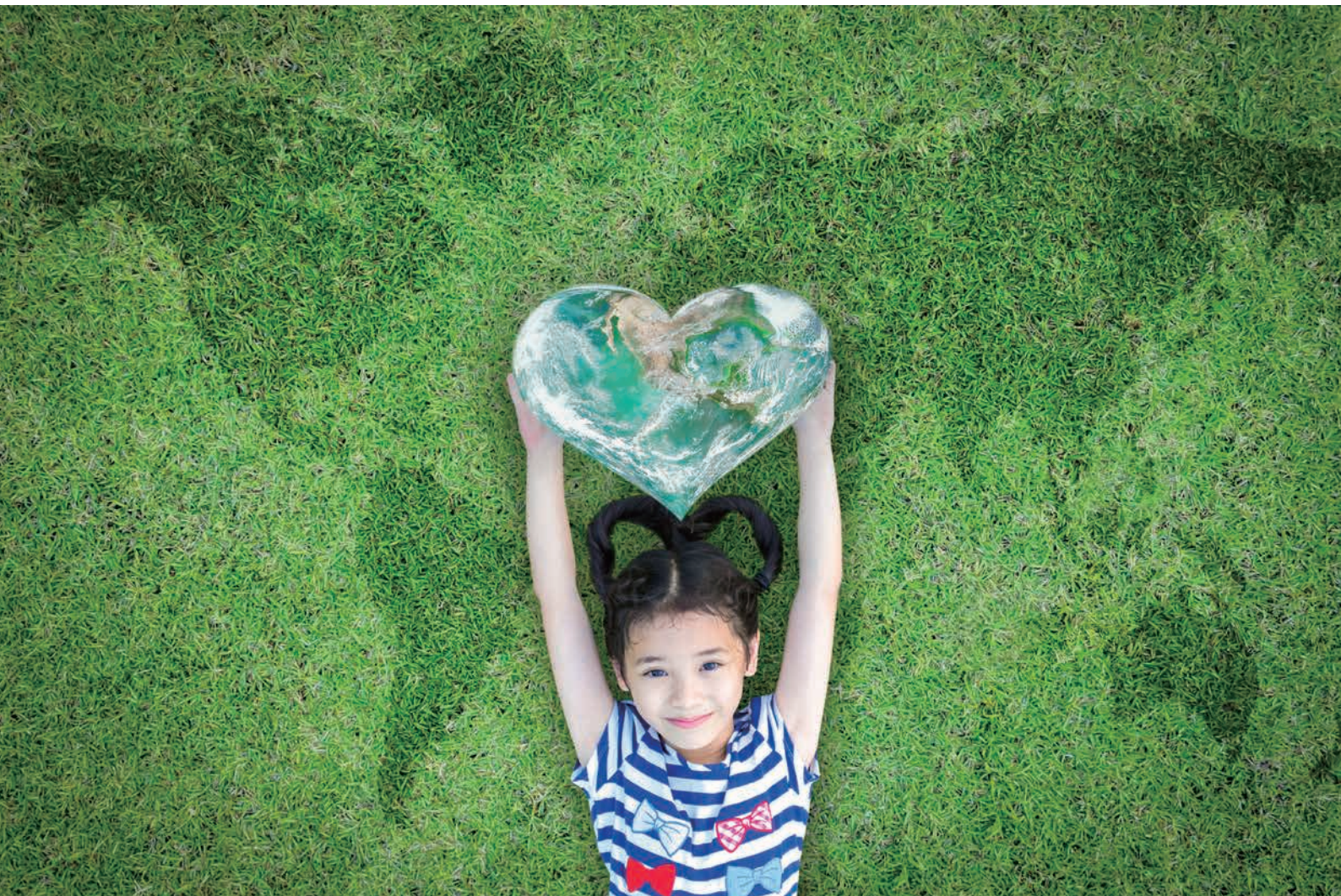


Lion **Sustainability Report** **2019**

**Love today,
Love your life.**





Editorial Policy

Lion views its Sustainability Report as an important tool allowing the company to present its sustainability initiatives and draw on stakeholder opinions while furthering corporate activities.

Editorial Policy for Sustainability Report 2019

- Since 2011, our initiatives for sustainability have been systematized in accordance with ISO 26000, an international standard concerning social responsibility. The Sustainability Report also reflects the above.
- The report discloses Sustainability Material Issues and our progress towards the medium-term sustainability objectives corresponding to Lion's management plan.
- Details of the activities that have especially demonstrated are provided as 2018 Highlights so that readers can more easily understand their contents.
- The URLs at the bottom of the pages on each core subject of ISO 26000 can be used to view our website, which includes more details of our activities.
- URLs for our main websites are given as QR codes to make them more readily accessible.
- A third-party review by an outside expert has been included to provide an objective assessment.
- GRI Sustainability Reporting Standards were used as a reference guide for producing this report.
- Lion's sustainability activities, including those that were not introduced in this report, are comprehensively presented on our website.

Reference Guidelines

- The Environmental Reporting Guidelines (2018) of the Ministry of the Environment
- GRI Sustainability Reporting Standards of the Global Reporting Initiative
- ISO 26000: 2010 Guidance on social responsibility issued by the Japanese Standards Association

Comparative Table with Respective Guidelines

URL <https://www.lion.co.jp/ja/csr/guideline/>

Coverage

Lion Corporation and all of its domestic consolidated subsidiaries are covered, as a general rule. Overseas consolidated subsidiaries are also covered on the Sustainability Material Issues and Objectives described on p.19-22.

* If the coverage of reported activities or data is different from the above, a description will be provided in each case.

Period Covered

January 1 to December 31, 2018

* Some parts of the activities also include parts of 2019.

Published on

June, 2019

To be published next on

June, 2020



Supporting cleanliness, health and comfort,
while protecting our global environment.
This is our mission, one in which we take pride.

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Company Motto/Management Philosophy/ Lion Group Charter for Corporate Behavior

Company Motto

Lion Corporation positions “Fulfilling a Spirit of Love” as fundamental to its management, and thus contributes to the enrichment of the happiness and lives of people.

Management Philosophy

- 1 | We bring together the power of our personnel, the power of our technology and the power of our marketing, as we provide superior products that are helpful in the daily lives of people.
- 2 | We respect the “Spirit of Tenacity and Creativity” that we have maintained since our founding, as we continue developing our business.
- 3 | We deeply appreciate all those who extend their valuable support to us, as we prosper together through sincerity and mutual trust.

Lion Group Charter for Corporate Behavior

We, the Lion Group, shall, in addition to being an economic entity designated to pursue profits through fair competition, act as a social entity that contributes to society at large. We shall respect human rights and conduct ourselves with initiative in a socially responsible manner toward the creation of a sustainable society, observing both the spirit as well as the letter of all applicable laws and international rules and not harming the public interest, both in Japan and abroad, in accordance with the following 10 principles.

1. [Principal Mission]

We shall earn the confidence and satisfaction of customers (consumers and users) by providing excellent, safe goods and services useful for their daily lives.

2. [Compliance with Public Rules]

We shall observe all relevant laws and regulations and engage in fair, transparent and free competition and proper transactions. We shall maintain sound and proper relationships with governmental and political bodies.

3. [Disclosure]

We, as a socially open company, shall actively engage in communication not only with our shareholders but also with members of society at large and disclose information generally regarding Company management in an appropriate and timely manner.

4. [Environmental Issues]

We shall play a positive and active role in creating a sustainable society that harmonizes economic development and environmental protection.

5. [Improvement of Working Environments]

We shall promote fair treatment and respect the diversity, individuality and personalities of our employees. We shall ensure a safe and comfortable workplace to realize the mental and physical well-being of our employees.

6. [Contribution to Society]

We shall actively contribute to society as good corporate citizens.

7. [Opposition to Antisocial Forces]

We shall firmly oppose antisocial entities and organizations threatening the order and security of civil society.

8. [Contribution in Foreign Countries]

In our overseas operations, we shall not only observe international rules and the laws of relevant foreign countries, but also respect local cultures and customs and contribute to the development of local communities with sincerity and mutual trust.

9. [Practice of Corporate Ethics]

Top management shall assume responsibility for implementing the spirit of this Charter and shall take the initiative to set a good example and fully inform Lion Group employees of the Charter. Top management shall strive to take in internal and external opinions continuously to promote mutual understanding and the development and implementation of effective internal control systems while enforcing thorough compliance with corporate ethics.

10. [Resolution of Problems]

Should an incident contrary to the principles of this Charter occur, top management shall publicly clarify its position, taking responsibility to resolve the problem on its own initiative, and strive to investigate the facts, identify the causes of the incident and prevent recurrences. Top management shall fulfill its responsibility to disclose accurate information promptly and explain the situation, and shall resolve the problem in a manner fully understandable to society. After clarifying authority and responsibility for said problem, top management shall impose strict and impartial disciplinary actions upon any liable persons, including the highest level of management.

Established January 1, 2003 and amended January 1, 2008

Corporate Message

Every day is full of wonderful moments.
Birds singing outside your window.
The clean feel of a freshly washed shirt.
A blue sky without a cloud in sight.
The smiling faces of children at play.
A tasty meal after a hard day's work.
Some days are special —
weddings, birthdays, holidays ...
But even the ordinary days are precious.
At Lion our business revolves around ordinary days.
Providing the products people need
to maintain good lifestyle habits.
Supporting cleanliness, health and comfort,
while protecting our global environment.
This is our mission, one in which we take pride.
Inspired by the wonder of everyday life.
Dedicated to creating a future full of health, hope and happiness.
For people everywhere around the world.

life. love.
LION



Corporate Slogan

life. love.

The Heart of All We Do

Lion has been a regular part of everyday life for more than 120 years.
In that time, we have seen how ordinary days, one by one, add up to a lifetime.
Moreover, we have come to believe that each new day is the first step into a bright future,
and that living every day positively and to the fullest is the essence of happiness.
That is why we have made it our mission at Lion to contribute to ordinary life,
every day, and reflected this commitment in our corporate slogan.

Corporate Data

Company Profile

Corporate Name	Lion Corporation
Address	3-7, Honjo 1-chome, Sumida-ku, Tokyo 130-8644, Japan
Foundation Date	October 30, 1891
Capital	¥34,433.72 million (as of December 31, 2018)
Representative	Representative Director, President and Executive Officer Masazumi Kikukawa
Employees	Consolidated: 6,941 Non-consolidated: 2,727 (as of December 31, 2018)
Net Sales	Consolidated: ¥349,400 million [IFRS] Non-consolidated: ¥264,500 million (as of December 31, 2018)
Plants	Chiba Plant (Ichihara City), Odawara Plant (Odawara City), Osaka Plant (Sakai City), Akashi Plant (Akashi City)
Research Facilities	Hirai (Edogawa-ku), Odawara (Odawara City)
Sales Offices	Sapporo, Sendai, Tokyo, Nagoya, Osaka, Fukuoka



List of Major Subsidiaries and Affiliates

<https://www.lion.co.jp/en/company/group/>

Applying International Financial Reporting Standards (IFRS)

The Lion Group voluntarily adopted the International Financial Reporting Standards (IFRS) starting in fiscal year 2018 in order to make comparison of consolidated financial statements and other such consolidated financial documents in international terms possible as well as to strengthen Group business management.

The financial figures for fiscal year 2017 are also shown on an IFRS basis.

Net Sales Breakdown by Business

(Unit: ¥100 million)

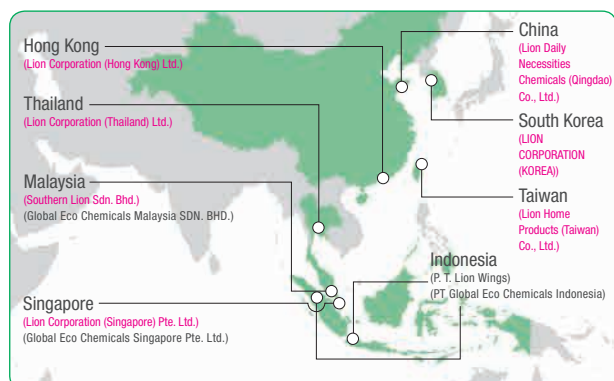
Consumer Products Business	2,315.9
• Oral Care Products	595.0
• Beauty Care Products	210.2
• Fabric Care Products	597.9
• Living Care Products	178.9
• Pharmaceutical Products	292.2
• Other Products	441.5
Industrial Products Business	579.5
Overseas Business	1,050.4
Others	340.6
Adjustment*	△792.6
Consolidated Net Sales	3,494

* Intra-segment and inter-segment sales

Locations of Overseas Group Companies

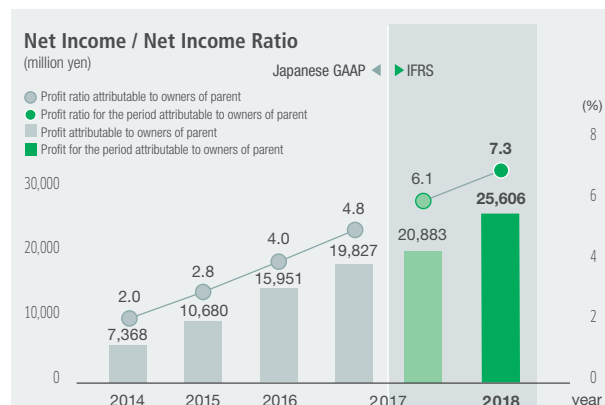
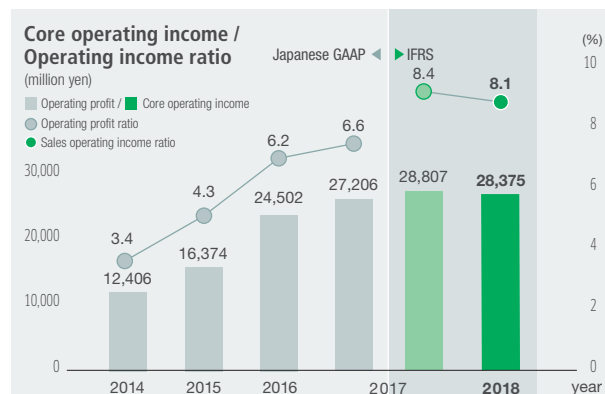
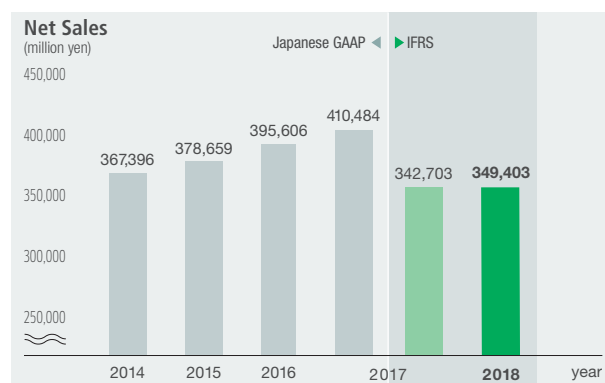
Overseas sales compared to
previous year
(after adjustment) **104.5 %**

Ratio of overseas sales
(consolidated) **27.1 %**



* Red text indicates consolidated subsidiaries.

Financial Performance Transitions (consolidated)



(Note) From December 2016, we have changed our content "Net Income" to "Profit Attributable to Owners of Parent."



IR Library

<https://www.lion.co.jp/en/ir/library/>

List of Domestic Group Subsidiaries

- Lion Chemical Co., Ltd.
- Lion Business Service Co., Ltd.
- Lion Specialty Chemicals Co., Ltd.
- Lion Hygiene Co., Ltd.
- Lion Trading Co., Ltd.
- Lion Engineering Co., Ltd.
- Lion Logistics Service Co., Ltd.
- Lion Cordial Support Co., Ltd.
- Lion Dental Products Co., Ltd.
- Lion Tomoni Co., Ltd.
- Lion Idemitsu Composites Co., Ltd.

Main Business Segments

Oral Care

Lion provides products for advanced oral care to support daily health.

Main Products: Toothpastes, toothbrushes, dental rinses, other dental care products.



Beauty Care

Lion promotes comfort, health and well-being through its hair and skin care products.

Main Products: Hand soaps, body washes, antiperspirants and deodorants, shampoos, conditioners, men's cosmetics.



Fabric Care

Lion provides safe and reliable products in order to always wear clean clothes comfortably.

Main Products: Laundry detergents, fabric softeners, bleaches, clothing care agents.



Living Care

Lion offers products that promote clean and comfortable eating habits and living life.

Main Products: Dishwashing detergents, household cleaners, cooking-aid products.



Pharmaceuticals

Lion responds to the needs of increasing self-medication with abundant brands.

Main Products: Antipyretic analgesics, antidiarrheals, gastrointestinal medicines, eye drops, health tonic drinks,.



Gift and Special Order

Lion provides a variety of gift and special-order products for its customers.

Main Products: Gifts, novelties.



Pet Supplies (Lion Trading Co., Ltd.)

Lion supports the well-being of pet owners and their animals through products that promote cleanliness, health and comfort.

Main Products: Sanitary products, pet oral care, body care, pet laundry care, room care products.



Wellness Direct

Lion offers direct-to-consumer sales products to support consumers live every day in health and beauty as they age.

Main Products: Health food products, aging care products.



Overseas Business

Lion develops its business in eight Asian countries and regions including Thailand, Malaysia, and South Korea and provides products that are helpful in the daily lives beyond culture and language globally.

Main Products: Laundry detergents, dishwashing detergents, toothpastes, toothbrushes, hand soaps, body washes.



The Lion Group's History of Dealing with Social Issues

Oral Health

From 1896

**Promoting oral health:
The roots of our
social contribution activities**



Lion toothpowder



Charity coupons printed on the back
of the packets
(The roots of our social contribution activities)

From 1913

**Started educational activities to
instill a tooth-brushing habits for
children**



Bookmarks and picture books
accompanied products
(The roots of oral health activities for children)



Lion Dental Clinic for Children

From the 1960s

**Expanding the market
and developing
world-class products**



Odawara Plant
completed
(Reinforcement of the
production system)

White & White Lion

(Developed easy-to-use laminated tubes)



**Responses to
diversifying oral
health issues**



Clinica
(For prevention of cavities)



Dentor
(For prevention of pyorrhea)

Cleanliness and Comfort

From 1891 to the 1940s

**Promoted awareness about
washing with detergent**



Manual of standard
home laundry methods
(Education of laundry
methods)



Lipon
(Japan's first mineral
oil-based synthetic
detergent for home use)

From the 1950s

**Addressing health risks
from parasites by using
detergent for washing
vegetables**



Lipon F
(First product
recommended by Japan
Food Hygiene Association)

From the 1960s

**Responding to people's diverse
lifestyle needs**



Mama Lemon
(Dish and vegetable detergent
that is gentle on the hands)



CHARMY Green
(Kitchen detergent that is gentle on the
hands and strong against grease)

Environmental Initiatives

From the 1920s

Use of plant-derived ingredients



Plant-derived Lion Laundry Soap
(Plant-derived home laundry soap)

From the 1960s

**Addressing water environment issues
Responding to eutrophication in lakes and marshes
and to foaming in rivers related to detergent use**



Dash



Murin
(phosphorus-free) Top

Since our foundation, originating from soap and toothpaste, Lion has aimed to provide people with products to realize healthy everyday lives while also promoting popularization and educational activities for consumers and providing them with information to create better lifestyle habits. We also recognized long ago that global environmental protection is an issue shared by the whole world. Our company has taken environmental measures accordingly, such as by developing environmental friendly products. In order to help bring about a better society, as well as to realize our management vision, we are working to address social issues as they change with the times, and moving forward with initiatives for sustainability.

From the 1990s

Addressing periodontal disease
by systematic combination of products with
clear functions



Dentor Systema series
(For prevention of periodontal disease)

From the 2000s

From oral health to whole-body health
Promoting “oral health care”



Activities to promote oral health care
in the Asia region



**Clinica
Advantage series**
(Promoting preventive dentistry)

From the 1990s

Enhancing the practice of hand-washing with
products, contributing to improve awareness of
cleanliness



KireiKirei medicated hand soap
(Formulated with antibacterial components)

From the 2000s

Contributing to clean and comfortable lifestyles in Asia



Activities to promote the practice
of hand-washing



Overseas NANOX
(Taiwan, Hong Kong, Singapore)



Overseas KireiKirei
(China, Hong Kong, South Korea, Singapore, Thailand)

From the 1990s

Expand line of products using
plant-derived ingredients



Natera

("Natural coconut is the main ingredient"
of this dish and vegetable detergent)

Spark

From the 2000s

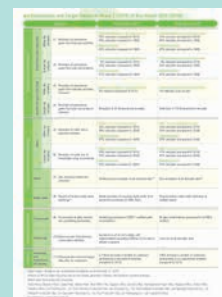
Addressing environmental issues through products and communication



"Everyday. For the Earth." mark
(Mark attached to Lion eco-friendly
products)



Development of eco-friendly
products



Promoting environmental
targets

Management Vision and Our Approach to “ReDesign”

Looking toward 2030

Becoming an advanced daily healthcare company

We will realize “healthy minds and bodies for all,”
through the “ReDesign” of the everyday rituals
to become more natural, easy and enjoyable.
To this end, we will create “customer experience-based value”
in the areas of health, comfort and cleanliness.



In the future, in order for the Lion Group to be constantly required by society and customers, and to continuously enhance corporate value, we find it necessary to clarify the direction that the our Group should take, and also to accelerate movement toward innovative change. We have therefore defined the vision we wish to realize by 2030.

The Lion Group has committed to fostering people's

ReDesign

the Everyday

Aiming to become an advanced daily healthcare company,
Lion will “ReDesign” everyday rituals to become more natural,
easy and enjoyable.

From bothersome to easy.

From chores to things you want to do.

From effort to what you do naturally.

We will create happiness never before experienced, and realize
healthy minds and bodies for all.

And we believe that this is the very purpose of Lion.

ReDesign

Increasing the value of Lion’s presence by evolving the customer experienced-based value and experiencing customer sympathy and excitement will lead to continue developing our business. To that end, we will continue to “ReDesign” our business activities as well as our ideas and working styles.

contentment through “creation of better lifestyle habits.”

Message from the Management



Becoming an advanced

We will realize “healthy minds and
of the everyday rituals to become

To this end, we will create
in the areas of health, comfort and
the creation of a future

Representative Director
Chairman of the Board
Chief Executive Officer

Itsuo Hama

Aim of the Management Vision: “Becoming an advanced daily healthcare company”

Since its foundation in 1891, Lion has continued to respond through its business activities to social issues as they change with the times for over the long period of 128 years.

In recent years, the environment our company is facing has been changing rapidly caused by the progressive aging of society, increasing awareness of health, expanding of products and services that utilize digital technology, and so on.

Under these circumstances, Management Vision for 2030: “Becoming an advanced daily healthcare company” was declared last year.

Not only from Japan but also from societies and customers in Asian countries and regions, we aim to further evolve.

In accordance with the Management Vision, the Lion Group will realize “healthy minds and bodies for all” through the “ReDesign” of everyday rituals to become more natural, easy and enjoyable and will contribute to the creation of a future well-being society through our products and services. We believe that this is Lion’s corporate DNA, and this will lead us to the realization of

Lion-style Sustainable Development Goals (SDGs).

Also, in order to ensure the implementation, we initiated the LIVE Plan (LION Value Evolution Plan), which will run for three years starting in 2018. In addition to accelerating business growth through this implementation, we believe it is important to create a new growth engine for 2030 and promote sustainable management.

For this reason, from January 2019, the top management has been made up of a dual system occupied by the Chairman (CEO) and the President (COO).

The duties of the Chairman include supervising the management of the entire group as a Chief Executive Officer and generate a new growth engine that will lead to sustainable value creation of society and business from a medium- to long-term perspective. The duties of the President include being in charge of overall business execution, accelerate the growth of existing businesses and sustainability measures, and evolve to a higher level. By thoroughly enforcing this “dual management”, we will continue to respond to society’s expectations while taking steps to further enhance our corporate value.

daily healthcare company

bodies for all” through the “ReDesign”
more natural, easy and enjoyable.
“customer experience-based value”
cleanliness, and contribute to
well-being society.

Representative Director
President & Chief Operating Officer

Masazumi Kikukawa



“ReDesign of Lifestyle Habits” for a Well-Being future

The “an advanced daily healthcare” shown in the Management Vision “Becoming an advanced daily healthcare company.” expresses the direction of value provision, contributing to “realization of healthy minds and bodies.”

We believe that the Lion Group's mission is to continue contributing to a sustainable society, where people around the world can spend their daily lives brightly and comfortably through our products and services.

To realize this mission, the Lion Group will work on “Lifestyle habits of people's livelihoods” in coordination with our business. Daily lifestyle habits such as tooth brushing, hand-washing, laundry, are key element of physical health maintenance, as well as a spiritual fulfillment that gives life a rhythm to make it cheerful and enjoyable, and key element that leads to sustainable global environmental conservation. By acting through our products and services to make these lifestyle habits easier, more enjoyable and more positive, we hope to raise people's experience to a higher level. We call this

the “ReDesign of lifestyle habits.”

We will pursue the “ReDesign of lifestyle habits” in order to realize “healthy minds and bodies for all” with new and dissimilar associations of various technologies, services and stakeholders. By expanding not only in Japan but also global, we will contribute to the “Ensuring people's everyday wellbeing” and the “Realization of a sustainable society”.



The LIVE Plan Measures

Lion is promoting the “LIVE Plan” Medium-term Management Plan (2018 to 2020) in conjunction with “Sustainability Material Issues and Objectives”.

In 2018, the first year of the plan, we proceed with variety of initiatives to respond to society's expectations.

● Review of the LIVE Plan

In the oral care business, which is our most important field, we have been taking measures to build healthy lifestyle habits by promoting the practice of “Preventive Dentistry*”.

We have promoted oral health activities by life stage and initiatives with the government through the Lion Foundation for Dental Health (LDH). We also challenged to provide products and services, such as “bad breath care support application” and “Saliva Multi Test (SMT)” with the latest technology. Globally, we promoted the establishment of “Preventive Dentistry” by unifying the provision of products and services that suit the circumstances of each country and the dissemination activities.

In the environmental field, with the aim of realizing a “Decarbonized Society” and “Resource-Circulating Society”, we made efforts to formulate a New Environmental Objective “LION Eco Challenge 2050” and announced it here.

We will work on high goals with an eye toward the future of building a sustainable planet.

We also worked on “ReDesign” the workstyle of employees who are supporting our management. In order to create the dynamism to foster innovative change, it is important for each employee to be highly motivated and to create new value by themselves. Instead of simply



Promoting our 2020 Sustainability Material Issues and Objectives

reforming the workstyle, we have promoted activities that lead to a decent work from various perspectives including human resource development and diversity, such as holding “ReDesign FORUM”. We are going to continue these efforts and will channel them into definite results.

* Preventive Dentistry: The idea that we should focus not on treatment after getting a cavity and periodontal disease, but on prevention before it happens.

● Achieving the LIVE Plan

The keyword for 2019 is further “speeding up” of management. To realize this aim, we will implement innovative changes domestic and overseas with three perspectives such as “sensitivity, judgment, and business development”. Midst of changes in the social environment, we will aim for sensitivity to quickly detect risks and opportunities, and speeding up corresponding decision making and business promotion at each higher level.

To achieve continuous business growth, we will accelerate profitable growth, while working on to resolve social issues with speed. Through these initiatives we will seek to achieve the LIVE plan and aim to realize our management vision.





Measures for Sustainable Management

In 2009, the Lion Group announced its support for the UN Global Compact, which is a global framework to realize sustainable growth. We understand the social requirements stated in the international standard “ISO 26000” for social responsibility and the issues in society as a whole, such as SDGs.

In line with management issues, we identify important sustainability issues, and set medium-term goals for the entire Lion Group, including overseas groups, and work on initiatives.

In addition to ESG (Environment, Social, and Governance) activities aimed at a stronger management foundation, we are also actively engaged in CSV (Creating Shared Value), which aims to create shared value for society and business, and lead to opportunity creation. These efforts have been evaluated and selected for various ESG indices in Japan and overseas.

From January 2019, the former “CSV Management Meetings” and the “Environmental Conservation Committee” have been integrated in the newly established “Sustainability Promotion Meeting”.

Members in this meeting includes all of the Executive Directors, including the President, and the relevant divisions. We have consolidated a system to conduct speedy deliberations and promotion in a higher layer than before.

At the “Sustainability Promotion Meeting,” we will manage the progress of our goals for sustainability material issues. In addition, we will formulate and promote the medium- and long-term CSV promotion strategy that leads to the creation of both social and business value, and the environmental strategy that is the foundation, monitor the implementation status, and promote long-term management.

We will continue to strengthen our ESG activities to achieve SDGs and contribute to a sustainable society, while promoting the creation of shared value with society through our business globally. We will strive to further improve our corporate value to become a reliable company that can meet the expectations of society.

Lion's Value Creation Model

Since its founding, Lion has sought to build a healthy and comfortable living for people through By striving to realize its new Management Vision of “Becoming an advanced daily healthcare to increase corporate value and help build a sustainable society.

Creating value for business and society

Business Activities

The main social issues resolved through business operations

Response to rapidly advancing ultra-aging society

Improving quality of life (QOL)

Protection of global environment

Financial Capital

Net assets
¥204.2 billion
Total assets
¥355.3 billion

Manufactured Capital

Planned capital investment
¥33.0 billion
(2019)

Human Capital

No. of Lion Group employees
6,941 persons

Intellectual Capital

R&D expenditures
¥10.9 billion

Social and Relationship Capital

Participants in Oral Health Event—Tooth Brushing for Children

Approx. **240** thousand children (2019)

Natural Capital

Energy input
78,924 kl

Four Strategies of the LIVE Plan

1

Expand and Evolve Our Business Domains through New Value Creation

2

Accelerate Growth in Overseas Businesses through Glocalization

3

Reinforce Our Management Base through Business Structure Reform

4

Create Dynamism to Foster Innovative Change



Creation of Better Lifestyle Habits

Consumer Products Business

Oral Care Products



Beauty Care Products



Overseas Business

Southeast Asia



Industrial Products Business

Chemical Products



Foundation Supporting

Human Resources Development

Research and

Response to the

Corporate

Investment for

the creation of better lifestyle habits, in line with its Company motto of “Fulfilling a Spirit of Love.” company,” and taking the lead in fostering people’s contentment from a new perspective, Lion aims

through the resolution of social issues

and Strategy



Fabric Care Products



Living Care Products



Pharmaceuticals (OTC)



Northeast Asia



Detergents for Institutional Use Products



Lion's Value Creation

Development

Supply Chains

Environment and Society

Governance

Creation of Shared Value

2020

Group Targets

Achievement of Medium-Term Financial Targets



Achievement of Sustainability Objectives



2030

Vision

Becoming an advanced daily healthcare company

Social Value



Extension of healthy life expectancy



Ensuring people's everyday wellbeing



Environmental contribution in building a sustainable planet



resolving social issues

Identification and Promotion of Sustainability Material Issues

Basic Approach

Lion is advancing the “LIVE Plan”, Medium-term Management Plan (2018 - 2020), to realize our Management Vision of “Becoming an advanced daily healthcare company,” and promoting sustainable management aimed at sustainable social development and business growth.

We are challenging on the important efforts as a business foundation for risk reduction and the realization of “healthy minds and bodies for all” through oral health care / cleanliness and hygiene practices and habits.

Contribution to Sustainable Development Goals (SDGs)

As an advanced daily healthcare company, the Lion Group will contribute to achieving Goal 3 of the SDGs—ensure healthy lives and promote well-being for all at all ages—through our products and services. Our group aims to turn the world vision of the SDGs into reality through the pursuit the “LIVE Plan”, Medium-term Management Plan.



Risks and Opportunities Regarding Sustainability Material Issues across Supply Chain

We have classified our material issues into risks and opportunities with careful consideration for both entire supply chain and stakeholders. We have also identified SDGs objectives and distinctive initiatives to which Lion is making particular contributions through our business activities (reference 2018 Highlights, p. 23-32) and indicated them on our supply chain.



(Materiality) for Realization of the Management Vision

Identification of Material Issues

Looking ahead to 2030, such as realizing the Management Vision and contributing to the SDGs, our company have identified Sustainability Material Issues that we should engage by 2020 by taking the steps shown on the right. We have classified our material issues into risks and opportunities with careful consideration for both entire supply chain and our stakeholders. Furthermore, we have determined the direction of initiatives to address each issue, defined relevant objectives and key performance indicators (KPI) and are now taking action to achieve them.

Approach to Identify our Sustainability Material Issues



Steps for Identifying Sustainability Material Issues

Step 1

Identify social issues

39 social issues were identified based on ISO 26000, the SDGs, the GRI Standard and the Ten Principles of the UN Global Compact.

Step 2

Consider their degrees of impact on society and businesses

The issues identified in Step 1 were done important evaluation from the perspective of degrees of impact on society and businesses respectively, and reviews were conducted by related departments, the director in charge of sustainability and the Directors.

Step 3

Investigate validity of material issues

The validity of each item was investigated while incorporating the viewpoints of third-party institutions, and reviews were conducted as necessary.

Step 4

Obtain approval from the Executive Committee and Board of Directors

The identified 2020 Sustainability Material Issues were approved by the Executive Committee and Board of Directors.

Use by Consumers

Disposal by Consumers

Customers

Local Communities

Highlight 1 ReDesign of Oral Care Habits



•Pursuing Customer Trust and Satisfaction

•Creating Healthy Living Habits

2020 Sustainability Material Issues and Objectives in the “LIVE Plan”,

<Performance Summary>

Lion has implemented activities aimed at the resolution of individual issues in the 2020 Sustainability Material Issues that Lion identified in 2018.

We are managing the progress with PDCA in addressing material issues. Overall, we have confirmed that each activities are advancing for achievement. In particular, our global activities were advanced through a close collaboration with our overseas group companies, and we will continue to undertake further measures.

<Sustainable Development Goals (SDGs)>



Assessment Metrics

Achieved: Achieved 2020 Objectives.

On Plan: Underway toward 2020 Objectives .

P (Plan)

Core Subjects		Sustainability Material Issues (Contributing SDGs)	Directions for Initiatives toward the 2020 Objectives	2020 Objectives and KPI
E	The Environment	<div>① Promoting Environmental Initiatives for a Sustainable Planet</div> <div><div>6791213</div><div>141517</div></div>	Work together with consumers and local communities actively to promote environmental conservation activities, aiming harmonization of a sustainable society and the development of our businesses.	<ul style="list-style-type: none">Promotion of environmental business management<ol style="list-style-type: none">Promote and achieve the “Eco Vision 2020” environmental targets (Global)Establish the “New Environmental Objectives 2030” to minimize environmental impacts over the entire life cycle of products, including at the stage of their use in customer households (Global)Promote appropriate use and management of chemical substances (Global)Confirm and review the progress of environmental management through top environmental audits and the Sustainability Promotion Meeting*1
	S	Human Rights	<div>② Respecting Human Rights</div> <div><div>58101617</div></div>	Build a Group system which respects human rights.
Labor Practices		<div>③ Promoting Diversity</div> <div><div>5810</div></div>	Expand creative business activities through the application of diverse human resources.	<ul style="list-style-type: none">Promotion of activity by women at the management level<ol style="list-style-type: none">Develop female employees to drive the next generation of management (Global)20% proportion of female employees at the management level (Domestic)
		<div>④ Promoting a Work-Life Balance</div> <div><div>38</div></div>	Create an uplifting feeling among employees through work style reforms.	<ul style="list-style-type: none">Realization of “smart work”^{*2} to harmonize productive work and personal lives<ol style="list-style-type: none">Implement employee awareness and behavior surveys (Domestic)70% usage rate of annual paid leave (Domestic)
		<div>⑤ Developing Human Resources</div> <div><div>8510</div></div>	Create personal dynamism by developing human resources with diverse and abundant ideas which enable to fulfill the expectations of global stakeholders.	Arrangement of human resources development systems to successfully cultivate personnel who can learn and act independently

*1 Was held as the “Environmental Conservation Committee” until 2018

*2 Work styles to promote highly-concentrated work in order to improve productivity.

Medium-term Management Plan (2018 - 2020), and Achievements in 2018

The Live Plan Financial Target (Consolidated)

(billion yen)	Targets for 2020	
		Ratio to net sales
Net sales	400	-
Operating profit	40	10.0%
Profit for the period attributable to owners of the parent	28	7.0%
ROE	12% level	-

* Effective from the fiscal year ended December 31, 2018, the Lion Group voluntarily adopted International Financial Reporting Standards (IFRS).

D (Do) C (Check) A (Action)

Achievements in 2018	Related information	Assess	Next action
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<ul style="list-style-type: none"> 1) Implemented activities related to the “Eco Vision 2020” and promoted steady progress toward the targets 2) Discussed and shared issues for New Environmental Objectives: LION Eco Challenge 2050 establishment, including with overseas Group companies 3) Thoroughgoing management and appropriate use of chemical substances 4)-(1) Implemented top environmental audits by directors: Odawara Plant, Lion Chemical Co., Ltd. Oleochemical Production Site Lion Specialty Chemicals Co., Ltd. Yokkaichi Production Site 4)-(2) Confirmed status of environmental management progress in the Environmental Conservation Committee 	P33-40	<ul style="list-style-type: none"> 1) On Plan 2) On Plan 3) On Plan 4)-(1) On Plan 4)-(2) On Plan 	<ul style="list-style-type: none"> 1) Continue activities for the achievement of the “Eco Vision 2020” environmental targets 2) Establish New Environmental Objectives: LION Eco Challenge 2050 approved by Board of Directors in May 2019, and proceed measures 3) Continue promoting appropriate use and management of chemical substances 4) Continue top environmental audits by directors and environmental management at the Sustainability Promotion Meeting
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<ul style="list-style-type: none"> 1) Instituted “LION Human Rights Policy” for both domestic and overseas Lion Group company and disclosed it on our website. Translated into local languages for dissemination and penetration(English, Chinese, Korean, Thai, Malay) 	P41-42	Achieved	<ul style="list-style-type: none"> 1) Continue disseminating and confirming the status measures with regard to human rights of overseas Group companies (global). Conduct e-learning training on Lion’s human rights measures for further embedding (Domestic)
<ul style="list-style-type: none"> 1) “AL Heart Hotline” recognition rate: 98.5%. Disseminated internally through the Compliance Awareness Survey and compliance education 		On Plan	<ul style="list-style-type: none"> 1) Take steps to expand recognition through compliance education. Strengthen the Hotline function of overseas Group companies
<ul style="list-style-type: none"> 1) Increased female attendance in the Human Resources Development Training for Next-Generation Management From 38.6% in 2017 to 47.6% in 2018 2) Proportion of female employees at the management level: 15.8% 	P43-47	<ul style="list-style-type: none"> 1) On Plan 2) On Plan 	<ul style="list-style-type: none"> 1) Hold 2019 Human Resources Development Training for Next-Generation Management 2) Continue measures enabling long-term active participation by women
<ul style="list-style-type: none"> 1) Conducted the “Survey of Lion Awareness and Action” for all employees including domestic group companies. Percentage of respondents who answered work is “rewarding”: 61.9% 2) Usage rate of annual paid leave: 60.3% 		<ul style="list-style-type: none"> 1) On Plan 2) On Plan 	<ul style="list-style-type: none"> 1) Implement programs as part of measures contributing to decent work 2) Increase planned paid leave days from three to five days
<ul style="list-style-type: none"> • Held the “ReDesign FORUM” that lead to generate new proposal for resolving company-wide issues by direct discussions between younger employees and management (1st term of ReDesign Activity) • Held the “Marketing Study Program” to strengthen the marketing capabilities of younger employees and uncovered suitable human resources 		On Plan	<ul style="list-style-type: none"> • Start 2nd term of ReDesign Activity • In order to respond to the change in learning style, the former level-specific programs were reconsidered, and the training program Lion Career Village (LCV), which motivated employees can learn independently, was began its operation from January 2019. (Domestic)

Core Subjects		Sustainability Material Issues (SDGs contributed to)	Directions for Initiatives toward the 2020 Objectives	2020 Objectives and KPI
S	Labor Practices	⑥ Enhancing the Occupational Safety Management System 3 8	Enhance and thoroughly enforce the Occupational Health and Safety Management System across the entire Group.	<ul style="list-style-type: none"> Thorough enforcement of occupational safety and the safety of facilities 0 serious accident and 0 serious incident (Global)
		⑦ Reinforcement of Health and Productivity Management 3 8 17	Build a Lion's health management model, which will be appropriate for an advanced daily healthcare company.	<ul style="list-style-type: none"> Expansion of support programs to aid employees in forming health care habits 1) 100% rate of receiving health checkups (Domestic) 2) 100% rate of receiving dental checkups (Domestic) 3) 100% rate of receiving examinations for cancer classified by age (Domestic)
	Fair Operating Practices	⑧ Building Responsible Supply Chain Management 5 6 7 8 10 12 13 14 15 16 17	Promote management with high effectiveness in the supply chain.	<ul style="list-style-type: none"> Build more advanced and sustainable supply chains 1) Implement supplier sustainability self-checks related to procurement (Global) 2) 100% implementation rate of supplier sustainability self-checks related to procurement (Domestic)
	Consumer Issues	⑨ Pursuing Customer Trust and Satisfaction 3 10 12	Thoroughly promote corporate activities with a high level of credibility to customers across the entire Group, and further develop customer-oriented management.	<ul style="list-style-type: none"> Enhancement of reliability assurance systems covering the entire supply chain Improvement of customer satisfaction through enhancement of customer support quality Enhancement of security system through system construction and supervisory management enhancement
	Community Involvement and Development	⑩ Creating Healthy Living Habits 3 4 6 12 17	Contribute to the creation of healthy living habits such as oral health care, cleanliness and hygiene practices and habits, in order to extend healthy life expectancy of all people and to ensure people's everyday well-being.	<ul style="list-style-type: none"> Implementation of activities to establish health care habits such as preventive dentistry and hand washing, in coordination with business activities Contribution to the resolution of social issues based on co-existence with communities, involvement by employees, and enhancement of partnerships
G	Organizational Governance	⑪ Promoting Risk Management	Enhance the risk management system for the entire Group.	Promotion of comprehensive and extensive risk management across the entire Group
		⑫ Embedding Compliance 5 10 16	Enhance the effectiveness of compliance activities across the entire Group.	<ul style="list-style-type: none"> Construction of a compliance management system 1) Expand familiarity with the Lion Group Charter for Corporate Behavior and the Behavioral Guidelines (Global) 2) 100% rate of participation in compliance-related training (Domestic)
		⑬ Enhancing Group Governance 16	Engage in enhancing governance for the entire Group.	Arrangement of a Group Governance System in accordance with the Basic Policy for Corporate Governance

*3 VOC: Voice of Customer

Achievements in 2018	Pages with related information	Assess	Next action
<ul style="list-style-type: none"> Promoted PDCA of safety activities at the Safety, Hygiene and Disaster Prevention Meeting (biannually). 0 serious accident, 0 serious incident 	P43-47	On Plan	Continue PDCA promotion and conduct the Safety, Hygiene and Disaster Prevention Meeting (biannually)
<ul style="list-style-type: none"> Developed initiatives to support the improvement of employee health awareness and making healthy behavior habitual <ol style="list-style-type: none"> Rate of receiving health checkups: 100% Rate of receiving dental checkups: 93%. Health guidance were provided by dental hygienists <ul style="list-style-type: none"> Established subsidy programs of receiving professional care as a promotion to put preventive dentistry into practice Rate of receiving examinations for cancer classified by age: 84% 		1) On Plan 2) On Plan 3) On Plan	Implement Lion-style health and productivity management "GENKI" action <Key Measures> <ol style="list-style-type: none"> Create an individual health management system Promote preventive dentistry habits Strengthen measures against the three major cancers: lung cancer, stomach cancer, and colon cancer. Anti-smoking measures
<ol style="list-style-type: none"> Implemented supplier sustainability self-checks to suppliers of Lion Corporation Korea (LCK). Held the Global Procurement Conference and conveyed the necessity for CSR-based procurement in order to expand self-checks to other countries Response rate: 98%. Provided evaluation results to suppliers as feedback (annually) 		1) On Plan 2) On Plan	<ol style="list-style-type: none"> Continue self-checks at LCK. Consider the next country of implementation Continue supplier sustainability self-checks
<ul style="list-style-type: none"> Established the "Reliability Assurance Department" to strengthen quality assurance systems throughout entire value chain. Engaged in information exchange with quality managers at overseas group companies (Quality Assurance meeting) Discovered insights from multi-faceted analysis of VOCs * 3 and shared information with the product development department in order to create customer experience-based value Conducted e-learning training regarding information security, social media risks, and information management systems (Participation rate: 100%) 	P50-54	On Plan	<ul style="list-style-type: none"> Continue reliability assurance activities and conduct QA meeting aimed at reducing risk of entire Group Continue customer-oriented management with a view to enhance customer satisfaction Conduct e-learning with the content implemented in 2018. Confirm systems, governance, status of security countermeasures, etc. at overseas group companies and promote self-checks
<ul style="list-style-type: none"> Started the services using latest technology and the verification tests to create customer experience-based value Promoted educational activities for oral health and hand-washing at our office site and kindergartens, preschools, and other such facilities of areas closely connected to Lion. Conducted hand-washing education activities with participation of young employees Promoted preventive dentistry and hand-washing educational activities in Asian countries and regions in collaboration with local governments, academic societies, and business partner 	P55-57	On Plan	<ul style="list-style-type: none"> Consider concrete measures, objectives, and KPI linked with our business Promote and continue preventive dentistry activities throughout the entire Group Take steps towards collaborating with local governments on a new stage (Ishinomaki City, Sakaide City, and others)
<ul style="list-style-type: none"> Reported status of progress in risk management to Executive Committee: 0 incident of serious risk to business (annually) In particular, conducted of overseas group companies as below: <ol style="list-style-type: none"> Maintenance of quality assurance system Construction of compliance system 	P58-60	On Plan	Continue promotion of comprehensive and extensive risk management across the entire Group
<ol style="list-style-type: none"> Translated the Lion Group Charter for Corporate Behavior and Behavioral Guidelines to local languages and penetrated to local employees (Chinese, Korean, Thai, Malay) (1) Training participation rate: 100%. Added new LGBT training contents and strengthened employees' compliance awareness (2) Conducted the "Compliance Awareness Survey" (response rate: 95%) of all employees, including part-time employees, and provided feedback 		1) On Plan 2) On Plan	<ol style="list-style-type: none"> Continue increasing awareness of Lion Group Charter for Corporate Behavior and Behavioral Guidelines at overseas group companies. Raise awareness of hotline and strengthen our consultation and reporting functions due to establish a further compliance system Conduct e-learning training regarding the "LION Human Rights Policy" and the "LION Anti-Bribery Principles"
<ul style="list-style-type: none"> Promoted stronger governance in accordance with the Basic Policy for Corporate Governance. Governance strengthened in particular by establishment of the "LION Human Rights Policy" and the "LION Anti-Bribery Principles" 		On Plan	Assure effectiveness by establishing the "LION Anti-Bribery Guidelines"

2018 Highlights

On the Highlights pages, in accordance with the “LIVE Plan”, Medium-term Management Plan, we introduce our “ReDesign of Oral Care Habits” and “Employees Enthusiastic Morale Innovations” that is characteristic in creating human resources who will carry out its implementation.

ReDesign

Highlight 1

ReDesign of Oral Care Habits

Related SDGs



Background of Lion Initiatives:

The LIVE Plan (1) Expand and Evolve Our Business Domains through New Value Creation

From Oral Care to Oral Health Care

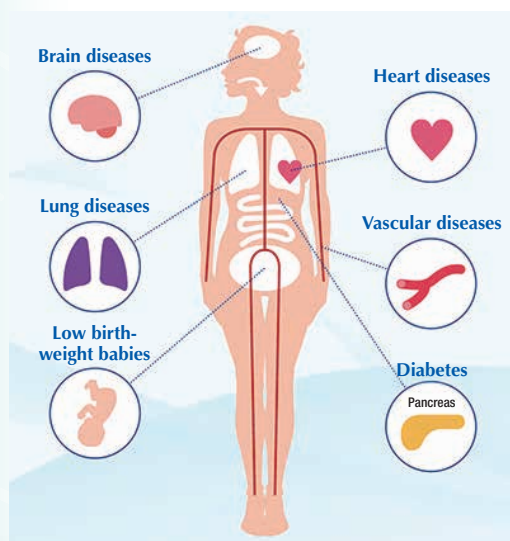
The Whole-Body Health is from Oral Care Health

It has been reported that periodontal disease affects the health of the whole-body (*Figure 1). The medical expenses reduction effect has also been reported by periodical dental checkup (*Figure 2).

It has also been revealed that without having enough remaining teeth, it would become difficult to enjoy talking or eating, and thereby leads to a decline in daily quality of life (QOL).

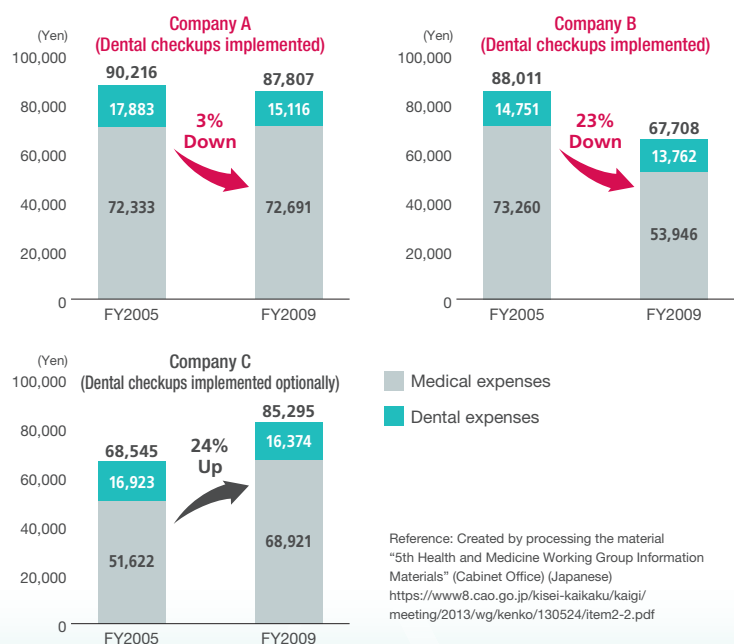
Based on the idea that keeping your mouth healthy will contribute to the realization of “Extension of healthy life expectancy” and “Ensuring people’s everyday wellbeing”, Lion hopes to benefit to the whole-body health of people through oral health care, rather than letting oral care stay in oral hygiene, and to realize “healthy minds and bodies for all.”

*Figure 1: The relationship between periodontal disease and the health of the whole-body



Reference: Pamphlet published by 8020 Promotion Foundation
“A Healthy Long Life Starts with Care for the Teeth and Mouth”
(Japanese)
<https://www.8020zaidan.or.jp/pdf/care.pdf>

*Figure 2: Medical expenses reduction effect by dental checkups



Reference: Created by processing the material
“5th Health and Medicine Working Group Information
Materials” (Cabinet Office) (Japanese)
<https://www8.cao.go.jp/kisei-kaikaku/kaigi/meeting/2013/wg/kenko/130524/item2-2.pdf>

Initiatives to Establish Oral Care Habits

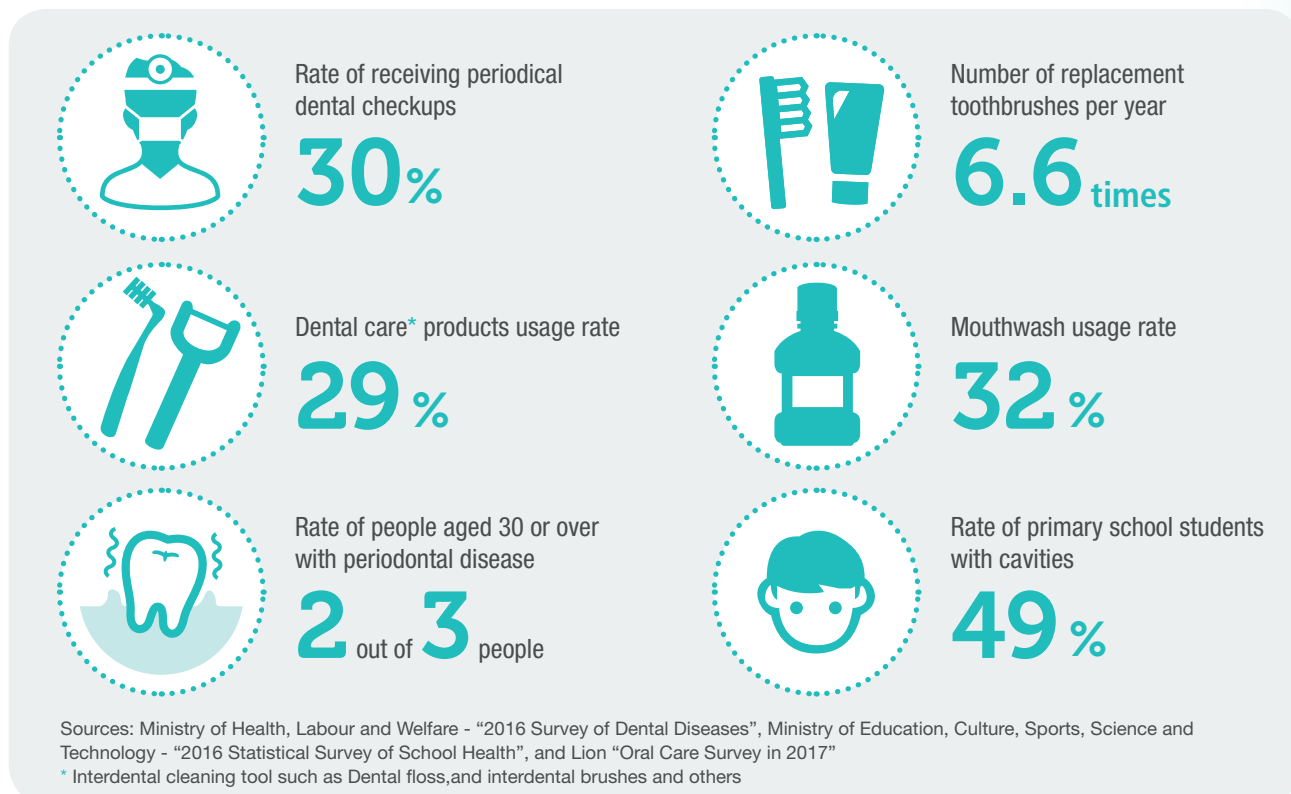
What is Necessary to Establish Oral Care Habits

Lion believes that establishing oral care habits is more important than any other factor in order to improve the current status of oral care (*Figure 3) and realize “healthy minds and bodies for all”.

As it is difficult to establish habits in a mandatory way of communication such as “Let’s brush your teeth three times a day,” the first step is to foster an understanding of its points and importance of forming habit. We are disseminating contents and evidences for that purpose in an easy-to-understand way.

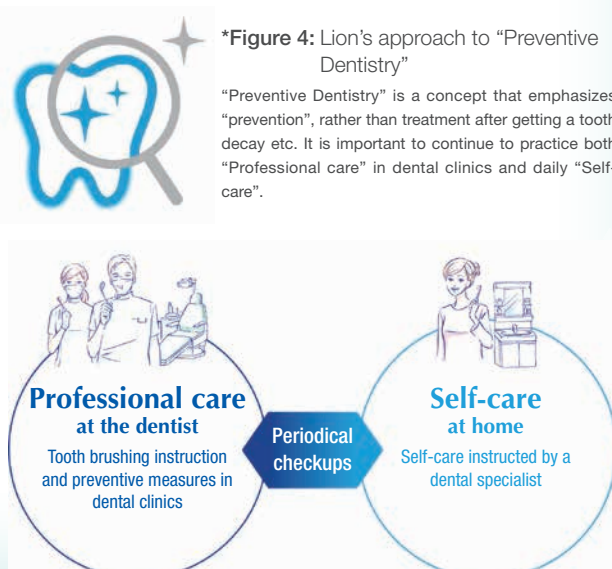
The second step is the establishment of habits. Lion is engaging in the “ReDesign of everyday rituals to become more natural, easy and enjoyable so that people naturally want to perform.

*Figure 3: Current status of consumers with regard to oral care



Promotion of Preventive Dentistry

Lion considers that the source of developing healthy mouth and body is “prevention”, in other words “establishment of a healthy lifestyle habits”, and since we started the oral care business in 1896, Lion has been promoting a culture of oral care practices to improve the oral condition of the people. In recent years, aiming for the promotion and establishment of oral care habits, Lion has been advocated the concept of “Preventive Dentistry” (Fig. 4) to society through development and promotion of not only toothbrushes and toothpastes but also relatively low use rate of mouthwash and dental products etc., and educational and other activities, in cooperation with governments and dental clinics. By combining “Professional Care” at dental clinics with “Self-Care” based on instruction by dentists and other professionals, we aim to maintain their oral health at higher levels.



Promoting the Use of Dental Floss

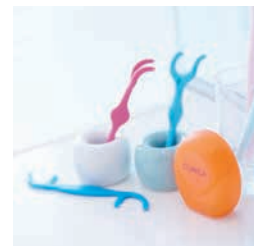
In 2018, under the theme "Take your preventive dentistry one step forward," we promoted the use of dental floss, communication and educational activities, and further proceeded the initiative to communicate the necessity and effects of "Preventive Dentistry."

● Raising the Dental Floss Usage Rate

Many dentists and dental hygienists actively encourage to make a habit of using dental floss. However, the dental floss usage rate in Japan remains at approximately 30%*.

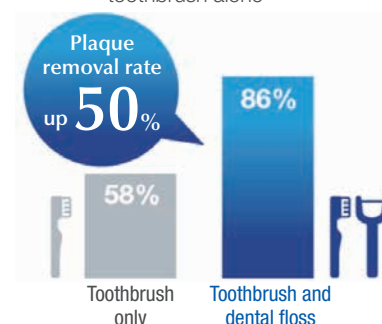
There are people who hesitate to use dental floss, or stop using it because of anxiety reasons such as "does not work well (30%)" and "insertion difficulty (24%)" (Lion survey in 2017). Therefore, it will be necessary to eliminate these anxiety and images.

* Dental floss usage rate (spool type: 25%, holder type: 15%)
Lion "Oral Care Survey in 2018." Women only



Dental floss

*Figure 5: Plaque removal rate using toothbrush alone



Source: Yamamoto et al., Journal of the Japanese Society of Periodontology (1975)

● Enlightenment of the Necessity of Using Both Toothbrush and Dental Floss

One of the key points of self-care is the effort to remove all dental plaque completely. Plaques between teeth can only be removed by about 60% with toothbrushes only (*Figure 5). However, the combination of toothbrush and dental floss improves plaque removal rate by 1.5 times.

Accordingly, Lion developed a dental floss that fits easily between teeth so that it is easier even for beginners. At the same time, we also initiated new communications in order to promote the use of dental care products.

Measures to Approach for Adults

For floss beginners who feel that dental floss is "Somewhat difficult ...," we launched a product that focussed on ease of use (easy to insert a thread) in July 2018. In addition, by utilizing comedian and developing measures that become topics in SNS, we achieved over 1 million views of video in one day. We started activities to have as many people as possible interested in floss.



Measures to Approach for Children

Lion has been holding "Oral Health Event of Tooth Brushing for Children" every year since 1932, and has supported tooth and mouth health promotion for elementary school children who are in important time to acquire healthy lifestyle habits. Through the practice, they will learn how to brush teeth according to alignment of their teeth and how to use dental floss in an enjoyable way. We will foster awareness that health is related to their own behavior and will embed the understanding of the importance of continuing desirable habits by improving lifestyle habits of elementary school children.

Column

New Experiential Oral Care Activity "Kid's Hackathon"



"Kid's Hackathon" is an initiative for children to learn subjectively and collaboratively toward finding and solving issues on the theme of "oral care and tooth brushing". So far, we have conducted demonstration tests at elementary schools in Sapporo City and Tokyo. The purpose of this program is to acquire not only the health of the teeth and mouth, but also other things, and attitude to think about solutions. Lion believes that good health practices acquired when childhood will be a lifetime asset and we will continue to work on it.



<https://www.lion-hackathon.jp/>

Promotion of Periodical Toothbrush Replacement and Recycling

Contributing to the SDGs by realizing “Good for the mouth!” and “Good for the Planet!”

As a leading company of oral care, Lion has been engaged in educational activities to establish oral care habits of consumers since its foundation. In recent years, dealing with marine plastic problem has become a major social issue and recycling is also our issues

as a manufacturer. Through toothbrushes, which use the largest amount of plastic in our business, we are addressing a system that leads to a reduction of environmental impact as well as the creation of healthy lifestyle habits for consumers.

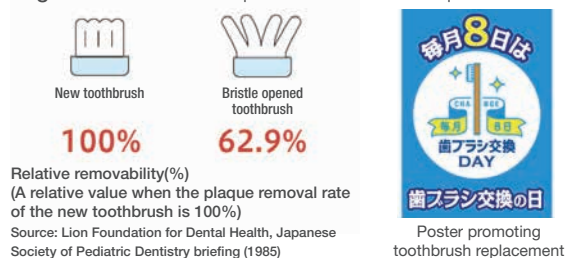


Instituting Toothbrush Replacement Day

Continuously using of the toothbrush causes the bristle open and thereby reduces brushing power* (Figure 6). According to our research, only about 40% of consumers replace their toothbrushes once a month. The reasons are “It’s still usable,” “Wasteful,” and “Don’t know that the brushing power will diminishes.”

* Although there are individual differences, we generally recommend replacement toothbrush once a month.

*Figure 6: Condition of Opened Bristle and Plaque Removal Rate



From February 2018, we set the 8th of every month as “Toothbrush Replacement Day*” and started an activity calling for replacing toothbrushes monthly. In order to expand this program, we are promoting monthly replacement of toothbrush by developing POPs to notify toothbrush replacement on the 8th of every month at stores in collaborating with our business partners, and by setting poster promoting periodic toothbrush replacement in dental clinics. The recognition rate of “Toothbrush Replacement Day” in the first year of the activity was 7% (Lion survey). Lion will continue these activities to promote toothbrush replacement with our business partners and dental clinics so that monthly toothbrush replacement becomes a common habit.

* This day was accredited by the Japan Anniversary Association on December 27, 2017, and has been established as a new anniversary date.

Promoting Toothbrushes Recycling

今日と愛する。 LION × TERRACYCLE

There is a concern that increasing the frequency of toothbrush replacement due to the promotion of toothbrush replacement would lead to increase waste. Therefore, taking recent marine plastic problem into consideration, Lion initiated “Toothbrush Collection and Recycling Program*”, for the first time in Asia, to collect and recycle used toothbrushes in cooperation with Terracycle Japan.

From the perspective that each consumer who cooperates with toothbrush recycling is an important partner, we are moving forward with the aim of becoming a “Resource-Circulating Society.”

Number of collection sites: **455 sites**
(As of May 31, 2019)

*About the Toothbrush Collection and Recycling Program

Program participation is very easy and it is for free.

- (1) Register account in units such as individuals, schools, groups etc. in advance
- (2) Set out collection boxes and collect used toothbrushes.
- (3) A designated carrier will pick up by the second business day after the request
- (4) The toothbrushes will be reborn as new plastic products such as planters, instead of being sent to landfills or incinerators



As a bonus, cooperators will receive points according to the weight of the toothbrush that they sent. The points can be exchanged for plastic products realized by Terracycle's recycle program or donate to any charity (a charity such as a NPO) as a donation.

<https://www.lion.co.jp/ja/company/press/2015/1440>

We will continue our efforts toward “Healthy future for people and the planet” by actualizing “Good for the mouth” and “Good for the Planet.”

Technology-Based Visualization of Oral Conditions

Among digital technology showing remarkable development, Lion is engaging in "Visualization of Oral Condition" aiming at the creation of new oral care habits and improvement of services incorporating artificial intelligence (AI) and others such technologies. An advantage of using the technology is that a great number of consumers can easily make use of the technology at any time through their smartphones and other devices.

We believe that the "Visualization of Oral Condition" will help you to understand appropriate oral care methods

and knowledge, and support correct oral care habits.

In 2018, we actively exhibited at AI and IoT events , and customer tried out our developing services.

In addition, in order to promote "Preventive Dentistry," we have been facilitating the introduction of Salivary Multi Test (SMT).

Lion refers the establishment of oral care habits triggered by these experiences as "ReDesign of Habits". We are actively promoting it to improve QOL in order to change everyday rituals to become more natural, easy and enjoyable.

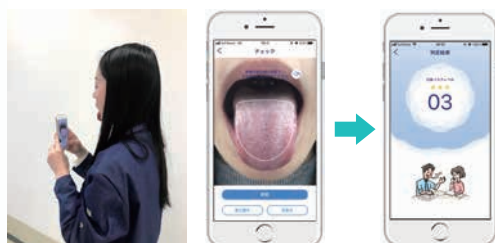
① Bad Breath Care Support App "RePERO"



- Judges the risks of bad breath by analyzing photos of tongue

Bad breath can be both unrecognizable and anxiety, and can even interfere with communication. In this end, Lion has developed "RePERO*", a support app for bad breath care as a new habit to prevent bad breath.

By simply using your smartphone to taking a photograph of your tongue, AI determines the risk of bad breath in five stages from factors such as the color of the tongue, based on our data accumulated through research on bad breath. Together with the evaluation results, we provide methods of bad breath care and bits of knowledge about bad breath.



* Based on our data, we developed the app by using the service of AI utilization support of "Fujitsu Cloud Technologies Co., Ltd.", an AI vendor, and the service of "MTI Co., Ltd.," which develops healthcare related applications.

- The aim is to revitalize communication

For bad breath care, it is important to get "awareness" of bad breath first and establish oral care habit. Visualization of the risk of bad breath enables appropriate measures to cope with bad breath, and it can be expected to reduce the anxiety about bad breath in relationships. In this way, we will contribute to the satisfaction when communicating with customers, at the moments of business talks and meetings, and conversation between parents and children, and grandparents and grand children.

- Toward Establishing B to B Business

For one month from October 2018, we conducted a verification tests of "RePERO" prototype with employees working for customer service industries, where bad breath care could directly affect to sales. As a result of verification, the system was judged to be effective. Consequently, in the future, we will aim this app for practical use as a "B to B" business, mainly targeting the customer service industries etc.

Toward the Creation of New Value Promoted by Lion ①

Exhibiting at CEATEC JAPAN 2018*

In October 2018, the bad breath care support app "RePERO" was exhibited at CEATEC JAPAN 2018, and visitors were given an actual experience of a prototype of this app.

We received many favorable comments from customers, such as "I want to use it because I can immediately understand my oral condition and send out the bits of bad breath. Through the experience of the app, we will lead to the establishment of oral care habits and the creation of active communication without bad breath.



Introducing the "RePERO" to visitors

* An international exhibition of IT technology and electronics held every October, among the largest such exhibitions in Asia.

2 Web Content “HAGUKI CHECKER”

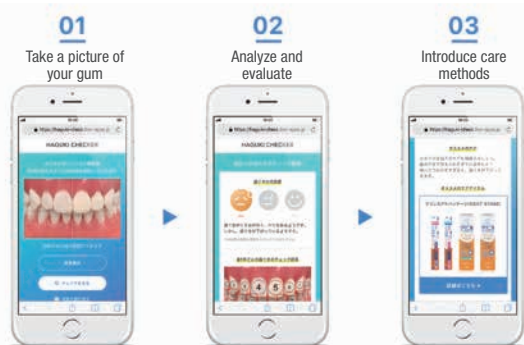


The Gum Checking Tool “HAGUKI CHECKER” is a web content that AI analyzes images taken with a smartphone and checks the condition of gums for each tooth.

At the same time as checking the gums, we aim to raise the interest in preventive dentistry by providing knowledge and methods on oral care, and an advice on brands and items that suit for you.

In this way, you can quickly notice changes of gum condition, and thereby it is expected to improve the practice of self-care as well as the consultation at the dental clinic. We will strive to improve our technology and aim for the development and commercialization of services.

Instruction of HAGUKI CHECKER



Toward the Creation of New Value Promoted by Lion 2 Exhibiting at “No Maps”

In October 2018, Lion conducted verification tests of new services that is under development, such as “Gum Checking Tool” at No Maps*. Based on the opinions experienced by customers, we aim for speedy and efficient value development of products and services. There were unexpected reactions from customers and we received many tips and opinions that led to the development and commercialization of new services.

* A convention (Attaching places of people, information, knowledge, things etc.) for people who want to create the next society through creative idea and technology.

Sapporo Creative Convention



Scene of visitors experiencing our “Gum Checking Tool”

3 Salivary Multi Test (SMT)

SMT is a device that can measure 6 items (cavity bacteria, acidity, buffer capacity, leucocytes, proteins, ammonia) related to the health of teeth and mouth in 5 minutes by collecting saliva from mouthwashing with 3 ml of distilled water. Hence, when performing a dental checkup, a dentist or dental hygienist can immediately feedback the results to the patient. This helps patients to know the conditions inside their mouths, and motivates them to engage in preventive dentistry.

Furthermore, as a distinctive measure of Lion, it is incorporated in the internal dental checkups and utilized to establish oral care habits of our employee.



Collect a saliva sample



Drop the rinsed liquid to the test paper and measure it



Investigation system result sheet

Within the remarkable changes in people’s lifestyles due to the dramatic advances in digital technologies symbolized by AI and IoT, Lion continues to visualize oral conditions through new combinations of various cutting-edge technologies and services and thereby promote the “ReDesign of habits”.

Background of Lion Initiatives:

The LIVE Plan (2) Accelerate Growth in Overseas Businesses through Glocalization

Overseas Lion Group Initiatives to Enhance Oral Care Habits

Lion is focusing on “Accelerate Growth in Overseas Businesses through Glocalization^{*}” in order to realize “Becoming an advanced daily healthcare company”. Especially, we are working to maintain and improve the health of teeth and mouth of Asian people, and to improve QOL through our oral care activities, which is our strength.

^{*} A fusion of globalization and localization. Promote global business development while firmly responding to the needs of consumers in each country and region.

● Promoting Preventive Dentistry Activities

Oral care habits and their penetration are different from country to country.

In our business area of Asia (^{*}Figure 1) particularly, there are variations in the penetration of oral care habits, and its prevalence of cavity and periodontal diseases are higher.

Since 2018, Lion has been working on educational activities with the overseas Group companies based on the concept of “Preventive Dentistry” of Japan (^{*}Figure 2).

^{*}Figure 1: Business Area



^{*}Figure 2: Educational activity of “Preventive Dentistry”



“Preventive Dentistry” activities are initiatives to provide new value to customers through the collaboration of three contact points with the consumer: (1) Experts of dentistry and child-rearing, (2) Retailers, and (3) Lion.

The importance of “Preventive Dentistry”, which is a common message of dentists and child-rearing experts, retailers and Lion, are transmitted through various points of contact point. Moreover, we provide understandable information on products that are most suitable for the oral care. Our purpose is to establish oral care habits and feel familiar with Lion products and consequently to convert these consumers into fans of Lion Brand by providing various oral care information.

In promoting “Preventive Dentistry” activities, we started from Malaysia and China, where economic development, aging, and raising health-conscious are expected in future^{*}.

^{*} Regarding initiatives of other countries, please refer to Lion's Websites:

<https://www.lion.co.jp/en/csr/community/overseas/>





Malaysia

Oral Care Through Plaque Control

Issue: Periodontal Disease Prevalence: 94%

Source: Malaysian Ministry of Health 2014

Though the periodontal disease prevalence is 94% in Malaysia, consumers still have a low awareness of this condition. We believe that it is necessary to work with dental professionals to raise awareness of periodontal disease and communicate correct oral care methods. Southern Lion, the Lion's overseas Group company in Malaysia, has launched "Systema" as a brand that promotes periodontal disease prevention. In order to raise consumer's awareness of periodontal disease, we consider it essential to build close cooperative relationships with dental professionals. Accordingly, we have continued to exhibit "Systema" booth at exhibitions and other such events targeted dental professionals organized by the Malaysia Dental Association (MDA). At the exhibition in January 2018, approximately 1,000 dental specialists visited in three-day and were able to inform the function and value of "Systema" through sampling and product explanations. In addition, at stores that can make direct contact with consumers, we are utilizing of POPs co-produced by the marketing departments of Japan and Malaysia and information dissemination tools, and are conducting educational activity of self-care such as periodontal disease prevention through sales promotion staff.



Staff and booth unified by the "Systema" colors



Various approaches to customers at stores

Systema



China

Happiness from Healthy Teeth

Issue: Periodontal Disease Prevalence: 91%

Source: Chinese Stomatological Association
- Report of the Fourth National Oral Health Epidemiology Survey
Chinese Association of Oral Medicine (Survey conducted in 2015)



Pamphlets disseminating oral care information

© Benesse Corporation



© Benesse Corporation



Local-products of "Clinica" toothpaste for children and adults

The periodontal disease prevalence is 91% in China. However, the number of dental clinics per population is one-fifth of the figure in Japan. There is issues that many people do not know the correct oral care method for cavities and periodontal disease.

In recent years, with the expansion of the EC (purchase via the Internet) market in China, the place where products are purchased has shifted from in-store to EC. Furthermore, due to the impact of the one-child policy that has continued for many years, the educational and other expenses for one child is high, and correspondence education for children is spreading. By means of correspondence education carried on from childhood, it can be expected to learn correct oral care habits so that the prevalence of cavities and periodontal disease can be lowered.

Given this background, the Lion Daily Necessities Chemicals (Qingdao) Co., Ltd., is collaborating with private enterprises that specialize in the child-rearing and education business. We are engaging in distribution over the internet not only of product information, but also of information to encourage the establishment of correct oral care at home with younger children. We are taking the EC platform as a partner in logistics, and promoting "Preventive Dentistry" activities by making effective use of "Clinica", which enjoys a high level of liability and affinity as a Japanese brand, and which has lineups of products for adults and children.

Oral Health Care Habits Originated from Japan to Asia

The Lion Group will continue to use the knowledge of product development and educational activities cultivated in Japan while advance "Preventive Dentistry" activities in collaboration with retailers and specialists and take actions aimed at enhancing the health of oral and whole-body of the Asian people.

Highlight 2

Innovation for Decent Work

Related SDGs



Background of Lion Initiatives:

The LIVE Plan (4) Create Dynamism to Foster Innovative Change

Growth in Human Resources is Growth of the Corporation

● Basic Approach

In order to grow sustainability and to foster the corporate strength for surviving global competition, it will be essential for the Lion Group to create dynamism of human resources, organization, and culture. Lion is working on “Create dynamism to foster innovative change,” of the “LIVE Plan”, Medium-term Management Plan, as the theme of our measures to strengthen the foundation of our human resources development.

A company consists of the sum of its individual employees. Therefore, if the individual employees act vigorously of their own will, stimulate each other, and engender waves of positive innovation (we call this “dynamism”) in their departments and in the company as a whole, then they will contribute to the dynamism of the organization. Our company is based upon this idea.

● Enhancing Programs that lead to Decent Work

Decent work for employees is that they can have an opportunities to grow. As we see it, this means that decent work contributes to the creation of new value for the organization, as well. We are engaged in improving the systems and environment of the company, and developing programs by which every individual employee can gain higher motivation, enjoys work and feels satisfaction in their work. We are pursuing wide-ranging measures, in particular, related to (1) Developing Human Resources, (2) Promoting Diversity, (3) Improving the various kinds of institution and working environment, and (4) Making Healthy Behavior Habituals. In this way, we are aiming to build up diverse and open human resources, organizations, and corporate culture.

	Item	Distinctive Initiatives
	① Developing Human Resources	<ul style="list-style-type: none"> Establish the Lion Career Village Foster next-generation management Hold ReDesign FORUM
	② Promoting Diversity	<ul style="list-style-type: none"> Promotion of Women's Participation Expanding work opportunities for people with disabilities
	③ Promoting a Work-Life Balance	<ul style="list-style-type: none"> Support measures for balancing work and nursing care Support measures for balancing work and child-care Adopt a work-at-home system
	④ Making Healthy Behavior Habituals	<ul style="list-style-type: none"> Implement “GENKI” actions Mental health measures

Initiatives for Creating Dynamism



pp. 43-47 of the Sustainability Report for more information

Holding the ReDesign FORUM

We are pursuing our “ReDesign Activities” as a company-wide initiative because we think it is necessary to engage in activities that create dynamism for personnel, organizations, and management by means of earnest discussion between younger employees and management about essential issues that could alter Lion's corporate behavior.

In 2018, we launched a workshop called the “ReDesign FORUM” as a part of the “ReDesign Activities.” Its purpose is to convey directly to management the passionate desire of employees, particularly from younger employees, to bring change to the company and to rapidly implement their proposals.



ReDesign Forum

Description

The fiscal year 2018 ReDesign FORUM was made up of three sessions in total. The participants, 99 in total, were younger employees from a variety of divisions and members of management. At the first session, in July, three themes were selected to contribute to the reforms of Lion for the purpose of creating new value. For each theme, issues were identified and selected.

Themes

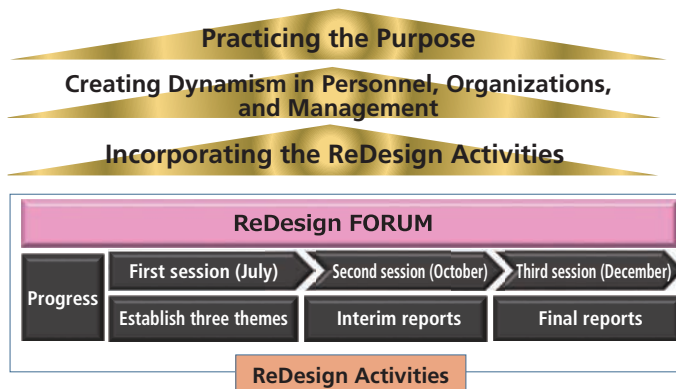
1. Work style reforms for maximizing new value creation
2. Operational reforms for maximizing the speed of business
3. Maximizing the use of human resources

That was followed by a study to resolve the issues by through activities such as trial implementation of measures and interviews with the relevant divisions, outside experts, and other corporations. At the second session, in October, interim reports on these efforts were presented. At the third session, in December, final reports were presented and the management members considered the feasibility of the measures proposed by each team.



A scene of the FORUM with Chairman Hama in attendance

Overall View of the ReDesign Activities



Results

In response to the three sessions of the ReDesign FORUM, measures proposed by the employees began moving towards full-fledged implementation in 2019. Going forward, we will further develop these initiatives.

To Further “Create Dynamism to foster Innovative Change”

Lion intends to continue placing importance on the decent work of company employees. Through this, we will generate dynamism in our personnel that we will channel to the development of corporate strength in order to survive global competition as an organization as well as to the sustainable growth of our company.

The Environment

Related SDGs



Basic Approach

The Lion Group believes it is our serious responsibility to provide our consumers with customer experience-based values in the areas of health, comfort and cleanliness, while protecting the global environment, which is the foundation of people's health and lifestyle, as a company aiming for "Becoming an advanced daily healthcare company."

Under the "Eco Vision 2020" environmental targets formulated in 2013, we are striving to realize a sustainable planet while addressing to achieve the 2020 target regarding Realization of Low Carbon Society, Realizing a Sound Material-Cycle Society, Harmonizing with Nature and Environmental Education.

Recently, with the background of the Paris Agreement in 2015 and the adoption of the SDGs, the movement towards a sustainable society in Japan and other countries has intensified.

Taking these trends into consideration, in 2019, Lion Group formulated the New Environmental Objectives: LION Eco Challenge 2050. In the future, our Group will take on the challenges of realizing the Decarbonized Society and the Resource-Circulating Society.



Every day. For the Earth. (Japanese)

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

Environmental Guidelines

Lion's Environmental Guidelines adhere to the spirit of the "Lion Group Charter for Corporate Behavior," which states: "We shall play a positive and active role in creating a sustainable society that harmonizes economic development and environmental protection." Lion's Environmental Guidelines are the foundation for our environmental activities.

Environmental Guidelines

Lion will act voluntarily and proactively to reduce its environmental burden to the global environment in all processes of business activities from the development of products to the procurement of raw materials, production, distribution, sales, use by customers, as well as disposal. This will be done with due consideration to "realizing a low carbon society to prevent global warming," "realizing a sound material-cycle society with maximum usage of recycled resources" and "realizing a society harmonizing with nature to conserve people's health, natural ecosystems and biodiversity."

1. Aiming for a Sustainable Society

Promote an environmental management system, and through ongoing maintenance and improvement of that system, protect the global environment.

2. Complying with Legal and Other Requirements

Comply with the system of legislation, regulations and arrangements pertaining to environmental protection, and establish and implement voluntary standards of conduct.

3. Setting and Verifying Implementation of Environmental Objectives and Targets

Correctly understand the environmental impact of our corporate activities, and as far as technically and economically possible, establish objectives and targets for improvement, while at the same time formulating, implementing and regularly verifying the status of implementation of an environmental management program.

4. Developing Environment-Friendly Products

Continue aggressively with product development in tune with Lion's own "Lion eco-standards" and in light of life cycle assessments.

5. Reducing Environmental Impacts Together with Our Business Partners

Strive to reduce environmental burdens at all stages from purchase through provision of products to customers, in cooperation with suppliers of materials, outsourcing contractors, and sales companies.

6. Harmonizing with Nature

Conduct business activities while taking into account biodiversity and air and water environments, and proactively address natural environment protection activities.

7. Enhancing Environmental Protection Activities Based on Uniform Understanding of the Guidelines

Disseminate the Guidelines to all Lion employees, including those of its affiliated companies, raise awareness of environmental protection among them and bolster environmental management activities throughout the entire Lion Group.

8. Promoting Disclosure of Information

Seek to maintain and promote communication with stakeholders involved in Lion's businesses. These Environmental Guidelines are freely available to anyone upon request.

Revised January 1, 2013

Environmental Management System and Environmental Management Structure

• Environmental Management System

The purpose of the Lion Group's Environmental Management System is to identify, evaluate and remedy adverse impacts that our business activities, products and services have on the environment, and to improve our environmental protection activities on an on-going basis.

Systems for environmental management and reporting activities have been enhanced with the aim of responding to the environment globally. Data on overseas Group companies is available on our website.



Data on the environmental burden of group companies' plants (overseas)
<https://www.lion.co.jp/ja/csr/report/pdf/environment-management.pdf>

Status of ISO 14001 Certification

Lion acquired ISO 14001 certification covering all its plants in July 2001. The certification was renewed to the latest 2015 version in June 2016, and the Japan Management Association Quality Assurance Registration Center (JMAQA) reviewed and verified that all our plants are operating in conformity with the requirements of the standards. Including the plants of group companies in and outside Japan, the Lion Group has been continuing to push ahead with its management systems and environmental conservation activities by obtaining ISO 14001 certifications and performing operations in compliance with ISO14001.

• Environmental Management Structure

In order to make our business grow while reducing the impact on the global environment, in 2019, we consolidated the former "Environmental Conservation Committee" into the newly established "Sustainability Promotion Meeting". Its members consist of the Executive Officers, including the President, and the relevant divisions, they conduct deliberations on policy for responding to environmental problems and carry on monitoring the progress status.

• Legal Compliance

In regard to the revisions of environmental laws and regulations, namely "the Act on the Rational Use of Energy", "the Act on Promotion of Global Warming Countermeasures", "the Act on Confirmation, etc. of Released Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof", "the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc." and "the Waste Disposal and Public Cleansing Act" information is collected from administrative agencies and industrial associations, and is then registered with an intranet system for information on chemicals-related laws to keep the related departments updated about latest developments.

We also established waste management regulations and other internal regulations to build up an appropriate management structure. There were no violations resulting in a fine or other penalty during 2018.

Pollution Prevention

Lion also implements voluntary initiatives for reducing emissions of chemical substances, including nitrogen oxides (NOx), sulfur oxides (SOx), particulate matter, and volatile organic compounds (VOC). We also strive to reduce Chemical Oxygen Demand (COD) with improvements in the reliability of the waste water processing



Data of environmental impacts of production sites in Japan (Japanese)
<https://www.lion.co.jp/ja/csr/report/pdf/domestic.pdf>

* PRTR system

A system to measure, compile, and publish emissions volume of chemical substances.

facilities through periodical maintenance.

Data on the management of chemical substances in compliance with the PRTR system* is available on Lion's website. We will continue to enhance our efforts for proper notifications and management of emission volumes.

Data of the amount of PRTR-Designated Substances released in production sites in Japan in 2018 (Japanese)

<https://www.lion.co.jp/ja/csr/env/enhancement/pdf/prevention.pdf>



Introduction of websites



Together with the Global Environment (Japanese)
<https://www.lion.co.jp/ja/csr/env/>



Every day. For the Earth. (Japanese)
<https://www.lion.co.jp/ja/csr/ecolion/#sec4>

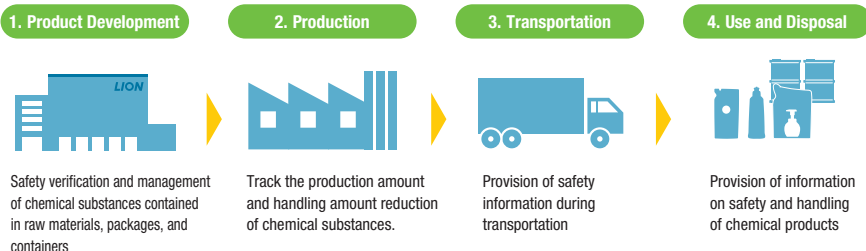
Enhancing Group-wide Management of Chemical Substances

Chemical substances are indispensable for people to lead comfortable and fulfilling lives. Failure to properly manage chemical substances, however, can result in accidents that put human health and ecosystems at enormous risk. In addition to compliance with related laws and regulations, Lion strives to ensure strict management of chemical substances at all stages

from Product Development to use and disposal in accordance with our own independent standards. We have been operating a "Management System for Information on Chemical Substances" at Lion's research and development sites since 2018.

[www](https://www.lion.co.jp/ja/csr/env/enhancement/) [Chemical Substance Management] (Japanese)
<https://www.lion.co.jp/ja/csr/env/enhancement/>

• Lion's Chemical Substance Management



Lion Group Environmental Initiatives

• Performance in Phase 3 (2018) of Eco Vision 2020

"Eco Vision 2020" is being implemented in phases 3 of three years each over a nine-year period from 2012 to 2020. The first fiscal year of Phase 3 (2018-2020) is 2018. In advancing toward

the final fiscal year of 2020, all the employees of the Lion Group worked together to promote environmental initiatives.

Description of Main Measures in 2018 for Key Categories (Greenhouse Gases, Water)



Greenhouse gas emissions from domestic business activities

49% reduction

(Compared to 1990, emission intensity per unit total revenue)

- Integration of production facilities
- Implementation of energy-saving activities



Greenhouse gas emissions from post-use productions in Japan

53% reduction

(Compared to 1990, emission intensity per unit total revenue)

- Making products more compact, switching to plant-based ingredient
- Expanding sales of refill products



Greenhouse gas emissions from overseas business activities

2% reduction

(Compared to 2017, emission intensity per unit of production)

- Promoting energy-saving activities at each plant



Water use in domestic business activities

48% reduction

(Compared to 2000, emission intensity per unit total revenue)

- Promoting water-saving activities



Recycle of factory waste water discharge

Chiba Plant

Recycling of waste water from production processes is in stable operation



Column 1

At our Tokyo Office (in the Ryogoku district), visualization of electric power usage was an efficient power-saving measure, and Lion was awarded the fiscal year "2018 Kanto Bureau of Economy, Trade and Industry Director-General's Award for Excellence in Energy Management by a Business Operator".

In addition, among the "Osaka Stop Global Warming Award" sponsored by Osaka Prefecture, where the Osaka Factory (Kashiwa City) and the Osaka Office (Osaka City) are located, both sites were awarded the "Osaka Prefectural Governor's Award" for as a particularly excellent business operator in preventing global warming.



Kanto Bureau of Economy, Trade and Industry Director-General's Award for Excellence in Energy Management by a Business Operator



Osaka Stop Global Warming Awards
 Osaka Prefectural Governor's Award

Contributed SDGs



● Achievements and Target Values in Phase 3 (2018) of Eco Vision 2020

Categories			Achievements in 2018	Target values for 2020
Realizing a Low Carbon Society	Greenhouse gases (domestic)	Within the company	(1) Reduction of greenhouse gases from business activities Emission intensity per unit total revenue 35% reduction (compared to 2010) 49% reduction (compared to 1990) Absolute quantity 48% reduction (compared to 1990)	Emission intensity per unit total revenue 34% reduction (compared to 2010) 49% reduction (compared to 1990) Absolute quantity 40% reduction (compared to 1990)
		Outside the company	(2) Reduction of greenhouse gases from post-use products Emission intensity per unit total revenue 9% reduction (compared to 2010) 53% reduction (compared to 1990) Absolute quantity 51% reduction (compared to 1990)	Emission intensity per unit total revenue 9% reduction (compared to 2010) 53% reduction (compared to 1990) Absolute quantity 41% reduction (compared to 1990)
	Greenhouse gases (overseas)	Within the company	(3) Reduction of greenhouse gases from business activities overseas*1 Emission intensity per unit of production 2% reduction (compared to 2017)	Emission intensity per unit of production 1% reduction year-on-year
		Outside the company	(4) Reduction of greenhouse gases from post-use products overseas Reduction of 52 thousand tons annually	Reduction of 100 thousand tons annually
Realizing a Sound Material-Cycle Society	Water	Within the company	(5) Reduction of water use in business activities Water use per unit total revenue 33% reduction (compared to 2010) 48% reduction (compared to 2000) Absolute quantity 47% reduction (compared to 2000)	Water use per unit total revenue 15% reduction (compared to 2010) 35% reduction (compared to 2000) Absolute quantity 23% reduction (compared to 2000)
		Outside the company	(6) Reduction of water use at households using our products Water use per unit total revenue 29% reduction (compared to 2010) 54% reduction (compared to 2000) Absolute quantity 52% reduction (compared to 2000)	Water use per unit total revenue 17% reduction (compared to 2010) 45% reduction (compared to 2000) Absolute quantity 33% reduction (compared to 2000)
	Waste		(7) Zero emissions within the company*2 Continued zero emissions at all domestic sites*4	Zero emissions at all domestic sites*4
	Waste water		(8) Recycle of factory waste water discharge*3 Stable operation of recycling waste water from production processes at Chiba Plant	Recycle factory waste water discharge at multiple plants
Harmonizing with Nature	Procurement		(9) Procurement of plant-derived oils considering biodiversity Continuing purchases of RSPO [®] -certified palm oil derivatives	All palm oil derivatives purchased to be RSPO certified
	Biodiversity		(10) Enhancement of biodiversity conservation activities Carried out in all of Lion's plants, with implementation expanding at offices of Lion and its affiliate companies	Carry out at all domestic sites
Education	Awareness and Education in the Society		(11) Enhancement of environmental education for consumers 2.2 times increase in number of customers participating in educational activities (compared to 2010)	100% increase in number of customers participating in our educational activities (compared to 2010)

*1 Target scope consists of our consolidated subsidiaries as of December 31, 2018.

*2 Achieve a 99% or better recycling ratio for total waste generated. However, this excludes recycling residues.

*3 Waste water from production processes





*4 Chiba Plant, Odawara Plant, Osaka Plant, Akashi Plant, Hirai Office Site, Sapporo Office, Sendai Office, Headquarters/Tokyo Office, Nagoya Office, Osaka Office, Fukuoka Office, Lion Chemical Co., Ltd. Fine Chemical Production Site, Lion Chemical Co., Ltd. Oleochemical Production Site, Lion Specialty Chemicals Co., Ltd. Yokkaichi Production Site, Lion Specialty Chemicals Co., Ltd. Ono Production Site, Lion Packaging Co., Ltd. Fukushima Plant

*5 Roundtable on Sustainable Palm Oil

● Realizing a Low Carbon Society / a Sound Material-Cycle Society

Lion has worked to reduce greenhouse gas emissions, as well as to recycle and effectively use resources, at each stage from raw material procurement to disposal. Detailed data is available on our website. We will promote activities toward realization of a low carbon society /a sound material-cycle society.

Overview of Our Business Activities Toward Realization of a Low Carbon Society / a Sound Material-Cycle Society

	Procurement of Raw Materials, Packages, and Containers 	Major Initiatives Undertaken by Lion 	Use by consumers 	Disposal by consumers 
Activities for realizing a low carbon society	<ul style="list-style-type: none"> ● Substituting plant-derived materials for petroleum resources → Related Information Web (1) ● Reducing the use of petroleum resources with biomass-derived container materials 	<p>Plants</p> <ul style="list-style-type: none"> ● Improving energy efficiency by reviewing production processes, introducing energy-saving equipment when upgrading facilities, and downsizing products → Related Information p.35 Column 1 <p>Office/Facilities</p> <ul style="list-style-type: none"> ● Company-wide energy-saving activities including at the Administrative/Sales Division and the R&D/Engineering Division → Column 1 <p>Distribution after shipment</p> <ul style="list-style-type: none"> ● Increasing the rate of modal shift during the transportation of products through such as shifting freight from truck to rail or ship → Column 2 ● Improving logistics efficiency through means such as by increasing the transport loading rate → Related Information Web (1) 	<ul style="list-style-type: none"> ● Education to increase environmental awareness through products (an environmental label is attached to products that meet the “Lion eco-standard”) → Related Information p.54 ● Reducing power consumption during the use of our power-saving products (decreasing the number of rinsing times when washing) 	<ul style="list-style-type: none"> ● Substituting plant-derived materials for petroleum resources ● Promotion of 3Rs (refills, condensing of content to make products more compact, and development of containers, e.g., recycled PET (polyethylene terephthalate) bottles and containers with thin-wall molding) → Related Information p.54, Web (2)
Activities for realizing a sound material-cycle society	<ul style="list-style-type: none"> ● Using plant-derived raw materials ● Using recycled materials 	<p>Plants</p> <ul style="list-style-type: none"> ● Promoting zero emissions within the company ● Reducing water consumption by recycling waste water from production processes and utilizing rainwater → Related Information Web (2) <p>Offices/Facilities</p> <ul style="list-style-type: none"> ● Promoting company-wide green purchases → Related Information Web (2) 	<ul style="list-style-type: none"> ● Education to increase environmental awareness through products (an environmental label is attached to products that meet the “Lion eco-standard”) → Related Information p.54 ● Reducing water usage during the use of our water-saving products → Related Information Web (2) 	<ul style="list-style-type: none"> ● Promotion of 3Rs (refills, condensing of content to make products more compact, and development of containers, e.g., recycled PET (polyethylene terephthalate) bottles and containers with thin-wall molding) → Related Information p.54, Web (2) ● Promoting the Toothbrush Recycling Program → Related Information Highlight (1) p.26

Web (1) [Realizing a Low Carbon Society] (Japanese) [URL https://www.lion.co.jp/ja/csr/env/climate/](https://www.lion.co.jp/ja/csr/env/climate/)

Web (2) [Realizing a Sound Material-Cycle Society] (Japanese) [URL https://www.lion.co.jp/ja/csr/env/resources/](https://www.lion.co.jp/ja/csr/env/resources/)

Column 2

Joint Award from the Minister of Land, Infrastructure, Transport and Tourism Award to Three Companies Operating in Different Industries for their Joint Transport Operations

In recent years, the logistics industry has been facing serious social issues, including issues such as driver shortages, rising distribution costs and CO₂ emissions. Under these circumstances, three companies operating in different industries but who are facing the same issues collaborated and started a joint transport operation with modal shift using ferries in August 2018.

As a result of their measures, the number of empty cars utilized was reduced significantly, which raised the transportation efficiency ratio of total trips^{*1}, relieved drivers of the need for prolonged operation and thusly improved the work environment and contributed to the reduction of CO₂ emissions^{*2}. These activities resulted in commendation as outstanding operators at the “Green Logistics Partnership Conference of 2018,” where the three companies were jointly awarded the Minister of Land, Infrastructure, Transport and Tourism Award.

At Lion, we will continue actively expanding our measures with corporations capable of acting as partners, regardless of their industry or area of business, and go on advancing the creation of a sustainable logistics network.



2018 Green Logistics Partnership Conference award ceremony



Contributed SDGs

Impact: round-trip operations between regional centers located in Kanto and Kyushu.

^{*1} Achieved over 99% ratio of loading trips to total trips





^{*2} Achieved 62% reduction in CO₂ emissions

● Harmonizing with Nature

Lion has taken initiative in responding to the water-related environment issues such as eutrophication in lakes and floating bubbles in rivers which is linked to the use of detergents, through consideration for biodiversity conservation at each stage from raw material procurement to disposal. However, in order to receive the blessings of biodiversity into the future, it will be necessary for us to coordinate with local communities to focus on conservation of biodiversity and promote sustainable use of the resources. Additionally, it is important to promote a shift in lifestyle of consumers through products that take biodiversity into consideration, and to contribute to the realization of a society harmonizing with nature.

To this end, Lion will contribute to the development of a sustainable society through its businesses by ascertaining the natural resources used in business activities and the impact on biodiversity throughout the supply chain. Furthermore, our company will carry out biodiversity conservation activities that will lead to the expansion of opportunities and reduction of environmental risks. Also, by having each of our employees participate in activities to conserve biodiversity as part of our environmental education, we will spread awareness of biodiversity conservation to all our office sites.

Overview of Our Business Activities that Take Biodiversity Conservation into Consideration

Biodiversity on which Lion relies		Watershed* ecosystem in raw material origination sites	Watershed ecosystem where our plants are located	Watershed ecosystem where consumers reside	
		Procurement of Raw Materials, Packages, and Containers 	Production 	Use by consumers 	Disposal by consumers 
Key natural resources used by Lion		<ul style="list-style-type: none"> Plants used as raw materials (oil palms etc.) Wood which becomes raw materials for paper used in packaging 	<ul style="list-style-type: none"> Cooling water and raw water for equipment cleaning etc., which are used in production sites 	<ul style="list-style-type: none"> Service water at the time of using our products 	—
Possible major impact of our activities on biodiversity		<ul style="list-style-type: none"> Impact of palm oil growers on natural environments and local communities (impact on wildlife habitats caused by illegal logging of tropical forests) Damage to forest environments which are the source of raw materials for paper 	<ul style="list-style-type: none"> Impact of underground water intake by production plants on surrounding natural environments and local communities Impact of waste water and exhaust gases from production plants on surrounding natural environments and local communities Impact of light and odors from production plants on surrounding natural environments and local communities 	<ul style="list-style-type: none"> Impact of water intake by consumers on the surrounding natural environments and local communities 	<ul style="list-style-type: none"> Impact of waste water and waste packaging materials generated by consumers on the surrounding natural environment and local communities
Biodiversity conservation activities	Activities to reduce risks	<ul style="list-style-type: none"> Promotion of procurement of sustainable palm oils (participation in RSPO and purchase of RSPO-certified oils) Related Information p.49 Promotion of forest conservation (use of third-party certified paper) Related Information p.49 	<ul style="list-style-type: none"> Reduction of production plant wastes Related Information Web (2) Reduction of water consumption at plants Related Information Web (2) Conservation of rivers and other ecosystems by implementing purification technologies on discharged waste water 	<ul style="list-style-type: none"> Development of water-saving products Development of highly biodegradable detergents Related Information Web (2) 	<ul style="list-style-type: none"> Surveying environmental impact of surfactants Related Information Web (3)
	Activities to expand opportunities	—	<ul style="list-style-type: none"> Conservation and monitoring of habitats on the watershed where production plants are located (Activities include protection of endangered loggerhead sea turtles, maintaining biotopes, removal of non-native species on beaches. Related Information Web (4) 	<ul style="list-style-type: none"> Educational activities for consideration of water and natural environments (activities include forest maintenance under the name of Lion Forest in Yamanashi, and water-related environmental research support through the Japan Society on Water Environment) Related Information p.55 	<ul style="list-style-type: none"> Promotion of 3Rs (refills, condensing of content to make products more compact, and development of containers, e.g.. recycled PET (polyethylene terephthalate) bottles and containers with thin-wall molding) Related Information p.54, Web (2)

* Watershed: Ecosystems including forests, rivers, domestic woodlands (satoyama), tidal flats and beaches that are connected by water.

Web (3) [Harmonizing with Nature] (Japanese) [URL](https://www.lion.co.jp/ja/csr/env/biodiversity/) https://www.lion.co.jp/ja/csr/env/biodiversity/

Web (4) [Biodiversity Conservation Initiatives at Each Production Site] (Japanese) [URL](https://www.lion.co.jp/ja/csr/biodiversity/) https://www.lion.co.jp/ja/csr/biodiversity/

New Environmental Objectives:

Since the foundation, Lion has developed and provided products using plant-derived substances as raw materials. We have been taking measures for long time through products and communication to address water environmental issues and climate change issues on a global scale. We have positioned the implementation of measures for a sustainable global environment as a key issue, and aim to achieve a balance between a sustainable society and business development.

Sustainable Development Goals (SDGs) and the Paris Agreement which are shared global issues, are reaching the stage of execution. The Lion Group took a long-term perspective and established new environmental objectives in the LION Eco Challenge 2050, with a view to the year 2050 in June 2019.

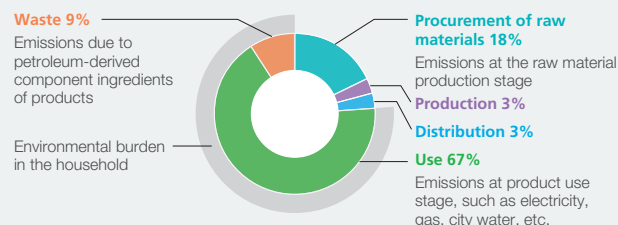
Aims for a “Decarbonized Society” and a “Resource-Circulating Society”

Responding to global environmental issues, such as abnormal weather caused by climate change, water resource shortages, marine plastic waste, and other such problems, has become urgent. Our products which are close to consumers contribute to the comfort and convenience of their lives. However, they have an impact on the environment at the various stages in the supply chain from procurement of raw materials to production and distribution. The environmental burden is great at the stages of product use and disposal in the household, in particular.

The LION Eco Challenge 2050 identifies priority issues from the product life cycle perspective. The challenge is to resolve

issues of decarbonization, plastics, and water resources with aims of realizing for a “Decarbonized Society” and a “Resource-Circulating Society.”

CO₂ emissions in the product life cycle of Lion (2018)



Making Living Ecologically Sound

By innovation (innovative technology) and collaboration with various stakeholders, Lion is providing consumers with products and services that carry out the “ReDesign of everyday rituals.” At the same time, by two-way communication, we are also aiming to realize “living comfortably with ecologically sound life.” We intend

to expand this further, from the lives for all to their communities, and then globally.



Healthy future for people and the planet

The Lion Group is creating shared value with society through its business toward the realization of sustainable society and promoting activities for the achievement of LION Eco Challenge 2050. It will greatly contribute to the world that the SDGs aims to achieve.

The Lion Group will act together to implement measures while collaborating with all of our stakeholders toward healthy future for people and the planet.

Related SDGs on the Environmental issue



Column

Support of the TCFD Recommendations

In May 2019, Lion has expressed its support for the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations.

*TCFD is the abbreviation for Task Force on Climate-related Financial Disclosures. The purpose of this recommendations is to understand the financial impact on the risks and opportunities posed by climate change and to disclose information. As of May 2019, there are 600 or more financial institutions, companies, governments, and other organizations around the world that support the TCFD Recommendations.



LION Eco Challenge 2050

Healthy future for people and the planet

The Lion Group has aimed to realize a society that is both decarbonized and resource-circulating by 2050 and will contribute towards a sustainable global environment, while striving to achieve business growth.

- 1 Through all of its businesses, the Lion Group will address the issues of “Decarbonization (climate change)” and “Resource Circulation (plastics, water resources)” to contribute to the realization of a future in which both people and the planet are healthy.
- 2 By offering products and services based on an environment-conscious design, the Lion Group will reduce the environmental burdens produced in households throughout the life cycle of the products.
- 3 The Lion Group will promote “the habit of an eco-friendly lifestyle” without excess work or sacrifices by engaging in interactive communication with its consumers and by providing products that contribute naturally to environmental conservation.

Challenges for a
Decarbonized Society



Challenge 1:

Lion will reduce CO₂ emissions to zero throughout business activities by 2050.

• By 2030, CO₂ emissions reduced by **30%** in comparison to 2017 levels in absolute quantity



Challenge 2:

Lion will reduce CO₂ emissions by half throughout the life cycle of products by 2050.

• By 2030, CO₂ emissions reduced by **30%** in comparison to 2017 levels in absolute quantity

Challenges for a
Resource-Circulating Society



Challenge 3:

Lion will create an advanced resource-circulation for plastics by 2050.

• By 2030, promotion of the 3Rs (Reduce, Reuse, Recycle) and Renewable (use of sustainable resources), and use of doubles the amount of recycled plastics and bio-mass plastics in comparison to 2017 levels in absolute quantity



Challenge 4:

Lion will optimize water usage for sustainability by 2050.

• By 2030, **30%** reduction in water usage throughout the life cycle of its products in comparison to 2017 levels per unit of total revenue

Commentary

The Lion Group operates under the corporate slogan “life. love.” Acting from “Today for each person,” we have been working to reduce our environmental impact through our products and business activities. The environmental problems that have recently emerged on a global scale are growing more serious by the day. Climate change, resource depletion, water shortages, and other such various issues intensify while becoming interrelated, and they are posing threats to our health and our lives.

It is not easy to resolve these issues.

As a “Becoming an advanced daily healthcare company,” the Lion Group will challenge to realize a “Decarbonized Society” and a “Resource-Circulating Society” through partnerships with all stakeholders. By doing so, we will aim to realize a healthy future for people and the planet.

We will develop and provide eco-friendly products and services that, just by using them, will lead naturally to “eco-habits” without excess work or sacrifices. A future when living comfortably and in good health contributes to living an ecologically sound life. This is the future that the Lion Group promises to you and the planet.

Human Rights

Related SDGs



Basic Approach

The Lion Group recognizes the importance of respecting human rights, and we ascertain the risks to human rights that may occur over the supply chain, from “Procurement of raw materials, packages and containers” to “Use by consumers”. In promoting global business development, we have identified “Respect for human rights” as 2020 Sustainability Material Issues and we will promote business activities based on the “LION Human Rights Policy”.

In January 2019, based on the “United Nations Guiding Principles on Business and Human Rights”, we established the “LION Human Rights Policy” in order to further clarify Lion’s stance on human rights abuse as well as our global efforts and related matters.

LION Human Rights Policy

1 Objective and Ideals

LION Group implements a variety of measures to realize the “fulfilling a spirit of love”, which is our basic management policy.

To illustrate, our “Lion Group Charter for Corporate Behavior” provides for “respect of human rights”, “observing both the spirit as well as the letter of all applicable laws and international rules”, whilst our “Behavioral Guidelines” also provides for non-tolerance of child labor and forced labor, equal employment opportunities, fair treatment of employees and also indicates respect for human rights by suppliers.

Furthermore, we expressed support of the “10 principles of the United Nations Global Compact” in 2009.

We hereby set forth “LION Human Rights Policy” to put in statutory form our endeavors to implement these measures because respect for human rights is indispensable for people’s living, pursuing happiness and improvement of quality of human life.

2 Respect for Human Rights

(1) LION Group supports and respects such international norms on human rights as “International Bill of Human Rights” (Universal Declaration of Human Rights, International Covenant on Economic, Social and Cultural Rights and International Covenant on Civil and Political Rights), “United Nations Global Compact” and “ILO Declaration on Fundamental Principles and Rights at Work”.

(2) LION Group will not trigger or foment any adverse impact on human rights through its corporate activities. In the event of occurrence of such adverse impact on human rights, we will take remedial actions appropriately.

(3) LION Group will, even where it is not directly fomenting any adverse impact on human rights, oppose and further endeavor to mitigate any adverse impact on human rights through relevant transactional activities.

3 Management System for Respect of Human Rights (Human Rights Due Diligence)

(1) LION Group will monitor and evaluate any adverse impact on human rights or fomentation thereof triggered by its corporate activities and any such adverse impact directly relevant to its corporate activities.

(2) LION Group will collect information pertaining to the risk of generating any adverse impact on human rights not only from LION Group but also from such parties as suppliers with close ties to LION Group and further endeavor to prevent actual manifestation of such risks.

(3) LION Group will endeavor to maintain and develop such effective devices as whistle-blowing hotlines with a view to identifying and adequately tackling any adverse impact on human rights.

4 Dialogue and Discussion

LION Group will, in the event of actual or threatened occurrence of any adverse impact on human rights, take opportunities to dialogue and sincerely discuss with relevant stakeholders.

5 Education

LION Group will continuously educate employees so that the whole group becomes more familiar with correct knowledge about respect for human rights.

6 Remedies

Whenever it has been revealed that any adverse impact on human rights has been triggered or fomented by LION Group, LION Group will endeavor to take remedial actions by appropriate means.

7 Disclosure of Information

LION Group will, from time to time, disclose and publish the status of our own endeavors in the field of respect for human rights and the like on its website and others.

Established January 1st, 2019

Promotion System

The department in charge of corporate ethics, the Corporate Planning Department, and the CSV Promotion Department will be responsible for understanding trends in human rights in society. When a new problem emerges, they take measures to address

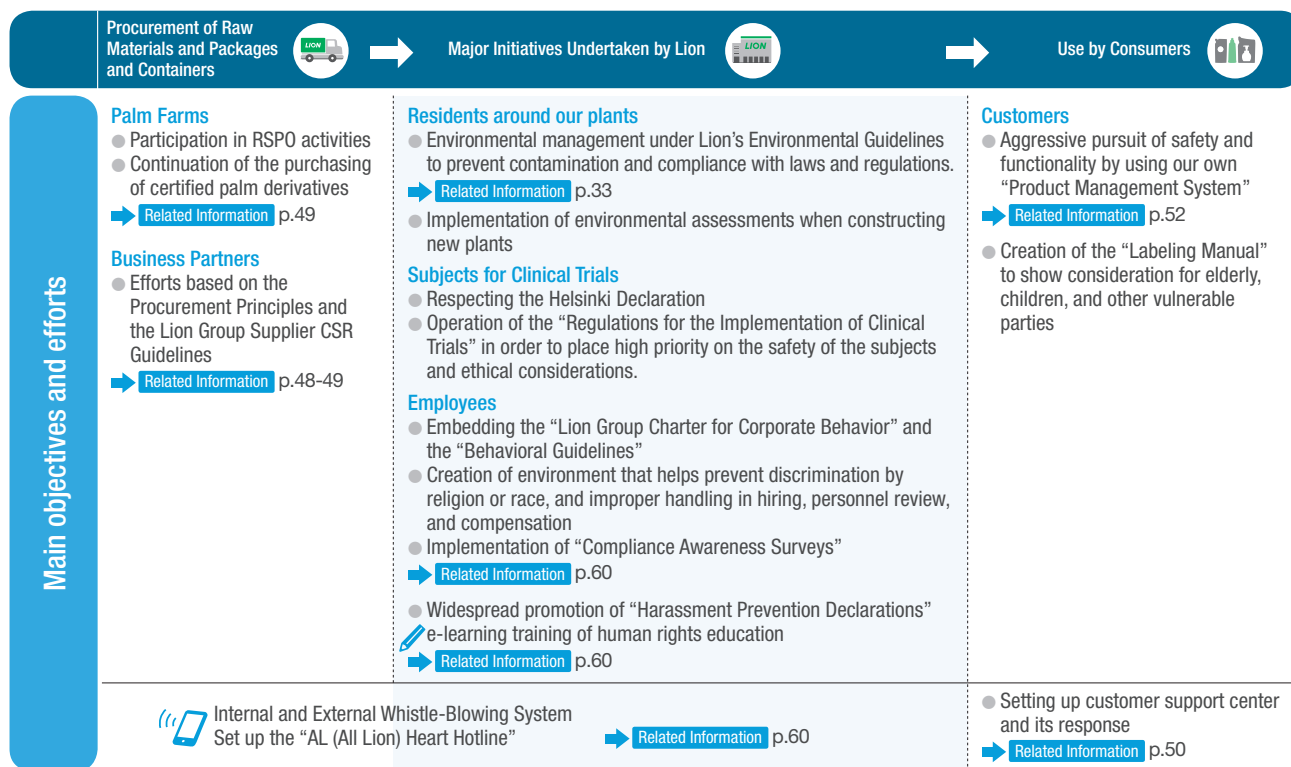
it as necessary in coordination with the relevant divisions, including the Legal Department, the International Division and the Purchasing Headquarters.

Measures to Prevent Human Rights Abuse: Human Rights Due Diligence

We are taking steps to enhance our arrangements for ascertaining, reporting, correcting and conducting follow-up activities with each stakeholder regarding the possible impact on human rights

by our business activities from “Procurement of raw materials, packages and containers” to “Use by consumers”.

An Overview of Lion's Measures to Prevent Human Rights Abuse



Implementation of human rights education

We conduct periodic e-learning training for all employees in order to spread a correct understanding of the respect for human rights more widely within the entire Group. We have been actively working on preventing harassment occurrences by adding “Maternity Harassment” in 2017 and “LGBT” content in 2018.

In 2019, we added new training content on “LION Human Rights Policy” and are acting to make it widely known in the Group.

Set up and More Widely Publicize Internal and External Whistle-Blowing System and Consultation Points

Our company has set up the internal and external “AL (All Lion) Heart Hotline” as a whistle-blowing system. The “Compliance Awareness Survey” of all employees, including temporary staff, which we conduct annually, is used to determine the state of awareness of the “AL Heart Hotline” as well as to explain the contact points where people can whistle-blow. In 2018, the recognition rate among employees was 98.5%.

Lion will continue to make all employees aware of these steps and work to respect for human rights throughout all corporate activities.

(For details, please see “Widespread Adoption of Compliance Perspectives and Practices” on p. 60)



Initiatives for Compliance in Overseas Group Companies

Southern Lion (Malaysia) is distributing an “Employee Handbook” with CSR policies and stance to human rights to all employees. They have also created a “Code of Conduct” that summarizes important items from the Lion Group's basic approach and are working to widespread awareness of it among employees.



Introduction to Websites

Respect for Human Rights(Japanese)

<https://www.lion.co.jp/ja/csr/humanrights/duediligence/>



Labor Practices

Related SDGs



Basic Approach

In the “Lion Group Charter for Corporate Behavior”, Lion calls for “promotion of fair treatment respecting the diversity, individuality and personalities of our employees” and “ensuring a safe and comfortable workplace to realize the mental and physical well-being of our employees.” Also included in the “Behavioral Guidelines” are “to promote a healthy work-life balance and strive to maintain work environments that flexibly allow a variety of working styles,” “do our utmost to assist employees who strive to learn specialized skills and knowledge and aim for ambitious goals” and “engage sincerely in dialog and discussion with employees and their representatives.”

Promoting Amicable Labor-Management Relations

Lion executes labor agreements with the Lion Workers’ Union for the purposes of promoting sound labor-management relations based on mutual understanding and trust, observing the “Lion Group Charter for Corporate Behavior” by realizing the social mission and responsibilities of the company and its workers’ union, and working together to achieve growth of the company’s business and maintain/improve working conditions of union members. The agreements provide that: the company shall recognize freedom of lawful union activities by union members; the company shall not unfairly treat union members by reason thereof; and the company and the union shall have labor-management meetings on a regular basis to consult with each other on an equal position.

Operating under a union shop agreement, Lion has endeavored to build amicable labor-management relations, in which employees

and management proactively conduct activities such as reporting on business conditions and exchanging opinions about the working environment at labor-management meetings. In overseas Group companies, we are actively establishing communication between employees and management in order to create a better work environment, and strive to establish and maintain a sound labor-management relationship, through the labor-management meetings.

Union Shop Agreement

A labor agreement in which a worker is employed by a company on condition of becoming a member of a specific labor union.

Developing Human Resources

● Improvement of Training Systems

Newly Establish Lion Career Village (LCV)

In the past, we have implemented the level-specific training system in order to enhance individual abilities and connect them to organizational strength. From 2019, as we address changes in learning styles, we are also reviewing our level-specific programs in order to create learning opportunities and spreading the individual energy for learning broadly throughout the organization. In this way, we are putting together an environment that allows highly ambitious, motivated employees to generate dynamism throughout the organization.

Continuing the Marketing Study Program

The “Marketing Study Program” has been implemented continuously in the Marketing Division since 2014. This program offers systematic studying opportunities such as practical theory

learning of marketing and planning design based on consumer insights and competitive strategies. In addition, we are developing marketing personnel linked to the career path.

Fostering the Next Generation of Management

The Lion Management Consortium (LMC) is held mainly for the next-generation management candidate of overseas Group companies. On the fourth time, held in 2018, we implemented a program to review business projects. In addition, we give an opportunity for employees to look overseas as part of human resource development in order to accelerate growth of our overseas business, such as participation in International Conference Presentations and inspection training.



Scene of plant tour
at Southern Lion
(Malaysia)

• Cultivating Personnel Who Create Innovations:

ReDesign FORUM

The “ReDesign FORUM” was held with the aim to convey directly to management the passionate desire of employees, particularly from young employees, to bring change to the company and to rapidly implement their proposals.

(Please see Highlight 2, for more details)

LION CHALLENGE CUP – Innovation

The “Fourth LION CHALLENGE CUP – Innovation” was held in 2018 to enable employees to convey “dream-inspiring proposals

Promoting Diversity

In order to respond promptly to changes in the business environment, we are promoting on “Diversity”.

A team responsible for diversity has been set up within the Personnel Department and has been implementing a variety of measures to promote diversity while fusing management and employee perspectives.

• Regionally Based Employees Program

Since 2013, Lion has had the Regionally Based Employees Program with the aim of finding and securing excellent personnel from among our temporary employees, who are contributing greatly to the company, as well as enabling regular employees to choose diverse working arrangements. The regionally based employees can select their workplace from seven regions in Japan. Their compensation and benefits are at a similar level to regular employees.

Number of Appointed Personnel

2016	2017	2018	2019 (April)
9 persons	5 persons	17 persons	0 person

• Approach for the Promotion of Women’s Participation and Advancement in the Workplace

Lion is deeply aware that it is essential for women to work actively in order to further strengthen our corporate value, and hence we have addressed measures to advance the active participation of women in their workplace. In line with the “Act on Promotion of Women’s Participation and Advancement in the Workplace”, an act enacted by the National Diet in 2016 to promote activities by women as a part of their workplace, Lion has improved childcare-related systems and implemented support measures for balancing work and child-care so that they can continue to work for a long time.

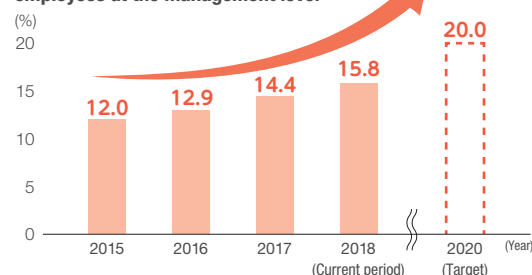
We are also making efforts to increase the percentage of female employees at the management level to 20% or higher by 2020. In 2018, the percentage of female employees at the management level was 15.8% (2017: 14.4%). Lion’s Action Plans in accordance with the “Act on Promotion of Women’s Participation and Advancement in the Workplace” and Declaration for the Promotion of Women’s

for Lion” to the management. There were thirty-two entries. The themes for this competition were chosen by the participants who formed teams to present their research results directly to management. One team was awarded the gold prize and two teams won bronze prizes. The winning themes will be put through feasibility studies at the related divisions.

In 2019, we will replace this program with new program called “NOIL” to generate business with new value. For “NOIL,” we will recruit business ideas based on the “business that breaks common sense of healthcare” to employee of Lion and domestic Group companies. Aiming for creation of new business, we will brush up with the support of an external company.

Participation and Advancement in the Workplace are available on the “Positive Action (Women’s Promotion) Information Portal Site,” a project commissioned by the Japanese Ministry of Health, Labour and Welfare.

Transition of the percentage of female employees at the management level



* Personnel in a managerial position, which is at the level of an assistant manager or higher.

www.wwv.jp/

Declaration for the Promotion of Women’s Participation and Advancement in the Workplace (Japanese)

<http://positiveaction.mhlw.go.jp/declaration/>

Lion’s Action Plans in Accordance with the Act of the Promotion of Women’s Participation and Advancement in the Workplace (Japanese)

http://positiveaction.mhlw.go.jp/declaration/add/search_detail/?id=1664

• Active Promotion of People with Disabilities

In order to make full use of individual abilities regardless of whether there is a disabilities or not, we proactively promote people with disabilities thus developing a corporate culture to improve the working environment and support such individuals in the entire workplace. In March 2016, we established a special subsidiary, Lion Tomoni Co., Ltd. and are promoting people with disabilities. Lion Tomoni Co., Ltd. has 26 employees and 9 instructor (as of December 31, 2018) engaged in the activities such as the management of interoffice mail and printing business cards for all Lion employees.

Employee Data

		2015	2016	2017	2018
Employees	Number of Male	2,268	2,239	2,203	2,267
	Number of Female	758	775	821	917
Female employee ratio (%)	%	25.0%	25.7%	27.1%	28.8%
New employees* ¹ (New graduates)	Number of Male	57	49	57	63
	Number of Female	28	29	36	33
Re-hired retirees	Number of people	262	250	216	210
	%	8.7%	8.3%	7.1%	6.6%
Temporary employees	Number of people	461	467	458	532
Female employees at the management level* ²	Number of people	135	149	170	186
	%	12.0%	12.9%	14.4%	15.8%
Employees with Disabilities	Number of people	51	55	63	76
	%	2.0%	2.2%	2.4%	2.8%
Employees who took childcare leave	Number of Male	5	2	8	16
	Number of Female	33	53	57	53
Employees who took shorter work hours for childcare	Number of Male	0	0	0	0
	Number of Female	58	40	57	60
Average overtime per month (hours)* ¹	Hours	12.1	12.3	12.5	13.7
Annual paid leave used* ¹	%	51.8%	55.1%	50.7%	60.3%
Average service years	Number of Male (years)	19.8	20.3	20.4	19.6
	Number of Female (years)	17.4	18.0	18.0	16.8
Employees who resigned within three years of entering the company* ¹	Number of people	6	4	1	2
	%	2.4%	1.6%	0.4%	0.8%

Applicable Scope : Non-consolidated (includes employees assigned to affiliates)

*¹ Some errors were found in past data and hence the figures have been revised.

*² Female employees at the management level: Chief manager who take on an administrative position.
(Data is non-consolidated; excluding employees assigned to affiliates.)

Employee data related to domestic group companies are available on the website (Japanese).

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

Promoting Work-Life Balance

Lion strives to establish the working environment where employees can produce results while emphasizing work-life balance.

• Building an Environment Where Employees Can Work Dynamically

Since 2010, Lion has worked to reduce prolonged work and encourage employees to take paid leaves. In 2018, a weekly “No-overtime day” and monthly “No-overtime week” were implemented. In order to facilitate understanding of management of working hours, e-learning is provided for all employees. Furthermore, under a labor-management agreement, we proactively encourage employees to systematically take at least three days paid leave per year with the aim of having them take more than 70% of paid leave. We will make continuous efforts in this regard.

• Programs to Support a Balance Between Work and Nursing Care

As part of creating an environment that allows employees to continue to work without anxiety, Lion has enhanced support for employees engaged in nursing care. In addition to ordinary annual paid leave, we have in place programs for nursing care, including accumulated leave for medical nursing care (accumulation of expired annual paid leave), shorter work-hours for nursing care (Short Hours Flextime System), and nursing care leave expanded

up to 365 days (minimum unit of one day). At the same time, we have introduced a website to targeted employees aged 40 and provided a variety of information on nursing care.

• Work-at-Home System

The Work-at-Home System was introduced in 2015, as a flexible way of working that is not limited inside the office. Lion has been making efforts to raise business productivity and improve employees’ work-life balance. We expanded the system to make it usable for more employees starting from 2019.

• Initiatives to Comply with the Act on Advancement of Measures to Support Raising Next-Generation Children

Lion has formulated an Action Plans in accordance with the “Act on Advancement of Measures to Support Raising Next-Generation Children”, and we are actively working to create an environment where all employees can exercise their capabilities fully while achieving a balance between work and childcare. As a result, we have achieved all the goals in our plans from Phase 1 to 5, and we have received “Kurumin” certification as a company that supports childcare. Our company have also received an exceptional “Platinum Kurumin” certification from the Minister of Health, Labour and Welfare as a company working on even higher-level standards in Phase 5.

In the present period, we have newly formulated a 6th Phase of our Action Plan with the period from February 2019 to December 2022.

We will continue building a work-friendly environment that allows employees to achieve a balance between work

and childcare as well as to demonstrate their capabilities.



Act on Advancement of Measures to Support Raising Next-Generation Children Phase 6 Action Plan

Goals 1

Within the period of the Action Plan, implement support measures to create a working environment in which employees on childcare leave can smoothly return to work.

<Action>

- Start the Lion Career Village System and provide support for self-study while on childcare leave and for career development after return to work.
- Provide occasions for exchanging opinions on career development at back-to-work seminars with in-house instructors. Also provide explanations of the childcare leave system for the superiors of employees taking childcare leave.

Goals 2

Within the period of the Action Plan, have 13% or more of male employees take paternity leave, one or more taking related leaves and 30% or more of employees take childcare or special leave (for childbirth).

<Action>

- Introduce the childcare leave system to employees who submit childbirth notification and to their superiors, and provide advice promoting use of such leave.
- Use internal newsletters to introduce cases of employee taking such leave and promote use of this system as a shared experience that enhances work-life balance.

Goals 3

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

<Action>

- Expand target departments and employees for work-at-home system. Hold group briefings, workplace briefings, individual consultations, and other similar events to promote understanding and use of the system.
- Use internal newsletters to introduce cases of employee taking such leave and promote use of this system as a shared experience that enhances work-life balance.
- Improve the system after analyzing the system usage status at each workplace and the results of usage details.

Enhancing Group-wide Occupational Health and Safety Management System

We are taking steps to enhance our Occupational Health and Safety Management System in order to achieve our Group objectives of “Zero serious accident and zero serious incident” through a Lion Group. We hold a “Safety, Hygiene and Disaster Prevention Meetings” twice a year chaired by top management personnel, where ongoing initiatives are promoted with the goal of fully eliminating risks related to facility safety and occupational safety across the entire company. Our company has added “disaster prevention” items into the “Occupational Safety and Health Management System (OSHMS)” based on the guidelines of Japan’s Ministry of Health, Labour and Welfare and has established Lion’s unique “Safety, Hygiene and Disaster Prevention Management System” for domestic group companies and started its operation from 2009. And we are striving to raise standards of Safety, Hygiene and Disaster Prevention Activities.

Our domestic companies are also actively providing support to overseas Group companies to aid in preventing occupational accidents. In 2018, we established a “Safety and Disaster Prevention Promotion Department” directly below the management level, further strengthening the Lion Group’s Occupational Health, Safety and Disaster Prevention Management System.

* Occupational Safety and Health Management System (OSHMS)
A system to voluntarily conduct continuous safety and health management through PDCA.

www

In Collaboration with Our Employees (Japanese)
<https://www.lion.co.jp/ja/csr/employee/>



• Occupational Safety

In 2018, the number of labor-related accidents was 26 (excluding 8 cases which occurred during commutes to work). If any occupational accidents occur, the Safety Management Secretariat at our Headquarters conducts on-site investigations, thoroughly identifies the causes and takes thoroughgoing corrective response measures. In order to prevent occupational accidents, it is crucial to enhance our safety management system and heighten our awareness of occupational safety. We will continue to promote measures to further improve individual safety awareness and sensitivity.

Number of Employees who Participated in Risk Simulation Training (Safety Training) in 2018
(Internal education)

Chiba Plant	Odawara Plant	Osaka Plant	Akashi Plant	Total
436 persons	51 persons	122 persons	58 persons	667 persons

• Safety of Facilities

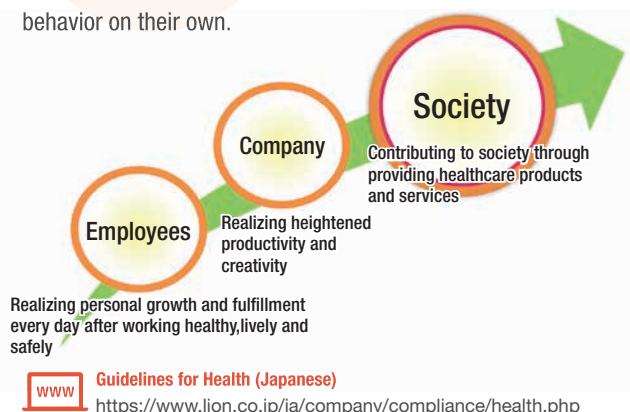
Our company conducts facility inspections to maintain safety through daily routine inspections and regular maintenance. Our diligent performance of maintenance inspections contributes to the ability to prevent failures and accidents before they occur. There were zero facility-related accident in 2018. We will continue to focus our efforts on passing down the technical know-how to our employees as well as on providing facility-related training.

Lion-Style Activities for Making Healthy Behavior Habituals

Employee's behavior with a high level of health awareness and efforts to acquire sound health habits spontaneously is a contributing factor in the personal growth and life satisfaction of a corporate citizen who has a full grasp of health maintenance and improvement as well as work satisfaction. And it leads to the improvement of corporate productivity and creativity, and we believe that we can contribute to the whole society through sustainable growth.

From 2019, we are adopting the concept of "ReDesign the health behavior to make it more natural, easy and enjoyable" for implementation of "Lion-style Health and Productivity Management 'GENKI' Action". This is our initiative to encourage

employees to practice of heightened health awareness and health behavior on their own.



Lion-Style Health and Productivity Management "GENKI" Action

Good life **En**hancement for **(K)**今日を**(I)**愛する*。 * Life. Love in Japanese



<Key Measures>

1. Establish an individualized health information system

We will work on development of a mechanism that makes use of AI to forecast future risks of lifestyle-related diseases and contribute to voluntary behavior that improves health habits.

2. Promote preventive dentistry habits

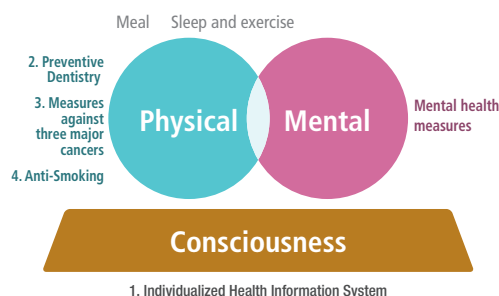
We aim to be a company where all employees practice preventive dentistry through self-care and regular visits at dental clinics and others as a leading company of oral care.

3. Strengthen measures against three major cancer: lung cancer, stomach cancer and colon cancer

In order to prevent cancer, we will establish a system that allows you to receive voluntarily and periodically the screening examinations at regular health checkups according to age and more accurate cancer examinations for applicant, and consequently will lead to early detection and treatment.

4. Anti-Smoking measures

We will implement an on-line program to support anti-smoking and improve our environment to make anti-smoking easier.



• Mental Health Initiatives

Lion established the "Mental Health Basic Policy" in 2004, and continually and systematically promoted mental care for employees based on the "Guidelines for Maintaining and Improving Mental Health of Workers". In 2018, 99% of employees took the stress level check test. The results are compiled and analyzed by section/department in such a way that individuals cannot be identified. And the feedback is sent to responsible officers, applied in manager training and otherwise applied to our ongoing organizational measures.

• Management System

We are building a management system in which management level, led by the president, participates in strengthening initiatives and accelerating the deployment of our measures. Actual measures developed include promoting cooperation between the Health Support Office (including industry physicians and carers), the Lion Health Insurance Society, and the person responsible for health management at each office.

[www Health Management Program for "Mental", "Physical" and "Consciousness" \(Japanese\)](https://www.lion.co.jp/ja/csr/employee/health/#program)

• Dental Checkups for All Employees

In collaboration with the Lion Foundation for Dental Health (LDH), we are implementing dental checkups for all employees annually from 2002. In recent years we have introduced the Salivary Multi Test (SMT) system and oral cameras to carry out oral health guidance.

[www Preventive Dentistry Data on Lion Employees \(Japanese\)](https://www.lion.co.jp/ja/csr/employee/health/pdf/lion_health.pdf)

We will implement a variety of measures geared towards specific age groups under the themes of "Mental", "Physical" and "Consciousness" in order to realize "healthy minds and bodies for all".

Selected as a "White 500, 2019 Certified Health and Productivity Management Organization Recognition Program"

Lion has been recognized as a "White 500, Outstanding Certified Health and Productivity Management Organization" for three consecutive years.



Fair Operating Practices

Related SDGs



Basic Approach

In accordance with the “Lion Group Charter for Corporate Behavior” and the “Behavioral Guidelines”, we have made efforts to “engage in fair, transparent and free competition and proper transactions” while “maintaining sound and proper relationships with governmental and political bodies.” We also require business partners to comply with laws and regulations. In 2009, Lion expressed its support for the ten principles of the UN Global Compact. In 2019, we further set out the “LION Anti-Bribery Principles” and clarified our stance on preventing corruption such as bribery.

Instituting the LION Anti-Bribery Principles

In accordance with the global trend of reinforced legal regulations against the acts of bribery and corruption, we set forth the “LION Anti-Bribery Principles” in 2019.

We will thoroughly conduct business activity in compliance with laws and regulations of the countries and regions where we operate.

<Essence>

- (1) Commitment to prevent the acts of bribery and corruption as the Lion Group based on the Charter of Corporate Behavior
- (2) Elimination of profits by the acts of bribery and corruption, and request cooperation for business partners
- (3) Designation of general manager for Anti-Bribery and establishment of compliance system



LION Anti-Bribery Principles

<https://www.lion.co.jp/en/company/compliance/anti-bribery.php>

Toward the Sustainable and Responsible Procurement

In our supply chain effort, we believe that our key issues are to strengthen corporation with our raw material manufacturers and outsourcing contractor partners and establish responsible supply chain management. In order to alleviate any negative impact from our business activities on the environment and society, and to sustainably develop mutual operations, both our suppliers and

our company need to deepen the sustainability based on the “Procurement Principles”.

Also, regarding the palm oils which are Lion’s primary plant-derived oils used as raw materials, we are aware that it is critical to promote sustainable procurement and are proceeding with it.



Procurement Principles

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

• Promotion of Sustainability with Raw Material Manufacturers and Outsourcing Contractors

We request a self-checks every year based on the “Lion Group Supplier CSR Guidelines*”, which shows the sustainability initiatives expected from raw material manufacturers and outsourcing contractors. In 2018, Lion Corporation Korea, an

overseas Group company in South Korea, initiated self-checks for 162 business partners. We will continue to promote sustainable and responsible procurement activities with our business partners.

* Lion Group Supplier CSR Guidelines and Glossary

Guidelines including the following 5 subjects and 21 items

1.Human Rights/Labor Practices 2.The Environment 3.Fair Operating Practices 4.Consumer Issues 5.Compliance



Japanese	https://www.lion.co.jp/ja/csr/businesscustom/valuechain/pdf/jpn.pdf
English	https://www.lion.co.jp/ja/csr/businesscustom/valuechain/pdf/eng.pdf
Chinese	https://www.lion.co.jp/ja/csr/businesscustom/valuechain/pdf/cn.pdf
Korean	https://www.lion.co.jp/ja/csr/businesscustom/valuechain/pdf/kr.pdf

Timeline of Sustainable and Responsible Procurement Initiatives

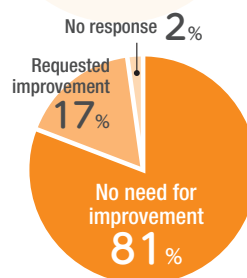
2005	Instituted the “Basic Policy Regarding Purchasing” and implemented appropriate procurement of raw materials and products.
2008	Established the “Procurement Principles” that clarified our social and environmental considerations. Conducted a questionnaire survey for domestic and overseas raw material manufacturers and outsourcing contractors about their corporate activities regarding legal compliance, product service quality and safety, environmental considerations, labor practices and human rights, and fair business transactions.
2013	Revised the “Procurement Principles” and clarified our stance to select business partners in light of legal compliance, environmental conservation, and respect for human rights. Instituted the “Lion Group Supplier CSR Guidelines” and asked our business partners to conduct self-checks on their sustainability measures.
2014	Introduced an online CSR self-check system.
2019	Set forth the “LION Human Rights Policy” and the “LION Anti-Bribery Principles”, and clarified the stance of our initiatives for sustainable and responsible procurement.

• The PDCA Cycle for Supplier Sustainability Self-checks



In order to have the suppliers understand the importance of addressing sustainability, we have devised a description of the circumstances surrounding sustainability in our request documents of the self-checks. The self-checks has three stage of checking metrics and glossary in accordance with the level of each initiative.

• Supplier Sustainability Overall results and its progress of Supplier Sustainability Self-checks (2018)



Response Rate Trend and Targets

2016 results	94%
2017 results	99%
2018 results	98%
2020 objective	100%

Number of companies monitored:

A total of 610 raw material manufacturers and outsourcing contractors of Lion domestic group (534 domestic and 76 overseas)

2018 Results Summary

- The response rate in 2018 was 98%, and the average score was 2.67 in three stages of 1 to 3 points, confirming that sustainability measures are being taken across the entire supply chain.
- We are currently requesting cooperation from the 15 suppliers who did not respond, through interviews and other measures.

Aiming for Sustainable Procurement of Palm Oils

We are actively promoting the utilization of plant-derived materials that are carbon neutral and non-depletable. As one of the plant-derived materials, we are using derivatives of palm oil – an oil that is globally produced in large quantities. Palm oils are mainly produced in Malaysia and Indonesia.

Palm oil production is increasing year by year because it is highly productive and can be harvested throughout the year. However, with the rapid expansion of production, a number of issues, such as the logging of tropical forests for development of new farms and the shrinking of wildlife habitats accompanying it, etc., have risen at the production areas. Also, due to inappropriate farming operations, various labor-management issues that lacks social fairness, including terrible labor conditions with very little consideration for health and safety, low paid labor, improper treatment of immigrant workers, and child labor, have been raised. Since 2006, Lion has been a member of the “Roundtable on Sustainable Palm Oil (RSPO)”, which attempts to solve all of these issues. In 2012, Lion Chemical Co., Ltd.’s Oleochemical Production Site passed the supply chain certification system inspection and

was certified as a plant that is allowed to handle RSPO-certified palm oils. As a result of this, Lion started procuring RSPO-certified palm oils from 2012. In 2018, we continued to move towards the achievement of the 2020 target with procurement of RSPO-certified palm oil derivatives (certification rate of approximately 10%). We will continue with our efforts to procure sustainable palm oil.

Target

2020: All palm oil derivatives to be RSPO-certified

Column

Participation in the Japan Sustainable Palm Oil Network (JaSPON), a Sustainable Palm Oil Platform

The “Japan Sustainable Palm Oil Network (JaSPON)” was established in April 2019 to accelerate the procurement and consumption of sustainable palm oil in the Japanese market. The aim of this initiative is to resolve a variety of environmental and other such problems in Indonesia and Malaysia, which are the major palm oil producing countries. As a consumer goods manufacturer of palm oil, Lion is participating in JaSPON.

JaSPON
Japan Sustainable Palm Oil Network

Roundtable on Sustainable Palm Oil (RSPO)

The RSPO sets forth 8 principles and criteria that apply to sustainable palm oil production, including “Environmental responsibility and conservation of natural resources and biodiversity,” “Responsible development in new plantations” and “Responsible care for plantations, plant employees and affected local residents”. Only palm oil produced in compliance with the above principles is treated as RSPO-certified palm oil.



<https://www.rspo.org/>



Introduction of websites

In collaboration with our business customers (Japanese)

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



Consumer Issues

Related SDGs



Basic Approach

In order to provide products that will satisfy our customers, Lion carries out quality assurance activities at all stages from the very beginning of the product creation process to the customer consumption of our products. Specifically, by identifying key requirements for each stage of corporate activities—product planning, product development, production, sales, and customer support—we are constantly pursuing customer satisfaction. During product planning, valuable opinions received from customers are analyzed to identify customers' needs. At the stage of product development, the quality of the developed products are verified in respect to seven metrics including function and performance while considering easy-to-read and accessible labeling for our customers. During production, quality is thoroughly managed within each process, and products that have passed inspections are shipped with identifiable data for each lot, aiding in effective after-sale management. A variety of information is sent to wholesalers and retailers through product explanations and sampling.

Product Development Incorporating Customer Opinions



Group-wide Reliability Assurance System

To deliver on our promise of “providing superior products that are helpful in the daily lives of people,” we are promoting the development of safe and high-quality products that can satisfy our customers based on our “Quality Policy”. In 2014, we established the “Pharmaceutical Affairs and Quality Assurance Department”, which has advanced our creation of quality assurance and development support structures throughout Lion Group, including our overseas Group companies. In 2018, based

on the Quality Management System covering the entire supply chain, we established the “Reliability Assurance Department” for the purpose of further quality assurance.

In order to respond to growing social quality requirement levels, and to customer needs diversified by the business expansion of domestic and overseas Group companies, Lion will continue to provide our customers with safe and high-quality products.

Developing Safe and High-quality Products

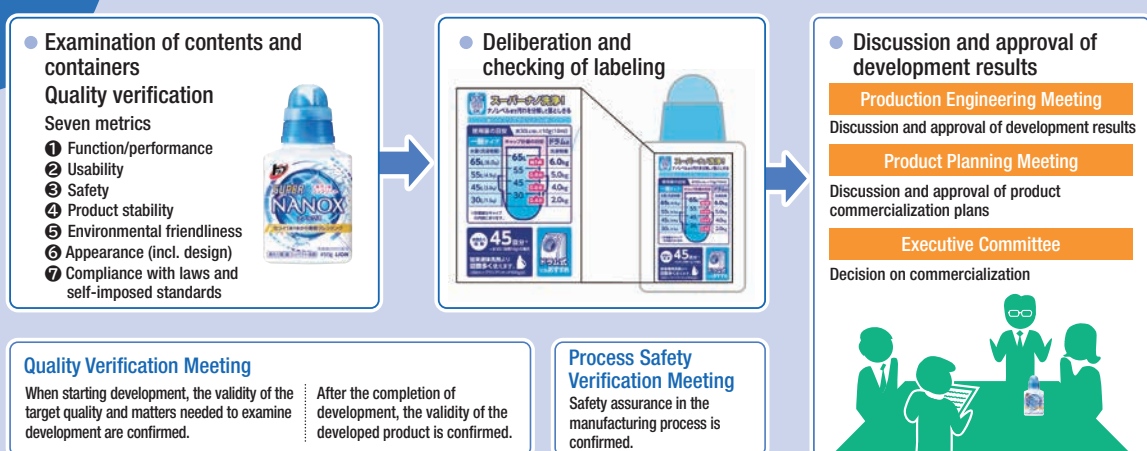
1 Product planning

Planning products that further satisfy our customers



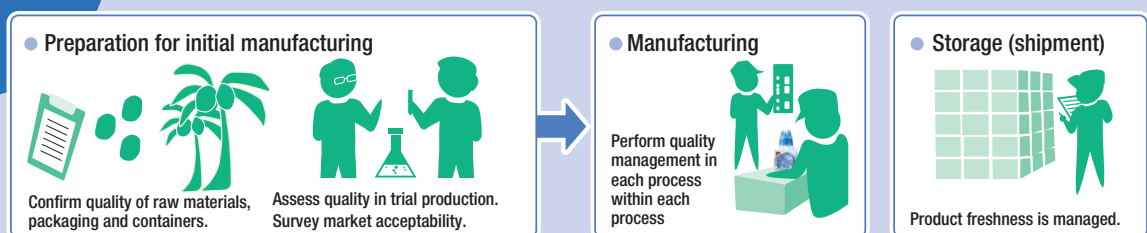
2 Product development

Embody products with quality and safety care



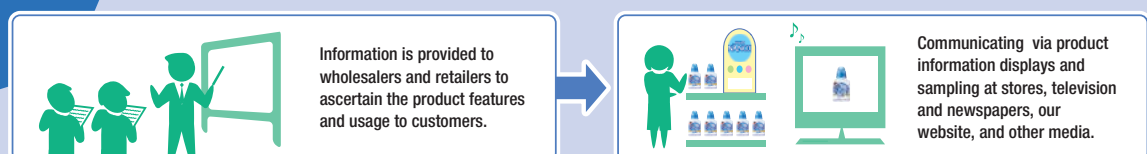
3 Production

Quality confirmation under mass production



4 Sales

Provision of product quality information



Approach to Safety and Reliability

In order for customers to use comfortably, we evaluate the safety of materials (at the stage of raw materials, package and container) and during product use.

• Safety of Raw materials

First of all, we examine the safety of materials. As the next step, we determine whether or not to use it after evaluating the sample and investigating supplier in order to ensure a certain level of quality. In using the materials, they are classified into pharmaceutical, quasi-drugs, cosmetics, food, and general products, and their quality is inspected based on the inspection items and testing methods appropriate for each classification before they are actually accepted for use.



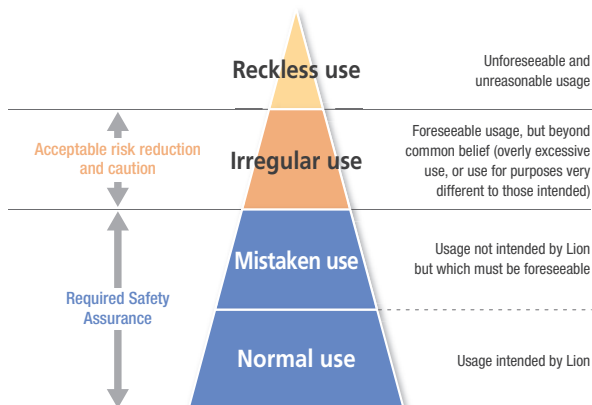
Safety of Raw materials (Japanese)

<https://www.lion.co.jp/ja/csr/consumer/quality/#area03>

• Safety During Product Use

By considering the various uses of products as well as product use by socially vulnerable customers, we perform safety evaluation of our products from the perspective of avoiding risks at the stage of product design. Our company uses a checklist in our evaluation to determine whether the product design ensures safety from "normal use" to "mistaken use" cases. Even in the case of "irregular use", we assess whether risk reduction is possible and whether risk is tolerated, and as necessary, we ensure the safety of the product by displaying caution thoroughly. Additionally, at the "Quality Verification Meeting" consisting of related departments, in order to prevent damage related to product use and to prevent omission of items that should be checked for safety, we are checking on the assumption of customer usage scenes. In case of product trouble, we have an internal system due to respond to product recalls promptly.

• Scope of Safety Assurance



Enhancement of the Advertising Management System

Lion are promoting to enhance the Advertising Management System aiming to carry out responsible advertising activities for all products (incl. food products and pharmaceuticals).

- (1) Enhancements of the check system on advertising for all of our products including food
- (2) Consultation with government agencies such as the Consumer Affairs Agency as needed
- (3) Thorough legal training to employees

We will endeavor to enhance the Advertising Management System to promote responsible advertising activities.

Initiatives to Respond to Our Customers

In order to develop new products and improve our products services, the inquiries received from customers are shared across the company through an information sharing system, excluding personal information after registering in the database under a strict personal information management system. Among this inquiries, which is considered to affect customer satisfaction and any findings from the voices of the customer who contacts every day are reported daily to top management as a VOC*1 Daily Letter. And Lion is making effort to improve Customer Support Quality by grasping the customer's perspective, and by early considering and responding to remedial measures at product planning departments mainly. In 2018, we sent out 240 VOC Daily Letters. The customers voices are widely collected and analyzed not only from telephones and emails, but also from SNS*2 and the like. Furthermore, in order to take advantage of customers' perspectives in our business activities, an internal dedicated organization analyzes customers' voices and proactively disseminates information to respective departments.

*1 [VOC] Voice of Customers

*2 [SNS] Social Networking Service (Facebook, Twitter etc.)

Recall Status of Varsan Hyosatsu Jet

Because the "Varsan Hyosatsu Jet for Flying Insects" and "Varsan Hyosatsu Jet for Crawling Insects" led to fire-related accidents, Lion has been voluntarily recalling such products since August 27, 2007. As of the end of December 2018, 1.48 million of these products have been recalled (recall rate: 45.7%). We would like to ask our consumers who still have any of these products and reside in Japan to assist in the recall.

* Lion transferred the Varsan brand of insecticide to LEC, Inc., as of December 28, 2018. However, Lion will continue to handle the voluntary recall of the products.

https://www.lion.co.jp/ja/products/information/200708_01.php

Customer Support for Recall of Varsan Hyosatsu Jet Sprays

Toll-free:

0120-670-225

Open: 9 a.m. to 5 p.m. (Japan time)

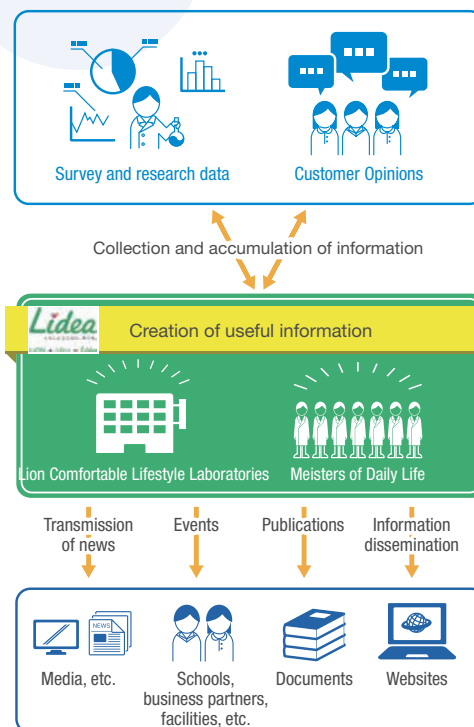
(Except Saturdays, Sundays, public holidays, year-end/New Year's holidays, and summer holidays)

Providing Helpful Information in the Daily Life and Promoting Educational Activities

Lion is actively engaging in communication with consumers with the aim of expanding our creation and dissemination of information that contributes to a healthy and comfortable life.



Oral care seminar held by Meisters of Daily Life



• Communication with Customers Using Consumer Information Media, "Lidea"

Lidea is the Lion's website to make their everyday life more comfortable and to share delightful idea (tips and information) that enrich their hearts. Accurate information that is useful for consumers' daily lives is provided mainly by the "Meisters of Daily Life," specialists with expertise on lifestyle information.



We are enhancing our communication with consumers in various ways by utilizing the information accumulated in Lidea.

Publishing a newsletter with lifestyle information



Lifestyle Tips

We publish newsletters containing lifestyle topics based on the analysis of consumer-generated information, including customer inquiries, to meet consumers' needs.

Two-way communication with consumers



Lidea Promotion Project for Cities of Harmonious Marriages

We hold events and send information directly to consumers and exchange opinions.

Communications through mass media



Round-table conference of lifestyle information.

We hold seminars of lifestyle information periodically for reporters and editors from television, newspaper, magazines and websites.

Communicating with overseas consumers



Websites of our overseas Group companies

Lifestyle information according to the lifestyles of each country and region is published on the website of overseas Group companies.

Offering Products and Information that Contribute to the Development of a Sustainable Society

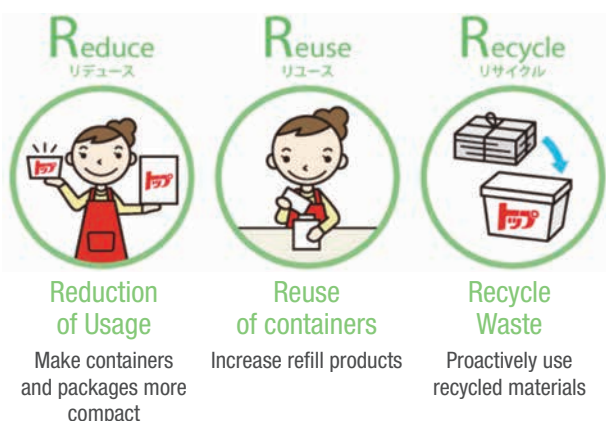
• Advancement of 3Rs

As an effort to reduce containers and packaging materials, we are proactively promoting the 3Rs (Reduce, Reuse and Recycle).



Lion's eco-standard (Japanese)

<https://www.lion.co.jp/ja/csr/ecolion/#sec2>



• Advancement of Renewable (utilization of sustainable resources)

Lion is addressing the issue of marine plastic, which has become a global environmental problem, by promoting the use of renewables (utilization of sustainable resources) together with the 3Rs with a view to reducing containers and packaging materials

• Promotion of Environmental Communication through Products

In order to enlighten consumers of the importance of environmental considerations through our products, Lion has put an "environmental label" on which environmental explanations

are attached, and an "environmental logo" to products that fulfill our original "Lion eco-standard" since 2014. The criteria for the "Lion eco-standard" are set based on the perspective of life cycle.



Introduction of eco-friendly products (Japanese)

<https://www.lion.co.jp/ja/csr/ecolion/#sec4>

Example of Environmental Labels Attached to Products



"TOP SUPER NANOX" bottle and refill
(Super-Concentrated Liquid Laundry Detergent)



"TOP Platinum Clear"
(Powder Laundry Detergent)

Enhancement of Information Security

In order to thoroughly protect personal information and ensure information security, Lion has established the "Personal Information Management Regulations", the "Basic Policy of Our Information Management", the "Information Management Regulations," as well as the "Information Security Regulations" in accordance with "Act on the Protection of Personal Information". In addition, with a view for employees to appropriately transmit information when using social media (social networking services, blogs, etc.), we have established "Lion Group Social Media Policy" and its guidelines. As education for our employees, we are implementing e-learning every year regarding the risks of

social media, information security, and information management structure, and all of our employees participated in 2018. For our overseas Group companies, we are enhancing information security, including the protection of personal information, based on local legislations.



[Lion Group Social Media Policy] (Japanese)

<https://www.lion.co.jp/smp.htm>



Introduction of websites

In collaboration with our customers (Japanese)

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



Community Involvement and Development

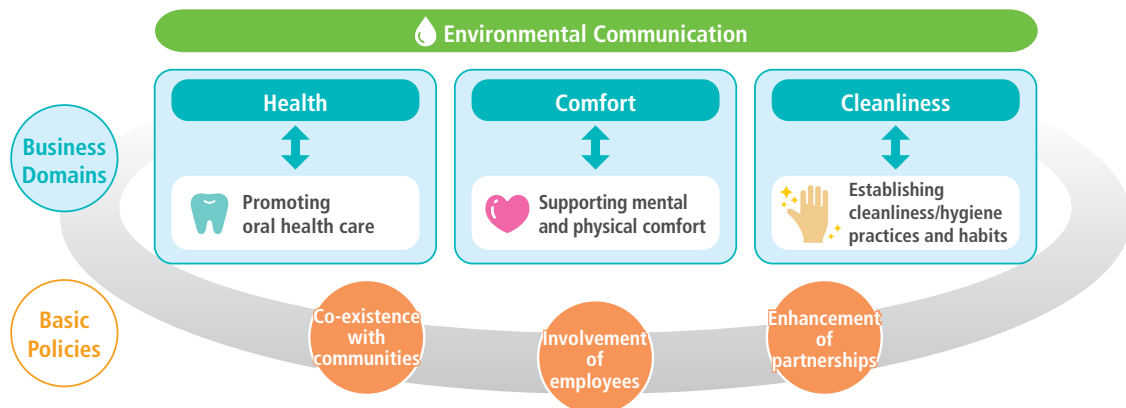
Related SDGs



Basic Approach

Championing the spirit of our Founder Tomijiro Kobayashi, which is “Benefiting Society through Business Activities,” Lion engages in the activities that contribute to improve sustainable society and planet in the areas of Health, Comfort and Cleanliness with the aim of realizing “healthy minds and bodies for all.”

Also, with a view to continue our business, as it is necessary to co-exist harmoniously with an area closely connected to our company, such as the location of our office sites, Lion works to solve regional and social issues in cooperation with local residents, government agency and citizens’ groups. In addition, by increasing opportunities for each employee to involve business-related educational activities, we foster human resources that create new values on the basis of a high level of social and environmental awareness.



Initiatives for Environmental Communication

• Forest Maintenance Activities at the Lion Forest in Yamanashi

Lion has always been deeply involved with water through “washing.” Since 2006, Lion has conducted maintenance activities of forest, which is a water source with the aim of fostering environmental awareness among employees at the “Lion Forest in Yamanashi”. In 2018, a total of 170 employees participated in our forest maintenance activities as part of new employee training and voluntary forest maintenance activities (twice last year).



Number of participating employees

Cumulative total participants **1,577** employees in total

[www Lion Forest in Yamanashi \(Japanese\)](https://www.lion.co.jp/ja/csr/social/forest/)
<https://www.lion.co.jp/ja/csr/social/forest/>

• Osagari* Project

In August 2018, Lion implemented the “Osagari Project” in order to expand the “habit to value resources”. In this project, with the cooperation of the cleaning shop “Cleaning Senka,” clothes that were kept at home in enough wearable condition without damage and stain were laundered with our products such as “TOP SUPER NANOX”, and then donated to the next person who can wear it through Certified NPO “Japan Relief Clothing Center(JRCC)”. This is an activity that connects people and people, and many customer participated.

*hand-me-down in Japanese



Step 1 Receiving



Step 2 Laundering with NANOX



Step 3 Delivering

Total Osagari received: **31,171** items

[www Osagari Project \(Japanese\)](https://top.lion.co.jp/products/nanox/osagari/)
<https://top.lion.co.jp/products/nanox/osagari/>

Enhancing Social Contribution Programs to Create Healthy and Comfortable Living Habits

Activities to Promote Oral Health Care through Foundations

Lion has been working on promotional and educational activities for oral health care since 1913, adhere to our consistent philosophy of “returning profit obtained through corporate activities to the society,” which has remained unchanged since the foundation of the company. In 1964, Lion established a foundation called the Lion Foundation for Dental Health (LDH), which was approved by the Ministry of Health and Welfare of Japan (at that time). In 2010, the Cabinet Office approved the change in the foundation’s status to a public interest incorporated foundation, and LDH commenced its operations. Through the three public benefit services shown below, LDH has consistently been coordinating with the Japan Dental Association, universities and administrations to maintain and promote dental and oral health of customers. LDH is contributing to society at the forefront of oral health in order to improve the quality of life of all people. Lion gives full support to its activities.

Three Public Benefit Services of LDH

1. Oral health promotion projects

Promotion of oral health activities at all life stages

2. Research and investigative projects

Research/Investigation on the importance of oral health for extending healthy life expectancy, and provision of information on research results obtained through business and other activities to specialists and customers

3. Educational and training projects

Holding of various seminars and lectures for health instructors and dental specialists



The Lion Foundation for Dental Health, a public interest incorporated foundation
<https://www.lion-dent-health.or.jp/english/>

The Oral Health Event of Tooth Brushing for Children

“The Oral Health Event of Tooth Brushing for Children”, started in 1932, is held every year for elementary school students during a week designated as the “Dental/Oral Health Week” (June 4th to 10th). The 76th event in 2019, participating schools set the date



A scene from an elementary school which participated in the event
 Number of participating elementary school students

Cumulative total approx. **1.69** million

within the event period (10 days), and participated by watching educational DVD materials. In 2019, approximately 240,000 elementary school students participated in a total of 4,255 schools, including participation from 6 Asian countries and regions.

Main Activities of LDH in 2018



Activities for oral health promotion for mothers and children

Childcare support programs in the area of “Dental and Oral Health” for expectant mothers, infants, preschoolers and their parents

Participants: 2,081 infants and preschoolers

Cumulative total of
1,148,000 people

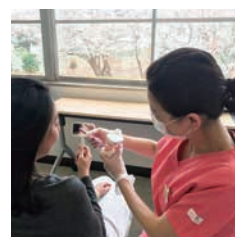


Activities for oral health promotion for school children

Face-to-face educational activities with schoolchildren and their parents, and provision of support for activities of health instructors

Participants: 4,717 schoolchildren
 1,134 health instructors

Cumulative total of
23,277,000 people



Activities for (industrial) oral health promotion for adults

Education and instruction focused on the prevention of a periodontal disease and on maintenance/improvement of “Dental and Oral Health” aimed at employees of various companies.

Number receiving checkups: 14,316 people

Cumulative
2,106,000 people



Activities for oral health promotion for the elderly (from 2007)

Provision of support to help maintain oral functions to enable eating with their own teeth and mouth over a long time in the future

Participants: 47,012

Cumulative total participants:
 approx. **120,000** people



Treatment activities

Implementation of highly-professional and high-quality treatment and preventive dentistry activities based on the concept of “Risk Control Dentistry”

Diagnosed: 10,482

Cumulative total participants:
 approx. **1,858,000** people

*[Risk Control Dentistry]

Customized dental treatment in which care methods are changed according to the risks of cavity or periodontal disease of individuals.

Cumulative totals are total numbers since establishment of the LDH (1964)

Activities to Establish Cleanliness and Hygiene Practices and Habits

Lion has been working on activities to promote proper hand-washing habits mainly with the “KireiKirei” brand, aiming for the daily health and comfort of customers.

With a policy of “employees voluntarily conducting activities,” Lion is striving for 100% of employees to involve in activities to promote hand-washing habits by the year 2050. From 2012 to 2018, 1,074 employees participated (cumulative participation rate 39.4%).

During the same period, approximately 31,000 preschoolers participated in these activities. We conducted activities to promote hand-washing habits at kindergartens, preschools, and public facilities in the areas where our office sites are located across Japan, such as Ishinomaki City (Miyagi Prefecture), which has been affected by the Great East Japan Earthquake and also an area closely connected to our founder, and Sakaide City (Kagawa Prefecture) where “KireiKirei” hand soaps are manufactured, as the main activity area. In addition, we conduct activities in cooperation with our business partners and incorporate activities to promote hand-washing habits in kindergartens and preschools into the corporate training programs of young employees, leading to improved employee awareness for community involvement.

Activities to promote hand-washing habits are also conducted in Asian countries where “KireiKirei” products are sold.

We work with local governments as well. Since 2014, Sakaide City and Lion Chemical Co., Ltd., the production base of “KireiKirei” hand soap, have been jointly promoting the “KireiKirei City-Sakaide” Project, aiming to spread and establish cleanliness and hygiene practices and habits among the citizens of Sakaide city. (Oral health care educational activities were also initiated from April 2019)

Number of participating preschoolers
Cumulative total approx. **31,000**

[www](https://www.lion.co.jp/ja/csr/community/oral/)

Promoting oral health care (Japanese)

<https://www.lion.co.jp/ja/csr/community/oral/>



Establishing cleanliness and hygiene practice and habits (Japanese)

<https://www.lion.co.jp/ja/csr/community/washing/>



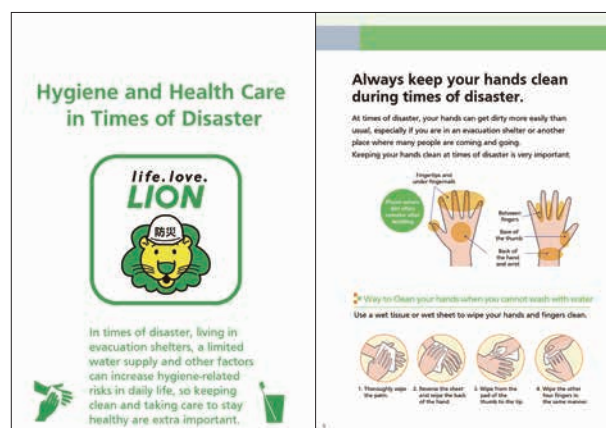
Arautan gymnastics, a hand-washing workout by preschoolers and company employees

• Initiatives for Hygiene and Health Care in Times of Disaster

It is important to pay attention to health especially in a disaster situation. Lion creates and distributes pamphlets/posters titled “Hygiene and Health Care in Times of Disaster” and provide information on cleanliness and health care.

From 2017, we have started educational activities for local residents in the areas of all of our office sites.

We will contribute to establish cleanliness and hygiene practices and habits.



[www](https://www.lion.co.jp/en/emergency-care/)

Information on Hygiene and Health Care in Times of Disaster

<https://www.lion.co.jp/en/emergency-care/>

Plant Tours

We consider plant tours to be an important contact point between customers and our company. In order to have customers feel familiar with Lion's products and see our operations placing highest priority on safety and environmental conservation, we welcome many visitors to the plants every year.

Plants	Number of plants tours	Plants tour participants
Chiba	75	1,896
Odawara	83	1,838
Osaka	45	1,061
Akashi*	6	163
Total	209	4,958

*Plant tours were temporarily suspended due to the construction work.



Scene of experiment with greasy stain removal using “CHARMY Magica” produced at the Chiba Plant

Basic Approach

Lion's top priorities for corporate governance are to increase management transparency, strengthen supervisory functions, accelerate decision making and ensure compliance. By strengthening and enhancing its corporate governance systems, Lion aims to increase its corporate value.

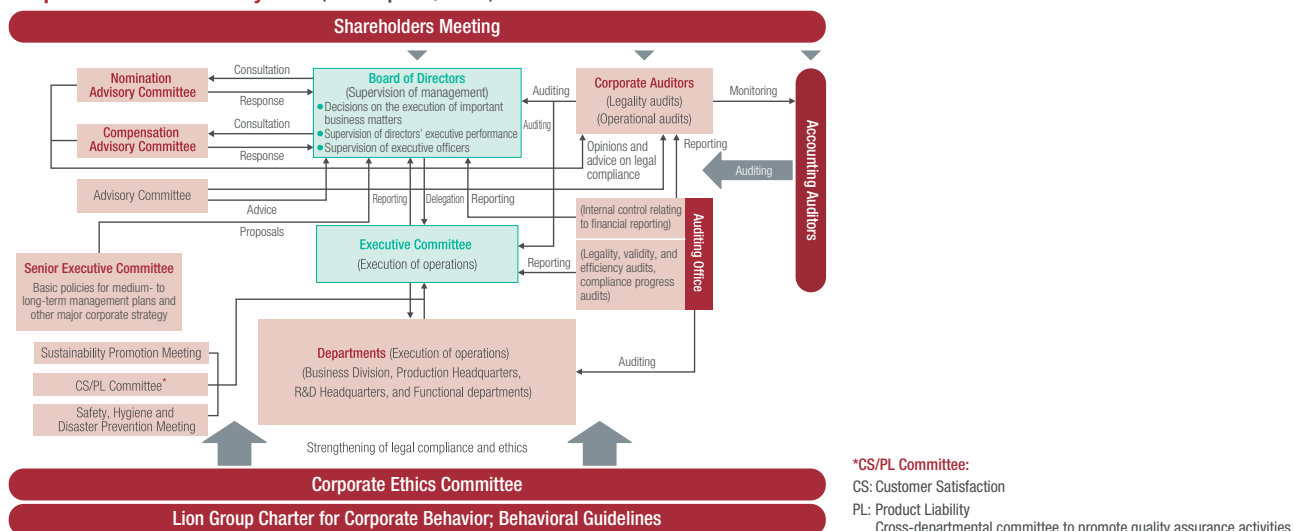
Corporate Governance System

At Lion, oversight of management is governed under board of corporate auditor's system. In March 2004, Lion adopted the Executive Officer System and classified the functions that the Board of Directors had previously carried out as follows: The Board of Directors is responsible for "decision making and oversight functions of management" and the Executive Committee is for "business execution functions".

The membership of the Board of Directors was reduced (from 19 before the adoption of the Executive Officer System to 9 members currently) to ensure more substantial discussions and faster decision making. A Nomination Advisory Committee and

Compensation Advisory Committee were established to increase management transparency and further enhance corporate governance. Membership of these committees is comprised mainly of 5 external officers (3 external directors and 2 external corporate auditors), who are all qualified as independent directors. The representative directors and all external officers exchange information regularly (once a month, as a rule) and strive to enhance oversight and monitoring functions of management. In addition, in order to reflect the opinions and advice of third parties on legal compliance and management policies, we have set up an “Advisory Committee” consisting of external experts.

Corporate Governance System (as of April 1, 2019)



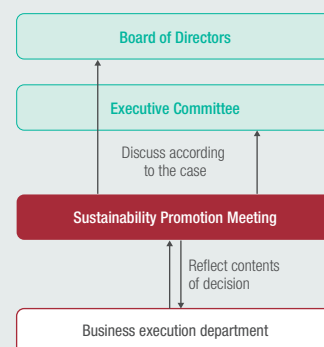
 **Report on Corporate Governance (Japanese)**
https://www.lion.co.jp/ja/company/about/pdf/abo_gov.pdf

Sustainability Promotion Meeting

We believe that growing our business while reducing the burden on the global planet contributes to a sustainable society.

From January 2019, the former “CSV Management Meetings” and the “Environmental Conservation Committee” have been integrated in the newly established “Sustainability Promotion Meeting”. A member consisting of all executive directors including the President and related departments, they will deliberate on the company’s “CSV strategy”, “Sustainability Material Issues” and “Correspondence to environmental issues” and will monitor the status of their execution.

The contents decided at the “Sustainability Promotion Meeting” is discussed at the Board of Directors and Executive Committee as necessary, then reflected in the business activities of each business execution department.



Promoting Risk Management

In order to continue providing our customers with safe and reliable products, we have appointed a Director Responsible for Risk Management who exhaustively controls and supervises the risk of the whole Lion Group. Regarding risks related to the environment, quality assurance, accidents and disasters, we examine countermeasures through various conference bodies, deliberate in the Executive Committee as necessary, and conduct risk management. Each plant is certified with ISO14001 and eagerly working on quality management and environmental conservation. In cases of physical emergencies, such as natural disasters and accidents, we are reporting the facts of the event to the President and the Corporate Auditors, and others, while reporting the status of our response to the Executive Committee and the Board of Directors in accordance with the Emergency Response System.

Also, among the various risks that may arise while doing business, the following five points are listed as the main items that may particularly have a significant impact on investor judgment and are disclosed in the Company's Securities Report.

1. Product quality evaluation
2. Raw material price fluctuations
3. Exchange rate fluctuations
4. Major lawsuits, etc.
5. Earthquakes, other natural disasters

● Business Continuity Plan (BCP)

Lion is pressing forward with the creation of systems to minimize damage and to ensure continue business operations so that we can provide products to customers even in cases of big earthquake, spread of infectious disease (pandemic), or other such contingencies. In cases of earthquake disaster, we will follow the "Manual on Countermeasures for Earthquake Disaster", and if a pandemic due to a novel influenza virus or other infectious disease is foreseen, we will follow the "Manual on Countermeasures against Novel Influenza and Other Infectious Diseases" and our company will set up a task force accordingly, and response to it. We will judge whether or not to activate BCP according to the scale of the disaster and the disaster situation. However, if the BCP is activated, our system is designed to give top priority to businesses that supply consumer products.

For risks that may have a serious impact on our business, we organize the countermeasures and report it to the Executive Committee annually.

Preparation of Internal Control Systems

We have put systems in place to ensure the appropriateness of the Lion Group's operations in accordance with Japan's Companies Act and the Ordinance for Enforcement of the Companies Act. With regard to the systems for evaluating and auditing internal control with respect to financial reporting, as prescribed in Japan's Financial Instruments and Exchange Act, we have been establishing controls at the company-wide and business process levels. Evaluations of the effectiveness of our internal control are made by the Auditing Office, which reports its findings to the President and corporate auditors. It also reports to the Board of Directors on a regular basis. As a result of these evaluations, we have determined that Lion's internal control with respect to financial reporting in 2018 was effective, and we submitted our Internal Control Report along with our Securities Report to the Prime Minister in March 2019.

● Internal Audits

The Auditing Office implement audits on the operating status of our various business units in terms of their legality, validity, efficiency, and risk management in order to establish a foundation for healthy business activities. Audit coverage was expanded to include overseas Group companies from 2018 onwards. It is a distinguishing characteristic of our company that information exchange is carried out very closely with corporate auditors and that audits are conducted jointly. We will further deepen this collaboration. Audit results and the status of improvements are reported to the President after each audit. The corporate audit results are summarized and reported to the Board of Directors twice a year, thus serving as PDCA management of our audit operations. Reports are also provided to the Executive Committee, allowing information to be shared with the operating departments.

[www Securities Report \(Japanese\)](https://www.lion.co.jp/ja/ir/library/yuhou/)
<https://www.lion.co.jp/ja/ir/library/yuhou/>

UN Global Compact

The UN Global Compact (UNGC), in which Lion has participated since 2009, is a voluntary initiative of companies and organizations aiming to realize ten principles in the areas of "Human rights", "Labor", "Environment" and "Anti-Corruption". Lion is also a member of the Global Compact Network Japan (GCNJ), and participates regularly in subcommittee activities for the purpose of promoting member companies' CSR activities.

[www UN Global Compact](https://www.unglobalcompact.org/)
<https://www.unglobalcompact.org/>
[Global Compact Network Japan \(Japanese\)](http://uncgcnj.org/)
<http://uncgcnj.org/>



Embedding Compliance

The Corporate Ethics Committee, chaired by the Director Responsible for Corporate Ethics, works proactively to foster compliance awareness within the Lion Group. The basis for compliance is the “Lion Group Charter for Corporate Behavior (p. 3)” which is distributed in pamphlet form to all employees and is publicly available on Lion’s website.

In addition, taking the movements of strengthening legal regulations toward acts of bribery and corruption in each country into consideration, we established the “LION Anti-Bribery Principles” in January 2019.

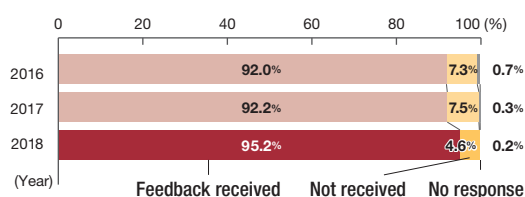
• e-Learning Training

Lion conducts e-learning and other training periodically once every half-year. In 2018, in addition to reading through and committing to the “Lion Group Charter for Corporate Behavior”, our e-learning provided the training regarding the Lion conceptual approach to quality, the basics of labor management, workplace harassment (incl. new content of LGBT matters since 2018), information security, our information management system, risks of social media and basic knowledge on insider trading regulations. Since 2019, we offered lesson about “LION Human Rights Policy” and “LION Anti-Bribery Principles”

• Compliance Awareness Survey

All domestic employees of Lion Group (incl. part-time workers) are asked annually to complete the “Compliance Awareness Survey”. In 2018, the survey was conducted for the fifteenth time (approximately 95% of the target 4,373 employees responded). The survey results are reported to management and feedback is provided to individual divisions in order to help maintain and strengthen our compliance systems. Every year, opinions such as problems in their workplace environment are solicited to the survey, and each of them leads to improvement.

Percentage of Employees Who received Feedback from the Survey Results



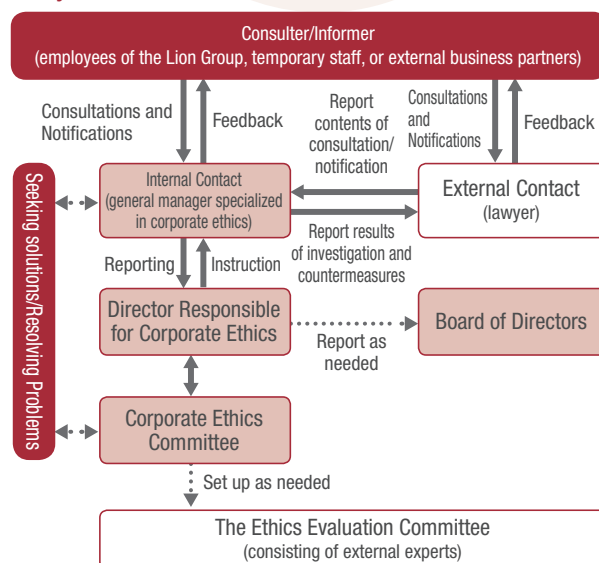
* Compliance Awareness Survey

Questionnaire survey in which respondents anonymously answer about, such as compliance status toward the Lion Group Charter for Corporate Behavior, whether there was feedback from the results of the previous Compliance Awareness Survey, and awareness of the Heart Hotline.

• Raising Awareness of the Hotline

Lion has set up the internal and external whistle-blowing system “AL (All Lion) Heart Hotline” and we are taking steps to raise awareness of it among all employees, including temporary staff. Its recognition rate among employees was 98.5% in 2018.

The Systems of the AL Heart Hotline



Changes in AL Heart Hotline internal recognition rate

2016	95.3%
2017	95.8%
2018	98.5%

AL Heart Hotline Consultations and Notifications

In 2018, as the hotline has been recognized in the company and the environment made it easy to consult, there were 23 cases of consultation and notifications. Although, there were no cases to be judged as serious misconduct, and all the cases were appropriately addressed and resolved.

Content of Consultations and Notifications Made	2016	2017	2018
Harassment behavior	3 cases	9 cases	15 cases
Personnel and labor management issues	9 cases	5 cases	6 cases
Others	4 cases	4 cases	2 cases

AL Heart Hotline (Japanese)

<https://www.lion.co.jp/ja/company/compliance/index.php> (in Japanese)

Initiatives for Compliance in Overseas Group Companies

Aiming to embed compliance throughout the entire Group, our overseas Group companies are also promoting compliance initiatives. We are introducing a part of our overseas initiatives such as familiarizing employees with the “Lion Group Charter for Corporate Behavior” through offices, employee handbooks and the intranet, and strengthening efforts to prevent corruption based on the “LION Anti-Bribery Principles”.



Sustainability Management (Japanese)

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

Embedding Compliance (Japanese)

<https://www.lion.co.jp/ja/csr/management/compliance/>



Third-Party Review

2018 was the first year of the “LIVE Plan,” the Medium-term Management Plan, to realize the new Management Vision of “Becoming an advanced daily healthcare company,” and Lion advanced further development of its sustainability activities. This report introduces a series of Lion initiatives from a variety of approaches.

Through out the whole, what left a first impression was that progress was made in integrating sustainability activities and management. Specifically, the intention of the Management Vision and the desire to realize sustainable management are stated in easily understandable terms in the Message from the Management in the beginning of the report. The keyword of “ReDesign” is used effectively, and the report has an excellent structure with a rich story. The structure is developed first in terms of the growth strategy of globally deploying value creation by means of Lion’s contribution to improving lifestyle habits. This is then tied in with the main content later in the report, in terms of the employee’s decent work, which is an important management foundation. The “Sustainability Promotion Meeting” was established in January 2019, and progress of the Sustainability Material Issues and Objectives is now managed integrally with the LIVE plan. This is very persuasive as an initiative that substantiates the commitment of top management in terms of governance. Furthermore, the way that Lion’s Value Creation Model is expressed in a form that emphasizes the connection between business activities / strategies and social value is also effective in conveying the linkage with management in an impressive way in conjunction with the start of the LIVE Plan.

The following 2018 Highlights provide more specific explanations of the grow strategy and foundation that make up the value creation model. They clarify the significance of oral healthcare as the core of value creation, as well as your company’s superiority, and the story that ties up with expansion into the growth market of Asia is readily understandable and persuasive. In addition, the “Innovation for Decent Work” initiative, combined with the content of the formulation and publication of the “LION Human Rights Policy” that is linked to global expansion and the practice of Health and Productivity Management, clearly shows your company’s stance on “people”, the foundation of value creation. Last year, I proposed enhancement of information disclosure of Health and Productivity Management as a material that indicates your company’s strength. Consequently, I am impressed with the attitude of responding sincerely to external voices and strongly felt the Lion-Style in terms of extending scope of Health and Productivity Management to “Consciousness” and implementing “ReDesign” concept thoroughly.



Keisuke Takegahara

Executive Officer,
Deputy Chief Research Officer
Development Bank of Japan Inc.

Additionally, your company formulated new environmental objectives in the “LION Eco Challenge 2050” as a measure addressing environmental problems that are urgent issues and set long-term objectives regarding climate change and resource recycling with a view to 2050. In the context of ESG investment rapidly becoming the mainstream, these points could be considered well-timed responses that provide information regarding the sustainability of the business model anticipated by capital markets.

The Lion Sustainability Report 2019 shows that there is steady evolution underway as a medium for conveying these kinds of new movements in a way that is readily understandable to a variety of readers. As an extension of this, I have some expectations for the future that I will state here. First, as a theme for the near term, it would be good to further heighten your consideration in addressing the marine plastic problem that has recently emerged. It is a difficult problem with aspects that consumers, who are the users, will have to be relied on to address. In Lion’s case, however, as you encourage people to replace their toothbrushes regularly as a necessary means for raising the effectiveness of oral healthcare, you are also at the same time building and operating a system for collecting and recycling those toothbrushes. Considering the circumstances today, I think that illuminating these aspects of Lion is important in terms of risk management. In the medium to long-term, Lion has built a system for promoting sustainability management at a higher level than before. It may be appropriate, therefore, to consider the next stage of this, which would be to show in greater depth and detail the value creation brought about by Lion’s business activities. Specifically, the potential effect that oral healthcare has in reducing potential healthcare costs, which is presented here on a trial basis, could be estimated and disclosed, first on a domestic basis that could then be expanded in phases as deployment becomes global. I expect that this would become a trailblazing gesture as disclosure of the positive impact that comes with your business activities. For most corporations, such disclosure of impact is a medium to long-term theme, but it seems to me that Lion is in a position that allows it to take the lead in this trend.

I look forward to seeing the continued evolution of this report throughout the period of the LIVE Plan.

Lion's Response

With the founding spirit of “Benefiting Society through Business Activities,” Lion has continued to respond to social issues that change with the times through technological innovation. As the environment surrounding our company changes, we have promoted the Management Vision “Becoming an advanced daily healthcare company” as our vision to be realized by 2030. We will continue to realize “healthy minds and bodies for all” through the “ReDesign” of the everyday rituals to become more natural, easy and enjoyable.

Regarding the integration of sustainability activities and management that were evaluated in the third-party review, we promoted “ReDesign” activities that change the way employees think and work, and “Innovation for Decent work”, while advancing the creation of a company-wide working environment. Additionally, in January 2019, we established the “Sustainability Promotion Meeting” in order to strengthen our companywide CSV strategy, Sustainability Material Issues and environmental issues. Furthermore, we clarify the creation of business value and social value by solving social issues in the value creation model, and promote management from a longer-term perspective that simultaneously contributes to a sustainable society and achieves business growth.

As regards the marine plastic problem, by promoting toothbrush collection and recycling that takes advantage of our business characteristics, we are working to solve the issue, and simultaneously, to improve the health and recycling awareness of consumers. We will further



Kenjiro Kobayashi

Director, Senior Executive Officer
Director in Charge of CSV Management Department

promote the 3Rs (Reduce, Reuse, Recycle) together with our “Renewable” activity in order to contribute to heightening consumers’ environmental awareness more naturally. At the same time, we will strengthen our wide-ranging initiatives, including use of doubles the amount of recycled plastics and bio-mass plastics with the aim of realizing advanced resource circulation.

In addition, regarding the value creation brought about by business activities as a medium to long-term theme, our company will verify the effects of oral health care on human health and organize causal relationships and provide information, products and services that are intrinsically valuable in order to improve and establish consumers’ awareness of prevention.

Going forward, we will continue acting by means of two-way communication with our stakeholders to strengthen Lion’s initiatives for sustainability. We will act to promote management that can make us a highly trusted company with the ability to contribute to achievement of the SDGs.

Evaluation from External Sources / Participation in External Groups

Status of Inclusion in SRI Indices

Lion is engaged in addressing issues not just on the financial side, but also on the environmental and social side, and are included in multiple SRI (socially responsible investing) indices.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



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Evaluation and Certification



Participation in External Organizations





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