

CSR

Corporate Social Responsibility

We referred to the Mandom Group's corporate philosophy (mission, values and principles) and philosophy/policies in special areas that establish our internal philosophy and values, and linked these to the ten principles of the UN Global Compact, Sustainable Development Goals (SDGs), International Code of Conduct, and other frameworks for global society. Finally, our approach to CSR was determined along with a course of action regarding each of the seven core subjects of the ISO 26000 standard.

The Future We Want



UNGC: United Nations Global Compact
SDGs: Sustainable Development Goals

Organizational Governance

We strive to maintain and further improve upon the fairness and transparency of our management, in full compliance with all laws and regulations, and will put forth every effort to ensure the safety and benefit of our stakeholders.

Labor Practices

We consider our employees corporate assets that are vital to our business, and strive continuously to create safe, clean workplaces that give employees the freedom to express themselves.

Fair Operating Practices

With the shared goal of sustainable social development, we will build good relationships with our suppliers and partners and fulfill our social responsibilities through our business activities.

Community Involvement and Development

We will ascertain social issues from a global perspective and take useful action to resolve those issues in pursuit of sustainable social development and sustainable business growth.

Human Rights

We support and respect the protection of human rights as declared by the international community and will do our best to continuously monitor actions and educate people at every stage of our business activities to avoid complicity in any human rights violations.

The Environment

We consider the impact that our business activities have on the environment and strive continuously to reduce that impact at every stage from the development of products and services to procurement, production, transportation, sales, and after-use disposal, recycling, etc.

Consumer Issues

We will utilize the feedback received from customers in our business activities to improve the benefits of our products and services from their standpoint and to ensure safety.

Organizational Governance

Corporate Governance

Our Group's mission is co-existence and mutual growth with society in Asia and worldwide. To realize Our Philosophy we are dedicated to generating solid profits by pursuing efficiency while ensuring soundness and transparency. In this way, we aim to achieve sustainable growth together with consumers, society and other stakeholders. This spirit informs our fundamental corporate governance policy.

Our corporate governance structure is overseen by the Audit & Supervisory Board. With legal oversight from its members as the basis for corporate governance, we invite multiple external directors to sit on our board in order to reinforce our monitoring and advisory functions. By clarifying responsibilities and delegating authority under a system of supervisory and executive officers in charge of specific operations, we have created a system for the proactive and expeditious execution of operations. Based on this system, we will pursue effective growth-oriented governance and seek to enhance corporate value.

▶Details on pages 20-23

Compliance

The tenets of compliance at the Mandom Group are encapsulated in Our Philosophy of providing useful products to customers and Our Values of approaching society with candor. Rather than relying on external standards and adopting a passive compliance stance that "as long as we are legally compliant, all is fine," the Mandom Group sets voluntary standards that exceed legal requirements, taking an independent and proactive stance toward protecting consumer safety and benefits.

We established the Mandom Group Code of Conduct (in 1999; revised in 2002, 2007, 2011 and 2014) as a common global compliance program. This document is aimed at making compliance a key part of our management by having all officers and employees abide by laws as well as conducting themselves ethically, exercising good sense and sound judgment.



The Mandom Group's Code of Conduct

Helpline System

In December 2002, Mandom Corporation introduced the whistleblower system "Helpline System" for early detection, prevention of occurrence and prevention of recurrence of risks relating to violations of laws and social norms. This is a system receiving reports and consultation from employees when they observe in their workplace any acts that break or are at risk of breaking laws or our Code of Conduct. The Code of Conduct Promotion Committee, which includes external members (corporate legal advisors), serves as the point of contact. The whistleblowers are protected against retaliatory measures or disadvantageous consequences due to their action.

In September 2007, the System was expanded to cover business partners of Mandom Group companies in Japan.



Contact Details (for use only by business partners)
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Human Rights

Promoting Human Rights Education

At Mandom we are working to promote human rights awareness through ongoing employee education and have integrated the following "Respect for Human Rights and Ban on Discriminatory Practices" section into the Mandom Group Code of Conduct (2014 revised version).

Mandom Group Code of Conduct

I. Ban on discriminatory practices

We respect the basic human rights of every person, and no matter the situation will not slander a person or discriminate against them based on such unreasonable factors as race, nationality, religion, ideology, beliefs, gender, age, physical disability, etc.

II. Ban on sexual harassment, power harassment, etc.

We do not condone and will not commit any of the following behaviors, and will respond with strict measures if they occur.

1. Conduct of a sexual nature (sexual harassment: sexual remarks, suggestive attitude, physical contact, etc.)
2. Harassment at or outside the workplace that involves taking advantage of one's position (power harassment: verbal or psychological abuse, etc.)
3. Coercion to attend a drinking party, drink alcohol, finish a drink in one, or drink until heavily intoxicated (alcohol harassment)
4. Privacy violation on social media or other nuisance behavior (social harassment)

III. Ban on child labor and forced labor

We absolutely reject labor performed by underage minors (child labor) and improper labor practices that involve the use of coercion, whether physical or mental (forced labor), in any country and under any circumstances.

Promoting Diversity

In April 2015 Mandom established a Diversity Promotion Office to help create a corporate culture of respect for diversity and differences, which involves the utilization of not only female employees but also individuals of various dispositions and abilities, employees of foreign nationality, and others.

Human rights and labor practices are closely related issues. We are trying to build an organizational system that embodies diversity and inclusion in order to retain workers of diverse attributes and value systems, and enable them to reach their full potential.



Please refer to our CSR website for additional information.
<http://www.mandom.co.jp/csr/src/human.html>

Labor Practices

Promoting Work-Life Balance

We are also working to create a workplace culture in Japan that promotes work-life balance and encourages men to be actively engaged in childcare. Toward this end, in fiscal 2015 we began participating in two Japanese government programs and launched tie-in campaigns within the Company. The two campaigns are: the Change! JPN Campaign run by the Office for Work-Life Balance of the Cabinet Office and the Ikumen Project run by the Ministry of Health, Labour and Welfare.

The Change! JPN Campaign calls upon all employees to reduce overtime work and fully adopt the practice of taking a day off in lieu of each national holiday that falls on a Sunday, as well as using all annual paid leave.

The Ikumen Project calls upon all employees to create a workplace culture that makes it easy for men to take childcare leave. As one of Mandom's specialties is men's cosmetics, we feel a particular need to support the concept of "cool dads."



Promoting Women

In Mandom Group, Active Employee Participation constitutes part of Our Value and "KohDoh" for Self-actualization is defined as one of Our Principles. Based on these concepts, Mandom considers our employees corporate assets regardless of gender that are vital to our business, and strives continuously to create safe, clean workplaces that give employees the freedom to express themselves.

In April 2016, a Japanese law took effect, which obliges large companies and local and central governments to set numerical targets for hiring and promoting women. Mandom understands that promotion of women is an important theme that draws expectations and demands from a broad range of players in the society. Accordingly, this theme has been reflected in one of the CSR Material Issues for the Mandom Group (Ver. 1) - "Achieving employee satisfaction (ES) and diversity." In line with the objectives and purposes of the law, Mandom will develop and execute phased action plan to help realize a society where women are promoted and encouraged to exercise their individuality and unleash their full potential. We will also disclose our actions and keep the information up to date through the official website of Ministry of Health, Labor and Welfare (see below).

Our Values Active Employee Participation

The corporate name "**Mandom**," deriving from "**Human**" and "**Freedom**," represents the respect for human dignity and a liberal atmosphere. At the core of the Mandom Group is an environment where employees can freely demonstrate their creativity through open and lively discussions. The continuous growth of both the individuals and the entire organization will enhance our value.

Our Principles "KohDoh" for Self-Actualization

A company should provide the platform for self-actualization as well as for the performance of one's duty. Our working environment is ideal for everyone to demonstrate his/her own ability, which will encourage successful self-actualization of each employee and eventually lead to the realization of our corporate mission.



Please refer to our CSR website for additional information.
<http://www.mandom.co.jp/csr/src/practice.html>

Reference: MHLW Corporate Database Promoting Women
<http://www.positive-ryouritsu.jp/positivedb/>

The Environment

Mandom's Environmental Philosophy and Fundamental Environmental Policy

It is our sincere hope to instill OYAKUDACHI, a contribution towards a comfortable life, for our consumers, our community, and the preservation of the global environment, through the actions of our business. We have always been environmentally conscious in daily operations at Mandom, and it came into fruition in August 1999, in the form of the establishment of the Mandom Environmental Philosophy and Fundamental Environmental Policy. Also, our Fukusaki Factory set its "Environmental Policy" as shown below in October 1999, which was revised on May 1, 2006. It was certified to ISO 14001 in November 2000.

In May 2016, we revised our Environmental Philosophy to strengthen efforts with respect to environmental protection throughout the value chain, corporate response to social demands, and systematic performance improvements. We also set environmental policies and are carrying out environmental activities for three priority areas—products, biodiversity conservation, and the Fukusaki Factory.

Mandom Environmental Philosophy

We seek to accurately grasp the effects on the environment in our value chain and work with society to move ahead with systematic environmental conservation.

Fundamental Environmental Policy

Product Environmental Policy

We consider environmental friendliness to be an important aspect of product value. To help create a more sustainable society and build product value we strive to combine ecological and economic value in our products.

Biodiversity Conservation Policy

We recognize how much we rely on and receive from the abundance of nature and many living things, so we seek to accurately grasp the effects on biodiversity in our value chain and to lessen and prevent such impact.

Fukusaki Factory Environmental Policy

We seek to accurately grasp the effects on the environment of the production of cosmetics and quasi-drug products; to help create a more sustainable society we will carry out environmental activities aimed at improving global environmental conservation and relations with the local community.

1. We seek to accurately grasp the effects of our factory operations on the environment, and set, implement, and regularly review environmental targets within our technical and economic capabilities in the effort to continually improve our environmental conservation.
2. In our factory operations we aim to reduce environmental load and help create a more sustainable society through activities that focus on the following areas:
 - (1) Saving energy and reducing greenhouse gas (CO₂) emissions
 - (2) Working to achieve zero landfill disposal ("Zero Waste Emissions")
 - (3) Reducing the volume of industrial waste
 - (4) Conserving local environments by preventing wastewater risks
3. We strive to comply with environmental regulations, uphold agreements with the community and stakeholders, and prevent pollution.
4. We strive to make every one of our employees aware of their role in following this environmental policy in their daily actions.

This environmental policy is open to anyone who needs this information inside and outside our group.

Policy on Plastic Microbeads

At present, some facial scrub products made by Mandom contain Plastic Microbeads for the purpose of skin exfoliation. In recent years the issue of plastics released into the oceans and their impact on ecosystems as they move through the food chain has come under scrutiny. In the United States a law was passed in December 2015 to phase in the ban of Plastic Microbeads in personal care cleansing products.

In light of this situation, the Mandom Group has set a policy to stop using Plastic Microbeads in its facial cleansing products by the end of 2017, replacing Plastic Microbeads using a formulation that does not cause such concerns.

Fair Operating Practices

Toward Fair and Transparent Transactions

Mandom established the Antimonopoly Act Compliance Program back in July 2004, which was revised in 2010, to establish fair and transparent business transactions and build stable relationships of trust as a good partner to all with whom we are engaged.

Our legal affairs office holds seminars for the sales division and purchasing department based on this program. The purchasing department also participates in outside seminars related to purchasing and procurement to acquire greater knowledge.

Once a year, Code of Conduct education is carried out at all Japan-based divisions in the Mandom Group at which time various guidelines on procurement and sales are read together to instill their principles in employees.

Since September 2007 the Mandom Group has been expanding the scope of its Helpline System to include business partners. See below for more details.



Please refer to our CSR website for additional information.
<http://www.mandom.co.jp/english/csr/src/fair.html>

Consumer Issues

Quality Assurance and Quality Policy

Regarding quality assurance for cosmetics and quasi-drugs, Mandom works to assure fully satisfactory quality as demanded by consumers from purchase to end of use. We take measures to improve the quality of our products and services at every stage — planning, design and development, production and shipping. To ensure the reliability of these activities, in January 1998 Mandom established the Quality Philosophy and Fundamental Quality Policy, and built a quality assurance system that became ISO 9001-certified in December 1998.

Since that time, as the quality philosophy and practices were deemed to have taken root company-wide, we voluntarily surrendered ISO 9001 certification in December 2013. We have since pursued continuous improvement of quality through the Mandom quality management system.



Please refer to our CSR website for additional information.
<http://www.mandom.co.jp/english/csr/src/security.html>

Community Involvement and Development

Joint Research Program with the Graduate School of Pharmaceutical Sciences at Osaka University

In June 2015 Osaka University and Mandom established the Advanced Cosmetic Science Joint Research Program at the Graduate School of Pharmaceutical Sciences at Osaka University.

The joint research program employs cutting-edge technologies from fields that have seen remarkable growth in recent years, such as regenerative medicine, applying them to research the development of next-generation functional cosmetics and quasi-drugs.

The program has launched with participation from 11 individuals — two Osaka University lecturers, three specially appointed researchers, and one part-time university employee, joined by five Mandom employees. Starting next year, graduate and undergraduate school students from Osaka University and other universities will be accepted into the program. Further plans are in place to accept young researchers and lecturers from universities in Asia, and other regions.

The joint research program aims to advance research related to cosmetic sciences and contribute to fostering capable researchers and technicians in this field.



Osaka University Graduate School and School of Pharmaceutical Sciences