

For Immediate Release

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LIXIL Corporation

## LIXIL Recognized for ESG Commitments in FTSE4 Good Index Series and MSCI Japan Empowering Women Index for 5th Consecutive Year

*Outstanding results for Governance and Diversity & Inclusion*

**Tokyo** – LIXIL Corporation (“LIXIL”, TSE Code: 5938), maker of pioneering water and housing products, is proud to announce today its inclusion in this year’s FTSE4 Good Index Series and the MSCI Japan Empowering Women Index, maintaining its standing within each index for a fifth consecutive year. The company delivered strong results in the areas of Governance and Diversity & Inclusion, positioning it as one of the ESG leaders in the Building Materials & Fixtures industry.



FTSE4Good



FTSE Blossom  
Japan

2021 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

The [FTSE4Good Index Series](#) is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. Transparent management and clearly-defined ESG criteria make FTSE4Good indices suitable tools to be used by a wide variety of market participants when creating or assessing sustainable investment products. Candidates are evaluated by an independent committee in more than 300 categories encompassing each of the three ESG pillars in order to determine the company’s risk exposure level and performance. In addition to the FTSE4Good Index Series, the company was also selected for inclusion in the FTSE Blossom Japan Index<sup>1</sup> of Japanese stocks. LIXIL continues to make advances in sustainability and has achieved a full score in the Governance pillar and Human Rights & Community theme.

The [MSCI Japan Empowering Women Index \(WIN\)](#) highlights companies that are better positioned to withstand talent shortages and generate more sustainable performance with reduced risk through promoting and maintaining of higher gender diversity in the workforce. LIXIL improved its overall score this year – the result of a focused approach on inclusion and consumer centricity, by furthering its commitment and promoting a diversity of skillsets in its Directors and leadership, and female participation in management.

Jin Montesano, LIXIL’s Chief People Officer and Executive Officer responsible for Corporate Responsibility, said, “LIXIL’s inclusion in these indices for a fifth-year running is testament to the advances we are making within all ESG-related fields. Over the last year, we have taken significant steps to improve our governance, update our D&I strategy, delivering SATO products to underserved communities, while working to fulfil our Environmental Vision. Our commitment to making a positive impact is a great source of pride for all of us at LIXIL, and central to delivering on our corporate purpose to make better homes a reality for everyone, everywhere.”

***Making headway in Corporate Governance***

LIXIL is making consistent progress in the area of governance. In December 2020, the company completed the merger between LIXIL Group Corporation, the holding company, and LIXIL Corporation, a wholly owned subsidiary. LIXIL transitioned from a holding company structure to a streamlined operating company to accelerate decision-making and strengthen corporate governance by simplifying and increasing management transparency. Furthermore, the company's Nomination Committee established a CEO succession plan – one of the key milestones for creating a stronger and sustainable governance system.

***Strengthening Human Rights protection for all stakeholders***

The cross-functional LIXIL Human Rights Due Diligence Task Force is spearheading a transparent governance system to manage human rights risks and ensure action and accountability. The task force has identified seven LIXIL Key Human Rights Issues<sup>2</sup> to conduct human rights risk assessments and reduce potential risks. Chief Legal and Compliance Officer [Shoko Kimijima](#) has been newly appointed to lead the task force and oversee legal and compliance matters and human rights issues. LIXIL is also consistently evaluating and refining the company's [Human Rights Principles](#) to uphold the rights of all stakeholders, such as employees, customers and business partners including suppliers.

***Enhancing opportunities through Diversity & Inclusion***

For LIXIL to achieve sustainable growth and deliver on its corporate purpose, the company needs to become a truly consumer-centric organization. Following the establishment of the D&I Committee chaired by CEO Kinya Seto in 2020, LIXIL updated its D&I Strategy and targets for 2030 in April 2021 to strengthen its focus on inclusion to drive its competitive advantage. The updated enterprise-wide D&I strategy will achieve a 50:50 gender ratio for Directors and Executive Officers, and female representation for managerial positions of 30% across the organization. LIXIL has also set region-specific targets such as maintaining a 50:50 ratio for new graduates in Japan, which was achieved for the first time this year.

***Driving positive change for the sustainability of the environment and society***

The [LIXIL Environmental Vision 2050 "Zero Carbon and Circular Living"](#) outlines its comprehensive approach for future generations to achieve net-zero carbon emissions, conserve water, and use resources responsibly in its operations, products and services. Promoting initiatives to reduce its environmental impact in all of its processes from procurement through production, distribution, end use and product disposal, LIXIL is contributing to the realization of a circular economy. In 2020, the company set policies and standards through its ["Green Procurement Guidelines"](#) and is working together with its business partners to minimize its environmental impact by sourcing more eco-friendly parts and raw materials. The company also announced the [LIXIL Plastics Action Statement](#), a commitment to enhance the environmental value of resources and to mitigate its environmental footprint through sustainable product design processes that enable recycling after use. Furthermore, the GROHE brand launched its first Cradle-to-Cradle certified products that incorporate sustainability and circularity throughout the entire product life cycle, from design to processes and systems.

LIXIL has also made significant progress in its contribution to improving [Global Sanitation & Hygiene](#), expecting to deliver and reach more communities in need through its SATO social business, which has shipped 5.1 million SATO units to over 38 countries to date.<sup>4</sup> Soon after the spread of COVID-19 in 2020,

the company launched an affordable handwashing station SATO Tap for households without access to hand-washing services and started production in India. In an effort to deliver the solution to as many in need, LIXIL has accelerated SATO Tap production capabilities to Africa, and is working with partners such as UNICEF to promote immediate and sustained hygiene practices across the world.

Learn more about LIXIL's sustainability and corporate governance practices on our global website.

<https://www.lixil.com/en/sustainability/>

### Notes

1. The FTSE Blossom Japan Index is designed to measure the performance of Japanese companies with superior ESG practices. The proportion by industry type is the same as that of the Japanese stock market. The makeup of stocks is based on rules established according to existing international standards, including the UN's Sustainable Development Goals (SDGs).
2. LIXIL's Key Human Rights Issues: Provide equal opportunity and prohibit discrimination; Prohibit forced and child labor; Respect freedom of association and collective bargaining; Ensure decent wages and working hours; Ensure occupational health and safety; Prohibit harassment; Legal, fair and transparent acquisition and use of personal data
3. Calculated on the assumption there is an average of five users for every SATO unit shipped, as of July 2021

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that The LIXIL Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

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### **About LIXIL**

LIXIL (TSE Code 5938) 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 55,000 colleagues operating in more than 150 countries are proud to make products that touch the lives of more than a billion people every day.