

Themes	Target for FY2022	FY2020 Initiatives
1.Enhancement of business competitiveness and R&D capabilities		
Develop products and services to help solve social issues	Create new products and services that solve issues surrounding babies who need special support (such as NICU hospitalization) and their families	<ul style="list-style-type: none"> Development of dedicated products is in progress Full support for the opening of Japan's second Human Milk Bank [Japan] (Opening of the Nihonbashi Human Milk Bank at Pigeon Head Office in September 2020) Published a booklet for the families of late preterm babies (A total of 5,978 copies were distributed to hospitals and government agencies.)
	Enhance activities to solve issues surrounding babies and their families	<ul style="list-style-type: none"> Supported 9,465 lactation lounges in 21 countries (As of December 31, 2020) Provided information on breastfeeding and general childcare to pre-mothers and mothers through webinars and official SNS
Increase productivity with AI and IoT	Promote the use of IT tools	<ul style="list-style-type: none"> 78% of inquiries resolved by AI chatbots [China] Realization of partial automation of system infrastructure operation tasks by using RPA tools Implemented verification of AI inspection equipment
Improve productivity by streamlining the product development process	Review product development process	<ul style="list-style-type: none"> Partial delegation of authority in the development process to each business unit
Maintain and improve product quality	Continue quality improvement activities	<ul style="list-style-type: none"> "Quality and Safety Initiatives" Web page newly released Continued to implement quality improvement activities at each plant based on the principles of quality control
2.Sustainable reduction of environmental impact		
Articulate environmental policy and environmental vision	Articulate environmental policy and environmental vision	<ul style="list-style-type: none"> Formulated environmental policy Started examining long-term environmental vision
Respond to global warming	Reduce CO2 emission intensity by 10% compared with FY2018 * Scope 1 and 2 *Per unit of sales	<ul style="list-style-type: none"> Reduced CO2 emission intensity by 3% compared with FY2018 Installed new solar panels [Indonesia] Purchased new renewable energy (hydroelectric power) [Japan] Promoted the use of LEDs
	Reduce supply chain emissions	<ul style="list-style-type: none"> Calculation of supply chain emissions in the Lansinoh Group, setting of reduction targets certified by SBT [Lansinoh]
Develop environment-friendly products and packaging	Create new environmentally-friendly products and packages	<ul style="list-style-type: none"> Number of packages using certified forest paper: 14 SKU [Japan] Formulated Pigeon's Eco-label and will be displayed on new products from 2021. [Japan] Promoted the use of plant-derived materials and certified forest paper Became an ordinary member of RSPO
Reduce plastics	Reduction of petroleum-based plastics and virgin raw materials	<ul style="list-style-type: none"> Number of packages using biomass plastics: 10 SKU [Japan] Number of packages using recycled plastics: 15 SKU [Japan]
	Consider plastic recycling system	<ul style="list-style-type: none"> Implemented nursing bottle recycling campaign (Collected about 9,000 bottles) [Singapore]
Prevent pollution	Reduce industrial waste volume intensity by 1% or more per year *Per unit of sales	<ul style="list-style-type: none"> Reduced industrial waste volume intensity by 45.8% compared with 2019
Share knowledge on reduction of environmental impact	Share knowledge on reduction of environmental impact	<ul style="list-style-type: none"> Sharing knowledge of ESG activities throughout the Group
Introduce an environmental management system	Acquire ISO 14001 certification for all production sites	<ul style="list-style-type: none"> All production sites acquired ISO 14001
Earmark funds for environmental costs	Promote environmental protection initiatives at each site	<ul style="list-style-type: none"> Environmental protection initiatives are in process at each site.
3.Enhancement of stakeholder responsiveness		
Promote CSR procurement	Formulate CSR Procurement Policy	<ul style="list-style-type: none"> Formulated CSR Procurement Policy Preparing for Supplier Engagement [Japan]
Respond in a responsible manner to consumers	Enhance VOC (Voice of Customer) activities	<ul style="list-style-type: none"> Disclosure of the status of activities based on consumer-focused voluntary declaration [Japan]
Engage in social contribution activities	Promote social contribution activities	<ul style="list-style-type: none"> Support for premature babies Supported 9,465 breastfeeding/pumping rooms in 21 countries (As of December 31, 2020) Held tree planting campaign Support for safety education in schools Cleanup activities around the office Donations to maternity hospital to support group
Engage in dialogue with shareholders and investors in a responsible manner	More than 300 IR meetings per year	<ul style="list-style-type: none"> 424 IR meetings (Total for FY2020)
4.Improvement in quality of human resources		
Articulate HR development policy	Formulate HR Development Policy	<ul style="list-style-type: none"> Established education program tied to career path and each grade [Pigeon]
Promote HR development and hiring on a global basis	Create global human resource development program	<ul style="list-style-type: none"> Creating global human resource development program (in progress) [Pigeon]
Reinforce expertise of each department	Develop an education system that strengthens expertise	<ul style="list-style-type: none"> Developing the specialized skills required by each department and the education system for those skills (in progress) [Pigeon]
5.Creation of an ideal working environment		
Promote diversity	Promote diversity	<ul style="list-style-type: none"> Two participants in an external organization (J-Win) for raising women's awareness [Pigeon] Held online meetings for mothers returning to work in 2020 (8 returning mothers participated) [Pigeon] FY2019/1 16.9% → FY2019/12 19.7% → FY2020/12 21.3% [Pigeon]
	Increase the ratio of female managers	
	Maintain 100% of men and women taking childcare leave for at least one month [Pigeon]	<ul style="list-style-type: none"> Continue to acquire 100% of eligible employees from FY2016 (FY2020: 16 employees in total) [Pigeon]
Take initiatives toward diverse working styles	Implement systems to promote diverse working styles	<ul style="list-style-type: none"> Relaxing the requirements for using the telework system, which had been in operation since 2019, and developing a teleworking system [Pigeon] Number of taking "Life Design Leave and Temporary Retirement": 2 employees [Pigeon]
Promote work-life balance	Paid leave acquisition rate 70% or more [Pigeon]	<ul style="list-style-type: none"> Paid leave acquisition rate 63.6 (FY2019: 69.5%) [Pigeon]
	Promote health management	<ul style="list-style-type: none"> Message from the president to employees regarding health management
6.Establishment of a solid management base		
Introduce a new personnel system	Introduce a new personnel system	<ul style="list-style-type: none"> Established a new HR system that defines the roles required for each role and provides grades, evaluations, and rewards commensurate with those roles (January 16, 2021) [Pigeon]
Put risk management in place	Strengthen risk response capabilities	<ul style="list-style-type: none"> Implemented risk reduction measures at each business unit Reviewed or created and updated risk maps and scenarios for the entire Pigeon Group
Strengthen compliance	Implementation of measures to enhance compliance	<ul style="list-style-type: none"> Conducted compliance education using the Corporate Ethics Guidelines throughout the Pigeon Group Conducted compliance monitoring checks for all employees and identified compliance-related issues across the Pigeon Group
Strengthen brand power	Implement actions to strengthen Corporate brand	<ul style="list-style-type: none"> Promote internal penetration of the newly defined brand concept by creating various branding tools and conducting group-wide workshop on the new brand Beginning with the renewal of the head office showroom, the new brand was reflected in all company buildings, websites, and various materials
Enhance ESG responsiveness	Promote ESG initiatives	<ul style="list-style-type: none"> Established Sustainability Committee Set non-financial KPIs and implement PDCA to resolve issues Strengthen disclosure of non-financial information on website Sending out a monthly internal ESG-themed newsletter to all Group employees to promote ESG awareness among employees