ENVIRONMENTAL VISION

To improve people’s comfort and lifestyles, and protect the future of our planet
Through LIXIL’s products and services, we strive to help people live healthily and comfortably while also ensuring the sustainability of the environment.

Under LIXIL’s corporate responsibility (CR) strategy, we pursue initiatives that help solve social and environmental issues through our business activities.*

We believe that advancing LIXIL’s CR strategy is essential to the sustainable growth of our business, and that using our employees’ talents to help solve social problems will also boost our long-term business competitiveness.

Every day, people around the world consume large amounts of energy and resources. LIXIL can play an important part in helping to conserve the environment as we strive to make better homes a reality for everyone, everywhere.

By leveraging our advanced technologies and expertise, we are able to provide products and services that are considerate of the environment, while minimizing the environmental impact of our own business activities.

In addition, we also seek to contribute to a more sustainable future by cooperating with our many stakeholders.

* Please see page 10 for more details

Sustainable Development Goals (SDGs)

Adopted by the United Nations in 2015, the Sustainable Development Goals (SDGs) consist of 17 goals and 167 targets related to sustainable global development, covering areas such as poverty, hunger, climate change, clean water and sanitation, and sustainable consumption and production. LIXIL aims to help achieve the SDGs through its CR strategy. In the field of global environmental conservation, our initiatives are related to SDGs 6, 7, 11, 12 and 13.

ENVIRONMENTAL VISION 2050

LIXIL’s Zero Carbon and Circular Living policy aims to reduce CO₂ emissions from its business processes, products and services to net zero by 2050. Our goal is to be a leader in the field of preserving water and limited resources for future generations.

Three Focus Areas to Achieve Our Vision

CLIMATE CHANGE MITIGATION AND ADAPTATION

Achieve Net-Zero GHG Emissions through Our Business Operations, Products and Services

WATER SUSTAINABILITY

Enhance the Environmental Value of Water Resources by Saving, Circulating and Purifying Water

CIRCULAR ECONOMY

Help Transition to a Circular Economy and Preserve Natural Resources for Future Generations
CLIMATE CHANGE MITIGATION
AND ADAPTATION

Achieve Net-Zero GHG Emissions through Our Business Operations, Products and Services

The energy consumed by LIXIL products during their end-use phase accounts for over 90% of CO$_2$ emissions of the entire lifecycle of LIXIL products and services, from raw material procurement through to product disposal.

The 2015 Paris Agreement seeks to limit the rise in average global temperatures compared to pre-industrial levels to less than two degrees Celsius, and aims to contain that rise below 1.5 degrees Celsius. To achieve this, the world must reduce greenhouse gas emissions to net zero by 2050.

At LIXIL, we strive to reduce our environmental impact and aim to achieve net zero CO$_2$ emissions by 2050 by offering eco-conscious products and services. Within our business processes, we actively promote vigorous energy-saving activities at our factories and offices, use renewable energy sources, and work to develop technologies designed to improve energy efficiency in manufacturing.

Regarding our products and services, we seek to reduce the impact of heating and air conditioning in homes by improving the thermal insulation of housing materials and components. We are also working to apply energy-saving technologies to help reduce the energy required to supply hot water, and to create products and services powered by renewable energy. In addition, we promote environmentally conscious lifestyles using IoT, and provide solutions to help mitigate the effects of natural disasters and health hazards caused by climate change.

OUR INITIATIVES

Business Processes

- **Introducing energy-saving facilities**
  - Reducing energy consumption by introducing LED lighting and energy-saving air conditioning systems.

- **Improving energy efficiency**
  - Reusing waste heat from factories to improve energy efficiency.

- **Using renewable energy**
  - Installing and operating large-scale solar power generation facilities on unused land and roofs of buildings.

Products & Services

- **RE-PLUS** (TOSTEM)
  - Improves thermal insulation by adding a new window to existing frames.

- **Ecoful Shower** (INAX)
  - Saves water while still providing a comfortable shower experience.

- **IoT-Enabled Smart Postal Box** (LIXIL)
  - Helps improve efficiency and reduces CO$_2$ emissions associated with postal redeliveries.
WATER SUSTAINABILITY

Enhance the Environmental Value of Water Resources by Saving, Circulating and Purifying Water

An estimated 800 million people around the world today do not have access to safe drinking water. Furthermore, by 2050, over 40% of the world’s population won’t have access to sufficient water supply due to the depletion of water resources.

As a leading company in the water-related product industry, providing products such as toilets, kitchen systems, pre-fabricated bathrooms and faucets, LIXIL strives to help achieve global water sustainability so that people can get the most out of the water they use.

Regarding our business processes, we make sure we fully understand the risks that water-related issues in each region pose for our business, and implement appropriate measures, such as improving water use efficiency, recycling water, and managing wastewater. We also strive to maintain environments that facilitate uninterrupted water use in the areas in which we operate.

To promote water sustainability through our products and services, we offer high-performance water-saving toilets with superior cleaning capabilities, faucets that can adjust the temperature and flow of water to the required level, and smart water sensors and controllers that help detect water leaks and contain damage. Going forward, we intend to expand our range of water-quality solutions by further leveraging our water filtration technology.

OUR INITIATIVES

Business Processes

- Improving water use efficiency and wastewater management
  - Adhering to internal standards that go beyond local regulations.

- Introducing water circulation systems
  - Introducing circulation systems that process and reuse factory wastewater.

- Supporting local water conservation
  - Providing water-saving products in the Middle East and making food donations equivalent to the amount of water charges saved.

Products & Services

- VorMax UHET (American Standard)

- All-in-One Water Purifier (INAX)
  - Removes impurities in tap water and provides great tasting drinking water.

- GROHE Sense Guard (GROHE)
  - Helps save water by detecting leaks and remotely stopping water supply.
Global resource consumption is expected to more than double by 2050. To help address this situation, the world is gradually shifting from a one-way economy, which mines resources and makes products in large quantities only to discard them later, to a circular economy that recycles resources.

LIXIL uses a variety of resources, including metals, timber, resin and ceramics. In order to use limited resources more sustainably, we promote circular manufacturing practices that consider the entire product lifecycle, from raw material procurement through to manufacturing, product use and disposal.

In terms of our business processes, we intend to work together with society to develop a system that effectively accelerates the recycling of resources. In practical terms, this involves vigorous efforts to reduce waste and ensure appropriate waste management, cooperating with suppliers to minimize newly introduced resources, and further promoting reuse and recycling.

In terms of our products and services, we use recycled materials, design products with long life spans and recyclability in mind, offer functional parts that can replace or upgrade some of our existing products, and expand our range of product-as-a-service options that can be used on demand. Through these efforts, we intend to develop and offer products and services that have longer life spans without losing their value.

**CIRCULAR ECONOMY**

**Help Transition to a Circular Economy and Preserve Natural Resources for Future Generations**

**OUR INITIATIVES**

**Business Processes**

- **Recycling aluminum**: Reusing recycled aluminum materials as raw materials.
- **Reducing landfill waste**: Working with stakeholders to achieve zero landfill industrial waste from factories in Thailand.
- **Reducing plastic packaging**: Changing product packaging from single-use plastic to paper and other materials.

**Products & Services**

- **KIRARA STAGE Mokucho (exsior)**: Utilizes medium-density fiberboard wood dust generated from the cutting of wooden building materials along with recycled plastic.
- **Replaceable Water Purification Spout (INAX)**: Enables a water purifier to be easily attached to already installed faucets.
- **withCUBE (INAX)**: Offers comfortable toilet spaces as rental and leasing services.
In order to achieve a more sustainable society, we are expanding our circle of cooperation by actively engaging with stakeholders.

As a responsible member of society, LIXIL works with a broad range of stakeholders, including customers, local communities, business partners and employees, to further develop and expand environmental conservation activities.

LIXIL’s corporate responsibility (CR) strategy seeks to help solve social issues through its business activities.

External Evaluations and Awards

Through our dialogue with stakeholders to enhance their understanding of LIXIL’s business activities related to environmental conservation and information disclosure, we are improving our corporate value.

- **FTSE4Good**
  - Included in the FTSE4Good Index Series
  - Included in a stock market index series comprising of companies that fulfill the ESG assessment criteria compiled by FTSE Russell.

- **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 for and by LIXIL’s products and services, including in the supply chain, production, distribution and during end use.

- **Diversity & Inclusion**
  - Leverage the knowledge and perspectives of a diverse workforce as a key driver of growth and innovation, and improve quality of life for all people through our products and services, irrespective of their age, gender, and level of ability or disability.
