



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 Link	Reduce CO ₂ emissions throughout business activities.	<ul style="list-style-type: none"> CO₂ emissions throughout business activities ⇒ Down 55% compared with 2017 levels (Absolute quantity) 	<ul style="list-style-type: none"> Down 13% compared with 2017 (Figure after deducting purchases of carbon credits. 4% reduction if not deducted.) 	<ul style="list-style-type: none"> Reduce energy usage through energy-saving activities. Purchase electricity generated by renewable energy sources.
	Reduce CO ₂ emissions throughout product lifecycles.	<ul style="list-style-type: none"> CO₂ emissions throughout product lifecycles ⇒ Down 30% compared with 2017 levels (Absolute quantity) 	<ul style="list-style-type: none"> Up 12% compared with 2017 	<ul style="list-style-type: none"> 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 CO ₂ emissions reduction effect in excess of Lion's own emissions to help society become carbon negative.	<ul style="list-style-type: none"> Contribute to a CO₂ emission reduction effect in excess of Lion's own emissions (Japan) 	<ul style="list-style-type: none"> Plan to formulate actions and KPIs and verify their effectiveness 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Petrochemical-derived plastic use rate ⇒ 70% or less 	<ul style="list-style-type: none"> 97% (Japan) Rate of containers and other packaging using sustainable materials: 3.2% 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Water usage throughout product lifecycles ⇒ Down 30% compared with 2017 levels (Per unit of net sales) 	<ul style="list-style-type: none"> Down 7% compared with 2017 	<ul style="list-style-type: none"> Reduce water usage by consumers through the provision of water-saving products.
S Top-Priority Material Issues Creating Healthy Living Habits Link	Provide opportunities for everyone to practice oral care whenever necessary and foster oral care habits to promote health for all.	<ul style="list-style-type: none"> 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) <ul style="list-style-type: none"> Began services supporting the oral care habits of corporate customers and senior citizens (<i>Okuchi Plus You</i> and <i>ORAL FIT</i>) (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 Putting Preventive Dentistry Habits into Practice (Japan) <ul style="list-style-type: none"> Promoted greater frequency of tooth brushing 35% of population brushed teeth after lunch (target for 2030: 50%) Promoted greater use of products other than toothpastes and toothbrushes 31% of population used dental floss products (target for 2030: 50%) * Source: Lion survey	<ul style="list-style-type: none"> 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)
	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"> Conducted educational and awareness activities at preschools, kindergartens and elementary schools to promote hand washing habits Received 24,250 entries in the My Bottle Sticker Drawing Contest from 8 countries and regions where we do business Broadening Coverage of Activities to Support the Establishment of Cleanliness and Hygiene Habits (Japan) <ul style="list-style-type: none"> Conducted the Relay Project for Cleanliness in collaboration with shopping districts, local governments and elementary schools Conducted a project to promote "HAND WASH & HYGIENE before meals" at hotels and restaurants * Source: Lion survey	<ul style="list-style-type: none"> Provide products and services that support the establishment of hand cleanliness and hygiene habits in daily living. Provide new customer experiences in all aspects of daily living through the provision of products and services that protect customers from bacteria and viruses. Implement educational and awareness activities to establish cleanliness and hygiene habits in all aspects of daily living.



	Material Issues	Objectives	Indicators (2030)	Progress (2022 Results)	Globally Common Measures to 2030
S	Promoting Diversity and Inclusion Link	Enable human resources with diverse values and ideas to fully express their individuality and abilities and succeed professionally.	<ul style="list-style-type: none"> Ratio of women in management ⇒ 30% or more Employees who feel that employees with diverse values are able to succeed professionally ⇒ 80% or more 	<ul style="list-style-type: none"> Ratio of women in management: 20% Employees who feel so: 54% (Japan) 	<ul style="list-style-type: none"> Provide opportunities for employees to deepen their understanding of diverse values. Create systems and mechanisms for diverse human resources to succeed professionally.
	Promoting Work-Life Enrichment Link	Create an environment that helps employees fulfill their ambitions through synergy between work and private life.	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 53% (Japan) 	<ul style="list-style-type: none"> Create an environment that enables employees to fulfill their life ambitions and achieve their ideal lifestyles.
	Developing Human Resources Link	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"> Employees who are using diverse educational programs (Lion Career Village) for individualized skill acquisition and ability development ⇒ 100% 	<ul style="list-style-type: none"> 57% 	<ul style="list-style-type: none"> Introduce e-learning system and curriculum that meet the needs of overseas Group companies. Create mechanisms that will be used to provide contents for learning opportunities on an ongoing basis.
	Improving Employee Health Link	Support mental and physical healthcare for employees to reinforce Group human resources and achieve sustainable corporate growth.	<ul style="list-style-type: none"> Employees getting dental checkups ⇒ 100% Absenteeism ⇒ Improve from the 2021 level 	<ul style="list-style-type: none"> Employees getting dental checkups: 88% (Japan) Note: Support for dental checkups is provided (Overseas) Absenteeism: 0.8% (Lion Corporation in Japan; unchanged from 2021) Note: Calculation method under consideration (Overseas) 	<ul style="list-style-type: none"> Use a self-administered daily oral care program and regular dental checkups to create an environment that allows all employees to implement a PDCA cycle and to provide information and learning opportunities regarding oral self-care. Provide opportunities for management to learn about checking the mental health of subordinates and for all employees to learn about caring for their own mental health. Improve health literacy by providing information that helps employees understand their own health conditions and future risks, as well as what preventative actions to take in their daily lives.
	Enhancing the Occupational Safety Management System Link	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"> Participation in safety education and training ⇒ Implement as planned (100%) at work sites Compliance with occupational safety and health laws and regulations Serious accidents and incidents ⇒ Zero 	<ul style="list-style-type: none"> Participation in training: 100% as planned Serious accidents and incidents: Zero 	<ul style="list-style-type: none"> Provide opportunities to learn about safety and disaster prevention, and implement activities to promote understanding of basic safety activities. Build mechanisms for exchanging safety information, and proactively disclose information on levels of workplace safety based on the management of records of occupational accident frequency.
	Respecting Human Rights Link	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"> Human rights due diligence implementation for material human rights issues ⇒ 100% 	<ul style="list-style-type: none"> Human rights due diligence implementation Lion Group: 100% Suppliers: 68% 	<ul style="list-style-type: none"> Build a mechanism for addressing human rights issues. Identify material human rights risks and verify how those affected are negatively impacted. Execute and monitor measures for addressing human rights risks that have been identified. Proactively disclose status of response to human rights due diligence implementation.
	Building Responsible Supply Chain Management Link	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"> Procurement of third-party certified paper and pulp (FSC, PEFC, etc.) and palm oil, palm kernel oil and their derivatives (RSPO, etc.) ⇒ 100% Procurement of third-party certified paper and pulp (FSC, PEFC, etc.) and palm oil, palm kernel oil and their derivatives (RSPO, etc.) from suppliers that support efforts aimed at zero deforestation ⇒ 100% 	<ul style="list-style-type: none"> 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) Ratio of suppliers supporting zero deforestation Japan: 48%, Lion Group: 39% 	<ul style="list-style-type: none"> Create and promote a sustainable procurement system in cooperation with suppliers.
Pursuing Customer Satisfaction and Trust Link	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"> Reflection of customer opinions in all products and services so that customers will continue to choose them 	<ul style="list-style-type: none"> 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) We improved the accessibility of the corporate website through a site renewal in June 2022 (Japan) 	<ul style="list-style-type: none"> Evolve the activities of customer response departments by steadily promoting three steps: Understand the current situation, formulate plans, and promote activities Create an environment for improving customer relationships and expanding the range of problem resolution methods. Create and implement a system for reflecting customer feedback in products and services. 	
G	Promoting Risk Management Link	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"> Disclosure of the results of monitoring significant business risks and progress in implementing reduction measures ⇒ At least once a year 	<ul style="list-style-type: none"> Disclosed once 	<ul style="list-style-type: none"> Build and raise awareness of a management system that includes overseas Group companies. Use a consistent format for investigating risks and implement countermeasures. Share information on progress of response through reports to the Board of Directors once a year.
	Reinforcing Compliance Link	Reinforce effective initiatives to instill compliance awareness and thus earn and maintain the trust of society.	<ul style="list-style-type: none"> Participation in compliance education and training ⇒ Implement as planned (100%) at work sites Serious compliance violations ⇒ Zero 	<ul style="list-style-type: none"> Participation in training: 100% as planned Serious compliance violations: Zero 	<ul style="list-style-type: none"> Build and enhance a compliance system that includes overseas Group companies. Further inculcate compliance through ongoing implementation of management and employee training and questionnaires, etc. Improve Group-wide risk perception and accelerate risk response by designating compliance managers at overseas Group companies and building a global hotline.
	Enhancing Governance Link	Build a sound, fair, transparent and highly effective governance system to enable sustainable corporate value enhancement.	<ul style="list-style-type: none"> Disclosure of the results of the establishment and operation of the internal control system ⇒ At least once a year Improvement in evaluations from external organizations ⇒ Continuously improve from 2020 onward 	<ul style="list-style-type: none"> Disclosed once As in 2021, we continued activities to improve evaluation results 	<ul style="list-style-type: none"> Evaluate and disclose results of the operation of the current internal control system. Clarify status of establishment of internal control systems at overseas Group companies and evaluate their operation. Continuously and proactively disclose governance-related non-financial information.

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