Lion's Sustainability

- → Basic Approach → Sustainability Management (Implementation Framework)
- ✓ Value Creation Process

Basic Approach

Upholding its founding spirit of "benefiting society through its business activities," Lion, in addition to pursuing economic development, has long considered its impact on the environment and society and worked to address related issues through its business activities.

At present, we are tackling key management issues to reduce risks and achieve our management vision for 2030 of "Becoming an advanced daily healthcare company." At the same time, we are practicing management driven by our purpose, "Make a difference in everyday lives by redesigning habits: ReDesign." Based on this purpose, the Lion Group will synergistically address its sustainability material issues and advance its three growth strategies in order to contribute to the realization of a sustainable society and achieve business growth.



The Vision2030 long-term strategic framework

What is Sustainability?

Lion focuses on sustainability for itself and for the world in terms of environmental, social, and economic factors. A sustainable company is one that considers not only economic development, but also social and environmental impacts as it implements ongoing business activities based on long-term strategy.

Contributing to the Achievement of the SDGs

The Sustainable Development Goals (SDGs) are a set of common goals for 2030 established by the United Nations (UN) aimed at the realization of a sustainable world.

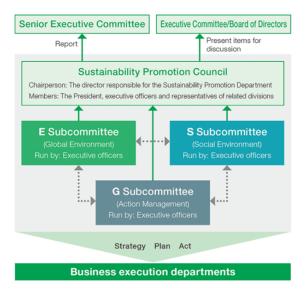
The Lion Group's contribution will mainly be to the realization of SDG 3, "Ensure healthy lives and promote well-being for all at all ages," through its products and services. At the same time, by pursuing initiatives aimed at realizing the Vision 2030 long-term strategic framework, we will contribute to the creation of a sustainable world, the ultimate goal of the SDGs.



Sustainability Management (Implementation Framework)

In order to promote sustainable management, until 2020 we held the Sustainability Promotion Meeting, comprising all executive directors, including the president, and related departments. In 2021, we revised this implementation system and established the Sustainability Promotion Council, which meets twice a year.

We have established three subcommittees under the council, each headed by an executive officer, positioning top management at the forefront of promoting Sustainability Material Issues more than ever before. Decisions made by the Council are reported to the Senior Executive Committee and, as necessary, presented to and discussed by the Executive Committee and the Board of Directors, before being reflected in the business activities of the business execution departments.



Expectations for Evolving Sustainability Management

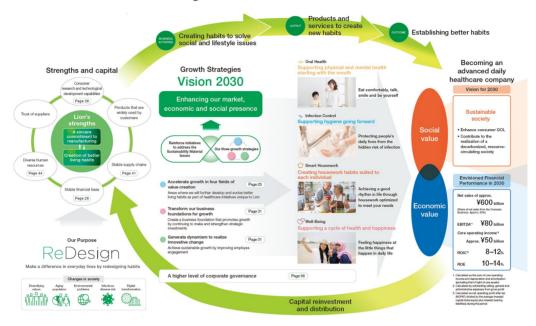
The Audit & Supervisory Board makes sustainability a priority theme each fiscal year. I have been working in the field of sustainability for many years. As such, I look at how issues related to the environment (E) as well as people and society (S) are decided upon in the Lion Group (i.e., governance (G)), including decisions by the Board of Directors. The Sustainability Promotion Council is an extremely important body as it gives specific instructions with regard to sustainability issues and demonstrates leadership in dealing with investments, risk and progress management, among other issues. The president, the director in charge of sustainability, directors responsible for other areas and executive officers in charge of operations are all driven by the same purpose. As they are serious about their work, conflict can sometimes arise. However, I am encouraged by the fact that the more often we meet, the more often we are able to come up with various innovative ideas. Going forward, there is urgent need to disclose non-financial information more effectively. This is due to the growing realization that addressing ESGrelated issues is directly connected to corporate value over the medium to long term. Our challenge will be to convey to society and the market what it is that Lion does and the ways in which it contributes to a sustainable society by redesigning habits.



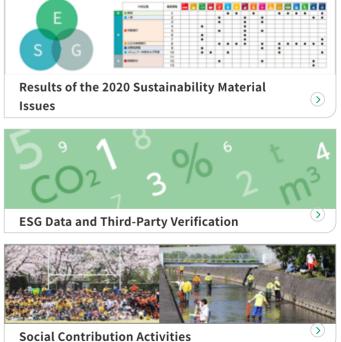
Atsuko Suzuki External Audit & Supervisory Board Member

Value Creation Process

Lion positions its purpose, "Make a difference in everyday lives by redesigning habits: ReDesign," at the core of management. To achieve the management vision, "Becoming an advanced daily healthcare company," we are leveraging the strength of our capital to synergistically reinforce initiatives to address the sustainability material issues and advance growth strategies under the Vision2030 long-term strategic framework. We will also accelerate growth, primarily in four fields of value creation. By providing products and services unique to Lion that help redesign habits, we aim to generate social and economic value and invest (capital reinvestment and distribution) in future growth, creating a cycle that will increase corporate value over the medium to long term.







Sustainability Material Issues and Objectives for 2030

Identifying Material Issues

In 2020, the Lion Group applied the steps below to revise its list of Sustainability Material Issues to address over the coming decade in order to achieve its goals for 2030, including the realization of the management vision and contributing to the realization of the SDGs. These Sustainability Material Issues are relevant to both the Lion Group and society at large and, with the goal of helping to realize a healthy future for people and the planet, their choice was informed by broad business, environmental and social sustainability perspectives. In identifying these issues, we comprehensively considered the entire value chain and interests of Lion's stakeholders in order to understand the risks and opportunities each represents.

In particular, we have positioned "Creating Healthy Living Habits" and "Promoting Environmental Initiatives for a Sustainable Planet" as top priority material issues that we must invest management resources toward to secure a competitive advantage. In addition, we revised our objectives and other indicators in 2021 due to the COVID-19 pandemic and drastic changes in the social environment.

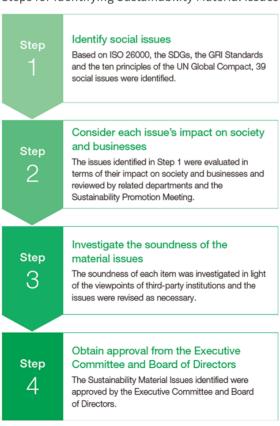
Extremely high

The Lion Group's Sustainability Material Issues

High Degree of impact on businesses

Our Approach to Identifying Sustainability Material Issues

Steps for Identifying Sustainability Material Issues



Risks and Opportunities Related to Sustainability Material Issues in the Value Chain

Lion has classified its Sustainability Material Issues as presenting either risks or opportunities based on considerations of the entire value chain and its stakeholders.



The Lion Group 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, the Lion Group has established the Lion Group Sustainability Material Issues and objectives for 2030.

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. In 2021, in light of the COVID-19 pandemic and changes in the social environment, we revised our objectives and indicators. Aiming for a higher level of achievement, the 2030 objectives include quantitative indicators for evaluating our progress.

Taking an integrated approach that incorporates sustainability into management strategy, the Lion Group aims to contribute to the realization of a sustainable society and achieve further business growth.

Sustainability Material Issues, 2030 Objectives and Indicators, 2021 Results and Measures to 2030

			Material Issues	Objectives	Indicators (2030)
				Reduce CO ₂ emissions throughout business activities.	CO ₂ emissions throughout business activities
E			Promoting Environmental Initiatives for a Sustainable Planet	Reduce CO ₂ emissions throughout product life cycles.	⇒Down 55% compared with 2017 levels (Absolute quantity) • CO₂ emissions throughout product life cycles ⇒Down 30% compared with 2017 levels (Absolute quantity)
	E			Achieve a CO ₂ emissions reduction effect in excess of Lion's own emissions to help society become carbon negative.	Contribute to a CO ₂ emission reduction effect in excess of Lion's own emissions (Japan)
		Issues		Promote actively the 3Rs (reduce, reuse, recycle) and renewable activities.	Petrochemical-derived plastic use rate ⇒70% or less
		erial		Reduce water usage throughout product life cycles.	Water usage throughout product life cycles ⇒Down 30% compared with 2017 levels (Per unit of net sales)
		Top-Priority Material Issues	Creating Healthy Living Habits WEB	Provide opportunities for everyone to practice oral care whenever necessary and foster oral care habits to promote health for all.	Persons provided with products, services and information aimed at creating
				Promote the establishment of hygienic habits that prevent bacteria and viruses from entering the body across all aspects of daily living.	healthy living habits ⇒1 billion <oral 500="" and="" care:="" cleanliness="" hygiene:="" million="" million,=""></oral>
		Inclusio		Enable human resources with diverse values and ideas fully express their individuality and abilities and succeed professionally.	Ratio of women in management ⇒30% or more Employees who feel that employees with diverse values are able to succeed professionally ⇒80% or more
		Promoti Enrichm	ing Work-Life nent	Create an environment that helps employees fulfill their ambitions through synergy between work and private life.	Employees who feel that life outside of work (role at home and external activities) has a positive impact on work ⇒75% or more
		Develop Resourc	oing Human ces	Foster human resources who generate dynamism to realize innovative change by creating environments that allow all employees to exercise their diverse abilities to the fullest and embrace challenges.	Employees who are using diverse educational programs (Lion Career Village) for individualized skill acquisition and ability development ⇒100%
:	S	Improvir	ng Employee Health WEB	Support mental and physical healthcare for employees to reinforce Group human resources and achieve sustainable corporate growth.	Employees getting dental checkups ⇒100% Absenteeism ⇒Improve from the 2021 level
			ing the Occupational Management System	Enhance systems to ensure compliance with occupational safety and health laws and regulations and to enforce safety awareness thoroughly for the safety and peace of mind of employees and outside partners working on site.	Participation in safety education and training Inplement as planned (100%) at work sites Compliance with occupational safety and health laws and regulations Serious accidents and incidents Incidents Incidents Participation in safety education and training Incident Incidents Incidents Incident Incidents Incident Inc
		Respec	ting Human Rights WEB	Ensure respect for the human rights of all stakeholders affected by Group business activities, in line with the LION Human Rights Policy.	Human rights due diligence implementation for material human rights issues ⇒100%
			g Responsible Chain Management	Implement sustainable procurement with zero tolerance for human rights and labor problems (including child labor and 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 and pulp (FSC, PEFC, etc.) and palm oil, palm kernel oil and their derivatives (RSPO, etc.) ⇒100% Procurement of third-party certified paper and pulp (FSC, PEFC, etc.) and palm oil, palm kernel oil and their derivatives (RSPO, etc.) from suppliers that support efforts aimed at zero deforestation ⇒100%
			g Customer stion and Trust	Promote and reinforce customer-oriented business activities by improving customer support quality and the value of products and services.	Customer opinions are reflected in all products and services so that customers will continue to choose them
G		Promoti Manage		Build a comprehensive and exhaustive risk management system for identifying and quickly and appropriately dealing with risks to achieve sustainable corporate growth.	Disclosure of the results of monitoring significant business risks and progress in implementing reduction measures ⇒At least once a year
	G	Reinford	ping Compliance WEB	Reinforce effective initiatives to instill compliance awareness and thus earn and maintain the trust of society.	Participation in compliance education and training ⇒Implement as planned (100%) at work sites Serious compliance violations ⇒Zero
		Enhanci	ing Governance WEB	Build a sound, fair, transparent and highly effective governance system to enable sustainable corporate value enhancement.	Disclosure of the results of the establishment and operation of the internal control system At least once a year Improvement in evaluations from external organizations Continuously improve from the 2020 onward

 $^{^{\}star}$ The Sustainability Material Issues and objectives published in 2021 have been partially revised.

Progress (2021 results)	Globally Common Measures to 2030	Related SDGs
Down 7% compared with 2017	Reduce energy usage through energy-saving activities.	
Up 10% compared with 2017	 Purchase electricity generated by renewable energy sources. Reduce household CO₂ emissions from product use through the provision of environmentally friendly products and services and the promotion of environmentally friendly habits. Reduce CO₂ emissions at the stage of procurement through supplier engagement and the purchase of raw materials that generate low CO₂ emissions. 	3=== -₩\$
Plan to formulate actions and KPIs and verify their effectiveness	Reduce society's overall CO ₂ emissions through collaboration with other industry actors and companies. Reduce household CO ₂ emissions through provision of environmentally friendly products and services.	17
• 95% (Japan)	 Reduce usage of petrochemical-derived materials through the increased use of recycled plastic and biomass materials in products, containers and other packaging. Continuously promote reduced use and reuse of plastic in products, containers and other packaging. 	88
Down 2% compared with 2017	Reduce water usage by consumers through the provision of water-saving products.	
Oral care: 150 million Launched CLINICA and SYSTEMA Gel Toothpaste for use with electric toothbrushes Launched Lightee Toothpaste for whitening Spread the habit of after-lunch tooth brushing at the workplace Conduct initiatives under the Okuchikarada Project for children Inclusive Oral Care Released an animated video showing how to brush teeth with mouth closed. Released "Ee, Ha," a tooth brushing song to promote the formation of proper tooth brushing habits among children	Increase range of products and services that promote the creation of better oral care habits. Reinforce educational and awareness activities aimed at establishing preventive dentistry and better oral care habits. Promote activities to address personal and social challenges through Inclusive Oral Care.	2 mm. 4 mm. 19 mm. 4 mm.
Cleanliness and hygiene: 120 million Launched KireiKirei Blue series to combat viruses in daily life Launched Pocket Size KireiKirei Medicated Foaming Hand Soap for use whenever, wherever Launched KireiKirei Medicated Foaming Hand Soap Auto Dispenser for touchless dispensing Began the KireiKirei Relay Project to help create a clean and hygienic environment Began "Let's Join Together to Promote Habits for Cleanliness! Produced by KireiKirei" for educational institutions Released "If I Wash My Hands Together With You", a song to help encourage children to join the hand-washing crowd	Provide products and services that support the establishment of hand cleanliness and hygienic habits in daily living. Provide new customer experiences in all aspects of daily living through the provision of products and services that protect customers from bacteria and viruses. Implement educational and awareness-raising activities to establish cleanliness and hygienic habits in all aspects of daily living.	12
Ratio of women in management: 20% Employees who feel so: 56% (Japan)	 Provide opportunities for employees to deepen their understanding of diverse values. Create systems and mechanisms for diverse human resources to succeed professionally. 	5 N N N N N N N N N N N N N N N N N N N
• 54% (Japan)	Create an environment that enables employees to fulfill their life ambitions and achieve their ideal lifestyles.	3 mm. 8 mm
56% (Japan) Note: Programs are being introduced in stages (Overseas)	Introduce e-learning system and curriculum that meet the needs of overseas Group companies. Create mechanisms that will be used to provide contents for learning opportunities on an ongoing basis.	5
Employees getting dental checkups: 56% (Japan; stopped during state of emergency) Note: Support for dental checkups is provided (Overseas) Absenteeism: 0.7% (Japan) Note: Calculation method under consideration (Overseas)	 Use a self-administered daily oral care program and regular dental checkups to create an environment that allows all employees to implement a PDCA cycle and to provide information and learning opportunities regarding oral self-care. Provide opportunities for management to learn about checking the mental health of subordinates and for all employees to learn about caring for their own mental health. Improve health literacy by providing information that helps employees understand their own health conditions and future risks, as well as what preventative actions to take in their daily lives. 	3
Participation in training: 100% as planned Serious accidents and incidents: Zero	 Provide opportunities to learn about safety and disaster prevention, and implement activities to promote understanding of basic safety activities. Build mechanisms for exchanging safety information, and proactively disclose information on levels of workplace safety based on the management of records of occupational accident frequency. 	3 mm. 8 mm.
Currently studying methods for assessing risk of human rights violations	Build a mechanism for addressing human rights issues. Identify material human rights risks and verify how those affected are negatively impacted. Execute and monitor measures for addressing human rights risks that have been identified. Proactively disclose status of response to human rights due diligence.	
Ratio of certified raw materials procurement Japan: Certified paper and pulp: 65% (item ratio) Certified palm oil and palm kernel oil derivatives: 93% (based on key raw materials) Overseas: Certified paper and pulp: Procurement to begin in stages Certified palm oil and palm kernel oil derivatives: Procurement to be considered Ratio of suppliers supporting zero deforestation: 50% (Japan) Note: Surveys to begin in stages (Overseas)	Create and promote a sustainable procurement system in cooperation with suppliers.	
In addition to a monthly newsletter aimed at quickly discovering issues and trends through the voice of the customer, in February 2022 we launched a new weekly VOC newsletter (Japan)	Evolve the activities of customer response departments by steadily promoting three steps: Understand the current situation ⇒Formulate plans ⇒Promote activities Create an environment for improving customer relationships and expanding the range of problem resolution methods. Create and implement a system for reflecting customer feedback in products and services.	3 ==== -√√ (‡) (∑)
Disclosed once	Build and raise awareness of a management system that includes overseas Group companies. Use a consistent format for investigating risks and implement countermeasures. Share information on progress of response through reports to the Board of Directors once a year.	**************************************
Participation in training: 100% as planned Serious compliance violations: Zero	Build and enhance a compliance system that includes overseas Group companies. Further inculcate through ongoing implementation of management and employee training and questionnaires, etc. Improve Group-wide risk perception and accelerate risk response by designating compliance managers at overseas Group companies and building a global hotline.	5 = 10 = 16 = Y
Disclosed once As in 2020, continued activities to improve evaluation results	Evaluate and disclose results of the operation of the current internal control system. Clarify status of establishment of internal control systems at overseas Group companies and evaluate their operation. Continuously and proactively disclose governance-related non-financial information.	16 mm Y

Sustainability Material Issues, 2030 Objectives and Indicators, 2021 Results and Measures to 2030

- ▼ 1. Promoting Environmental Initiatives for a Sustainable Planet
 ▼ 2. Creating Healthy Living Habits
- ▼ 3. Promoting Diversity & Inclusion ▼ 4. Promoting Work-Life Enrichment
- ▼ 5. Developing Human Resources
 ▼ 6. Improving Employee Health
- ▼ 7. Enhancing the Occupational Safety Management System
 ▼ 8. Respecting Human Rights
- ▼ 9. Building Responsible Supply Chain Management ▼ 10. Pursuing Customer Satisfaction and Trust
- ▼ 11. Promoting Risk Management ▼ 12. Reinforcing Compliance ▼ 13. Enhancing Governance

Promoting Environmental Initiatives for a Sustainable Planet

Material Issues 1

Environment

Top-Priority Material Issues









Objectives

- 1 Reduce CO₂ emissions throughout business activities.
- 2 Reduce CO₂ emissions throughout product life cycles.
- 3 Achieve a CO₂ emissions reduction effect in excess of Lion's own emissions to help society become carbon negative.
- 4 Promote actively the 3Rs (reduce, reuse, recycle) and renewable activities.
- 5 Reduce water usage throughout product life cycles.

Objectives

Reduce CO₂ emissions throughout business activities.

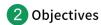
Indicators (2030)	CO ₂ emissions throughout business activities ⇒Down 55% compared with 2017 levels (Absolute quantity
Progress (2021 results)	Down 7% compared with 2017
Globally Common Measures to 2030	 Reduce energy usage through energy-saving activities. Purchase electricity generated by renewable energy sources.





Details

> Together with the Environment > Reduce CO₂Emissions throughout Business Activities



Reduce CO₂ emissions throughout product life cycles.

Indicators (2030)	CO ₂ emissions throughout product life cycles ⇒Down 30% compared with 2017 levels (Absolute quantity)
Progress (2021 results)	Up 10% compared with 2017
Globally Common Measures	 Reduce household CO₂ emissions from product use through the provision of environmentally friendly products and services and the promotion of environmentally friendly habits.
to 2030	 Reduce CO₂ emissions at the stage of procurement through supplier engagement and the purchase of raw materials that generate low CO₂ emissions.





Details

> Together with the Environment

> Reduce CO₂Emissions throughout Product Life Cycles

> ESG Data



3 Objectives

Achieve a CO₂ emissions reduction effect in excess of Lion's own emissions to help society become carbon negative.

Indicators (2030)	Contribute to a CO ₂ emission reduction effect in excess of Lion's own emissions (Japan)
Progress (2021 results)	Plan to formulate actions and KPIs and verify their effectiveness
Globally Common Measures	 Reduce society's overall CO₂ emissions through collaboration with other industry actors and companies.
to 2030	• Reduce household CO ₂ emissions through provision of environmentally friendly products and services.





S Details

> Together with the Environment > Reduce CO₂Emissions throughout Business Activities

4 Objectives

Promote actively the 3Rs (reduce, reuse, recycle) and renewable activities.

Indicators (2030)	Petrochemical-derived plastic use rate⇒70% or less
Progress (2021 results)	95% (Japan)
Globally Common Measures	Reduce usage of petrochemical-derived materials through the increased use of recycled plastic and biomass materials in products, containers and other packaging.
to 2030	 Continuously promote reduced use and reuse of plastic in products, containers and other packaging.

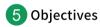




S Details

> Together with the Environment > Recycling Resources

> ESG Data



Reduce water usage throughout product life cycles

Indicators (2030)	Water usage throughout product life cycles ⇒Down 30% compared with 2017 levels (Per unit of net sales)
Progress (2021 results)	Down 2% compared with 2017
Globally Common Measures to 2030	Reduce water usage by consumers through the provision of water-saving products.





9 Details

> Together with the Environment > Reducing Water Use

Creating Healthy Living Habits

Material Issues 2

Health

Top-Priority Material Issues





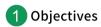




Objectives

- 1 Provide opportunities for everyone to practice oral care whenever necessary and foster oral care habits to promote health for all.
- 2 Promote the establishment of hygienic habits that prevent bacteria and viruses from entering the body across all aspects of daily living.





Provide opportunities for everyone to practice oral care whenever necessary and foster oral care habits to promote health for all.

Indicators (2030)	Persons provided with products, services and information aimed at creating healthy living habits ⇒500 million
	Oral care: 150 million • Launched CLINICA and SYSTEMA Gel Toothpaste [Japanese] for use with electric toothbrushes, further supporting habits that prevent cavities and gum disease
Progress	 Launched Lightee Toothpaste [Japanese] for whitening in response to growing demand for whitening products that meet new lifestyle needs. Supports fundamental self-care habits to bring out the teeth's natural beauty
(2021 results)	Spread the habit of after-lunch tooth brushing at the workplace
	Conduct initiatives under the Okuchikarada Project for children Inclusive Oral Care
	• Released an animated video showing how to brush teeth with mouth closed [Japanese]☑.
	Released "Ee, Ha," a tooth brushing song to promote the formation of proper tooth brushing habits among children
	Increase range of products and services that promote the creation of better oral care habits.
Globally Common Measures to 2030	Reinforce educational and awareness activities aimed at establishing preventive dentistry and better oral care habits.
	Promote activities to address personal and social challenges through Inclusive Oral Care.

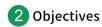




Details

> Creating Healthy Living Habits

> Initiatives to Establish Oral Care Habits



Promote the establishment of hygienic habits that prevent bacteria and viruses from entering the body across all aspects of daily living.

Indicators (2030)	Persons provided with products, services and information aimed at creating healthy living habits ⇒500 million
	Cleanliness and hygiene: 120 million
	• Launched KireiKirei Blue series [Japanese] , going beyond simple hand washing by fighting germs and viruses arising in all kinds of daily situations where they may pose a concern in light of new lifestyles
	• Launched Pocket Size KireiKirei Medicated Foaming Hand Soap [Japan ese]☑ for use whenever, wherever. Transforms simple rinsing with water while on the go into effective washing with hand soap
Progress (2021 results)	• Launched KireiKirei Medicated Foaming Hand Soap Auto Dispenser [Ja panese]☑ for touchless dispensing. Foam is dispensed automatically, making hand washing easy for everyone
	Began the KireiKirei Relay [Japanese] Project to help create a clean and hygienic environment
	Began "Let's Join Together to Promote Habits for Cleanliness! Produce d by KireiKirei" [Japanese]
	Released "If I Wash My Hands Together With You" [Japanese] to help encourage children to join the hand-washing crowd
	Provide products and services that support the establishment of hand cleanliness and hygienic habits in daily living.
Globally Common Measures to 2030	 Provide new customer experiences in all aspects of daily living through the provision of products and services that protect customers from bacteria and viruses.
	 Implement educational and awareness-raising activities to establish cleanliness and hygienic habits in all aspects of daily living.





9 Details

> Creating Healthy Living Habits > Initiatives to Establish Cleanliness and Hygiene Habits

Promoting Diversity & Inclusion

Material Issues 3

Emplyoee







Objectives

Enable human resources with diverse values and ideas fully express their individuality and abilities and succeed professionally.

	• Ratio of women in management ⇒ 30% or more
Indicators (2030)	 Employees who feel that employees with diverse values are able to succeed professionally ⇒ 80% or more
Progress	Ratio of women in management: 20%
(2021 results)	• Employees who feel so: 56% (Japan)
Globally Common Measures	Provide opportunities for employees to deepen their understanding of diverse values.
to 2030	Create systems and mechanisms for diverse human resources to succeed professionally.





S Details

> Together with Employees

> Promoting Diversity & Inclusion

> ESG Data

Promoting Work-Life Enrichment

Material Issues 4

Emplyoee





Objectives

Create an environment that helps employees fulfill their ambitions through synergy between work and private life.

Indicators (2030)	Employees who feel that life outside of work (role at home and external activities) has a positive impact on work⇒75% or more
Progress (2021 results)	54% (Japan)
Globally Common Measures to 2030	Create an environment that enables employees to fulfill their life ambitions and achieve their ideal lifestyles.





Details

> Together with Employees

> Promoting Work-Life Enrichment

Developing Human Resources

Material Issues 5

Emplyoee







Objectives

Foster human resources who generate dynamism to realize innovative change by creating environments that allow all employees to exercise their diverse abilities to the fullest and embrace challenges.

Indicators (2030)	Employees who are using diverse educational programs (Lion Career Village) for individualized skill acquisition and ability development⇒100%
Progress (2021 results)	56% (Japan) Note: Programs are being introduced in stages (Overseas)
Globally Common Measures	Introduce e-learning system and curriculum that meet the needs of overseas Group companies.
to 2030	Create mechanisms that will be used to provide contents for learning opportunities on an ongoing basis.





Details

> Together with Employees

> Developing Human Resources

Improving Employee Health

Material Issues 6

Emplyoee







Objectives

Support mental and physical healthcare for employees to reinforce Group human resources and achieve sustainable corporate growth.

Indicators (2030)	 Employees getting dental checkups ⇒100% 					
iliuicators (2030)	 Absenteeism ⇒Improve from the 2021 level 					
Progress (2021 results)	Employees getting dental checkups: 56% (Japan; stopped during state of emergency) Note: Support for dental checkups is provided (Overseas)					
	Absenteeism: 0.7% (Japan) Note: Calculation method under consideration (Overseas)					
Globally Common Measures to 2030	 Use a self-administered daily oral care program and regular dental checkups to create an environment that allows all employees to implement a PDCA cycle and to provide information and learning opportunities regarding oral self-care. 					
	 Provide opportunities for management to learn about checking the mental health of subordinates and for all employees to learn about caring for their own mental health. 					
	Improve health literacy by providing information that helps employees understand their own health conditions and future risks, as well as what preventative actions to take in their daily lives.					





9 Details

> Together with Employees

> Improving Employee Health

Enhancing the Occupational Safety Management System

Material Issues 7

Emplyoee





Objectives

Enhance systems to ensure compliance with occupational safety and health laws and regulations and to enforce safety awareness thoroughly for the safety and peace of mind of employees and outside partners working on site.

Indicators (2030)	 Participation in safety education and training ⇒Implement as planned (100%) at work sites 					
	 Compliance with occupational safety and health laws and regulations Serious accidents and incidents ⇒Zero 					
Progress	Participation in training: 100% as planned					
(2021 results)	Serious accidents and incidents: Zero					
Globally Common Measures	 Provide opportunities to learn about safety and disaster prevention, and implement activities to promote understanding of basic safety activities. 					
to 2030	Build mechanisms for exchanging safety information, and proactively disclose information on levels of workplace safety based on the management of records of occupational accident frequency.					





9 Details

> Together with Employees

> Enhancing the Occupational Safety Management System

Respecting Human Rights

Material Issues 8

Human Rights











Objectives

Ensure respect for the human rights of all stakeholders affected by Group business activities, in line with the LION Human Rights Policy

Indicators (2030)	Human rights due diligence implementation for material human rights issues ⇒100%
Progress (2021 results)	Currently studying methods for assessing risk of human rights violations
Globally Common Measures to 2030	Build a mechanism for addressing human rights issues.
	• Identify material human rights risks and verify how those affected are negatively impacted.
	 Execute and monitor measures for addressing human rights risks that have been identified.
	• Proactively disclose status of response to human rights due diligence.





Details

- > Respect for Human Rights
- > Measures to Prevent Human Rights Abuse (Human Rights Due Diligence)

Building Responsible Supply Chain Management

Material Issues 9

Supply Chain





















Objectives

Implement sustainable procurement with zero tolerance for human rights and labor problems (including child labor and forced labor) or environmental destruction in line with the Sustainable Material Procurement Policy and Lion Group Supplier CSR Guidelines.







Details

> Together with Supply Chains

> Aiming for Sustainable Raw Material Procurement

Pursuing Customer Satisfaction and Trust

Material Issues 10

Customer







Objectives

Promote and reinforce customer-oriented business activities by improving customer support quality and the value of products and services.

Indicators (2030)	Customer opinions are reflected in all products and services so that customers will continue to choose them
Progress (2021 results)	In addition to a monthly newsletter aimed at quickly discovering issues and trends through the voice of the customer, in February 2022 we launched a new weekly VOC newsletter (Japan)
Globally Common Measures to 2030	Evolve the activities of customer response departments by steadily promoting three steps: Understand the current situation Formulate plans Promote activities
	Create an environment for improving customer relationships and expanding the range of problem resolution methods.
	Create and implement a system for reflecting customer feedback in products and services.





9 Details

> Ensuring Product Safety and Reliability > Initiatives to Respond to Our Customers > ESG Data

Promoting Risk Management

Material Issues 11

Governance



Objectives

Build a comprehensive and exhaustive risk management system for identifying and quickly and appropriately dealing with risks to achieve sustainable corporate growth.

Indicators (2030)	Disclosure of the results of monitoring significant business risks and progress in implementing reduction measures ⇒At least once a year			
Progress (2021 results)	Disclosed once			
Globally Common Measures to 2030	 Build and raise awareness of a management system that includes overseas Group companies. 			
	 Use a consistent format for investigating risks and implement countermeasures. 			
	Share information on progress of response through reports to the Board of Directors once a year.			





S Details

> Risk Management > ESG Data

Reinforcing Compliance

Material Issues 12

Governance







Objectives

Reinforce effective initiatives to instill compliance awareness and thus earn and maintain the trust of society.

Indicators (2030)	 Participation in compliance education and training ⇒Implement as planned (100%) at work sites 					
	Serious compliance violations ⇒Zero					
Progress	Participation in training: 100% as planned					
(2021 results)	Serious compliance violations: Zero					
	Build and enhance a compliance system that includes overseas Group companies.					
Globally Common Measures to 2030	Further inculcate through ongoing implementation of management and employee training and questionnaires, etc.					
10 2000	 Improve Group-wide risk perception and accelerate risk response by designating compliance managers at overseas Group companies and building a global hotline. 					





S Details

> Compliance > ESG Data

Enhancing Governance

Material Issues 13

Governance



Objectives

Build a sound, fair, transparent and highly effective governance system to enable sustainable corporate value enhancement.

Indicators (2030)	 Disclosure of the results of the establishment and operation of the internal control system ⇒At least once a year 					
	• Improvement in evaluations from external organizations ⇒Continuously improve from the 2020 onward					
Progress	Disclosed once					
(2021 results)	• As in 2020, continued activities to improve evaluation results					
	Evaluate and disclose results of the operation of the current internal control system.					
Globally Common Measures to 2030	• Clarify status of establishment of internal control systems at overseas Group companies and evaluate their operation.					
	Continuously and proactively disclose governance-related non-financial information.					





S Details

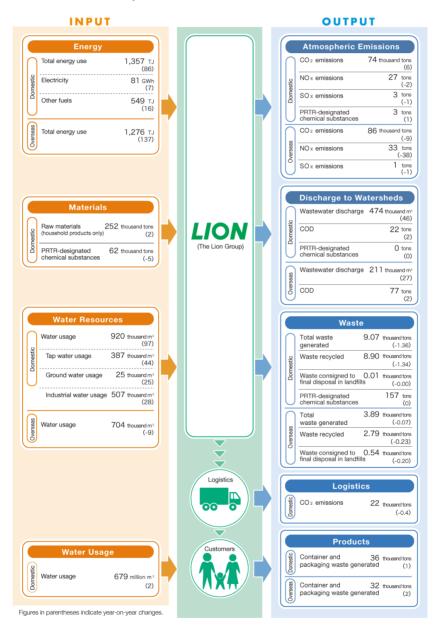
> Basic Approach to Corporate Governance > ESG Data

ESG Data and Third-Party Verification

Environmental Data
 Third-Party Verification
 Social Data
 Governance Data

Environmental Data

Overview of Environmental Burden Created by Business Activities



[Scope of Data] Lion and consolidated subsidiaries: The scope of this data was revised from 2021 for consistency with the consolidated subsidiaries listed in Lion's Securities Report. Data for previous years has been revised accordingly.

[Period Covered] January 2021 to December 2021: However, data for PRTR-designated chemical substances is for April 2021 to March 2022

CO₂ Emissions from Business Activities

Domestic	Unit	2017	2018	2019	2020	2021
Absolute quantity	Thousand t-CO ₂	77	74	70	67	74
Reduction from 2017	%	_	_	_	_	5

Overseas	Unit	2017	2018	2019	2020	2021
Absolute quantity	Thousand t-CO ₂	94	98	93	96	86
Reduction from 2017	%	_	_	_	_	8

Domestic and overseas total	Unit	2017	2018	2019	2020	2021
Absolute quantity	Thousand t-CO ₂	171	173	163	163	160
Reduction from 2017	%	_	_	_	_	7

> More about related initiatives

Total Energy Consumption in Business Activities

	Unit	2017	2018	2019	2020	2021
Domestic	TI	1,350	1,325	1,287	1,270	1,357
Overseas	13	1,122	1,183	1,118	1,139	1,276
Domestic and overseas total	TJ	2,472	2,509	2,404	2,409	2,632

> More about related initiatives

Total renewable and Non-Renewable Energy Consumption in Business Activities

		Unit	2017	2018	2019	2020	2021	Target for 2021
	Domestic	GWh	239	233	227	222	233	_
Total non-renewable energy	Overseas	GWII	312	329	310	316	313	_
consumption	Domestic and overseas total	GWh	550	562	537	538	546	533
	Domestic	GWh	0.04	0.04	0.04	0.04	0.18	_
Total renewable energy	Overseas		0	0	0.01	0.01	42	_
consumption	Domestic and overseas total	GWh	0.04	0.04	0.05	0.05	42	_
Total renewable energy consumption/ total energy consumption	Domestic and overseas total	%	0.01	0.01	0.01	0.01	7.13	_

Greenhouse Gas Emissions throughout the Supply Chain

		Unit	2017	2018	2019	2020	2021
Scope 1		%	1.6	1.5	1.6	1.5	1.7
Scope 2	Scope 2		2.1	2.0	2.1	1.9	1.5
	Purchased goods and services		21.8	19.8	20.6	23.4	23.7
	Capital goods	%	0.8	0.8	1.3	2.5	1.1
	Fuel- and energy-related activities not include in Scope 1 or Scope 2	%	0.5	0.4	0.4	0.6	0.6
	Upstream transportation and distribution	%	3.4	3.5	4.6	4.3	3.8
	Waste generated in operations	%	0.1	0.1	0.1	0.3	0.4
Canno 3	Business travel	%	0.1	0.1	0.1	0.1	0.0
Scope 3	Employee commuting	%	0.1	0.0	0.1	0.0	0.1
	Downstream transportation and distribution	%	0.1	0.1	0.2	0.2	0.2
	Processing of sold products	%	5.3	2.6	2.6	1.8	2.0
	Use of sold products	%	54.2	59.0	55.6	52.7	54.4
	End-of-life treatment of sold products	%	9.5	9.5	10.4	10.2	9.8
	Investments	%	0.4	0.5	0.6	0.7	0.9
Total	Total		4.62	4.99	4.51	4.84	4.93

> More about related initiatives

Notes: Scope: Lion and domestic and overseas consolidated subsidiaries (domestic and overseas total)

Scope 1: Direct emissions from operating sites

Scope 2: Indirect emissions from the generation of purchased energy (electricity generation, etc.)

Scope 3: Emissions from the supply chain not included in Scope 1 or Scope 2

Scope 1 and 2 Greenhouse Gas Emissions from Operating Sites

Domestic	Unit	2017	2018	2019	2020	2021
Scope 1	Thousand	22	22	21	19	21
Scope 2 (location basis)	t-CO ₂	55	54	52	50	52
Scope 1 + 2 (location basis) total	Thousand t-CO ₂	77	75	73	70	73
Scope 2 (market basis)	Thousand t-CO ₂	55	53	50	48	52
Scope 1 + 2 (market basis) total	Thousand t-CO ₂	77	74	70	67	74

Overseas	Unit	2017	2018	2019	2020	2021
Scope 1	Thousand	51	54	50	54	64
Scope 2 (location basis)	t-CO ₂	43	45	43	42	22
Scope 1 + 2 (location basis) total	Thousand t-CO ₂	94	98	93	96	86
Scope 2 (market basis)	Thousand t-CO ₂	43	45	43	42	22
Scope 1 + 2 (market basis) total	Thousand t-CO ₂	94	98	93	96	86

Domestic and overseas total	Unit	2017	2018	2019	2020	2021	Target for 2021
Scope 1	Thousand	73	75	70	73	85	72
Scope 2 (location basis)	t-CO ₂	98	99	95	93	74	89
Scope 1 + 2 (location basis) total	Thousand t-CO ₂	171	174	165	166	160	_
Scope 2 (market basis)	Thousand t-CO ₂	98	98	93	90	74	89
Scope 1 + 2 (market basis) total	Thousand t-CO ₂	171	173	163	163	160	_

Notes: Scope 1:Direct emissions from operating sites

Scope 2: Indirect emissions from the generation of purchased energy (electricity generation, etc.)

Raw Material Usage (Domestic Household Products)

	Unit	2017	2018	2019	2020	2021
Raw material usage	Thousand tons	250	251	245	250	252

> More about related initiatives

Container and Packaging Material Usage (Domestic Household Products)

	Unit	2017	2018	2019	2020	2021
Plastic		18	18	20	20	19
Corrugated cardboard		23	24	26	27	27
Cardboard	Thousand tons	6	6	6	5	5
Glass		6	6	6	5	6
Metals		0.3	0.2	0.2	0.1	0.1
Total	Thousand tons	54	54	57	58	57

> More about related initiatives

Container and Packaging Material Usage (Domestic and Overseas Total Household Products)

	Unit	2017	2018	2019	2020	2021
Plastic		33	34	37	42	43
Corrugated cardboard	Thousand tons	55	56	57	59	58
Cardboard		8	8	9	13	13
Glass		6	6	6	5	6
Metals		0.3	0.2	0.2	0.1	0.1
Total	Thousand tons	103	105	110	119	120

Water Usage (Water Withdrawal) in Business Activities

	Unit	2017	2018	2019	2020	2021
Domestic	Thousand	917	955	862	823	920
Overseas	m ³	670	740	706	713	704
Total	Thousand m ³	1,586	1,695	1,568	1,536	1,624

> More about related initiatives

Water Usage (Water Withdrawal) by Source

		Unit	2017	2018	2019	2020	2021
	Domestic	Thousand	339	362	353	343	387
Tap water	Overseas	m ³	645	717	681	690	689
Tap water	Total	Thousand m ³	983	1,080	1,033	1,033	1,076
	Domestic	Thousand	538	590	507	479	507
Industrial water	Overseas	m ³	25	23	25	23	15
ilidustriat water	Total	Thousand m ³	563	613	532	502	522
	Domestic	Thousand	38	0.4	0	0	25
Groundwater	Overseas	m ³	0	0	0	0	0
Groundwater	Total	Thousand m ³	38	0.4	0	0	25
	Domestic	Thousand	1	2	2	2	2
Rain water	Overseas	m ³	0	0	0	0	0
ivani watei	Total	Thousand m ³	1	2	2	2	2

Wastewater Discharge in Business Activities

	Unit	2017	2018	2019	2020	2021
Domestic	Thousand	526	551	448	428	474
Overseas	m ³	172	194	190	183	211
Total	Thousand m ³	699	745	638	611	684

Wastewater Discharge by Destination

		Unit	2021*
	Domestic	Thousand m ³	302
Sewage systems	Overseas	THOUSAND III'	64
	Total	Thousand m ³	366
	Domestic	Thousand m ³	118
Sea area	Overseas	- Inousand m	0
	Total	Thousand m ³	118
	Domestic	Thousand m ³	53
River	Overseas	THOUSAND III'	44
	Total	Thousand m ³	97
	Domestic	Thousand m ³	0
Other (industrial park treatment facilities)	Overseas	THOUSAND III'	103
	Total	Thousand m ³	103

^{*} Disclosed from 2021

Breakdown of Water Use over the Life Cycles of Lion Products

	Unit	2019	2020	2021
Raw material procurement	%	19.3	19.3	19.4
Production	%	0.1	0.1	0.1
Transport	%	0.0	0.0	0.0
Use by consumers	%	76.8	76.2	76.2
Disposal by consumers	%	3.8	4.4	4.3

^{*} Scope: Lion and domestic and overseas consolidated subsidiaries (domestic and overseas total)

> More about related initiatives

Water Use over the Life Cycles of Lion Products

	Unit	2017	2019	2020	2021
Water Usage	million m ³	2,178	2,230	2,273	2,291
Usage intensity per unit net sales	Tthousand m³/million yen	6.36	_	_	6.26
Decrease in usage intensity per unit net sales from 2017	%	0	_	_	2

Total Waste Generation, Total Waste Consigned to Final Disposal in Landfills and Total Resources Recovered

Domestic	Unit	2017	2018	2019	2020	2021
Total Waste Generation	Thousand tons	7.62	8.29	8.59	10.43	9.07
Total Waste Consigned to Final Disposal in Landfills		0.02	0.01	0.01	0.01	0.01
Total Resources Recovered		2.88	3.16	4.05	3.13	3.73

Overseas	Unit	2017	2018	2019	2020	2021
Total Waste Generation		3.63	4.49	4.15	3.96	3.89
Total Waste Consigned to Final Disposal in Landfills	Thousand tons	3.16	2.83	1.04	0.74	0.54
Total Resources Recovered		3.15	3.59	2.76	3.13	3.22

Domestic and overseas total	Unit	2017	2018	2019	2020	2021
Total Waste Generation	Thousand tons	11.26	12.79	12.74	14.39	12.96
Total Waste Consigned to Final Disposal in Landfills		3.18	2.83	1.05	0.75	0.54
Total Resources Recovered		6.03	6.75	6.81	6.26	6.95

> More about related initiatives

Waste Disposal by Method (Domestic + Overseas)

	Unit	2017	2018	2019	2020	2021
Recycled or reused		10.15	12.93	14.55	16.38	15.15
Landfill	Thousand tons	3.18	2.83	1.05	0.81	0.65
Incinerated (with energy recovery)		3.63	3.42	3.64	3.22	3.49
Incinerated (without energy recovery)		0.20	0.14	0.09	0.13	0.46
Disposal method unknown		0.00	0.00	0.00	0.00	0.00

Management of Chemical Substances

PRTR-Designated Substance Emissions (Domestic)

	Unit	2017	2018	2019	2020	2021
PRTR-Designated Substance Emissions	Tons	18	18	2	2	3

Emissions of Nitrogen Oxides (NO_X), Sulfur Oxides (SO_X) and Particulate Matter

Domestic	Unit	2017	2018	2019	2020	2021
Emissions of Nitrogen Oxides (NOx)		25	28	25	29	27
Emissions of Sulfur Oxides (SO _X)	Tons	4	4	3	4	3
Particulate Matter		1	1	1	1	1

Overseas	Unit	2017	2018	2019	2020	2021
Emissions of Nitrogen Oxides (NOx)		52	57	107	71	33
Emissions of Sulfur Oxides (SO _X)	Tons	1	1	1	2	1
Particulate Matter		11	13	13	8	58

Domestic and overseas total	Unit	2017	2018	2019	2020	2021
Emissions of Nitrogen Oxides (NOx)		77	85	132	100	60
Emissions of Sulfur Oxides (SOx)	Tons	5	5	5	6	5
Particulate Matter		13	14	15	9	59

VOC Emissions (Domestic)

	Unit	2017	2018	2019	2020	2021
Volatile organic compound (VOC) emissions	Tons	73	78	67	68	69

COD in Business Activities

	Unit	2017	2018	2019	2020	2021
Domestic	Tons	14	14	18	20	22
Overseas		15	38	41	76	77
Total	Tons	29	52	59	96	100

^{* 2021} figures for Lion Corporation (Korea) are for total organic carbon

> More about related initiatives

Environmental Accounting

Based on the Ministry of the Environment's guidelines, every year we calculate and disclose the environmental conservation cost and the economic benefits (real effect) of environmental conservation measures for the entire domestic Lion Group.

Breaking down total environmental conservation cost in 2021, although investment (capital expenditure) increased approximately ¥920 million year on year, overall cost decreased approximately ¥360 million.

Environmental Conservation Cost (January 2021 to December 2021)

(Millions of yen)

Catagony	Key activity	January 2021 to	December 2021
Category	key activity	Investment	Cost
	Pollution prevention	7	286
Business area cost	Global environmental conservation	552	2,548
Business area cost	Resource recycling	45	327
	Environmentally friendly products	4,140	2,838
Upstream/downstream cost	Container/packaging recycling	_	813
Administration cost	ISO 14001 registration, environmental education	0	662
R&D cost	R&D of environmentally friendly products, etc.	63	1,041
Social activity cost	Environmental improvement measures, donations to organizations	0	8
Environmental remediation cost	Pollution burden duties, etc.	0	7
Demostic Committee		4,806	8,529
Domestic Group total	YoY	922	-355

Economic Benefit Associated with Environmental Conservation Measures (January 2021 to December 2021)

(Millions of yen)

Effects	YoY reduction
Cost reduction due to energy saving	26
Cost reduction due to resource saving	129.0
Reduced water utility cost	-18.7
Waste disposal reduction*	32.7

^{*} Includes cost of sales of valuable waste

Environmental Efficiency

Every year, Lion calculates its environmental efficiency using the formula below to evaluate how efficient its business activities are in terms of the environmental burden they create. We continually strive to improve environmental efficiency.

Environmental Efficiency and Monetary Value of Environmental Burden (comparison with 2005)

	Unit	2017	2018	2019	2020	2021
Monetary value of environmental burden (comparison with 2005)	%	72	74	79	84	84
Environmental efficiency	Million yen	381	374	350	340	345

^{*} The monetary value of environmental burden was calculated using the LIME2 integrated coefficient list (July 1, 2010 version).

Production Site Environmental Data

- ➤ Lion and domestic consolidated subsidiaries (PDF:7KB)
- > Overseas consolidated subsidiaries of (PDF:60KB)

Certification under ISO 14001 (2015 Version)

Domestic	8 locations
Overseas	5 locations

> More about related initiatives

^{*} Environmental impact (harm) is calculated as a monetary amount using the Life-cycle Impact assessment Method based on Endpoint modeling (LIME).

Third-Party Verification

To ensure the transparency and accuracy of its environmental data, the Lion Group obtains third-party verification opinions regarding data on its greenhouse gas emissions (Scope 1 and Scope 2), energy consumption, and water withdrawal and discharge from SGS Japan Inc. Most recently, the Group obtained third-party opinions regarding its environmental data for 2021.

Going forward, we will seek to put third-party opinions to good use and enhance accuracy.



Verification Opinion

> Verification Opinion (PDF:750KB)

PRTR-Designated Substance Emissions

> 2021 PRTR-designated substance emissions data for production sites (domestic group companies) 📻

Industrial Waste Disposal Facility Maintenance and Management Data

Chiba Plant

- > 2022 Maintenance and Management Data (updated October 03, 2022) or (PDF:96KB) [Japanese]
- > 2021 Maintenance and Management Data (updated April 26, 2022) @ (PDF:98KB)[Japanese]
- > 2020 Maintenance and Management Data (updated April 23, 2021) (PDF:107KB) [Japanese]
- > 2019 Maintenance and Management Data (updated April 13, 2020) @ (PDF:88KB)[Japanese]

Social Data

Employee Data

Scope: Lion Corporation + employees on loan / the Lion Group (Lion Corporation + domestic and overseas Group companies; employees on loan from Lion Corporation are counted only for Lion Corporation). All as of December 31.

| Diversity & Inclusion

		2017	2018	2019	2020	2021	
		Employees					
Lion Corporation	Male	2,846	2,827	2,237	2,355	2,347	
(including employees on loan)	Female	1,003	1,062	1,044	1,205	1,238	
Live Cours	Male	-	-	-	-	4,454	
Lion Group	Female	-	-	-	-	2,944	
		Female employe	ee ratio				
Lion Corporation (including employees on loan)		26.1%	27.3%	31.8%	33.8%	34.5%	
Lion Group		-	-	-	-	39.8%	
		Ratios of employ	yees by age group				
	Below 30 y/o	-	-	-	16%	18%	
Lion Corporation (including employees on loan)	30-50 y/o	-	-	-	47%	48%	
(,	Over 50 y/o	-	-	-	37%	34%	
	Below 30 y/o	-	-	-	21%	21%	
Lion Group	30-50 y/o	-	-	-	53%	54%	
	Over 50 y/o	-	-	-	27%	25%	
		New hires (new	graduates)				
Lion Corporation	Male	57	63	42	54	46	
(including employees on loan)	Female	36	33	34	33	38	
		Ratio of compan	ies with an indepe	endent trade unio	n or collective barg	aining	
Lion Group	%	-	-	-	86.4%	86.4%	
			ees represented by ining agreements	/ an independent	trade unions or cov	ered by	
Lion Corporation (including employees on loan)	%	-	-	-	66.2%	77.9%	
Lion Group	%	-	-	-	73.4%	75.1%	
		Re-hired retirees	s				
Lion Corporation	Number	216	210	207	243	293	
(including employees on loan)	%	7.1%	6.6%	6.3%	6.8%	8.2%	
		Temporary employees					
Lion Corporation (including employees on loan)		448	512	400	196	130	
		Employees with					
Lion Corporation	Number	63	76	77	75	77	
(excluding employees on loan)	%	2.4%	2.8%	2.8%	2.7%	2.7%*1	
Lion Group	Number	-	-	-	94	127	
	%	-	-	-	1.3%	1.7%	

		2017	2018	2019	2020	2021			
		Average service	years (excluding re	ehired retirees)	1				
Lion Corporation	Male	20.4	19.6	20.1	19.7	19.5			
(including employees on loan)	Female	18.0	16.8	15.1	14.0	14.1			
		Voluntary emplo	oyee turnover rate						
Lion Corporation		-	-	-	1.2%	2.3%			
(including employees on loan)					2.00/	4.00/			
Lion Group		For the second	Employees who resigned within three years of entering the Company						
	Number	Employees who	resigned within th	8	ng the Company	4			
Lion Corporation (including employees on loan)		0.40%	0.80%	3%	4%	1.60%			
(metading employees on tour)	%		anagement positio		490	1.00%			
	Number	women in all ma	76	81	83	256			
Lion Corporation (including employees on loan)		6.7%	7.4%	9.2%	9.1%	17.2%			
(metading employees on today	%		1.4%						
Lion Group	Number	-	-	-	-	521			
	%	-	-	-	-	23.2%			
		Women in top m	nanagement positi	ons		2			
Lion Corporation	Number	-	-	-	-	2			
(including employees on loan)	%	-	-	-	-	12.5%			
Lion Group	Number	-	-	-	-	47			
	%	-	-	-	-	40.2%			
		Women in low- a	Women in low- and mid-level management positions						
Lion Corporation	Number	-	-	-	-	91			
(including employees on loan)	%	-	-	-	-	11.6%			
Lion Group	Number	-	-	-	-	242			
Lion Group	%	-	-	-	-	18.6%			
		Women in junio	r management pos	sitions					
Lion Corporation	Number	-	-	-	-	163			
(including employees on loan)	%	-	-	-	-	30.3%			
Lian Canana	Number	-	-	-	-	232			
Lion Group	%	-	-	-	-	28.1%			
		Women in mana	gement positions	with revenue-gene	erating functions				
Lion Corporation	Number	-	-	-	-	36			
(including employees on loan)	%	-	-	-	-	11.4%			
	Number	-	-	-	-	154			
Lion Group	%	-	-	-	-	24.0%			
		Women in STEM	-related positions						
Lion Corporation	Number	-	-	-	-	19			
(including employees on loan)	%	-	-	-	-	12.8%			
	Number	-	-	-	-	39			
Lion Group	%					16.8%			

		2017	2018	2019	2020	2021
		Gender pay indicators (gender pay gap)				
	Male directors	-	-	-	100%	100%
	Female directors	-	-	-	-	-
	Male external directors	-	-	-	100%	100%
	Female external directors	-	-	-	100%	100%
Lion Corporation (including employees on loan)	Male employees in management positions	-	-	-	100%	100%
	Female employees in management positions	-	-	-	89%	89%
	Male employees in non-management positions	-	-	-	100%	100%
	Female employees in non-management positions	-	-	-	76%	79%
Lion Group	Male employees in management positions	-	-	-	100%	100%
	Female employees in management positions	-	-	-	88%	93%
	Male employees in non-management positions	-	-	-	100%	100%
	Female employees in non-management positions	-	-	-	90%	91%
		Regionally base	d employees			
	Users	5	17	17	2	0

^{*1} The percentage of employees with disabilities is calculated for Lion Corporation (non-consolidated) + employees on loan, in accordance with domestic standards for caluclating hiring ratios

> More about related initiatives

^{*2} Includes junior management positions from 2021

Work-Life Enrichment

		2017	2018	2019	2020	2021				
		Employees who took	childcare leave							
Lion Corporation	Male	9	16	13	32	54				
(including employees on loan)	Female	57	53	61	78	84				
	-	Employees who took shorter work hours for childcare								
Lion Corporation	Male	0	0	0	0	0				
(including employees on loan)	Female	57	64	66	77	78				
		Average overtime per month								
Lion Corporation (including employees on loa	ın)	12.5hours	13.7hours	11.2hours	9.2hours	12.5hours				
		Annual paid leave us	sed							
Lion Corporation (including employees on loa	Lion Corporation (including employees on loan)		60.3%	74.0%	68.0%	65.9%				
		Volunteer leave used								
Lion Corporation	Users	12	13	15	0	0				
(including employees on loan)	Days taken	16	16	19	-	-				
		Employee Awareness Employees who take	s and Behavior Surve pride in their work	y*1*2						
	Overall response rate	-	91.5%	85.8%	83.0%	84.3%				
	Overall	-	96.2%	95.7%	97.3%	80.5%				
	Male	-	97.2%	96.5%	97.5%	84.3%				
	Female	-	94.5%	94.3%	96.8%	77.0%				
	Below 30 y/o	-	94.1%	94.0%	95.3%	74.9%				
Lion Corporation	30-39 y/o	-	94.8%	93.9%	96.7%	78.9%				
(excluding employees on loan)	40-49 y/o	-	95.3%	96.1%	96.8%	79.0%				
touri,	50-59 y/o	-	97.7%	95.7%	97.9%	84.6%				
	60 y/o and above	-	98.1%	98.0%	97.2%	85.4%				
	Non-management positions	-	95.1%	94.4%	96.6%	77.5%				
	Management Positions (Including officers)	-	98.5%	98.7%	98.8%	89.6%				

^{*1} Scope: Lion Corporation, non-consolidated basis (excluding employees on loan)

> More about related initiatives

^{*2} Because the rate of employees answering that they took pride in their work neared 100% in 2020, the survey options were changed to enable Lion to gather data to seek further improvement

Developing Human Resources

		2017	2018	2019	2020	2021
		Average hours per	FTE of training and c	levelopment		
Lion Corporati (including emp	on oloyees on loan)	-	-	-	14.6hours	52.8hours ^{*1}
Lion Group		-	-	-	12.1hours	31.0hours*1
		Average hours per	FTE of training and o	levelopment breakdo	own	
	Employees 50 y/o and above	-	-	-	-	54.5hours
	Employees 30–50 y/o	-	-	-	-	49.3hours
	Employees below 30 y/o	-	-	-	-	97.7hours
Lion	Male	-	-	-	-	49.2hours
Corporation	Female	-	-	-	-	59.8hours
	Top management positions	-	-	-	-	39.7hours
	Low- and mid-level management positions	-	-	-	-	83.3hours
	Junior management positions	-	-	-	-	42.9hours
	Employees 50 y/o and above	-	-	-	-	36.6hours
	Employees 30–50 y/o	-	-	-	-	26.3hours
	Employees below 30 y/o	-	-	-	-	44.2hours
	Male	-	-	-	-	30.1hours
Lion Group	Female	-	-	-	-	30.3hours
	Top management positions	-	-	-	-	21.1hours
	Low- and mid-level management positions	-	-	-	-	60.4hours
	Junior management positions	-	-	-	-	33.4hours
		Average amount s	pent per FTE on train	ing and developmen	t	
Lion Corporati (including emp	on oloyees on loan)	-	-	-	¥52,300	¥67,100
Lion Group		-	-	-	¥29,300	¥36,700
		Average amount s	pent per FTE on train	ing and developmen	t breakdown	
	Employees 50 y/o and above	-	-	-	-	¥24,100
	Employees 30–50 y/o	-	-	-	-	¥107,700
	Employees below 30 y/o	-	-	-	-	¥67,100
Lion	Male	-	-	-	-	¥70,800
Corporation	Female	-	-	-	-	¥60,000
	Top management positions	-	-	-	-	¥65,000
	Low- and mid-level management positions	-	-	-	-	¥105,000
	Junior management positions	-	-	-	-	¥44,000
	Employees 50 y/o and above	-	-	-	-	¥16,900
	Employees 30–50 y/o	-	-	-	-	¥46,700
	Employees below 30 y/o	-	-	-	-	¥43,500
	Male	-	-	-	-	¥41,300
Lion Group	Female	-	-	-	-	¥29,200
	Top management positions	-	-	-	-	¥33,700
	Low- and mid-level management positions	-	-	-	-	¥76,800
	Junior management positions	-	-	-	-	¥33,500

		2017	2018	2019	2020	2021
		Type of individual	performance apprais	al		
	Top management positions	-	-	-	0	0
Coverage of the MBO system*2 at	Low- and mid-level management positions	-	-	-	0	0
Lion	Junior management positions	-	-	-	0	0
Corporation	Employees in non-management positions	-	-	-	0	0
	Top management positions	-	-	-	55.7%	57.3%
Coverage of the MBO	Low- and mid-level management positions	-	-	-	95.4%	95.5%
system: % of all	Junior management positions	-	-	-	94.6%	94.9%
employees	Employees in non-management positions	-	-	-	62.1%	63.6%
		Percentage of oper	n positions filled by i	nternal candidates (ii	nternal hires) ^{*3}	
	Lion Corporation (including employees on loan)		-	-	88.5%	69.0%
Lion Group		-	-	-	49.2%	55.7%

^{*1} Figures for 2021 increased due to the inclusion of divisional training and development hours

> More about related initiatives

Key Health Indicators

		2020	2021
	Rate of employees getting regular health checkups	100.0%	100.0%
	Rate of employees getting necessary follow-up examinations	58.0%	59.6%
Physical health	Rate of employees requiring specific health guidance related to metabolic syndrome (ages 40 and over)	17.8%	16.8%
	Rate of employees getting specific health guidance related to metabolic syndrome (ages 40 and over)	74.9%	83.6%
	Rate of employees maintaining a healthy body weight	69.4%	66.9%
	Employee smoking rate	18.5%	17.0%
	Rate of employees who habitually exercise	23.7%	24.5%
Living habits	Proportion of employees who are sufficiently rested after sleep	66.0%	67.6%
	Rate of employees who habitually drink alcohol	17.7%	14.8%
M	Stress level check implementation rate	98.2%	99.5%
Mental health	Rate of employees with high stress levels	7.9%	9.0%
U-alah hisasan	Proportion of employees who respond that they "mostly understand" or "understand well" their health checkup results	89.8%	89.3%
Health history	Proportion of employees who respond that they "know what to do" or "mostly know what to do" to improve their health based on their health checkup results	86.3%	86.6%

^{*} Scope: Lion Corporation, non-consolidated (including employees on loan)

^{*2} MBO: Management by Objectives

^{*3} Percentage of internal hires: Internal hires / (external mid-career hires + internal hires)

Productivity and Professional Fulfillment Indicators

		2020	2021
Due de ativitus	Performance*1	74.4%	86.5%
Productivity	Rate of absence due to illness or poor health*2	0.7%	0.7%
	Work engagement	2.7	2.2
Professional fulfillment*3	Proportion of employees that respond that they are "satisfied" or "mostly satisfied" with their jobs	73.5%	71.6%
	Proportion of employees that respond "Yes" to the statement "My job is professionally fulfilling"	75.1%	74.8%

^{*} Scope: Lion Corporation, non-consolidated (including employees on loan)

Supply Chain

Switching rate to RSPO-certified products for key raw materials (Domestic)

All as of December 31.

2019	2020	2021
14%	93%	93%

Procurement rate of third-party certified paper from domestic paper manufacturers for key products

All as of December 31.

2019	2020	2021
96%	98%	98%

> More about related initiatives

Number of Suppliers Evaluated and Response Rate

	2017	2018	2019	2020	2021
Number of suppliers	625	610	585	574	502
Response Rate	99%	98%	99%	100%	100%

> More about related initiatives

Key Suppliers

	2017	2018	2019	2020	2021
Number of key suppliers	90	90	90	90	90
Portion of all primary suppliers that are key suppliers	14.4%	14.8%	15.4%	15.7%	17.9%
Portion of purchasing that is from key suppliers (monetary basis, among all primary suppliers)	80%	87%	80%	89%	89%

> More about related initiatives

^{*1} Presenteeism: Measured using the SPQ (University of Tokyo single-item version)

^{*2} Absenteeism: Absence rate = Days absent/Total work days

^{*3} Measured using stress level check tests (work engagement: average of responses to two questions answered on a four-point scale)

Governance Data

Lion Career Village (LCV) Compliance E-learning Participation Rate

2017	2018	2019	2020	2021
-	-	-	99.5%	99.2%

> More about related initiatives

The AL Heart Hotline Recognition Rate Among Employees

2017		2018	2019	2020	2021
	95.8%	98.5%	98.6%	99.5%	99.0%

AL Heart Hotline Consultations and Reports

	2017	2018	2019	2020	2021
Harassment	9	15	11	8	12
Personnel and labor management issues	5	6	11	7	5
Others	4	2	3	58	2

> More about related initiatives

Initiatives and External Evaluations

Participation in InitiativesStatus of Inclusion in SRI Indices

Evaluations and Certifications

Participation in Initiatives

The United Nations Global Compact (UNGC) ☐ is a global initiative in which companies and organizations take action as upstanding members of society by exercising responsible, productive leadership to realize sustainable growth. Participating companies and organizations are asked to uphold and put into action ten principles in the four areas of "Human Rights," "Labour," "Environment" and "Anti-Corruption."



The Ten Principles of the UN Global Compact

Human Rights	Principle 1: Business should support and respect the protection of internationally proclaimed human rights; and
	Principle 2: Make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4: The elimination of all forms of forced and compulsory labour;
	Principle 5: The effective abolition of child labour; and
	Principle 6: The elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Business should support a precautionary approach to environmental challenges;
	Principle 8: Undertake initiatives to promote greater environmental responsibility; and
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Business should work against corruption in all its forms, including extortion and bribery.

Lion announced its support for the UNGC in 2009 and takes part in related initiatives. Furthermore, Lion is a member of the Global Compact Network Japan (GCNJ)[Japanese] 🗹 , a local network of the UNGC. The CGNJ has subcommittees aimed at promoting the CSR activities of its member companies. Lion participates in the Supply Chain, Environmental Management, HRDD and SRI/ESG subcommittees. The subcommittees share information on the latest CSR-related developments through lectures by experts and examples of initiatives at participating companies. They also prepare various publications to

support the CSR efforts of diverse corporate actors based on the experience of the participating companies across a wide range of industries.

Publications Lion Has Helped Prepare

- **Supply Chain Subcommittee**
- ☑ Introductory text on CSR procurement (bringing CSR to the supply chain) [Japanese]
- ☑ CSR procurement self-assessment tool set [Japanese]

Others

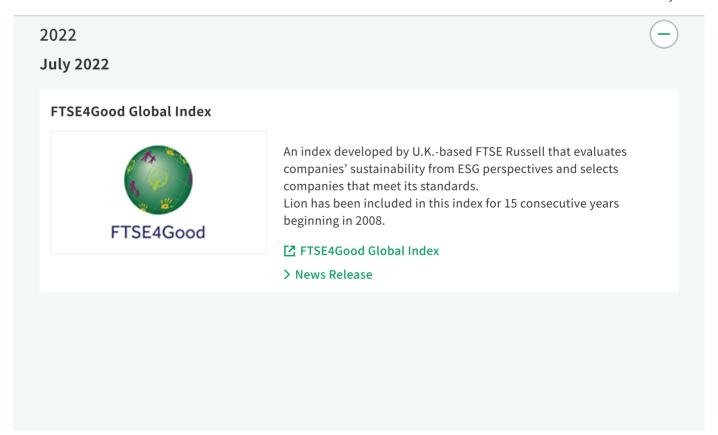
- > Participation in External Environmental Initiatives
- > Participation in Pharmaceutical Product Safety Initiatives
- > Participation in External Supply Chain Initiatives
- > Participation in External Human Rights Initiatives

Status of Inclusion in SRI Indices

In addition to financial considerations, Lion works to address environmental, social and governance issues. Lion has been selected for inclusion in leading socially responsible investing (SRI) indices in and outside Japan, namely the FTSE4Good Global Index (based in the UK) and the Dow Jones Sustainability Asia/Pacific Index (U.S.A. and Switzerland).

We are also included in the ESG indices used by Japan's Government Pension Investment Fund (GPIF): the FTSE Blossom Japan Index, the FTSE Blossom Japan Sector Relative Index, MSCI Japan ESG Select Leaders Index, MSCI Japan Empowering Women Index (WIN) and S&P/JPX Carbon Efficient Index. Inclusion in these indices indicates that Lion is recognized globally as a highly trustworthy company that meets high standards of corporate ethics and corporate social responsibility.

As of July 2022



July 2022

FTSE Blossom Japan Index



An index developed by U.K.-based FTSE Russell that selects Japanese companies with outstanding ESG performance. Lion has been included in this index for six consecutive years beginning in 2017.

☑ FTSE Blossom Japan Index

> News Release

July 2022

MSCI Japan ESG Select Leaders Index

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

An index developed by U.S.-based MSCI that selects Japanese companies with excellent ESG performance.

☑ MSCI Japan ESG Select Leaders Index

> News Release

THE INCLUSION OF LION CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS,

SERVICEMARKS OR INDEX NAMES HEREIN DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF LION CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

July 2022

MSCI Japan Empowering Women Index (WIN)

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

An index developed by U.S.-based MSCI that selects for Japanese companies that promote the professional participation and advancement of woman and earn high gender diversity scores. Lion has been included in this index for six consecutive years beginning in 2017.

MSCI Japan Empowering Women Index (WIN)

> News Release

THE INCLUSION OF LION CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS,

SERVICEMARKS OR INDEX NAMES HEREIN DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF LION CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

S&P/JPX Carbon Efficient Index



An index comprising the companies in the Tokyo Stock Price Index (TOPIX) that weights said companies based on their disclosure of environmental data and carbon efficiency (carbon emissions per unit of net sales). Japan's Government Pension Investment Fund (GPIF) has used this index since 2018.

Lion has been included in this index since its establishment in 2018.

☑ S&P/JPX Carbon Efficient Index

April 2022

FTSE Blossom Japan Sector Relative Index



FTSE Blossom Japan Sector Relative Index

FTSE Russell (registered trademark of FTSE International Limited and Frank Russell Company) hereby confirms that Lion Corporation has been independently assessed and found to satisfy the requirements for inclusion in the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is widely used in the creation and evaluation of sustainable investment funds and other financial products.

An index developed by U.K.-based FTSE Russell that reflects the performance of Japanese companies that demonstrate strong ESG practices relative to their respective sectors.

Lion was included in this index for the first time in 2022.

☑ FTSE Blossom Japan Sector Relative Index

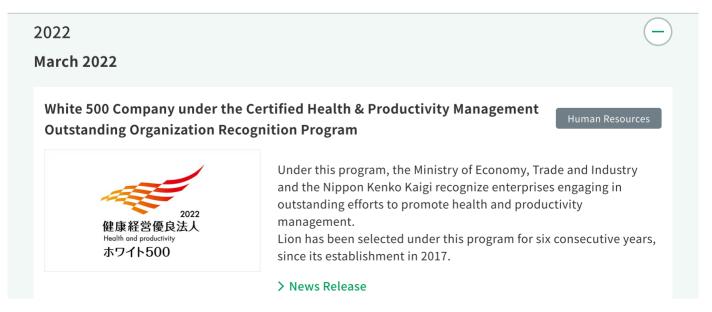
> News Release

2021	+
2020	+
2019	+

Evaluations and Certifications

Our environmental, logistics and human resources initiatives have been highly evaluated by governmental and other external institutions.

As of May 2022



March 2022

KAIKA Awards

Overall CSR



Sponsored by the KAIKA Institute of the Japan Management Association (JMA), the KAIKA Awards recognize companies that engage in sustainable management, organization and human resource development to create social value in line with the KAIKA philosophy. In the 8th KAIKA Awards 2022, the participation of Lion employees in hand-washing educational activities received a Special Mention.

∠ KAIKA Awards [Japanese]

> Related Information [Japanese]

March 2022

Selection Committee Chairman's Commendation in the Good Practices of Consumer-Oriented Management Awards

Overall CSR



An award system organized by the Consumer Affairs Agency to recognize companies that have made a consumer-oriented management declaration and implemented outstanding initiatives based on such declarations.

Lion and Kao Corporation received the newly established Selection Committee Chairman Commendation in the fiscal 2021 Good Practices of Consumer-Oriented Management Awards.

> News Release 📴

February 2022

CDP Supplier Engagement Rating

Environment



The CDP is an international NGO based in the United Kingdom that encourages companies to disclose data on their initiatives to combat environmental problems and surveys and evaluates such disclosure. The Supplier Engagement Rating (SER) is based on the CDP climate change questionnaire items about governance, targets, value chain (scope 3) emission calculations and supplier engagement strategies. As one of the companies that received the highest ratings, Lion was listed on the Supplier Engagement Leaderboard for a third consecutive year.

> News Release

February 2022

Japan Sports Agency's Sports Yell Company

Overall CSR



A certification program created by the Japan Sports Agency in 2017 to recognize companies that support or promote sports activities to improve their employees' health.

Lion was certified under the Japan Sports Agency's Sports Yell Company 2022 program.

> News Release

February 2022

Sustainability Site Awards

Overall CSR

The Association for Sustainability Communication of Japan awards companies with outstanding sustainability websites based on the quality of their sustainability information provision.

Lion received the Gold Award, the top prize, in the Sustainability Site Awards 2022.

> News Release

2021	+
2020	+
2019	+

Stakeholder Engagement

Approach

Lion's Main Stakeholders

Stakeholder Engagement

Stakeholder Dialogue

Approach

The Lion Group recognizes the importance of meeting the expectations and demands of stakeholders. To that end, mutual understanding with our stakeholders is essential for us to continue our sustainable growth. We strive to actively engage stakeholders in dialogue and collaboration by through various forms of communication.

We value and take seriously our stakeholders' opinions and suggestions. After analyzing and reviewing them internally, we incorporate them into our future corporate activities to further improve our sustainability efforts.

Lion's Main Stakeholders

Lion considers its main stakeholders to be its shareholders, investors, customers (consumers) and business partners, as well as municipalities, governments, non-profit organizations, local communities and employees.



Stakeholder Engagement

To ensure that it will be able to continue to contribute to society, Lion listens carefully to the opinions of stakeholders and promotes stakeholder engagement* by via the following communication methods. The opinions we receive are reported to management and the relevant departments, and are utilized in our business activities.

Main Stakeholder Communication Methods

Putting Our Purpose into Practice: "Make a difference in everyday lives by redesigning habits: ReDesign"

Stakeholder	Major responsibilities	Main engagement opportunities	
	Business growth (sales and profit)	Annual Meeting of Shareholders, Annual Meeting of Shareholders convocation notice	
	Returning profits to shareholders	Financial results briefings	
	Sound and transparent management	Briefings for individual investors and	
	Accountability and constructive dialogue	institutional investors	
Shareholders and investors	Effective corporate governance	IR tours: Individual interviews with overseas institutional investors and analysts	
	Enhancing disclosure content	Website: Investor Relations and News Release	
	Timely disclosure of management-related information	sections	
	Proactive disclosure of financial and non-financial information	Integrated Report	
	Redesigning habits	Promotional activities and exhibition events	
	Safe and reliable manufacturing	Factory tours	
Customers	Product development emphasizing the consumer's perspective	Consumer research: group interviews, monitoring surveys	
(consumers)	Supplying superior products and services useful for everyday living	Commercials, in-store shopping, online shopping	
	Promoting information useful for everyday living	Lion's website and social media	
	Appropriate, sincere customer service	Customer support	

Stakeholder	Major responsibilities	Main engagement opportunities
	 Suppliers (raw material manufacturers, production contractors) Establishing supply chain management that takes human rights and the environment into consideration Responsible raw material procurement 	 Self-checks/feedback based on the Lion Group Supplier CSR Guidelines Compliance consultation and whistle- blowing system (AL Heart Hotline)
Business partners	 Retail stores, wholesalers Building relationships of trust through fair and equitable trade Stable supply of products Proposing value-added products and services that meet consumer needs Contributing to the revitalization of markets in each category 	 New product briefings, product seminars Lion network, wholesaler meetings Sales floor strategy proposal meetings, merchandising meetings Collaborative events and fairs Collaborative environmental initiatives
	Appropriate dialogue with supervisory authorities	Councils, committees, opinion exchange meetings, personnel exchanges
Governments and municipalities	Collaboration to resolve local social issues	Conclusion of agreements, collaborative events and initiatives
	Building and maintaining equitable and sound relationships	Debriefings and information exchange meetings
Non-profit organizations	Collaborative, cooperative support for solving social and environmental issues	 Conclusion of agreements, collaborative events and initiatives Opinion exchange meetings Support through monetary and product donations
	Solving social and economic issues	Social contribution activities and participation in the local community
	Contributing to regional revitalization and development and collaboration with local communities	Connecting with local residents through events
Local communities	Promoting health and educating the next generation on hygiene and cleanliness	Health seminars Disaster relief
	 Proposing educational curriculums Environmental education 	Supporting science classes
	Consideration for the natural environment	Forest maintenance activities Environmental beautification activities
	Biodiversity conservation	Conservation activities with local residents
	2.5 a. verorey conservation	23231 vacion accivities with todat residents

Stakeholder	Major responsibilities	Main engagement opportunities
	 Providing a comfortable working environment for employees. Support for job satisfaction 	 Internal communications through newsletters, Group intranet, etc. Employee awareness and behavior surveys Compliance Awareness Survey
	 Building good relationships Fostering an organizational culture that encourages innovation 	 Roundtable with the President to exchange ideas with management Creating new businesses through the new value creation program
	Fair evaluation and treatment	Labor-management meetings
Employees	Improving the employee benefits system	Individual interviews
Employees	Utilizing and developing human resources	 Various educational programs and training for skills acquisition and ability development
		Rank-specific training
	Promoting occupational safety and health	Workplace accident prevention programe-learning training
	Promoting and managing health	Health checkups, dental checkups
	Respecting human rights	Compliance consultation and whistle- blowing system (AL Heart Hotline)
	Respecting diversity	e-learning training

^{*} The process in which a company actively engages with its stakeholders through dialogue and other means to achieve mutually acceptable outcomes in order to fulfill its corporate social responsibility (see the Japan Business Federation's Implementation Guidance on Charter of Corporate Behavior, 7th Edition)

Stakeholder Dialogue

Lion regards dialogue with stakeholders as a valuable opportunity for seeing how its aspirations as a company compare with society's demands and calibrating its sense of balance as a good corporate citizen.

In recent years, in light of the growing importance of responding to new demands from society, we hold study meetings for management as part of our stakeholder dialogues. These meetings bring together outside experts with Lion's top management to discuss sustainability topics directly related to corporate operations. The suggestions and opinions expressed in these dialogues are reflected in Lion's operations and used to further promote sustainability activities.

In May 2022, we held a study meeting on the topic of respect for human rights, which has been attracting attention as a major social issue in recent years. At this meeting, an outside expert specializing in human rights served as an instructor, leading discussion with Lion's chairman, president, directors, Audit & Supervisory Board members and executive officers.

We will continue working to understand and meet the needs of our customers and society through a variety of forms of dialogue with stakeholders.

Implemented	Participating stakeholders	Theme
2022	Outside experts	Respect for human rights (United Nations Guiding Principles on Business and Human Rights)—Why it is crucial to strengthen initiatives to ensure respect for human rights now
2021	An NPO	The Okuchikarada Project for children (Inclusive oral care)
2021	Outside experts, employees	Spreading awareness of sustainability
2020	Outside experts	ESG-oriented management
2019	Outside experts	Promoting sustainability-oriented management

Social Contribution Activities

- ▼ Approach ▼ Overview ▼ Initiatives with Local Governments
- ▼ Initiatives Supporting Education ▼ Sports Promotion Activities
- Working Towards Gender Equality
 Collaboration with Local Communities
- Donation Activities (Philanthropy)
 Overseas Social Contribution Activities

Approach

Since its founding, Lion has sought to help consumers enjoy healthy living through the provision of products while carrying out educational activities and communication aimed at creating better living habits.

In Japan and other Asian countries, Lion is engaged in initiatives that contribute to the sustainable development of society and the global environment through the areas of health, comfort and cleanliness. We believe that our continued business viability depends on co-existing harmoniously with the communities in which we are involved, such as those where Lion facilities are located. We therefore strive to help solve issues in and invigorate local communities by strengthening partnerships with local residents, government agencies and citizens' groups. In addition, by increasing opportunities for every employee to get involved in business-related educational activities, we foster human resources that create new value informed by a high level of social and environmental awareness.

Overview

Business Domains Health Comfort Supporting mental and physical comfort Supporting mental and physical comfort Establishing good cleanliness habits Co-existence with communities Employee involvement Employee involvement

Initiatives with Local Governments

Ishinomaki City, Miyagi Prefecture

Lion's founder, Tomijiro Kobayashi, had close ties to Ishinomaki City. Honoring this connection, Lion has continued to pursue recovery support initiatives in the city since the Great East Japan Earthquake in 2011.

In January 2019, Lion formed a comprehensive collaboration agreement with the city to promote the health of city residents and revitalize the area using its accumulated health improvement expertise. We will continue to implement a variety of initiatives based on employee participation.



Oral healthcare leader development lecture



Yamanashi City, Yamanashi Prefecture

Under the first of the Company Forest Promotion Projects being promoted by Yamanashi Prefecture, Lion employees engage in forest maintenance activities and build relationships with local residents.



Forest maintenance activities



Sakaide City, Kagawa Prefecture

The *KireiKirei* City-Sakaide Project is an initiative being implemented by Sakaide City, the Lion Chemical Co., Ltd. Oleochemical Production Site and Lion to improve the health of the citizens of Sakaide City by establishing good hand and oral hygiene habits.



Booth at Sakaide City's *Happy Festa*oral health promotion event



Sumida-ku, Tokyo

In 2020, Lion formed an agreement with Sumida-ku, Tokyo, where its headquarters is located, to collect and recycle used toothbrushes in order to promote plastic recycling.

The Sumida-ku government set up toothbrush collection boxes at a total of 85 locations, including city offices and all public elementary and junior high schools in the area. The toothbrushes collected are regularly taken to a designated recycling partner, where they are recycled into other plastic products.

As part of this initiative, Lion is providing its products (such as new toothbrushes) and instruction on correct tooth brushing to children at non-profit children's facilities in the area, helping to spread and firmly establish healthy oral care habits.



Signing the agreement



Used toothbrush collection box



Collection box set up in the Sumida-ku City Hall



A visit to a participating elementary school



An elementary school student showing off his new ruler



Completed 15 cm rulers



Initiatives Supporting Education

Employee Participation

As part of Lion's training program, junior employees go to kindergartens and preschools across Japan to teach children about the importance of hand washing through fun song and dance activities. In addition to providing products, these activities play a role in promoting self-directed cleanliness and hygiene habits. Lion is proactively implementing these activities, which not only serve communities, but contribute to human resource development. By participating in these initiatives, employees learn about social issues through direct contact with communities and improve their problem-solving skills, teamwork skills, sensitivity and empathy in addition to increasing their awareness of the importance of contributing to society.





Supporting Science Education

Education Support Activities for Science Students

One example of how Lion supports science education is by conducting experience-based lessons for high school students from Super Science High School designated schools,* helping these students to deepen their knowledge, and by offering tours of the Research and Development Headquarters that cover the history of Lion's technological development, the motivations of the developers and the technologies used in Lion products in order to foster their interest in science. Because students are able to hear from researchers directly, these events help students develop a sense of what it is like to work in research.

Online classroom performance trends

	2020	2021	2022 (3/31時点)
Times conducted	1	6	3
Participants	23	117	83

^{*} The Ministry of Education, Culture, Sports, Science and Technology has implemented the Super Science High School program since 2002 to carry out research and development focused on math and science education with the goal of developing future international scientists and engineers. Under the program, upper secondary schools providing advanced math and science education are designated as Super Science High Schools and receive special support.

☑ Super Science High Schools (SSHs) [Japanese]

"Rico-Challe" Training Event Participation

Since 2019, Lion has been holding events to support "Rico-Challe," a campaign to support female junior high, high school and university students choosing STEM fields being implemented by the Gender Equality Bureau Cabinet Office, the Ministry of Education, Culture, Sports, Science and Technology Education Policy Bureau and the Japan Business Federation. In 2021,

Lion held its first online event, which was attended by 105 female junior and senior high school students from all over Japan as well as participants from overseas. By teaching participants about work in Lion's research institutes and plants, we aim to provide them with useful information that will inform their academic choices. Lion will continue to organize and participate in events in 2022.



Instructor during an online class





Students taking an online class



Volunteer Researchers Conduct Science Classes

Edogawa-ku, where Lion's Hirai Research Center is located, has been conducting an ongoing science education center project for more than 50 years, in which the ward, schools, and local residents collaborate to teach children about the fascinating scientific phenomena happening around them. For more than 15 years, we have been holding science classes for elementary school students to familiarize them with interface science, which is the foundation of Lion's products, and to help them become familiar with science in their daily lives. The program was suspended at the elementary schools in 2020–21, but will be held for the first time in three years in 2022.

> Click here for more research institute activities

Sports Promotion Activities

Activities of Lion's Rugby Club

Lion's rugby club is celebrating its 50th anniversary in 2022. We would like to take this opportunity to thank the many people who have continued to support us and help us achieve this milestone. We would like to express our sincere gratitude. Every spring, the club holds the Lion Rugby Festival at the Chiba Plant sports field to build relationships with local

residents, children of a local rugby school, coaching staff, and many parents. To prevent the spread of COVID-19, club activities were suspended since 2020, but was resumed in 2022 for the first time in about three years. At the rugby classes held here, our current players, who go by the team name "Lion Fangs," teach rugby skills in an easy-to-understand manner to ruggers ranging from kindergarteners to upper elementary and junior high school students.

At the rugby classes held by the club, current players on the Lion Fangs team teach real rugby skills in an easy to understand way to young athletes ranging from kindergarteners to upper elementary and junior high school students.

Since 2012, as part of Lion's project to promote recovery from the Great East Japan Earthquake, the rugby club has been holding rugby classes in the city of Ishinomaki, as well. However, from 2020, these activities have been suspended due to the COVID-19 pandemic. As soon as the situation settles down, we will resume these activities, and all of the Lion Fangs members are looking forward to that time.

Rugby Lesson Participants

		2017	2018	2019	2020	2021	2022 (5/31時点)
Participants	Chiba	Approx. 450	Approx. 500	Approx. 700	Suspended	Suspended	Approx. 600
	Ishinomaki	Approx. 100	Approx. 80	Approx. 90	Suspended	Suspended	-









Activities at the Chiba Plant







Activities in Ishinomaki



Other Sports Events Supported by Lion









②毎日新聞社 全国道場 少年剣道大会

All Japan IAIDO TAIKAI (kendo tournament) [Japanese]

Working Towards Gender Equality

Kaji × Kaji Happy Share Project

Lion is promoting the Kaji \times Kaji Happy Share Project in partnership with municipalities and companies across Japan with the aim of eliminating the "chore gap" in households. By helping foster smoother relations within households in the communities where we promote this project, we are supporting the resolution of a variety of social issues, such as women's participation in the labor force and the low birth rate. Through this project, we are working with municipalities to provide useful information not only to married couples, but broadly throughout communities.



Household chore seminar in Saga Prefecture



Collaboration with Local Communities

Plant Tours

Lion considers plant tours to be an important contact point between customers and the Company. So that customers can get to know Lion products and witness the extremely high priority the Company places on safety and environmental conservation in its operations, we welcome many visitors to the plants every year. Plant tours have been suspended since February 2020 to prevent the spread of COVID-19.



Odawara Plant ①



Odawara Plant ②



Chiba Plant



Akashi Plant

2020 Plant Tours

(January 1, 2020 to December 31, 2020)

Plant	Chiba	Odawara	Osaka	Akashi	Total
Plant tours	3	11	5	7	26
Participants	50	231	126	150	557

- > Chiba Plant
- > Odawara Plant
- > Osaka Plant
- > Akashi Plant

Environmental Beautification Activities

| Cleanup Activities Near Plants and Offices

Valuing communication with local communities, Lion Group plants and offices proactively engage in cleanup activities not just within their own grounds, but in the surrounding areas, as well.





Cleanup activities near the Akashi Plant





Cleanup activities near the Odawara Plant







Cleanup activities near the Chiba Plant



Cleanup activities at a seaside park near the Fukuoka Office

In addition to those shown above, Lion is implementing cleanup activities around the Sapporo Office, Tokyo Office, Nagoya Office, Osaka Plant, Lion Chemical Co., Ltd. Fine Chemical Production Site and Oleochemical Production Site, and Lion Specialty Chemicals Co., Ltd. Ono Plant and Yokkaichi Plant.

Sekiguchi River Cleanup Participation (Odawara Office Site)

The Odawara City Kouzu Ward Neighborhood Association holds an annual cleanup of the Kouzu Coast. Lion employees in Odawara have been participating in the cleanup activities since 2003. In 2008, the location of the cleanup was changed to the nearby Sekiguchi River. We have continued participating in the cleanup every year. However, the activity has been suspended since 2020 to prevent the spread of COVID-19.



Employees engaged in cleanup activities (1)



Employees engaged in cleanup activities ②

	2017	2018	2019
Participants	27	43	36

Kamisu City Coastal Cleanup Activities (Lion Chemical Corporation Fine Chemical Production Site)

The Lion Chemical Corporation Fine Chemical Production Site has been conducting cleanup activities with employees and local residents on the Kamisu City coastline (Hikawa and Hasaki beaches) every June since 2009 as part of our community contribution activities.



Wearing matching green T-shirts during cleanup activities



Employees engaged in cleanup activities

	2017 2018		2019	
Participants	51	46	46	

Biodiversity Conservation Activities at Lion's Operating Sites

Lion provides a wide variety of products that support daily living based in significant part on value derived from nature.

In addition to striving to use resources in a sustainable manner, Lion is engaged in biodiversity conservation, aiming for each employee of Lion's operating sites to proactively contribute to the realization of a society in harmony with nature.



Other Events Supported by Lion

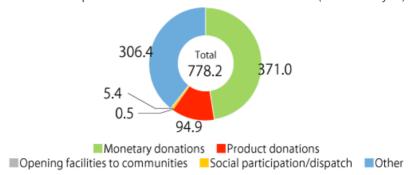


Donation Activities (Philanthropy)

Every year, Lion surveys the domestic Group on the implementation status of social contribution activities to collect and manage data on monetary and product donations for and spending on each activity.

The total amount spent on social contribution activities in fiscal 2021 was approximately ¥778.2 million.

Fiscal 2021 expenditure on social contribution activities (Millions of yen)



^{*} Monetary donations include donations to the Lion Foundation for Dental Health (LDH)[Japanese]

Social Contribution Activity Expenditure

2018	2019	2020	2021
655million yen	519million yen	1,041million yen	778.2million yen

Hours Volunteered by Employees During Working Hours

2018	2019	2020	2021
7,426hours	5,956hours	1,923hours [*]	1,053hours [*]

^{*} In 2020 and 2021, volunteer hours were decreased to prevent the spread of COVID-19 pandemic.

Overseas Social Contribution Activities

