

Themes	Target for FY2022	FY2022 Initiatives
<b>1. Enhancement of business competitiveness and R&amp;D capabilities</b>		
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"> <li>Launched "Precious Drop", to simplify the colostrum collection procedure and collect as much of the precious colostrum as possible [Japan]</li> <li>Launched low-birth-weight baby oil that considers the skin barrier of infants [China]</li> <li>Published a information booklet for the families using donor milk (67 hospitals used) [Japan]</li> </ul>
	Enhance activities to solve issues surrounding babies and their families	<ul style="list-style-type: none"> <li>Provided information on breastfeeding and general childcare to pre-mothers and mothers through webinars and our official SNS</li> <li>Educational program for junior high school students, "Lessons to learn about babies - for a baby-friendly future", as a part of Baby Friendly Future Project that is an initiative that leads society as a whole to think and act in order to realize a baby-friendly future was held at 143 schools, with 11,845 students taking classes from April 2022 to March 2023 [Japan]</li> </ul>
Increase productivity with AI and IoT	Promote the use of IT tools	<ul style="list-style-type: none"> <li>83% of inquiries resolved by AI chatbots [China]</li> <li>Expand the scope of utilization of RPA tools for system infrastructure operations [Japan]</li> <li>Expand applications through a workflow system, promoting paperless operations and streamlining operations [Japan]</li> </ul>
Improve productivity by streamlining the product development process	Review product development process	<ul style="list-style-type: none"> <li>Speeded up the launch by transferring a part of the authority of the development process to the Singapore Business Unit</li> </ul>
Maintain and improve product quality	Continue quality improvement activities	<ul style="list-style-type: none"> <li>Added implementation details and updated the "Quality and Safety Initiatives" web page</li> <li>Continuous quality improvement activities at each factory based on the principles of quality management</li> </ul>
<b>2. Sustainable reduction of environmental impact</b>		
Articulate environmental policy and environmental vision	Articulate environmental policy and environmental vision	<ul style="list-style-type: none"> <li>Three Sustainability Committee meetings were held to discuss the environmental vision "Pigeon Green Action Plan".</li> </ul>
Respond to global warming	Reduce CO2 emission intensity* by 10% compared with FY2018 *Scope 1 and 2 CO2 emissions per unit of sales	<ul style="list-style-type: none"> <li>Reduced CO2 emission intensity by 56.8% compared with FY2018</li> <li>Reduced absolute CO2 emissions by 58.4% compared with FY2018</li> <li>Electricity from renewable sources accounted for 17% of the total electricity consumption.</li> <li>Conducted a qualitative analysis of climate-related risks and opportunities for the nursing bottle/nipple and skincare businesses based on the TCFD recommendations, and disclosed the results in the Pigeon Group TCFD Report 2022.</li> <li>Installed new solar panels [Pigeon Manufacturing Hyogo, Central Laboratory, Tsukuba office], expanded solar panels [Indonesia]</li> <li>Purchased electricity from renewable sources [Central Laboratory]</li> </ul>
	Reduce supply chain emissions	<ul style="list-style-type: none"> <li>Disclosed Scope 3 GHG emissions of Japan and Lansinoh Businesses for FY2020</li> <li>Started calculation of Scope 3 GHG emissions of China and Singapore Businesses</li> </ul>
Develop environment-friendly products and packaging	Create new environmentally-friendly products and packages	<ul style="list-style-type: none"> <li>Number of products meeting Pigeon's Eco-label standards (cumulative) : 330SKU [Japan]</li> <li>Number of packages using certified forest paper (cumulative) : 234SKU [Japan]</li> </ul>
Reduce plastics	Reduction of petroleum-based plastics and virgin raw materials	<ul style="list-style-type: none"> <li>Launch of nursing bottle products using biomass plastic [Singapore]</li> <li>Number of packages using biomass plastics (cumulative) : 20SKU [Japan]</li> <li>Number of packages using recycled plastics (cumulative) : 51SKU [Japan]</li> </ul>
	Consider plastic recycling system	<ul style="list-style-type: none"> <li>Implemented a nursing bottle recycling campaign: 52,837 bottles collected (PPSU 160ml weight conversion)*1 [Singapore]</li> <li>Started Pigeon's nursing bottle collection and recycling demonstration experiment in collaboration with a major baby product retailer: 7,437 bottles*2 were collected including plastic nursing bottles, glass nursing bottles, nipples, and parts, etc. [Japan]</li> <li>Collected 1,660 kg of PPSU bottles including returns*3 [China]</li> <li>*1 Collection period: 2019 to January 2023</li> <li>*2 Collection period: August 25, 2022 to the end of February 2023</li> <li>*3 Collection period: January to December 2022</li> </ul>
Prevent pollution	Reduce industrial waste intensity* by 1% or more per year *non-recycled industrial waste per unit of sales	<ul style="list-style-type: none"> <li>Reduced industrial waste volume intensity by 28% compared with 2021</li> <li>Improved recycling rate of 94% (Definition of recycling includes reuse and thermal recovery)</li> </ul>
Share knowledge on reduction of environmental impact	Share knowledge on reduction of environmental impact	<ul style="list-style-type: none"> <li>Shared knowledge of ESG activities throughout the Group</li> </ul>
Introduce an environmental management system	Acquire ISO 14001 certification for all production sites	<ul style="list-style-type: none"> <li>All production sites have acquired ISO 14001 (Achieved by 2020)</li> </ul>
Earmark funds for environmental costs	Promote environmental protection initiatives at each site	<ul style="list-style-type: none"> <li>Environmental protection initiatives are in process at each site.</li> </ul>
<b>3. Enhancement of stakeholder responsiveness</b>		
Promote CSR procurement	Formulate CSR Procurement Policy	<ul style="list-style-type: none"> <li>Conducted CSR procurement assessment (236 companies responded, 96% response rate)</li> <li>Disclosed results of the assessments on our website</li> </ul>
Respond in a responsible manner to consumers	Enhance VOC (Voice of Customer) activities	<ul style="list-style-type: none"> <li>Disclosure of the status of activities based on consumer-focused voluntary declaration [Japan]</li> <li>Awarded "Consumer Oriented Activity Award" at the 7th ACAP Consumer Oriented Activity Awards [Japan]</li> <li>Share customer feedback with management and related departments and use it to improve products and services</li> </ul>
Engage in social contribution activities	Promote social contribution activities	<ul style="list-style-type: none"> <li>Support for premature babies (Gold sponsor of Japan Human Milk Bank Association [Japan], A main partner of Cunmiao Foundation [China], Providing and donating products such as breast pumps to breast milk banks [Vietnam, India])</li> <li>Support for children with cleft lip and/or palate including donation of feeding bottles for them and support through collaboration with NGOs</li> <li>Tree planting and forest conservation</li> <li>Received an award in the "Contribution to fulfilling the public functions of forests" category at the "Forest x Decarbonization Challenge 2022" sponsored by the Forestry Agency [Japan]</li> <li>Cleanup activities around offices</li> <li>Donations to hospitals and maternity hospitals and support groups</li> <li>Started company-led volunteer activities (31 employees participated, total volunteer time 146 hours) [Japan]</li> </ul>
Engage in dialogue with shareholders and investors in a responsible manner	More than 300 IR meetings per year	<ul style="list-style-type: none"> <li>332 IR meetings (Total for FY2022)</li> </ul>
<b>4. Improvement in quality of human resources</b>		
Articulate HR development policy	Formulate HR Development Policy	<ul style="list-style-type: none"> <li>Disclosed the Human Resources Development Policy on the website. Shared the policy with group companies [Japan]</li> </ul>
Promote HR development and hiring on a global basis	Create global human resource development program	<ul style="list-style-type: none"> <li>Global Leadership Training to develop global human resources has been conducted. Through this training, 12 global players going to work overseas in the future, and 29 global supporters who work in Japan for overseas business have been selected [Japan]</li> </ul>
Reinforce expertise of each department	Develop an education system that strengthens expertise	<ul style="list-style-type: none"> <li>Technical skills required for each department are prepared for each department and role grade, and human resources are developed based on them [Japan]</li> </ul>
<b>5. Creation of an ideal working environment</b>		
Promote diversity	Promote diversity	<ul style="list-style-type: none"> <li>Formulation of diversity and inclusion policy [Japan]</li> <li>Return-to-work rate from childcare leave: 83% (5 persons out of 6 persons) [Japan]</li> <li>Retention rate of employees returning to work after childcare leave: 100% [Japan]</li> </ul>
	Increase the ratio of female managers	<ul style="list-style-type: none"> <li>FY2020: 40%, FY2021: 43%, FY2022: 40%, [Pigeon Group]</li> <li>FY2020: 21%, FY2021: 24%, FY2022: 26%, [Japan]</li> </ul>
	Maintain 100% of men and women taking childcare leave for at least one month [Pigeon]	<ul style="list-style-type: none"> <li>Maintained 100% of acquisition rate for eligible employees since FY2016. (FY2022: total of 18 men and women) [Japan]</li> </ul>
Take initiatives toward diverse working styles	Implement systems to promote diverse working styles	<ul style="list-style-type: none"> <li>Establishment of a familyship system and consultation desk as an initiative related to LGBTQ+ [Japan]</li> <li>Number of employees who took "Life Design Leave and Temporary Retirement": 1 employee in 2022 [Japan]</li> <li>Number of employees who took "Nursing Care Leave": 5 employee in 2022 [Japan]</li> <li>Introduction of hourly paid leave [Japan]</li> </ul>
Promote work-life balance	Paid leave acquisition rate 70% or more [Japan] Promote health management	<ul style="list-style-type: none"> <li>Paid leave acquisition rate was 83% (FY2021: 70% FY2020: 64%) [Japan]</li> <li>Certified as a 2022 Excellent Health and Productivity Management Organization (Large Enterprise Category). This recognition program is jointly implemented by the Ministry of Economy, Trade and Industry and Japan Health Council. [Japan]</li> </ul>
<b>6. Establishment of a solid management base</b>		
Introduce a new personnel system	Introduce a new personnel system	<ul style="list-style-type: none"> <li>Since the new personnel system released in January 2021, we conducted a survey of all employees to measure the degree of penetration and effectiveness of this system. Based on this result we will review the operation of the personnel system and the rules in 2023 [Japan]</li> </ul>
Put risk management in place	Strengthen risk response capabilities	<ul style="list-style-type: none"> <li>Held the GHO Risk Management Committee twice in 2022.</li> <li>Identified priority risks of compliance, finance, information security, SCM (supply chain management), and customer complaints, and implemented risk management across Pigeon Group</li> </ul>
Strengthen compliance	Implementation of measures to enhance compliance	<ul style="list-style-type: none"> <li>Continued implementation of general compliance training at all Pigeon Group companies</li> <li>Regarding the whistle-blowing system, we have completed preparations for the introduction of a system that guarantees anonymity and supports multiple languages so that it can be operated from 2023, and we have disseminated how to use the system</li> <li>Regarding the global compliance policy ("anti-bribery and corruption", "competition law", "information management"), the policy have been thoroughly informed so that it can be applied throughout the Pigeon Group</li> </ul>
Strengthen brand power	Implement actions to strengthen Corporate brand	<ul style="list-style-type: none"> <li>Selected as "Best Japan Brands 2022" for 3 consecutive years, ranked 65th. Brand value increased by 3% year-on-year</li> <li>Planning and execution of various inner and outer branding projects and support for measures in each business unit</li> <li>Conducted regular meetings with group companies to share brand information</li> </ul>
Enhance ESG responsiveness	Promote ESG initiatives	<ul style="list-style-type: none"> <li>Held three Sustainability Committee meetings</li> <li>External ESG evaluation has improved, have been included in the SOMPO Sustainability Index, FTSE Blossom Japan Sector Relative Index, and FTSE Blossom Japan Index.</li> <li>Received a 'B' score in December after completing the CDP climate change questionnaire 2022 for the first time</li> <li>Set non-financial KPIs and implement PDCA to resolve issues</li> <li>Enhanced disclosure of non-financial information on the website (15 articles on the "Our Sustainable Actions" page introducing Group-wide initiatives)</li> <li>To promote ESG awareness among employees, we send out an ESG-themed internal newsletter to all Group employees four times in 2022.</li> </ul>