promoting Diversity

To better respond promptly to changes in the business environment, we are working to promote internal diversity. A team responsible for diversity within the Human Resources

● Promoting the Professional Participation and Advancement of Women

Lion recognizes that the professional participation and advancement of women is indispensable to the further enhancement of corporate value and is proactively implementing measures to promote the professional engagement of women. Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, which came into full effect in 2016, Lion has expanded systems related to childcare and implemented support measures for working parents in order to

LION Professional Fulfillment Reform Framework



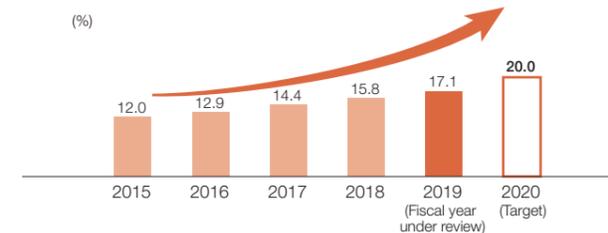
Development Center implements a variety of measures to promote diversity, integration management and employee perspectives.

allow women to fully participate professionally over the long term. We are also implementing measures to support employees balancing work and nursing care.

Furthermore, through a range of initiatives, in 2020 we aim to increase the proportion of female employees in Japan at the management level* to at least 20%.

* Personnel holding managerial positions at the level of assistant manager or higher

Proportion of Female Employees at the Management Level



● Actively Promoting the Professional Participation of People with Disabilities

Lion actively promotes the professional participation of people with disabilities to utilize their abilities, striving to improve working environments and foster a corporate culture in which entire workplaces support these employees. In March 2016, we established the special subsidiary Lion Tomoni Co., Ltd. to promote the active participation of people with disabilities. Lion Tomoni Co., Ltd. has 29 employees and five instructors (as of

● Career Design Support

From 2011 to 2019, Lion's career counseling desk helped employees proactively enhance their own career path. Focused on Lion employees, the desk accepted consultations via phone or email, and provided opportunities for face-to-face career consultations to help employees gain new insights by soliciting employee participation. A cumulative total of 819 employees used the system (as of the end of 2019). Annual surveys of its users found a high level of satisfaction regarding their consultations and positive changes in their mindsets and actions.

In 2020, we completely revamped the career counseling desk and launched what we call Career Design Support, which is aimed at supporting conscious autonomy that will enable employees to advance their careers themselves based on their own aspirations and actions. The desk offers career consultations and disseminates information in and outside the

Promoting Work-Life Balance

Lion strives to maintain and improve working environments so that employees can produce results while emphasizing work-life balance.

● Building Environments Where Employees Can Work With Enthusiasm

Since 2010, Lion has worked to reduce prolonged working hours and encouraged employees to take annual paid leave. In order to facilitate understanding of the management of working hours, e-learning is provided for all employees every year. Aiming for a 70% use rate of annual paid leave in 2020, in line

● Programs to Support a Balance Between Work and Nursing Care

Lion has enhanced support for employees engaged in nursing care of family members as part of efforts to create an environment that allows employees to continue to work with peace of mind while handling such responsibilities. In addition to ordinary annual paid leave, we have in place programs to support nursing care providers, including accumulated leave

Promoting Work-life Balance (Japanese)

https://www.lion.co.jp/ja/csr/employee/work_life/

Lion's entry in the Ministry of Health, Labour and Welfare's database of companies submitting action plans and data based on the Act on Promotion of Women's Participation and Advancement in the Workplace (Japanese)

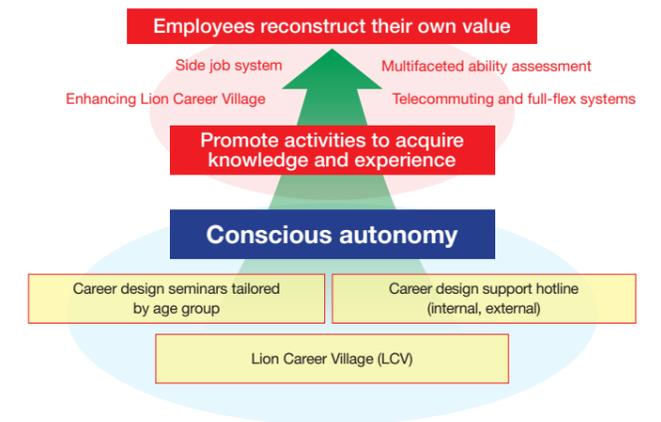
<https://positive-ryouritsu.mhlw.go.jp/positivedb/detail?id=453>

Labor Practices: Employee Data

https://www.lion.co.jp/en/ir/pdf/ar/2020/ir20_e_5.pdf#page=7

Company, helping employees design their careers and rediscover their own potential.

Career Design Support





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

Lion has formulated an action plan in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children and is actively working to create an environment where all employees can exercise their capabilities

fully while achieving a balance between work and childcare. In 2019, we formulated the 6th Phase of our Action Plan (covering February 2019 to December 2022) and advanced efforts toward the following three goals.

Goal 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.

Launched the Lion Career Village and provided support for self-study while on childcare leave and for career development after return to work. (Begun in January 2019)

Goal 2 Within the period of the Action Plan, have 13% or more of eligible male employees take childcare leave, one or more such employee take long-term parental leave and 30% or more of such employees take special leave (for childbirth).

Of eligible male employees, 16.7% (eight individuals) have taken childcare leave, and 60% (29 individuals) of eligible male employees have taken special leave (as of December 31, 2019).



Lion has received Kurumin certification five times and received Platinum Kurumin Certification in 2019.

Lion's page in the Ministry of Health, Labour and Welfare's database of companies submitting action plans and data based on the Next Generation Education and Support Promotion Act (Japanese)

https://ryouritsu.mhlw.go.jp/hiroba/search_dtl.php?cn=107866#actionplan

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

Expanded the number of eligible employees (approximately 60% of regular employees and full-time contract employees, excluding sales and production divisions). (Begun in February 2019)

Encouraged changes to mindsets regarding work styles by providing explanations of the system and participating in the Telework Days campaign.*

* An initiative organized by the Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry in collaboration with related government agencies and organizations aimed at promoting the use of telecommuting across Japan and, to alleviate transportation congestion during the Tokyo Olympic and Paralympic Games, encourage companies and other organizations nationwide to practice coordinated telecommuting on certain days

● Work-from-Home System

We are implementing ongoing initiatives related to our work-from-home system with the aim of accommodating autonomous work styles in line with the diversity of our employees and increasing productivity. To encourage employees to try the system, we have been adjusting related systems and their operation, including participation in the 2019 Telework Days campaign (July–September 2019). By the end of 2019, trial implementation had expanded to the point that the portion of employees who had used the work-from-home system at least once had grown to 49%.

In early 2020, to prevent the spread of the novel coronavirus, except for employees who must be physically present to perform their duties, all our employees were working from home. Since the lifting of Japan's state of emergency in May, we have continued working to make maximum use of the work-from-home system and other measures to reduce the risk of employee infection, shifting away from the default assumption of working on-site. We are advancing the use of digital tools to conduct meetings and morning briefings remotely and improving environments to enable diverse work styles.

User's Perspective

Figuring Out an Ideal Work Style: Telecommuting

An advantage of telecommuting is that it allows you to find better, more efficient ways of working. After getting my work done efficiently, I often have more time than I otherwise would to prepare dinner and can take more care with it. Being able to feel satisfied with the level of housework I do even on weekdays has felt like a real lifestyle improvement.

Iyo Takatsu
Beauty Care Business Department,
Health and Home Care
Products Headquarters



Developing Human Resources

● Enhancing Lion Career Village (LCV)

In 2019, we launched Lion Career Village (LCV) to support employees' autonomous development of their abilities. More than 60% of those eligible are using LCV online instructional content, with approximately 20% participating in discussion-style programs. LCV is thus contributing to the formation of self-directed learning habits among employees. Going forward, to help employees gain knowledge that will further expand the breadth and depth of their work and with an eye to accelerating institutional learning, we will create environments that enable them to teach one another and share what they have learned.

● Marketing Study Program

The Marketing Study Program has been implemented continuously in the Marketing Division since 2014. This program offers opportunities for the systematic study of such topics as practical marketing theory and planning design

Focus

Lion Career Village Receives Two Awards

The LCV system received the Career Up Education Special Division 16th Japan e-Learning Grand Prize organized by e-Learning Initiative Japan and Nihon Kogyo Shimbunsha as well as the Nihon no Jinjibu HR Award 2019 from the Nihon no Jinjibu HR Award Organizing Committee. Going forward, we will continue to improve work environments that promote ambition and creation to help all employees advance their careers in an effort to reinforce front-line capabilities.



based on consumer insights and competitive strategies. The program also serves to develop marketing personnel in accordance with individual career paths.

● Cultivating Innovative Personnel: ReDesign FORUM

Since 2018, Lion has held the ReDesign FORUM with the aims of directly conveying to management the passionate desire of employees, particularly young employees, to bring change to the Company and of rapidly implementing their proposals. Employees from a wide range of divisions participate in the ReDesign FORUM. In 2019, 35 employees participated, tackling the three themes of "Expand and Evolve Our Business

● The NOIL Program

The LIVE Plan includes the basic strategies of Expand and Evolve Our Business Domains through New Value Creation and Create Dynamism to Foster Innovative Change. As part of initiatives based on these strategies, in 2019 we launched NOIL, a program for selecting and implementing new business ideas.

Under the theme of going beyond conventional healthcare wisdom, NOIL is aimed at continuously creating businesses that offer new value. In the program's first year, it received applications from more than 100 people, collecting ideas based on diverse perspectives from employees not only in the R&D Division and Marketing Division, but divisions across the Company, including those related to sales and production. To commercialize the ideas for new products and services that management and outside experts selected as promising, the employees that submitted the chosen ideas have been transferred to the newly

Domains through New Value Creation," "Accelerate Growth in Overseas Businesses through Glocalization" and "Reinforce Our Management Base through Business Structure Reform." We are currently considering measures to put the results of the forum into action. The results of the 2018 forum are now being implemented as part of Company-wide initiatives, such as the Lion Professional Fulfillment Reforms.

established Business Development Center, where they can take a central role in putting their ideas into action.

Perspective of an Employee Working to Commercialize New Businesses

Proposing New Living Habits

Akane Hirooka
Business Development Center
(Previously of the Marking Division)



The experience of independently coming up with the solution to a problem I had in my own daily life was the impetus for my applying to NOIL. I wanted to share my solution with others and spread the joy it brought. I also wanted to work on solving consumers' problems from a wider perspective that transcends the boundaries of the areas I had worked in previously. Bringing together underutilized resources and consumers' real desires, I am starting to work toward commercialization.



Enhancing the Group-wide Occupational Health and Safety Management System

We are taking steps to enhance our occupational health and safety management system with the objectives of zero serious accidents and zero serious incidents throughout the Lion Group. We hold the Safety, Hygiene and Disaster Prevention Meeting twice a year. Chaired by a member of top management, the meetings coordinate ongoing Company-wide initiatives aimed at fully eliminating risks related to facility safety and occupational safety. Lion has added disaster prevention items to the Occupational Safety and Health Management System (OSHMS)* based on the guidelines of Japan's Ministry of Health, Labour and Welfare to establish a unique Safety, Hygiene and Disaster Prevention Management System. Since 2009, we have operated this system at all domestic Group companies, striving to further enhance safety, hygiene and disaster prevention activities.

Our domestic companies actively support overseas Group companies 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. In 2019, we implemented e-learning about safety to instill safety awareness in employees (participation: 99.8%). We will continue such initiatives going forward.

Occupational Safety and Facility Safety (Japanese)

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

* Occupational Safety and Health Management System (OSHMS)

A system to voluntarily conduct continuous safety and health management through PDCA.

● Occupational Safety

In 2019, the number of labor-related accidents for the domestic Group was 26 (excluding eight cases that occurred during commutes to work). When 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.

Employees who Participated in Risk Simulation Training (Safety Training) in 2019 (Internal education)

| Chiba Plant | Odawara Plant | Osaka Plant | Akashi Plant | Total |
|-------------|---------------|-------------|--------------|-------|
| 259 | 55 | 40 | 37 | 391 |

● Safety of Facilities

Lion conducts facility inspections to maintain safety through daily routine inspections and regular maintenance. Our diligent performance of maintenance inspections helps prevent failures and accidents. There were zero facility-related accidents in 2019. We will continue to focus our efforts on ensuring the transmission of technical know-how from employee to employee as well as on providing training.



Reinforcing Health and Productivity Management

When employees act on their own initiative with a high level of health awareness to acquire sound health habits, it not only serves to maintain and improve their health, but helps them achieve personal growth and professional and personal fulfillment. This, in turn, serves to enhance corporate productivity and creativity and expand opportunities for Lion to contribute to society through sustainable growth.

From 2019, we have been implementing Lion-Style Health

Support “GENKI” Action, based on the concept of the “ReDesign” of employees’ health-related habits to be more natural, easy and enjoyable. Through this initiative, we are working to increase health awareness and encourage employees to take self-directed action to maintain and improve their health.

Guidelines for Health

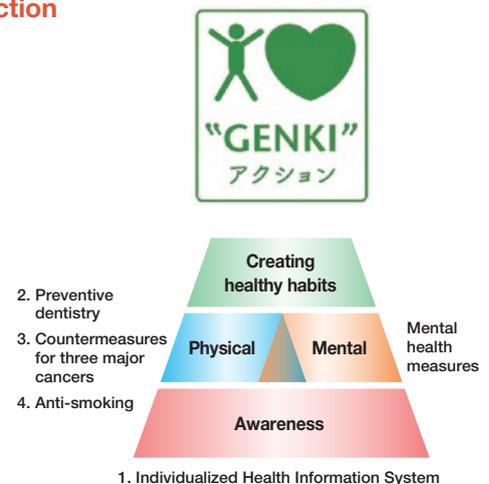


<https://www.lion.co.jp/en/company/compliance/health.php>

Lion-Style Health Support “GENKI” Action

Key Measures

1. Clearly laying out current and future lifestyle-related disease risk
We plan to implement an individual health information system that clearly lays out each employee’s health-related data, such as that from health checkups, dental checkups and saliva tests, and make such data easy to access by that individual.
2. Fostering preventive dentistry habits
We aim for all employees to practice preventive dentistry. We are implementing a range of initiatives, such as subsidizing the cost of receiving professional care, recommending dentists and directly contacting high-risk individuals.
3. Reinforcing countermeasures for three common types of cancer*
We have established a voluntary screening system aimed at early detection and treatment.
* Lung, stomach and colon cancers
4. Reinforcing Anti-Smoking Initiatives
We are advancing support, including creating facilitative environments, for employees who want to quit smoking. We have an online antismoking support program, and, beginning in January 2020, have banned smoking during work hours. Through such efforts, we are working to reduce the smoking rate among employees.



● Mental Health Initiatives

Lion established the Mental Health Basic Policy in 2004, and continually and systematically promotes mental care for employees based on the Guidelines for Maintaining and Improving Mental Health of Workers. In 2019, 98% of employees took a stress level check test. The results of such

● Management System

We have built a health and productivity management system, in which management, led by the President, participates to strengthen and accelerate relevant initiatives and measures. Measures are implemented through the cooperative efforts of the Health Support Office (including industrial physicians and health care providers), the Lion Health Insurance Society and

tests are compiled and analyzed by section/department in such a way that individuals cannot be identified and then provided as feedback to responsible officers, applied in manager training and otherwise applied to improve our ongoing organizational measures.

the individual responsible for health and productivity management at each office.

Health Management Program – Mental, Physical and Awareness (Japanese)



<https://www.lion.co.jp/ja/csr/employee/health/#program>

Promoting Amicable Labor-Management Relations

Lion executes labor agreements with the Lion Workers’ Union to promote sound labor-management relations based on mutual understanding and trust. As it does so, the Company adheres to the Lion Group Charter for Corporate Behavior, which is based on an understanding of the social mission and responsibilities of the Company. Thus, in cooperation with its workers union, the Company works to grow its business and maintain and improve the working conditions of union members. The agreements provide that: the Company shall recognize the freedom of union members to engage in lawful union activities; the Company shall not treat union members disadvantageously by reason thereof; and the Company and the union shall engage in labor-management meetings on a regular basis to consult with each other as equals.

Operating under a union shop agreement,* Lion endeavors to build amicable labor-management relations, in which employees and management proactively conduct such activities as reporting on business conditions and exchanging opinions about the working environment at labor-management meetings. At overseas Group companies, we actively maintain communication between employees and management in order to create a better work environment through the labor-management meetings and strive to establish and maintain sound labor-management relationships.

* A labor agreement in which workers are employed by a company on condition of becoming a member of a specific labor union.