

**For Immediate Release****May 1, 2020****LIXIL Group Corporation**

## **Update on LIXIL's Response to COVID-19**

**Tokyo, Japan** – The COVID-19 pandemic is having an unprecedented impact on the lives and livelihoods of people across the world. As a maker of pioneering water and housing products, LIXIL Group Corporation ("LIXIL", TSE Code: 5938) is working to keep employees safe, ensure businesses remain operational and able to continue providing products that support proper sanitation, hygiene and healthy living spaces, as well as taking steps to contribute to COVID-19 response efforts.

With a strong focus on leveraging digital technologies, the company's response has been based around three key principles:

### **1. A globally consistent "people first" policy:**

- LIXIL's businesses operate across more than 150 countries and regions. To ensure consistency of policy implementation and treatment toward employees and business operations, we established a cross-functional Global Health Taskforce to set HR guidelines and other critical operational procedures to ensure local actions were consistent with the company's guidelines to maintain a "people first" approach.
- As of February 20, LIXIL had already banned large meetings of more than 10 people in Japan; many overseas sites followed suit in a matter of weeks in line with local developments. The company also moved quickly to introduce work-from-home policies in many regions including Japan prior to official government guidance. As a result, over 50% of employees at LIXIL's HQ (capacity: 5000 people) were working remotely by March 2, over 85% by March 27, and over 98% since April 8. The company also issued a special one-time allowance to all employees of 50,000 yen or cash equivalent to support with unplanned expenses related to COVID-19.
- With multiple digital technology platforms already available to employees across LIXIL, rapid adoption and increased usage with remote working has enabled and, in some business functions, even enhanced workforce productivity and business continuity. The same technologies have been utilized for increased leadership townhalls and two-way communication to ensure employees stay connected.
- While the virus remains highly concerning, LIXIL is confident that its swift and decisive measures taken to protect employees have enabled a significant reduction of risk to employees.
- In line with these efforts, LIXIL's latest employee survey taken in April to measure the response to remote working indicated a 10% increase in engagement among employees based in Japan compared to data from December. The company will continue to measure employee sentiment in Japan and overseas.

## 2. Supporting customers through stable operations:

- LIXIL has relied on its diversified global operations and digital technologies, already introduced as part of its transformation measures, to maintain stable operations and supply of products and services to our customers.
- For example, business continuity for LIXIL's 92 showrooms across Japan is possible through virtual consultation using a combination of commercially available technologies and unique proprietary technologies designed by LIXIL's in-house digital team. Sales teams have also been able to continue connecting with customers and business partners via web conferencing tools. In addition, LIXIL was able to complete the smooth and timely onboarding of 200 new graduate employees on April 1 by relying 100% on digital tools.
- Learning from past supply chain disruptions, LIXIL has been enhancing its manufacturing and supply chain protocols to enable multiple-site manufacturing capabilities for a variety of key products in recent years. With the commencement of an enhanced global manufacturing and supply chain operations structure as of April 1, the company now has greater operational responsiveness due to the global footprint and high vertical integration of its factories.
- In Japan, LIXIL experienced delays in sourcing parts from overseas suppliers, resulting in delivery delays for certain products such as toilets. The situation has been improving since the end of March and we continue to make every effort to ensure a stable supply of products.
- Some plants halted production for fixed periods of time to ensure employee safety and to be in compliance with guidance from national and local governments. As of April 27, 2020, the majority of LIXIL's plants and sites are in operation. In line with LIXIL's "people first" policy, we have additional safety policies in place for those who are still required to travel to work, such social distancing, shift moderation, helping employees avoid public transport, and other hygiene measures.

## 3. Contributing to our communities:



*Watch video on how LIXIL employees are contributing to COVID-19 response efforts*

*[\(YouTube link\)](#)*

- As operations have stabilized, LIXIL employees have established virtual working groups to share bottom-up initiatives to help respond to COVID-19. From 3D printing of personal protective

equipment (PPE) for healthcare workers, hygiene initiatives to support customers, to unique ideas for new housing products that could support better hygiene and safety, employees have engaged each other by leveraging internal social media platforms to collaborate on and share these ideas. A summary of these initiatives can be found in the video above.

- LIXIL brands such as SATO, which provides affordable and innovative toilet solutions for places that lack proper sanitation, are also working with our supply chain and sector partners to fill gaps. SATO is in discussion with global partners such as UNICEF to support the most vulnerable populations during this pandemic.

Kinya Seto, CEO of LIXIL, said, "The COVID-19 pandemic has brought unthinkable pain and disruption, and we would like to send our heartfelt condolences to those who have been affected. We are still a long way from understanding the full impact of this crisis, but I am proud of the way that LIXIL has come together to protect our people and support our customers and communities. Our transformation efforts to simplify and modernize the company have laid the groundwork for LIXIL's swift response and ability to maintain stable operations. We will continue to seek ways to contribute during these uncertain times."

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#### **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. Approximately 75,000 colleagues operating in more than 150 countries 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.**

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