

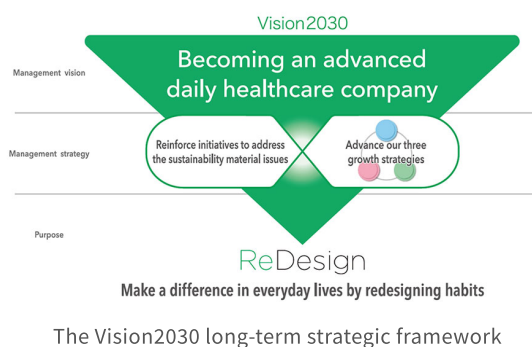
# Lion's Sustainability

- ✓ 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.



## 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.

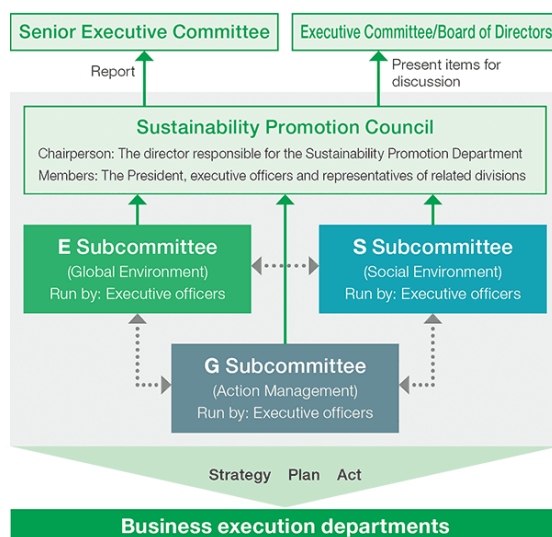
The Lion Group's contribution will mainly be to the realization of SDG 3, “Ensure healthy lives and promote well-being for all at all ages,” through its products and services. At the same time, by pursuing initiatives aimed at realizing the Vision 2030 long-term strategic framework, we will contribute 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, more than ever before positioning senior management at the forefront of promoting Sustainability Material Issues. 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

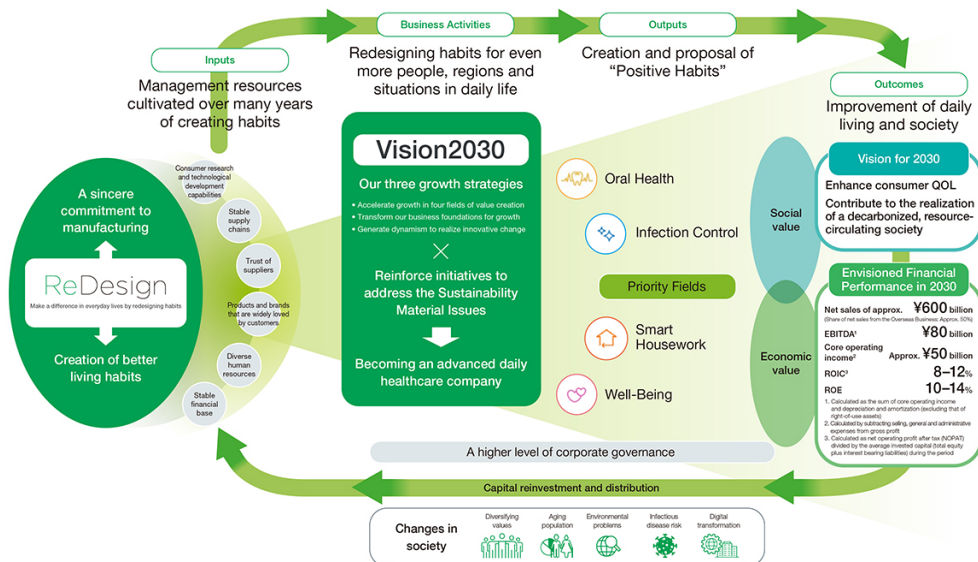
The Audit & Supervisory Board makes sustainability a priority theme each fiscal year. I have been working in the field of sustainability for many years. As such, I look at how issues related to the environment (E) as well as people and society (S) are decided upon in the Lion Group (i.e., governance (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 ESG-related 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

In fulfilling its purpose, Lion has built up a portfolio of management resources over many years of sincere dedication to manufacturing and redesigning habits for the better. To achieve our management vision for 2030, “Becoming an advanced daily healthcare company,” we will create positive habits for even more people, regions and situations in daily life, with a focus on our four fields of value creation, which emphasize positive habits. Our aim is to increase corporate value by helping to make daily living and society better.



# Sustainability Material Issues and Objectives for 2030

## Identifying Material Issues

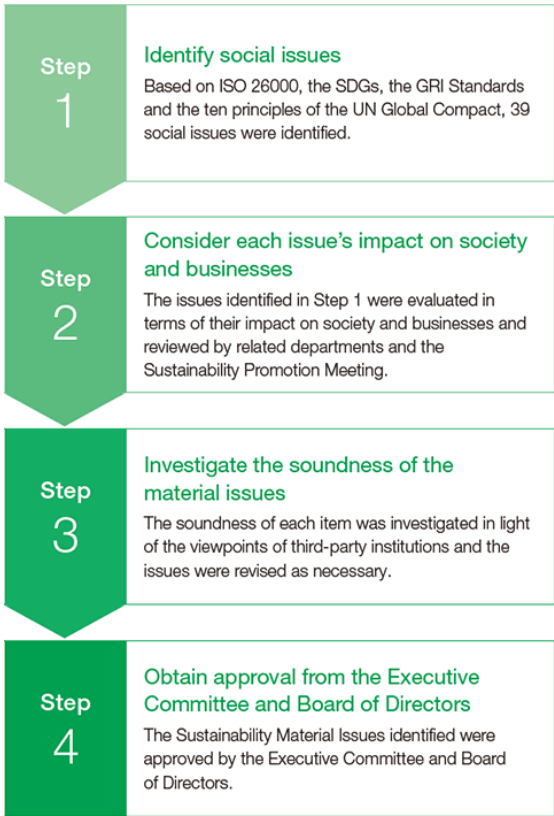
In 2020, the Lion Group applied the steps below to revise its list of Sustainability Material Issues to address over the coming decade in order to achieve its goals for 2030, including the realization of the management vision and contributing to the realization of the SDGs. These Sustainability Material 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.

Our Approach to Identifying Sustainability Material Issues



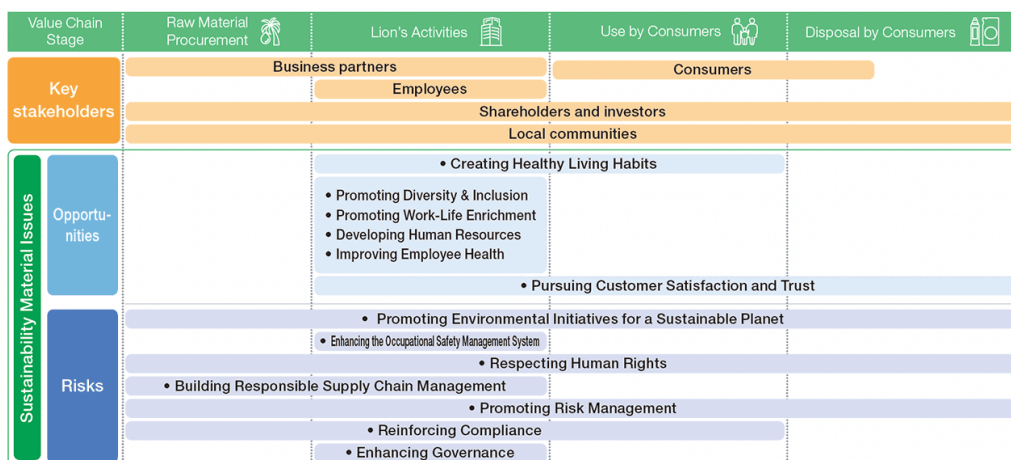
Steps for Identifying Sustainability Material Issues





## 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

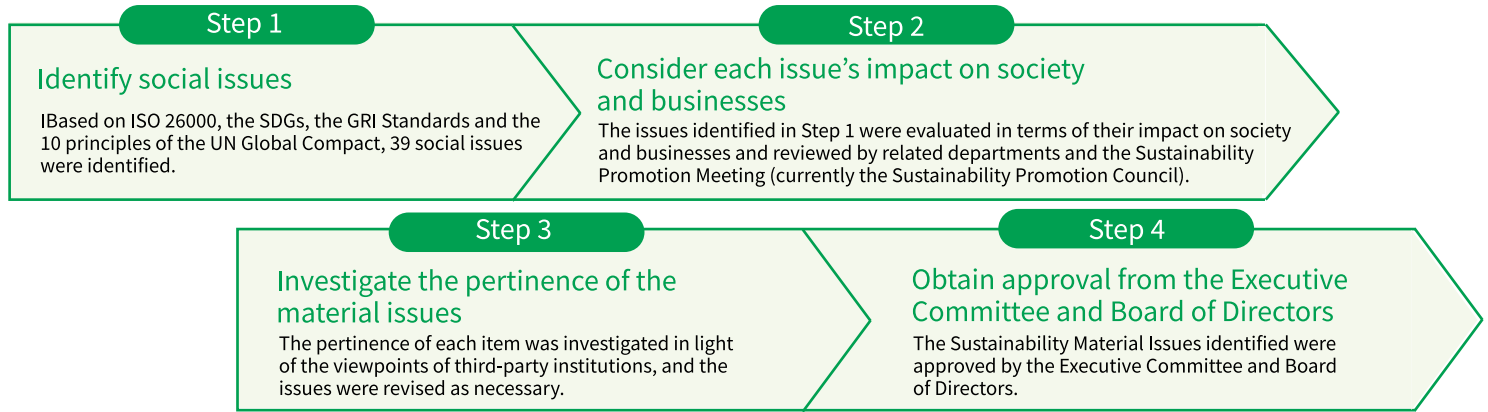
With an eye to achieving its management vision of “Becoming an advanced daily healthcare company” by 2030 and contributing to the Sustainable Development Goals (SDGs), a set of shared global goals for 2030, the Lion Group has established the Lion Group Sustainability Material Issues and objectives for 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.

# Initiatives to Address the Sustainability Material Issues

## Steps for Identifying Sustainability Material Issues



## Sustainability Material Issues, 2030 Objectives and Indicators, 2022 Results and Measures to 2030

We conducted activities toward achieving the 2030 objectives for each Sustainability Material Issue. In particular, under Globally Common Measures each overseas Group company made progress in its activities. We will continue to introduce further initiatives.

	Material Issues	Objectives	Indicators (2030)	Progress (2022 Results)	Globally Common Measures to 2030
E	Promoting Environmental Initiatives for a Sustainable Planet <a href="#">Link</a>	Reduce CO2 emissions throughout business activities.	• CO2 emissions throughout business activities ⇒Down 55% compared with 2017 levels (Absolute quantity)	• Down 13% compared with 2017 (Figure after deducting purchases of carbon credits. 4% reduction if not deducted.)	• Reduce energy usage through energy-saving activities. • Purchase electricity generated by renewable energy sources.
		Reduce CO2 emissions throughout product lifecycles.	• CO2 emissions throughout product lifecycles ⇒Down 30% compared with 2017 levels (Absolute quantity)	• Up 12% compared with 2017	• 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.
		Achieve a CO2 emissions reduction effect in excess of Lion's own emissions to help society become carbon negative.	• Contribute to a CO2 emission reduction effect in excess of Lion's own emissions (Japan)	• Plan to formulate actions and KPIs and verify their effectiveness	• Reduce society's overall CO2 emissions through collaboration with other industry actors and companies. • Reduce household CO2 emissions through provision of environmentally friendly products and services.
		Actively promote the 3Rs (reduce, reuse, recycle) and renewable resource activities.	• Petrochemical-derived plastic use rate ⇒70% or less	• 97% (Japan) Rate of containers and other packaging using sustainable materials: 3.2%	• Reduce usage of petrochemical-derived materials through the increased use of recycled plastic and biomass materials in products, containers and packaging. • Continuously promote reduced use and reuse of plastic in products, containers and packaging.
		Reduce water usage throughout product lifecycles.	• Water usage throughout product lifecycles ⇒Down 30% compared with 2017 levels (Per unit of net sales)	• Down 7% compared with 2017	• Reduce water usage by consumers through the provision of water-saving products.
S	Creating Healthy Living Habits <a href="#">Link</a>	Provide opportunities for everyone to practice oral care whenever necessary and foster oral care habits to promote health for all.	• Total number of persons provided with products, services and information aimed at creating healthy living habits ⇒1 billion (Oral care habits: 500 million people, Cleanliness and hygiene habits: 500 million people)	Oral care habits: 300 million* Spreading Awareness of Preventive Dentistry Habits (Japan) • Began services supporting the oral care habits of corporate customers and senior citizens (Okuchi Plus You and ORAL FIT) (Overseas) • Conducted educational and awareness activities to promote the formation of good tooth brushing habits among kindergarten and elementary school children • Participated in oral care improvement support program sponsored by the Ministry of Economy, Trade and Industry • Conducted educational and awareness activities to promote oral care during pregnancy	• 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 oral care. (Inclusive Oral Care)

Material Issues		Objectives	Indicators (2030)	Progress (2022 Results)	Globally Common Measures to 2030
S	Creating Healthy Living Habits <a href="#">Link</a>		<ul style="list-style-type: none"> <li>Total number of persons provided with products, services and information aimed at creating healthy living habits ⇒1 billion (Oral care habits: 500 million people, Cleanliness and hygiene habits: 500 million people)</li> </ul>	Putting Preventive Dentistry Habits into Practice (Japan) <ul style="list-style-type: none"> <li>Promoted greater frequency of tooth brushing 35% of population brushed teeth after lunch (target for 2030: 50%)</li> <li>Promoted greater use of products other than toothpastes and toothbrushes 31% of population used dental floss products (target for 2030: 50%)</li> </ul> * Source: Lion survey	
		Promote the establishment of cleanliness and hygiene habits that prevent bacteria and viruses from entering the body across all aspects of daily living, so that everyone can stay healthy.		Cleanliness and hygiene habits: 120 million* Promoting and Establishing Cleanliness and Hygiene Habits through Educational Institutions (Lion Group) <ul style="list-style-type: none"> <li>Conducted educational and awareness activities at preschools, kindergartens and elementary schools to promote hand washing habits</li> <li>Received 24,250 entries in the My Bottle Sticker Drawing Contest from 8 countries and regions where we do business</li> </ul> Broadening Coverage of Activities to Support the Establishment of Cleanliness and Hygiene Habits (Japan) <ul style="list-style-type: none"> <li>Conducted the Relay Project for Cleanliness in collaboration with shopping districts, local governments and elementary schools</li> <li>Conducted a project to promote “HAND WASH &amp; HYGIENE before meals” at hotels and restaurants</li> </ul> * Source: Lion survey	<ul style="list-style-type: none"> <li>Provide products and services that support the establishment of hand cleanliness and hygiene habits in daily living.</li> <li>Provide new customer experiences in all aspects of daily living through the provision of products and services that protect customers from bacteria and viruses.</li> <li>Implement educational and awareness activities to establish cleanliness and hygiene habits in all aspects of daily living.</li> </ul>
	Promoting Diversity and Inclusion <a href="#">Link</a>	Enable human resources with diverse values and ideas to fully express their individuality and abilities and succeed professionally.	<ul style="list-style-type: none"> <li>Ratio of women in management ⇒30% or more</li> <li>Employees who feel that employees with diverse values are able to succeed professionally ⇒ 80% or more</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of women in management: 20%</li> <li>Employees who feel so: 54% (Japan)</li> </ul>	<ul style="list-style-type: none"> <li>Provide opportunities for employees to deepen their understanding of diverse values.</li> <li>Create systems and mechanisms for diverse human resources to succeed professionally.</li> </ul>
	Promoting Work-Life Enrichment <a href="#">Link</a>	Create an environment that helps employees fulfill their ambitions through synergy between work and private life.	<ul style="list-style-type: none"> <li>Employees who feel that life outside of work (role at home and activities outside the office) has a positive impact on work ⇒75% or more</li> </ul>	<ul style="list-style-type: none"> <li>53% (Japan)</li> </ul>	<ul style="list-style-type: none"> <li>Create an environment that enables employees to fulfill their life ambitions and achieve their ideal lifestyles.</li> </ul>
	Developing Human Resources <a href="#">Link</a>	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.	<ul style="list-style-type: none"> <li>Employees who are using diverse educational programs (Lion Career Village) for individualized skill acquisition and ability development ⇒100%</li> </ul>	<ul style="list-style-type: none"> <li>57%</li> </ul>	<ul style="list-style-type: none"> <li>Introduce e-learning system and curriculum that meet the needs of overseas Group companies.</li> <li>Create mechanisms that will be used to provide contents for learning opportunities on an ongoing basis.</li> </ul>
	Improving Employee Health <a href="#">Link</a>	Support mental and physical healthcare for employees to reinforce Group human resources and achieve sustainable corporate growth.	<ul style="list-style-type: none"> <li>Employees getting dental checkups ⇒100%</li> <li>Absenteeism ⇒Improve from the 2021 leveldevelopment</li> </ul>	<ul style="list-style-type: none"> <li>Employees getting dental checkups: 88% (Japan) Note: Support for dental checkups is provided (Overseas)</li> <li>Absenteeism: 0.7% (Lion Corporation in Japan; unchanged from 2021) Note: Calculation method under consideration (Overseas)</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>
	Enhancing the Occupational Safety Management System <a href="#">Link</a>	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.	<ul style="list-style-type: none"> <li>Participation in safety education and training ⇒Implement as planned (100%) at work sites</li> <li>Compliance with occupational safety and health laws and regulations</li> <li>Serious accidents and incidents ⇒ Zero</li> </ul>	<ul style="list-style-type: none"> <li>Participation in training: 100% as planned</li> <li>Serious accidents and incidents: Zero</li> </ul>	<ul style="list-style-type: none"> <li>Provide opportunities to learn about safety and disaster prevention, and implement activities to promote understanding of basic safety activities.</li> <li>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.</li> </ul>

	Material Issues	Objectives	Indicators (2030)	Progress (2022 Results)	Globally Common Measures to 2030
S	Respecting Human Rights <a href="#">Link</a>	Ensure respect for the human rights of all stakeholders affected by Group business activities, in line with the LION Human Rights Policy.	<ul style="list-style-type: none"> <li>Human rights due diligence implementation for material human rights issues ⇒100%</li> </ul>	<ul style="list-style-type: none"> <li>Human rights due diligence implementation Lion Group: 100% Suppliers: 68%</li> </ul>	<ul style="list-style-type: none"> <li>Build a mechanism for addressing human rights issues.</li> <li>Identify material human rights risks and verify how those affected are negatively impacted.</li> <li>Execute and monitor measures for addressing human rights risks that have been identified.</li> <li>Proactively disclose status of response to human rights due diligence implementation.</li> </ul>
	Building Responsible Supply Chain Management <a href="#">Link</a>	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.	<ul style="list-style-type: none"> <li>Procurement of third-party certified paper and pulp (FSC, PEFC, etc.) and palm oil, palm kernel oil and their derivatives (RSPO, etc.) ⇒100%</li> <li>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%</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of certified raw materials procurement Japan: Certified paper and pulp: 65% (item ratio) Certified palm oil and palm kernel oil derivatives: 99% (based on key raw materials) Lion Group: Certified paper and pulp: 17% (item ratio) Certified palm oil and palm kernel oil derivatives: 48% (based on key raw materials)</li> <li>Ratio of suppliers supporting zero deforestation Japan: 48%, Lion Group: 39%</li> </ul>	<ul style="list-style-type: none"> <li>Create and promote a sustainable procurement system in cooperation with suppliers.</li> </ul>
	Pursuing Customer Satisfaction and Trust <a href="#">Link</a>	Promote and reinforce customer-oriented business activities by improving customer support quality and the value of products and services.	<ul style="list-style-type: none"> <li>Reflection of customer opinions in all products and services so that customers will continue to choose them</li> </ul>	<ul style="list-style-type: none"> <li>To promptly respond to customer comments on social media, we launched a social media risk management manual in January 2022 and conducted training to deal with online flaming in May 2022 (Japan)</li> <li>We improved the accessibility of the corporate website through a site renewal in June 2022 (Japan)</li> </ul>	<ul style="list-style-type: none"> <li>Evolve the activities of customer response departments by steadily promoting three steps: Understand the current situation, formulate plans, and promote activities</li> <li>Create an environment for improving customer relationships and expanding the range of problem resolution methods.</li> <li>Create and implement a system for reflecting customer feedback in products and services.</li> </ul>
G	Promoting Risk Management <a href="#">Link</a>	Build a comprehensive and exhaustive risk management system for identifying and quickly and appropriately dealing with risks to achieve sustainable corporate growth.	<ul style="list-style-type: none"> <li>Disclosure of the results of monitoring significant business risks and progress in implementing reduction measures ⇒ At least once a year</li> </ul>	<ul style="list-style-type: none"> <li>Disclosed once</li> </ul>	<ul style="list-style-type: none"> <li>Build and raise awareness of a management system that includes overseas Group companies.</li> <li>Use a consistent format for investigating risks and implement countermeasures.</li> <li>Share information on progress of response through reports to the Board of Directors once a year.</li> </ul>
	Reinforcing Compliance <a href="#">Link</a>	Reinforce effective initiatives to instill compliance awareness and thus earn and maintain the trust of society.	<ul style="list-style-type: none"> <li>Participation in compliance education and training ⇒ Implement as planned (100%) at work sites</li> <li>Serious compliance violations ⇒ Zero</li> </ul>	<ul style="list-style-type: none"> <li>Participation in training: 100% as planned</li> <li>Serious compliance violations: Zero</li> </ul>	<ul style="list-style-type: none"> <li>Build and enhance a compliance system that includes overseas Group companies.</li> <li>Further inculcate compliance through ongoing implementation of management and employee training and questionnaires, etc.</li> <li>Improve Group-wide risk perception and accelerate risk response by designating compliance managers at overseas Group companies and building a global hotline.</li> </ul>
	Enhancing Governance <a href="#">Link</a>	Build a sound, fair, transparent and highly effective governance system to enable sustainable corporate value enhancement.	<ul style="list-style-type: none"> <li>Disclosure of the results of the establishment and operation of the internal control system ⇒ At least once a year</li> <li>Improvement in evaluations from external organizations ⇒ Continuously improve from 2020 onward</li> </ul>	<ul style="list-style-type: none"> <li>Disclosed once</li> <li>As in 2021, we continued activities to improve evaluation results</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate and disclose results of the operation of the current internal control system.</li> <li>Clarify status of establishment of internal control systems at overseas Group companies and evaluate their operation.</li> <li>Continuously and proactively disclose governance-related non-financial information.</li> </ul>

Note: The Sustainability Material Issues and objectives published in 2022 have been partially revised.

# Sustainability Material Issues, 2030 Objectives and Indicators, 2022 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 Issue 1

Environment

Top-Priority Material Issues



### Objectives

- 1 Reduce CO<sub>2</sub> emissions throughout business activities.
- 2 Reduce CO<sub>2</sub> emissions throughout product lifecycles.
- 3 Achieve a CO<sub>2</sub> 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 lifecycles.

### 1 Objectives

#### Reduce CO<sub>2</sub> emissions throughout business activities.

Indicators (2030)	CO <sub>2</sub> emissions throughout business activities ⇒Down 55% compared with 2017 levels (Absolute quantity)
Progress (2022 results)	<ul style="list-style-type: none"> <li>Down 13% compared with 2017 (Figure after deducting purchases of carbon credits. 4% reduction if not deducted.)</li> </ul>
Globally Common Measures to 2030	<ul style="list-style-type: none"> <li>Reduce energy usage through energy-saving activities.</li> <li>Purchase electricity generated by renewable energy sources.</li> </ul>



### Details

> Together with the Environment

> Reduce CO<sub>2</sub>Emissions throughout Business Activities

> ESG Data



## 2 Objectives

Reduce CO<sub>2</sub> emissions throughout product lifecycles.

Indicators (2030)	CO <sub>2</sub> emissions throughout product lifecycles ⇒Down 30% compared with 2017 levels (Absolute quantity)
Progress (2022 results)	<ul style="list-style-type: none"><li>Up 12% compared with 2017</li></ul>
Globally Common Measures to 2030	<ul style="list-style-type: none"><li>Reduce household CO<sub>2</sub> emissions from product use through the provision of environmentally friendly products and services and the promotion of environmentally friendly habits.</li><li>Reduce CO<sub>2</sub> emissions at the stage of procurement through supplier engagement and the purchase of raw materials that generate low CO<sub>2</sub> emissions.</li></ul>



### Details

[> Together with the Environment](#)

[> Reduce CO<sub>2</sub>Emissions throughout Product Life Cycles](#)

[> ESG Data](#)

## 3 Objectives

Achieve a CO<sub>2</sub> emissions reduction effect in excess of Lion's own emissions to help society become carbon negative.

Indicators (2030)	Contribute to a CO <sub>2</sub> emission reduction effect in excess of Lion's own emissions (Japan)
Progress (2022 results)	Plan to formulate actions and KPIs and verify their effectiveness
Globally Common Measures to 2030	<ul style="list-style-type: none"><li>Reduce society's overall CO<sub>2</sub> emissions through collaboration with other industry actors and companies.</li><li>Reduce household CO<sub>2</sub> emissions through provision of environmentally friendly products and services.</li></ul>



### Details

[> Together with the Environment](#)

[> Reduce CO<sub>2</sub>Emissions throughout Business Activities](#)

[> ESG Data](#)

#### 4 Objectives

Actively promote the 3Rs (reduce, reuse, recycle) and renewable resource activities.

Indicators (2030)	Petrochemical-derived plastic use rate⇒70% or less
Progress (2022 results)	<ul style="list-style-type: none"><li>97% (Japan)</li><li>Rate of containers and other packaging using sustainable materials: 3.2%</li></ul>
Globally Common Measures to 2030	<ul style="list-style-type: none"><li>Reduce usage of petrochemical-derived materials through the increased use of recycled plastic and biomass materials in products, containers and packaging.</li><li>Continuously promote reduced use and reuse of plastic in products, containers and packaging.</li></ul>



#### Details

[> Together with the Environment](#)

[> Recycling Resources](#)

[> ESG Data](#)

#### 5 Objectives

Reduce water usage throughout product lifecycles

Indicators (2030)	Water usage throughout product lifecycles ⇒Down 30% compared with 2017 levels (Per unit of net sales)
Progress (2022 results)	Down 7% compared with 2017
Globally Common Measures to 2030	Reduce water usage by consumers through the provision of water-saving products.



#### Details

[> Together with the Environment](#)

[> Reducing Water Use](#)

[> ESG Data](#)

# Creating Healthy Living Habits

Material Issue 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.

## 1 Objectives

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



Indicators (2030)	Total number of persons provided with products, services and information aimed at creating healthy living habits ⇒500 million
Progress (2022 results)	<p>Oral care habits: 300 million*</p> <p>Spreading Awareness of Preventive Dentistry Habits</p> <p>Japan:</p> <ul style="list-style-type: none"> <li>• Began services supporting the oral care habits of corporate customers and senior citizens (<i>Okuchi Plus You</i> and <i>ORAL FIT</i>)</li> </ul> <p>Overseas:</p> <ul style="list-style-type: none"> <li>• Conducted educational and awareness activities to promote the formation of good tooth brushing habits among kindergartens and elementary school children</li> <li>• Participated in oral care improvement support program sponsored by the Ministry of Economy, Trade and Industry</li> <li>• Conducted educational and awareness activities to promote oral care during pregnancy</li> </ul> <p>Putting Preventive Dentistry Habits into Practice</p> <p>Japan:</p> <ul style="list-style-type: none"> <li>• Promoted greater frequency of tooth brushing. 35% of population brushed teeth after lunch (target for 2030: 50%)</li> <li>• Promoted greater use of products other than toothpastes and toothbrushes. 31% of population used dental floss products (target for 2030: 50%)</li> </ul> <p>*Source: Lion survey</p>
Globally Common Measures to 2030	<ul style="list-style-type: none"> <li>• Increase range of products and services that promote the creation of better oral care habits.</li> <li>• Reinforce educational and awareness activities aimed at establishing preventive dentistry and better oral care habits.</li> <li>• Promote activities to address personal and social challenges through oral care(Inclusive Oral Care).</li> </ul>

## Details

> Creating Healthy Living Habits

> Initiatives to Establish Oral Care Habits

> ESG Data

## 2 Objectives

Promote the establishment of cleanliness and hygiene habits that prevent bacteria and viruses from entering the body across all aspects of daily living, so that everyone can stay healthy.



Indicators (2030)	Total number of persons provided with products, services and information aimed at creating healthy living habits ⇒500 million
Progress (2022 results)	<p>Cleanliness and good hygiene habits: 120 million*</p> <p>Promoting and Establishing Cleanliness and Good Hygiene Habits through Educational Institutions</p> <p>Lion Group:</p> <ul style="list-style-type: none"><li>• Conducted educational and awareness activities at preschools, kindergartens and elementary schools to promote hand washing habits</li><li>• Received 24,250 entries in the My Bottle Sticker Drawing Contest from 8 countries and regions where we do business</li></ul> <p>Broadening Coverage of Activities to Support the Establishment of Cleanliness and Hygiene Habits</p> <p>Japan:</p> <ul style="list-style-type: none"><li>• Conducted the Relay Project for Cleanliness in collaboration with shopping districts, local governments and elementary schools</li><li>• Conducted a project to promote “HAND WASH &amp; HYGINE before meals at hotels and restaurants”.</li></ul> <p>*Source: Lion survey</p>
Globally Common Measures to 2030	<ul style="list-style-type: none"><li>• Provide products and services that support the establishment of hand cleanliness and hygiene habits in daily living.</li><li>• Provide new customer experiences in all aspects of daily living through the provision of products and services that protect customers from bacteria and viruses.</li><li>• Implement educational and awareness activities to establish cleanliness and hygiene habits in all aspects of daily living.</li></ul>

## Details

> [Creating Healthy Living Habits](#)

> [Initiatives to Establish Cleanliness and Hygiene Habits](#)

## Promoting Diversity & Inclusion

Material Issue 3

Employee



### Objectives

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

Indicators (2030)	<ul style="list-style-type: none"> <li>Ratio of women in management ⇒ 30% or more</li> <li>Employees who feel that employees with diverse values are able to succeed professionally ⇒ 80% or more</li> </ul>
Progress (2022 results)	<ul style="list-style-type: none"> <li>Ratio of women in management: 20%</li> <li>Employees who feel so: 54% (Japan)</li> </ul>
Globally Common Measures to 2030	<ul style="list-style-type: none"> <li>Provide opportunities for employees to deepen their understanding of diverse values.</li> <li>Create systems and mechanisms for diverse human resources to succeed professionally.</li> </ul>



### Details

> Together with Employees

> Promoting Diversity & Inclusion

> ESG Data

## Promoting Work-Life Enrichment

Material Issue 4

Employee



### 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 activities outside the office) has a positive impact on work ⇒ 75% or more
Progress (2022 results)	53% (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

> ESG Data



## Developing Human Resources

Material Issue 5

Employeee



### 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 (2022 results)	57%
Globally Common Measures to 2030	<ul style="list-style-type: none"> <li>Introduce e-learning system and curriculum that meet the needs of overseas Group companies.</li> <li>Create mechanisms that will be used to provide contents for learning opportunities on an ongoing basis.</li> </ul>



### Details

> Together with Employees

> Developing Human Resources

> ESG Data

## Improving Employee Health

Material Issue 6

Employeee



### Objectives

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

Indicators (2030)	<ul style="list-style-type: none"> <li>Employees getting dental checkups ⇒100%</li> <li>Absenteeism ⇒Improve from the 2021 level</li> </ul>
Progress (2022 results)	<ul style="list-style-type: none"> <li>Employees getting dental checkups: 88% (Japan) Note: Support for dental checkups is provided (Overseas)</li> <li>Absenteeism: 0.7% (Lion Corporation in Japan; unchanged from 2021) Note: Calculation method under consideration (Overseas)</li> </ul>
Globally Common Measures to 2030	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>



### Details

> Together with Employees

> Improving Employee Health

> ESG Data

## Enhancing the Occupational Safety Management System

Material Issue 7

Employeee



### 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)	<ul style="list-style-type: none"> <li>Participation in safety education and training ⇒ Implement as planned (100%) at work sites</li> <li>Compliance with occupational safety and health laws and regulations</li> <li>Serious accidents and incidents ⇒ Zero</li> </ul>
Progress (2022 results)	<ul style="list-style-type: none"> <li>Participation in training: 100% as planned</li> <li>Serious accidents and incidents: Zero</li> </ul>
Globally Common Measures to 2030	<ul style="list-style-type: none"> <li>Provide opportunities to learn about safety and disaster prevention, and implement activities to promote understanding of basic safety activities.</li> <li>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.</li> </ul>



### Details

> Together with Employees

> Enhancing the Occupational Safety Management System

## Respecting Human Rights

Material Issue 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 (2022 results)	<ul style="list-style-type: none"> <li>Human rights due diligence implementation</li> <li>Lion Group: 100%</li> <li>Suppliers: 68%</li> </ul>
Globally Common Measures to 2030	<ul style="list-style-type: none"> <li>Build a mechanism for addressing human rights issues.</li> <li>Identify material human rights risks and verify how those affected are negatively impacted.</li> <li>Execute and monitor measures for addressing human rights risks that have been identified.</li> <li>Proactively disclose status of response to human rights due diligence.</li> </ul>



### Details

> Respect for Human Rights

> Measures to Prevent Human Rights Abuse (Human Rights Due Diligence)

# Building Responsible Supply Chain Management

Material Issue 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.

Indicators (2030)	<ul style="list-style-type: none"> <li>Procurement of third-party certified paper and pulp (FSC, PEFC, etc.) and palm oil, palm kernel oil and their derivatives (RSPO, etc.) ⇒100%</li> <li>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%</li> </ul>
Progress (2022 results)	<ul style="list-style-type: none"> <li>Ratio of certified raw materials procurement                             <ul style="list-style-type: none"> <li>Japan: Certified paper and pulp: 65% (item ratio) Certified palm oil and palm kernel oil derivatives: 99% (based on key raw materials)</li> <li>Lion Group: Certified paper and pulp: 17% (item ratio) Certified palm oil and palm kernel oil derivatives: 48% (based on key raw materials)</li> </ul> </li> <li>Ratio of suppliers supporting zero deforestation                             <ul style="list-style-type: none"> <li>Japan: 48%</li> <li>Lion Group: 39%</li> </ul> </li> </ul>
Globally Common Measures to 2030	Create and promote a sustainable procurement system in cooperation with supplier



[Details](#)

[> Together with Supply Chains](#)

[> Aiming for Sustainable Raw Material Procurement](#)

[> ESG Data](#)

## Pursuing Customer Satisfaction and Trust

Material Issue 10

Customer



### Objectives

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

Indicators (2030)	Reflection of customer opinions in all products and services so that customers will continue to choose them
Progress (2022 results)	<ul style="list-style-type: none"> <li>To promptly respond to customer comments on social media, we launched a social media risk management manual in January 2022 and conducted training to deal with online flaming in May 2022 (Japan)</li> <li>We improved the accessibility of the corporate website through a site renewal in June 2022 (Japan)</li> </ul>
Globally Common Measures to 2030	<ul style="list-style-type: none"> <li>Evolve the activities of customer response departments by steadily promoting three steps: Understand the current situation Formulate plans Promote activities</li> <li>Create an environment for improving customer relationships and expanding the range of problem resolution methods.</li> <li>Create and implement a system for reflecting customer feedback in products and services.</li> </ul>



### Details

> Ensuring Product Safety and Reliability

> Initiatives to Respond to Our Customers

## Promoting Risk Management

Material Issue 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 (2022 results)	Disclosed once
Globally Common Measures to 2030	<ul style="list-style-type: none"> <li>Build and raise awareness of a management system that includes overseas Group companies.</li> <li>Use a consistent format for investigating risks and implement countermeasures.</li> <li>Share information on progress of response through reports to the Board of Directors once a year.</li> </ul>



### Details

> Risk Management

## Reinforcing Compliance

Material Issue 12

Governance



### Objectives

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

Indicators (2030)	<ul style="list-style-type: none"> <li>Participation in compliance education and training ⇒ Implement as planned (100%) at work sites</li> <li>Serious compliance violations ⇒ Zero</li> </ul>
Progress (2022 results)	<ul style="list-style-type: none"> <li>Participation in training: 100% as planned</li> <li>Serious compliance violations: Zero</li> </ul>
Globally Common Measures to 2030	<ul style="list-style-type: none"> <li>Build and enhance a compliance system that includes overseas Group companies.</li> <li>Further inculcate compliance through ongoing implementation of management and employee training and questionnaires, etc.</li> <li>Improve Group-wide risk perception and accelerate risk response by designating compliance managers at overseas Group companies and building a global hotline.</li> </ul>



[Details](#)

[Compliance](#)

[ESG Data](#)

## Enhancing Governance

Material Issue 13

Governance



### Objectives

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

Indicators (2030)	<ul style="list-style-type: none"> <li>Disclosure of the results of the establishment and operation of the internal control system ⇒ At least once a year</li> <li>Improvement in evaluations from external organizations ⇒ Continuously improve from the 2020 onward</li> </ul>
Progress (2022 results)	<ul style="list-style-type: none"> <li>Disclosed once</li> <li>As in 2021, continued activities to improve evaluation results</li> </ul>
Globally Common Measures to 2030	<ul style="list-style-type: none"> <li>Evaluate and disclose results of the operation of the current internal control system.</li> <li>Clarify status of establishment of internal control systems at overseas Group companies and evaluate their operation.</li> <li>Continuously and proactively disclose governance-related non-financial information.</li> </ul>



[Details](#)

[Basic Approach to Corporate Governance](#)

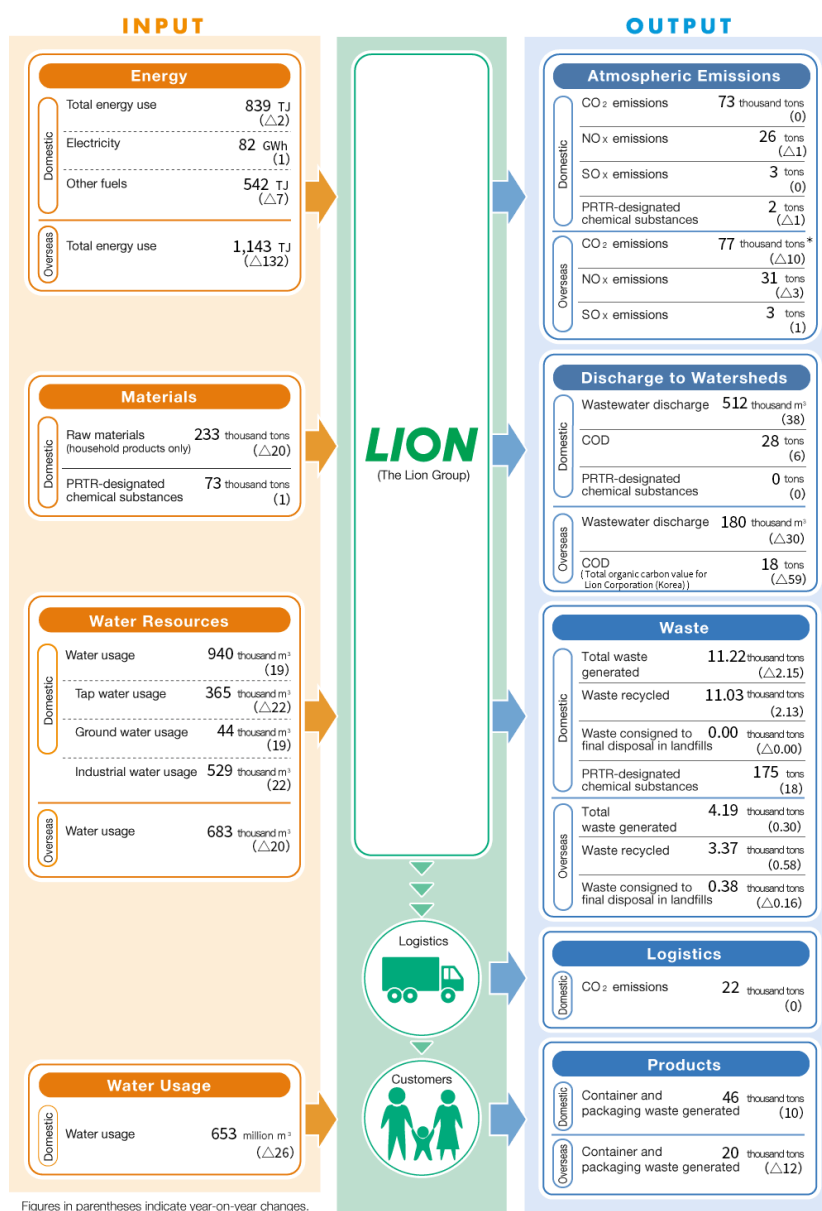


# ESG Data and Third-Party Verification

- ✓ Environmental Data
- ✓ Third-Party Verification (Environment)
- ✓ Social Data
- ✓ Third-Party Verification (Society)
- ✓ Governance Data

## Environmental Data

### Overview of Environmental Burden Created by Business Activities



**[Scope of Data]** Lion and consolidated subsidiaries

**[Period Covered]** January 2022 to December 2022: However, data for PRTR-designated chemical substances is for April 2022 to March 2023

## CO<sub>2</sub> Emissions from Business Activities

Domestic	Unit	2017	2019	2020	2021	2022
Absolute quantity	Thousand t-CO <sub>2</sub>	77	70	67	74	73
Reduction from 2017	%	—	—	—	5	5

Overseas	Unit	2017	2019	2020	2021	2022
Absolute quantity	Thousand t-CO <sub>2</sub>	94	93	96	86	77 <sup>*1</sup>
Reduction from 2017	%	—	—	—	8	19

\*1 Excludes carbon credit purchases. Including these, the amount is 92,000 tons, a 2% reduction.

Domestic and overseas total	Unit	2017	2019	2020	2021	2022
Absolute quantity	Thousand t-CO <sub>2</sub>	171	163	163	160	150 <sup>*2</sup>
Reduction from 2017	%	—	—	—	7	13

\*2 Excludes carbon credit purchases. Including these, the amount is 165,000 tons a 4% reduction.

### > More about related initiatives

## Total Energy Consumption in Business Activities

	Unit	2018	2019	2020	2021	2022
Domestic	TJ	840	817	799	841	839
Overseas		1,183	1,118	1,139	1,275	1,143
Domestic and overseas total	TJ	2,509	2,404	2,409	2,632	2,507

### > More about related initiatives

## Total renewable and Non-Renewable Energy Consumption in Business Activities

		Unit	2018	2019	2020	2021	2022	Target for 2022
Total non-renewable energy consumption	Domestic	GWh	233	227	222	233	232	—
	Overseas		329	310	316	313	316	—
	Domestic and overseas total	GWh	562	537	538	546	549	540
Total renewable energy consumption	Domestic	GWh	0.04	0.04	0.04	0.18	0.45	—
	Overseas		0	0.01	0.01	42	1	—
	Domestic and overseas total	GWh	0.04	0.05	0.05	42	1.8	—
Total renewable energy consumption/ total energy consumption	Domestic and overseas total	%	0.01	0.01	0.01	7.12	0.33	—

## Greenhouse Gas Emissions throughout the Supply Chain

		Unit	2017	2019	2020	2021	2022
Scope 1		%	1.6	1.6	1.5	1.7	1.5
Scope 2		%	2.1	2.1	1.9	1.5	1.8
Scope 3	Purchased goods and services	%	21.8	20.4	23.1	23.5	23.7
	Capital goods	%	0.8	1.3	2.5	1.1	1.2
	Fuel- and energy-related activities not include in Scope 1 or Scope 2	%	0.5	0.4	0.6	0.6	0.6
	Upstream transportation and distribution	%	3.4	4.6	4.3	3.8	3.9
	Waste generated in operations	%	0.1	0.1	0.3	0.4	0.1
	Business travel	%	0.1	0.1	0.1	0.0	0.0
	Employee commuting	%	0.1	0.1	0.0	0.1	0.0
	Downstream transportation and distribution	%	0.1	0.2	0.2	0.2	0.2
	Processing of sold products	%	5.3	2.6	1.8	2.0	2.2
	Use of sold products	%	54.2	55.8	52.8	54.5	54.3
	End-of-life treatment of sold products	%	9.5	10.4	10.2	9.9	10.0
	Investments	%	0.4	0.6	0.7	0.6	0.5
Total		Million t-CO <sub>2</sub>	4.62	4.50	4.83	4.92	5.03

### > More about related initiatives

Notes: Scope: Lion and domestic and overseas consolidated subsidiaries

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	2019	2020	2021	2022
Scope 1	Thousand t-CO <sub>2</sub>	22	21	19	21	21
Scope 2 (location basis)		55	52	50	52	51
Scope 1 + 2 (location basis) total	Thousand t-CO <sub>2</sub>	77	73	70	73	72
Scope 2 (market basis)	Thousand t-CO <sub>2</sub>	55	50	48	52	52
Scope 1 + 2 (market basis) total	Thousand t-CO <sub>2</sub>	77	70	67	74	73
Amount of carbon credits purchased	Thousand t-CO <sub>2</sub>	0	0	0	0	0

Overseas	Unit	2017	2019	2020	2021	2022
Scope 1	Thousand t-CO <sub>2</sub>	51	50	54	64	56
Scope 2 (location basis)		43	43	42	22	36
Scope 1 + 2 (location basis) total	Thousand t-CO <sub>2</sub>	94	93	96	86	92
Scope 2 (market basis)	Thousand t-CO <sub>2</sub>	43	43	42	22	36
Scope 1 + 2 (market basis) total	Thousand t-CO <sub>2</sub>	94	93	96	86	92
Amount of carbon credits purchased	Thousand t-CO <sub>2</sub>	0	0	0	0	16

Domestic and overseas total	Unit	2017	2019	2020	2021	2022	Target for 2022
Scope 1	Thousand t-CO <sub>2</sub>	73	70	73	85	76	85
Scope 2 (location basis)		98	95	93	74	88	74
Scope 1 + 2 (location basis) total	Thousand t-CO <sub>2</sub>	171	165	166	160	164	—
Scope 2 (market basis)	Thousand t-CO <sub>2</sub>	98	93	90	74	89	74
Scope 1 + 2 (market basis) total	Thousand t-CO <sub>2</sub>	171	163	163	160	165	—
Amount of carbon credits purchased	Thousand t-CO <sub>2</sub>	0	0	0	0	0	16

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	2018	2019	2020	2021	2022
Raw material usage	Thousand tons	251	245	250	252	233

[➤ More about related initiatives](#)

### Container and Packaging Material Usage (Domestic Household Products)

	Unit	2018	2019	2020	2021	2022
Plastic	Thousand tons	18	20	20	19	18
Corrugated cardboard		24	26	27	27	27
Cardboard		6	6	5	5	5
Glass		6	6	5	6	6
Metals		0.2	0.2	0.1	0.1	0.1
Total	Thousand tons	54	57	58	57	56

[➤ More about related initiatives](#)

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

	Unit	2018	2019	2020	2021	2022
Plastic	Thousand tons	34	37	42	43	36
Corrugated cardboard		56	57	59	58	56
Cardboard		8	9	13	13	7
Glass		6	6	5	6	6
Metals		0.2	0.2	0.1	0.1	0.1
Total	Thousand tons	105	110	119	120	105

### Water Usage (Water Withdrawal) in Business Activities

	Unit	2017	2019	2020	2021	2022
Domestic	Thousand m <sup>3</sup>	917	862	823	920	940
Overseas		670	706	713	704	683
Total	Thousand m <sup>3</sup>	1,586	1,568	1,536	1,624	1,623

[➤ More about related initiatives](#)

## Water Usage (Water Withdrawal) by Source

		Unit	2017	2019	2020	2021	2022
Tap water	Domestic	Thousand m <sup>3</sup>	339	353	343	387	365
	Overseas	Thousand m <sup>3</sup>	645	681	690	689	655
	Total	Thousand m <sup>3</sup>	983	1,033	1,033	1,076	1,020
Industrial water	Domestic	Thousand m <sup>3</sup>	538	507	479	507	529
	Overseas	Thousand m <sup>3</sup>	25	25	23	15	28
	Total	Thousand m <sup>3</sup>	563	532	502	522	557
Groundwater	Domestic	Thousand m <sup>3</sup>	38	0	0	25	44
	Overseas	Thousand m <sup>3</sup>	0	0	0	0	0
	Total	Thousand m <sup>3</sup>	38	0	0	25	44
Rain water	Domestic	Thousand m <sup>3</sup>	1	2	2	2	2
	Overseas	Thousand m <sup>3</sup>	0	0	0	0	0
	Total	Thousand m <sup>3</sup>	1	2	2	2	2

## Wastewater Discharge in Business Activities

	Unit	2017	2019	2020	2021	2022
Domestic	Thousand m <sup>3</sup>	526	448	428	474	512
Overseas		172	190	183	211	180
Total	Thousand m <sup>3</sup>	699	638	611	684	692

## Wastewater Discharge by Destination

		Unit	2021*	2022
Sewage systems	Domestic	Thousand m <sup>3</sup>	302	322
	Overseas		64	74
	Total	Thousand m <sup>3</sup>	366	396
Sea area	Domestic	Thousand m <sup>3</sup>	118	130
	Overseas		0	0
	Total	Thousand m <sup>3</sup>	118	130
River	Domestic	Thousand m <sup>3</sup>	53	60
	Overseas		44	5
	Total	Thousand m <sup>3</sup>	97	65
Other (industrial park treatment facilities)	Domestic	Thousand m <sup>3</sup>	0	0
	Overseas		103	101
	Total	Thousand m <sup>3</sup>	103	101

\* Disclosed from 2021

## Breakdown of Water Use over the Life Cycles of Lion Products

	Unit	2019	2020	2021	2022
Raw material procurement	%	19.3	19.3	19.4	19.8
Production	%	0.1	0.1	0.1	0.1
Transport	%	0.0	0.0	0.0	0.0
Use by consumers	%	76.8	76.2	76.2	75.8
Disposal by consumers	%	3.8	4.4	4.3	4.3

\* Scope: Lion and domestic and overseas consolidated subsidiaries

## > More about related initiatives

## Water Use over the Life Cycles of Lion Products

	Unit	2017	2019	2020	2021	2022
Water Usage	million m <sup>3</sup>	2,178	2,230	2,273	2,291	2,303
Usage intensity per unit net sales	thousand m <sup>3</sup> /million yen	6.36	—	—	6.26	5.91
Decrease in usage intensity per unit net sales from 2017	%	0	—	—	2	7

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

Domestic	Unit	2018	2019	2020	2021	2022
Total Waste Generation	Thousand tons	8.29	8.59	10.43	9.08	11.22
Total Waste Consigned to Final Disposal in Landfills		0.01	0.01	0.01	0.01	0.00
Total Resources Recovered		3.16	4.05	3.13	3.73	3.22

Overseas	Unit	2018	2019	2020	2021	2022
Total Waste Generation	Thousand tons	4.49	4.15	3.96	3.89	4.19
Total Waste Consigned to Final Disposal in Landfills		2.83	1.04	0.74	0.54	0.38
Total Resources Recovered		3.59	2.76	3.13	3.22	3.15

Domestic and overseas total	Unit	2018	2019	2020	2021	2022
Total Waste Generation	Thousand tons	12.79	12.74	14.39	12.97	15.41
Total Waste Consigned to Final Disposal in Landfills		2.83	1.05	0.75	0.54	0.38
Total Resources Recovered		6.75	6.81	6.26	6.95	6.37

## > More about related initiatives

## Waste Disposal by Method (Domestic + Overseas)

	Unit	2018	2019	2020	2021	2022
Recycled or reused	Thousand tons	12.93	14.55	16.38	15.15	17.56
Landfill		2.83	1.05	0.81	0.65	0.38
Incinerated (with energy recovery)		3.42	3.64	3.22	3.49	3.20
Incinerated (without energy recovery)		0.14	0.09	0.13	0.46	0.44
Disposal method unknown		0.00	0.00	0.00	0.00	0.00

## Management of Chemical Substances

### PRTR-Designated Substance Emissions (Domestic)

	Unit	2018	2019	2020	2021	2022
PRTR-Designated Substance Emissions	Tons	18	2	2	3	2

### Emissions of Nitrogen Oxides (NO<sub>x</sub>), Sulfur Oxides (SO<sub>x</sub>) and Particulate Matter

Domestic	Unit	2018	2019	2020	2021	2022
Emissions of Nitrogen Oxides (NO <sub>x</sub> )	Tons	28	25	29	27	26
Emissions of Sulfur Oxides (SO <sub>x</sub> )		4	3	4	3	3
Particulate Matter		1	1	1	1	1

Overseas	Unit	2018	2019	2020	2021	2022
Emissions of Nitrogen Oxides (NO <sub>x</sub> )	Tons	57	107	71	33	31
Emissions of Sulfur Oxides (SO <sub>x</sub> )		1	1	2	1	3
Particulate Matter		13	13	8	58	26

Domestic and overseas total	Unit	2018	2019	2020	2021	2022
Emissions of Nitrogen Oxides (NO <sub>x</sub> )	Tons	85	132	100	60	56
Emissions of Sulfur Oxides (SO <sub>x</sub> )		5	5	6	5	6
Particulate Matter		14	15	9	59	28

### VOC Emissions (Domestic)

	Unit	2018	2019	2020	2021	2022
Volatile organic compound (VOC) emissions	Tons	78	67	68	69	57

### COD in Business Activities

	Unit	2018	2019	2020	2021	2022
Domestic	Tons	14	18	20	22	28
Overseas		38	41	76	77	18
Total	Tons	52	59	96	100	47

\* Total organic carbon value for Lion Corporation (Korea) in and after 2021.

➤ [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. (January 2022 to December 2022)

Breaking down total environmental conservation cost in 2022, although investment (capital expenditure) decreased approximately ¥1,34 billion year on year, overall cost decreased approximately ¥1,21 billion.

### Environmental Conservation Cost

(Millions of yen)

Category	Key activity	January 2022 to December 2022	
		Investment	Cost
Business area cost	Pollution prevention	18	273
	Global environmental conservation	361	3,632
	Resource recycling	41	400
	Environmentally friendly products	2,982	2,990
Upstream/downstream cost	Container/packaging recycling	—	782
Administration cost	ISO 14001 registration, environmental education	0	658
R&D cost	R&D of environmentally friendly products, etc.	64	983
Social activity cost	Environmental improvement measures, donations to organizations	0	8
Environmental remediation cost	Pollution burden duties, etc.	0	5
Domestic Group total		3,466	9,732
	YoY	-1,340	1,209

### Economic Benefit Associated with Environmental Conservation Measures

(Millions of yen)

Effects	YoY reduction
Cost reduction due to energy saving	-1,102.8
Cost reduction due to resource saving	47.0
Reduced water utility cost	-3.6
Waste disposal reduction*	-73.9

\* 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 =

Results of business activities (net sales)

Environmental impact\*  
(monetary value of environmental burden calculated using LIME)

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

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

	Unit	2018	2019	2020	2021	2022
Monetary value of environmental burden (comparison with 2005)	%	74	79	84	84	90
Environmental efficiency		374	350	340	344	326

\* 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](#)  (PDF:60KB)

### Certification under ISO 14001 (2015 Version)

Domestic	8 locations
Overseas	5 locations

> [More about related initiatives](#)

## Conducting Third-Party Verification (Environment)

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 and Scope 3 some categories), energy consumption, and water withdrawal and discharge from SGS Japan Inc. Most recently, the Group obtained third-party opinions regarding its environmental data for 2022.

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

Verification Opinion		SGS																			
23 May 2023 Opinion No. 20230369 Mr. Masayuki Tatemori Representative Director, President and Executive Officer Lion Corporation 1-3-28 Furutera, Itabashi-ku, Tokyo		23 May 2023 Opinion No. 20230369																			
<b>Objective</b> SGS Japan Inc. (hereinafter referred to as "SGS") was commissioned by Lion Corporation (hereinafter referred to as "the Organization") to conduct independent verification based on Criteria of Verification (ISO14064:1:2018 and the SGS verification protocol) regarding the data prepared by the Organization on the scope of verification (hereinafter referred to as "the statement"). The objective of the verification is to confirm that the statement is the Organization's accurate scope has been correctly calculated and reported in the statement in conformance with the criteria, and to express our view as a third party. The Organization is responsible for the preparation and fair presentation of the statement.		<b>The details of the scope of verification</b>																			
<b>Scope</b> The scope of verification is Scope 1 and 2 emissions, Scope 3 emissions, energy consumption, water usage, water withdrawal and discharge, and CO <sub>2</sub> emissions. The period subject to report is from 1 January 2022 to 31 December 2022. Refer to the attached sheet for the detailed scope of verification and the period subject to report.		<table><tr><th>The scope</th><th>The boundary</th><th>The statement</th></tr><tr><td>1 Scope 1 and 2 Energy consumption</td><td>4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)*</td><td>Energy related carbon dioxide emissions Scope 1: 41,988 t-CO<sub>2</sub> Scope 2: 82,086 t-CO<sub>2</sub> GHG emissions other than energy related carbon dioxide 1,232 t-CO<sub>2</sub></td></tr></table>		The scope	The boundary	The statement	1 Scope 1 and 2 Energy consumption	4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)*	Energy related carbon dioxide emissions Scope 1: 41,988 t-CO <sub>2</sub> Scope 2: 82,086 t-CO <sub>2</sub> GHG emissions other than energy related carbon dioxide 1,232 t-CO <sub>2</sub>												
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<b>Procedure of Verification</b> The statement was verified in accordance with Criteria of Verification, and the following processes were implemented as a third-party of assurance: • Verification of the statement: On-site verification and review of documents compiled at Lion Chemical Co., Ltd. Fine Chemical Division and Lion Specialty Chemicals Co., Ltd. Ono Plant, and analytical procedures, and interviews for the other sites in the scope of verification carried out at the Organization's Headquarters. The criteria for this review are based on: Act on the Rational Use of Energy, Act on the Rational Use and Proper Management of Resources, GHG Emissions Calculation and Reporting Manual Ver. 4.4 and the protocol specified by the Organization.		<table><tr><td>*1 The boundary of verification of Resources related to the Act on the Rational Use and Proper Management of Resources is limited to 4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total).</td><td colspan="2"></td></tr><tr><td>*2 Lion Chemical (France) Ltd. owned 13,844 t-CO<sub>2</sub>, 1102 carbon credit issued from water power.</td><td colspan="2"></td></tr><tr><td>*3 The emissions are calculated using a method that assumes the organizational product design stage. The non-product, technology, design stage, accurate design, are calculated as a credit and offset.</td><td colspan="2"></td></tr></table>		*1 The boundary of verification of Resources related to the Act on the Rational Use and Proper Management of Resources is limited to 4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total).			*2 Lion Chemical (France) Ltd. owned 13,844 t-CO <sub>2</sub> , 1102 carbon credit issued from water power.			*3 The emissions are calculated using a method that assumes the organizational product design stage. The non-product, technology, design stage, accurate design, are calculated as a credit and offset.											
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<b>Conclusion</b> Within the scope of the verification activities employing the methodologies mentioned above, nothing has come to our attention that caused us to believe that the Organization's Statement was not calculated and reported in conformance with the criteria. SGS Japan Inc. affirms our independence from the Organization, being free from bias and conflicts of interest with the Organization.		<table><tr><td>2 Scope Category 1 Carbon Credit</td><td>4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)</td><td>15,844 t-CO<sub>2</sub></td></tr><tr><td>3 Scope Category 1 Water usage</td><td>4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)</td><td>384,795 t-CO<sub>2</sub></td></tr><tr><td>4 Scope Category 1 Water discharge</td><td>4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)</td><td>1,116,054 t-CO<sub>2</sub></td></tr><tr><td>5 Scope Category 1 Water discharge</td><td>4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)</td><td>1,116,054 t-CO<sub>2</sub></td></tr><tr><td>6 Scope Category 1 Water discharge</td><td>4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)</td><td>1,116,054 t-CO<sub>2</sub></td></tr><tr><td>7 Scope Category 1 Water discharge</td><td>4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)</td><td>1,116,054 t-CO<sub>2</sub></td></tr></table>		2 Scope Category 1 Carbon Credit	4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)	15,844 t-CO <sub>2</sub>	3 Scope Category 1 Water usage	4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)	384,795 t-CO <sub>2</sub>	4 Scope Category 1 Water discharge	4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)	1,116,054 t-CO <sub>2</sub>	5 Scope Category 1 Water discharge	4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)	1,116,054 t-CO <sub>2</sub>	6 Scope Category 1 Water discharge	4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)	1,116,054 t-CO <sub>2</sub>	7 Scope Category 1 Water discharge	4 domestic plants of the Organization, 4 domestic and 4 overseas plants of its Group Companies (12 Plants in total)	1,116,054 t-CO <sub>2</sub>
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Verification Opinion

> [Verification Opinion](#)  (PDF:750KB)

## PRTR-Designated Substance Emissions

> [2022 PRTR-designated substance emissions data for production sites \(domestic group companies\)](#) 

## Industrial Waste Disposal Facility Maintenance and Management Data

### Chiba Plant

> [2023 Maintenance and Management Data \(updated July 26, 2023\)](#)  (PDF:88KB) [Japanese]

> [2022 Maintenance and Management Data \(updated May 19, 2023\)](#)  (PDF:88KB) [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]

## 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

		2018	2019	2020	2021	2022
		Employees				
Lion Corporation (including employees on loan)	Male	2,827	2,237	2,355	2,347	2,317
	Female	1,062	1,044	1,205	1,238	1,270
Lion Group	Male	-	-	-	4,454	4,425
	Female	-	-	-	2,944	2,979
		Female employee ratio				
Lion Corporation (including employees on loan)		27.3%	31.8%	33.8%	34.5%	35.4%
Lion Group		-	-	-	39.8%	40.2%
		Ratios of employees by age group				
Lion Corporation (including employees on loan)	Below 30 y/o	-	-	16%	16%	16%
	30-50 y/o	-	-	47%	46%	46%
	Over 50 y/o	-	-	37%	38%	38%
Lion Group	Below 30 y/o	-	-	21%	20%	19%
	30-50 y/o	-	-	52%	53%	53%
	Over 50 y/o	-	-	27%	27%	28%
		New hires (new graduates)				
Lion Corporation (including employees on loan)	Male	63	42	54	46	35
	Female	33	34	33	38	30
		Ratio of companies with an independent trade union or collective bargaining agreements				
Lion Group	%	-	-	86.4%	86.4%	86.4%
		Ratio of employees represented by an independent trade unions or covered by collective bargaining agreements				
Lion Corporation (including employees on loan)	%	-	-	66.2%	77.9%	65.9%
Lion Group	%	-	-	73.4%	75.1%	72.9%
		Re-hired retirees				
Lion Corporation (including employees on loan)	Number	210	207	243	293	343
	%	6.6%	6.3%	6.8%	8.2%	9.6%
		Temporary employees				
Lion Corporation (including employees on loan)		512	400	196	130	104
		Employees with disabilities				
Lion Corporation (excluding employees on loan)	Number	76	77	75	77	79
	%	2.8%	2.8%	2.7%	2.7%* <sup>1</sup>	2.8%* <sup>1</sup>
Lion Group	Number	-	-	94	127	131
	%	-	-	1.3%	1.7%	1.8%

		2018	2019	2020	2021	2022
		Average service years (excluding rehired retirees)				
Lion Corporation (including employees on loan)	Male	19.6	20.1	19.7	19.5	19.6
	Female	16.8	15.1	14.0	14.1	14.2
		Total employee turnover rate* <sup>2</sup>				
Lion Corporation (including employees on loan)		-	4.6%	2.4%	2.8%	3.3%
		Voluntary employee turnover rate				
Lion Corporation (including employees on loan)		-	-	1.2%	2.3%	1.6%
Lion Group		-	-	3.0%	4.9%	5.5%
		Employees who resigned within three years of entering the Company				
Lion Corporation (including employees on loan)	Number	2	8	10	4	6
	%	0.80%	3%	4%	1.60%	2.42%
		Women in all management positions* <sup>3</sup>				
Lion Corporation (including employees on loan)	Number	76	81	83	93	98
	%	7.4%	9.2%	9.1%	10.3%	11.1%
Lion Group	Number	-	-	-	289	267
	%	-	-	-	20.4%	19.6
		Women in top management positions				
Lion Corporation (including employees on loan)	Number	-	-	-	2	2
	%	-	-	-	12.5%	9.1%
Lion Group	Number	-	-	-	47	44
	%	-	-	-	40.2%	38.9%
		Women in low- and mid-level management positions				
Lion Corporation (including employees on loan)	Number	-	-	-	91	96
	%	-	-	-	10.3%	11.2%
Lion Group	Number	-	-	-	242	223
	%	-	-	-	18.6%	17.8%
		Women in junior management positions* <sup>4</sup>				
Lion Corporation (including employees on loan)	Number	-	-	-	163	180
	%	-	-	-	27.8%	31.4%
Lion Group	Number	-	-	-	232	231
	%	-	-	-	28.1%	30.2%
		Women in management positions with revenue-generating functions				
Lion Corporation (including employees on loan)	Number	-	-	-	36	37
	%	-	-	-	9.9%	10.5%
Lion Group	Number	-	-	-	154	147
	%	-	-	-	24.0%	23.1%
		Women in STEM-related positions				
Lion Corporation (including employees on loan)	Number	-	-	-	19	19
	%	-	-	-	11.8%	12.3%
Lion Group	Number	-	-	-	39	40
	%	-	-	-	16.8%	16.3%

		2018	2019	2020	2021	2022
		The percentage of average salary of female employees against that of male employees (gender pay gap)				
Lion Corporation (including employees on loan)	Male directors	-	-	100%	100%	100%
	Female directors	-	-	-	-	-
	Male external directors	-	-	100%	100%	100%
	Female external directors	-	-	100%	100%	100%
	Male employees in management positions	-	-	100%	100%	100%
	Female employees in management positions	-	-	89%	89%	93% <sup>*5</sup>
	Male employees in non-management positions	-	-	100%	100%	100%
	Female employees in non-management positions	-	-	76%	79%	79% <sup>*5</sup>
Lion Group	Male employees in management positions	-	-	100%	100%	100%
	Female employees in management positions	-	-	88%	93%	97%
	Male employees in non-management positions	-	-	100%	100%	100%
	Female employees in non-management positions	-	-	90%	91%	89%
		Regionally based employees				
	Users	17	17	2	0	8

\*1 Uses the standard calculation for the domestic hiring rate

\*2 Total employee turnover rate number should be the sum of the Voluntary employee turnover and the involuntary employee turnover rate (such as retirement, end of term, death)

\*3 Total of those in top-level (equivalent to Executive General Managers, Deputy Executive General Managers, etc., excluding the CEO and directors) and mid-level and low-level (equivalent to General Managers, managers, etc.) management positions

\*4 Equivalent to supportive roles, such as assistant managers, etc.

\*5 [Verified by a third party](#)

[➤ More about related initiatives](#)

## Work-Life Enrichment

		2018	2019	2020	2021	2022
		Employees who took childcare leave				
Lion Corporation (including employees on loan)	Male	16	13	32	54	55
	Female	53	61	78	84	77
		Employees who took shorter work hours for childcare				
Lion Corporation (including employees on loan)	Male	0	0	0	0	0
	Female	64	66	77	78	65
		Average overtime per month [hours]				
Lion Corporation (including employees on loan)		13.7	11.2	9.2	12.5	13.8
		Annual paid leave used				
Lion Corporation (including employees on loan)		60.3%	74.0%	68.0%	65.9%	69.2%
		Volunteer leave used				
Lion Corporation (including employees on loan)	Users	13	15	0	0	0
	Days taken	16	19	-	-	-
		Employee Awareness and Behavior Survey Employees who take pride in their work*				
Lion Corporation (excluding employees on loan)	Overall response rate	91.5%	85.8%	83.0%	84.3%	89.5%
	Overall	96.2%	95.7%	97.3%	80.5%	77.1%
	Male	97.2%	96.5%	97.5%	84.3%	78.2%
	Female	94.5%	94.3%	96.8%	77.0%	78.1%
	Below 30 y/o	94.1%	94.0%	95.3%	74.9%	71.9%
	30–39 y/o	94.8%	93.9%	96.7%	78.9%	76.9%
	40–49 y/o	95.3%	96.1%	96.8%	79.0%	75.9%
	50–59 y/o	97.7%	95.7%	97.9%	84.6%	79.5%
	60 y/o and above	98.1%	98.0%	97.2%	85.4%	82.1%
	Non-management positions	95.1%	94.4%	96.6%	77.5%	74.9%
	Management Positions (Including officers)	98.5%	98.7%	98.8%	89.6%	85.1%

\* 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

[➤ More about related initiatives](#)



## Developing Human Resources

		2018	2019	2020	2021	2022
		Average hours per FTE of training and development				
Lion Corporation (including employees on loan)		-	-	14.6	52.8* <sup>1</sup>	58.1
Lion Group		-	-	12.1	31.0* <sup>1</sup>	34.9
		Average hours per FTE of training and development breakdown				
Lion Corporation (including employees on loan)	Employees below 30 y/o	-	-	-	97.7	93.1
	Employees 30–50 y/o	-	-	-	49.3	55.2
	Employees 50 y/o and above	-	-	-	54.5	46.3
	Male	-	-	-	49.2	66.9
	Female	-	-	-	59.8	41.9
	Top management positions	-	-	-	39.7	281.5
	Low- and mid-level management positions	-	-	-	83.3	128.5
	Junior management positions	-	-	-	42.9	18.7
Lion Group	Employees below 30 y/o	-	-	-	44.2	44.1
	Employees 30–50 y/o	-	-	-	26.3	31.7
	Employees 50 y/o and above	-	-	-	36.6	34.1
	Male	-	-	-	30.1	40.9
	Female	-	-	-	30.3	26.1
	Top management positions	-	-	-	21.1	63.8
	Low- and mid-level management positions	-	-	-	60.4	95.0
	Junior management positions	-	-	-	33.4	16.8
		Average amount spent per FTE on training and development				
Lion Corporation (including employees on loan)		-	-	¥52,300	¥67,100	¥94,800
Lion Group		-	-	¥29,300	¥36,700	¥51,400
		Average amount spent per FTE on training and development breakdown				
Lion Corporation (including employees on loan)	Employees below 30 y/o	-	-	-	¥67,100	¥288,300
	Employees 30–50 y/o	-	-	-	¥107,700	¥82,900
	Employees 50 y/o and above	-	-	-	¥24,100	¥27,700
	Male	-	-	-	¥70,800	¥98,300
	Female	-	-	-	¥60,000	¥87,500
	Top management positions	-	-	-	¥65,000	¥643,500
	Low- and mid-level management positions	-	-	-	¥105,000	¥176,600
	Junior management positions	-	-	-	¥44,000	¥182,900
Lion Group	Employees below 30 y/o	-	-	-	¥43,500	¥120,000
	Employees 30–50 y/o	-	-	-	¥46,700	¥40,700
	Employees 50 y/o and above	-	-	-	¥16,900	¥20,400
	Male	-	-	-	¥41,300	¥55,900
	Female	-	-	-	¥29,200	¥41,900
	Top management positions	-	-	-	¥33,700	¥108,200
	Low- and mid-level management positions	-	-	-	¥76,800	¥127,600
	Junior management positions	-	-	-	¥33,500	¥139,200

		2018	2019	2020	2021	2022
		Type of individual performance appraisal				
Coverage of the MBO system* <sup>2</sup> at Lion Corporation	Top management positions	-	-	○	○	○
	Low- and mid-level management positions	-	-	○	○	○
	Junior management positions	-	-	○	○	○
	Employees in non-management positions	-	-	○	○	○
Coverage of the MBO system: % of all employees	Top management positions	-	-	55.7%	57.3%	53.3%
	Low- and mid-level management positions	-	-	95.4%	95.5%	94.8%
	Junior management positions	-	-	94.6%	94.9%	94.4%
	Employees in non-management positions	-	-	62.1%	63.6%	66.2%
		Percentage of open positions filled by internal candidates (internal hires)* <sup>3</sup>				
Lion Corporation (including employees on loan)		-	-	88.5%	69.0%	89.1%
Lion Group		-	-	49.2%	55.7%	67.6%

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

\*2 MBO: Management by Objectives

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

[➤ More about related initiatives](#)

## Key Health Indicators

			2020	2021	2022
Lion Corporation (including employees on loan)	Physical health	Rate of employees getting regular health checkups	100.0%	100.0%	99.9%
		Rate of employees getting necessary follow-up examinations	58.0%	59.6%	59.4%
		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%	67.9%
	Living habits	Employee smoking rate	18.5%	17.0%	17.0%
		Rate of employees who habitually exercise	23.7%	24.5%	25.8%
		Proportion of employees who are sufficiently rested after sleep	66.0%	67.6%	67.9%
		Proportion of employees who eat breakfast habitually	80.7%	74.9%	74.5%
		Rate of employees who habitually drink alcohol	17.7%	14.8%	16.4%
	Mental health	Stress level check implementation rate	98.2%	99.5%	98.8%
		Rate of employees with high stress levels	7.9%	9.0%	8.9%
	Health history	Proportion of employees who respond that they “mostly understand” or “understand well” their health checkup results	89.8%	89.3%	91.3%
		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%	88.6%

\* Planned to be updated in August 2023

## Productivity and Professional Fulfillment Indicators

			2020	2021	2022
Lion Corporation (including employees on loan)	Productivity	Performance <sup>*1</sup>	74.5%	87.0%	86.3%
		Rate of absence due to illness or poor health <sup>*2</sup>	0.8%	0.7%	0.8%
	Professional fulfillment <sup>*3</sup>	Work engagement	2.7	2.6	2.6
		Proportion of employees that respond that they are “satisfied” or “mostly satisfied” with their jobs	74.3%	71.4%	70.5%
		Proportion of employees that respond “Yes” to the statement “My job is professionally fulfilling”	76.3%	74.5%	74.3%

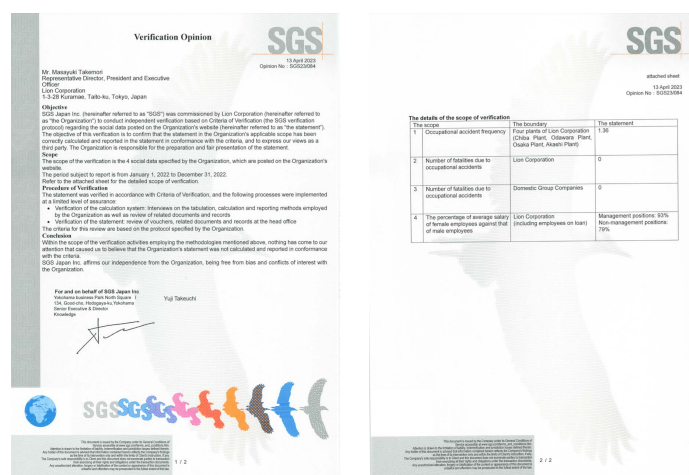
\*1 Presenteeism: Measured using the SPQ (University of Tokyo single-item version)

\*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)

## Conducting Third Party Verification (Society)

To ensure the transparency and accuracy of Lion’s social data (rate of occupational accidents, number of deaths due to occupational accidents, and average compensation ratio between men and women), the Company has undergone third-party verification by SGS Japan Inc. The results of this verification are disclosed on the Lion website. Going forward, we will enhance the reliability of this data by expanding the scope of verification. In addition, we will utilize third-party verification and work continuously to improve accuracy.



Verification written opinion

> [Verification opinion PDF](#) (PDF:3.85MB)

## Supply Chain

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

All as of December 31.

2019	2020	2021	2022
14%	93%	93%	99%

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

All as of December 31.

2019	2020	2021	2022
96%	98%	98%	99%

> [More about related initiatives](#)

### | Number of Suppliers Evaluated and Response Rate

	2018	2019	2020	2021	2022
Number of suppliers	610	585	574	502	474
Response Rate	98%	99%	100%	100%	96%

> [More about related initiatives](#)

### | Key Suppliers

	2018	2019	2020	2021	2022
Number of key suppliers	90	90	90	90	90
Portion of all primary suppliers that are key suppliers	14.8%	15.4%	15.7%	17.9%	17.9%
Portion of purchasing that is from key suppliers (monetary basis, among all primary suppliers)	87%	80%	89%	89%	89%

> [More about related initiatives](#)

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## Governance Data

Scope: Lion Corporation + domestic Group companies

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### Compliance E-learning Participation Rate

2018	2019	2020	2021	2022
100%	100%	99.5%	99.2%	98.1%

[➤ More about related initiatives](#)

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### The AL Heart Hotline Recognition Rate Among Employees

2018	2019	2020	2021	2022
98.5%	98.6%	99.5%	99.0%	99.4%

### AL Heart Hotline Consultations and Reports

	2018	2019	2020	2021	2022
Harassment	15	11	8	12	13
Personnel and labor management issues	6	11	7	5	9
Others	2	3	58	2	3

[➤ More about related initiatives](#)

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### Product recalls\* from consumers or distributors

Scope: Lion Corporation

2018	2019	2020	2021	2022
0	0	0	0	0

\* Recalls accompanied by company notice on a national newspaper

# Initiatives and External Evaluations

- ✓ Participation in Initiatives
- ✓ Status 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 GCNJ 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 \[Japanese\]](#)

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#### Others

> [Participation in External Environmental Initiatives](#)

> [Participation in Pharmaceutical Product Safety Initiatives](#)

> [Participation in External Supply Chain Initiatives](#)

> [Participation in External Human Rights Initiatives](#)

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## 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), S&P/JPX Carbon Efficient Index and Morningstar Japan ex-REIT Gender Diversity Tilt 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 2023

2023

July 2023



#### FTSE4Good Global Index



An index developed by U.K.-based FTSE Russell that evaluates companies' sustainability from ESG perspectives and selects companies that meet its standards.

Lion has been included in this index for 16 consecutive years beginning in 2008.

 [FTSE4Good Global Index](#)

> [News Release](#)

July 2023

### 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 seven consecutive years beginning in 2017.

[FTSE Blossom Japan Index](#)

[News Release](#)

July 2023

### FTSE Blossom Japan Sector Relative Index



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 second consecutive years beginning in 2022.

[FTSE Blossom Japan Sector Relative Index](#)

[News Release](#)

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.

## July 2023

### MSCI Japan Empowering Women Index (WIN)

**2023** CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

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.

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 seven consecutive years beginning in 2017.

[🔗 MSCI Japan Empowering Women Index \(WIN\)](#)

[➤ News Release](#)

## July 2023

### 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](#)

[➤ News Release](#)

## June 2023

### SOMPO Sustainability Index



An index operated by Sompo Asset Management Co., Ltd. Every year, approximately 300 companies are selected for this index, which Sompo Asset Management uses for its SOMPO Sustainable Management investment product.

Lion was selected for inclusion in the SOMPO Sustainability Index in recognition of its ESG initiatives for three consecutive years beginning in 2021.

[🔗 SOMPO Sustainability Index \[Japanese\]](#)

## Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

**MORNINGSTAR** GenDi J

Japan ex-REIT Gender Diversity  
Tilt Index

TOP CONSTITUENT 2023

Morningstar, Inc., and/or one of its affiliated companies (individually and collectively, "Morningstar") has authorized Lion Corporation to use of the Morningstar Japan ex-REIT Gender Diversity Tilt Logo ("Logo") to reflect the fact that, for the designated ranking year, Lion Corporation ranks in the top quintile of companies comprising the Morningstar® Japan ex-REIT Gender Diversity Tilt IndexSM ("Index") on the issue of gender diversity in the workplace. Morningstar is making the Logo available for use by Lion Corporation solely for informational purposes. Lion Corporation use of the Logo should not be construed as an endorsement by Morningstar of Lion Corporation or as a recommendation, offer or solicitation to purchase, sell or underwrite any security associated with Lion Corporation. The Index is designed to reflect gender diversity in the workplace in Japan, but Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar makes no express or implied warranties regarding the Index or the Logo, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index, any data included in it or the Logo. Without limiting any of the foregoing, in no event shall Morningstar or any of its third party content providers have any liability for any damages (whether direct or indirect), arising from any party's use or reliance on the Index or the Logo, even if Morningstar is notified of the possibility of such damages. The Morningstar name, Index name and the Logo are the trademarks or services marks of Morningstar, Inc. Past performance is no guarantee of future results.

An index developed with the help of Netherland-based Equileap that reflects the performance of Japanese companies that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of gender.

Lion was included in this index for the first time in 2023.

[🔗 Morningstar Japan ex-REIT Gender Diversity Tilt Index](#)

2022



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 March 2023

2023

March 2023



### SBT Initiative

Environment



A collaborative international initiative established in 2015 by the CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). Lion's greenhouse gas reduction targets for 2030 were validated by the initiative as being based on sound scientific grounds and aligned with the target of limiting global warming to 1.5°C.

[> News Release](#)

March 2023

### 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 fourth consecutive year.

[> News Release](#)

March 2023

### The Health & Productivity Stock Selection

Human Resources



Under this program, the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange recognize enterprises engaging in particularly outstanding efforts to promote health and productivity management.

Lion has been selected under this program for the first time in 2023.

[> News Release \[Japanese\]](#)

## March 2023

### White 500 Company under the Certified Health & Productivity Management Outstanding Organizations Recognition Program

Human Resources



Under this program, the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi recognize enterprises engaging in outstanding efforts to promote health and productivity management.

Lion has been selected under this program for seven consecutive years, since its establishment in 2017.

[> News Release \[Japanese\]](#)

## February 2023

### 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 2023 program.

[> News Release \[Japanese\]](#)

## January 2023

### 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 Silver Award, in the Sustainability Site Awards 2023.

2022



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\* via the following communication methods. The opinions we receive are reported to management and the relevant departments and are utilized in our business activities.

\* 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)



## 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
Shareholders and investors	<ul style="list-style-type: none"> <li>• Business growth (sales and profit)</li> <li>• Returning profits to shareholders</li> <li>• Sound and transparent management</li> <li>• Accountability and constructive dialogue</li> <li>• Effective corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Meeting of Shareholders, Annual Meeting of Shareholders convocation notice</li> <li>• Financial results briefings</li> <li>• Briefings for individual investors and institutional investors</li> <li>• IR tours: Individual interviews with overseas institutional investors and analysts</li> </ul>
	<ul style="list-style-type: none"> <li>• Enhancing disclosure content</li> <li>• Timely disclosure of management-related information</li> </ul>	Website: Investor Relations and News Release sections
	Proactive disclosure of financial and non-financial information	Integrated Report
Customers (consumers)	Redesigning habits	Promotional activities and exhibition events
	Safe and reliable manufacturing	Factory tours
	Product development emphasizing the consumer's perspective	Consumer research: group interviews, monitoring surveys
	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
Business partners	<ul style="list-style-type: none"> <li>● <u>Suppliers (raw material manufacturers, production contractors)</u></li> <li>• Establishing supply chain management that takes human rights and the environment into consideration</li> <li>• Responsible raw material procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Self-checks/feedback based on the Lion Group Supplier CSR Guidelines</li> <li>• Compliance consultation and whistle-blowing system (AL Heart Hotline)</li> </ul>
	<ul style="list-style-type: none"> <li>● <u>Retail stores, wholesalers</u></li> <li>• Building relationships of trust through fair and equitable trade</li> <li>• Stable supply of products</li> <li>• Proposing value-added products and services that meet consumer needs</li> <li>• Contributing to the revitalization of markets in each category</li> </ul>	<ul style="list-style-type: none"> <li>• New product briefings, product seminars</li> <li>• Lion network, wholesaler meetings</li> <li>• Sales floor strategy proposal meetings, merchandising meetings</li> <li>• Collaborative events and fairs</li> <li>• Collaborative environmental initiatives</li> </ul>
Governments and municipalities	Appropriate dialogue with supervisory authorities	Councils, committees, opinion exchange meetings, personnel exchanges
	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	<ul style="list-style-type: none"> <li>• Conclusion of agreements, collaborative events and initiatives</li> <li>• Opinion exchange meetings</li> <li>• Support through monetary and product donations</li> </ul>
Local communities	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
	<ul style="list-style-type: none"> <li>• Promoting health and educating the next generation on hygiene and cleanliness</li> <li>• Proposing educational curriculums</li> <li>• Environmental education</li> </ul>	<ul style="list-style-type: none"> <li>• Health seminars</li> <li>• Disaster relief</li> <li>• Supporting science classes</li> <li>• Forest maintenance activities</li> </ul>
	Consideration for the natural environment	Environmental beautification activities
	Biodiversity conservation	Conservation activities with local residents

Stakeholder	Major responsibilities	Main engagement opportunities
Employees	<ul style="list-style-type: none"> <li>• Providing a comfortable working environment for employees.</li> <li>• Support for job satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Internal communications through the Group intranet, etc.</li> <li>• Employee awareness and behavior surveys</li> <li>• Compliance Awareness Survey</li> </ul>
	<ul style="list-style-type: none"> <li>• Building good relationships</li> <li>• Fostering an organizational culture that encourages innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Roundtable with the President to exchange ideas with management</li> <li>• Creating new businesses through the new value creation program</li> </ul>
	<ul style="list-style-type: none"> <li>• Fair evaluation and treatment</li> <li>• Improving the employee benefits system</li> </ul>	<ul style="list-style-type: none"> <li>• Labor-management meetings</li> <li>• Individual interviews</li> </ul>
	Utilizing and developing human resources	<ul style="list-style-type: none"> <li>• Various educational programs and training for skills acquisition and ability development</li> <li>• Rank-specific training</li> </ul>
	Promoting occupational safety and health	<ul style="list-style-type: none"> <li>• Workplace accident prevention program</li> <li>• e-learning training</li> </ul>
	Promoting and managing health	Health checkups, dental checkups
	Respecting human rights	<ul style="list-style-type: none"> <li>• Compliance consultation and whistle-blowing system (AL Heart Hotline)</li> </ul>
	Respecting diversity	<ul style="list-style-type: none"> <li>• e-learning training</li> </ul>

## 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)
	Outside experts, employees	Spreading awareness of sustainability
2020	Outside experts	ESG-oriented management
2019	Outside experts	Promoting sustainability-oriented management

# Social Contribution Activities

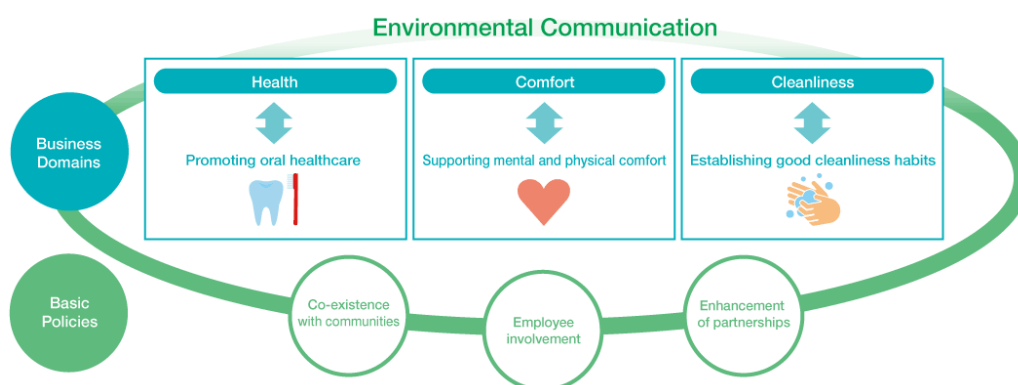
- ✓ Approach
- ✓ Overview
- ✓ Initiatives with Local Governments
- ✓ Initiatives Supporting Education
- ✓ Sports Promotion Activities
- ✓ Working towards Gender Equality
- ✓ Collaboration with Local Communities
- ✓ Donation Activities (Philanthropy)
- ✓ Overseas Social Contribution Activities

## 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



## Initiatives with Local Governments

### Ishinomaki City, Miyagi Prefecture

Lion's founder, Tomijiro Kobayashi, had close ties to Ishinomaki City. Honoring this connection, Lion has pursued recovery support initiatives in the city on a continuous basis 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. One initiative under the agreement is tree planting at Ishinomaki Minamihama Tsunami Memorial Park, and Lion staff, partners and Ishinomaki locals have teamed up to plant trees every year. We will continue to implement a variety of initiatives based on employee participation.



A group photo of a tree planting event at Ishinomaki Minamihama Tsunami Memorial Park



Lion's initiatives to promote recovery from the Great East Japan Earthquake

### Yamanashi City, Yamanashi Prefecture

Since October 2006, in accordance with an agreement with Yamanashi City, Lion has been involved in the maintenance of a city-owned forest, the first of the Company Forest Promotion Projects being promoted by Yamanashi Prefecture. Our goal is to increase employee awareness of the environment through the experience of caring for the forest, which serves as a water source. In the future, we would like to focus on environmental education and offer a venue for interaction and exchange with a diverse group of people, including local residents.



Forest maintenance activities



Lion Forest in Yamanashi

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## Sakaide City, Kagawa Prefecture

The *KireiKirei* City-Sakaide Project is an initiative implemented through a partnership agreement signed in 2014 by Sakaide City, the Lion Chemical Co., Ltd. Oleochemical Production Site and Lion that aims to improve the health of the citizens of Sakaide City by educating them about healthy habits such as hand washing and tooth brushing.



Hand washing awareness activities at the Furusato no Oyako Festival



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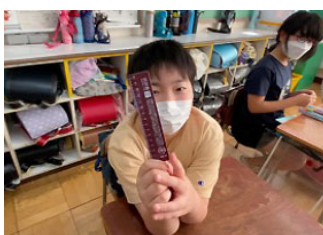
## Sumida-ku, Tokyo

In 2020, Lion formed an agreement with the municipality of Sumida-ku, where our headquarters were formerly located, to collect and recycle used toothbrushes with the aim of recovering plastic resources.

Between April 2020 and March 2021, used toothbrushes were collected from elementary schools and other organizations (many of which are educational institutions), recycled into rulers, and returned to the collecting organizations.



A visit to a participating elementary school



An elementary school student showing off his new ruler



15 cm rulers incorporating recycled toothbrush plastic



## Taito-ku, Tokyo

In March 2023, we concluded an agreement with the municipality of Taito-ku to collaborate and cooperate in the promotion of local residents' health and to contribute to community development for the realization of a sustainable society and our harmonious coexistence with the community.

Based on this agreement, in the following month we began toothbrush recycling initiatives to recycle plastic resources. Collected toothbrushes will be processed by a recycling company chosen by Lion and then returned to Taito-ku locals in the form of useful plastic goods.



Signing Ceremony for the Comprehensive Collaborative Agreement



A collection box at the entrance of the main building of the Taito-ku City Office



Toothbrush Recycling Program [Japanese]



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## Initiatives Supporting Education

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### Employee Participation

Since 2014, 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 habits through a set of fun song and dance activities. In 2021, the program was extended to include elementary schools, with lessons delivered using simple-to-follow instructional videos and other visual aids. In addition to providing products, our employees play a helpful 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 and empathy in addition to increasing their awareness of the importance of contributing to society.



A video is shown during an event at an elementary school



Events held in kindergartens and preschools

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### Supporting Science Education

#### | “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.



## 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.

\* 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.

## 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.

[Click here for more research institute activities \[Japanese\]](#)

## Sports Promotion Activities

### Activities of Lion's Rugby Club

Lion's rugby club is celebrating its 51st anniversary in 2023. 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 in 2020, but resumed in spring 2022. 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 students.

In addition, 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. From 2020, these activities were suspended due to the COVID-19 pandemic, but will resume for the first time in four years in 2023.

Through rugby, we will continue to participate in a variety of community and social contribution activities.

Rugby Lesson Participants

		2018	2019	2020	2021	2022	2023
Participants	Chiba	Approx. 500	Approx. 700	Suspended	Suspended	Approx. 600	Approx. 700
	Ishinomaki	Approx. 80	Approx. 90	Suspended	Suspended	-	Scheduled for August



Activities at the Chiba Plant (April 2023)



Activities in Ishinomaki (2019)



Lion Fangs [Japanese]





## Other Sports Events Supported by Lion



RCC Hiroshima Women's Ekiden (long-distance relay race) [Japanese]



RKK Women's Ekiden (long-distance relay race) [Japanese]



All Japan IAIDO TAIKAI (kendo tournament) [Japanese]



Walking Event [Japanese]

### Recognized as a Sports Yell Company 2023 by the Japan Sports Agency

Lion was recognized by the Sports Agency as a Sports Yell Company in 2023 for its efforts to promote sports activities among its employees and its active support in the field of sports.

[News Release \[Japanese\]](#)



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## Working towards Gender Equality

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### Kaji × Kaji Happy Share Project

Lion is promoting the Kaji × 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 Akashi City



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## Collaboration with Local Communities

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### 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 were suspended from February 2020 to prevent the spread of COVID-19 but have gone back to a regular schedule in 2023.



Odawara Plant (2019)



Odawara Plant (2019)



Chiba Plant (2019)



Akashi Plant (2019)

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. Though the activity was resumed in 2022, it was cancelled in 2023 due to heavy rain.



Employees engaged in cleanup activities

	2018	2019	2020	2021	2022	2023
Participants	43	36	Suspended	Suspended	32	Suspended



## 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	2020	2021
Participants	51	46	46	Suspended	Suspended

## 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.



Biodiversity Conservation Initiatives [Japanese]

## Other Events Supported by Lion



Lion Chura Action [Japanese]

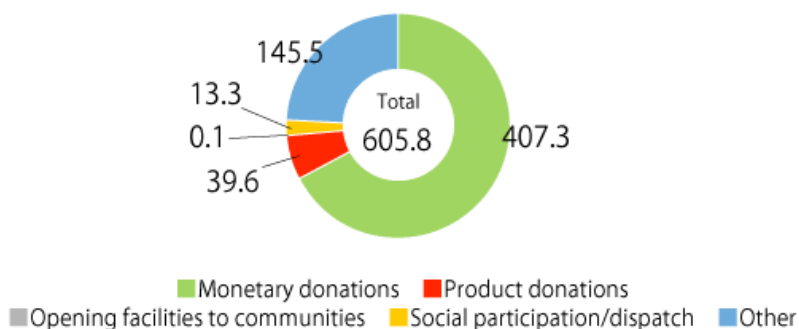


## Donation Activities (Philanthropy)

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 2022 was approximately ¥605.8 million.

Fiscal 2022 expenditure on social contribution activities (Millions of yen)



\* Monetary donations include donations to the [Lion Foundation for Dental Health \(LDH\)](#)[\[Japanese\]](#)[\[Link\]](#)

Social Contribution Activity Expenditure

2018	2019	2020	2021	2022
655million yen	519million yen	1,041million yen	778.2million yen	605.8million yen

Hours Volunteered by Employees During Working Hours

2018	2019	2020	2021	2022
7,426hours	5,956hours	1,923hours*	1,053hours*	2,826hours

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

## Overseas Social Contribution Activities



Initiatives at overseas Group companies