

For Immediate Release

PRESS RELEASE

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LIXIL Earns Place as a CDP Supplier Engagement Leader for the First Time in 2020

Recognized for comprehensive efforts to reduce environmental impact throughout supply chain with business partners and customers.

Tokyo, Japan – LIXIL Corporation (LIXIL; TSE code: 5938), maker of pioneering water and housing products, has earned a place on the 2020 Supplier Engagement Leaderboard by CDP¹, a global non-profit organization that runs the world's leading environmental disclosure platform. The recognition of LIXIL's leadership in stakeholder engagement reflects the company's efforts to reduce CO₂ emissions from its business processes, products, and services to net zero by 2050².



In response to the growing interest in Environmental, Social, and Governance (ESG), CDP works with institutional investors to collect and analyze information on business risks and opportunities related to climate change, water resources, and forest conservation for major companies, disclosing its assessments every year. The CDP Supplier Engagement Assessment evaluates a company's efforts to reduce greenhouse gas emissions throughout its supply chain. LIXIL joins 396 organizations and 83 Japanese corporations as a CDP Supplier Engagement Leader. LIXIL has also scored A- for CDP's Climate Change program and Water Security.

List of CDP Supplier Engagement Leaders: https://www.cdp.net/en/research/global-reports/transparency-to-transformation

Committed to contributing to society through its business operations, LIXIL's Corporate Responsibility strategy consists of three pillars, comprising Global Sanitation and Hygiene, Water Conservation and

Environmental Sustainability, and Diversity and Inclusion. As a part of its commitment to alleviate its environmental impact, LIXIL established its Environmental Vision 2050 "Zero Carbon and Circular Living", to conserve water, energy, and other natural resources utilized in and by LIXIL products and services across the value chain, from procurement through production, distribution, end use, and product disposal.

In addition, LIXIL is shifting to 100% renewable energy in its operations as a member of <u>RE100</u>⁴. From the Kyoto Showroom, Global Headquarters in Tokyo, and most recently to all of its fitting plants around the world, LIXIL continues to implement green energy in all of its business processes. In the area of Climate Change, LIXIL has received an A- ratings by CDP for two consecutive years.

Jin Montesano, Leader, People and Culture, LIXIL, who oversees CR, said, "As a global maker of water and housing products touching the lives of over a billion people every day, it is essential that we reduce LIXIL's environmental footprint. It is our engagement with our stakeholders - suppliers, employees, customers and business partners –that enables us to mitigate risks throughout our supply chain. We are truly honored to be recognized for our ongoing efforts to drive change, and as a 2020 Supplier Engagement Leader, we will continue to contribute to the move towards a low-carbon society and circular economy."

In recognition of its CR and sustainability practices, LIXIL is also listed on the Dow Jones Sustainability Indices, FTSE4Good Index Series, FTSE Blossom Japan Index, and MSCI Japan Empowering Women Index, and S&P/JPX Carbon Efficient Index.

LIXIL's Supply Chain Management

From the procurement of raw materials and manufacturing to the use and disposal of its products, LIXIL's initiatives in environmental sustainability encompass collaboration with stakeholders including suppliers, customers and business partners.

- LIXIL's "Supplier Assessment Standards" set criteria for suppliers' environmental practices including the sustainable use of resources and appropriate management of chemicals to ensure eco-friendly procurement.
- Together with customers, local communities, local governments, business partners, and employees, the "THINK HEAT" campaign (Japan) promotes the balance of healthy, comfortable room temperatures and energy conservation by driving change through experience-based learning opportunities while raising environmental awareness.
- Founded a joint venture company LIXIL TEPCO Smart Partners with Power Company Energy Partners (TEPCO) to further promote Net Zero Energy Houses (ZEH).
- > Participation as a co-representative in the Japan Climate Leaders Partnership (JCLP), a network of businesses supporting the shift to a decarbonized society.
- Certified as an "Eco-First Company" by Japan's Ministry of the Environment, the company engages in advocacy, sharing knowledge and insights to reduce environmental risks in the governments' policy making.



As part of "THINK HEAT" campaign, employees serve as instructors and provide on-site classes for children to think about "human- and earthfriendly temperatures" (Japan)



LIXIL TEPCO Smart Partners has created a framework that allows solar power systems to be installed at zero cost, and supports the construction of ZEH-specification houses (Japan).



Joining other advocates in collective efforts to minimize carbon footprint

"Global Sanitation & Hygiene" and "Water Conservation and Environmental Sustainability"

LIXIL's water sustainability efforts include a focus on saving, circulating and purifying water, but the company's commitments also extend to tackling global sanitation and hygiene, with the target of improving sanitation and hygiene for 100 million people by 2025. LIXIL's SATO brand, which caters to local requirements and preferences, is establishing local production and distribution systems for its innovative and affordable SATO products that contributes to local economies. This contributes to improving infrastructure and promoting better sanitation and hygiene for the communities and the water they use. Being recognized for its consecutive efforts, LIXIL has scored A- in the area of CDP's Water Security.





SATO toilets and the novel handwashing station SATO Tap are designed to meet the needs of underserved communities that lack access to water and sewage systems.

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¹ The CDP is a non-profit organization that issues surveys on climate change, water conservation, and supply chain to companies. It discloses data to more than 800 institutional investors controlling assets worth US \$100 trillion. Reference: https://www.cdp.net/

² LIXIL Environmental Vision: https://www.lixil.com/en/sustainability/environment/pdf/environmental_vision_en.pdf

³ Led by The Climate Group in partnership with CDP, RE100 is a global corporate leadership initiative bringing together influential businesses committed to 100% renewable electricity. <u>http://there100.org/</u>

Note to editor:

- For more information about LIXIL's water sustainability practices, see LIXIL's Corporate Responsibility Report 2020 here:
- https://www.lixil.com/en/sustainability/cr_library/pdf/LIXIL_CR2020_en.pdf

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).

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 60,000 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.

