



## **LIXIL Human Rights Principles**

LIXIL's corporate purpose is to make better homes a reality for everyone, everywhere. We are committed to achieving this purpose by practicing the LIXIL Behaviors ("do the right thing", "work with respect", "experiment and learn") in our daily work. Together, the Purpose and Behaviors are shared across the organization as LIXIL's Corporate Management Philosophy.

To deliver on the Corporate Management Philosophy, it is essential that the human rights of people who are affected by the company's business activities be respected. LIXIL will thoroughly respect human rights as the basis of its business activities, regardless of where it operates.

LIXIL's Human Rights Principles are founded in accordance with "the International Bill of Human Rights", the International Labour Organization (ILO) "Declaration on Fundamental Principles and Rights at Work", and the United Nations (UN) "Guiding Principles on Business and Human Rights". LIXIL will also promote efforts to respect the human rights of all people, including children, based on the approach of the "Children's Rights and Business Principles" developed by UNICEF.

### **Scope of Application**

These principles apply to all members of LIXIL including employees (including full-time, part-time, contract, fixed-term etc.) and officers (including directors and executive officers). We also expect our business partners, including suppliers, etc., to support the content of LIXIL Human Rights Principles and to adopt similar principles.

### **Commitment to respect for human rights**

LIXIL seeks to meet our commitments to respect human rights by implementing necessary processes and incorporating them into all our business activities, from research and development to procurement, production, logistics, marketing, and sales. We will also work with our suppliers to prevent adverse human rights impacts. In particular, we respect the human rights of our customers, business partners, in our workplaces and work to mitigate risks through a due diligence cycle.

LIXIL complies with the applicable laws of the countries and regions in which we operate. In the event that we face discrepancies between internationally recognized human rights standards and the laws of the relevant country or region, we will comply with the higher standard. If there is a conflict between the two,



we will pursue ways to honor the principles of internationally recognized human rights while complying with the local laws.

#### Respect for the human rights of customers

LIXIL considers product quality and safety as the utmost concern. We will take appropriate measures to ensure that the products and services provided by LIXIL do not threaten the health of our customers or promote discrimination or harassment. We will also work on product development in line with the “LIXIL Universal Design Policy” in Japan, and disclose product safety information promptly and in an easy-to-understand manner so that each and every customer, from children to the elderly, can enjoy a comfortable living environment.

#### Respect for the human rights in the workplace

LIXIL encourages open and honest communication that demonstrates respect for each other, and also respects diversity in accordance with the LIXIL Behaviors and the LIXIL Code of Conduct. We will also work on the occupational health and safety of our employees by supporting appropriate working hour management and health promotion, promoting teleworking and flexible work styles, and strengthening health management.

Regarding Diversity & Inclusion, we have set four focus areas which are Gender & Age, Family & Life, Disability, Culture & Identity based on the “LIXIL Diversity & Inclusion Declaration.” With a particular focus on issues such as gender equity, we will foster an inclusive culture that embraces diversity.

#### Respect for the human rights of business partners

In our relationships with business partners including suppliers, LIXIL respects human rights, such as non-discrimination, anti-harassment, working hours and wages, and freedom of association based on our Supplier Code of Conduct. Through our business partners including suppliers, we also seek to respect and not to infringe upon human rights of those impacted by their supply chain.

### **Key Human Rights Issues**

LIXIL has identified seven key issues with a particularly high potential for impacting human rights, on which we should focus to mitigate human rights risks, and has been working to mitigate risks through our due diligence process. We also comply with laws and regulations regarding human trafficking, equal pay for equal work, immigrant labor, etc., and thus, strive to respect human rights. We will periodically assess and

review the risks in relation to these key human rights issues in response to changes in social conditions and business activities.

## Seven key human rights issues

### (1) Provide equal opportunity and prohibit discrimination

Providing fair and equitable employment and other opportunities irrespective of race, color, religion, national or ethnic origin, ancestry, age, disability, gender, pregnancy, marital status, sexual orientation, gender identity or expression, political or personal beliefs, or union membership, and prohibiting discrimination on these grounds.

### (2) Prohibit forced and child labor

Prohibiting forced labor, bonded labor and other forms of labor by restraint, indentured labor or prisoner labor, and labor procured through slavery or human trafficking. Child labor is also prohibited.

### (3) Respect freedom of association and collective bargaining

Guaranteeing employees freedom of association and approving the exercising of collective bargaining.

### (4) Ensure decent wages and working hours

Paying wages that meet statutory standards, and prohibiting exceeding the statutory maximum number of working hours.

### (5) Ensure occupational health and safety

Providing employees, customers, visitors, business partners, and anyone else on our business premises with a safe and hygienic working environment that fulfills international, national, and/or industry-defined standards.

### (6) Prohibit harassment

Providing a working environment that is free from discrimination, harassment and bullying of any kind, and any other offensive or disrespectful conduct.

### (7) Legal, fair, and transparent acquisition and use of personal data

Complying with laws and regulations, internal rules, and relevant guidelines relating to personal information. Ensuring personal information is obtained fairly and lawfully and is stored and handled in such

a way as to prevent improper acquisition, use, transfer, disclosure, or leakage.

## **Due Diligence**

LIXIL conducts due diligence on matters identified as key human rights issues. We will promote risk reduction through a cycle of Commitment, Assessment, Remediation, Reporting & Disclosure, Engagement with Stakeholders, and Education.

### Commitment

LIXIL will fulfill its commitment to respect human rights by incorporating appropriate procedures to mitigate human rights risks into its business activities.

### Assessment

We regularly conduct human rights risk assessment for all employees, and based on the assessment results, we will work to prevent, mitigate, and avoid promoting adverse human rights impacts. In addition, we conduct assessments by methods including occupational safety audit, employee opinion surveys for all global employees, and community dialogue to promote communication with various stakeholders in the region, etc. Regarding suppliers, we will regularly conduct responsible procurement surveys including key human rights issues, classify suppliers with substandard conformity rates as high-risk, and provide these high-risk suppliers with site visits and other forms of individual guidance.

The Human Rights Due Diligence Task Force will analyze and evaluate the results of the assessment to develop concrete measures to mitigate risk.

### Remediation

In the case that LIXIL is either directly or indirectly involved and causes adverse human rights impacts, we will take necessary remedial actions. In such circumstances, we will develop a remediation process available for those impacted persons to access. Concern-raising system, which maintains the anonymity and confidentiality of reporters, is available not only to all employees, including those at subsidiaries outside Japan, but also to external stakeholders such as business partners including suppliers.

Main concern-raising system

- [LIXIL Compliance Hotline - Speak Up!](#)
- [Contact information: \(in Japanese through a law firm\)](#)



### Reporting & Disclosure

LIXIL is committed to transparency with regard to our activities. The company will disclose its efforts to respect human rights in the CR Report and on its website, and set monitoring indicators for risks identified through the assessment of due diligence to monitor and report progress.

### Engagement with Stakeholders

LIXIL will strive to engage in dialogue on human rights issues related to its business activities with its stakeholders, including employees, customers, business partners including suppliers, people living in the communities where its business sites are located, shareholders, and investors.

### Education

LIXIL will implement appropriate education and training for all officers and employees, and actively disseminate information through internal social networking services to ensure that these principles are understood both internally and externally. LIXIL will also ensure that these principles are reflected in relevant policies and necessary procedures to embed them throughout its business activities. We have and will continue to ensure that business partners including suppliers fully understand the Supplier Code of Conduct, which includes key human rights issues.

### **Governance**

The Human Rights Due Diligence Task Force, comprising members of relevant departments, is in charge of practical operations and promotes respect for human rights. Discussions are held on essential matters to fulfill our commitments to human rights at the CR Committee, composed of executive officers and leaders of corporate functions and technology businesses. The results of these discussions are promptly reported to and supervised by the LIXIL Board of Executive Officers. LIXIL's Executive Officer overseeing legal and compliance is responsible for the supervision of human rights issues.

### **Review of Principles**

LIXIL will periodically review and evolve its human rights principles to continue to become a better protector of human rights.

Director, Representative Executive Officer, President,  
and Chief Executive Officer  
Kinya Seto