

LIXIL Link to
Good Living

**LIXIL Group
Corporate Responsibility Report 2018**



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• Corporate Governance

See the Corporate Governance section on the LIXIL Group Corporation website (<http://www.lixil.com/>) for information on the Corporate Governance Framework, the Group Management Philosophy, Group Charter of Corporate Behavior and Internal Control Systems.

Reporting Period

FYE2018 (April 1, 2017 to March 31, 2018)

Applicable Organizations

CR activities of LIXIL Group Corporation, as well as LIXIL Corporation and other consolidated subsidiaries are covered in the report. The scope is provided in footnotes for matters that have narrower coverage.

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Message

LIXIL supports the UNGC as stated in the message from Yoichiro Ushioda, Chairman & CEO of LIXIL Group Corporation and we express our commitment to Corporate Responsibility as stated in the message from Jin Song Montesano, Chair of the CR Committee.

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➤ **Message from the Corporate
Responsibility (CR) Committee
Chairperson**

Every person on the planet dreams of a better home, and LIXIL's higher purpose is to help them achieve that dream – whether it is by renovating their kitchen in Tokyo or by installing their first toilet in Nairobi. Our Corporate Responsibility (CR) agenda is core to LIXIL's greater purpose as a company, and in FYE2018 we reached new heights, both in terms of progress against our commitments as well as global recognition from customers, business partners, government stakeholders, and employees about the positive contributions we are making to society.



Significant progress was made with regard to our three strategic pillars. As part of our efforts to improve Global Sanitation & Hygiene, we further bolstered resources and expertise with the integration of the fast-growing SATO social business and the Social Sanitation Initiatives organization. The new integrated unit is now led by Junichi Goto, who has established strong business processes and a clear operating rhythm that encourages faster decision-making, improved communication flows, and better collaboration. This new organization will not only enable SATO Toilet Systems to flourish as it expands into new markets such as

Kenya and Rwanda, but will also support acceleration of new product development such as the Portable Toilet System, a toilet specifically designed for households in urban informal settlements.

In addition to expanding our social business, we continue to advocate for greater dialogue on tackling the challenges of sanitation and hygiene, too. LIXIL provided key remarks at a Toilet Board Coalition-hosted round table about the “Sanitation Economy” at the sidelines of the World Economic Forum in January 2018.

Regarding Water Conservation & Environmental Sustainability, the Science Based Targets initiative validated our greenhouse gas reduction targets in FYE2018. Additionally, one of our Japanese window products, RE-PLUS, was recognized by the Minister of Environment for its energy-saving benefits as well as how simple it is to add onto an existing window, making it easy for our customers to be environmentally friendly.

On the topic of Diversity & Inclusion, a cross-functional group of experts within LIXIL from R&D, product engineering, product design, marketing, and sales finalized LIXIL's new “Universal Design” strategy. To ensure good governance, a senior-level committee was formed to ensure proper and timely implementation of this initiative and its commitments.

Since the new CR strategy was implemented in FYE2016, LIXIL's activities have begun to receive external recognition, and even win some global awards. For the first time, LIXIL was included in the Dow Jones Sustainability Asia/Pacific Index, FTSE4Good, and MSCI Japan Empowering Women

listings in FYE2018. LIXIL joins the ranks of global firms operating with strong sustainability agendas. LIXIL also won a number of top prizes for its work to elevate awareness and dialogue around the global challenges of sanitation and hygiene: the SABRE Award for Best Global Campaign, the GOLD STANDARD Award from Public Affairs Asia, and a Japan Bronze Award from the Public Relations Society of Japan. While this recognition is indeed rewarding, the fuel that drives our efforts is the growing pride among employees who realize that, for LIXIL, it's not just what we do, but how we do it that matters. And this growing pride was confirmed in our latest employee engagement survey, or Heartbeat, which found that employees felt very positively about our CR activities.

FYE2018 is focused on driving scale through strategic partnerships. To contribute to the United Nations Sustainable Development Goals (SDGs), such as effectively reaching the key populations lacking access to safe sanitation, we must scale our efforts, and partnerships designed around shared goals become a critical enabler to achieving them. We look forward to sharing more details about these partnerships in the coming months, as well as our broader efforts to deliver on our CR commitments.

Jin Song Montesano
Executive Officer and Senior Managing Director,
Public Affairs, Investor Relations, External Affairs,
and Corporate Responsibility,
LIXIL Group Corporation

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› Support for the UNGC

The LIXIL Group has been a signatory of the United Nations Global Compact (UNGC) initiative since July 2013.

The LIXIL Group will support and implement the 10 Principles of the UNGC in the areas of human rights, labor, the environment and anti-corruption. We are also taking action towards accomplishing the Sustainable Development Goals (SDGs) established by the UN, with a target date of 2030.



Yoichiro Ushioda
Director, Representative Executive Officer,
Chairman & Chief Executive Officer (CEO),
LIXIL Group Corporation
November 2018



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› **Commitment to the UN Global Compact**

The LIXIL Group signed the United Nations Global Compact (UNGC) in July 2013 in full support with the principles set out in the framework.

Our corporate philosophy is to contribute to improving people's comfort and lifestyles. To fulfill that aim through our operational activities, we are driving a range of R&D and various initiatives to help resolve global sanitation and hygiene problems as well as other social and environmental issues.

To meet and exceed society's expectations for the LIXIL Group, we must take active leadership as a comprehensive living and housing solutions company. We will not only put the UNGC's 10 Principles into practice, but also assist the UN efforts towards achieving the Sustainable Development Goals by providing our expertise in areas of sanitation to help create a safe living space for all.

The 10 Principles



HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.



LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

WEB [United Nations Global Compact \(External HP\)](#)

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› Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) is a concrete plan of action outlined in the *Transforming our world: The 2030 Agenda for Sustainable Development* results-oriented document adopted by the United Nations General Assembly in September 2015, consisting of 17 global goals and 169 targets related to sustainable development.

The LIXIL Group reflects the SDGs approach in its corporate responsibility strategy and uses the goals as a broad guideline when forming management decisions.



WEB United Nations Sustainable Development Goals (External HP)

- [Goal 1] End poverty in all its forms everywhere
- [Goal 2] End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- [Goal 3] Ensure healthy lives and promote well-being for all at all ages
- [Goal 4] Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- [Goal 5] Achieve gender equality and empower all women and girls
- [Goal 6] Ensure availability and sustainable management of water and sanitation for all
- [Goal 7] Ensure access to affordable, reliable, sustainable and modern energy for all
- [Goal 8] Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- [Goal 9] Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- [Goal 10] Reduce inequality within and among countries
- [Goal 11] Make cities and human settlements inclusive, safe, resilient and sustainable
- [Goal 12] Ensure sustainable consumption and production patterns
- [Goal 13] Take urgent action to combat climate change and its impacts
- [Goal 14] Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- [Goal 15] Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- [Goal 16] Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- [Goal 17] Strengthen the means of implementation and revitalize the global partnership for sustainable development

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CR Management Structure and Material Issues Selection

We have a robust management structure for driving sustainability initiatives and have identified key issues that matter the most to our stakeholders and to us.

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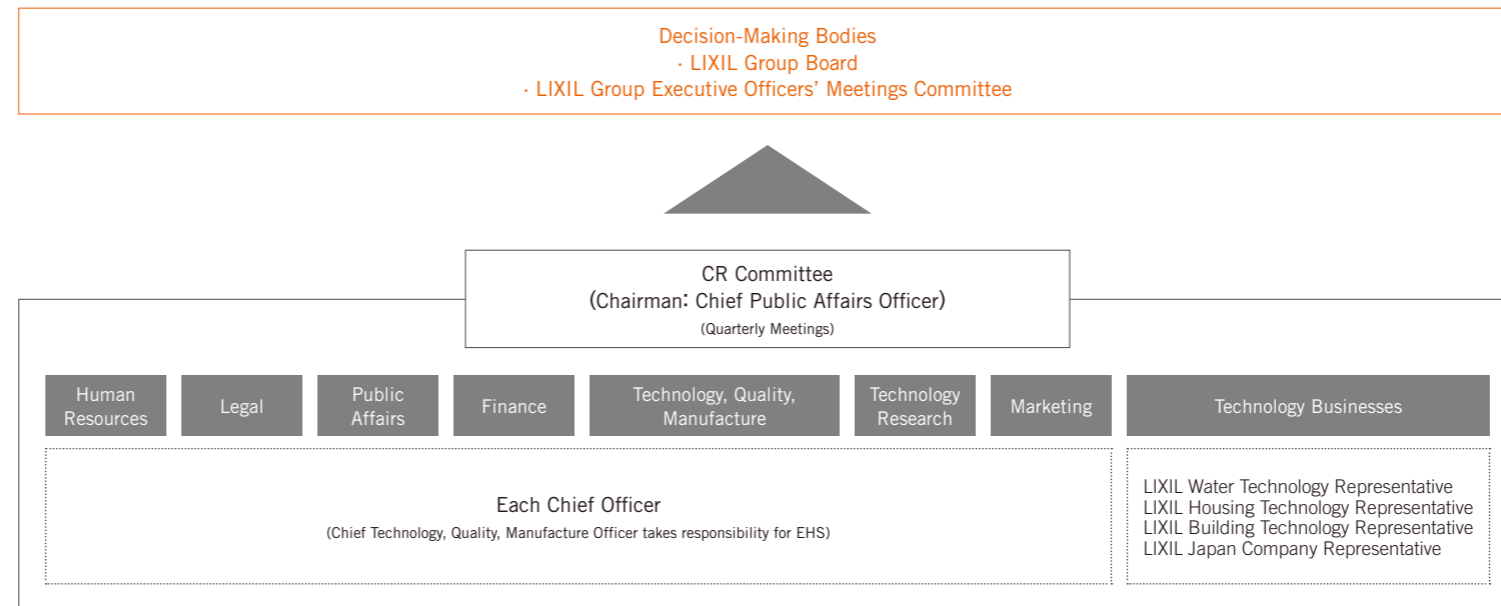
CR Management Structure

LIXIL's Corporate Responsibility (CR) Committee was established to align with the technology business operating model that was established in April 2015. The CR Committee succeeds the CSR Promotion Committee, which had been in place since 2012, and works to ensure swifter action in response to economic, environmental and social sustainability issues.

Management leadership and coordination with the technology businesses is critical to achieve prompt and appropriate actions. Accordingly, Executive Officers in charge of the corporate functions, namely HR, Legal, Public Affairs, Finance, Quality, Environment, Technology Research and Marketing as well as representatives from each of the technology businesses have been appointed as members of

the CR Committee.

The outcomes from CR Committee meetings are presented to LIXIL Group's Board of Directors and Executive Officers Committee for final approval, and decisions are immediately communicated down from the Executive Officers to the respective functional divisions and swiftly executed.



As of March 31, 2018

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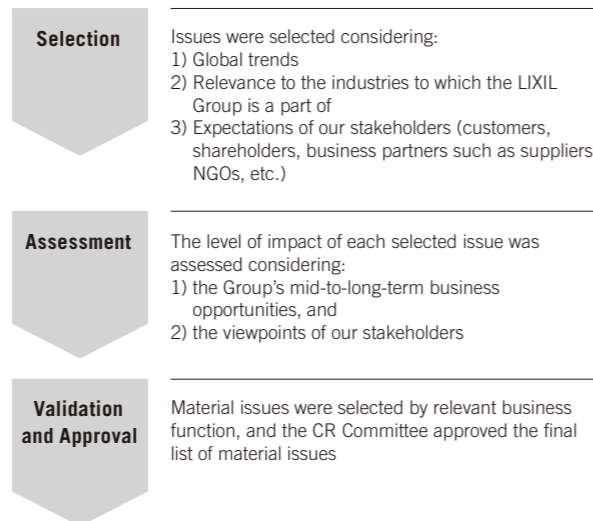
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Material Issues

The issues outlined in our corporate responsibility (CR) strategy and framework are based on a rigorous materiality selection process, as described below, which enables us to identify the issues that matter the most to our stakeholders and our Group. We have set medium-term action plans focusing on each of these material issues, and will be disclosing the progress and results of related activities on this website.

Material Issues Selection Process



LIXIL Group's Material Issues

List of LIXIL Group's Material Issues

Category	Material Issues*	Background and Reason
Governance	Corporate governance* Compliance* Risk management* Information security Taxation strategy Intellectual property strategy	As a global company, maintaining strong corporate governance practices is of critical importance to LIXIL. It is also an issue that has become of increased interest to our shareholders with the adoption of Japan's Corporate Governance Code in 2015. While expanding our global reach, our corporate governance was put to test in 2015, when we discovered accounting irregularities at an overseas subsidiary. To prevent recurrence of such incident and solidify our operating foundation, we must further advance our efforts to strengthen our corporate governance, compliance, and risk management systems.
Fair Business Practices	Anti-corruption* Transparent political relations Fair business	Corruption is detrimental to the development of a sustainable society. Global scrutiny towards bribery and fraud is intensifying, and extraterritorial application of penalties is increasing rapidly.
Human Rights	Human rights due diligence*	With the UN's adoption of Guiding Principles on Business and Human Rights clarifying the responsibility of companies to uphold human rights, protecting and respecting human rights both within the LIXIL Group and across its entire sphere of business influence have become a greater priority.
Labor Practice	Diversity and equal opportunity* Occupational health and safety* Employee hiring and retention Labor-management relationship Working environment Talent development Local job creation	With global expansion, our business and organizational structure have become more complex and diverse. We therefore need to grasp and manage appropriately risks related to occupational health and safety across the Group. Diversity is vital to innovation. Companies worldwide are increasingly focused on attracting and retaining high-caliber employees. We are actively promoting diversity in line with the LIXIL Diversity Declaration, but we need to push ahead further in pursuing this cause.
Quality and Satisfaction	Product safety* Customer satisfaction	Product safety is a top priority for the LIXIL Group as a manufacturer. Serious product defects can cause customer anxiety and greatly affect the reliability and reputation of our products.
Environment	Greenhouse gas reduction* Sustainable water use* Sustainable use of resources* Environmental management	The adoption of the Paris Agreement to combat climate change by 196 parties has shaped a clear direction towards future decarbonization. Global water shortage is intensifying and we need to do more to protect water, energy and other natural resources throughout the LIXIL Group value chain, from procurement to production, distribution, product use and disposal.
Supply Chain	Supply chain management*	Stakeholder interest in responsible supplier management has grown in line with the development of international standards on sustainable procurement. The LIXIL Group's manufacturing footprint expands across Japan, Asia, as well as, Europe, North and South America, and the Middle East, and we need to do more to promote responsible supplier management.
Stakeholder Engagement	Stakeholder engagement and collaboration* R&D for solving social problems* Contribution to Global Sanitation & Hygiene*	The UN Sustainable Development Goals have galvanized companies into helping solve social problems. As a comprehensive living technology company, we need to cooperate with stakeholders and focus more on R&D designed to help solve social issues, such as graying society, hygiene and the environment.

*Highlights issues that require focused priority action

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2020 Targets for Material Issues

2020 targets for specific material issues are determined as below. We will report our progress and results on each issue on this website and the CR report. For more details, please refer to the webpage of each initiative.

> Governance

Enhance group governance to maximize our corporate values.

Corporate Governance	<ul style="list-style-type: none"> Employ and establish global best practices as a company with nominating committee, etc
Compliance	<ul style="list-style-type: none"> Establish a comprehensive global compliance program and structure, including: promoting group-wide adherence to the Group Code of Conduct and global policy, holding business and region-specific compliance committees, and conducting regular compliance reviews Combine group-wide basic training, training by corporate positions and acknowledgment process of the Group Code of Conduct, and achieve 100% implementation rate Ensure 100% familiarity with the group-wide concern-raising system, "Speak Up!", which will be used to collect concerns raised by business partners
Risk Management	<ul style="list-style-type: none"> Foster a culture where risks are owned by respective executives (risk owner) globally, and establish cooperation among risk owners, risk management department and audit department to promote "risk countermeasures" to govern enterprise risks on a daily basis Cultivate "risk management culture" globally to promote quick escalation when incidents occur and implement action plans according to timelines in order to prompt appropriate initial countermeasure
Information Security	<ul style="list-style-type: none"> Comprehensively manage group-wide information security activities, and make that management measurable Ensure up-to-date policies that conform with national laws and suit individual company conditions, and conduct regular training Number of incidents including unauthorized access and leaks: 0
Intellectual Property	<ul style="list-style-type: none"> Maximize the value of the Group's intellectual property by conducting PDCA for the global IP governance structure and process Hold an IP Committee meeting once every quarter (4 times annually)

WEB Detailed initiatives: Corporate Governance, Compliance, Risk Management (LIXIL)

> Fair Business Practices

Engage all employees and officers in our business operations with a high standard of corporate ethics.

Anti-corruption	<ul style="list-style-type: none"> Establish a group-wide system that effectively prevent, detect and respond to violations, by developing a local process that is based on global policies and guidelines
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WEB Detailed initiatives: Compliance (LIXIL)

> Human Rights

Advance human rights across the business to operate as a responsible corporate citizen.

Human Rights Due Diligence	<ul style="list-style-type: none"> Conduct human rights due diligence globally to identify and reduce human rights risks for all of LIXIL's stakeholders, including customers, employees and business partners Respond quickly and sincerely if any human rights violations are identified. Carry out periodical reviews of the human rights due diligence framework and communicate initiatives and processes with transparency
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CR Detailed initiatives:

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› Labor Practice

Build a strong corporation and workplace where all employees can achieve their fullest potential.

Working Environment	<ul style="list-style-type: none"> Increase favorable response rate by 10% in the work-life balance category of the group-wide employee engagement survey compared to the previous survey <small>*The survey is carried out once-every-two-years. The previous survey was conducted in 2017 and the next survey will be in 2019</small>
Diversity and Equal Opportunity	<ul style="list-style-type: none"> Establish the culture of diversity and inclusion within our organization and with all employees
Labor Practice	<ul style="list-style-type: none"> Achieve 100% operational coverage of group-wide EHS management system
Human Resource Development	<ul style="list-style-type: none"> Provide common learning opportunities for 800 next-generation leaders across the Group Aim to expand the number of employees participating in the talent acceleration program (TAP) for next-generation leaders to 1,300 cumulatively (in Japan)

CR Detailed initiatives:**› Quality and Satisfaction**

Strengthen relationships with customers through our products and services.

Product Safety	<ul style="list-style-type: none"> Continue to keep the number of serious product accidents across the Group at zero cases
Customer Satisfaction	<ul style="list-style-type: none"> Conduct regular customer satisfaction surveys, and disclose results

CR Detailed initiatives:**› Environment**

Contribute to realizing a sustainable society through innovative products and services, and improving the environmental efficiencies over all operational processes.

Greenhouse Gas Reduction / Sustainable Water Use / Sustainable Use of Resources	<ul style="list-style-type: none"> Expand CO₂ emissions reduction attributable to Group products and services by 1.36 times compared to FYE2016 Reduce CO₂ emissions from Group activities by 8% compared to FYE2016 Reduce distribution-linked CO₂ emissions by 5% compared to FYE2016 Complete water-risk evaluation across all production sites, determine and implement KPI and targets for high-priority sites Achieve waste product recycling rate of Japan & Europe 95%, Asia 68%, North America 40% <small>*Includes data on water resource protection (indirect CO₂ emissions reductions relating to water use)</small>
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CR Detailed initiatives:**› Supply Chain**

Through responsible management of the overall supply chain, deliver a stable portfolio of products and fulfill stakeholder accountability.

Supply Chain Management	<ul style="list-style-type: none"> Achieve group-wide responsible procurement surveys coverage ratio* of 100% in Japan and overseas, conformity rate of 90%, and improvement rate of 100% (*based on purchased amount)
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› Stakeholder Engagement

Proactively engage with LIXIL's key stakeholders for better business management.

Stakeholder Engagement and Collaboration	<ul style="list-style-type: none"> Promote stakeholder engagement activities by using global frameworks such as the SDGs Communicate and disclose accurate and transparent Information that is accessible to our stakeholders
Solution of Global Sanitation and Hygiene Issues	<ul style="list-style-type: none"> Improve the livelihood of 100 million people through sanitation and hygiene solutions

CR Detailed initiatives:

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Our Approach

We are committed to enhancing living spaces through responsible engagements and initiatives around the world.

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Corporate Responsibility Strategy

LIXIL is committed to enhancing living spaces through innovative responsible engagements and initiatives around the world.

At LIXIL, we believe that our living spaces - the environment where we live, work and play - are critical to our daily lives and well-being. As a result, we are committed to ensuring that the growth of our businesses contributes to improving the quality

of people's lives, by delivering safe and comfortable products and services through responsible and sustainable innovations. Leveraging the scale and expertise of our four core technology business units, we are focused on making a positive impact in the communities in which we operate and on matters that require urgent action.

About "LIXIL Vision for Sustainable Living"

- [WEB](#) Video (3 mins)
- [PDF](#) Details (137KB)

Our Corporate Responsibility Mission


To be the most trusted company by enhancing living spaces through innovative, responsible engagements and initiatives around the world

Global Sanitation & Hygiene



Promote and enable access to safe and hygienic sanitation practices, especially for women and girls, while preventing the harmful transmission of diseases for children.

Water Conservation & Environmental Sustainability



Conserve water, energy, and other natural resources utilized in and by LIXIL products and services, including in the supply chain, production, distribution and during end use.

Diversity & Inclusion



Embrace the diversity of people in society and within LIXIL. This includes enhancing quality of life and well-being for the elderly and the physically disabled through LIXIL products and services, as well as harnessing the intelligence and perspectives of LIXIL's diverse workforce, as an engine for growth and innovation.

Our strategy stands upon a foundational commitment to ethical business practices

- | | | | | | | |
|---|--|--|---|---|---|--|
| <p style="margin: 0;">Governance</p> <p style="font-size: x-small; margin-top: 5px;">Enhance LIXIL's governance to maximize our corporate values</p> | <p style="margin: 0;">Fair Business Practices</p> <p style="font-size: x-small; margin-top: 5px;">Engage all employees and officers in our business operations with a high standard of corporate ethics</p> | <p style="margin: 0;">Human Rights</p> <p style="font-size: x-small; margin-top: 5px;">Advance human rights across the business to operate as a responsible corporate citizen</p> | <p style="margin: 0;">Labor Practices</p> <p style="font-size: x-small; margin-top: 5px;">Build a strong corporation and workplace where all employees can achieve their fullest potential</p> | <p style="margin: 0;">Quality and Satisfaction</p> <p style="font-size: x-small; margin-top: 5px;">Strengthen relationships with customers through our products and services</p> | <p style="margin: 0;">Supply Chain</p> <p style="font-size: x-small; margin-top: 5px;">Through responsible management of the overall supply chain, deliver a stable portfolio of products and fulfill stakeholder accountability</p> | <p style="margin: 0;">Stakeholder Engagement</p> <p style="font-size: x-small; margin-top: 5px;">Proactively engage with LIXIL's key stakeholders</p> |
|---|--|--|---|---|---|--|

Our Approach

Three Strategic Pillars

We focus on making a positive impact in the communities in which we operate and on matters that require urgent action, leveraging our expertise.



Global Sanitation & Hygiene

“100 Million People”

By 2020, improve the livelihood of 100 million people through sanitation and hygiene solutions



Water Conservation & Environmental Sustainability

“Net Zero”

By 2030, achieve a net zero balance between LIXIL’s environmental footprint and the positive environmental contributions created through our products and services



Diversity & Inclusion

“Inclusive for All”

By 2020, establish the culture of diversity and inclusion within our organization and with all employees





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Global Sanitation & Hygiene

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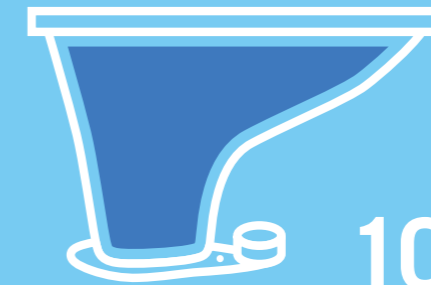
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By 2020, improve the livelihood of 100 million people through sanitation and hygiene solutions

- Promote research and development of products that actively contribute to resolving sanitation issues
- Create a business that improves sanitation facilities in developing countries around the world



100,000,000

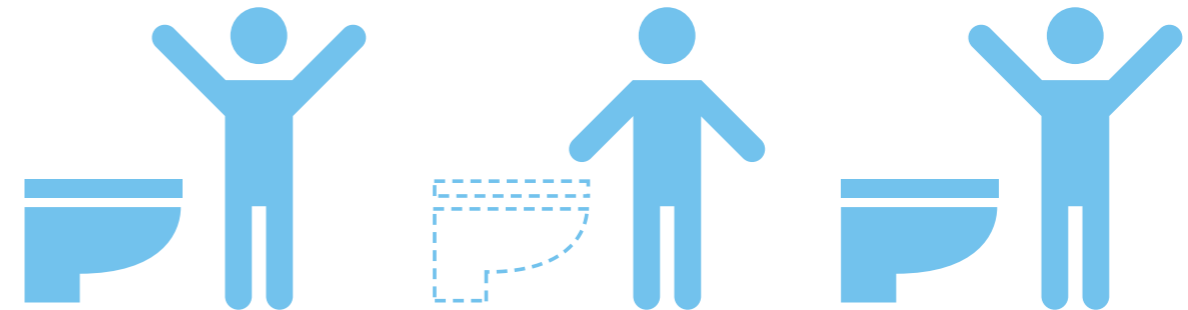
LIXIL is committed to promoting and enabling access to safe and hygienic sanitation practices, especially for women and girls, while preventing the harmful transmission of diseases for children.

› Background

An estimated 2.3 billion people – One in three people in the world today – live without access to proper sanitation, of which approximately 900 million still defecate in the open on a daily basis. These are figures with a devastating human cost: 800 children under five years of age are estimated to die every day from diarrheal diseases caused by a lack of clean water and sanitary living conditions.

The absence of safe, clean toilets is a particular threat to women. Not only is it embarrassing for women and girls to defecate outside, having to leave home or school to relieve themselves increases the risk of assault. As a result, the lack of sanitary toilets is one of the primary reasons young girls drop out of school when they reach puberty.

One in three people in the world today live without access to proper sanitation



The impact of the sanitation crisis is felt throughout entire nations and regions, crippling opportunities for growth and development. According to an Oxford Economics report on behalf of LIXIL, global economic losses from poor sanitation

were estimated at US\$223 billion (at 1 USD=100 JPY) in 2015, an increase of more than 20% from five years earlier.

WEB The True Cost of Poor Sanitation (LIXIL)

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› Activities

LIXIL has pledged to provide better sanitation to 100 million people by 2020. In addition to committing our own substantial corporate resources to this goal, we are at the forefront of public-private partnership, learning with organizations such as UNICEF, the Japan International Cooperation Agency (JICA) and WaterAid. LIXIL is also a member of the Toilet Board Coalition, a wide-ranging global alliance that aims to develop sustainable, scalable measures to tackle the sanitation crisis.

Given the immense size and complexity of the global sanitation issue, LIXIL is developing a number of products to fit different markets, infrastructure and income levels, as well as dealing with environmental constraints. Our primary solutions are the SATO Toilet Systems, already commercially available, and the Micro Flush Toilet System, Green Toilet System, and Portable Toilet System, which are all currently under development. Each represents LIXIL's dedication to improving the quality of people's daily lives.

LIXIL has also established the Social Sanitation Initiatives organization to strengthen the framework behind our commitment to resolving the global sanitation crisis through revolutionary products and sustainable businesses.

WEB Time for Global Action Episode I - LIXIL (26 mins)

PDF "Global Sanitation Solution" brochure (1.6MB)



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The Joint Declaration on the Japan Initiative for Hygiene Issues

LIXIL Corporation endorsed a joint declaration with the World Toilet Organization, Saraya Co., Ltd., and the ANA BLUE WING Program on sanitation and hygiene. The declaration outlines our joint commitment to support the realization of the United Nations Sustainable Development Goal 6 (SDG 6): Ensure access to water and sanitation for all.

To work towards achieving Goal 6, the four participating organizations aim to offer sustainable solutions at an affordable price. In order to achieve this, we all recognize that Japan, with its advanced toilet culture, has a significant role to play. We will utilize our accumulated knowledge and expertise to promote activities aimed at resolving sanitation issues around the world.

SATO: Preventing the Transmission of Disease and Odors, and Reducing Open Defecation

Having to defecate in the open, into an open pit, or over an inadequate pit latrine exposes millions of people to odors and disease. To combat this problem, LIXIL has developed the SATO Toilet Systems, the first model created with funding from the Bill and Melinda Gates Foundation and launched in Bangladesh in 2013.

Depending on the model, users pour in 0.2 to 1 liter of water to flush away waste, after which the counter-weight trap door closes to keep odors and flies away. SATO products are safe for children, easy to clean, and affordable. Each one is designed to suit the needs and preferences of users in

different regions. More than 1.8 million are provided for use, enabling improved sanitation for nine million people. (As of March 2017)

Cumulative total of SATO units shipped **1.8 million**
Number of people whose sanitary environment has been improved **Approximately 9 million**

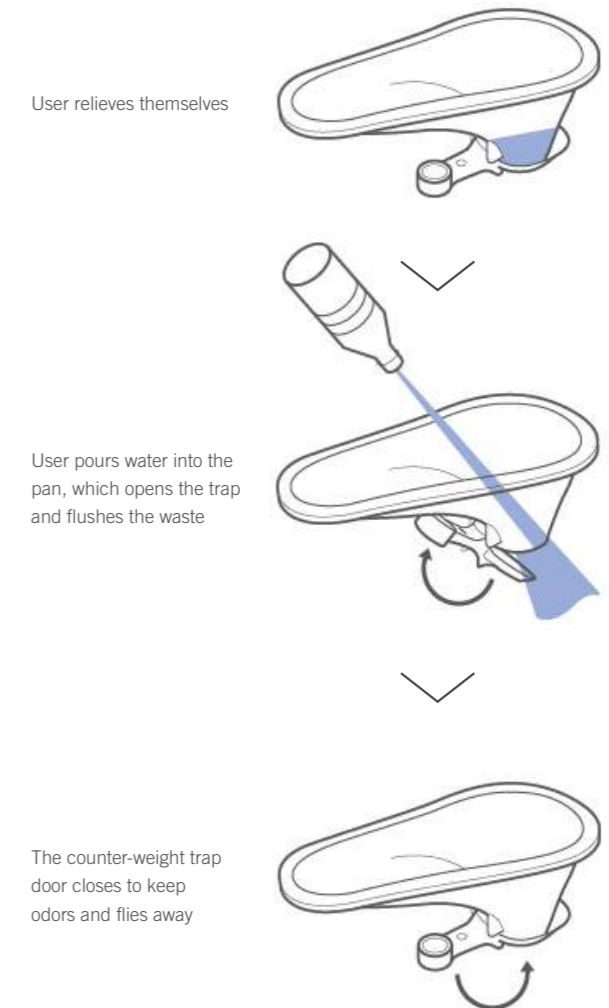
*Based on no. of units produced and an average of five users per unit.

WEB SATO Toilet Systems (Japanese only, LIXIL)



SATO product installation case in Bangladesh

►How "SATO" Works



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► Countries where SATO products were shipped for use around the world



To deliver sustained improvements to sanitary conditions for as many people as possible, LIXIL is focused on developing SATO operations in a tailored way to meet local needs. Producing SATO toilets locally keeps costs down and facilitates broader distribution. Selling SATO toilets through local partners creates employment and more concrete and entrenched local operations. By establishing a local Make, Sell, Use cycle, individual regions can independently and consistently improve their own sanitary conditions.

Announcement of SATO Toilet Systems, A New Model to Meet Needs in India

India is striving to construct approximately 80,000 toilets a day to help fulfill the government's policy to eradicate open defecation by 2019. In 2017, the LIXIL Group announced the SATO V-TRAP in support of this policy.

The toilets recommended by the Indian government, Twin-Pit Pour-Flush latrine systems, consist of two pits and a Y-junction so that one pit can be filled up at a time.

When the first pit fills up, for example, the flow of fecal matter can be manually switched so it flows into the second pit. By the time the second pit is full, the fecal matter in the first pit will have dried and become manure that can be used for farming.

LIXIL's new SATO V-TRAP model facilitates an easier switch over between the two pits and greatly reduces the risk of clogging by fecal matter. Furthermore, it reduces the volume of water required to flush the fecal matter into the pit by more than 80%.

New Funding to Accelerate Toilet Provision Coverage

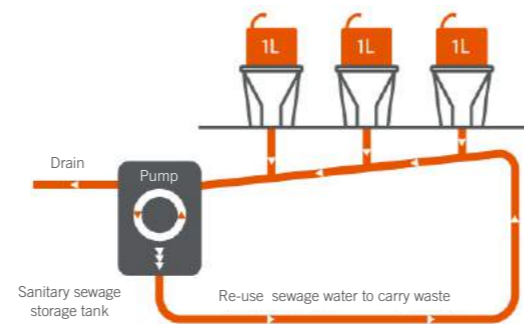
The SATO Toilet Systems were selected for funding by the Urban Sanitation Challenge program, led by the Canadian government investment fund, Grand Challenges Canada. LIXIL intends to use the one million Canadian dollar funding (approx. 92 million yen at 1 CAD=92 JPY) to build new production and/or retail frameworks in a total of 11 countries, spanning Nigeria, Tanzania, Ethiopia, Rwanda, South Africa, Vietnam, Indonesia, Haiti, Ghana, Malawi and the Philippines.

Micro Flush Toilet System: Better Management of Water Resources in Urban Environments

Using far less water per flush than a regular toilet, and recycling sewage water to assist the flow in outside pipes, the Micro Flush Toilet System significantly reduces the consumption of precious clean water. It is particularly aimed at mitigating problems related to scarce or unreliable water resources in urban environments where the population is rapidly increasing.

Suitable for both stand-alone homes and multi-unit buildings, the system prevents clogging of the sewage system and features a comfortable sitting-type toilet that is easy to clean and maintain. A flapper valve in the toilet bowl is operated with a handle, and the valve and accumulated water prevent odors from entering the room. A steeply angled pipe connected to the toilet and sewage water system assists the overall flow of waste.

► How "Micro Flush Toilet System" Works

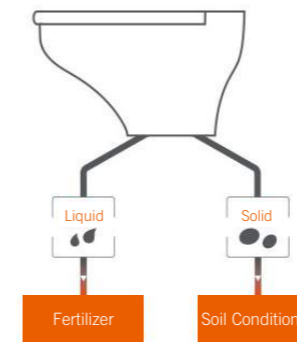


Green Toilet System: Safety Processing Human Waste into Fertilizer

The Green Toilet System safely processes human excrement into fertilizer and provides that value to farmers through the creation of a viable business model. Solid and liquid wastes are separated to prevent odors and prepared for their subsequent conversion into fertilizer, with maintenance workers collecting the waste from different tanks behind the toilet and transporting it to a compost facility.

The Green Toilet System is aimed at communities with no water and sewage infrastructure, or that are too spread out to justify a large sewage system. No water is used to transport the waste, circumventing the need for a traditional sewage system. Additionally, the proper treatment of human wastes protects groundwater and other resources from contamination. The system also creates employment for collection services and compost facilities, providing a financial incentive to prevent dumping.

► How "Green Toilet System" Works



CASE STUDY

Providing the Green Toilet System in Refugee Settlements with UN-Habitat

LIXIL Corporation worked with the United Nations Human Settlement Program (UN-Habitat), which is tackling refugee settlement challenges in developing countries, to provide the Green Toilet System to the Kalobeyei refugee settlement in Kenya.

Approximately 38,000 refugees live in the Kalobeyei settlement, and refugees continue to flow into the settlement primarily from South Sudan. Many of Kenya's refugee camps are constructed as temporary emergency sites, but the people in Kalobeyei tend to be long-term refugees who have been in the settlement for over 20 years without being able to return home. Against this background, LIXIL is collaborating with local partners to provide a long-term support to the Kalobeyei settlement to help the refugees develop economic independence.

In addition to providing hygienic, safe toilets, the Green Toilet System aims to help refugees foster economic independence by using composted fecal matter as manure for cultivating crops. We also conduct training programs to ensure local people can maintain and manage the system appropriately.



Installing the system

Kalobeyei refugee settlement in Kenya

Portable Toilet System: Hygienic, Efficient Collection of Human Waste

The Portable Toilet System is an in-home sanitation solution designed for urban informal settlements that lack proper sanitation infrastructure. It is being developed and field-tested to offer disadvantaged households an 'odorless' toilet from which human waste can be collected and treated hygienically and efficiently.

The toilet is equipped with a removable cartridge, which is transported from individual homes to a designated collection station, where the waste inside the cartridge is deposited and the cartridge cleaned. Professional waste treatment companies then collect the accumulated waste from the station and transport it to an offsite treatment site.

In informal settlement areas, where many of the poorest people in developing countries live, it is difficult to build sewage collection infrastructure or pit toilets, so hygienic toilets are in short supply. LIXIL developed a portable toilet

system specifically for these areas, enabling us to introduce compact, easy-to-install toilets for individual households and a hygienic and efficient system for collecting waste. LIXIL has to date conducted a demonstration experiment in the Philippines, and in the future, aims to reflect the opinions of those who used them into product development.

▶ How "Portable Toilet System" Works



ムンバイのスラム街

The Toilets for All Project

The "Toilets for All" project aims to improve the understanding of global hygiene issues within Japan, and improve basic sanitation in developing countries. Under the Toilets for All project, for each LIXIL shower toilet sold in Japan, LIXIL donates one of its simple and innovative SATO products to a developing country in Asia and Africa. To ensure hygienic toilets swiftly reach regions and people in dire need of improved sanitation, LIXIL is conducting the project in cooperation with several organizations of the United Nations and international NGOs. In 2017, the support of consumers resulted in 208,805 units for donation. Due to the success of the project in 2017, the project is continued into 2018 from April through September.



Toilets to be donated from FYE2018 project

208,805 units

WEB Toilets for All (Japanese only, LIXIL)



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Water Conservation & Environmental Sustainability

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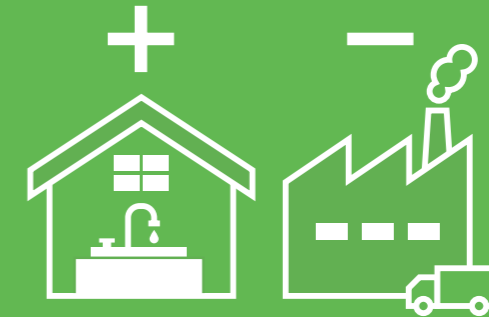
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By 2030, achieve a net zero balance between LIXIL's environmental footprint and the positive environmental contributions created through our products and services

- Design products and services with consideration to lifecycle impacts and environmental efficiencies, and increase the sales share of this product portfolio
- Lower the environmental burden of the overall business process by improving energy and water efficiencies and resource recycling



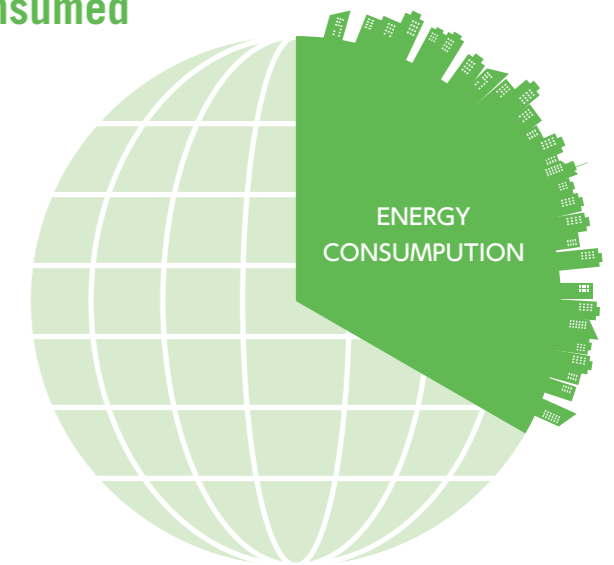
The LIXIL Group is committed to conserving water, energy, and other natural resources utilized in our products and services, across the supply chain from procurement through production, distribution, end use and product disposal.

> Background

Sustainable use of natural resources is ever more critical for our society, and given the nature of LIXIL's business, there are multiple areas where our actions can make a difference. By 2030, approximately 47% of the world's population is expected to be living in areas of high water stress. Additionally, LIXIL's business is strongly linked to buildings, which account for 32% (24% residential and 8% commercial) of total global final energy use, and without

Approximately 32% of all energy consumed in the world is used by buildings.

action, energy use by buildings is estimated to more than double by 2050. With regards to other natural resources, aluminum, one of LIXIL's important raw materials, has been identified as one of the priority materials in the metals category and requires urgent attention.



» Activities

LIXIL Group Environmental Strategy

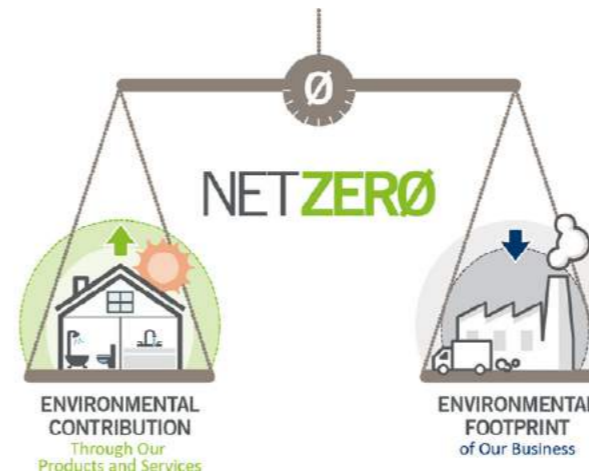
The LIXIL Group considers environmental challenges, such as water conservation and environmental protection, to be one of our most important business initiatives. As a 'Living Technology' company, we are committed to our Environmental Strategy, which pledges that LIXIL will provide environmental solutions through our products and services.



LIXIL CHITA SOLAR POWER (Generated energy in FYE2018: approximately 6,300MWh)

Environmental Vision 2030

To mitigate global climate change, the Paris Agreement set a long-term ambition to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century. In order to contribute to this carbon-neutral future, the LIXIL Group created a new Environmental Vision in 2016. By 2030, the positive environmental contribution from our products and services will surpass the environmental footprint from our entire business process, thus, achieving a NETZERO Environmental Footprint. We will achieve this through innovative technologies, such as low-carbon and water-efficient technology, and also by reducing the environmental impact of every process of the business, including procurement, production, product use, and disposal.



CASE STUDY

LIXIL's Targets Were Certified by the Science Based Targets initiative

The LIXIL Group target for reducing greenhouse gases, based on its Environmental Vision 2030, has been recognized as a scientifically based target that complies with the Paris Agreement objectives under the Science Based Targets (SBT) initiative, which is operated by international NGOs including CDP, UN Global Compact (UNGC), and the World Resources Institute (WRI). This is the first time worldwide that a company in the building products sector has received approval. This target aims to reduce scope 1 and 2 emissions*1 by 30% compared to the FYE2016, and to reduce scope 3 emissions*2 resulting from the use of our sold products by 15%. To achieve these targets, we are striving to use energy more efficiently, introduce renewable energy sources, and actively promoting the spread of superior environment-conscious products and services.



PDF Press Release (274KB)

WEB The SBT initiative website (External HP)

Greenhouse reduction targets by 2030	Scope 1 & 2*1	-30%
	Scope 3*2 (Use of products)	-15%

*1 Scope 1 & 2: greenhouse gas emissions caused through the company's own use of fuel and electricity.

*2 Scope 3: Greenhouse gas emissions resulting in the value chain including both upstream and downstream emissions as procurement and the use of sold products.

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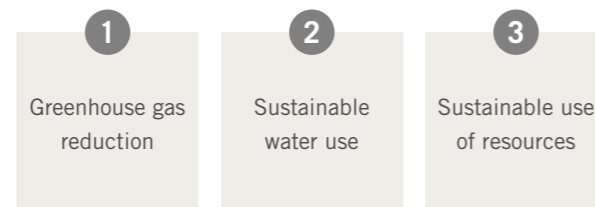
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Core Environmental Strategy Themes

To achieve our Environmental Vision, we are focused on three core areas, based on clearly defined targets and actions plans.



2020 Mid-term Targets

The LIXIL Group has set 2020 mid-term targets and action plans to help realize its Environmental Vision 2030. These targets have been reviewed to reflect the LIXIL Group's Medium-Term Plan that was launched in April 2018.

More than 90% of the environmental impact through the entire value chain of the LIXIL Group occurs when our products are used, making product and service initiatives an important aspect in achieving our Environmental Vision 2030. The LIXIL Group has built a global environment management system, uniting in a determined effort to gain a better understanding of the environmental impact of our entire value chain and develop global activities to reduce that impact.

CR



Environmental Issues		KPI	2020 Mid-term Targets
Improvement in environmental value of our products and services	Greenhouse gas reduction	CO ₂ reduction contribution through products and services	Increase by 1.36 times (compared to FYE2016)
	Greenhouse gas reduction	CO ₂ emissions through manufacturing and sales* ¹	Reduce by 8% (compared to FYE2016)
		CO ₂ emissions from use of sold products	Formulate KPI/target and implement measures based on business plan
Environmental footprint reduction from our entire business process	Greenhouse gas reduction	CO ₂ emissions intensity basis by logistics	Reduce by 5% (compared to FYE2016)
		Sustainable water use	Improvement of water use efficiency
	Sustainable use of resources	Waste recycling rate	Japan & Europe : 95% Asia : 68% North America : 40%
Environmental management		Coverage of EHS management system	100%
		Number of environmental law violations* ²	0

*1 CO₂ conversion factor is referred to the publication of each electricity company which our sites have a contract

*2 Number of significant violations with penalty of operational suspension or fines



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Our Approach

Diversity & Inclusion

By 2020, establish the culture of diversity and inclusion within our organization and with all employees

- Implement internal diversity initiatives around the world
- Promote the development of universal design products and services that are “Good for one, Good for all”



LIXIL is committed to embracing the diversity of people in society and within our firm. This includes enhancing quality of life and well-being for the elderly and the physically disabled through LIXIL products and services, as well as harnessing the intelligence and perspectives of LIXIL’s diverse workforce as an engine for growth and innovation.

More than one in every five people around the world is projected to be over the age of 60, with many people living either alone or with their spouse only.

› Background

With major demographical changes predicted for the next several decades, it is crucial to understand and embrace diversity and inclusion. By 2050, more than one in every five people around the world is projected to be over the age of 60, with many people living either alone or with their spouse only. Approximately 15% of the world’s populations today live with some degree of disability, and this rate is increasing every year.

Additionally, despite the fact that multiple studies suggest that gender diversity correlates with less volatile and improved financial performance of corporations, in Japan, female participation in the workforce is still low compared to other countries.



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➤ **Activities of LIXIL**

Launch of the Universal Design Project

The LIXIL Group invests in developing universal design (UD), which enables the comfortable living for all people. To further promote these activities, we launched a committee led by senior managers in FYE2018.

The committee invited a diverse selection of members from across the Group (marketing, sales, R&D, public relations, etc.) to attend workshops to help formulate advanced UD concepts and a framework for future UD promotion.

Under this new framework, we will continue to work on the UD project by pursuing ease-of-use, including usability, accessibility, and highly sensitive LIXIL-style designs, so we can develop products and services that meet the needs of all customers.

WEB Universal Design Policy (Japanese only, LIXIL)

Examples of LIXIL's Universal Design Products and Services

WEB Details (Japanese only, LIXIL)

Toilet
Honoka-Light



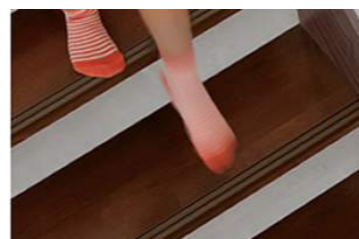
Bathroom
Push faucet



Bathroom vanity
Wheelchair accessible vanity



Stairs, corridors, entrances
Stairs with slip prevention



Entrance, exterior
Slide system



Public toilet
Large remote control



Kitchen
Hands free faucet



Living room
Non rail sash



In town
Support rail UD



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The LIXIL Group Provides Universally Accessible, Barrier-free, and Well-designed Products for Public Spaces

Barrier-free experts encourage the placement of light-yellow guiding blocks on all pathways, but many ambiance-sensitive designers have avoided using them because the previous yellow shade stood out too much, so it was difficult to fulfill both parties' needs. LIXIL Corporation developed new blocks to guide people with sight impediments in a new cool-yellow color that was equally visible but blended better with the surroundings. The new blocks went on sale in FYE2018.



New cool-yellow color blocks

Launched Premio Serviced Homes for the Elderly

LIXIL Senior Life Company, which manages elderly homes, launched Premio, LIXIL Group's first contract-based facility management business for serviced homes for the elderly. Premio Kawaguchi, the first facility in the Premio series, opened in March 2017. By using LIXIL products at elderly homes, LIXIL can continuously assess how to improve its product development for the elderly.

LIXIL also displayed a lineup of products for the elderly at the 44th International Home Care & Rehabilitation Exhibition (H.C.R. 2017), the largest international home care and rehabilitation exhibition in Asia, further demonstrating its commitment to inclusive design.



LIXIL Senior Life Company "Premio Kawaguchi"

CASE STUDY

Universal Run: Sports Prosthesis Experience Class

LIXIL aspires to the building of a universal society whose members can all lead active and fulfilling lives while respecting each other. As part of that aim, we held "Universal Run: Sports Prosthesis Experience Class" at elementary school in Japan. We wanted as many people as possible to consider and personally feel what universal means by talking with people who wear artificial limbs and attending this program.

In FYE2018, 6,030 people from 80 schools participated in the elementary school "Universal Run" program.



Students who wear artificial limbs

WEB Details about the activity (Japanese only, LIXIL)

Participants to the "Universal Run" program

6,030

Number of participating schools

80

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**Universal Design:
Good for One, Good for All**

LIXIL Corporation conducts "Universal Design: Good for One, Good for All" school visit program to teach children about the significance of universal design concepts. LIXIL employees create their own teaching materials and conduct lessons for elementary school children. The program are designed to highlight examples of universal design in nearby streets and individual homes to deepen students' understanding of diversity in terms of gender, age, nationality, ability, and disability, and encourage them to think what they can do and how they can take action. In FYE2018, 1,290 children from 21 schools took part in "Universal Design" school visit program.

CR Details about the activity (Japanese only, LIXIL)

CASE STUDY

International Association of Universal Design (IAUD) Award

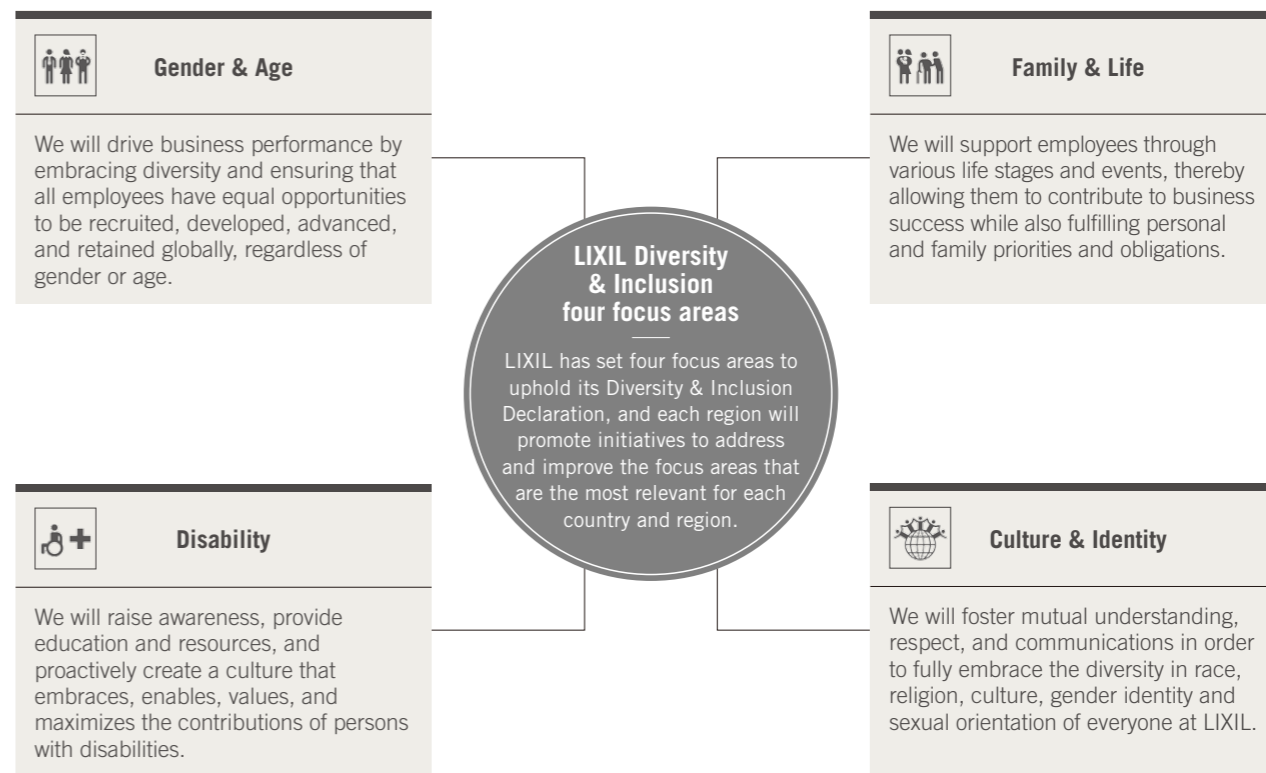
In 2018, LIXIL's "Toilets for All" initiative won an International Association for Universal Design (IAUD) award*. The project was highly praised for its scope, scale, passion, and implementation. The judges described the initiative as "a life-saving innovation for the poorest regions of developing countries that adds a new dimension to universal design."

*An initiative directed by the IAUD general incorporated foundation that awards groups and individuals who conduct or propose activities designed to help achieve a society in which the greatest number of people can live comfortably.

› Activities of LIXIL (Diversity of Employees)

LIXIL Diversity & Inclusion Declaration

We leverage our differences to create new energy and engagement in the workplace generated by open and honest dialogue across our organization. These efforts will enable our employees to build an entrepreneurial mindset that will drive growth and sustainable innovation.



PDF LIXIL Diversity & Inclusion Declaration - Japan 2.0 - (272KB)

CR Details about the diversity (P.40)

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Our People

We are committed to respecting the individuality of all employees
and offering a rewarding working environment.

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Our People**A Fair & Rewarding Workplace**

The LIXIL Group seeks to create a fair and rewarding workplace, develop a strong and cohesive corporate culture, and foster an open atmosphere between the unions and the company.

Action plan		Conduct a regular employee awareness survey across the Group
KPI		Implementation of action plans derived from the global employee awareness survey across the Group (%)
FYE2017	Target	· Implementation of action plans derived from the 2015 global employee awareness survey across the Group: 100%
	Progress	· Implemented actions in each organization based on the results of the Group-wide employee survey conducted during FYE2016 · Set up the LIXIL Engagement Committee and shared best practices Group-wide via the intranet
FYE2018	Target	· Implementation of action plans derived from the 2017 global employee awareness survey across the Group: 100%
	Progress	· At least one department in all major Group companies created an action plan · Promoted implementation of action plans in each country and region by offering stronger training programs for human resource departments · Confirmed steps being taken to collect information on action plans from all regions worldwide and made proactive improvements · The South Africa office developed a career matrix that outlines the necessary techniques and skills required for each department and job level, which it shares with employees

Action plan		Hold regular discussions between the union and the company
KPI		Number of meetings of the Central Labor Relations Committee at LIXIL Corporation (Japan only)
FYE2017	Target	· Hold nine meetings of the Central Labor Relations Committee annually (*Also hold regional Labor Relations Committees in order to share details of actions by Central Labor Relations Committee and debate various issues)
	Progress	· Held nine meetings · Established smooth labor relations by promoting prompt communication, including meetings and councils, on each of the themes stipulated under the basic labor-management agreement
FYE2018	Target	· Hold nine meetings of the Central Labor Relations Committee annually to facilitate regular communication between the union and company
	Progress	· Held nine meetings of the Central Labor Relations Committee annually · Maintained labor relations by promoting prompt communication, including meetings and councils, on each of the themes stipulated under the basic labor-management agreement

› Our Approach to Personnel Management

The LIXIL Group strives to create an environment that encourages employee diversity, inspires pride in the company, and enables each individual employee to maximize their productivity and their potential. We have focused on improving our work styles to ensure employees' enthusiasm and motivation, and revising our human resource systems to encourage employees to take paid holidays; this includes offering more comprehensive childcare and nursing care support, and promoting personal career development.

› Employee Opinion Surveys

In order for the rapidly evolving LIXIL Group to achieve further integration as One LIXIL, we believe it is important to understand our current situation and actively incorporate employees' views in improving working environments.

Accordingly, from FYE2016, we have combined employee opinion surveys that were previously conducted separately within each group subsidiary into one global survey.

Through the second global survey conducted in 2017, we were able to collect opinions from 90.3% of the employees in 21 different languages. That's a total of 56,364 responses. Since then, not only have we reported the results to the managers of our major global organizations and disclosed them to employees, we have also introduced an online system that enables each employee to freely view and analyze their own company's results. The survey has helped gain a solid understanding of each organization's strengths and issues, as well as enabled the development of action

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plans. As part of our group-wide inclusive actions, we also introduced an internal communication tool in 2017, a system that enables an open communication not only between management and employees, but also among employees.

We aim to reflect employees' opinions in the management quickly to support business efficiency and improved productivity. In the same vein, we seek to clarify our future strategy through our Medium-Term Plan, and conduct global training to improve communication skills of managers acting as mediators. Ensuring LIXIL's thinking and targets are strongly communicated and fully understood is an effective way of nurturing employees' empathy towards the Group's aims and strategies.

➤ Supporting a Healthy Work-Life Balance

At the LIXIL Group, the executive management team is actively supervising the creation of a rewarding working environment in which each and every employee can perform to their full potential.

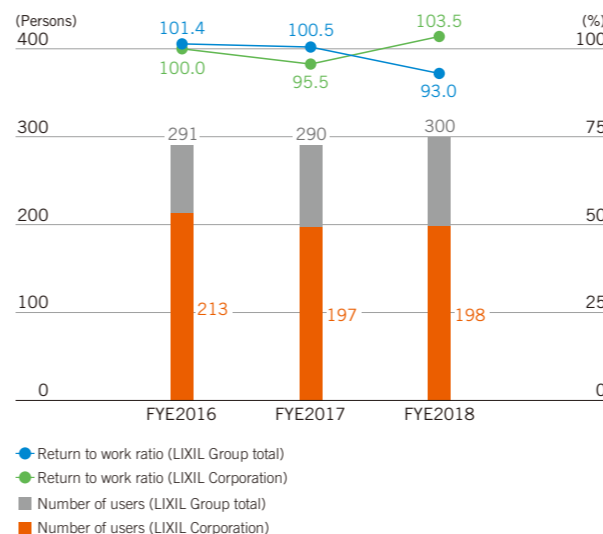
Holding active Work-Life Flexibility (WLF) Advisory Discussions between the union and the company, LIXIL Corporation is committed to enhancing the necessary systems and cultivating the right atmosphere. We currently have support practices in place for female employees looking after young children, and are now focusing on supporting our male employees with their childcare commitments, in addition to supporting all employees looking after sick or elderly relatives. We have introduced a variety of new systems, including hourly based paid holidays for all employees, career return systems that allow employees who

gave up work due to childbirth, childcare, or nursing care commitments to be reemployed; we are subsidizing extended daycare fees, providing subsidies equivalent to social security premiums to employees on temporary nursing care leave, and offering "Papa Childcare Leave" to male employees whose partner has just had a baby.

From FYE2018, we introduced a telecommuting system for employees with childcare or nursing care commitments, with 164 employees making use of that system in the first year.

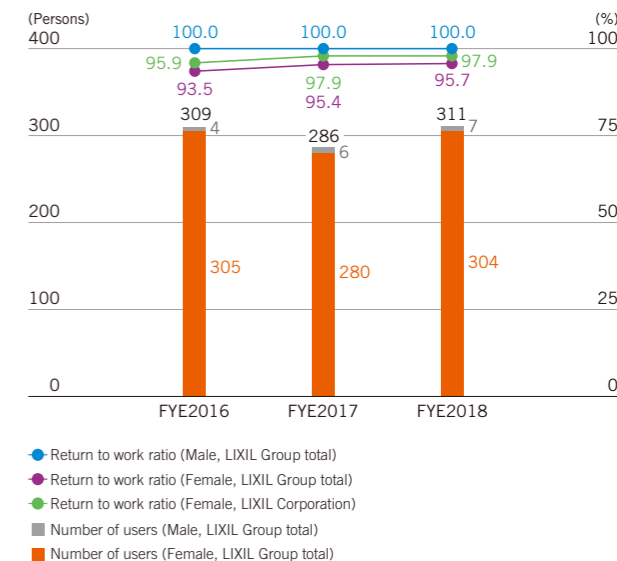
LWT & LHT Asia (GROHE Sanitary Products Shanghai) forbids employees from doing more than 36 hours of overtime a month to promote a strong work-life balance.

Number of Maternity Leave Users ★



*Directly hired employees in Japan only
*The FYE2016 figures have been revised on January 12, 2017

Number of Child-Care Leave Users ★



*Directly hired employees in Japan only

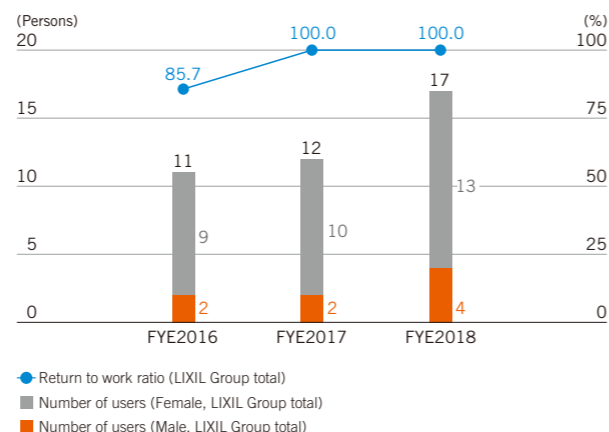
Percentage of Staff Still Working 1 Year After Childcare Leave

	FYE2016	FYE2017	FYE2018
Male	100.0%	100.0%	100.0%
Female	92.8%	93.1%	97.8%
Total	92.9%	93.3%	97.8%

*Current employment of original LIXIL employees in Japan at the end of the business period one year after their return to work

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Number of Nursing-Care Leave Users ★



*Directly hired employees in Japan only

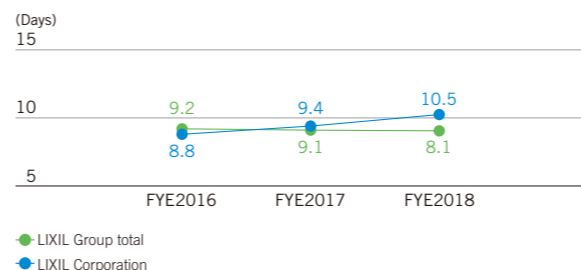
› Preventing Overwork

LIXIL Group top management are proactively seeking to improve productivity by eradicating long working hours and ensuring a healthy work-life balance.

To encourage employees to actively reduce overtime, LIXIL Corporation has designated Wednesdays to be a no-overtime day and has implemented an advance declaration policy for overtime. From FYE2016, managers and staff are required to carefully manage their working hours. Employees who consistently work long hours are interviewed by an industrial physician to prevent mental/physical health issues. The usage of paid leave has been increasing as of FYE2015, when we introduced measures such as “memorial leave,” which enables employees to take off time whenever they want for personal anniversaries, while we have also

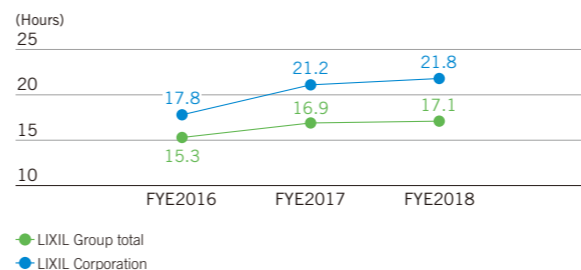
encouraged employees to take five consecutive days of annual leave at a time. As a result, paid-leave usage is over 50% in 2017. We intend to continue working to increase this ratio even further.

Paid Leave Days Taken per Employee ★



*Directly hired employees in Japan only

Average Monthly Overtime Hours per Employee ★



*Directly hired employees in Japan only

› Labor-Management Relationship

The LIXIL Group believes that building mutual trust between the unions and the company based on an equal relationship helps build a fair and rewarding workplace and leads to improved business performance.

LIXIL Labor Union, which adopts a union shop system for original permanent employees of LIXIL Corporation, is comprised of 13,572 registered members as of March 31, 2018, a 100% membership rate. The number and ratio of other LIXIL Group labor union participants and union members are: LWT Americas (American Standard America, Inc.): 328 members (100%); and LWT South Africa (Grohe Dawn Watertech Fittings Division (Pty) Ltd.): 861 members (61.7%).

The fundamental labor-management agreement includes items relating to health and safety and working conditions. Labor-management consultations are conducted in the form of regular discussions and information sharing on business status, working conditions, health and safety issues, etc., and the union and the company work together to resolve issues.

When there are changes to working conditions and/or other systems being introduced or revised through labor-management consultation, the union and the company cooperate to ensure employee awareness of the changes. This is facilitated through posting the information on the corporate intranet, cascading the information down through relevant general affairs departments, and the union distributing its own Union Guide to all union members.

FYE2018 human resource performance data indicated with ★ have received an independent practitioner's assurance.

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The LIXIL Group has built a Group-wide occupational health and safety management system to protect all employees, and is working to expand its scope.

Action plan		Build a common Group EHS management system
KPI		Group-wide coverage of EHS management system (%)
FYE2017	Target	<ul style="list-style-type: none"> Set up a Group EHS Committee Formulate Group-wide operational rules (EHS manual, EHS governance inspection guidelines)
	Progress	<ul style="list-style-type: none"> Scope of EHS performance data capture (employees): 98% Developed and implemented Group Occupational Health and Safety Policy, core rules such as the EHS manual, and EHS internal audit guidelines
FYE2018	Target	<ul style="list-style-type: none"> Group-wide operational scope of occupational health and safety covered by the EHS management system: 98%
	Progress	<ul style="list-style-type: none"> The EHS performance data acquisition rate (in terms of the number of employees): 100% HQ EHS Department conducted internal audit of EHS managers of all businesses The EHS performance data collection and management system installation was completed. A monthly data collection and management process was mandated

› Our Approach

The LIXIL Group, in our Group Charter of Corporate Behavior, commits to “promoting the mental and physical well-being of all workers by prioritizing safety in order to realize an ideal accident-free working environment.” To this aim, we have introduced an occupational health and safety management system and implemented a PDCA approach to help prevent accidents at work.

LIXIL Group Occupational Health and Safety Principles

LIXIL Group believes that all occupational injuries and diseases can be prevented through internal initiatives, and we aim to achieve zero work-related injuries and diseases. To achieve this goal, we share a common core value that “each person is irreplaceable,” and we foster a company culture where we always act with a “safety first” mindset.

[PDF](#) LIXIL Group Occupational Health and Safety Principles (41KB)



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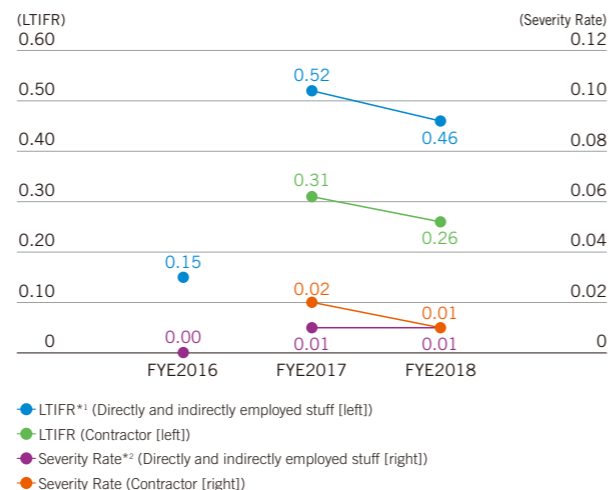
Implementation System

The Group EHS Committee, chaired by the Group's deputy president and executive officer responsible for optimizing production, sets common employee health and safety policies and core EHS rules. Upon which Group-wide EHS management systems are built and their applicable scope is extended.

We also have a Health and Safety Committee in each business segment, which discusses health and safety issues to help generate continuous improvements.

The Occurrence of Work-related Accidents

Severity Rate and Lost Time Injuries Frequency Rate ★



*1 Lost Time Injuries Frequency Rate: Number of lost-day occupational injury cases / Total working hours × 1,000,000
 *2 Severity Rate: Total days lost due to occupational accidents / Total working hours × 1,000 (Total days lost due to occupational accidents = actual days absent from work)
 Scope: FYE2016 covers directly employed staff at production and non-production bases in Japan.
 FYE2017 and FYE2018 cover directly and indirectly employed staff and contractor at production and non-production bases in Japan and a majority of overseas production bases.
 *Excludes LIXIL VIVA CORPORATION

OIFR ★

	FYE2016	FYE2017	FYE2018
Directly and indirectly employed staff	0	0	0
Contractor	-	0	0

*OIFR: Occupational Illness Frequency Rate
 Number of lost-day occupational illness cases / Total working hours × 1,000,000
 Scope: FYE2016 covers directly employed staff at production and non-production bases in Japan.
 FYE2017 and FYE2018 cover directly and indirectly employed staff and contractor at production and non-production bases in Japan and a majority of overseas production bases.
 *Excludes LIXIL VIVA CORPORATION

Number of Work-related Fatalities ★

	FYE2016	FYE2017	FYE2018
Directly and indirectly employed staff	0	0	0
Contractor	-	0	0

*Scope: FYE2016 covers directly employed staff at production and non-production bases in Japan.
 FYE2017 and FYE 2018 cover directly and indirectly employed staff and contractor at production and non-production bases in Japan and a majority of overseas production bases.
 *Excludes LIXIL VIVA CORPORATION

CASE STUDY

Working to Eradicate Work-related Accidents

The LIXIL Group seeks to actively prevent work-related accidents by ensuring all employees follow established safety rules and anticipate dangers at work. That means pinpointing and eradicating any dangerous elements relating to machinery, facilities, or unsafe action by workers, and sharing best-practice examples to avoid work-related accidents. To prevent reoccurrence, we compare and analyze any similarities between accidents that do occur, and instigates improvements. LIXIL Corporation also provides practical training sessions ("Anzen Dojo") in which staff from Japan and overseas can experience simulations of past accidents.

LIXIL Water Technology (LWT) shares and develops best practices from each region to help promote further progress. For instance, LWT EMENA and LWT Americas attached spotlights to the back of their forklifts to prevent collisions with pedestrians walking behind blind corners when the forklift is reversing. LWT Japan improved on this idea by switching the spotlights for strip lights so that pedestrians notice the lights more easily.



Practical training sessions (Anzen Dojo)

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› Work Safety & Well-being

Ensuring all employees are physically and emotionally healthy is important for creating a vibrant and vigorous workplace.

The LIXIL Group seeks to support strong employee health and well-being by providing various opportunities relating to disease prevention, health education and health promotion.

Working with the LIXIL Health Insurance Society, LIXIL Corporation organizes its health support activities under the LIXIL WELLNESS umbrella

Annual Medical Checkups

All employees undergo annual medical check-ups, and industrial doctors determine whether individual employee require attention at work. In addition, employees with high health risks are encouraged to visit a doctor to enable them to continue working in a healthy and safe manner without exacerbating their symptoms. Extra attention is paid to encouraging priority cases (50 employees in FYE2017 and 37 in FYE2018) to visit a healthcare facility, and, as a result, we achieved a 100% consultation rate. The LIXIL Health Insurance Society covers basic medical examination fees for both employees and their dependents.

Health Promotion Event

We are actively encouraging exercise together with the LIXIL Health Insurance Society. Since 2016, we have been holding the LIXIL Walking Rally twice a year. The event held in the spring of 2017 drew the participation of about 2,000 people.

Mental Health Care

We are also focused on caring for mental health, which is important in ensuring overall wellness of employees. We have specialist industry physicians at our business sites, and offer mental health management training for managers to help create a working environment conducive to early detection and early treatment. We also conduct seminars to ensure all the employees have the correct knowledge to help themselves, and offer a Workplace Reinstatement Program to help employees who have been on sick leave to facilitate their return to the workforce.

To comply with new legal requirements on stress tests introduced in FYE2017, we have been conducting stress tests each year between May and June from 2016. In FYE2017, 84.5% of employees took the stress test, rising to 93.9% in FYE2018. Workplaces with ten or more respondents (departments, Group companies, sales offices) that were judged to be high stress locations are asked to create an action plan sheet, and alleviate any factors that are causing stress. We also recommend workplaces to offer a private appointment with an occupational physician to individual employees judged to be under considerable stress.

External Evaluations & Commendations

As a result of these activities, the LIXIL Group has been recognized two years running in 2017 and 2018 as a certified health and productivity management organization in the large enterprise White 500 category (a program operated by Japan's Ministry of Economy, Trade and Industry). LIXIL's health maintenance and promotion measures, which include activities to prevent increasingly severe lifestyle diseases,

mental health education, and exercise promotion, received high praise, and we received a top-class evaluation overall thanks primarily to our superior systems and implementation of measures and policies.

Overseas Cases

To introduce a few of our international well-being promotion activities, LWT & LHT Asia (LIXIL Thailand) created exercise clubs designed to relieve stress and improve health awareness that all employees can attend after work. The multiple clubs, ranging from badminton to futsal, have been in action, attracting over 1,200 participants. LWT & LHT Asia (LWT China) also holds a health promotion club once every two weeks to help relieve work-related pressure.



LWT & LHT Asia (LIXIL Thailand) exercise clubs in action

The LWT & LHT Asia (LIXIL China) health club puts on a show

FYE2018 human resource performance data indicated with ★ have received an independent practitioner's assurance.

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Our People Talent Development

The LIXIL Group supports a systematic and structured talent development program, and encourages all employees to proactively advance their own careers.

Action plan		Continue and optimize regular leadership training programs* in Japan and across the Group
KPI		Number of employees participating in leadership training
FYE2017	Target	· Number of participants: 200 employees
	Progress	· 237 employees participated in leadership training* · Expanded development programs to enable all employees to take part
FYE2018	Target	· Next-Generation Human Resource Promotion Program: hold 5 classes for 116 employees at LIXIL Corporation (Japan only)
	Progress	· Number of employees participating in the Talent Acceleration Program (TAP) for next-generation leaders: 116 employees, 5 classes (Japan only)
KPI		Percentage uptake of initial 3-year basic education (LIXIL Corporation, Japan only)
FYE2017	Target	· — *Newly added in FYE2018
	Progress	· — *Newly added in FYE2018
FYE2018	Target	· Ensure 100% introduction of three-year annual communication training (LIXIL Corporation, Japan only)
	Progress	· Percentage uptake of three-year annual communication training: 100% (Japan only) · The following number of employees participated in respective training: -1st-year training: 184 employees -2nd-year training: 147 employees -3rd-year training: 295 employees

*"Leaders training" was changed to "TAP for next-generation leaders"



**Percentage uptake of initial 3-year
basic education**

100%

Our Approach

The LIXIL Group pursues talent development from a long-term perspective in order to nurture personnel who can support the LIXIL brand well into the future. As part of that process, we focus on training next-generation leaders and employees after evaluating global LIXIL personnel based on future business needs. To create a working environment in which all employees can work and contribute enthusiastically, we support career development from two angles: company-driven, strategic career development, and self-motivated career development managed by individual employees.

Personnel Development Initiatives

The LIXIL Group holds a People and Organization Development (POD) with its CEOs in all major global organizations, and creates an annual next-generation training plan to cover vital positions and help achieve our Medium-Term Plan. The next-generation training plan includes general development such as seminars, on-the-job training, strengthening of communication skills, and inter-company transfer opportunities, and considers next-generation training from a group-wide perspective in conjunction with multiple departments.

In FYE 2018, we conducted the Global Challenge Program, giving openly recruited employees of LIXIL Corporation a chance to learn about our business in an overseas office for a year. Additionally, this international work experience is designed to help foster talent across the Group with the knowledge, experience, career independence, capability, and adaptability required for future global business.

LIXIL Corporation's FYE 2017 career-support training programs are developed for all managers based on the understanding that the best supporters for realizing employees' career ambitions are their managers. The programs provide managers the right mindset and skills for helping staff develop their careers, as well as for solving daily management concerns. This program was officially launched in FYE 2018.

In addition, we support both individual and organizational growth through our open-recruitment job posting system for specific positions. This seeks to improve the movement of company-wide personnel and ensure the optimum placement of employees in order to match the needs of specific departments with employee ambitions.

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➤ Our Approach to Talent Development

LIXIL Corporation's talent development consists of seamless education and training programs when an employee is promoted. The programs are designed to improve employees' basic skills, develop stronger expertise, and nurture next-generation managers. We have three types of educational institutions, which are all intrinsically linked.

- 1 Basic School**
Improving basic skills at each level and offering learning opportunities to match employees' enthusiasm for learning
- 2 Professional College**
Improving the overall capability and expertise of business units and functional divisions
- 3 Next-generation Seminars**
Providing proactive training for entrepreneurially minded employees

Training for Young Employees (Basic School)

This established training system is designed to ensure young employees in their first through third years of employment can acquire the necessary competences to cope with higher expectations and evolving roles within the company. Our communication skills training for each year group, in particular, focuses on developing the skills required to foster a flat and open corporate culture.

Proactive Development of Company's Entrepreneurially Minded, Next-generation Leaders

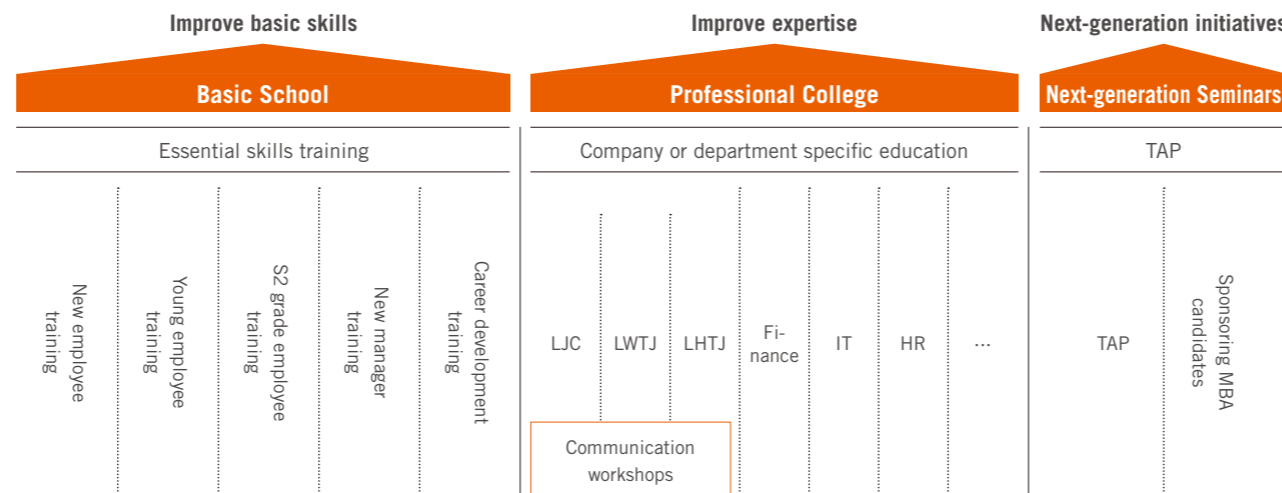
Our Talent Acceleration Program (TAP) is designed to proactively nurture the next generation of entrepreneurially minded management personnel, including young employees in their 20s selected by open recruitment or

recommendation, middle managers in their 30s working predominantly in the field, and division or section managers in their 40s. We operate different training programs for each of the three groups, focusing on fostering management skills and a managerial mindset from an early stage. We are also introducing an overseas MBA study program to help employees with managerial experience acquire management skills and develop an international outlook.

Training and Education Support Programs Conducted in FYE2018

Item	Training Summary	Number of Participants
New employee training	Basic training for employees newly entering the company	222
Training by corporate positions	Training to develop skills and capabilities required at each position level	2,578
Leadership training (LT)	Training to nurture next-generation management personnel	120
Management training	Training for employees being promoted to management positions	421
Division training	Training in each division to develop skills and capabilities respectively required for product development, production, sales, and other lines of work	13,905

*LIXIL Corporation only. Leadership training (LT) covers LIXIL Corporation and its subsidiaries



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Annual Training Hours and Costs per Employee (FYE2018)

Name of Company	Training Target	Training Hours	Training Costs
LIXIL Corporation	All	23.1 hours	91,395 Yen ★
LWT EMENA (Grohe AG)	All	7 hours	21,817 Yen
LWT South Africa (Grohe Dawn WaterTech Holdings Pty Ltd.)	All	28 hours	17,014 Yen

*Does not include online learning time such as e-learning.
*SCOPE: Directly hired employees only

› Career Development Support

As well as offering a broad variety of training programs, LIXIL Corporation also seeks to support individual employees' self-motivated learning. In 2014, we published an internal website displaying a list of the correspondence courses and training programs offered by the company. We provide future guidance to employees, including case studies from senior colleagues.

LWT Americas offers a comprehensive LWTA University training program for employees in America, Canada, and Mexico. In addition to group lectures, the program uses multiple resources such as Webinar, video, and electronic books to meet a diverse range of employee needs. The University offers 284 courses in total, from training designed to improve leadership, management, and other basic skills to specialized courses in specific fields such as compliance, the environment, health and safety, and product knowledge.

LWT EMENA is focused on expanding its e-learning programs so that employees across a wide geographical area can take lectures. Employees can choose from multiple online learning programs spanning product-related

knowledge through leadership, multicultural understanding, and health management-related.

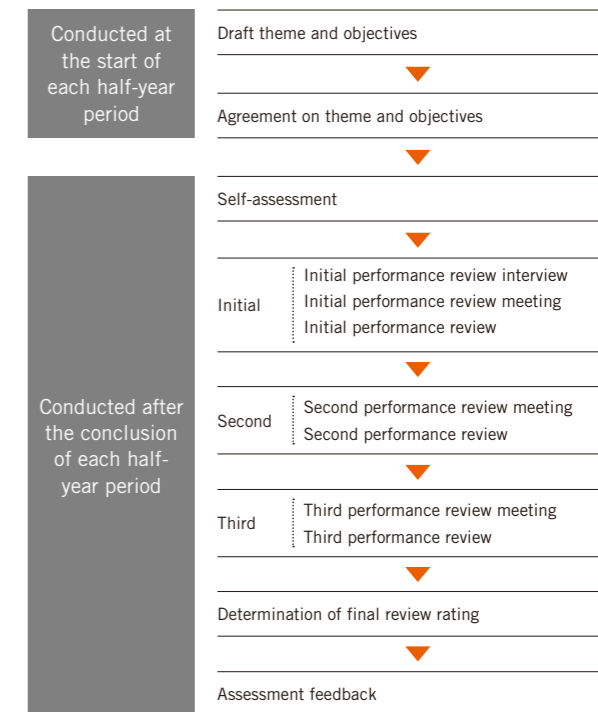
› Evaluation Framework

To ensure growth and positive results are fairly rewarded, employees of all major LIXIL Group companies are reviewed by their direct manager every six to twelve months, and are evaluated by at least two managers at the end of each financial year.

LIXIL Corporation evaluates all employees to ensure growth and accomplishments are justly awarded. Employees are required to assess their own achievements against objectives set at the beginning of the year, and managers provide feedback in meetings on the performance evaluation results. We nurture development by reviewing half-yearly performance and communicating future expectations. To secure fair evaluations, we develop managers' personal evaluation skills through the Personnel Evaluation System Manual or new manager training programs.

In addition to biannual staff review, LWT Americas also conducts regular informal reviews. Going forward, we are looking to increase the number of management-staff reviews, and to introduce a new evaluation system that will help employees and managers manage their target achievements.

Performance Evaluation Flow



FYE2018 human resource performance data indicated with ★ have received an independent practitioner's assurance.

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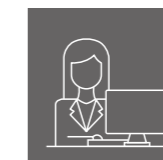
The LIXIL Group is committed to respecting diversity and recruiting and developing high caliber talent across the Group. We believe that harnessing the intelligence and perspectives of our diverse workforce is critical to driving growth and innovation.

Action plan	Promote the active participation of women in the workplace
KPI	Percentage of women among regularly recruited new hires (Japan only) (%)
FYE2017	<p>Target · Percentage of women among regularly recruited new hires in March 2016: over 30%</p> <p>Progress · Percentage of women among regularly recruited new hires in April 2017: 30.8%</p>
FYE2018	<p>Target · Percentage of women among regularly recruited new hires (Japan only): over 30%</p> <p>Progress · Percentage of female new graduates (incl. those who completed graduate studies) employed: 31.5%(LIXIL Corporation, Japan only)</p>
KPI	Percentage of women participating in leadership training* (LIXIL Corporation, Japan only) (%)
FYE2017	<p>Target · Percentage of women participating in leadership training: over 20%</p> <p>Progress · Percentage of women participating in leadership training*: 20.8%</p>
FYE2018	<p>Target · Percentage of women participating in Next-generation Human Resource Promotion Program: over 20%</p> <p>Progress · Talent Acceleration Program (training for selected young employees) participation rate: 37.5% (LIXIL Corporation, Japan only)</p>
Action plan	Create a staffing plan that encourages employment and development of people in local communities
KPI	Fulfillment of recruitment plans to increase the number of local factory employees (LIXIL manufacturing subsidiaries)
FYE2017	<p>Target · Achieve 100% of the recruitment plan (100 newly hired employees)</p> <p>Progress · Recruited 100 people (17 graduates from specialist high schools and 83 high-school graduates) · Frequently visited schools in each area, and participated in job fairs</p>
FYE2018	<p>Target · Achieve 100% of the recruitment plan (200 newly hired employees)</p> <p>Progress · 220 people recruited ① 30 graduates from the National Institute of Technology ② 5 graduates from junior colleges (2-year colleges)/ technical colleges ③ 185 high school graduates · Conducted periodical school visits and the participation in career forums in the local communities</p>

*"Leaders training" was changed to "TAP for next-generation leaders"

Our Approach

United under the LIXIL Diversity & Inclusion Declaration, the LIXIL Group embraces diversity in gender, age, race, nationality, values, background, etc., and turns the energy and creativity generated by diversity into a source of strength. We aim to furnish a comfortable and friendly working environment for all, enabling employees to approach challenges with an entrepreneurial spirit, and be appropriately evaluated for their performance.



Promote the active participation of women in the workplace

Percentage of female new graduates employed:

31.5%



Create a staffing plan that encourages employment and development of people in local communities

Fulfillment of recruitment plans to increase the number of local factory employees

Total: 220

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LIXIL Diversity & Inclusion Declaration

We leverage our differences to create new energy and engagement generated by open and honest dialogue across our organization. These efforts will enable our employees to build entrepreneurial mindset that will drive growth and sustainable innovation.

LIXIL has set four focus areas for promoting diversity and inclusion: Gender & Age; Disability; Family & Life; and Culture & Identity, and promotes initiatives to address the most relevant focus areas for each country and region.

For instance, LWT South Africa selects people from ethnic groups that are underrepresented in current management positions and have traditionally found themselves in a disadvantageous position, and employees from the factory floor who exhibit potential leadership qualities, to participate in a Future Leadership Program designed to teach the management skills required for professional advancement.

As a global company, it is important to understand different cultures in order to foster strong communication. In that spirit, LWT Americas conducted a program to improve employees' understanding of values and work procedures in Japan, where the LIXIL Group Headquarter is located.

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➤ Empowering Women in the Workplace

The LIXIL Group believes the active participation of female employees is vital to promoting diversity. In March 2012, we had one female senior executive (1.0%) in the Group.

In March 2017, that number had risen to seven (11.9%), including two directors, two senior managing executive officers and three executive officers. As of March 31, 2017, the number of female managers increased to 687, constituting 12.9% of total management personnel. In July 2017, the LIXIL Group was included in the MSCI Japan Empowering Women Index (WIN), which selects companies that champion gender diversity from among Japan's top 500 companies in terms of market capitalization.

Number of female managers increased
(FYE 2018 compared to FYE2012)

Approximately 6.8 times

LIXIL Corporation has set up the Diversity Promotion Office to further advance careers for women. As a member of "Male Leaders General Meeting (to promote the active role of women)", an initiative backed by the Cabinet Office, we declared a WeDo Action* plan in August 2014, and are facilitating the appointment of female directors, officers, and managers. As of March 2018, we had 168 female managers (6.1% of all managers), representing absolute growth of approximately 6.8 times compared to 22 female managers (0.9%) in March 2012.

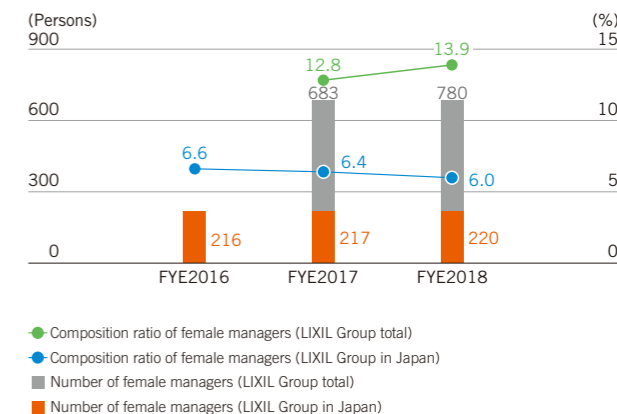
*WeDo: Women Empowerment in a Diversified Organization
*(): The ratio of women in all management positions
*One female director and one female senior managing executive officer are from countries other than Japan.
*Data excludes Senior Life Company of LIXIL Corporation

Taking the promotion of active female employees to the next level, we are currently creating an environment in which female employees can consistently develop their careers even if they take time off for life events such as childbirth. For example, we provide a Mamap career-building tool

for working mothers. Female employees intending to take childcare leave use the provided tool and interview sheet to help them communicate with their managers to design a career path and support system, and ensure continued active and rewarding work after the maternity leave.



Number and Composition Ratio of Female Managers ★



*Directly hired employees only, data collected based on the qualification system used at each operating company, as of March 31 of each fiscal year
Scope:
FYE2016 covers LIXIL Group in Japan
FYE2017 and FYE2018 covers the entire Group

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Other External Commendations of LIXIL Corporation

- Received the highest level of Eruboshi certification in 2017 from the Ministry of Health, Labor and Welfare, which honors companies that have actively promoted female employment in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace.



WEB Details (Japanese only, LIXIL)

- In 2018, LIXIL was named as a Nadeshiko stock for the third time. Nadeshiko brands are listed companies selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as providing outstanding professional opportunities for women.

PDF Details (Japanese only, 470KB)



- Received the first Catalyst Distinction award from non-profit Catalyst Japan in 2017, which honors women's advancement, and diversity and inclusion initiatives in the workplace.

WEB Details (Japanese only, LIXIL)



› Fostering a Friendly Corporate Culture Towards Sexual Minorities

The LIXIL Group is working to create a work environment friendly for LGBT and other sexual minority employees.

LIXIL Corporation held study sessions for employees and provided badges and seals to employees who identified as an LGBT Ally as a way to show their willingness to support and understand.

The aim is to register at least two Allies in our 86 sites with over 50 employees, and so far, we have achieved that in 77% of the locations. Large numbers of Allies in Japan currently share information through the LIXIL Ally network. Moreover, in February 2018, we invited people of sexual minorities to a study session. Participants left the session having realized that they may have injured people unconsciously, or determined to put what they had learned into practice and change their regular behavior.

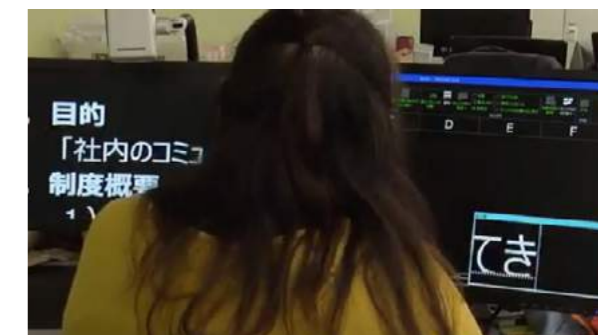


LIXIL Ally

› Employing Persons with Disabilities

Many employees with disabilities work alongside those without disabilities in the LIXIL Group because the Group has developed inclusive working environments, from R&D to production, sales administration, and planning management, to suit each individual's specific disability. As of March, 2018, 759 people with disabilities were employed across the LIXIL Group, representing 2.34% of the workforce (433.5 people and 2.27% for LIXIL Corporation).

In 2014, LIXIL launched WING NIJI to provide support for people with disabilities in the workplace. In addition to proper evaluation of work assignments and job development opportunities, WING NIJI has been undertaking many initiatives to determine the environments and conditions required for people with disabilities and able-bodied people to work together most effectively. For instance, introducing large-font characters for people with impaired eyesight, and adjustable-height desks for people in wheelchairs.



An employee using software to enlarge text

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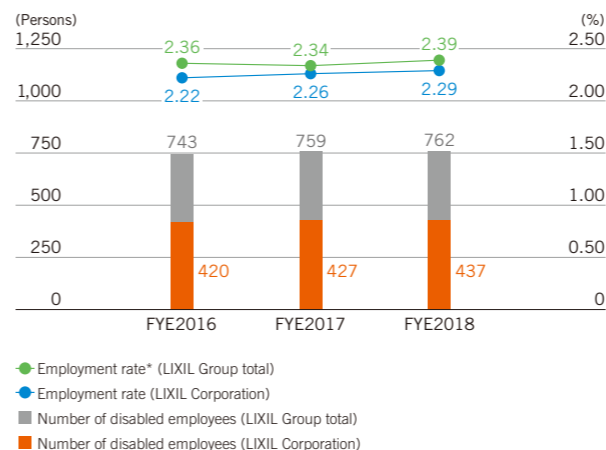
LIXIL Corporation is also strengthening company-wide efforts, including introducing sign language translation for study groups and conferences, and putting subtitles on intranet videos for employees with hearing impediments.

Since 2012, LIXIL has been proactively employing people with mental disorders and seeking to make various efforts and considerations on business to improve working environments to suit the capabilities and characteristics of each individual employee. For instance, we would ask people who are prone to anxiety to do tasks that fit their pace of work, or leave an empty desk in front of an employee who gets distracted by other people around them, or allow them to work in a free space.

In May 2016, LIXIL Corporation received certification from the Ministry of Health, Labor and Welfare as a leading company in the active employment of persons with mental and other disabilities.

By sharing these initiatives with other companies and government institutions, LIXIL is seeking to help create a social structure in which people with disabilities can participate actively.

Number and Percentage of Disabled Employees ★



*Directly hired employees in Japan only, as of March 31 of each fiscal year
 *LIXIL Corporation includes LIXIL Senior Life Company
 *Calculated based on the Employment Rate System for Persons with Disabilities by the Ministry of Health, Labour and Welfare

Creating Local Employment Opportunities

LIXIL Corporation supports the growth of employment opportunities in the regions where we operate by employing technical college and high-school graduates as local permanent employees at our plants in Japan.

CASE STUDY

Frameworks Encouraging Employee Activities

The LIXIL Group has also established frameworks to support independent employee activities so that each and every employee can work enthusiastically and respect each other's differences.

In 2017, LIXIL Corporation launched the LIXIL Diversity Network. In addition to the currently operating women's network, we have also launched networks for employees involved in childcare and nursing care life stages, employees with disabilities, and sexual minorities. People with an interest in any of these areas are actively encouraged to get together on a personal level to share their troubles and resolve problems, and to improve individual skills and overall corporate value. For instance, to encourage more sales women, who still represent a small number in the industry, to participate actively, we run a Women's Sales Group in which experienced saleswomen offer support to younger colleagues. The use of video conferencing enables female employees in areas with few saleswomen nearby to connect with experienced people throughout Japan.

In FYE 2018, LWT Americas also set up Business Resource Groups (BRG) such as millennials, working women, and multiple cultures, so that employees from diverse backgrounds could meet people from similar cultures and age groups and avoid feeling isolated. The company also offers programs that can provide employees with mentors from similar backgrounds.

FYE2018 human resource performance data indicated with ★ have received an independent practitioner's assurance.

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Environment

With the desire to help people live in harmony with the Earth, we are committed to continuing our efforts to be environmentally sound in every aspect of our businesses activities.

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Environmental Management

In order to achieve our Environmental Vision 2030, the LIXIL Group has committed to reducing the environmental footprint of our business operations through launching a Group-wide Environment, Occupational Health and Safety (EHS) management system.

Action plan		Build a common Group EHS management system
KPI		Group-wide coverage of EHS management system (%)
FYE2017	Target	<ul style="list-style-type: none"> · Establish a Group EHS Committee · Formulate Group-wide operational rules (EHS manual, EHS governance inspection guidelines) · Start collecting and reporting on Group-wide EHS performance data
	Progress	<ul style="list-style-type: none"> · Scope of environmental performance data captured (offices and companies): 96% · Built Group-wide EHS enhancement framework. Convened the first EHS Committee · Developed and implemented core rules such as the EHS manual and EHS internal audit guidelines. Tried EHS internal audit · Determined Group Occupational Health and Safety Policy
FYE2018	Target	<ul style="list-style-type: none"> · Group-wide coverage of EHS management system: 98%
	Progress	<ul style="list-style-type: none"> · Environmental performance data collection coverage (based on operation sites or companies): 100% · HQ EHS Department conducted internal audit of EHS managers of all businesses · The EHS performance data collection and management system installation was completed. A monthly data collection and management has been mandated



› Our Approach

In 2016, the LIXIL Group announced its Environmental Vision 2030 medium to long-term targets, and established the LIXIL Group Environmental Sustainability Principles to define our environmental philosophy and code of conduct. By 2030, we aim to secure an overall net zero balance between the environmental footprint of our business and the positive environmental contribution we make through technological innovations and the development of low-carbon, water-saving products and services.

To achieve our Environmental Vision, it is vital that we operate an effective environment management system, and work to reduce environmental impact across our entire business, from raw materials procurement through product disposal. In 2016, we started operating under our newly established EHS Performance Reporting Guidelines to help strengthen Group-wide target management and monitoring systems. We are looking to actively reduce environmental impact across the Group by extending activities currently implemented in Japan to all global operations.

Environmental Sustainability Principles

With the desire to help people live in harmony with the Earth, we are committed to continuing our proactive efforts to help create a sustainable society through every process of creating a better home.

PDF [LIXIL Group Environmental Sustainability Principles \(50KB\)](#)

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➤ Promoting EHS

The LIXIL Group has set up the Quality & EHS Division under CEO's direct supervision, making group-wide efforts to develop our EHS management system and promote our environmental vision. Under employees responsible for EHS staffed in each business organization, EHS activities are promoted within the organization and at the consolidated subsidiaries.

To promote group-wide EHS-related activities, the Quality & EHS Division acts as the secretariat to hold the Group EHS Committee meeting. The committee covers all business organizations and head office functions, as well as the consolidated subsidiaries. In cooperation with the LIXIL Group Executive Officers Meeting, LIXIL Corporation Board of Directors, and the CR Committee, the Group EHS Committee is establishing and expanding the scope of the EHS management system in the Group, including promotion of environmental strategies and development of effective management and reporting lines.



Group EHS Committee

External and Internal Audits

The LIXIL Group operates an internal audit system covering the entire company. Its manufacturing factories conduct internal audits according to ISO14001 standards and check the effectiveness and compliance of environmental management systems. With regard to non-manufacturing divisions and Group operating companies, we perform internal audits based on the standards set in our own environmental management system and are gradually expanding the scope to include Group subsidiaries. We work to ensure the effective operation of our management system by following up on all audit points and confirming the implementation of improvements.

From FYE2018, LIXIL's EHS Management Division started auditing employees responsible for EHS in all business organizations. Furthermore, our 13 manufacturing sites in North America (8 sites in United States of America, 1 site in Canada and 4 sites in Mexico) additionally implement the plan to acquire ISO 14001 certification by FYE2020 in order to strengthen the group-wide environmental governance.

Environmental Education Initiatives

LIXIL Corporation strives to inform and educate employees at various levels of the company about environmental initiatives. The company conducts environmental training for new recruits, provides Environmental Management System (EMS) training for EMS promotion managers and operators in each office, and distributes monthly reports on environmental trends to top management, including directors, auditors, and the CEOs of technology businesses.

Converted Economic Value

The LIXIL Group has calculated the total economic value of our products in order to understand the positive and negative impacts they have on the environment. We estimated the overall running costs for water, gas, and electricity from the use of our toilets, water faucets, and kitchens to be US\$179.2 billion (19.4676 trillion yen) for our end users. On the other hand, the positive value created from the use of our environmentally designed products, such as insulated windows, doors, curtain walls, as well as water-saving and energy efficient toilets, water facets, and kitchens, would generate savings of approximately \$59.7 billion (Approx. 6.4857 trillion yen) for end users. These calculations reveal that the running costs for our mainstream products are nearly triple the potential savings that can be made by using our environmentally designed products. As products account for over 90% of the Group's environmental impact within our value chain, in order to achieve our 2030 Environmental vision, LIXIL is committed to producing even more environmentally efficient products. To achieve this, we intend to analyze the environmental impacts of our products more thoroughly to encourage better processes and more effective management.

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Environment

Greenhouse Gas Reduction

The LIXIL Group is focused on developing products and services that can help realize a low-carbon or decarbonized society, as well as actively reducing greenhouse gas emissions in its operational processes.

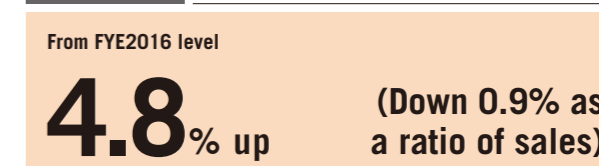
*Our action plans, KPI, targets and performance share common targets for greenhouse gas emission reduction, water resource preservation, and sustainable resource use.

Action plan	<ul style="list-style-type: none"> · Pursue more environment-conscious product design and sales expansion strategies, taking into account the entire lifecycle of both products and services · Improve CO₂ emissions/units
KPI	<ul style="list-style-type: none"> (1) Benefits from group-wide CO₂ emissions reduction achieved from the products and services (2) Levels of group-wide CO₂ emissions all places of business across the Group (Greenhouse Gas Reduction) (3) Distribution-linked CO₂ emissions intensity (Greenhouse Gas Reduction) (4) Water Usage efficiency (Sustainable Water Use) (5) Recycling waste materials (Sustainable Use of Resources)
	<p>Target</p> <ul style="list-style-type: none"> (1) Create a guideline for calculating the decrease in CO₂ emissions to help achieve our mid-term target for FYE2017-21 (1.36 times more efficient than in FYE2016), and monitor the FYE2016 result (2) Target -1.6% in FYE2017 compared to FYE2016 to achieve our new mid-term CO₂ emissions target for FYE2017-21 (-8% v. FYE2016)
FYE2017	<p>Progress</p> <ul style="list-style-type: none"> (1) Contributions from CO₂ emissions reduction achieved from products and services increased by 1.08 times (compared to FYE2016). Created Guideline for Calculation of Environmental Contribution to clarify calculation method for individual products and services, and calculated results based on FYE2016 performance (2) CO₂ emissions from operational processes increased by 5% (compared to FYE2016). Set targets and initiatives for each business organization in compliance with mid-term targets. Created Guideline for Calculation of CO₂ Emissions from Value Chain to clarify calculation method for all processes from procurement of raw materials through to product disposal
	<p>Target</p> <ul style="list-style-type: none"> (1) Group-wide benefits from CO₂ emissions reduction achieved from products and services increased by 1.16 times (compared to FYE2016) to achieve our mid-term CO₂ emissions target for FYE2017-21 (2) Levels of CO₂ emissions across all places of business across the Group reduced by 3.2% (compared to FYE2016) to achieve our mid-term CO₂ emissions target for FYE2017-21 (3) Reduce distribution-linked CO₂ emissions by 2% v. FYE2016 (Greenhouse Gas Reduction) (4) Evaluate water risks at production sites and select focus sites with a view to improving water usage efficiency (Sustainable Water Use) (5) Achieve 95% waste produce recycling rate in Japan and Europe, and 62% in Asia, 22% in North America (Sustainable Use of Resources)
FYE2018	<p>Progress</p> <ul style="list-style-type: none"> (1) Expand CO₂ emissions reduction attributable to Group products and services by 1.17 times v. FYE2016 (2) CO₂ emissions from all places of business across the Group up 4.8% v. FYE2016 (down 0.9% as a ratio of sales) (3) Logistics-related CO₂ emissions intensity up 1.5% v. FYE2016 (Greenhouse Gas Reduction) (4) Completed water-risk evaluation of production sites and determined KPI and targets for high-priority sites (Sustainable Water Use) (5) Waste product recycling rate: Japan & Europe 95%, Asia 63% ,North America 19% (Sustainable Use of Resources)

* (1) includes water resource conservation data (indirect avoided emissions and actual emissions related to water use)



Group-wide levels of CO₂ emissions across all operational processes



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➤ Improving Energy Efficiency of Products and Services

The LIXIL Group seeks to achieve a net zero balance between its environmental footprint and positive environmental contribution. A part of that drive involves setting guidelines for calculating CO₂ emissions and positive environmental contributions through the use of our products, which will enable LIXIL to quantify the reduction of its environmental footprint through products and services. Going forward, we intend to strengthen environmental designs that take into account the full product lifecycle, and expand our range of environment-conscious products.

CASE STUDY

TOSTEM LW

Introduced in 2018, TOSTEM LW is a new window product consisting of a large glass door that slides open horizontally and boasts a “frame in design,” which hides the surrounding frame from view from the inside of the house. This window integrates both high thermal insulation (heat transmission coefficient 1.00W/(m²K)*1) through its aluminum and resin hybrid frame, which helps reduce CO₂ emissions and energy consumption for heating and air-conditioning, with a clear view thanks to its “frame in design,” which is designed to perfectly fit the lines of the window frame.



LW Frame-in structure

*1 Calculated internally using sliding 16522 triple pane (with krypton gas) within and without LowE green (5-10-1.3-11-5) JIS A 2102-1 and JIS A 2102-2.

WEB About the product (Japanese only, LIXIL)

Heat transmission coefficient

1.00W/(m²·K) Integrates both high thermal insulation through its aluminum and resin hybrid frame

TOSTEM Replus

While the level of thermal insulation of windows in newly built houses meets Japan’s 2020 energy-saving standards, this is not necessarily the case for existing houses. Introduced in 2017, Replus is a window product that makes it possible to replace an existing window to an aluminum-resin hybrid model in as little as 60 minutes using existing window frames. This product enables existing houses to improve their thermal insulation because it can replace double sliding windows of all ages and models.



Replacement image Side of Replus

*Although window-size construction is completed in as little as 60 minutes, terrace-size construction is completed in as little as 90 minutes.

WEB About the product (Japanese only, LIXIL)

Window-size construction

As little as **60 minutes** Shorten replacement time

INAX Ecoful Shower

Heating water constitutes 24% of household CO₂ emissions, so conserving hot water is an effective way to reduce emissions. The impeller built into the Ecoful Shower’s showerhead is designed to block half the shower holes while turning at high speed. By increasing the internal pressure, it creates a powerful shower spray even with much less water. In fact, the shower can reduce the amount of water used by 48% compared to the conventional 10L/minute shower, thereby conserving energy.



Ecoful Shower

WEB About the product (Japanese only, LIXIL)

Reduction amount rate of water (Compared to the conventional shower)

48% Water and energy saving with less amount of water

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CASE STUDY

INAX Thermal Bath S

The Thermal Bath S is a highly insulated tub with a double thermal structure, which consists of a thermal tub covering materials and a special fold-up cover. As a result, the temperature of the water will drop no more than 2.5°C over a four-hour period. Keeping water hot for longer means people don't need to reheat the bath water as often, helping to reduce energy consumption and CO₂ emissions.



Thermal Bath S

WEB About the product (Japanese only, LIXIL)

The temperature of the water will drop no more than 2.5°C over a four-hour period. Temperature change after 4 hours

-2.5°C Energy and CO₂ reduction by improving heat retention

Shifting All Built-in Lights in Products to LED

The Japanese government's Basic Energy Plan encourages the use of Solid State Lighting (SSL)* in all newly shipped products by 2020. To help achieve this target, LIXIL decided to change the lighting in all of its manufactured products to LED.

LIXIL has already changed all lighting that is used on the exteriors of buildings and houses to LED, and is now gradually shifting all kitchen and bathroom products to LED lighting as well. Changing all products to LED lighting will enable us to reduce CO₂ emissions from lighting equipment by 43%, or approximately 32,000 tons, compared to FYE 2016 levels.

*Solid State Lighting (SSL) = LED, organic electroluminescence (EL), laser, etc.



Bisai

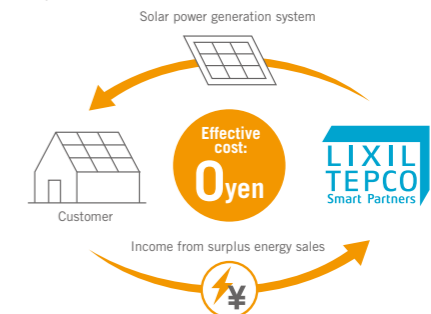
A door with LED lightning

Promoting the Construction of Net Zero Energy Housing*

To help reduce household energy consumption, the government has set a target for over half of the new houses built by 2020 to qualify as net zero energy housing (ZEH). However, as of FYE2017, that proportion was a mere 4.3%, and it is clear that ZEH is not becoming more widespread.

In September 2017, LIXIL Corporation and TEPCO Energy Partner established a joint venture company, LIXIL TEPCO Smart Partners, tasked with promoting the spread of ZEH.

The company leases solar power generation systems to customers who purchase LIXIL's ZEH materials, and receives income from selling any surplus energy generated. In return, this effectively reduces the customer's monthly payment for their solar power generation systems to zero. LIXIL hopes to encourage the spread of ZEH by reducing high initial costs at the time of purchase.



*This is an abbreviation for "Net Zero Energy House." The term refers to housing that simultaneously offers a comfortable interior environment and a substantial reduction in energy consumption, thanks to its high degree of insulation and high-efficiency facilities. Moreover, it produces energy through photovoltaic power generation systems and other equipment, and the yearly net amount of energy consumption is basically zero or lower as a result.

WEB Services for spreading ZEH (Japanese only, LIXIL)

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➤ Joint Initiatives with Stakeholders

LIXIL's Second "ECO for All" Project, "THINK HEAT: Let's THINK about the People & Eco-friendly Temperature."

As part of this project, LIXIL conducted an initiative together with our customers on the importance of indoor temperature, which can cause heatstroke or heat shock, and efficient use of heaters and air-conditioning units, which constitute approximately 25% of household energy consumption.

At showrooms around the country, we decided to distribute original LIXIL thermometers in the summer of 2018 to customers who have asked for quotes on products to improve residential insulation and thermal efficiency. The gift is designed to increase awareness and interest in indoor temperatures and



Stylish Shade for blocking the sunlight

the insulation and thermal properties of housing. The original LIXIL thermometer is also distributed to Group employees in Japan to encourage them to become more aware of indoor temperatures, and modify behavior accordingly.

WEB THINK HEAT (Japanese only, LIXIL)

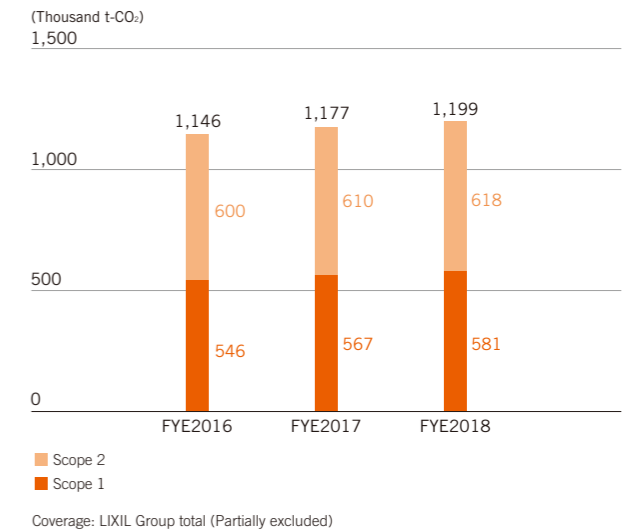


Enlightenment poster of thinking the room temperature

➤ Promoting Energy Creation and Saving

Each business within the LIXIL Group sets targets and implements initiatives in line with our medium-term goals, which includes creating and saving energy in operational activities. In FYE2017, we established the Guideline for Calculation of Value Chain CO₂ Emissions and are currently implementing these guidelines Group-wide. We are implementing a number of initiatives to reduce energy consumption in all of our business processes, including switching to LED lighting in our offices and installing systems that encourage environmentally efficient use of commercial vehicles in Japan.

Scope 1 and 2 CO₂ Emissions ★



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Increasing Energy Efficiency

A new environment-conscious building has been constructed at the GROHE Klaeng factory in Thailand. This building integrates highly efficient equipment within its production processes, and uses a solar power generation system installed on its roof to reduce factory CO₂ emissions by approximately 700t /year. In addition, despite increasing production volume by 20% compared to the previous year, LIXIL's Ariake factory in Kyushu, Japan, has managed to equalize daytime and nighttime electric power usage by reviewing the material department's operational framework. This initiative has successfully reduced the factory's CO₂ emission intensity by 6%.



GROHE Klaeng Factory

Establishing Solar Power Systems

LIXIL Corporation is contributing to the creation and spread of renewable energy by operating large-scale solar power generation facilities in unused spaces and on roofs of buildings at seven bases in Japan. The seven bases generate approximately 32,400 MWh of power per year, equivalent to the annual energy consumption of approximately 6,500 standard households in Japan.

Shifting Factory Lightings to LED

LIXIL Corporation is actively promoting a shift to LED lighting at its plants and distribution centers. We set out a plan to complete the shift to LED lighting at all Japanese factories by 2020, and have already completed 80% of our target. In January 2018, we successfully changed 6,096 lights at the LIXIL Enokido plant, and reduced CO₂ emissions by approximately 327t/year. We are also gradually encouraging a shift to LED lighting in international plants as well, with TOSTEM THAI completing the shift in March 2018.

Energy Savings at Manufacturing Sites

In July 2016, the GROHE Lahr Plant in Germany introduced a new CHP unit,* replacing two inefficient boilers. The new CHP unit is providing heat for two electroplating lines and can supply up to 30% of the plant's demand for electricity. In addition to better overall energy efficiency, it also enables the plant to reduce CO₂ emissions by 2,500 tons per year.

At the GROHE Hemer Plant, a CHP unit introduced in 2015 is reducing 15% of the plant's electricity consumption from the use of "recovered heat," generating a savings of 2,200 tons of CO₂ per year.

All GROHE plants and distribution centers around the world were successfully certified according to ISO 50001 Energy Management Systems by the end of 2016.

*A power generation system that uses a heat recovery unit to capture waste heat and turn it into thermal energy



GROHE Lahr Plant in Germany

> CDP Climate Change questionnaire

LIXIL has been participating in the CDP questionnaire since 2011 and actively disclosing our non-financial information.

PDF Details about the CDP (External HP)

FYE2018 environmental performance data indicated with ★ have received an independent practitioner's assurance.

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Sustainable Water Use

The LIXIL Group promotes the conservation and sustainable use of water across the entire lifecycle of our products, from procurement through disposal.

*Our action plans, KPI, targets and performance share common targets for greenhouse gas emission reduction, water resource preservation, and sustainable resource use.

› Enhancing the Water-Saving Features in Products and Services

The LIXIL Group is focusing on water conservation as a core theme for our 2020 Mid-term Targets. This includes enhancing the water-saving features in our products and services.

CASE STUDY

INAX SATIS

The SATIS toilet, with its strong cleaning performance and its water-saving functionality, is able to save up to 60% of water use compared to conventional toilets that use 13L of water for each long flush. It is also possible to reduce the amount of water used for cleaning the toilet thanks to AQUA CERAMIC, a sanitary ware material that will stay shiny for 100 years, and which enables dirt to be easily washed away with just water.



SATIS

AQUA CERAMIC

WEB About the product (Japanese only, LIXIL)

Reduction amount rate of water (Compared to the conventional toilets) Maximum

60% Mixing high washing capacity and super-saving water

American Standard Water Saving Toilets

American Standard offers a wide range of toilets that save nearly 20% more water than the national code for toilet water consumption and meet the strict criteria for water savings established by the U.S. Environmental Protection Agency's WaterSense program. We have a variety of products to match consumers' tastes, including CADET PRO, a quality toilet at an affordable price, VorMax UHET, an ultra-high efficient toilet, and Lyndon, a popular contemporary-styled toilet. The bowl height of these toilets also conforms to the accessibility height as outlined by the Americans with Disability Act of 1990.



High efficient toilet, VorMax UHET

WEB About the product (LIXIL)

US government standard

over 20% Water saving

GROHE SENSE GUARD

According to a survey of European households conducted by GROHE in 2017, 54% of households have experienced some form of water damage. In response, GROHE developed the remote-controllable GROHE SENSE GUARD. Used together with a smartphone app, it notifies users in the event of a pipe burst and automatically shuts off the water supply to minimize damage.



GROHE SENSE GUARD

WEB About the product (LIXIL)

Used together with a smartphone app, it notifies users in the event of a pipe burst and automatically shuts off the water supply to minimize damage.

INAX Navish hands-free faucets

The Navish hands-free faucets use automatic Eco Sensors to detect the presence of hands and other objects, enabling water to be dispensed and stopped without touching the faucet. Faucets equipped with the Eco Sensor function also separate hot and cold water, preventing unintended use of hot water and energy. Compared to conventional faucets, users can expect to see energy savings of about 52%, and water savings of about 31%.



LIXIL Navish hands-free faucets

WEB About the product (Japanese only, LIXIL)

Reduction amount rate of water (Compared to the conventional faucets)

Approximately 31% Water saving

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› Cooperative Stakeholder Initiatives

The First “ECO for All”: The My Bottle Promotion Campaign

LIXIL Corporation seeks to contribute to water conservation and environmental protection through the use of water purification technology and the My Bottle campaign. The My Bottle promotion campaign, launched in 2017, provides original bottles to customers who inquire about water filter taps in our showrooms, encouraging people to join us in conserving water and protecting the environment. LIXIL’s water filter tap helps reduce CO₂ by using an eco-handle, and has the added economic benefit of controlling daily running costs. If people fill the My Bottle with water from the water filter tap in their house and take it to school or the office, they also can reduce the amount of plastic bottle waste.



My Bottle promotion campaign poster

We have also changed the taps in all Japanese offices and distributed original bottles to all LIXIL Group employees in Japan so that employees can participate in this activity.

WEB The My Bottle Promotion Campaign (Japanese only, LIXIL)

Contribution to Communities by Supporting Water-Conservation: The Turn Water into Food Program

Since 2012, GROHE has been participating in the “Water for Life” project, which seeks to reduce water usage through the introduction of advanced technology and promotional campaigns in the Middle East and Africa regions, where water is extremely scarce.

Part of the initiative revolves around the Turn Water into Food program, conducted together with local food banks since 2015. In this program, GROHE purchases food packages to donate to local families requiring support, equivalent in monetary terms to the amount of money saved by introducing GROHE water efficient products. To date, the programs were conducted in Saudi Arabia, Egypt, and



People who received food by Turn Water into Food program

Turkey, and also extended to Jordan in 2018. In Jordan, where schools are among the highest public spaces for water consumption, water efficient taps were introduced in an all-girls high school. GROHE has already provided food support to a total of over 2,710 families through the program.

› Reducing Water Usage and Conserving Water in Business Activities

To help preserve water resources, the LIXIL Group is working to further improve the efficient use of water in our business processes by developing tailored measures for each production base.

The LIXIL Group uses large amounts of water for aluminum product surface finishing and other processes. In order to conserve water, we study the level of water usage per factory, including water intake, water usage per process, and the installation of water circulation systems. In addition, we promote efficient use of water by building circulation systems and engaging in other conservation measures, as well as conduct strict wastewater management to protect and maintain water quality.

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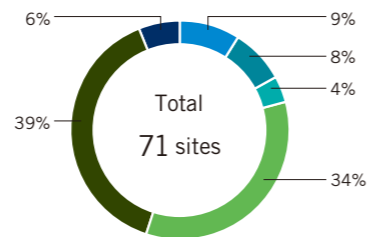
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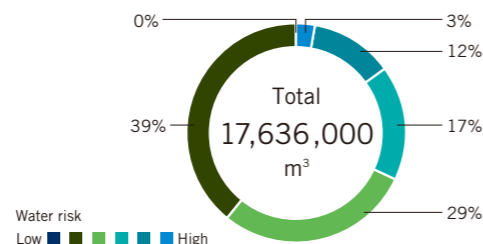
Identifying Water Risk in Our Production Facilities

With global water resources becoming increasingly scarce, the LIXIL Group identified water supply risks at production sites in order to better understand local conditions and introduce appropriate countermeasures. We used international evaluation tools such as the WWF Water Risk Filter and the WRI AQUEDUCT to quantify local characteristics and water usage. We analyzed 71 LIXIL Group production sites around the world that use water in their production process in FYE2018, and identified six high-risk sites. We are currently promoting initiatives designed to alleviate water risks, starting with production facilities that exhibit the greatest risk.

Production Sites Categorized by Water Risk Level

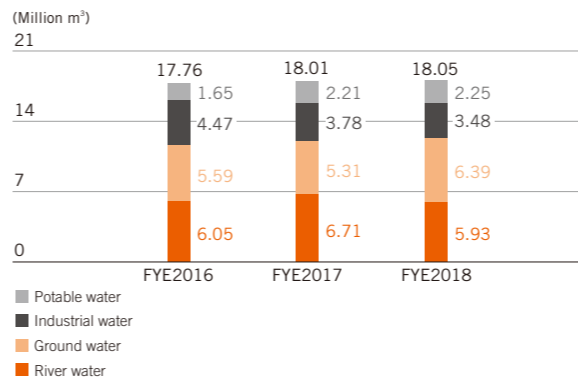


Water Risk Survey Results and Water Usage



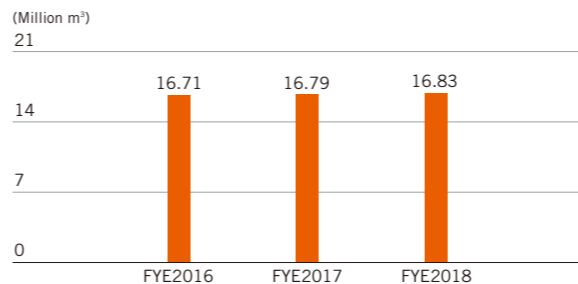
Water risk
Low High

Water Usages (Intake) ★



Scope: Data covers a majority of the entire Group
*Data excludes the tenants in the building that we cannot assess the water intake data.
FYE2016 excludes LIXIL Total Service Corporation

Water Usages (Discharge) ★



Scope: Data covers a majority of the entire Group
*Data excludes the tenants in the building that we cannot assess the water discharge data.
FYE2016 excludes LIXIL Total Service Corporation

Introducing Waste Water Recycling Systems

LIXIL Sanitary Fitting Manufacturing (Suzhou) Corporation is a factory in China affiliated with LIXIL Water Technology that has made a notable reduction in its water use. In 2015, the factory installed a wastewater recycling system with an RO membrane filtration system,* which can filter wastewater generated in production processes such as machining and plating. The treated water is reused in production and to flush toilets. This new system is currently one of the biggest contributors to saving water in the factory. For example, water consumption per unit weight of products was reduced by approximately 45% in FYE2017 compared to FYE2015 (pre-system installation). In FYE2017, fresh water usage and cost were reduced by 36,927m³ and US\$15,000, respectively.

Due to its success, similar projects are being rolled out in other LIXIL faucets factories in Asia. Along with other water saving projects, we are expecting to see even more benefits from reductions in fresh water use and related costs.



INAX Suzhou Factory, China

*A type of filtration membrane that enables water to flow through while blocking impurities such as ions and other molecules.

➤ CDP Water questionnaire

The LIXIL Group has been participating in the CDP questionnaire since 2016 and actively disclosing our non-financial information to investors.

WEB Details about the CDP (External HP)

FYE2018 environmental performance data indicated with ★ have received an independent practitioner's assurance.

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Sustainable Use of Resources

The LIXIL Group promotes the sustainable use of raw materials across the entire lifecycle of our products, from procurement through disposal.

*Our action plans, KPI, targets and performance share common targets for greenhouse gas emission reduction, water resource preservation, and sustainable resource use.

› Recycling Resources in Products and Services

Up to 85% Recycled Raw Materials Used for Products

In GROHE manufacturing plants of faucet fittings located in Germany, Portugal and Thailand, the alloy refining process in the melting furnace is self-manufactured. Recycled materials collected inside and outside of the factories are used for the brass, which accounts for 70-85% of raw materials used annually.



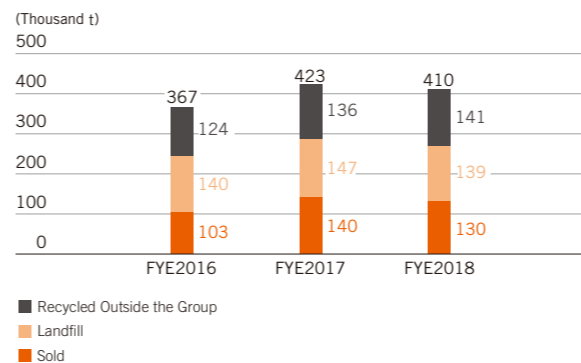
GROHE Klaeng factory, Thailand

› Recycling Resources in Operational Activities

The LIXIL Group ensures sustainable use of resources through initiatives such as recycling waste materials produced during its operations.

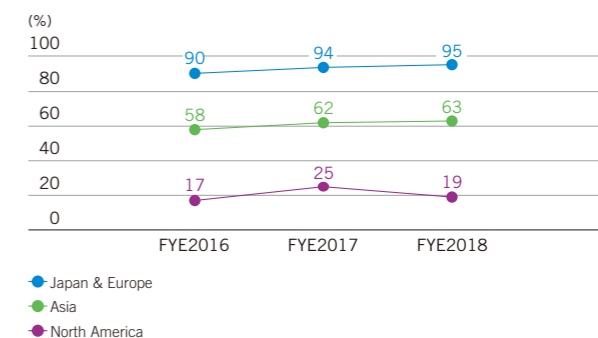
Based on the 3R principles - Reduce, Reuse, Recycle - LIXIL Corporation is committed to reducing industrial waste products generated from manufacturing processes, collecting and sorting waste, and recycling. Furthermore, during product development, we promote initiatives to reduce resource use and simplify construction, design products that can be easily disassembled for recycling, and reuse of parts and materials.

Emissions of Waste and Others ★



Coverage: Data covers a majority of the entire Group

Recycling Rates ★



Coverage: Data covers a majority of the entire Group

› Reducing Factory Waste Materials

Recycling Complex Waste Plastics

LIXIL Corporation's Ueno-midori bathtub-manufacturing factory uses plastic resin for its bathtub press molds, wrapped in a protective polypropylene film to prevent the volatilization of organic solvents. The resin and protective film were previously disposed of as waste due to the difficulty of recycling materials with different material composition. However, working together with a waste management processing company, we found a successful way of reusing the materials from 2016. The pulverized resin and film is sorted, cleaned, and pelletized for reuse as resin pallet. The factory has also worked efficiently to reduce waste by minimizing defective products, as well as distilling and

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reusing previously used solutions such as paint thinner. As a result, the factory has been able to reduce the total volume of waste by approximately 13% from 906 tons in FYE2016 to 834 tons in FYE2018.

Reduce Waste Wood Materials from Efficient Cutting in China

The factory in Dalian, China, is striving to curb waste by reducing waste wood materials by introducing more efficient cutting process and repurposing the remaining pieces of wood material after cutting. The factory has managed to reduce the number of defect products by improving material cutting processes, and is also reducing the volume of waste wood materials by making parts from excess materials created during the production process that were formally sold off externally. Thanks to these efforts, the factory was able to reduce the volume of waste wood materials by 1,600 t in FYE2018 compared to FYE2017.

Recycling of Sludge in Thailand

TOSTEM THAI Co., Ltd., a LIXIL Corporation subsidiary, has been working to reduce its biggest industrial waste product, sludge. In Thailand, the most common treatment of industrial waste is to bury it. However, this method has recently been criticized because hazardous materials have leached into the soil and groundwater. Concerned with the current process, we suggested to a local cement manufacturer about turning the sludge into cement material, a common process in Japan. The subsidiary worked with the government of Thailand to resolve the challenges by developing a suitable recycling framework, resulting in an 86% reduction in

buried sludge volumes from FYE2016 to FYE2018, and cost reduction. These initiatives, along with other community activities such as tree planting and garbage collection, helped TOSTEM THAI gain Level 4 in the Thailand Ministry of Industry's GREEN INDUSTRY* commendation system. We are now working to achieve the goal reducing new sludge landfills to zero by FYE2019.

*The green industry commendation system operated by the Thai Ministry of Industry has five achievement levels, and gives a level-specific Green Industry mark to each company that fulfills the required environmental activities.



Award ceremony for green industry promoted by Ministry of Industry of Thailand

FYE2018 environmental performance data indicated with ★ have received an independent practitioner's assurance.

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We promote business activities and social contribution activities with upholding the human rights of all stakeholders in our operations across the entire value chain.

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Human Rights

We aim to sustainably operate as a responsible corporate citizen that respects human rights.

Action plan	Create a LIXIL Group Human Rights Principles and promote awareness amongst all LIXIL Group employees	
KPI	Implementation of Human Rights Principles learning across the Group (%)	
FYE2017	Target	· Ensure full implementation across the Group
	Progress	· In Japan, LIXIL Corporation fully implemented a human rights policy education program in the form of quarterly interactive departmental meetings
FYE2018	Target	· Implementation of training in main LIXIL Corporation overseas subsidiaries: 100%
	Progress	· Implemented training for over 3,700 employees of main LIXIL Corporation overseas subsidiaries (as of June 30, 2018)
Action plan	Create a framework for human rights due diligence	
KPI	Status of creating an execution plan for human rights due diligence	
FYE2017	Target	· – (To be determined in FYE2018)
	Progress	· Determined KPI with Human Resources, Compliance, Auditing, and Purchasing Departments, and started surveying actual conditions
FYE2018	Target	· Create an execution plan for human rights due diligence in all Group companies, suppliers, and other business partners
	Progress	· Created the survey sheet with Human Resources, Compliance, Auditing, and Purchasing Departments, and decided to start surveying from within Japan

› Commitment

The LIXIL Group strives to uphold stakeholders' human rights in all of its operations, including end-users, business partners or other suppliers, residents living near our factories and facilities, and our employees. In March 2016, we published the LIXIL Group Human Rights Principles, which align with a number of international guidelines, including the United Nations Universal Declaration of Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. Furthermore, we will adhere to the higher commitment if there are any discrepancies between the internationally recognized human rights standards and the laws and regulations of individual countries or regions.

Moreover, as a global company, we will strengthen human rights due diligence processes* and disclose the results.

*Due diligence on human rights: to put in place measures that identify, prevent, reduce, or respond to any negative impact on human rights caused by the activities of a company or its related companies, and to regularly monitor their effectiveness.

Human Rights Principles

LIXIL Group business activities are built on a fundamental respect for human rights, and all efforts are made to ensure our human rights principles are embraced across the Group.

[PDF](#) LIXIL Group Human Rights Principles (76KB)

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› Strengthening Human Rights Due Diligence

The LIXIL Group works to develop a deep understanding of its human rights principles among all employees in Japan. For example, in FYE2017, we made human rights issues in business a topic of meetings held by individual departments, outlining our management and general strategy, and got employees to discuss the topic together.

In FYE2018, we established the Human Rights Due Diligence Taskforce, comprising managers from corporate responsibility, personnel, compliance, global auditing, and purchasing departments. We created human rights due diligence survey forms for each department and completed a test run. Going forward, we will conduct official surveys, starting in Japan.

The LIXIL Group is committed to implementing human rights due diligence across all its global operations by 2020. to help define and reduce LIXIL business-related human rights risks for customers, employees, business partners, and other partners, and to respond swiftly and sincerely to any human rights violations and ensure improvements are made. We will also conduct regular reviews of our human rights due diligence framework, and ensure highly transparent disclosure of relevant content and processes.

› Concern-Raising System

The LIXIL Group operates an internal concern-raising system for reporting human-rights and other concerns relating to the entire Group, including overseas subsidiaries.

We welcome information from our business partners such as suppliers and service providers on any potential compliance violations by the LIXIL Group.

WEB Concern-raising System (LIXIL)

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Stakeholder Engagement

The LIXIL Group proactively engages with stakeholders to help improve the quality of people's daily lives and resolve social issues.

Action plan		Hold regular top-level meetings with external experts and disclose the content of these meetings
KPI		Number of top-level meetings held across the Group and meeting quality based on meeting content
FYE2017	Target	<ul style="list-style-type: none"> Plan and execute top-level meeting with external experts Establish a system to ensure timely communication of the content of the top-level meeting with the Board
	Progress	<ul style="list-style-type: none"> Invited human rights experts for top-level meeting Held a workshop on human rights, and a discussion at the executive officer level
FYE2018	Target	<ul style="list-style-type: none"> Establish a system to facilitate at least one top-level meeting each year Communicate the content of the top-level meeting with the Board Disclose the content of the top-level meeting
	Progress	<ul style="list-style-type: none"> Conducted top-level meeting on February 13, 2018, with external experts Held a SDGs workshop and an executive-director level discussion

Action plan		Hold regular stakeholder engagement meetings and disclose the content of these meetings
KPI		Number of stakeholder meetings held across the Group and meeting quality based on meeting content
FYE2017	Target	<ul style="list-style-type: none"> Extend the reach of currently implemented mechanisms and encourage more sophisticated and effective engagement initiatives Encourage the sharing and adaptation of successful engagement initiatives across the Group
	Progress	<ul style="list-style-type: none"> Engaged at least once with each stakeholder Collected and shared information on stakeholder engagement across the Group
FYE2018	Target	<ul style="list-style-type: none"> Hold at least one annual dialogue with each group of stakeholders (shareholders, employees, business partners, local residents, end users, suppliers, etc.) Establish a system for disclosing our engagement activities and resulting outcomes for internal and external audiences
	Progress	<ul style="list-style-type: none"> Held at least one annual dialogue with each group of stakeholders Created a website to disclose our engagement activities and resulting outcomes for internal and external audiences

Our Approach

Our success depends on the support of a broad range of stakeholders. We are committed to proactively engaging with our stakeholders (including customers, business partners, community members where our operational facilities are located, shareholders, our employees and their families) to collect and incorporate their opinions in our business operations and social contribution activities.

Number of meetings with investors

439



Number of stakeholder engagement meetings

Annual dialogue with each group of stakeholders (shareholders, employees, business partners, local residents, end users, suppliers, etc)

Hold at least

1

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➤ Relationship with Stakeholders

At LIXIL, we invited an external expert to speak on the topic of sustainability for the CR Committee, which consists of respective officers from each functional division at the head office as well as representatives from each technology businesses. In FYE2018, the second top-level meeting was held on the topic of stakeholder expectations on how companies can contribute to the Sustainable Development Goals (SDGs). The experts held a lecture on recent sustainability trends, followed by an engaging discussion on how and in what capacity LIXIL could maximize and effectively contribute today and in the future. The workshop and discussion will be reflected in our future CR activities.



Customers

CR

We incorporate customer opinions as well as provide timely and appropriate disclosure on our products and services. We offer customer support via telephone, email, and 135 showrooms globally.

Suppliers

CR

We build and maintain strong relationships with our suppliers by facilitating two-way communication. In response to recent Responsible Procurement Surveys, we share our procurement policies, recognize current circumstances, and follow through on promised improvements. We also hold regular meetings with suppliers to share information on regulatory trends and new corporate purchasing strategies.

Local Communities

CR

The LIXIL Group operates 93 factories worldwide. As a responsible corporate citizen, on top of respecting local culture and customs and creating responsible products and jobs, we also contribute to the development of the surrounding community in which we operate. We hold community dialogues at factories and sales offices in Japan to encourage communication with local residents.

Shareholders and Investors

WEB

Details (LIXIL)

We hold 439 discussions this year with investors around the world to help promote sustainable growth and enhance corporate value. We disclose timely and transparent information in English and Japanese via our Annual Report (Integrated Report from FYE2016), our Investor Relations web pages, and the Tokyo Stock Exchange website.

Employees

CR

Details (P.30)

The LIXIL Group boasts approximately 65,000 employees. We strive to create an inspiring working environment that encourages diversity and incorporates employee opinion expressed via systematic global employee satisfaction surveys or discussions between the union and the company.

NPOs, NGOs and Universities

We partner with NPOs/NGOs and universities in the research and development related to global sanitation, and support environmental education for next-generation leaders.

Government, Industrial Association

Engaging in vigorous but transparent dialogue with government authorities is a necessary process to help shape a sustainable society. As a part of this, we are involved in several associations whose missions include engaging with government on behalf of their respective industry, including window sash, plumbing, metals, and other industrial and business associations. By being a member of these associations, we are up-to-date with current and pending changes in laws and international agreements that may affect our industry. (Total political contributions (FYE2015-2017): less than JPY 1 million per year; (FYE2018): less than JPY 1.1 million per year. Total fees relating to industrial associations and others*: JPY 26.4 million (FYE2015); JPY 29.5 million (FYE2016); JPY 55 million (FYE2017); JPY97.6 million (FYE2018).

*Total fees from FYE2015 and FYE2017 include ASD Americas Holding Corp. (American Standard) and GROHE Group S.à r.l.(Grohe), respectively.

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Community**› Implementation Framework**

LIXIL Group focuses on making a positive social impact in priority areas such as global sanitation and hygiene, water conservation and environmental sustainability, and diversity and inclusion, as well as areas where our expertise can make the biggest difference. The "Endowments and Consulting Review Committee", which our CEO serves as a member of, is held on regular basis to screen, assess and prioritize significant donations and sponsorships to ensure our profits contribute to society appropriately and effectively.

Social Contribution Expenditures

	FYE2016	FYE2017	FYE2018
Charitable donations	130.6 Million	122.8 Million	45.5 Million
Community investments	856.8 Million	880.8 Million	658.2 Million
Commercial initiatives	600.0 Million	600.6 Million	510.0 Million

Scope: LIXIL Group (non-consolidated) and LIXIL Corporation (non-consolidated), and some of the subsidiaries of LIXIL Corporation (GROHE and American Standard)
*Monetary and other contributions have been collected and categorized in accordance to the London Benchmarking Group Guidance Manual (June 2015).

› Initiative Examples

Employee volunteer activities in three priority areas

LIXIL Community Day

In 2017, we started LIXIL Community Day, when executives and employees from all workplaces and regions around the world take part in social contribution activities during working hours based on the three priority areas in the LIXIL Group's Corporate Responsibility strategy.

In the first year, approximately 3,500 employees from 15 countries took part worked for a total of 8,625 hours in 70 diverse projects, including installing hygienic toilet facilities in schools and homeless shelters, renewing barrier-free street maps, and offering plumbing training to help conserve local water resources. The projects had a positive impact on the lives of over 16,000 people.

**Youth Empowerment
Plumbing Skills for a More Secure Future**

Underprivileged young people in many emerging countries often lack the skills to secure stable employment, while at the same time the local society suffers a chronic shortage of skilled workers. GROHE addresses this issue through GROHE Dual Tech, conducted in conjunction with Don Bosco Mondo e.V., a non-profit organization committed to supporting disadvantaged youth.

The German-modeled, dual-track training program, providing students with technical knowledge and professional skills on plumbing as well as IT and English-language skills, has been underway in Kurla district, Mumbai in India since 2009, and has been expanded to New Delhi, as well as Tondo district, Manila in Philippines. To date, GROHE has helped over 1,100 young people pass the program, resulting in a nearly 100% job placement rate on graduation. The program, which increase the number of skilled plumbers that can install GROHE's premium products at the highest professional standard as well as help develop the broader industry, will be extended to Nairobi in Kenya in 2018.



GROHE Dual Tech students at the training facility in Mumbai

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**Natural Disaster Aid and Recovery
Support Disaster Recovery Initiatives in Japan**

LIXIL Corporation has supported various recovery efforts following the March 2011 earthquake and tsunami in Northeast Japan and the April 2016 earthquake in Kumamoto. These activities include donations of basic daily necessities such as toilets and hand-washing facilities, monetary donations, sponsoring recovery projects, and employee-driven charity events. Employees are encouraged to offer their time and expertise to help local communities which often proves to be a valuable experience that improves their engagement level.



Donated windows and toilets to the "Playground-for-All" in Minamisoma as part of a recovery support project

WEB Details about the activity (Japanese only, LIXIL)

Providing Safe Sanitation for Communities in Need

SATO products are innovative, life-saving, and low-cost solutions that provides safe and hygienic sanitation. In addition to growing the SATO business to reach more people in Asia and Africa, LIXIL Group have been working with NGOs to support communities with urgent needs.

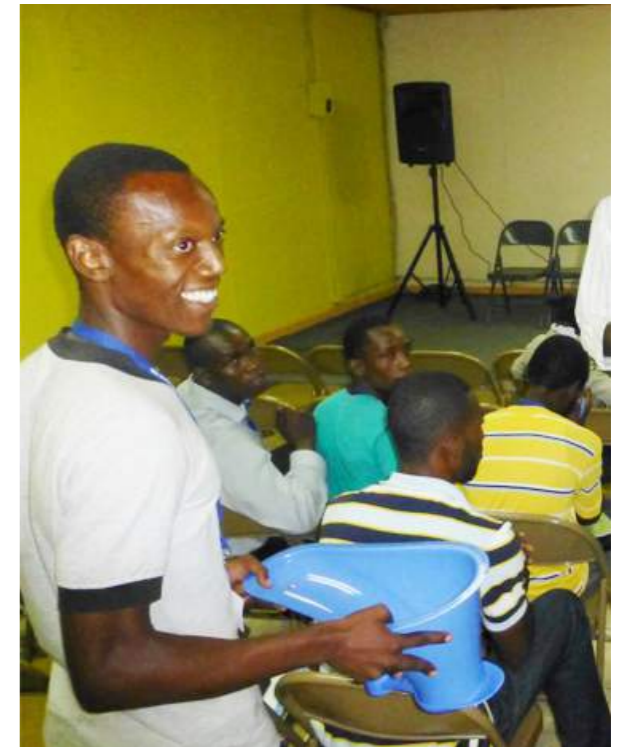
We are committed to helping ensure a safe and sanitary environment as part of disaster relief efforts. Inadequate or damaged facilities and insufficient human resources in disaster areas increase the risk of further deterioration in already poor sanitary conditions and the spread of disease. The Caribbean island of Haiti, the poorest nation in the western hemisphere, witnessed a further deterioration in its already lacking sanitary environment following the 2010 earthquake. American Standard engineers worked with Plumbers without Borders (PWB) to teach students at Haiti Tec plumbing skills and how to improve hygiene. With the help of NGOs like PWB and Food for the Poor, American Standard donated 7,900 SATO products to towns and villages in Haiti. SATO products were also delivered to survivors of the 2015 devastating earthquakes in Nepal with the help of WaterAid.

Through private and public partners, we are also helping rural communities with difficulties accessing adequate sanitation. In 2016, few thousand SATO products were delivered to Bangladesh with the help of BRAC, an international NGO. We will continue to work alongside International NGOs such as WaterAid and Habitat for Humanity, to help ensure a safe and sanitary environment for communities in need.

Through the "Toilets for All" initiative, we donate one SATO toilet to developing countries in Asia and Africa for every LIXIL integrated shower toilet sold.

WEB Details about SATO products (LIXIL)

WEB Toilets for All (Japanese only, LIXIL)



Teaching plumbing skills and how to improve hygiene to students in Haiti

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Local Community Engagement Holding Community Dialogues in Factories, Sales and Retail Bases

LIXIL Corporation regularly holds community dialogues with local stakeholders (such as local government officials, business owners, residents etc) on how we can contribute back to the community. These are held at factories, sales and retail bases around Japan. In FYE2018, LIXIL Corporation held community dialogues at 11 locations in Japan, attracting over 90 participants. Over the past six years, we have held over 110 community dialogues in total.

We cultivate meaningful relations with local residents and authorities by implementing initiatives based on conversations held during community dialogues, and ensure consistent communication and follow up after the initial dialogue. For example, our Handa Factory in Aichi Prefecture started to help local day-care centers with emergency evacuation procedures after a Principal voiced concern that the predominately female staff might not be physically capable of evacuating all the children safely on their own. The same factory is also participating in a range of community-inspired activities, including road accident prevention initiatives, accepting internships, factory visits from municipalities, and providing classes on product safety.



Community dialogue with the Kitami Sales Office of Dohoku Sales Branch, Hokkaido Branch Office

WEB Details about the activity (Japanese only, LIXIL)

Public Toilet Cleaning Activities Foster a Spirit of “Omotenashi” in Chugoku and Shikoku Regions

LIXIL Corporation employees work together with local communities in Japan’s Chugoku and Shikoku regions on a

public toilet cleaning initiative. The action was born in 2014 out of a desire to display a welcoming spirit to tourists visiting Japan by providing spotlessly clean public toilets. In 2017, a band of 1,134 employees cleaned toilets in 96 visitor spots across the region’s 24 well-known tourist areas.

This initiative has been certified by the Tokyo 2020 Official Program (urban development) for fostering a spirit for public service through cleaning activities, all in the name of creating a universal society.



Cleaning of the toilet

Collaboration with a Wide Range of Partner Organizations

UNICEF	Working together to promote safe sanitary facilities in Africa.
Japan International Cooperation Agency (JICA)	Promoting field trials of the no-water Green Toilet System and water-saving Micro Flush Toilet System in Kenya.
WaterAid	Cooperating to improve the lives of people living in areas without hygienic toilets, in addition to collaborating on a white paper that analyzes the socioeconomic losses associated with underdeveloped sanitary environments.
Toilet Board Coalition	Helping develop sustainable, large-scale potential sanitation solutions as a founding member of the multi-industry group.
NIJIRO DIVERSITY	Conducting awareness surveys with the non-profit organization to identify the issues LGBT and other sexual minorities encounter when using public toilets, with the aim of providing a comfortable toilet space for all.

- WEB** Partnership with UNICEF (LIXIL)
- PDF** Special Report: The True Cost of Poor Sanitation (10.2MB)
- WEB** Toilet Board Coalition (External HP)
- WEB** Activities with NIJIRO DIVERSITY (Japanese only, LIXIL)

Environmental, Cultural and Social Activities

Forest preservation activities	Encouraging our employees and their families to participate in voluntary activities to protect forest and mountain environments in cooperation with government, NPOs and forestry cooperatives.
Cultural activities	Promoting cultural activities in areas related to our history, such as ceramic and textile museums, gallery management and publishing.
Water, environment, and universal design educational activities	Offering educational classes at primary schools on the global sanitation challenge, environmental and universal design.

- WEB** Forest preservation activities (Japanese only, LIXIL)
- WEB** Educational activities (Japanese only, LIXIL)
- WEB** Cultural activities (LIXIL)
- WEB** Other Japan-based activities (Japanese only, LIXIL)

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Customers & Supply Chain

We are committed to delivering customer-focused products and services and promoting responsible supply chain management.

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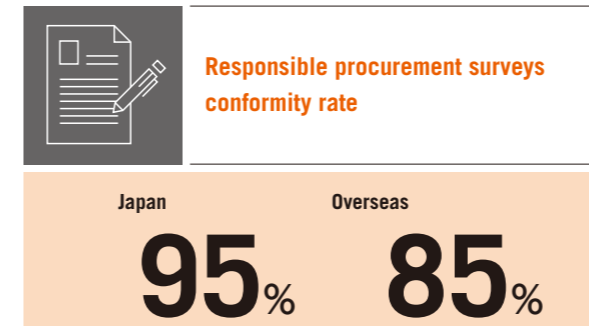
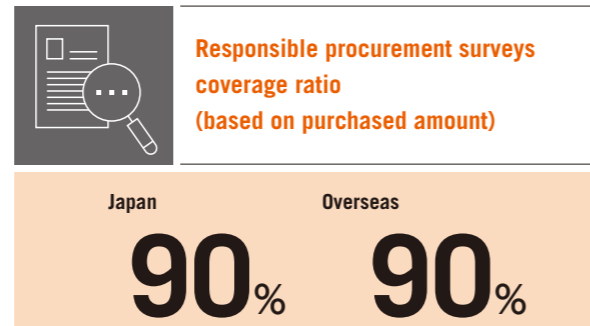
Customers & Supply Chain

Responsible Supply Chain Management

The LIXIL Group seeks to ensure stable product supply and fulfill stakeholder accountability by identifying and addressing risks at the procurement stage, and managing our processes across our supply chain.

Action plan	Extend our Japanese CR procurement process across the Group	
KPI	Responsible procurement surveys coverage ratio (based on purchased amount) (%), and percentage of suppliers which satisfy CR management standards (%) and improvement rate (%)	
FYE2017	Target	<ul style="list-style-type: none"> · Promote Group-wide awareness of the LIXIL Group's procurement strategy · Implement existing CR procurement process across the Group
	Progress	· Achieved responsible procurement surveys coverage ratio of 85% in Japan and 80% outside of Japan*, CR management standards conformity rate of 94% in Japan and 88% outside of Japan
FYE2018	Target	<ul style="list-style-type: none"> · Achieve responsible procurement surveys coverage ratio of 90% in Japan and 90% outside of Japan · Achieve 90% conformity rate in Japan and 80% outside of Japan, and 100% improvement rate
	Progress	<ul style="list-style-type: none"> · Coverage of supplier CR survey rates are 90% in Japan and 90% outside of Japan · Conformity rate are 95% in Japan and 85% outside of Japan

*Excluding GROHE Group S.a.r.l., American Standard Brands and PERMASTEELISA GROUP during FYE 2015-2018



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› Procurement Policy

The LIXIL Group has established a Procurement Policy to develop healthy business partnerships with counterparts worldwide. This policy forms the basis of our overall supply chain management. In FYE2018, the Group developed a Procurement Compliance Policy to provide more detailed guidance for the whole Group. We also compiled our Supplier Code of Conduct and are working to ensure business partners fully understand all the items they are required to adhere to.

Fair and impartial trade practices	We will provide suppliers with equal and open opportunities, and solicit suppliers broadly. When selecting suppliers, we will evaluate them fairly and impartially, paying due consideration to CR aspects such as environmental management, human rights, and workplace safety, in addition to quality, cost, and delivery.
Adherence to social norms	We will observe laws, regulations, and rules related to procurement activities, and act in a way that gains the trust of society.
Respect for human rights and consideration for working environment	We respect internationally declared standards of human rights, and pay due attention on ensuring an appropriate working environment.
Care for the environment	We will preferentially procure raw materials that have low environmental impact.
Promotion of mutual prosperity with our suppliers	We will conduct transactions in a way that promotes mutual growth as partners.

[PDF](#) Supplier Code of Conduct (156KB)

› Promoting Responsible Procurement that Upholds the Environment and Labor Safety

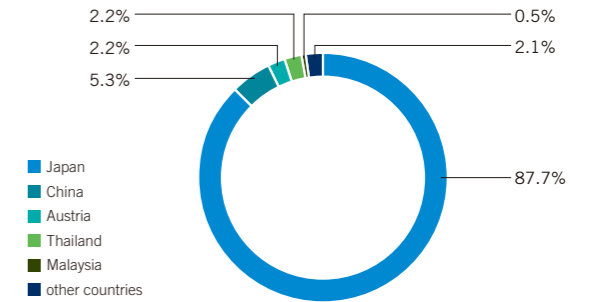
The LIXIL Group promotes responsible procurement. The Supplier Assessment Standards used to select business partners includes: quality, cost, and delivery (QCD) criteria and technical capabilities as well as the ability to deliver stable supply, sustainable use of resources, proper control of chemical substances, compliance to human rights, and promotion of labor safety. The supplier assessment criteria are applied in both the selection of new partners and the regular inspection of existing partners. Having selected a business partner, we also conduct assessments of procured products. We seek to strengthen responsible procurement across our network of international business partners, which has been extended by mergers and acquisitions.

› Working with Our Suppliers

Supplier Breakdown

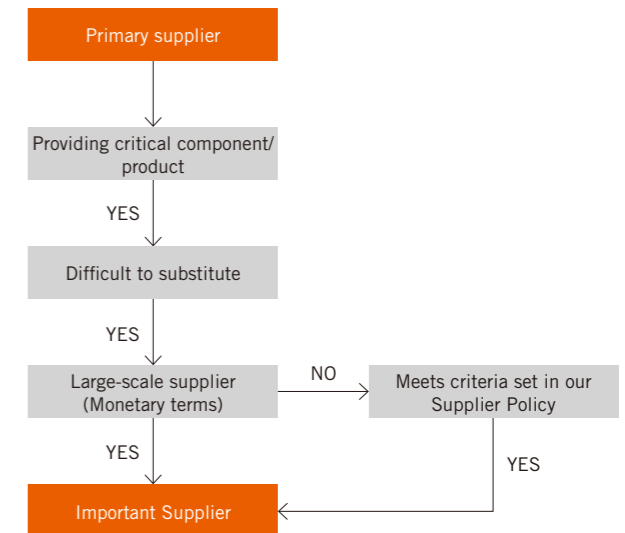
In terms of procurement transaction amounts, nearly 90% of LIXIL Corporation suppliers are based in Japan, followed by China, Austria, and Thailand. We determine our important suppliers using the criteria in the flowchart below, prioritizing them when we distribute our procurement strategies, conduct surveys, and follow up on improvements.

Procurement Transaction Amount Breakdown by Country



[Scope of application] Suppliers to LIXIL Corporation and its subsidiaries
*Excluding GROHE Group S.a r.l., American Standard Brands, PERMASTEELISA GROUP

Flowchart for Important Suppliers Identification



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› Responsible Procurement Surveys and Follow-up Action

LIXIL Corporation actively shares our Procurement Policy and Supplier Code of Conduct to help steer our expanding and increasingly complex supply chain network following the five-company merger in 2011 and subsequent series of international mergers and acquisitions.

We use responsible procurement surveys to gain a strong understanding of business partners' responses on 66 different survey items (46 for Japan, where low-risk items have been removed).

In FYE2018, we visited over 100 suppliers inside and outside Japan that performed poorly in our survey to set targets for improvement and provide necessary support. We attained our conformity targets of the current fiscal year of 90% in Japan and 85% internationally on procurement assessment items. The survey results serve as a valuable evaluation tool deciding whether or not to continue dealings with existing suppliers.

› Management of Chemical Substances

LIXIL Corporation has set rules on chemical substances that are forbidden or require strict control for use in products and/or during production processes.

LIXIL's list of controlled substances can be downloaded from the link below:

[PDF](#) List of the Environment-Related Substances to be controlled by LIXIL Corporation (updated on 15th of March, 2018) (418KB)

Responsible Procurement Survey

	Overseas	Japan
1. CR operations	10	6
2. Fair business	8	8
3. Human rights	7	6
4. Labor	13	9
5. Health & safety	9	7
6. Environmental conservation of the planet	14	8
7. Regional contribution	5	2
Total	66	46

Survey Sheets

[PDF](#) To suppliers overseas (118KB)

[PDF](#) To suppliers in Japan (100KB)

Survey Results

Activities	KPI	FYE2016		FYE2017		FYE2018		FYE2019	
		Targets	Results	Targets	Results	Targets	Results	Targets	
Distribute Procurement Policy; follow up survey results and related activities	Coverage ratio (based on purchased amount)	Japan	80%	82%	80%	85%	90%	90%	90%
		Overseas*	60%	81%	60%	80%	90%	90%	90%
	Total conformity rate	Japan	85%	94%	90%	94%	90%	95%	90%
		Overseas*	85%	85%	90%	88%	80%	85%	80%
Improvement rate	Japan	100%	97%	100%	100%	100%	91%	100%	

(Scope of application) Suppliers to LIXIL Corporation and its subsidiaries

*Excluding GROHE Group S.a r.l., American Standard Brands, PERMASTEELISA GROUP

Japan: Procurement by operating sites in Japan

Overseas: Procurement by operating sites overseas

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Customers & Supply Chain**Product Safety & Quality**

The LIXIL Group is committed to maintaining and strengthening ties with our customers by ensuring superior quality in manufacturing and services, and consistently improving our product quality management system to eradicate serious product-related accidents.

Action plan **Make continuous improvements to the product quality management system**

KPI **Number of serious product accidents across the Group**

FYE2017	Target	<ul style="list-style-type: none"> Zero cases of serious product accidents across the Group Extend product safety strategy by setting specific KPI for each technology business
	Progress	<ul style="list-style-type: none"> Four serious product accidents across the Group. Held a product accident conference to share details of the experience and confirm countermeasures
FYE2018	Target	<ul style="list-style-type: none"> Number of serious product accidents across the Group: 0 cases
	Progress	<ul style="list-style-type: none"> Critical product-related accident: 3 (single gas stove: 2, stove top ventilation cover: 1) Critical product-related accidents were reported in product-related crisis management meetings, and potential corrective actions were discussed Information on critical product-related accidents were filed in the database and reviewed to determine if any corrective actions were necessary. Product corrections and the awareness-raising on product-related precautions were carried out as necessary

Action plan **Increase awareness of how to safely use our products**

KPI **Rate of disclosed instruction manuals for main products on websites across the Group (%)**

FYE2017	Target	<ul style="list-style-type: none"> Disclose instruction manuals online for all main products in Japan
	Progress	<ul style="list-style-type: none"> Disclosed instruction manuals online for all main products in Japan Plan to disclose instruction manuals for Group company main products in FYE2017
FYE2018	Target	<ul style="list-style-type: none"> Disclose instruction manuals online for all main products across the Group
	Progress	<ul style="list-style-type: none"> 100% of user manuals for the LIXIL Group's main products were published on the companies' official websites Publicly registered new main products as they went on sale

> Our Approach

The LIXIL Group firmly believes that product quality is the key to earning the trust of customers and society, and a source of corporate profitability. To ensure that this belief is shared among all employees, we have published the LIXIL Group Quality Policy in 14 languages and are continuously pursuing excellence in product manufacturing and services around the world.

Significant product-related problems make customers anxious and adversely affect our reputation for reliability. That is why we pursue product quality management initiatives such as confirming legislative compliance based on the LIXIL Product Safety Principles.

Going forward, we intend to make consistent improvements to our product quality management system, and work to ensure consumers know how to use products safely.

LIXIL Group Quality Policy

- LIXIL strives for high quality in all processes, pursuing customer satisfaction and contributing to improving people's comfort and lifestyles.
- We generate the world's highest quality, listening to our customers and striving for excellence through KAIZEN activities, specifically going and seeing for ourselves and thoroughly understanding the situation.
- We develop a management system that continuously improves the quality of our employees, products, and processes, and aim for business growth.

PDF LIXIL Product Safety Principles (40KB)

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› Management Structure

LIXIL Corporation has established quality and EHS headquarters under the direct control of the company president, and we are continuously working to develop a strong company-wide product quality management system to resolve quality issues. We have also established quality and EHS departments for the LIXIL Group to help unify quality management across Group companies.

We have unified the major functions of development, manufacturing, and sales at our three technology companies and strive to achieve ultimate quality in each business' operation. We have appointed a chief quality officer (CQO) in each company, who oversees product quality department efforts to guarantee superior-quality products and services and resolve quality-related issues. In addition, LIXIL Japan Company, which has jurisdiction over the retail service functions in Japan, strives to offer superior quality customer service.

CQOs and other relevant members gather together on a quarterly basis for the LIXIL Group quality management conference, and conduct regular management reviews.

› Enhancing Quality across Entire Product Lifecycle

To ensure customer safety, LIXIL Corporation is focused on enhancing quality across the full lifecycle of all products, from development through design, procurement, manufacture, distribution, and after-sales support.

Design & Development

In addition to introducing Fault Tree Analysis (FTA) and Failure Mode and Effect Analysis (FMEA) as a means of assessing in the development stage, we also comply fully with all laws and regulations.

To help improve our ability to pinpoint and actively incorporate customer opinion, we are conducting a full review of our original Design Review Based on Failure Mode (DRBFM), and working to strengthen implementation frameworks, on-the-ground procedures, and assessor and facilitator skills. We are also working to develop frameworks to ensure accurate recognition and compliance with global legislation and regulations as we continue to pursue collaborative development projects around the world.

Material & Parts Procurement

We set quality-related standards to which our business partners must adhere. If necessary, we will design joint activity themes to help resolve quality-related issues.

Commercialization & Production & Sales

We only commercialize products that have undergone and passed vigorous stress tests and quality checks for durability, weather resistance, etc. Products that require specific safety and quality labeling are clearly marked in our catalogues and other sales materials as meeting those criteria. We also strive to ensure customers select appropriate products by providing better, readily understandable product explanations, including experience-based showroom displays and online videos, while responding to queries through a new customer service route.

Responding to Product Defects & Issues

We have a system in place for incorporating customer opinions and experiences with regard to product-related accidents and defects. We thoroughly investigate the cause of any problem via the system, and implement improvements, not only in product design, but across all processes from manufacturing through to retail distribution. We also employ a variety of methods to help prevent product defects and problems, from pursuing organizational management to ensure improvements are fully integrated, through to developing better governance frameworks for confirming management is firmly implemented.



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› Stage Gate System

In its product development, LIXIL Group categorizes the various processes from research and development to commercialization and merchandising into ‘Stage’ and sets up ‘Gate’ between transitions to subsequent stages, with high importance placed on evaluation reviews and management decisions. To raise the level of completion in design, quality, and production at each stage, the Development, Production, and Sales Divisions collaborate with each other on these matters while carrying them out as specific projects. The criteria for evaluation are also re-examined on an ongoing basis, to promote the development of even higher-quality products.

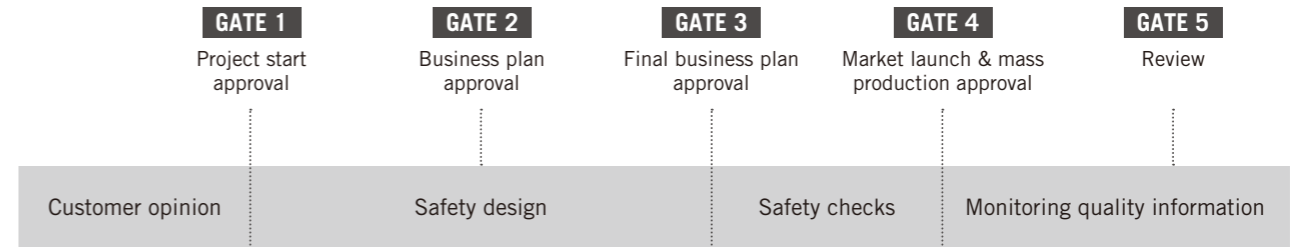
› Responding to Serious Product-related Accidents

At LIXIL Corporation in Japan, whenever a product-related accident occurs, information is gathered in the Quality & Six Sigma Division within 24 hours from the receipt of notification, and an emergency notice is sent out to relevant departments. The division in charge of customer services reports such high-risk product-related accidents directly to senior management to ensure a swift response.

The division also coordinates with other departments to implement on-site response and investigation of an accident. A report is submitted to the relevant authorities within 10 days as stipulated by the government’s reporting and disclosure procedures on product accidents under the Consumer Product Safety Act. To prevent a reoccurrence, we reflect lessons learned from accidents in design schematics, and proactively improve preventative safety technology.

Regarding suspected illegal occurrences, the technology or other relevant departments will ascertain if an infringement has occurred, and submit a report to the competent authorities. We follow a similar process for suspected legal infringements as for product-related accidents; namely, we conduct a thorough investigation of the cause and decide appropriate countermeasures to prevent a reoccurrence.

Concept of Stage Gate System

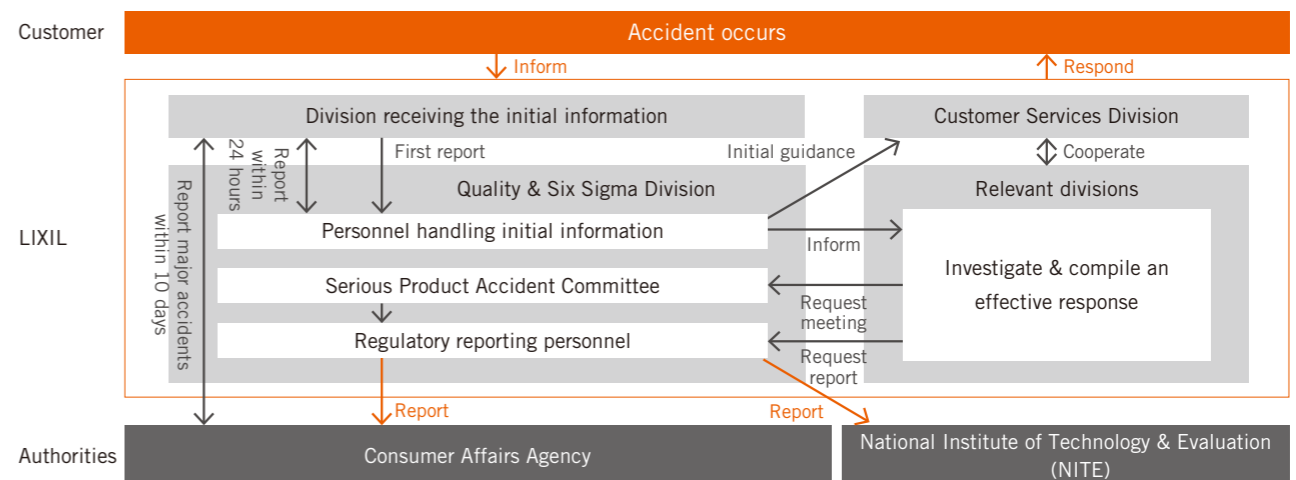


*The above is a concept, arranged in each division or each area.

Number of Legal Infringements and Significant Product-related Accidents

	FYE 2016	FYE 2017	FYE 2018
Number of legal infringements	0	0	1
Number of significant product-related accidents	2	4	3

Emergency Procedure for Responding to Accidents



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› Product Safety Education

LIXIL Corporation provides product quality education through a training framework tailored toward individual job types and levels. In FYE2018, LIXIL Corporation conducted product safety training for new technical-stream employees, and conducted training sessions for different job types on Japan's Electrical Appliance and Material Safety Act for approximately 200 employees.

Nurturing a Culture that Strives for Superior Quality Product Manufacturing

LIXIL Group organizes LIXIL Quality Month each year in November as part of its product safety promotion activities. During the 2017 Quality Month, we conducted various activities including clarifying product-quality management issues at individual departments, study sessions to explore how to analyze problems, and sharing examples of product quality risk. Approximately 700 employees attended the group-wide Product Quality Forum that took place in Quality Month, and in which we shared the best improvement activities from around the world.

› Conveying How to Use Products Safely

The LIXIL Group publishes product-specific instructions on the website to ensure safe product use, along with videos illustrating how to care for and clean products to ensure appropriate use.

WEB Product & installation manuals (Japanese only, LIXIL)

WEB "How to" videos (Japanese only, LIXIL)

› External Activities & Evaluations

Safety Education Program "Thinking about Safety in the Home"

As part of its product safety-related activities, LIXIL Corporation has developed a safety training program with the not-for-profit Association of Corporation and Education (ACE) for 5th and 6th year elementary students, provided free to school teachers and educators. In FYE2018, LIXIL employees also used this program to give 34 lessons in 12 schools to approximately 1,000 children. The program also won the Outstanding Performance Award at the Instructional Materials for Consumer Education awards 2014 conducted by the National Institute on Consumer Education (NICE).

FYE2018

Number of participants in safety education program

Approximately 1,000 students

Number of participated schools

12 schools

WEB Details about the activity (Japanese only, LIXIL)

In addition, LIXIL also cooperates with Japan's Ministry of Economy, Trade and Industry (METI) and the National Federation of Regional Women's Organizations to provide a nationwide seminar program on product safety under the theme: "Thinking about safety in the home." These seminars provide an opportunity for children to think about latent dangers in the home and how to prevent accidents. In

FYE2018, the seminars were conducted in six different halls to approximately 1,500 participants.



Lesson scene by an employee

The 8th Product Safety Measures Excellent Company Award System (2014)

After winning the Director-General for Commerce and Distribution Policy Award in 2010, LIXIL Corporation received its second recognition from Japan's Ministry of Economy, Trade and Industry (METI) in 2014: the Excellence Award in the large manufacturer and importer category for the 8th Best Contributors to Product Safety Awards program. METI commended the company for its ground-breaking 10-year guarantee services and its commitment to studying problematic products to improve functionality.

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Customer Satisfaction

The LIXIL Group is constantly enhancing its products and services across the Group to ensure continued and improved customer satisfaction.

Action plan	Monitor customer satisfaction levels and re-evaluate collected data to help improve satisfaction levels
KPI	Customer satisfaction survey towards all Group products and services (%)
FYE2017	Target · Establish a mechanism for measuring and disclosing customer satisfaction, and implement it across the Group
	Progress · Conducted customer satisfaction surveys on product quality and customer support. Expanded scope of responses from call centers only to: 1) product quality, 2) showrooms, 3) call centers, 4) after-sales maintenance, and 5) sales representatives Result of customer satisfaction survey: 71.9%
FYE2018	Target · Continue initiative to improve customer satisfaction across the Group
	Progress · Continued to use scope of responses expanded in FYE2017. Result of customer satisfaction survey: 70.5%



Average customer satisfaction rate:

Comprehensive evaluation of five categories

70.5%

› Our Approach

To ensure that our customers enjoy all aspects of their living spaces, the LIXIL Group focuses on developing products and services that satisfy both construction-related commercial customers and end consumers, while communicating with them effectively. We work continuously to improve products and services based on customer feedback and needs.

› Implementing the Six Sigma Quality Management Method

LIXIL Corporation considers customer satisfaction a significant element of its business activities, listening attentively to the voices of our customers (VOC), and channeling those opinions into creating better products and services. We have introduced and subsequently developed the Six Sigma system to ensure this framework and culture takes root.

The Six Sigma system involves listening to customer opinions and pinpointing issues for improvement. Then, instead of making judgements based on instinct and experience, we focus on facts derived from numerical analysis to help control any variation in our work and services, ultimately helping to lead to quality improvements. One of the quality-improvement initiatives involves creating a cross-functional team in each Group company and division, and implementing projects to improve issues.

› Reflect Commercial Customer Opinions in Improving Our Products and Services

LIXIL Corporation conducts satisfaction surveys of its commercial customers. In FYE2018, we achieved an average of 70.5% in terms of the quality of our products and customer support, including showrooms, call centers, after-sales maintenance, and sales representatives.

In FYE2016, LIXIL Water Technology launched a product and brand evaluation survey targeted at global customers.

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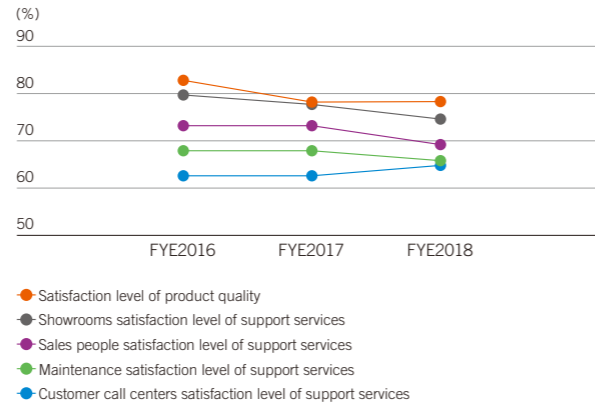
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Going forward, we plan to extend the framework for measuring and disclosing customer satisfaction to all Group companies, and to set regional targets regarding customer satisfaction.

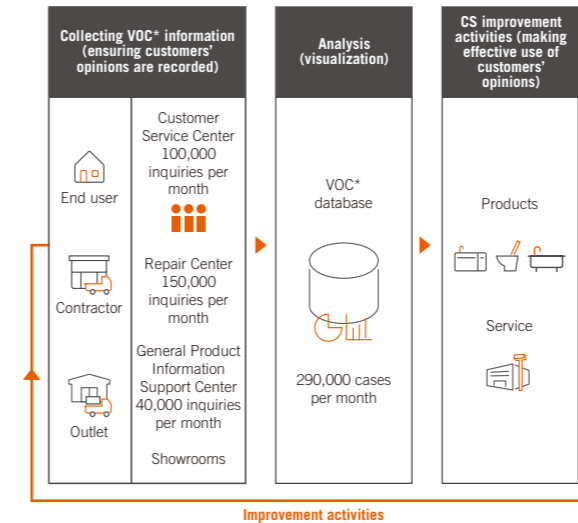
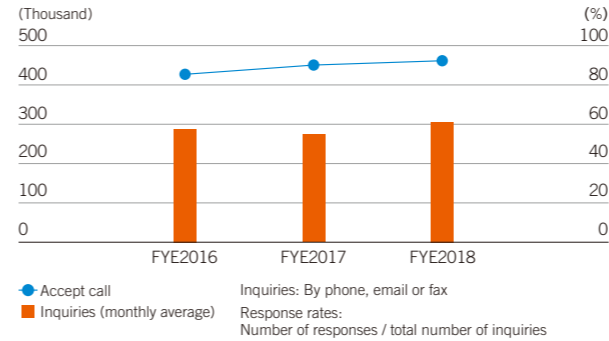
Professional User Satisfaction of Products and Support Services



We also collect approximately 300,000 comments from customers each month through our customer service center, repair center, and product information support center. This data is stored in our database and shared with relevant departments to encourage improvement measures, and ultimately boost the quality of our products and services. For example, we heeded customer opinion by improving the way product explanations are displayed in our catalogues, and made it possible to exchange individual parts for new ones.

Our customer service center conducts surveys on service quality twice a year. We use the results to improve our communications and enhance customer satisfaction.

Customer Inquiries



*VOC: Voice of Customer

WEB Examples of service improvement through the VOC (Japanese only, LIXIL)

Training: How to Improve Customer Satisfaction

We hold practical construction-related training workshops for commercial customers on sashes, doors, exteriors, kitchens, and bathrooms with the aim of improving end consumer satisfaction.

We also conduct regular training for employees to improve their level of knowledge about our overall work and products so that they can resolve any problems customers face. Furthermore, we seek to boost motivation by offering rewards for excellent customer service skills.

Product training

A state of product knowledge training using toilets



Construction training

Window sash installation training



Award system

An award recipient of the contest regularly being conducted



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We disclose the data on the number and composition of employees, raw materials and energy used, CO₂ and air pollutants.

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Human Resource Performance

In recruiting and hiring employees, the LIXIL Group respects human rights and is committed to ensuring a fair selection process, recruiting diverse talent irrespective of social group, and building a platform which allows diverse set of employees to contribute to their full potential.

Includes the following information/data:

1. Number of Employees by Type of Employment
2. Number of Employees by Country
3. Number of New Hires
4. Number of Retirees and Turnover Rate

FYE2018 Human Resource Performance Data indicated with ★ have received the independent practitioner's assurance. Data for FYE2017 was revised based on the scope change. See the Coverage on page 90.



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➤ LIXIL Group Human Resource Performance Data

1. Number of Employees by Type of Employment ★

			Number of employees (Persons)	Ratio (%)	
Japan	Directly employed	Permanent staff*1	Male	18,125	25.8%
			Female	5,829	8.3%
			Total	23,954	34.1%
		Non- permanent staff*2	Male	3,311	4.7%
			Female	8,187	11.6%
			Total	11,498	16.4%
		Male total		21,436	30.5%
		Female total		14,016	19.9%
		Directly employed total		35,452	50.4%
		Indirectly employed*3		3,405	4.8%
Japan total			38,857	55.3%	
Outside Japan	Directly employed	Male total	22,495	32.0%	
		Female total	8,957	12.7%	
	Outside Japan total		31,452	44.7%	
LIXIL Group Grand total			70,309	100.0%	

*1 Permanent staff: employees under a labor contract without a fixed period of employment
 *2 Non-permanent staff: employees under a labor contract with a fixed period of employment
 *3 Indirectly employed: Temporary sub-contract staff
 *Since each amount in "Ratio" is rounded off, total may not become 100%.

2. Number of Employees by Country ★

Country	Number of employees (Persons)
Japan	35,452
Thailand	7,837
China	5,122
Mexico	4,534
Vietnam	5,018
Germany	2,904
USA	1,424
South Africa	1,462
Italy	65
Portugal	672
Indonesia	650
Hong Kong	41
India	354
Netherland	63
Singapore	100
Other European region	514
Other Middle Eastern & African region	61
Other Asian region	281
Other American region	350
Total	66,904

*Directly employed, Data collected according to location of employment or base region
 *Other Asian region covers Australia. Other European region covers Russia.

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3. Number of New Hires ★

(Persons)

	FYE2016		FYE2017		FYE2018	
		LIXIL Corp.		LIXIL Corp.		LIXIL Corp.
Permanent staff	898	472	638	261	879	349
(new graduates)	(517)	(323)	(329)	(155)	(374)	(245)
Non-permanent staff	561	360	1,911	286	1,887	385
Total	1,459	832	2,549	547	2,766	734

*Directly hired employees in Japan only

4. Number of Retirees and Turnover Rate ★

	FYE2016		FYE2017		FYE2018	
		LIXIL Corp.		LIXIL Corp.		LIXIL Corp.
Permanent staff	624	290	679	250	687	259
Turnover rate*1	2.60%	1.71%	2.80%	1.50%	2.86%	1.55%
Non-permanent staff	1,818	330	1,854	248	1,730	270
Total	2,442	620	2,533	498	2,417	529

*1 Directly hired employees in Japan only

*Turnover rate calculation method: The turnover rate uses the number of employees as of April 1 of the fiscal year as a basis for comparison with the number of retirees through March 31 of the same fiscal year.

› Scope of Data Collection

The LIXIL Group human resource performance data covers: LIXIL Group Corporation, its four operating companies,*1 LIXIL Corporation's 71 major consolidated subsidiaries (34 companies in Japan*2 and 37 companies outside Japan),*3 LIXIL Living Solution Corporation's 10 subsidiaries,*4 LIXIL Group Finance Corporation's one subsidiaries,*5 and the number of companies covered is 82 in total. Moreover, due to decision to sell Permasteelisa S.p.A., a consolidated subsidiary in August 2017, businesses of the company and its subsidiaries are classified as discontinued operations and excluded from the scope of data. While the majority of LIXIL Group Corporation's major consolidated subsidiaries as of March 31, 2018 are covered, please note that the scope of human resource performance data differs from the scope of subsidiaries for the consolidated financial report.

*LIXIL VIVA CORPORATION is excluded from the scope of Occupational Health and Safety.

Operating Companies of LIXIL Group Corporation*1

LIXIL Corporation, LIXIL VIVA CORPORATION, LIXIL Group Finance Corporation and LIXIL Living Solution Corporation

Major Consolidated Subsidiaries of LIXIL Corporation

Consolidated subsidiaries in Japan:*2

LIXIL Total Service Corporation, Kawashima Selkon Textiles Co., Ltd., Kawashima Selkon Sewing Ltd., Kawashima Bunka Jigyodan Ltd., Benikoya Ltd., LIXIL Logistics Corporation, Maruki Unyu Corporation, LIXIL Window Products Inc., Handy Techno Co., Ltd., NITTO CERA Corporation, Omi Chemical Pottery Corporation, LIXIL Sales Okinawa Co., Ltd., Fukunaga Glass And Building Materials Sales Corporation, Sobue Industry Corporation, Safety Partners Corporation, LIXIL OKINAWA SUZUKI SHUTTER CORPORATION, Sonitech Corporation, LIXIL Business Service Corporation, LIXIL Travel Corporation, LIXIL Insurance Service Corporation, LIXIL Total Hanbai Corporation, LIXIL SUZUKI SHUTTER CORPORATION, G TERIOR Corporation, Asahi Tostem Exterior Building Materials Co., Ltd., LIXIL Toyo Sash Shoji Co., Ltd., LIXIL RENEWAL Corporation, TM.S Corporation Ltd., Kuwata Co., Ltd., Dinaone Corporation, Oita Tostem Co., Ltd., Nishi Kyushu Tostem Co., Ltd., LIXIL TEPCO Smart Partners Inc., blisspa japan Inc. and K-engine Inc.

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Consolidated subsidiaries outside Japan:*³

Grohe Group, TOSTEM THAI Co., Ltd., LIXIL Manufacturing (Dalian) Corporation, LIXIL Vietnam Corporation, LIXIL GLOBAL MANUFACTURING VIETNAM Co., Ltd, LIXIL (Thailand) Public Co., Ltd., PT AMERICAN STANDARD INDONESIA, LIXIL Sanitary Fitting Manufacturing (Suzhou) Corporation, LIXIL Building Materials Manufacturing (Suzhou) Corporation, LIXIL Korea Inc., PT LIXIL ALUMINIUM INDONESIA, Taiwan INAX Corporation, LIXIL Philippines Ltd., Co., LIXIL India Private Limited, American Standard Asia Pacific (Shanghai) Management Co., Ltd., A-S (China) Co., Ltd., HUAMEI Sanitary Ware Co., Ltd., Jiangmen LIXIL AS Sanitary Fitting Manufacturing Co., Ltd., LIXIL AS Sanitary Manufacturing (Tianjin) Co., Ltd., LIXIL AS Sanitary Manufacturing (Shanghai) Co., Ltd., LIXIL Australia Pty Ltd., AS America Inc., LIXIL Canada Inc., LIXIL Suzuki (Hong Kong) Company Ltd., LIXIL Suzuki (Macau) Company Ltd., LIXIL Housing Products Manufacturing (Shanghai) Corporation, LIXIL Taiwan Corporation, AS Maquilla Mexico S de R L de C V, Decorative Panels International Inc., ASB Ceramica Dominica SAS, LIXIL Myanmar Ltd., Safety Tubs Company, LLC, AS Logistics Inc., LG-TOSTEM BM Co., Ltd., LIXIL Trading (Shanghai) Corporation, LIXIL WINDOW SYSTEMS PRIVATE LIMITED, LIXIL International Pte., Ltd.

Consolidated Subsidiaries of LIXIL Living Solution Corporation*⁴

Consolidated subsidiaries in Japan:

LIXIL REALTY Corp, JAPAN HOME SHIELD CORPORATION, LIXIL Housing Research Institute Ltd., JHS Engineering Corporation, First Inspection Service Inc., JHB Corporation, Home Energy Corporation, Will Corporation, GHS Corporation, Jyuseikatsu SSI Co., Ltd.

Consolidated Subsidiaries of LIXIL Group Finance Corporation*⁵

Consolidated subsidiaries in Japan:

LIXIL Home Finance Corporation

Data Collection Method and Period

The number of employees is calculated on an original registration basis for each company, mainly as of March 31, 2018.

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The LIXIL Group is committed to conserving water, energy, and other natural resources utilized in our products and services, across the supply chain from procurement through production, distribution, end use and product disposal. To that aim, we work hard to gain a clear understanding of total raw materials and energy inputs as well as CO₂, air pollutants and other emissions, and implement measures to reduce them.

Includes the following information/data:

1. Material Balance (INPUT): Material usage, Energy usage, Water intake
2. Material Balance (OUTPUT): CO₂ emissions, Waste emissions, Water discharge, Air pollutant emissions

FYE2018 Environmental Performance Data indicated with ★ have received the independent practitioner's assurance. Data for FYE2016 and FYE2017 were revised based on the scope change. See the Coverage on page 90.



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› LIXIL Group Environment Performance Data

1. Material Balance (INPUT) ★

Procurement

Material usage		FYE2016		FYE2017		FYE2018	
Raw materials	Metals raw materials	259	thousand t	266	thousand t	289	thousand t
	Plastics raw materials	54	thousand t	58	thousand t	62	thousand t
	Wood raw materials	147	thousand t	146	thousand t	150	thousand t
	Ceramics raw materials	462	thousand t	521	thousand t	447	thousand t
Total		922	thousand t	991	thousand t	949	thousand t

Difference from the previous year	-42 thousand t	Year on year	95.7%
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Manufacture / Sales

Energy usage		FYE2016		FYE2017		FYE2018	
Electricity	1,187,683	thousand kWh	1,109,943	thousand kWh	1,128,157	thousand kWh	
Steam	144	thousand GJ	161	thousand GJ	168	thousand GJ	
City gas	175,476	thousand m ³	201,022	thousand m ³	204,334	thousand m ³	
Fuel oil	7,140	thousand L	5,924	thousand L	5,240	thousand L	
LPG	14,246	thousand kg	16,215	thousand kg	18,835	thousand kg	
LNG	13,257	thousand kg	13,435	thousand kg	14,263	thousand kg	
Kerosene	2,800	thousand L	2,228	thousand L	2,222	thousand L	
Gasoline	8,441	thousand L	8,111	thousand L	7,814	thousand L	
Diesel	3,195	thousand L	3,138	thousand L	3,053	thousand L	
Coal	15	thousand t	0	thousand t	0	thousand t	
Generation of electricity*	Photovoltaic power generation	24.0	thousand kWh	23.9	thousand kWh	24.0	thousand kWh
	Generation from non-renewable sources	94,517	thousand kWh	106,257	thousand kWh	102,861	thousand kWh
Energy consumption	20,654	thousand GJ	21,968	thousand GJ	22,471	thousand GJ	

*Data only covers facilities within the premises of our factories (in-house use only).

Difference from the previous year	504 thousand GJ	Year on year	102.3%
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Manufacture / Sales

Water intake	FYE2016		FYE2017		FYE2018	
Potable water	1,649	thousand m ³	2,212	thousand m ³	2,248	thousand m ³
Industrial water	4,472	thousand m ³	3,776	thousand m ³	3,483	thousand m ³
Ground water	5,593	thousand m ³	5,307	thousand m ³	6,387	thousand m ³
River water	6,050	thousand m ³	6,713	thousand m ³	5,932	thousand m ³
Total	17,764	thousand m³	18,009	thousand m³	18,050	thousand m³

*Data excludes the tenants in the building that we cannot assess the water intake data. In FYE2016, LIXIL Total Service Corporation is excluded.

Difference from the previous year	42 thousand m ³	Year on year	100.2%
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Logistics

Energy usage	FYE2016		FYE2017		FYE2018	
Fuel (Crude oil equivalent)	44.9	thousand kL	43.8	thousand kL	45.9	thousand kL
Energy consumption	1,740	thousand GJ	1,698	thousand GJ	1,778	thousand GJ

*Data covers the services, which LIXIL Corporation was identified as the consigner.

Difference from the previous year	80 thousand GJ	Year on year	104.7%
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2. Material Balance (OUTPUT) ★

Procurement (Scope 3)

CO ₂ emissions		FYE2016		FYE2017		FYE2018	
Raw materials	Metals raw materials	1,327	thousand t-CO ₂	1,323	thousand t-CO ₂	1,458	thousand t-CO ₂
	Plastics raw materials	172	thousand t-CO ₂	179	thousand t-CO ₂	190	thousand t-CO ₂
	Wood raw materials	130	thousand t-CO ₂	128	thousand t-CO ₂	128	thousand t-CO ₂
	Ceramics raw materials	74	thousand t-CO ₂	77	thousand t-CO ₂	82	thousand t-CO ₂
Parts/ materials	Metals parts	867	thousand t-CO ₂	868	thousand t-CO ₂	844	thousand t-CO ₂
	Plastics parts	354	thousand t-CO ₂	351	thousand t-CO ₂	361	thousand t-CO ₂
	Wood parts	146	thousand t-CO ₂	146	thousand t-CO ₂	140	thousand t-CO ₂
	Ceramics parts	92	thousand t-CO ₂	104	thousand t-CO ₂	124	thousand t-CO ₂
	Others	164	thousand t-CO ₂	174	thousand t-CO ₂	188	thousand t-CO ₂
Total	3,326	thousand t-CO₂	3,348	thousand t-CO₂	3,515	thousand t-CO₂	

Difference from the previous year	166 thousand -CO ₂	Year on year	105.0%
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Manufacture / Sales (Scope 1 and 2)

CO ₂ emissions	FYE2016		FYE2017		FYE2018	
Electricity	591.8	thousand t-CO ₂	600.0	thousand t-CO ₂	607.8	thousand t-CO ₂
Steam	8.6	thousand t-CO ₂	9.7	thousand t-CO ₂	10.1	thousand t-CO ₂
City gas	379.0	thousand t-CO ₂	433.5	thousand t-CO ₂	440.1	thousand t-CO ₂
Fuel oil	19.3	thousand t-CO ₂	16.1	thousand t-CO ₂	14.2	thousand t-CO ₂
LPG	42.7	thousand t-CO ₂	48.6	thousand t-CO ₂	56.5	thousand t-CO ₂
LNG	35.8	thousand t-CO ₂	36.3	thousand t-CO ₂	38.5	thousand t-CO ₂
Kerosene	7.0	thousand t-CO ₂	5.5	thousand t-CO ₂	5.5	thousand t-CO ₂
Gasoline	19.6	thousand t-CO ₂	18.8	thousand t-CO ₂	18.1	thousand t-CO ₂
Diesel	8.2	thousand t-CO ₂	8.1	thousand t-CO ₂	7.9	thousand t-CO ₂
Coal	34.2	thousand t-CO ₂	0	thousand t-CO ₂	0	thousand t-CO ₂
Total	1,146	thousand t-CO₂	1,177	thousand t-CO₂	1,199	thousand t-CO₂

Difference from the previous year	22 thousand t-CO ₂	Year on year	101.9%
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Waste emissions	FYE2016		FYE2017		FYE2018	
Recycled	124	thousand t	136	thousand t	141	thousand t
Landfilled	140	thousand t	147	thousand t	139	thousand t
Total	264	thousand t	284	thousand t	281	thousand t

Difference from the previous year	-3 thousand t	Year on year	98.9%
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Water discharge	FYE2016		FYE2017		FYE2018	
Wastewater	16,715	thousand m ³	16,788	thousand m ³	16,832	thousand m ³

*Data excludes the tenants in the building that we cannot assess the water discharge data. In FYE2016, LIXIL Total Service Corporation is excluded.

Difference from the previous year	44 thousand m ³	Year on year	100.3%
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Air pollutant emissions	FYE2017		FYE2018	
NOx	397	t	387	t
SOx	37	t	49	t
Soot and dust	524	t	571	t

*Data covers production sites subject to regulatory monitoring for NOx, SOx, soot and dust emissions.
*Data for FYE2017 was revised based on the calculation method change.

Logistics (Scope 3)

CO ₂ emissions	FYE2016		FYE2017		FYE2018	
Fuel (Crude oil equivalent)	119	thousand t-CO ₂	117	thousand t-CO ₂	122	thousand t-CO ₂

*Data covers the services which LIXIL Corporation was identified as the consigner.

Difference from the previous year	5 thousand t-CO ₂	Year on year	104.3%
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Use of Products (Scope3)

CO ₂ emissions	FYE2016		FYE2017		FYE2018	
	Total	105,528 thousand t-CO ₂	115,651 thousand t-CO ₂	111,618 thousand t-CO ₂		

*Data for FYE2016 and FYE2017 was revised due to the expansion of the scope of energy consumption in FYE2018.

Difference from the previous year	-4,034 thousand t-CO ₂	Year on year	96.5%
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[Total Energy Consumption Calculation Method]

- Energy consumption (procurement) = (Amount of purchased raw materials) × (Energy conversion coefficient)^{*1} + (Cost of purchasing parts & materials) × (Energy conversion coefficient)^{*2}
- Energy consumption (manufacture & sales) = (Electricity, fuel & water consumption) × (Energy conversion coefficient)^{*3}
- Energy consumption (logistics) = (Transported weight) × (Transportation distance) × (Energy conversion coefficient)^{*4}

*1 Conversion coefficient calculated from CFP (Carbon Footprint of Products) Communication Programme, Basic secondary database Version 1.01

*2 Conversion coefficient calculated from Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Version 2.4

*3 Electricity, fuel: heat value per unit per energy source as specified in the Act on Rational Use of Energy
Water: conversion coefficient calculated from CFP (Carbon Footprint of Products) Communication Program, Basic Database Version 1.01

*4 Unit fuel consumption and unit calorific value using improved tons × distance method as specified in the Act of Rational Use of Energy (Measures Pertaining to Consigners)

[CO₂ Conversion Coefficients Used to Convert CO₂ Emissions]

- CO₂ emissions (procurement) = (Amount of purchased raw materials) × (CO₂ conversion coefficient)^{*5} + (Cost of purchasing parts & materials) × (CO₂ conversion coefficient)^{*6}
- CO₂ emissions (manufacture & sales) = (Electricity & Fuel consumption) × (CO₂ conversion coefficient)^{*7}
- CO₂ emissions (logistics) = (Transported weight) × (Transportation distance) × (CO₂ conversion coefficient)^{*8}
- CO₂ emissions (product usage) = (Electricity, Fuel & Water consumption per each product) × (amount of sales) × (CO₂ conversion coefficient)^{*9}

*5 Emissions intensity from CFP (Carbon Footprint of Products) Communication Program, Basic Database Version 1.01

*6 Emissions intensity from Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Version 2.4

*7 Purchased electricity: Emissions intensity of each country from CO₂ EMISSIONS FROM FUEL COMBUSTION 2015 EDITION (IEA)

Fuel: Coefficient of fuel usage as specified in the Act of Rational Use of Energy

*8 Emissions intensity from unit fuel consumption and unit calorific value using improved tons × distance method as specified in the Act of Rational Use of Energy (Measures Pertaining to Consigners)

*9 Coefficients for LIXIL brand's products are as below.

Electricity: 0.447kgCO₂/kWh (The Japan Electrical Manufacturers' Association)City gas: 2.23kgCO₂/m³ (Japan Valve Manufacturers' Association)Water: 0.23kg CO₂/m³ (Japan Sanitary Equipment Industry Association)

Coefficients for other brands' products are set by each brand or region of sales.

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3. Value Chain CO₂ Emissions (Scope 3)

Category		FYE2016		FYE2017		FYE2018	
1	Purchased goods & services	3,326	thousand t-CO ₂	3,348	thousand t-CO ₂	3,515	thousand t-CO ₂
2	Capital goods	298	thousand t-CO ₂	196	thousand t-CO ₂	216	thousand t-CO ₂
3	Fuel-and energy-related activities (not included in Scope 1 or 2)	150	thousand t-CO ₂	161	thousand t-CO ₂	165	thousand t-CO ₂
4	Upstream transportation & distribution	119	thousand t-CO ₂	117	thousand t-CO ₂	122	thousand t-CO ₂
5	Waste generated operations	387	thousand t-CO ₂	407	thousand t-CO ₂	386	thousand t-CO ₂
6	Business travel	8	thousand t-CO ₂	7	thousand t-CO ₂	7	thousand t-CO ₂
7	Employee commuting	28	thousand t-CO ₂	23	thousand t-CO ₂	26	thousand t-CO ₂
8	Upstream leased assets* ¹	—	thousand t-CO ₂	—	thousand t-CO ₂	—	thousand t-CO ₂
9	Downstream transportation & distribution* ²	—	thousand t-CO ₂	—	thousand t-CO ₂	—	thousand t-CO ₂
10	Processing of sold products* ²	—	thousand t-CO ₂	—	thousand t-CO ₂	—	thousand t-CO ₂
11	Use of sold products	105,528	thousand t-CO ₂	115,651	thousand t-CO ₂	111,618	thousand t-CO ₂
12	End of life treatment of sold products	485	thousand t-CO ₂	496	thousand t-CO ₂	470	thousand t-CO ₂
13	Downstream leased assets* ²	—	thousand t-CO ₂	—	thousand t-CO ₂	—	thousand t-CO ₂
14	Franchises* ²	—	thousand t-CO ₂	—	thousand t-CO ₂	—	thousand t-CO ₂
15	Investments* ²	—	thousand t-CO ₂	—	thousand t-CO ₂	—	thousand t-CO ₂
Total		110,329	thousand t-CO ₂	120,405	thousand t-CO ₂	116,525	thousand t-CO ₂

Difference from the previous year	-3,880 thousand t-CO ₂	Year on year	97%
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[Value Chain CO₂ Emissions Calculation Method]

- Calculated based on Corporate Value Chain (Scope 3) Accounting and Reporting Standard (The Greenhouse Gas Protocol) and Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Version Ver2.2 (Ministry of the Environment and Ministry of Economy, Trade and Industry)

*1: Excluded from the calculation since they are already included in Scope1 or Scope 2

*2: Excluded from the calculation since they are not or less relevant to our main businesses

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Number of Environmental Law Violations

	FYE2016	FYE2017	FYE2018
No. of environmental law violations	0	0	0
Total amount of fines/penalties from the above	0	0	0
Environmental liability	0	0	0

*Scope: Significant violations with fines of US\$10,000 or more

Preventing Pollution through Strict Control of Chemical Substances

LIXIL Corporation has set rules on substances that are forbidden or require strict control for use in products and/or during production processes. We manage and monitor our factories in compliance with the Soil Contamination Countermeasures Act and other environmental laws and regulations to ensure the soil and waterways around our manufacturing facilities are not affected by our operations.

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› Scope of Data Collection

In principle, environmental performance data covers all operating companies and their consolidated subsidiaries as of March 31 2018, with the exclusion of some consolidated subsidiaries considering their business size and content. Moreover, due to decision to sell Permasteelisa S.p.A., a consolidated subsidiary in August 2017, businesses of the company and its subsidiaries are classified as discontinued operations and excluded from the scope of data. With regard to non-consolidated subsidiaries, subsidiaries operating in buildings owned and managed by an operating company of the LIXIL Group are treated as being part of the LIXIL Group. Major production plants of non-consolidated companies are also included in the scope. Please note that the scope of environmental performance data differs from the scope of subsidiaries for the consolidated financial report. Where scope of data is different to those stated above, details are specified in the footnotes.

Operating Companies of the LIXIL Group

LIXIL Corporation, LIXIL Living Solution Corporation, LIXIL Group Finance Corporation

Major Consolidated Subsidiaries of LIXIL Corporation

Consolidated subsidiaries in Japan:

Kawashima Selkon Textiles Co., Ltd., BENIKOYA Ltd., Asahi Tostem Exterior Building Materials Co., Ltd., LIXIL ENERGY Co., Ltd., LIXIL Window Products Inc., G TERIOR Corporation, HANDY TECHNO Co., Ltd., Dinaone Corporation, NITTOCERA Corporation, blisspa japan Inc., Omi Chemical Pottery Corporation, LIXIL Total Hanbai Corporation, LIXIL SUZUKI SHUTTER CORPORATION, LIXIL Toyo Sash Shoji Co., Ltd., TM.S Corporation, LIXIL Total Service Corporation, LIXIL RENEWAL Corporation, Kuwata Corporation, Oita Tostem Corporation, Nishi Kyushu Tostem Corporation, LIXIL Sales Okinawa Co.,Ltd, Fukunaga Glass And Building Materials Sales Corporation, Sobue Industry Corporation, Safety Partners Corporation, LIXIL OKINAWA SUZUKI SHUTTER CORPORATION, Sonitech Corporation, LIXIL Logistics Corporation, Maruki Unyu Corporation, LIXIL Business Service Corporation, LIXIL Travel Corporation, LIXIL Insurance Service Corporation

Consolidated subsidiaries outside Japan:

HUA MEI Sanitary ware Co., Ltd., Jiangmen LIXIL AS Sanitary Fitting Manufacturing Co., Ltd., LIXIL AS Sanitary Manufacturing (Tianjin) Co., Ltd., LIXIL AS Sanitary Manufacturing (Shanghai) Co., Ltd., PT AMERICAN STANDARD INDONESIA, LIXIL BUILDING MATERIALS MANUFACTURING (SUZHOU) CORPORATION, LIXIL Sanitary Fitting Manufacturing (Suzhou) Corporation, LIXIL Vietnam Corporation, LIXIL (Thailand) Public Co. Ltd., LIXIL Korea Inc., PT LIXIL ALUMINIUM INDONESIA, LIXIL GLOBAL MANUFACTURING VIETNAM Co., Ltd., TOSTEM THAI Co., Ltd., LIXIL Manufacturing (Dalian) Corporation, LIXIL Suzuki (Hong Kong)Company, Ltd., American Standard Brands production sites, GROHE Group production sites

Non-consolidated Subsidiaries of LIXIL Corporation

Non-consolidated subsidiaries in Japan (Manufacturing sites):

Maebashi LIXIL Factory Corporation, Ichinoseki LIXIL Factory Corporation, TONO LIXIL Factory Corporation, HIKONE LIXIL Factory Corporation, Ibuki LIXIL Factory Corporation

Consolidated Subsidiaries of LIXIL Living Solution Corporation

Consolidated subsidiaries in Japan:

LIXIL Housing Research Institute, Ltd., LIXIL REALTY, Corp., JAPAN HOME SHIELD CORPORATION

Consolidated Subsidiaries of LIXIL Group Finance Corporation

Consolidated subsidiaries in Japan:

LIXIL HOME FINANCE, Corp.

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Corporation Procurement, Logistics and Product Usage Data

Procurement:

All raw materials, parts, and packaging materials, which are managed by each procurement department in LIXIL Water Technology and LIXIL Housing Technology, used for products are included in the calculations. Manufacturing equipments and office supplies are excluded from the calculations.

Logistics:

The scope of data calculation covers only the LIXIL transports which are designated as specified consignor by the Act on the Rational Use of Energy.

Products usage:

The scope of data calculation covers each brand's products manufactured by LIXIL Water Technology, LIXIL Housing Technology, LIXIL Building Technology and Housing & Services Business.

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Reporting

Scope of reporting and chart on the comparison of our disclosure to the GRI Sustainability Reporting Guidelines

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Scope of Reporting

The LIXIL Group is committed to providing prompt and transparent disclosure, seeking to build long-term trust of our stakeholders while achieving sustainable growth that complements society. We advance our Corporate Responsibility (CR) activities by establishing lasting relationships with our stakeholders through appropriate disclosure, reporting, and dialogue.

Details of our CR activities and related information are disclosed on our website. We also provide an update of CR activities in our annual report. Please also see the Corporate Governance section of this website for information on our corporate governance policies.

Reporting Period

Updated CR related information for FYE2018 (April 1, 2017 to March 31, 2018) has been published on December 11, 2018. We plan to update the report for the next fiscal year in October 2019.

Coverage

CR activities of LIXIL Group Corporation, as well as LIXIL Corporation and other operating companies are covered in the report.

Unless otherwise stated, information on Permasteelisa (which we decided to sell in August 2017), is not included.

The scope is provided in footnotes for matters that have narrower coverage.

Please click below for further information on human resource performance data and scope (page 76 to 79), and on environmental performance data and scope (page 80 to 88)

[PDF](#)[PDF](#)

Independent Practitioner's Assurance Report

LIXIL Group Corporation has received independent practitioner's assurance from Deloitte Tohmatsu Sustainability Co.,Ltd. regarding FYE2018 human resource performance data and environmental performance data indicated with ★.

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Deloitte.

デロイト トーマツ

(TRANSLATION)

Independent Practitioner's Assurance Report

November 9, 2018

Mr. Kinya Seto,
Director, Representative Executive Officer and President,
LIXIL Group Corporation

Masahiko Sugiyama
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the Human Resource Performance Data and Environmental Performance Data indicated with ★ for the year ended March 31, 2018 (the "Sustainability Information") included in the "LIXIL Group Corporate Responsibility Report 2018" (the "Report") of LIXIL Group Corporation (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the Sustainability Information in accordance with the calculation and reporting standard adopted by the Company (as described on pages 78, 79, 87, 88 and indicated with the sustainability information of the Report). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited

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GRI 102: General Disclosures

Indicator		Report Page	
1. Organizational Profile			
102-1	Name of the organization	a. Name of the organization.	Annual Report P109 Corporate Data
102-2	Activities, brands, products, and services	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	Annual Report P2 Regional Platforms P4 Brand Portfolio
102-3	Location of headquarters	a. Location of the organization's headquarters.	Annual Report P109 Corporate Data
102-4	Location of operations	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	Annual Report P68 Global Manufacturing and Sales Sites
102-5	Ownership and legal form	a. Nature of ownership and legal form.	Annual Report P109 Corporate Data
102-6	Markets served	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	Annual Report P2 Regional Platforms P60 Review of Operations
102-7	Scale of the organization	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	Annual Report P2 Regional Platforms P68 Global Manufacturing and Sales Sites P98 Consolidated 10-Year Summary P104 Principal Group Companies 有価証券報告書 (Available in Japanese) http://v4.eir-parts.net/v4Contents/View.aspx?cat=yuho_pdf&sid=2687892 P2 1. 主要な経営指標等の推移 P8 3. 事業の内容 P71 1. 連結財務諸表等 FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 2018 (IFRS) http://v4.eir-parts.net/v4Contents/View.aspx?cat=tdnet&sid=1578457 P29 FYE2018 CONSOLIDATED BUSINESS RESULTS

102-8	Information on employees and other workers	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	CR Report P77 LIXIL Group Human Resource Performance Data
102-9	Supply chain	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	CR Report P67 Working with our Suppliers
102-10	Significant changes to the organization and its supply chain	a. Significant changes to the organization's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	CR Report P78 Scope of Data Collection
102-11	Precautionary Principle or approach	a. Whether and how the organization applies the Precautionary Principle or approach.	CR Report P45 Environmental Management P53 Conserving Water in Business Activities, Reducing water usage in factories P68 Management of Chemical Substances CDP Climate Change Questionnaire2017 CC2. Strategy, CC5. Climate Change Risks, CC6. Climate Change Opportunities https://www.cdp.net/sites/2017/63/9863/Climate%20Change%202017/Pages/DisclosureView.aspx (Log in required)

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102-12	External initiatives	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	CR Report P6 Commitment to the UN Global Compact P7 Sustainable Development Goals
102-13	Membership of associations	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	CR Report P18 Activities P19 The Joint Declaration on the Japan Initiative for Hygiene Issues P61 Relationship with stakeholders
2. Strategy			
102-14	Statement from senior decision-maker	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	CR Report P4 Message from CR Committee Chairperson & Express our support to UNGC
102-15	Key impacts, risks, and opportunities	a. A description of key impacts, risks, and opportunities.	Annual Report P97 Measures against Risks that May Influence Management Strategy P100 Business Risks 有価証券報告書 (Available in Japanese) http://v4.eir-parts.net/v4Contents/View.aspx?cat=yuho_pdf&sid=2687892 P17 2. 事業等のリスク Website https://www.lixil.com/en/investor/strategy/risks.html Business Risks
3. Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	a. A description of the organization's values, principles, standards, and norms of behavior.	Annual Report P17 LIXIL's People: Purpose-Driven and Entrepreneurial P95 LIXIL Group Code of Conduct, Corporate Culture
102-17	Mechanisms for advice and concerns about ethics	a. A description of internal and external mechanisms for: i. seeking advice about ethical and lawful behavior, and organizational integrity; ii. reporting concerns about unethical or unlawful behavior, and organizational integrity.	Annual Report P94 Internal Control Systems and Compliance
4. Governance			
102-18	Governance structure	a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	Annual Report P86 Corporate Governance at the LIXIL Group CR Report P9 CR Management Structure

102-19	Delegating authority	a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.	Annual Report P86 Corporate Governance at the LIXIL Group CR Report P9 CR Management Structure
102-20	Executive-level responsibility for economic, environmental, and social topics	a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics. b. Whether post holders report directly to the highest governance body.	Annual Report P86 Corporate Governance at the LIXIL Group CR Report P9 CR Management Structure
102-21	Consulting stakeholders on economic, environmental, and social topics	a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics. b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.	Annual Report P86 Corporate Governance at the LIXIL Group CR Report P9 CR Management Structure
102-22	Composition of the highest governance body and its committees	a. Composition of the highest governance body and its committees by: i. executive or non-executive; ii. independence; iii. tenure on the governance body; iv. number of each individual's other significant positions and commitments, and the nature of the commitments; v. gender; vi. membership of under-represented social groups; vii. competencies relating to economic, environmental, and social topics; viii. stakeholder representation.	Annual Report P81 Board of Directors' Effectiveness Evaluation>Directors/Executive Officers, Composition of the Members of the Board of Directors P82 Board of Directors of LIXIL Group Corporation P85 Reasons for Nomination as Director P86 Corporate Governance at the LIXIL Group P88 Independence Criteria of Outside Directors P89 Review of Corporate Governance 有価証券報告書 (Available in Japanese) http://v4.eir-parts.net/v4Contents/View.aspx?cat=yuho_pdf&sid=2687892 P47 5. 役員 の 状 況

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102-23	Chair of the highest governance body	<p>a. Whether the chair of the highest governance body is also an executive officer in the organization.</p> <p>b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.</p>	<p>Annual Report P81 Board of Directors' Effectiveness Evaluation>Directors/Executive Officers, Composition of the Members of the Board of Directors</p> <p>有価証券報告書 (Available in Japanese) http://v4.eir-parts.net/v4Contents/View.aspx?cat=yuho_pdf&sid=2687892 P47 5.役員 の 状 況</p> <p>Website About Us>Governance Framework http://www.lixil.com/en/about/governance/framework.html</p>	102-25	Conflicts of interest	<p>a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed.</p> <p>b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:</p> <ol style="list-style-type: none"> Cross-board membership; Cross-shareholding with suppliers and other stakeholders; Existence of controlling shareholder; Related party disclosures. 	<p>LIXIL Group Corporate Governance Guidelines http://www.lixil.com/en/about/governance/pdf/CorporateGovernanceGuideline180625.pdf P12 Article 18 Role and Duties of the Board of Directors P16 Article 25 Duties of Independent Outside Directors</p> <p>有価証券報告書 (Available in Japanese) http://v4.eir-parts.net/v4Contents/View.aspx?cat=yuho_pdf&sid=2687892 P47 5.役員 の 状 況</p>
102-24	Nominating and selecting the highest governance body	<p>a. Nomination and selection processes for the highest governance body and its committees.</p> <p>b. Criteria used for nominating and selecting highest governance body members, including whether and how:</p> <ol style="list-style-type: none"> stakeholders (including shareholders) are involved; diversity is considered; independence is considered; expertise and experience relating to economic, environmental, and social topics are considered. 	<p>Annual Report P85 Reasons for Nomination as Director P86 Corporate Governance at the LIXIL Group</p> <p>LIXIL Group Corporate Governance Guidelines http://www.lixil.com/en/about/governance/pdf/CorporateGovernanceGuideline180625.pdf P13 Article 19 Composition of the Board of Directors P14 Article 21 Composition of Nomination Committee, Compensation Committee, and Audit Committee, Article 22 Policy for Nomination of Director Candidates P15 Article 23 Policy for Appointment of Executive Officers P17 Article 27 Independence Criteria</p> <p>Website About Us>Governance Framework http://www.lixil.com/en/about/governance/framework.html</p>	102-26	Role of highest governance body in setting purpose, values, and strategy	<p>a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.</p>	Annual Report P86 Corporate Governance at the LIXIL Group>Governance Structure (Corporate Responsibility Committee)
				102-27	Collective knowledge of highest governance body	<p>a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.</p>	—
				102-28	Evaluating the highest governance body's performance	<p>a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics.</p> <p>b. Whether such evaluation is independent or not, and its frequency.</p> <p>c. Whether such evaluation is a self-assessment.</p> <p>d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.</p>	—
				102-29	Identifying and managing economic, environmental, and social impacts	<p>a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes.</p> <p>b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.</p>	<p>Annual Report P86 Corporate Governance at the LIXIL Group P89 Review of Corporate Governance P94 Internal Control Systems and Compliance P96 Risk Management</p> <p>CR Report P9 CR Management Structure</p>
				102-30	Effectiveness of risk management processes	<p>a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.</p>	Annual Report P96 Risk Management

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102-31	Review of economic, environmental, and social topics	a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.	Annual Report P89 Review of Corporate Governance>Number of Meetings Held During FYE2018
102-32	Highest governance body's role in sustainability reporting	a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.	—
102-33	Communicating critical concerns	a. Process for communicating critical concerns to the highest governance body.	Annual Report P96 Risk Management
102-34	Nature and total number of critical concerns	a. Total number and nature of critical concerns that were communicated to the highest governance body. b. Mechanism(s) used to address and resolve critical concerns.	—
102-35	Remuneration policies	a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; ii. Sign-on bonuses or recruitment incentive payments; iii. Termination payments; iv. Clawbacks; v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.	有価証券報告書 (Available in Japanese) http://v4.eir-parts.net/v4Contents/View.aspx?cat=yuho_pdf&sid=2687892 P64 ④役員報酬等 Website https://www.lixil.com/en/about/governance/compensation.html Corporate Officer Compensation
102-36	Process for determining remuneration	a. Process for determining remuneration. b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. c. Any other relationships that the remuneration consultants have with the organization.	有価証券報告書 (Available in Japanese) http://v4.eir-parts.net/v4Contents/View.aspx?cat=yuho_pdf&sid=2687892 P64 ④役員報酬等 Website https://www.lixil.com/en/about/governance/compensation.html Corporate Officer Compensation
102-37	Stakeholders' involvement in remuneration	a. How stakeholders' views are sought and taken into account regarding remuneration. b. If applicable, the results of votes on remuneration policies and proposals.	—
102-38	Annual total compensation ratio	a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	—

102-39	Percentage increase in annual total compensation ratio	a. Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	—
5. Stakeholder Engagement			
102-40	List of stakeholder groups	a. A list of stakeholder groups engaged by the organization.	CR Report P61 Relationship with stakeholders
102-41	Collective bargaining agreements	a. Percentage of total employees covered by collective bargaining agreements.	CR Report P33 Labor-Management Relationship
102-42	Identifying and selecting stakeholders	a. The basis for identifying and selecting stakeholders with whom to engage.	CR Report P60 Stakeholder Engagement>Our Approach
102-43	Approach to stakeholder engagement	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	CR Report P31 A Fair & Rewarding Workplace P60 Stakeholder Engagement
102-44	Key topics and concerns raised	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	CR Report P31 A Fair & Rewarding Workplace
6. Reporting Practice			
102-45	Entities included in the consolidated financial statements	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	有価証券報告書 (Available in Japanese) http://v4.eir-parts.net/v4Contents/View.aspx?cat=yuho_pdf&sid=2687892 P8-13 3. 事業の内容、4. 関係会社の状況 Annual Report P104 Principal Group Companies
102-46	Defining report content and topic Boundaries	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	CR Report P10 Material Issues
102-47	List of material topics	a. A list of the material topics identified in the process for defining report content.	CR Report P10 Material Issues
102-48	Restatements of information	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	CR Report P78 Scope of Data Collection

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102-49	Changes in reporting	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	N/A
102-50	Reporting period	a. Reporting period for the information provided.	CR Report P2 Contents P90 Scope Of Reporting>Reporting Period
102-51	Date of most recent report	a. If applicable, the date of the most recent previous report.	Coporate Responsibility Report 2017 https://www.lixil.com/en/sustainability/reporting/pdf/LIXIL_CR2017_en.pdf
102-52	Reporting cycle	a. Reporting cycle.	CR Report P90 Scope Of Reporting>Reporting Period
102-53	Contact point for questions regarding the report	a. The contact point for questions regarding the report or its contents.	Website To Link to Our Site or for Other Questions and Comments https://www.lixil.com/en/contact/questions/
102-54	Claims of reporting in accordance with the GRI Standards	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.	This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.
102-55	GRI content index	a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	CR Report P92-106 Global Reporting Initiative (GRI) Index

102-56	External assurance	a. A description of the organization's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; ii. The relationship between the organization and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	CR Report P91 Reporting>Scope Of Reporting>Independent Assurance
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GRI 103: Management Approach

Indicator		Report Page	
GRI- 103: Management Approach			
103-1	Explanation of the material topic and its Boundary	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	CR Report P10 Material Issues

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103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<p>CR Report</p> <p>P9 CR Management Structure</p> <p>P10 Material Issues</p> <p>P11-13 2020 Targets for Material issues</p> <p>P15-29 Corporate Responsibility Strategy</p> <p>P25 Water Conservation & Environmental Sustainability>2020 Mid-term Targets</p> <p>P27 Diversity & Inclusion>Universal Design Policy (Japanese only)</p> <p>P34 Work Safety & Well-being>LIXIL Group Occupational Health and Safety Principles</p> <p>P35 Work Safety & Well-being>Implementation System</p> <p>P45 Environmental Management>Environmental Sustainability Principles</p> <p>P46 Environmental Management>Promoting EHS</p> <p>P58 Human Rights>Human Rights Principles</p> <p>P59 Human Rights>Concern-raising System</p> <p>P62 Community>Implementation framework</p> <p>P67 Responsible Supply Chain Management>Procurement Policy</p> <p>P69 Product Safety & Quality>LIXIL Group Quality Policy</p> <p>P70 Product Safety & Quality>Management Structure</p> <p>P73 Customer Satisfaction>Implementing the Six Sigma Quality Management Method</p> <p>Annual Report</p> <p>P78 List of LIXIL's Material Issues, Targets, and KPIs</p>
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103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	<p>CR Report</p> <p>P5 Message from the Corporate Responsibility (CR) Committee Chairperson</p> <p>P29 Diversity & Inclusion>International Association of Universal Design (IAUD) award</p> <p>P36 Work Safety & Well-being>External Evaluations & Commendations</p> <p>P42 Diversity & Equal Opportunity>Other External Commendations of LIXIL Corporation</p> <p>P46 Environmental Management>Promoting EHS>External and Internal Audits</p> <p>P72 Environmental Management>External and Internal Audits</p>
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GRI 200: Economic Topics

Indicator	Report Page
GRI- 201: Economic Performance	
201-1	<p>Direct economic value generated and distributed</p> <p>a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <p>i. Direct economic value generated: revenues;</p> <p>ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;</p> <p>iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.</p> <p>b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.</p>
	<p>Website</p> <p>About Us>LIXIL at a Glance https://www.lixil.com/en/about/about.html</p> <p>個人投資家の皆さまへ>LIXILグループの概略 https://www.lixil.com/jp/investor/private/about.html (Japanese only)</p> <p>CR Report</p> <p>P62 Community>Implementation framework>Social Contribution Expenditures</p> <p>有価証券報告書 (Available in Japanese) http://v4.eir-parts.net/v4Contents/View.aspx?cat=yuho_pdf&sid=2687892</p> <p>P71 1.連結財務諸表等</p>

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201-2	Financial implications and other risks and opportunities due to climate change	<p>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:</p> <p>i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;</p> <p>ii. a description of the impact associated with the risk or opportunity;</p> <p>iii. the financial implications of the risk or opportunity before action is taken;</p> <p>iv. the methods used to manage the risk or opportunity;</p> <p>v. the costs of actions taken to manage the risk or opportunity.</p>	—
201-3	Defined benefit plan obligations and other retirement plans	<p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>b. If a separate fund exists to pay the plan's pension liabilities:</p> <p>i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;</p> <p>ii. the basis on which that estimate has been arrived at;</p> <p>iii. when that estimate was made.</p> <p>c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d. Percentage of salary contributed by employee or employer.</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p>	<p>有価証券報告書 (Available in Japanese) http://v4.eir-parts.net/v4Contents/View.aspx?cat=yuho_pdf&sid=2687892 P86 1. 連結財務諸表等>連結財務諸表注記> 14. 従業員給付</p>
201-4	Financial assistance received from government	<p>a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including:</p> <p>i. tax relief and tax credits;</p> <p>ii. subsidies;</p> <p>iii. investment grants, research and development grants, and other relevant types of grant;</p> <p>iv. awards;</p> <p>v. royalty holidays;</p> <p>vi. financial assistance from Export Credit Agencies (ECAs);</p> <p>vii. financial incentives;</p> <p>viii. other financial benefits received or receivable from any government for any operation.</p> <p>b. The information in 201-4-a by country.</p> <p>c. Whether, and the extent to which, any government is present in the shareholding structure.</p>	<p>CR Report P61 Relationship with stakeholders>Government, industrial association (Total political contributions)</p>

GRI- 202: Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<p>a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.</p> <p>b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage.</p> <p>c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used.</p> <p>d. The definition used for 'significant locations of operation'.</p>	—
202-2	Proportion of senior management hired from the local community	<p>a. Percentage of senior management at significant locations of operation that are hired from the local community.</p> <p>b. The definition used for 'senior management'.</p> <p>c. The organization's geographical definition of 'local'.</p> <p>d. The definition used for 'significant locations of operation'.</p>	<p>CR Report P43 Diversity & Equal Opportunity>Creating Local Employment Opportunities</p>
GRI- 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	<p>a. Extent of development of significant infrastructure investments and services supported.</p> <p>b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</p> <p>c. Whether these investments and services are commercial, in-kind, or pro bono engagements.</p>	<p>CR Report P17-22 Global Sanitation & Hygiene P62 Community</p>
203-2	Significant indirect economic impacts	<p>a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.</p> <p>b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.</p>	—
GRI- 204: Procurement Practices			
204-1	Proportion of spending on local suppliers	<p>a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).</p> <p>b. The organization's geographical definition of 'local'.</p> <p>c. The definition used for 'significant locations of operation'.</p>	<p>CR Report P67 Responsible Supply Chain Management>Procurement transaction amount breakdown by country</p>

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GRI- 205: Anti-corruption			
205-1	Operations assessed for risks related to corruption	a. Total number and percentage of operations assessed for risks related to corruption. b. Significant risks related to corruption identified through the risk assessment.	—
205-2	Communication and training about anti-corruption policies and procedures	a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	Annual Report P78 List of LIXIL's Material Issues, Targets, and KPIs>Fair Business Practices>FYE2018 Review
205-3	Confirmed incidents of corruption and actions taken	a. Total number and nature of confirmed incidents of corruption. b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	Annual Report P78 List of LIXIL's Material Issues, Targets, and KPIs>Fair Business Practices>FYE2018 Review
GRI- 206: Anti-competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant. b. Main outcomes of completed legal actions, including any decisions or judgments.	—

GRI 300: Environmental Topics

Indicator		Report Page	
GRI- 301: Materials			
301-1	Materials used by weight or volume	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.	CR Report P81 LIXIL Group Environment Performance Data>Material Balance (INPUT)
301-2	Recycled input materials used	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	CR Report P55 Sustainable Use Of Resources>Recycling Resources in Products and Services
301-3	Reclaimed products and their packaging materials	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	—
GRI- 302: Energy			
302-1	Energy consumption within the organization	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	CR Report P81 LIXIL Group Environment Performance Data>Material Balance (INPUT)
302-2	Energy consumption outside of the organization	a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used.	CR Report P81 LIXIL Group Environment Performance Data>Material Balance (INPUT)

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302-3	Energy intensity	<p>a. Energy intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.</p> <p>d. Whether the ratio uses energy consumption within the organization, outside of it, or both.</p>	CR Report P84 Environmental Performance>Total Energy Consumption Calculation Method	303-3	Water recycled and reused	<p>a. Total volume of water recycled and reused by the organization.</p> <p>b. Total volume of water recycled and reused as a percentage of the total water withdrawal as specified in Disclosure 303-1.</p> <p>c. Standards, methodologies, and assumptions used.</p>	CR Report P54 Sustainable Water Use>Introducing waste water recycling systems
GRI- 304: Biodiversity							
302-4	Reduction of energy consumption	<p>a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.</p> <p>b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.</p> <p>c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.</p> <p>d. Standards, methodologies, assumptions, and/or calculation tools used.</p>	CR Report P81 LIXIL Group Environment Performance Data>Material Balance (INPUT)	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<p>a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information:</p> <p>i. Geographic location;</p> <p>ii. Subsurface and underground land that may be owned, leased, or managed by the organization;</p> <p>iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas;</p> <p>iv. Type of operation (office, manufacturing or production, or extractive);</p> <p>v. Size of operational site in km2 (or another unit, if appropriate);</p> <p>vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem);</p> <p>vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).</p>	—
302-5	Reductions in energy requirements of products and services	<p>a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.</p> <p>b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>	—	304-2	Significant impacts of activities, products, and services on biodiversity	<p>a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:</p> <p>i. Construction or use of manufacturing plants, mines, and transport infrastructure;</p> <p>ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);</p> <p>iii. Introduction of invasive species, pests, and pathogens;</p> <p>iv. Reduction of species;</p> <p>v. Habitat conversion;</p> <p>vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level).</p> <p>b. Significant direct and indirect positive and negative impacts with reference to the following:</p> <p>i. Species affected;</p> <p>ii. Extent of areas impacted;</p> <p>iii. Duration of impacts;</p> <p>iv. Reversibility or irreversibility of the impacts.</p>	—
GRI- 303: Water							
303-1	Water withdrawal by source	<p>a. Total volume of water withdrawn, with a breakdown by the following sources:</p> <p>i. Surface water, including water from wetlands, rivers, lakes, and oceans;</p> <p>ii. Ground water;</p> <p>iii. Rainwater collected directly and stored by the organization;</p> <p>iv. Waste water from another organization;</p> <p>v. Municipal water supplies or other public or private water utilities.</p> <p>b. Standards, methodologies, and assumptions used.</p>	CR Report P54 Sustainable Water Use>Water Usages (Intake) P82 LIXIL Group Environment Performance Data>Material Balance (INPUT)>Water withdrawal	303-2	Water sources significantly affected by withdrawal of water	<p>a. Total number of water sources significantly affected by withdrawal by type:</p> <p>i. Size of the water source;</p> <p>ii. Whether the source is designated as a nationally or internationally protected area;</p> <p>iii. Biodiversity value (such as species diversity and endemism, and total number of protected species);</p> <p>iv. Value or importance of the water source to local communities and indigenous peoples.</p> <p>b. Standards, methodologies, and assumptions used.</p>	CR Report P54 Sustainable Water Use>Identifying water risk in our production facilities

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304-3	Habitats protected or restored	<p>a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.</p> <p>b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.</p> <p>c. Status of each area based on its condition at the close of the reporting period.</p> <p>d. Standards, methodologies, and assumptions used.</p>	—	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<p>a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:</p> <p>i. Critically endangered</p> <p>ii. Endangered</p> <p>iii. Vulnerable</p> <p>iv. Near threatened</p> <p>v. Least concern</p>	—	
GRI- 305: Emissions				
305-1	Direct (Scope 1) GHG emissions	<p>a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Base year for the calculation, if applicable, including:</p> <p>i. the rationale for choosing it;</p> <p>ii. emissions in the base year;</p> <p>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	CR Report P83 LIXIL Group Environment Performance Data>Material Balance>OUTPUT>Manufacture/sales (Scope 1 and 2) P84 LIXIL Group Environment Performance Data>CO ₂ Conversion Coefficients Used to Convert CO ₂ Emissions P87 LIXIL Group Environment Performance Data>Scope of Data Collection	
305-2	Energy indirect (Scope 2) GHG emissions	<p>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>d. Base year for the calculation, if applicable, including:</p> <p>i. the rationale for choosing it;</p> <p>ii. emissions in the base year;</p> <p>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>		CR Report P83 LIXIL Group Environment Performance Data>Material Balance(OUTPUT)>Manufacture/sales (Scope 1 and 2) P84 LIXIL Group Environment Performance Data>CO ₂ Conversion Coefficients Used to Convert CO ₂ Emissions P87 LIXIL Group Environment Performance Data>Scope of Data Collection
305-3	Other indirect (Scope 3) GHG emissions	<p>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</p> <p>e. Base year for the calculation, if applicable, including:</p> <p>i. the rationale for choosing it;</p> <p>ii. emissions in the base year;</p> <p>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>		CR Report P82 LIXIL Group Environment Performance Data>Material Balance(OUTPUT)>Procurement (Scope 3) P83 LIXIL Group Environment Performance Data>Material Balance(OUTPUT)>Logistics (Scope 3) P84 LIXIL Group Environment Performance Data>Material Balance(OUTPUT)>Use of products (Scope 3) P84 LIXIL Group Environment Performance Data>CO ₂ Conversion Coefficients Used to Convert CO ₂ Emissions P83-85 LIXIL Group Environment Performance Data>Material Balance(OUTPUT)>Value Chain CO ₂ Emissions (Scope 3) P87 LIXIL Group Environment Performance Data>Scope of Data Collection
305-4	GHG emissions intensity	<p>a. GHG emissions intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p>		CR Report P47 Greenhouse Gas Reduction P84 LIXIL Group Environment Performance Data>CO ₂ Conversion Coefficients Used to Convert CO ₂ Emissions

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305-5	Reduction of GHG emissions	<p>a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Base year or baseline, including the rationale for choosing it.</p> <p>d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>e. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>CR Report P47 Greenhouse Gas Reduction P82 LIXIL Group Environment Performance Data>Material Balance(OUTPUT)>Procurement (Scope 3) P83 LIXIL Group Environment Performance Data>Material Balance(OUTPUT)>Manufacture/sales (Scope 1 and 2) P83 LIXIL Group Environment Performance Data>Material Balance(OUTPUT)>Logistics (Scope 3) P84 LIXIL Group Environment Performance Data>Material Balance(OUTPUT)>Use of products (Scope3) P85 LIXIL Group Environment Performance Data>Material Balance(OUTPUT)>Value Chain CO₂ Emissions (Scope 3)</p>
305-6	Emissions of ozone-depleting substances (ODS)	<p>a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.</p> <p>b. Substances included in the calculation.</p> <p>c. Source of the emission factors used.</p> <p>d. Standards, methodologies, assumptions, and/or calculation tools used.</p>	—
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<p>a. Significant air emissions, in kilograms or multiples, for each of the following:</p> <ol style="list-style-type: none"> NOx SOx Persistent organic pollutants (POP) Volatile organic compounds (VOC) Hazardous air pollutants (HAP) Particulate matter (PM) Other standard categories of air emissions identified in relevant regulations <p>b. Source of the emission factors used.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>CR Report P83 LIXIL Group Environment Performance Data>Material Balance(OUTPUT)>Air pollutant emissions</p>
GRI- 306: Effluents and Waste			
306-1	Water discharge by quality and destination	<p>a. Total volume of planned and unplanned water discharges by:</p> <ol style="list-style-type: none"> destination; quality of the water, including treatment method; whether the water was reused by another organization. <p>b. Standards, methodologies, and assumptions used.</p>	<p>CR Report P54 Sustainable Water Use>Water Usages (Discharge) P83 LIXIL Group Environment Performance Data>Material Balance(OUTPUT)>Water discharges</p>

306-2	Waste by type and disposal method	<p>a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ol style="list-style-type: none"> Reuse Recycling Composting Recovery, including energy recovery Incineration (mass burn) Deep well injection Landfill On-site storage Other (to be specified by the organization) <p>b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ol style="list-style-type: none"> Reuse Recycling Composting Recovery, including energy recovery Incineration (mass burn) Deep well injection Landfill On-site storage Other (to be specified by the organization) <p>c. How the waste disposal method has been determined:</p> <ol style="list-style-type: none"> Disposed of directly by the organization, or otherwise directly confirmed Information provided by the waste disposal contractor Organizational defaults of the waste disposal contractor 	<p>CR Report P55 Sustainable Use Of Resources>Recycling Resources in Products and Services P83 LIXIL Group Environment Performance Data>Material Balance(OUTPUT)>Waste emissions</p>
306-3	Significant spills	<p>a. Total number and total volume of recorded significant spills.</p> <p>b. The following additional information for each spill that was reported in the organization's financial statements:</p> <ol style="list-style-type: none"> Location of spill; Volume of spill; Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization). <p>c. Impacts of significant spills.</p>	N/A
306-4	Transport of hazardous waste	<p>a. Total weight for each of the following:</p> <ol style="list-style-type: none"> Hazardous waste transported Hazardous waste imported Hazardous waste exported Hazardous waste treated <p>b. Percentage of hazardous waste shipped internationally.</p> <p>c. Standards, methodologies, and assumptions used.</p>	N/A

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306-5	Water bodies affected by water discharges and/or runoff	a. Water bodies and related habitats that are significantly affected by water discharges and/or runoff, including information on: i. the size of the water body and related habitat; ii. whether the water body and related habitat is designated as a nationally or internationally protected area; iii. the biodiversity value, such as total number of protected species.	—
GRI- 307: Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.	CR Report P86 Performance > Environmental Performance > Number of Environmental law violations
GRI- 308: Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	a. Percentage of new suppliers that were screened using environmental criteria.	CR Report P68 Responsible Supply Chain Management > Responsible Procurement Surveys and Follow-up Action
308-2	Negative environmental impacts in the supply chain and actions taken	a. Number of suppliers assessed for environmental impacts. b. Number of suppliers identified as having significant actual and potential negative environmental impacts. c. Significant actual and potential negative environmental impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.	—

GRI 400: Social Topics

Indicator		Report Page
GRI- 401: Employment		
401-1	New employee hires and employee turnover	a. Total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Total number and rate of employee turnover during the reporting period, by age group, gender and region. CR Report P78 Human Resource Performance > Number of New Hires Number Retirees and Turnover Rate
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum: i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others. b. The definition used for 'significant locations of operation'. —
401-3	Parental leave	a. Total number of employees that were entitled to parental leave, by gender. b. Total number of employees that took parental leave, by gender. c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender. d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender. e. Return to work and retention rates of employees that took parental leave, by gender. CR Report P32 A Fair & Rewarding Workplace > Supporting a Healthy Work-Life Balance
GRI- 402: Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them. b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements. CR Report P33 A Fair & Rewarding Workplace> Labor-Management Relationship

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GRI- 403: Occupational Health and Safety			
403-1	Workers representation in formal joint management-worker health and safety committees	a. The level at which each formal joint management-worker health and safety committee typically operates within the organization. b. Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees.	CR Report P35 Work Safety & Well-being > Implementation System
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	a. Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by: i. region; ii. gender. b. Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by: i. region; ii. gender. c. The system of rules applied in recording and reporting accident statistics.	CR Report P35 Work Safety & Well-bein > The Occurrence of Work-related Accidents
403-3	Workers with high incidence or high risk of diseases related to their occupation	a. Whether there are workers whose work, or workplace, is controlled by the organization, involved in occupational activities who have a high incidence or high risk of specific diseases.	—
403-4	Health and safety topics covered in formal agreements with trade unions	a. Whether formal agreements (either local or global) with trade unions cover health and safety. b. If so, the extent, as a percentage, to which various health and safety topics are covered by these agreements.	CR Report P33 A Fair & Rewarding Workplace > Labor-Management Relationship
GRI- 404: Training and Education			
404-1	Average hours of training per year per employee	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	CR Report P39 Our People > Talent Development > Annual training hours and costs per employee
404-2	Programs for upgrading employee skills and transition assistance programs	a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	CR Report P38 Our People > Talent Development > Our Approach to Talent Development P39 Our People > Talent Development > Career Development Support
404-3	Percentage of employees receiving regular performance and career development reviews	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	CR Report P39 Our People > Talent Development > Evaluation Framework

GRI- 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	有価証券報告書 (Available in Japanese) http://v4.eir-parts.net/v4Contents/View.aspx?cat=yuho_pdf&sid=2687892 P47 5. 役員 の 状 況 CR Report P77 LIXIL Group Human Resource Performance Data > 1. Number of Employees by Type of Employment
405-2	Ratio of basic salary and remuneration of women to men	a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation. b. The definition used for 'significant locations of operation'.	—
GRI- 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	a. Total number of incidents of discrimination during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action.	—
GRI- 407: Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.	—

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GRI- 408: Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	<p>a. Operations and suppliers considered to have significant risk for incidents of:</p> <p>i. child labor;</p> <p>ii. young workers exposed to hazardous work.</p> <p>b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.</p>	—
GRI- 409: Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.</p>	—
GRI- 410: Security Practices			
410-1	Security personnel trained in human rights policies or procedures	<p>a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.</p> <p>b. Whether training requirements also apply to third-party organizations providing security personnel.</p>	—
GRI- 411: Rights of Indigenous Peoples			
411-1	Incidents of violations involving rights of indigenous peoples	<p>a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.</p> <p>b. Status of the incidents and actions taken with reference to the following:</p> <p>i. Incident reviewed by the organization;</p> <p>ii. Remediation plans being implemented;</p> <p>iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;</p> <p>iv. Incident no longer subject to action.</p>	—

GRI- 412: Human Rights Assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	—
412-2	Employee training on human rights policies or procedures	<p>a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p> <p>b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p>	CR Report P58 Human Rights > Implementation of Human Rights Principles learning across the Group (%)
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<p>a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.</p> <p>b. The definition used for 'significant investment agreements'.</p>	—
GRI- 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	<p>a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:</p> <p>i. social impact assessments, including gender impact assessments, based on participatory processes;</p> <p>ii. environmental impact assessments and ongoing monitoring;</p> <p>iii. public disclosure of results of environmental and social impact assessments;</p> <p>iv. local community development programs based on local communities' needs;</p> <p>v. stakeholder engagement plans based on stakeholder mapping;</p> <p>vi. broad based local community consultation committees and processes that include vulnerable groups;</p> <p>vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;</p> <p>viii. formal local community grievance processes.</p>	CR Report P64 Community > Local Community Engagement
413-2	Operations with significant actual and potential negative impacts on local communities	<p>a. Operations with significant actual and potential negative impacts on local communities, including:</p> <p>i. the location of the operations;</p> <p>ii. the significant actual and potential negative impacts of operations.</p>	—

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GRI- 414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	a. Percentage of new suppliers that were screened using social criteria.	CR Report P68 Responsible Supply Chain Management > Responsible Procurement Surveys and Follow-up Action
414-2	Negative social impacts in the supply chain and actions taken	a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.	—
GRI- 415: Public Policy			
415-1	Political contributions	a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary. b. If applicable, how the monetary value of in-kind contributions was estimated.	CR Report P61 Relationship with stakeholders > Government, industrial association
GRI- 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	CR Report P70 Product Safety & Quality > Enhancing Quality Across Entire Product Lifecycle
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	CR Report P71 Product Safety & Quality > Responding to Serious Product-related Accidents > Number of legal infringements and significant product-related accidents

GRI- 417: Marketing and Labeling			
417-1	Requirements for product and service information and labeling	a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling: i. The sourcing of components of the product or service; ii. Content, particularly with regard to substances that might produce an environmental or social impact; iii. Safe use of the product or service; iv. Disposal of the product and environmental or social impacts; v. Other (explain). b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.	Website ビジネス情報TOP>法規法令・各種制度>法令・制度関連>環境配慮設計・エコ商品 http://www.biz-lixil.com/service/law/eco_products/index.html#liXTmplSectionBlock02 (Japanese only)
417-2	Incidents of non-compliance concerning product and service information and labeling	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	—
417-3	Incidents of non-compliance concerning marketing communications	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	—

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GRI- 418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <ul style="list-style-type: none"> i. complaints received from outside parties and substantiated by the organization; ii. complaints from regulatory bodies. <p>b. Total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	—
GRI- 419: Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	<p>a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:</p> <ul style="list-style-type: none"> i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. <p>b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.</p> <p>c. The context against which significant fines and non-monetary sanctions were incurred.</p>	Annual Report P41 List of LIXIL's Material Issues, Targets, and KPIs > Fair Business Practices > FYE2018 Review > Compliance violations across the Group



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