

Approach to CSR

Framework for a global society and Mandom Group CSR

At the Sustainable Development Summit held on September 25, 2015, sustainable development goals (SDGs) were adopted as shared targets to be met by 2030 and new initiatives were launched across the whole of global society aimed at sustainable development. In the Mandom Group, one of the themes of our declared initiatives from fiscal 2015 was similarly to strengthen our CSR promotion system. In April 2015, we set up the CSR Promotion

Division, a corporate department dedicated to this task. In September 2015, we signed the UN Global Compact to express our support for its ten principles in four areas of activity, with the aim of allowing all Mandom Group employees to share in the values of global society as a step toward sustainable development, and to create new opportunities to strengthen relations with a diverse and wide range of stakeholders.

The Mandom Group declared its participation in the UN Global Compact in September 2015. We support the Ten Principles relating to human rights, labor, environment, and anti-corruption as universal principles which should be highly valued by global corporations.

The Ten Principles of the UN Global Compact

Human Rights	Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2:	make sure that they are not complicit in human rights abuses.
Labour	Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4:	the elimination of all forms of forced and compulsory labour;
Environment	Principle 5:	the effective abolition of child labour; and
	Principle 6:	the elimination of discrimination in respect of employment and occupation.
	Principle 7:	Businesses should support a precautionary approach to environmental challenges;
	Principle 8:	undertake initiatives to promote greater environmental responsibility; and
Anti-Corruption	Principle 9:	encourage the development and diffusion of environmentally friendly technologies.
	Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.



Mandom Group CSR Promotion System

With the aim of strengthening our CSR promotion system, we set up the CSR Promotion Committee chaired by the President Executive Officer. The committee ensures a consistent approach to CSR promotion across the Mandom

Group, reinforces CSR activities, and monitors the progress of CSR material issues, liaising with relevant departments through five related committees and councils as well as other bodies.



Our Approach to CSR and CSR Guidelines


In developing our approach to CSR, we referred to the Mandom Group's corporate philosophy 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



External Site
 [UNGC: UN Global Compact](#)
 ▶ Global Compact Official Website

External Site
 [SDGs: Sustainable Development Goals](#)
 ▶ Global Compact Official Website > THE SDGS

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.

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.

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.

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.

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.

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.

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.

Approach to CSR

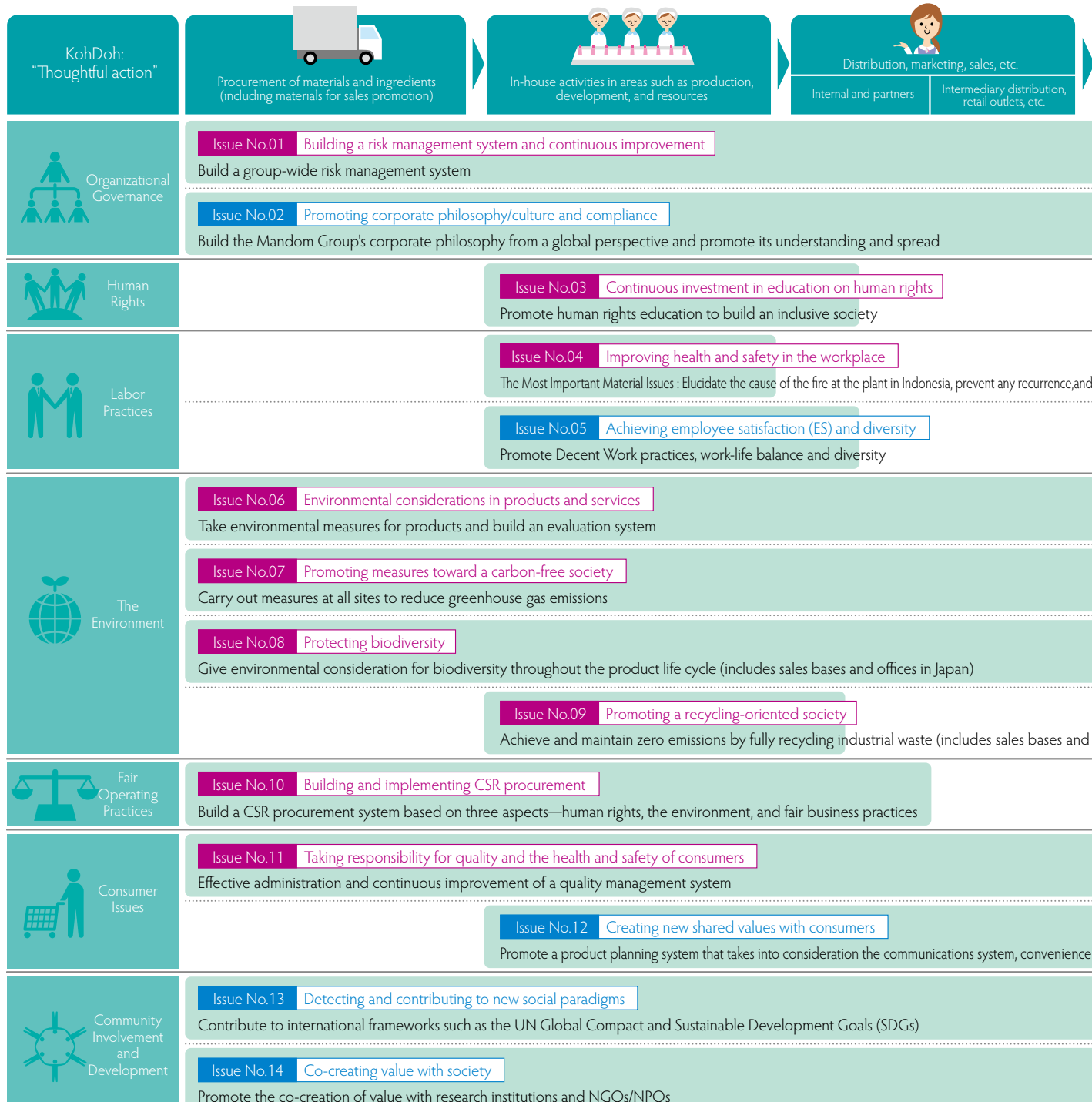
CSR Material Issues and Mandom Group's Value Chain

As indicated below, we have examined and clarified the relationship between the CSR Material Issues of the Mandom Group (Ver. 2: February 2017) and each stage of the Mandom Group's business activities (value chain). CSR efforts are broadly divided into two types: fundamental CSR and strategic CSR/CSV. Fundamental CSR aims to eliminate or reduce negative impacts from our business activities, while strategic CSR strives to maximize positive

impacts from our business activities.

Going forward, we will further advance and strengthen our initiatives while developing an understanding of both positive and negative impacts of the business activities of the Mandom Group. We will search for the specific nature of "the future we want"—a future suited to the Mandom Group and based on our corporate philosophy.

Issue No. (red)	KohDoh for fundamental CSR, or to deal with threats to continuing our previous business activities, or other issues to be overcome
Issue No. (blue)	KohDoh for strategic CSR/CSV, or to create opportunities to improve future business activities, competitiveness, and company value, or further strengthen the corporate structure



The Relation between CSR Material Issues and Stakeholders

Mandom has been conducting dialogues with a wide range of diverse stakeholders since FY2006 in order to take their requests, hear their expectations, and reflect those in our business activities.

Stakeholders are diverse in terms of their expectations and demands on corporations, and their prioritization of issues pertaining to sustainability. These differences depend on their standpoint, principles, lifestyle, way of thinking, and other factors.

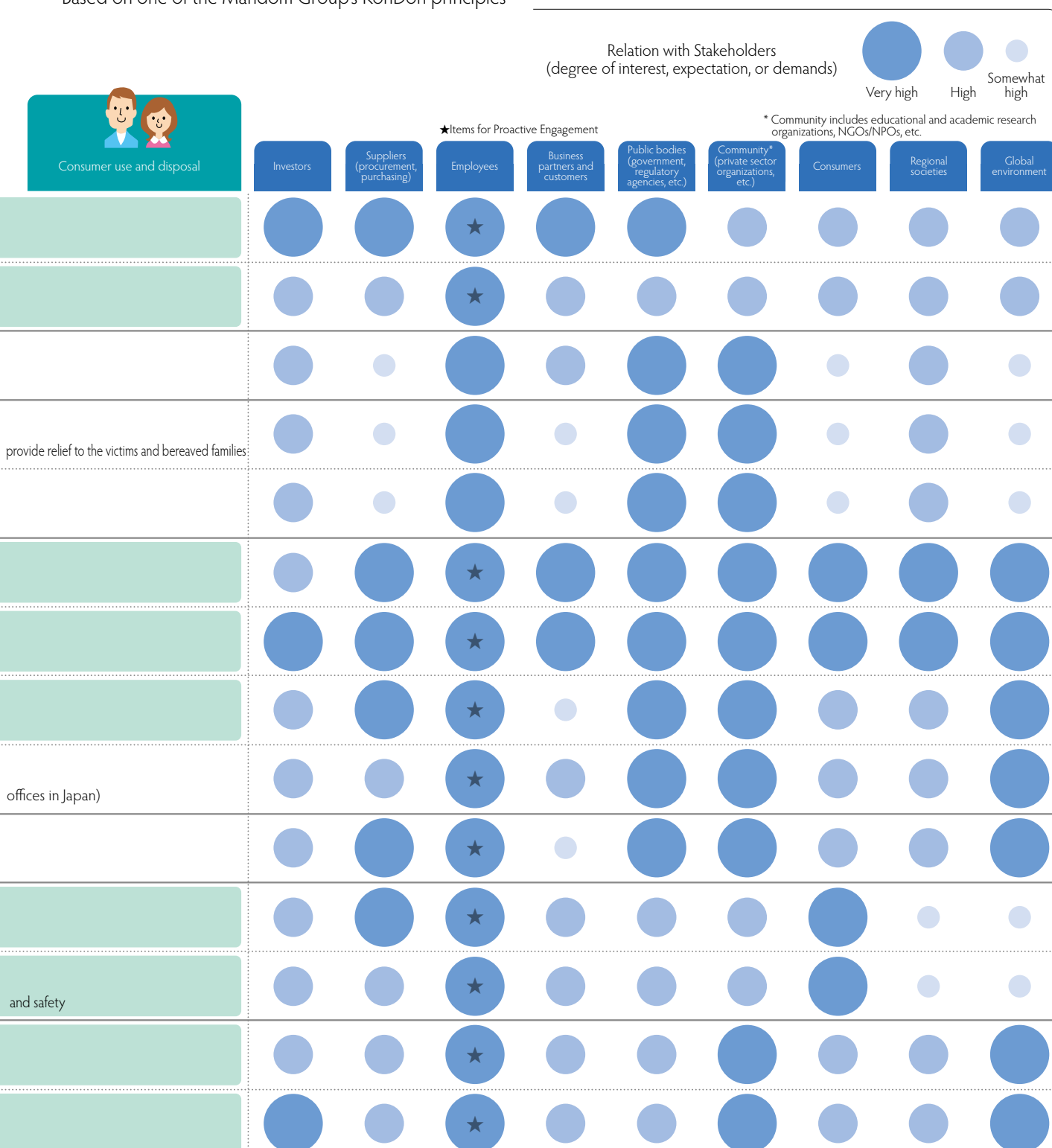
Based on one of the Mandom Group's KohDoh principles

of “creating lifestyle value with consumers, for consumers,” we will continue or initiate promotion of CSR Material Issues, and improvement/review of Kohdoh, while taking advantage of various opportunities enabling exchange of views and dialogue with a wide range of people such as experts, research institutions, and groups. We hope we can count on your cooperation.





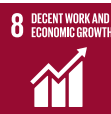



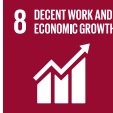



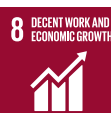

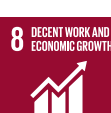







CSR Information

► Stakeholder Dialogue



Approach to CSR



















Progress Situation of CSR Material Issues of the Mandom Group and KohDoh Plan for the Future

ISO 26000 Core Subjects	Mandom Group's CSR Material Issues (Ver. 2)	Related SDGs themes (SDGs: Sustainable Development Goals)	Main specific activities in FY2018
 Organizational Governance	No. 1 Theme Building a risk management system and continuous improvement Through a Total Risk Management Committee, provide guidance and supervision regarding continuous improvements in business continuity management and planning (BCM/BCP) and efforts to build the risk management system for the group as a whole		<ul style="list-style-type: none"> Collected data and improved management system in response to amendment of laws and regulations pertaining to chemical substances. Examined and verified the effects of GDPR on the entire group and examined and verified the personal information in our possession. Created new risk response themes taking into account the latest international trends.
	No. 2 Theme Promoting corporate philosophy/culture and compliance Build the corporate philosophy for the Mandom Group from a global perspective and provide education to promote a complete understanding aimed at thorough implementation	 	<ul style="list-style-type: none"> Carried out survey to gauge how well the corporate philosophy is put into practice. Revised the Code of Conduct manual (2018 version). Conducted compliance education (6 times in each division), Mandom Code of Conduct training (twice), and company-wide education on the Code of Conduct (once). Formulated a corruption prevention policy and corruption prevention guidelines, and conducted education on corruption prevention for the entire group (once).
 Human Rights	No. 3 Theme Continuous investment in education on human rights Conduct in-house human rights education aimed at training employees to act in a way befitting a corporation engaged in global business and designed to build an inclusive society (Issue No.10: Building and implementing CSR procurement system)	   	<ul style="list-style-type: none"> Continued to implement company-wide Code of Conduct training to heighten awareness of the helpline. Based on the Mandom Group Supplier CSR Guidelines (Ver. 2), utilized the GCNJ self-assessment tool and carried out a questionnaire with our domestic suppliers for the second time (December 2018). Carried out the same questionnaire with local suppliers of Mandom Indonesia (February 2019).
 Labor Practices	No. 4 Theme Improving health and safety in the workplace (Urgent Issue) Elucidate the cause of the fire at the plant in Indonesia, prevent any recurrence, and provide relief to the victims and bereaved families Promote taking health checks to all employees, mainly for preventive purposes, carry out stress checks, and provide education on mental health.	 	<ul style="list-style-type: none"> Continued activities to promote the creation of a comfortable working environment by ensuring employee health and safety in line with the Industrial Safety and Health Act, and carrying out improvement activities through workplace patrols.
	No. 5 Theme Achieving employee satisfaction (ES) and diversity Build and continuously improve a labor system with the aim of achieving Decent Work practices and ideal work-life balance, securing diverse human resources, and providing fair and impartial evaluations	  	<ul style="list-style-type: none"> Established a special-purpose subsidiary to utilize and expand employment of diverse human resources. Formulated a staggered working time system to improve productivity, reduce overtime work, maintain and enhance employee health, and promote work-life balance (partially changed to a flextime system in April 2019). Shared management of employee working hours and implemented information campaigns to eliminate long working hours and promote use of paid leave and make-up holidays. Began system to balance work with medical treatment, following similar systems for childcare and elderly care. Created guidebook and established help desk.
 The Environment	No. 6 Theme Environmental considerations in products and services Continuously improve the eco-friendliness of products by building a management system for evaluating environmentally friendly processes and their results in products and services	   	<ul style="list-style-type: none"> Examined use of renewable materials in laminated packaging. Revised standards for our environmentally friendly products.

Overall assessment (including some of the most recent activities)	Setting of long-term goals	Policy for the future and KohDoh plan
<ul style="list-style-type: none"> Identified continuing risks and examined responses to matters such as GDPR, including of overseas group companies, but did not develop overall BCM or formulate BCP. 	—	<ul style="list-style-type: none"> Continue suitable response to laws and regulations pertaining to chemical substances. Improve education and manuals regarding the leakage of classified information and response to GDPR. Improve disaster and emergency manuals and formulate BCP. Respond to new risks.
<ul style="list-style-type: none"> Formulated an action plan in each division based on the issues found in the survey regarding our corporate philosophy. Improved company-wide compliance awareness through compliance education, Mandom Code of Conduct training, and corruption prevention education. 	—	<ul style="list-style-type: none"> Continue instillation and education of the corporate philosophy for all group employees. Instill compliance and corruption prevention awareness in the entire group.
<ul style="list-style-type: none"> Did not sufficiently organize in-house system in line with philosophy on human resources, nor clearly state what it entails. 	(Under review) (Note) See Issue No. 10 for CSR procurement	<ul style="list-style-type: none"> Continue strengthening effective operation of the helpline system. Develop and clearly state in-house rules and Code of Conduct relating to human rights and harassment through compliance with the Act for Eliminating Discrimination against Persons with Disabilities, awareness/support for LGBT, etc.
<ul style="list-style-type: none"> Finished outside renewal audit of Fukusaki Factory occupational health and safety management system OHSAS 18001 (November 2018). Number of occupational accidents at Fukusaki Factory in FY2018: 3 Percentage of employees who took health checks in FY2018: 97.0% Percentage of employees who took stress checks in FY2018: 84.7% 	<ul style="list-style-type: none"> Number of occupational accidents: 0 Percentage taking health checks: 100% Percentage taking stress checks: 100% 	<ul style="list-style-type: none"> Promote taking health checks, mainly for preventive purposes, and continue to carry out stress checks and provide education on mental health. Promote efforts to disseminate and broaden knowledge of occupational health and safety activities at all bases.
<ul style="list-style-type: none"> Established Mandom Will Corp. as a special-purpose subsidiary Disabled person employment rate for FY2018: 2.76% Annual overtime hours per person for Mandom alone in FY2018 <ul style="list-style-type: none"> Regular employees excluding managers: 152 hours, 31 minutes (12.6% increase over previous year) All employees including contract employees, but excluding managers: 98 hours, 51 minutes (7.8% increase over previous year) Based on total number of employees as of March 31 	<ul style="list-style-type: none"> Exceed statutory employment rate for disabled persons every year. Number of employees quitting work for childcare: 0 every year Number of employees quitting work for elderly care: 0 every year Rate of obtaining make-up holidays: 100% Consumption rate of yearly paid holidays 70% or higher Overtime: Average of less than 5 hours per month per person Percentage using in-house system for diverse workstyles such as work-from-home and flexible working hours: 50% or higher 	<ul style="list-style-type: none"> Promote a healthy work-life balance and positive action <ul style="list-style-type: none"> Formulate plans to reform work styles. Promote use of short-term childcare leave for men. Promote use of flextime system. Promote Decent Work <ul style="list-style-type: none"> Provide support for senior and new employees. Promote diversity and inclusion <ul style="list-style-type: none"> Bolster system for giving more opportunities to employees with foreign nationality. Promote and support balance between medical treatment and work.
<ul style="list-style-type: none"> Began using renewable materials in some of our laminated packaging. Formulated medium- to long-term goals for our environmentally friendly products. 	<ul style="list-style-type: none"> Ensure that 90% of Mandom's products for the domestic market are environmentally friendly products (in line with in-house standards) by the year 2027. Ensure that 100% of the Mandom Group's products are environmentally friendly products (in line with in-house standards) by the year 2050. 	<ul style="list-style-type: none"> Promote development of environmentally friendly products (4R). Promote use of renewable materials. Expand scope of switch to FSC-certified paper (including package inserts and backing paper, etc.) and maintain regular contact with firms that have not acquired distribution management certification (CoC certification).

Approach to CSR

Progress Situation of CSR Material Issues of the Mandom Group and KohDoh Plan for the Future

ISO 26000 Core Subjects	Mandom Group's CSR Material Issues (Ver. 2)		Related SDGs themes (SDGs: Sustainable Development Goals)	Main specific activities in FY2018
 The Environment	No.	Course of action for CSR material issue		
	7	Theme Promoting measures toward a carbon-free society Promoting measures to create a carbon-free society based on the Paris Agreement, and efforts to reduce greenhouse gas emissions at all sites	 	<ul style="list-style-type: none"> Calculated Scope 3 emissions for Mandom alone, and clarified key ways in which to reduce CO₂ emissions. Revise company-wide CO₂ emissions reduction goal in line with the Paris Agreement and government policies. Installed new boiler equipment at Fukusaki Factory, and reduced CO₂ emissions by switching fuel from kerosene to LPG. Promoted adoption of power reduction equipment (e.g., switching to LED lighting or changing transformers).
	8	Theme Protecting biodiversity Grasp the impact on biodiversity of each product throughout its life cycle and carry out measures to protect biodiversity	 	<ul style="list-style-type: none"> Began purchasing RSPO credit through the Book & Claim system for the raw materials derived from palm oil that are used most domestically. Began switching to FSC-certified paper for all carboard used to transport products at Fukusaki Factory.
 Fair Operating Practices	9	Theme Promoting a recycling-oriented society Achieve and maintain zero emissions by fully recycling industrial waste		<ul style="list-style-type: none"> Fukusaki Factory: Selected contractor capable of recycling industrial wastes for landfill disposal. Head Office: Confirmed that zero emissions are maintained at industrial waste disposal contractors.
	10	Theme Building and implementing CSR procurement system Draft Supplier CSR Guidelines and gain the cooperation of suppliers to build and operate a CSR procurement system (Based on the specific topics within three core subjects—human rights, labor practices and the environment)	  	<ul style="list-style-type: none"> Published the Mandom Group corruption prevention policy and corruption prevention guidelines, and began company-wide education. Both the policy and guidelines are available in eight languages, including Japanese (November 2018 onwards). Instilled the Mandom Group Supplier CSR Guidelines (Ver. 2) among domestic suppliers and carried out a self-assessment questionnaire with them for the second time (December 2018). Carried out the same questionnaire with local suppliers of Mandom Indonesia (February 2019).
 Consumer Issues	11	Theme Taking responsibility for quality and the health and safety of consumers Effective administration and continuous improvement of a quality management system in every phase of our business activities—planning, design and development, procurement, production, shipping and sales		<ul style="list-style-type: none"> Voluntarily recalled the following <ul style="list-style-type: none"> Seven hair foams, including Lucido, due to a mistake in ingredients list (July 25, 2018). Limited edition Bifesta cleansing lotion due to incorrect insertion of product description (June 5, 2018).
	12	Theme Creating new shared values with consumers Build a system of communication that enables the use of feedback from a wide range of consumers; build a product planning system that takes into consideration user-friendliness and safety		<ul style="list-style-type: none"> Posted instruction video on our website to prevent misuse of hair foam products. Adopted a universal font (used in 65 of 68 new spring 2019 products).
 Community Involvement and Development	13	Theme Detecting and contributing to new social paradigms Look into KohDoh that can promote thorough in-company understanding of and ability to contribute to international frameworks such as the UN Global Compact's 10 Principles and the Sustainable Development Goals (SDGs)	 	<ul style="list-style-type: none"> Cooperated with Osaka fieldwork of second year students at Kansai University Senior High School (June 2018). Cooperated with SGH Fall Holiday Business/University Tour and Training of Osaka Prefectural Senri Senior High School (October 2018). Held sustainability seminar and dialogue with the help of WWF (December 2018). Held a luncheon seminar at the 92nd Annual Meeting of the Japanese Pharmacological Society aimed at promoting open innovation (March 2019).
	14	Theme Co-creating value with society Build co-creative relationships with research organizations, NGOs, NPOs and others to achieve sustainable social development and begin taking measures (with Japanese Society for Alternatives to Animal Experiments; Graduate School of Pharmaceutical Sciences, Osaka University, etc.)	 	<ul style="list-style-type: none"> Continued efforts in the Joint Research Program with the Graduate School of Pharmaceutical Sciences at Osaka University. Concluded our first cross-appointment system agreement with Osaka University and the Graduate School of Pharmaceutical Sciences (August 3, 2018, News Release). Continued call for proposals for Mandom International Research Grants on Alternatives to Animal Experiments (Decided on research themes for 12th grant: May 14, 2019, News Release).

Overall assessment (including some of the most recent activities)	Setting of long-term goals	Policy for the future and KohDoh plan
<ul style="list-style-type: none"> Total energy input in FY2018: 443,580 GJ (2.3% decrease over previous year) Domestic sites: 121,481 GJ (4.8% decrease over previous year) Overseas sites: 322,099 GJ (1.9% increase over previous year) Total greenhouse gas (CO₂) emissions in FY2018 Scope 1 + 2: 30,766 t (0.2% increase over previous year) Domestic sites: 5,781 t (7% decrease over previous year) Overseas sites: 24,985 t (2% increase over previous year) 	<ul style="list-style-type: none"> Reduce total Scope 1 + 2 CO₂ emissions for domestic business by 26% relative to FY2013 levels by 2027. Reduce total CO₂ emissions for the Mandom Group by 80% relative to FY2013 levels by 2050. 	<ul style="list-style-type: none"> Examine use of renewable energy. Continue and expand energy conservation activities. Expand calculation of Scope 3 emissions to include overseas sites.
<ul style="list-style-type: none"> Purchased credit through the Book & Claim system FY2018: 100% of most used materials derived from palm oil Percentage of cardboard cartons that now use FSC-certified paper FY2018: 57% 	<p>Achieve the following by 2027</p> <ul style="list-style-type: none"> Switch all palm oil used in our materials to RSPO-certified palm oil. Use certified paper for all paper containers and packaging. 	<ul style="list-style-type: none"> Continue purchasing RSPO credit through the Book & Claim system for the raw materials derived from palm oil that are used most domestically. Examine possibility of purchasing RSPO credit through the Book & Claim system for other materials derived from palm oil. Use FSC-certified paper for all cardboard by 2020. Continue promoting switch to paperless operations.
<ul style="list-style-type: none"> Industrial waste recycling rates Fukusaki Factory: 100%, Head Office: 100% Continued achieving zero emissions and carrying out activities aimed at reducing waste. 	<ul style="list-style-type: none"> Continue achieving zero emissions. 	<ul style="list-style-type: none"> Reduce industrial waste produced when filling containers. Continue confirming that zero emissions are maintained at industrial waste disposal contractors.
<ul style="list-style-type: none"> Guideline issuances and self-assessment questionnaires Domestic sites <ul style="list-style-type: none"> September 2016 (Ver. 1): 78 companies November 2017 (Ver. 2): 21 companies December 2018: 78 companies Indonesia <ul style="list-style-type: none"> February 2019: 94 companies Failed to revise Mandom Group procurement policy. 	<p>(Under review)</p>	<ul style="list-style-type: none"> Expand scope to include secondary/tertiary and overseas suppliers, etc. Revise Mandom Group procurement policy, and explain to/instill in suppliers. Continue checking response to Supplier CSR Guidelines and self-assessment questionnaire. Examine evaluation methods for strengthening monitoring capabilities.
<ul style="list-style-type: none"> Examined causes of product recall, clarified issues with response, and formulated measures to prevent recurrence. Revised quality assurance policy. Take up the challenge of zero quality complaints. 	<ul style="list-style-type: none"> Take up the challenge of zero quality complaints. 	<ul style="list-style-type: none"> Continuously improve and strengthen the quality assurance cycle for preventing product recall (strengthen checking function in PDCA).
<ul style="list-style-type: none"> Although improvements were made in products and services based on feedback from customers, these did not go as far as creating new shared value with consumers. 	<p>(Under review)</p>	<ul style="list-style-type: none"> Promote the use of universal design for containers, explanatory labeling, and other elements, so all consumers can safely and securely use products.
<ul style="list-style-type: none"> There were 64 participants at the sustainability seminar. Eight selected employees and seven observers participated in the dialogue. 	<p>—</p>	<ul style="list-style-type: none"> Actively participate in UN Global Compact (Network Japan) and efforts of other groups outside the company. Continue seminars and dialogues relating to social and environmental issues. Review and implement in-house education programs. Strengthen support for international reporting guidelines such as GRI, and bolster and continue strengthening communication system.
<ul style="list-style-type: none"> See the following section of the website for previous results of the Joint Research Program with the Graduate School of Pharmaceutical Sciences at Osaka University. Community Involvement and Development > Joint Research Program with the Graduate School of Pharmaceutical Sciences at Osaka University 	<p>—</p>	<ul style="list-style-type: none"> Continue efforts with the Graduate School of Pharmaceutical Sciences at Osaka University. Continue efforts with the Japanese Society for Alternatives to Animal Experiments. Pursue new co-creative relationships through efforts to address Issue No. 13.