

For Immediate Release

November 18, 2019 LIXIL Group Corporation

#Where Is The Toilet?

LIXIL has helped 15 million people gain access to a safe and clean toilet.

But 2 billion people still need one.



Tokyo – "Where is the toilet?" Every November 19th on World Toilet Day, LIXIL's employees think about this question in a different way.

Many of us in developed countries often expect a simple answer. But the reality is that for 2 billion people, there is no straightforward response to this simple question. They do not have access to basic sanitation.

On World Toilet Day, LIXIL now aims to drive even further awareness of this critical issue through its own social media awareness campaign: #whereisthetoilet.

The cost of poor sanitation is a heavy one to bear for families and developing economies. Approximately 800 children under the age of five die every day due to diarrheal diseases caused by unsanitary conditions. The number remains the same since 2016, and poor sanitation cost the world \$230 billion in 2015^[1].

The problem is so significant that the UN made achieving equitable sanitation and hygiene for all by

2030 one of its Sustainable Development Goals (SDGs).

As part of LIXIL's own <u>sustainability goals</u>, it is now committed to improving the livelihood of 100 million people through improved hygiene and sanitation by 2025. The company believes that toilets can change lives, and as a major global maker of toilets and bathroom products, it can help tackle this problem.

"What began in 2016 with a single inspirational idea and a solution called <u>SATO</u> has today expanded into LIXIL's own international and fully operational social enterprise. We are proud that we have been able to assist 15 million people gain access to a sanitary toilet^[2] so far, and that we are taking a business focused approach that will eventually see SATO break even and be self-sustaining," said Jin Montesano, Chief Public Affairs Officer of LIXIL.

Originally developed by a team of engineers at LIXIL's American Standard, LIXIL's SATO toilet system offer an affordable and aspirational option for consumers who live in areas that sewers may not ever reach. By October 2019, approximately 3 million SATO toilet pans and stools have been installed in 27 countries in Asia, Africa, and Latin America, propelled by a business model that also creates a sanitation economy.



LIXIL's SATO social enterprise is also accelerating its business initiatives; in the first half of FYE2020 (April 2019 – Sept 2019), SATO shipped nearly 420,000 units reaching an estimated 2.1 million additional people, through a make-sell-use model that has contributed to local job creation.

LIXIL's SATO social enterprise has further strengthened its brand and will be launching pilot projects in Indonesia and the Philippines, expanding its portfolio to reach many who need basic sanitation. Unlike standard product donations, LIXIL believes that enticing consumers through the availability of an attractive product, and creating jobs that benefit the individual and community, will help ensure their longer term use.

But according to Montesano, there is still a lot of work to do. "It's World Toilet Day again, but over a quarter of the world's population still doesn't have access to safe and clean toilets. As we are proving with <u>SATO in Bangladesh</u>, it is possible to achieve both financial and social targets at the same time. There is an immense opportunity to help solve the global sanitation challenge. We – together with all of our stakeholders – still have a long way to go, but hopefully someday soon, everyone can answer that one simple question: where is the toilet?"

-End-

LIXIL's Corporate Responsibility

LIXIL is committed to making better homes a reality for everyone, everywhere, and to pursuing the growth of its business through responsible and sustainable innovations. Aligning its business and CR strategies, "Global Sanitation and Hygiene," "Water Conservation & Environmental Sustainability," and "Diversity & Inclusion" form what it calls its three strategic CR pillars. These are the fields in which LIXIL strives to make its biggest positive impact on society, while contributing to global efforts to achieve the United Nations Sustainable Goals (SDGs).

^[1] Source: The True Cost of Poor Sanitation: https://www.lixil.com/en/sustainability/pdf/the_true_cost_of_poor_sanitation_e.pdf

^[2] Calculated on the assumption there is an average of five users for every SATO unit shipped

About LIXIL

LIXIL makes pioneering water and housing products that solve everyday, real-life challenges, making better homes a reality for everyone, everywhere. Drawing on our Japanese heritage, we create world-leading technology and innovate to make high quality products that transform homes. But the LIXIL difference is how we do this; through meaningful design, an entrepreneurial spirit, a dedication to improving accessibility for all, and responsible business growth. Our approach comes to life through industry leading brands, including INAX, GROHE, American Standard, and TOSTEM. With approximately 75,000 colleagues operating in more than 150 countries, we are proud to make products that touch the lives of more than a billion people every day.

LIXIL Group Corporation (TSE Code: 5938) is the listed holding company for LIXIL's portfolio of businesses.



