

# ESG Efforts

## E Environment

### Environmental Policies and Environmental Promotion System

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". It was certified to ISO 14001 in November 2000.

Subsequently, in June 2020, the Mandom Group revised its environmental policies with the aim of addressing diversifying environmental issues and is continuing to promote environmental activities.

#### The Mandom Group's Environmental Policies

The Mandom Group, based on its corporate philosophy, recognizes that environmental issues are a common issue for all humankind, and strives to understand the environmental impact of the entire value chain through its business activities. We will strive to realize a sustainable society by creating value through our core business, while cooperating with society to cater to its wishes.

##### 1. Initiatives for Climate Change

We will promote initiatives to reduce greenhouse gas emissions in the value chain with the aim of forming a decarbonized society.

##### 2. Initiatives for biodiversity

We seek to accurately grasp the effects on biodiversity in our value chain and promote initiatives to avoid and reduce that impact.

##### 3. Initiatives for resource recycling

We will promote initiatives to conserve resources and recycle products to realize a circular economy throughout the product life cycle.

##### 4. Initiatives for eco-friendliness in products and services

We place eco-friendliness as one of our product values and promote efforts to create value that empathizes with society in accordance with the Mandom Group Eco-Friendliness Product Standards.

##### 5. Compliance with laws and social norms

We will comply with environmental laws and regulations, and strive to actively respond to social norms and wishes, in line with a philosophy of Social Responsibility & Sustainability.

##### 6. Promotion of environmental communication

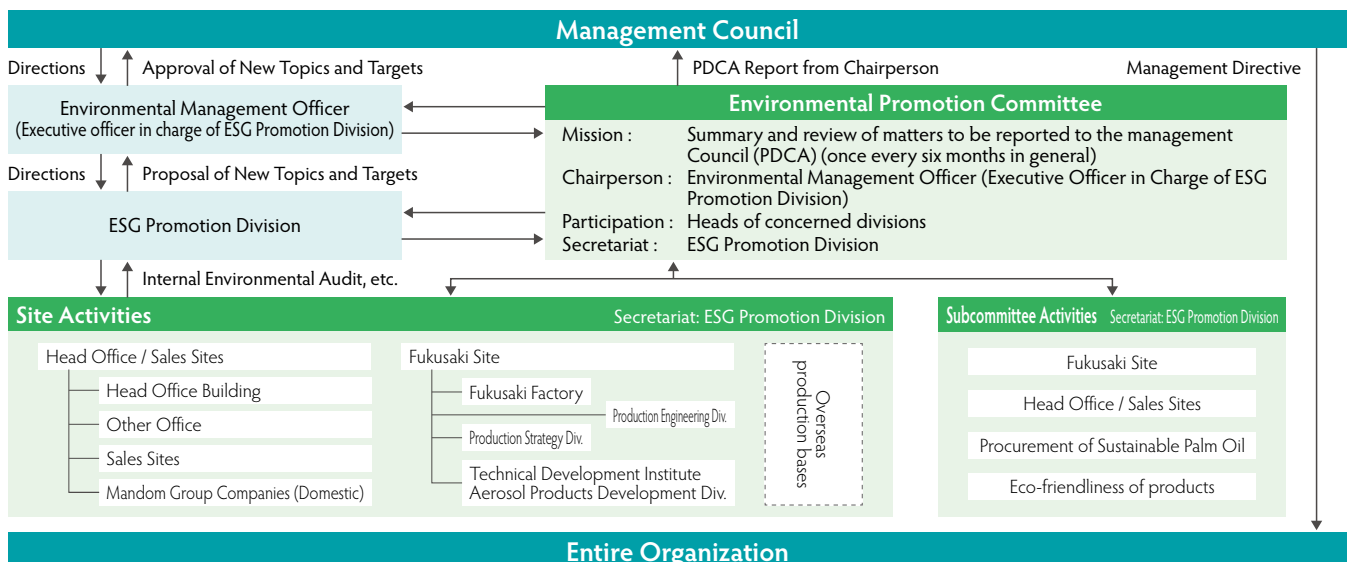
We will share this policy to the public and actively promote the disclosure of environmental information as we strive to promote communication with stakeholders.

##### 7. Efforts as "one consumer"

We work to protect the environment by conserving resources, reducing waste, using recycled products, etc., not just as a corporate citizen but as one consumer.

\* In addition to the above, the Fukusaki Factory has separately established the "Fukusaki Factory Environmental Policy."  
([https://www.mandom.co.jp/company/philosophy\\_sf.html#eco](https://www.mandom.co.jp/company/philosophy_sf.html#eco))  
(Japanese Only)

#### Environmental Promotion System



# Environmental Considerations in Products and Services

## ► Basic philosophy

We place eco-friendliness as one of our product values and promote efforts to create value that empathizes with society in accordance with the Mandom Group Eco-Friendliness Product Standards.

## Priority Initiatives

- Continuously improve the eco-friendliness of products by building a management system for evaluating environmentally friendly processes and their results in products and services

## Formulating environmental-friendliness standards

In accordance with our Environmental Policies, we have established a set of environmental-friendliness standards for every stage of our products' life cycles. In so doing, we are promoting the manufacture of environmentally friendly products that help us move toward a more sustainable society.

Life cycle stage	Environmental efforts	Environmental consideration
Procurement of raw materials	Biodiversity conservation Forest conservation	Use of RSPO-certified palm oil as a raw material Use of FSC-certified paper and card for items such as inner boxes, individual boxes, and instruction manuals Use of paper and card made from recycled pulp for items such as inner boxes, individual boxes, and instruction manuals
	CO <sub>2</sub> emissions reduction	Use of renewable materials for containers and packaging
Product use	CO <sub>2</sub> emissions reduction	Reduce use of electricity used for dryers and of gas for hot water supply compared to conventional products
	Water use reduction	Reduce use of water compared to conventional products
Disposal	Waste reduction	Reduce weight of container and packaging materials compared to conventional products Reduce weight of inner/individual boxes compared to conventional products, or eliminate use Reduce weight of containers through use of package refills
	Plastic waste reduction	Switch from plastic containers to card or glass containers
Others	Recycling	Measures to make separation for disposal easier (easily removable labels, etc.)

"Conventional products" are equivalent products from 2016, when our Environmental Philosophy was revised.

Products that meet one or more of the environmental considerations listed on the right will be categorized as environmentally friendly products and we will take steps to reach the following goals:

1. Ensure that 90% of Mandom's products for the domestic market are environmentally friendly products by the year 2027 (in line with in-house standards).
2. Ensure that 100% of the Mandom Group's products are environmentally friendly products by the year 2050 (in line with in-house standards).

## Responding to plastic problems

Mandom is promoting the following initiatives to reduce plastic waste.

<b>Reduce</b> Reduction of usage and emissions	Promote initiatives to reduce the amount of plastics used and the amount of plastics discarded by reducing the thickness and weight of containers and packaging as well as sales promotion materials, and by adopting materials other than plastics.
<b>Reuse</b> Promotion of reuse	Promote the development of refillable and replaceable products with the aim of reducing waste of single-use containers by enabling repeated use of main containers.
<b>Recycle</b> Promotion of recycling	Promote the development of products that are easy to sort during disposal as well as containers made of mono material for easy reuse or recycle and recycled materials.
<b>Renewable</b> Promotion of switching to renewable materials	Promote the switching to sustainable materials such as plant-based materials (biomass plastics, etc.) to reduce the use of petroleum-based materials.

In addition, Mandom has established a policy to replace Plastic Microbeads, which have attracted concern for their environmental impact on the oceans, with materials that do not present such concerns and completed the conversion to alternative materials in fiscal 2017.



Plant-based materials (biomass plastics) are used for part of the film of Gatsby facial cleansing paper and body cleansing paper.



Development of refillable products

## Protecting biodiversity

### ► Basic philosophy

We seek to accurately grasp the effects on biodiversity in our value chain and promote initiatives to avoid and reduce that impact.

### Priority Initiatives

- Promotion of procurement of sustainable palm oil and procurement of sustainable paper containers and packaging materials

## Formulation of targets

1. To switch completely to the use of RSPO<sup>\*1</sup>-certified palm oil as a raw material source by 2027.
2. To switch completely to the use of FSC<sup>\*2</sup>-certified paper for paper containers and packaging by 2027

\*1 RSPO: Roundtable on Sustainable Palm Oil



### External Site

FSC \*2  
► FSC Official Website

RSPO Official Website  
► About RSPO

These efforts will not only protect both the environment and biodiversity; they will help to actively build and strengthen cooperative relationships with related counterparties and experts, NGOs and NPOs, and people in various communities. At the same time, the efforts will lead to our building and implementing a CSR procurement system that also considers human rights and labor issues.

## Procurement of Sustainable Palm Oil

For the procurement of sustainable palm oil in light of impacts on the environment, we joined the Roundtable on Sustainable Palm Oil (RSPO) in March 2018.

With an eye toward future long-term targets, we completed a certificate purchase via the RSPO supply chain certification model (Book & Claim system) for the full amount of the raw materials derived from palm oil that are used in the greatest volume at our Fukusaki Factory.

## Procurement of Sustainable Paper Container and Packaging Materials

As a FY2017 initiative relating to the procurement of sustainable paper container and packaging materials, we began phased switching to FSC-certified cardboard at the Fukusaki Factory, starting from new deliveries in February 2018, with a focus on cardboard used to transport products manufactured by Mandom. (Actual switchover in FY2019: 61.2%)

## Promoting measures toward a carbon-free society

### ► Basic philosophy

We will promote initiatives to reduce greenhouse gas emissions in the value chain with the aim of forming a decarbonized society.

### Priority Initiatives

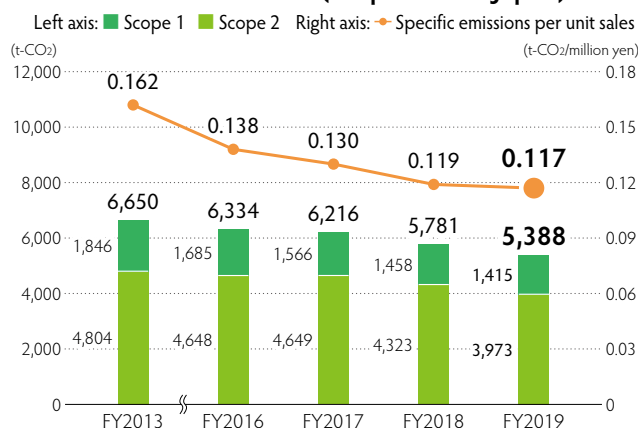
- Promoting measures to create a carbon-free society based on the Paris Agreement, and efforts to reduce greenhouse gas emissions at all sites

## Formulation of targets

1. Reduce total Scope 1 + 2 CO<sub>2</sub> emissions for domestic business by 26% relative to FY2013 levels by 2027.
2. Reduce total CO<sub>2</sub> emissions for the Mandom Group by 80% relative to FY2013 levels by 2050.

In FY2019, Scope 1 + 2 CO<sub>2</sub> emissions of the domestic business in Japan were 5,388 tons, a 19% reduction relative to FY2013.

### ► Trends in CO<sub>2</sub> Emissions (Scope 1 + 2 in Japan)

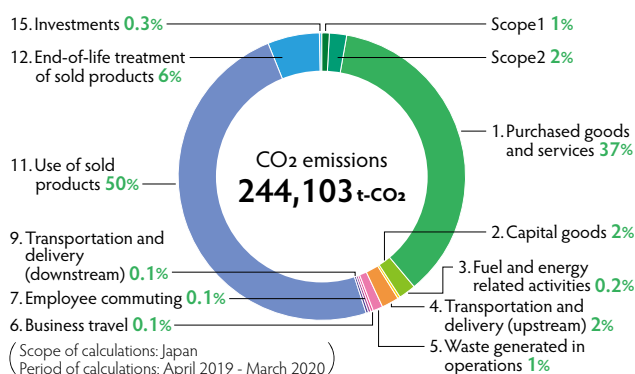


## Calculating greenhouse gas emissions for the entire value chain (Scope 3)

Since FY2018, Mandom has been calculating the greenhouse gas emissions produced throughout the value chain from the procurement of materials to the manufacture of products based on the Scope 3 Standard established by the GHG Protocol.

Our calculations show that more than 90% of greenhouse gas emissions fall under Scope 3 and we were able to see that emissions were particularly large in Category 1 (Purchased goods and services) and Category 11 (Use of sold products).

In addition to improving the accuracy of future calculations, we will strive to reduce our environmental impact throughout the value chain, such as by developing environmentally friendly products that can help reduce emissions in the categories detailed above.



## Factory Systems

At the Fukusaki Factory, the power consumption data taken from the power monitoring system is shared at a monthly supervisors' meeting and used in the various sections of the factory to develop energy-saving measures.

A switch was made to thermal energy for nighttime power for the air-conditioning and refrigeration system, and an ice thermal storage system was adopted for the daytime for the most effective use of power. We are also upgrading airconditioning equipment, and changing lighting to LEDs. Power consumption at Fukusaki Factory in FY2019 was 7.175 million kWh, for a decrease of 0.4% over the previous year, and CO<sub>2</sub> emissions (Scope 1 + 2) declined by 8.0% year on year to 3,460 tons.



Power monitoring system of the Fukusaki Factory

## Office Systems

Our head office building uses demand monitoring to manage electric power consumption in different ways at different times of the day and reduce peak demand-side consumption. Furthermore, we are engaged in an ongoing shift to LED lighting and high-efficiency transformers.

Power consumption in domestic offices in FY2019 was 2.692 million kWh, for a decrease of 2.3% over the previous year, and CO<sub>2</sub> emissions (Scope 1 + 2) declined by 4.5% year-on-year to 1,928 tons.



Demand monitoring equipment at the head office building

## Product Distribution

To reduce CO<sub>2</sub> emissions in distribution, we have been streamlining operations and pursuing a modal shift from trucks to freight trains and cargo ships. We started outsourcing operations in October 2004 with the aim of streamlining our distribution operations, using freight trains primarily for transporting products from Himeji to Kyushu, and cargo ships for transporting products from Maizuru to Hokkaido. In truck transportation, we strive to continue achieving as close to a 100% load efficiency as possible.

CO<sub>2</sub> emissions attributable to distribution (Scope 3, Category 4) in FY2019 were 2,153 tons, a year-on-year decrease of 8.3%.



### CSR Information

- ▶ Overview of Domestic Environmental Load of the Mandom Group
- ▶ Historical Environmental Data
- ▶ Environmental Data by Production Site

## Promoting a recycling-oriented society

### ► Basic philosophy

We will promote initiatives to conserve resources and recycle products to realize a circular economy throughout the product life cycle.

### Priority Initiatives

- Achieve and maintain zero emissions by fully recycling industrial waste

## Reducing Waste

Since October 2003 at the Fukusaki Factory we have been maintaining a 99% or higher rate of resource recovery from industrial waste to qualify as “zero waste emissions.” In FY2019, this was achieved at all Mandom business sites in Japan.

To encourage waste reduction and recycling at our head office building, we conduct environmental awareness seminars relating to such topics as environmental problems, and rules for proper waste classification and disposal for new employees and individuals who have transferred to the head office building.

Waste emissions including general wastes were 3,468 tons in FY2019, a year-on-year decrease of 6.0%.

## Wastewater Efforts

Starting in September 2015, wastewater from the Fukusaki Factory began to be discharged directly into Hyogo Prefecture’s Fukusaki municipal sewage system, in effect relaxing effluent standards, but Mandom has continued to set standards higher than agreed values and treats wastewater accordingly. Also, the results of measuring water quality discharged into the sewage system are reported to the town of Fukusaki once a month.

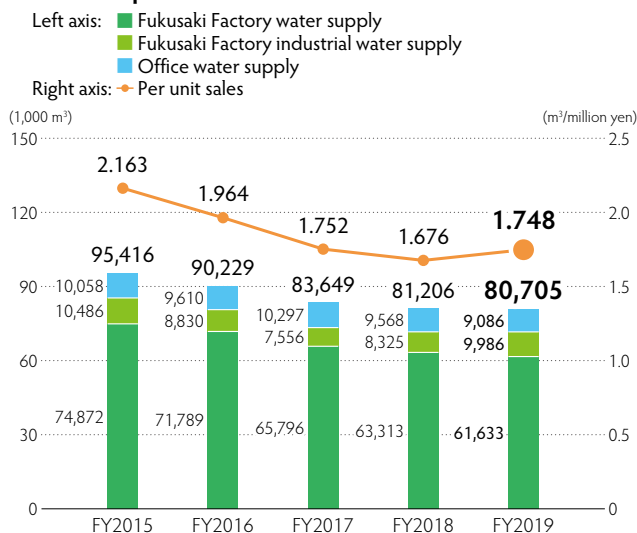
The amount of water effluent discharged in FY2019 was 37,388m<sup>3</sup>, a decrease of 3.3% year on year.

## Efficient Water Use

At the Fukusaki Factory, we are working to reduce water use by regularly calling upon each department to save water, and reviewing methods of cleaning production equipment, piping and other facilities. Also, at the head office building we use water-saving equipment that controls water flow and low-flush toilets to reduce water use.

The amount of water effluent discharged in FY2019 was 80,705m<sup>3</sup>, a decrease of 0.6% year on year.

### ► Water input



## Preventing Pollution

At the Fukusaki Factory, when the boilers operate for an extended time, there are increased emissions of the air contaminants sulfur oxide (SOx) and nitrogen oxide (NOx). We have therefore installed a new boiler, introduced electric water heaters, etc.

In FY2019, due to the operation of new boiler facilities throughout the year, emissions of sulfur oxides (SOx) and nitrogen oxides (Nox) became zero.



### CSR Information

- Overview of Domestic Environmental Load of the Mandom Group
- Historical Environmental Data
- Environmental Data by Production Site



## Ensuring diversity and improving workplace health and safety

### ► Basic philosophy

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.

### Priority Initiatives

- Build and continuously improve a labor system under the premise of securing diverse human resources and providing fair and impartial evaluations
- Promote taking health checks to all employees, mainly for preventive purposes, carry out stress checks, and provide education on mental health.

## I Ensuring diversity

We are trying to build an organizational system that embodies diversity and inclusion in order to retain human resources with diverse attributes and value systems, and enable them to reach their full potential.

The five Mandom Principles announced in May 2017 are a code of conduct that is followed by all Mandom personnel at all times and include "Active Employee Engagement" and "Human Assets"; every day we are engaged in thoughtful action in this area.

### Promoting Women's Participation

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 "Achieving employee satisfaction (ES) and diversity." In line with the objectives and purposes of the law, Mandom will develop and execute a 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, Labour and Welfare below.

### Promoting Hiring of People with Disabilities

We aim to build an organization that encourages diversity and inclusion. As part of this, we are creating workplace environments that allow us to hire more people with disabilities and facilitate their participation.

At our head office we have set up an accessible restroom on the ground floor, provided handicapped parking spaces, and made the office hallways wide enough for wheelchairs and other mobility equipment, among our many efforts to ensure a "barrier-free" workplace.

At the Fukusaki Factory in 2014 we renovated the production building, and set up accessible and multi-purpose restrooms, along with an accessible entrance and other measures.

Our initiatives go beyond simply providing support in terms of implementing physical accessibility measures. In order to foster a mindset and workplace culture where disabled employees can work with a sense of satisfaction together with diverse human resources, we enlist the cooperation of the Japan Universal Manners Association (Mirairo Inc.) and carry out training for universal manners certification.



### External Site

Ministry of Health, Labour and Welfare Official Website  
► Mandom page for general employer action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace (Japanese only)

### CSR Information

► Mandom Key Data on Personnel and Labor

## ESG Efforts

### Creating a Healthy and Safe Workplace Environment at Our Factory

Mandom's Fukusaki Factory has acquired OHSAS 18001 certification, a widely used international standard for occupational health and safety management systems, and we are working hard to create a healthy and safe workplace environment.

(OHSAS: Occupation Health & Safety Assessment Series)

The OHSAS 18001 international standard aims to proactively prevent labor accidents, mitigate disasters and eliminate health hazard risks by clarifying the occupational health and safety policies of organizations, and conducting PDCA (Plan-Do-Check-Action) management using an "established evaluation system."

Going forward we will continue working hard to ensure that operations at Mandom's Fukusaki Factory take into account consumers, society, the environment, and employees. This will be achieved by striving for continuous operation and synergistic effects, and implementing three management systems: an occupational health and safety management system; an environmental management system (ISO 14001 international standard) which aims to simultaneously achieve management together with reduction in environmental risk and contribution to the environment based on the idea of sustainability; and the Mandom Quality Management System for raising the quality of the company, products, and services, and achieving true customer satisfaction.



Group training at the Fukusaki Factory on occupational health and safety and environmental protection



#### External Site

Official Website, Japan Management Association Quality Assurance Registration Center

▶ BS OHSAS18001

"What is the Occupational Health and Safety Management System (OHSMS)?" (Japanese Only)

### Mental Health Measures

Since FY2011 we have utilized the Employee Assistance Program (EAP) specialist HOKENDOHJINSHA Inc. to provide a toll-free support hotline for employees and their families that allows individuals to speak with an outside counselor about their troubles.

In May 2011, we also set up regulations pertaining to employees taking leave to cover how employees are treated when they are on leave and after they return to the workplace. In these and other ways we are strengthening our mental health measures. Since FY2012 we have been asking all employees to take a diagnostic test for stress and following up with private consultations if necessary.

### Mandom Safe Driving Courses

Within the Mandom Group in Japan, about 500 vehicles are on the roads per day across the country, including both company vehicles and vehicles used for commuting to work. We set up a Vehicle Safety Measures Committee to carry out ongoing, in-house educational activities with cooperation by experts on road traffic safety to prevent road accidents.

In FY2019, safe driving courses taught by outside instructors were held in June for sales staff working at our head office building, drivers, and others who wanted to participate and participants were reminded of their responsibility and the importance of driving as a representative of the company. We will continue to thoroughly implement a safe-driving mindset.



Safe driving course at the head office

### Safety Measures at Head Office Building

Mandom is engaged in various initiatives to help prevent casualties from natural disasters. Every year, firefighters from Osaka's Chuo Fire Station visit the head office building to conduct a variety of drills to prepare Mandom's employees for a potential disaster such as an earthquake or fire, covering topics such as alerting others when a fire is discovered, initial efforts to put out a fire, using a fire extinguisher, evacuation, and rescue. We are also engaged in a basic course in life-saving and provide emergency skills training.



Lecture on emergency life-saving techniques

# Providing high quality and peace of mind

## ► Basic philosophy

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.

## Priority Initiatives

- 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
- 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

## Quality management system

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.

## Quality Assurance Activities and Reconfiguring Our Quality Assurance System

In accordance with Japan's Pharmaceutical Affairs Law, we comply with the ISO 22716 international standard that pertains to good quality practices (GQP), good vigilance practices (GVP) and good manufacturing practices (GMP) for cosmetics.

Please refer to the following pages for details of the Mandom Group's quality assurance activities aimed at achieving "true customer satisfaction" and the system for utilizing customer feedback in its operations.

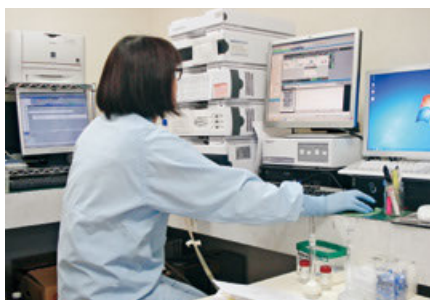


CSR Information

► Consumer Issues: Promotion of Quality Assurance System



Measures for prevention of contamination by foreign matter (air showers)



Analysis of active ingredients of quasi-drugs



Analysis of active ingredients of quasi-drugs



Sensory test of product contents



Visual inspection of products

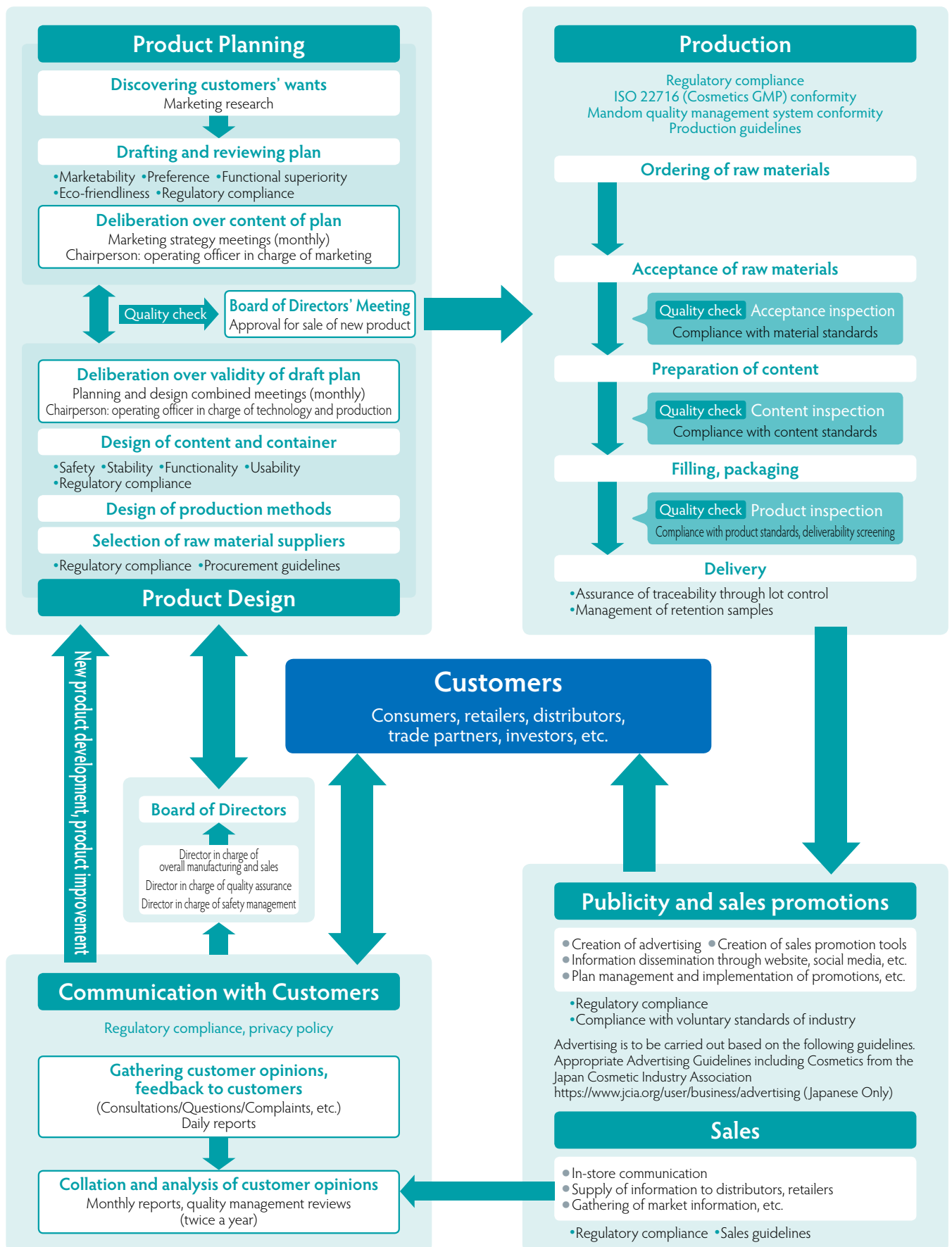


Functionality inspection of product contents



## ESG Efforts

### Mandom Quality Assurance Activities and Implementation of Customer Feedback

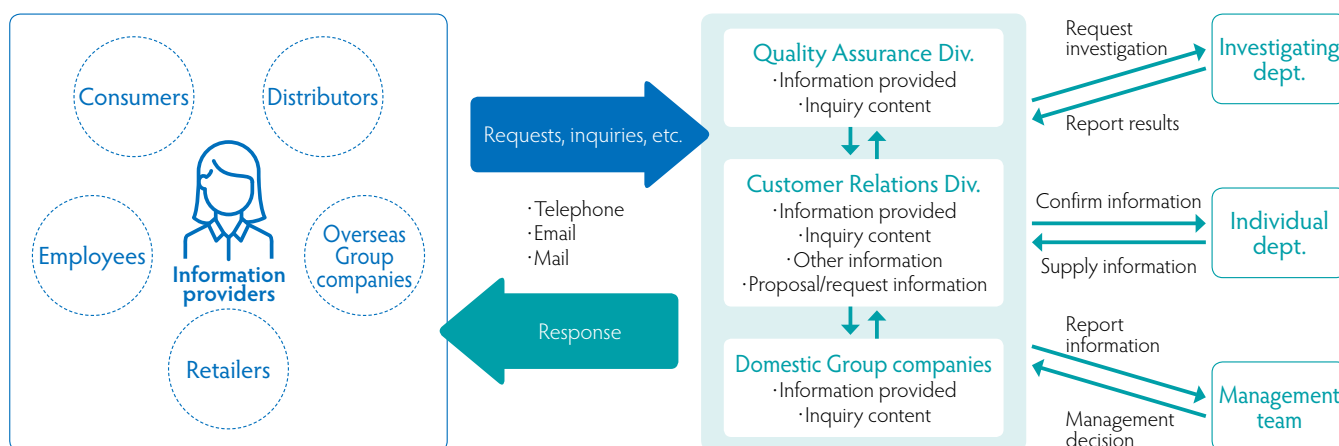
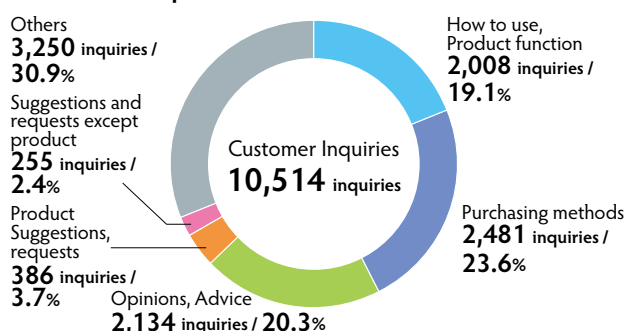


## Customer Inquiry System

We set up a Customer Relations Division in 1994 as a general contact point for communicating with customers, including their suggestions, requests and other feedback. After reviewing the feedback received, we add information to the Frequently Asked Questions (FAQ) & Inquiries section of our website as part of our efforts to ensure the supply of information.

Furthermore, feedback is compiled in a database, and through mutually attended internal meetings, is passed along to top management and relevant departments to be integrated into future product development and improvement.

## Customer Inquiries in FY2019



Top Page  
▶ Customer Support

## Examples of Utilizing Customer Feedback

At Mandom, we share feedback from customers with top management and relevant departments, and work to achieve true customer satisfaction.

The following presents our latest efforts making use of customer feedback.

FY2019	LÚCIDO Hair Color One Push Type	We changed the specifications of the discharge nozzle so that both dyeing agents are dispensed evenly in response to feedback that "the discharge unit is difficult to push and only one dyeing agent comes out."
FY2018	New spring season products	A universal font was adopted for some new products to improve visibility and legibility.
FY2017	Hair foam products	Added easy-to-understand video to the FAQ & Inquiries section of website, describing how to correctly use hair foam products so they can be used to the end in a foamy condition.
	LÚCIDO Hair Color One Push Type	Improved specifications and changed button design due to feedback that it is difficult to remove and attach the cover.
	GB Body Hair Trimmer	Added a caution label to make clear that the blade is not replaceable, as a response to the misunderstanding that the product can be disassembled and its blade replaced.
FY2016	GATSBY Natural Bleach & Color Series LÚCIDO-L Creamy Milk Hair Color Series	To prevent replacement of the contents, other tampering, and infiltration of foreign matter, specifications were changed so that the product cannot be opened until use. The precautions indication was also improved to be easier to see.
	GATSBY Hair Styling Foam	The previous illustration of the use method (for enabling use of the entire contents of the container) was enlarged based on customer feedback that product foaming trailed off with use.
	LUCIDO-L Oil Treatment #EX Hair Oil	Owing to customer feedback that the protruding part of the sales appeal label hurt to the touch, the label shape was redesigned with a rounded tip.



CSR Information  
▶ Consumer Issues > Communication with Customers

### Information provision on precautions for using hair color

On October 23, 2015, the Consumer Safety Investigation Commission (of the Consumer Affairs Agency) published its "Report on the Causes of Accidents, etc. Based on Article 23, Section 1 of the Consumer Safety Act," with the Minister of Health, Labour and Welfare presenting a recommendation on measures to prevent the onset and exacerbation of skin disorders caused by hair coloring products. Based on the Ministry of Health, Labour and Welfare's notification to the hair coloring industry and the recommendations of the Consumer Affairs Agency, Mandom has added information in the Customer Support section of its website and product information sections of each product in the hair coloring category to properly inform

customers how to safely use hair coloring, particularly the importance of conducting a patch test 48 hours prior to using a hair coloring product.



#### External Site

Ministry of Health, Labour and Welfare Website  
▶ Skin Damage Owing to Hair Dyes (Japanese Only)



#### Top Page

▶ Customer Support > Q&A on Product Category >  
Q&A on Hair Coloring >

### Full Lists of Ingredients Published on the Mandom Website's Product Information Page

The Customer Relations Division at Mandom receives a large number of inquiries from customers, many of which are in regard to the ingredients in products used by consumers. Sometimes customers would ask about ingredients that were not displayed in full on the container itself for space reasons (only being listed on the mount, outer box, or the like). At other times customers had discarded the container after using a refill. Up to this point, the Customer Relations Division had dealt with each request individually, but situations have arisen where customers could not get the information quickly enough, such as in an emergency when a product had been swallowed accidentally or a person had an allergic reaction, and a phone call was made after business hours, when the answer could not be provided immediately. Because of such circumstances, on April 28, 2017, full lists of ingredients were published on Mandom's official website to

help customers, with the following objectives.

#### Objectives:

- To allow customers to quickly obtain full lists of ingredients when seeing a doctor after the occurrence of a health problem (such as dermatological symptoms, accidental ingestion, an allergic reaction, etc.)
- To reduce time and effort required to answer inquiries from customers (by phone or email)



#### CSR Information

▶ Latest CSR information (article updated on May 11, 2017)  
(Japanese Only)

### Smell Care Seminars

In today's mature market for products and services, personal elements such as a company's customer-facing interactions can be the deciding factor in business success or failure. Body odor and smells are rapidly becoming a social issue, even being picked up by the mass media, as a factor in obstructing good personal relations both inside and outside business contexts.

To assist consumers based on men's deodorant research, Mandom started smell management activities in 2014, and we regularly offer Smell Care Seminars. In FY2019, these seminars were held at 10 companies and groups, and were attended by a total of 406 people. We also offer a Smell Care Quiz (e-learning) for individuals. For details, please see the links below.



- ▶ Scientifically studying the body odor of men: Research on Men's Smell (Japanese Only)
- ▶ Overview of Smell Care Seminar, Inquiries and Applications (Japanese Only)

### Handling of Personal Information

At Mandom, we use personal information to deal appropriately with complaints, inquiries and consultations, and to otherwise interact with the customer.

To achieve the purposes for which the information was gathered, we sometimes entrust work to outside contractors, but information is never disclosed to third parties other than outsourcing contractors.

In helping provide our customers with a secure and comfortable lifestyle, a key basis of our business activities is properly and appropriately handling the personal information held by our company, which we believe is one of our social responsibilities. Therefore, we have established and abide by our privacy policy for the handling of personal information.



#### Group Company Information

▶ Corporate philosophy > Philosophy and policy in specific fields (Japanese Only)

# Co-creating value with the community

## ▶ Basic philosophy

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.

## Priority Initiatives

- 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.)

## ▶ The Japanese Society for Alternatives to Animal Experiments

In recent years, as society's awareness of safety in cosmetics has risen, the need has grown for a wider range of evaluative techniques that will enable the development of safe products.

Mandom has declared a policy of no animal experiments. As part of that, we present technical information at meetings held by the Japanese Society for Alternatives to Animal Experiments, and since 2008, we have subsidized research costs by offering grants every year for selected international research on alternatives to animal experiments.

At the 30th Annual Meeting of the Japanese Society for Alternatives to Animal Experiments on November 24, 2017, our previous research grant activities were recognized for their major contribution to the Japanese Society for Alternatives to Animal Experiments, and we received a Distinguished Service Award from the society.

In April 2020, we began providing research grants for the three topics selected as our 13th (FY2020) research themes.



CSR Information

- ▶ Community Involvement and Development > Approach to alternative to animal experiments



External Site

The Japanese Society for Alternatives to Animal Experiments

## ▶ 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.

At the same time, as one of our efforts to broaden our global network of technology in Asia, Mandom is actively helping to invite young lecturers from universities in Asia to the Graduate School of Pharmaceutical Sciences of Osaka University.

In August 2018, Mandom and Osaka University concluded an agreement on the Cross-Appointment System with the aim of further promoting continuous and multiple cooperation focusing on co-creation between the universities and the company.

In addition, aiming to promote open innovation through tie-ups between industry and academia, and as a way of introducing the efforts of the Laboratory of Advanced Cosmetic Science, Mandom helps to hold luncheon seminars.



Some of the research results announced thus far are as follows.

- Three-dimensional observation of human sebaceous glands achieved, original sebum secretion assessment method established
- First Japanese research group to receive the Academic Prize at Cosmetic Victories 2019
- Successful generation of immortalized human eccrine sweat gland myoepithelial cells

For details and other research results, please refer below.



CSR Information

- ▶ Community Involvement and Development > Joint Research Program with the Graduate School of Pharmaceutical Sciences at Osaka University



## Sustainable procurement of raw materials

### ► Basic philosophy

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

### Priority Initiatives

- Draft Supplier CSR Guidelines and gain the cooperation of trading partners to build and operate a CSR procurement system (Based on the specific topics within three core subjects—human rights, labor practices and the environment)

## 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 our trading partners.

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.



CSR Information  
► Fair operating practices

## Building and implementing a CSR procurement System

### Building and Implementing a CSR Procurement System

We have selected “the building and implementing a CSR procurement system” and are engaged in drafting supplier CSR guidelines and gaining the cooperation of trading partners to achieve this goal.

As times change in an age of rapid globalization, social and environmental issues are becoming more varied and complex. We currently give consideration and take action based on our Procurement Guidelines, but we need to strengthen their implementation, which includes making ongoing improvements and revisions to prevent new social and environmental issues from arising and thereby avoiding such risks. Another reason for better implementation is to be able to continue responding to expectations and demands from a broad range of stakeholders.

We strive to achieve fairness and transparency in all transactions and will try to gain the cooperation of our trading partners as we practice due diligence with respect to specific topics in core areas such as human rights, labor practices and the environment, alongside taking other measures to build a sustainable and CSR procurement system.

### About the Mandom Group's Supplier CSR Guidelines (Ver. 2)

To move toward sustainable procurement, we issued the Mandom Group Supplier CSR Guidelines (Ver. 2) in November 2017, asked our trading partners to develop an understanding of these guidelines, and started monitoring using the CSR Procurement Self-Assessment Tool Set recommended by the Global Compact Network Japan.

Going forward, we will secure the understanding and cooperation of our trading partners — through steps such as requesting that these guidelines be shared with secondary, tertiary, and overseas trading partners — and we will continue discussions, working step-by-step to make our supply chain more transparent.



CSR Information  
► Fair operating practices

## Mandom Group Supplier CSR Guidelines (Version 2)

Mandom Group values our suppliers as partners in promoting sustainable development. We extend our support to suppliers that comply with the Guidelines as set forth below.

### Corporate Governance

1. Understand and comply with laws and regulations, relevant voluntary standards and international conventions related to business operations.
2. Develop policies and a code of conduct related to CSR and provide in-house support and training.
3. Structure an internal control system to conduct compliance management.
4. Establish a business continuity plan.

### Human Rights

1. Respect human rights and avoid complicity in any human rights violations.
2. Respect diversity and prohibit discrimination.
3. Respect the lifestyles of indigenous peoples and local communities.
4. Eliminate all forms of harassment.

### Labor

1. Recognize and adopt international rules regarding labor.\*  
\* Including the Universal Declaration of Human Rights, the ILO's Core Labor Standards, the ten principles of the UN's Global Compact, the UN's Guiding Principles for Business and Human Rights, and the OECD's Guidelines for Multinational Enterprises.
2. Provide equal opportunities for upskilling and career development for all employees.
3. Provide a safe and clean work environment and care for employees' health.
4. Ensure workers are paid fair wages and ensure proper management of working hours.
5. Eliminate forced labor, child labor, and inhumane treatment of workers.
6. Respect local religions, traditions, and customs.
7. Support the effective recognition of the freedom of association and the right to collective bargaining.

### The Environment

1. Structure a system to promote environmental management and set goals for continuous improvement.
2. Implement measures to save energy, reduce greenhouse gases, prevent pollution and conserve biodiversity.
3. Ensure proper management of chemicals and waste disposal.

### Fair Operating Practices

1. Ensure fair, transparent and free business transactions and respect contractual terms.
2. Respect property rights and prevent infringement.
3. Eliminate any involvement with groups that make illegal demands of the company or the general public.
4. Prevent all forms of corruption, including coercion and bribery.
5. Establish a customer inquiries function to receive and deal with complaints and feedback from outside the company.

### Quality and Safety

1. Structure a management system that ensures quality and safety of goods and services.
2. Provide appropriate information that ensures quality and safety of goods and services.
3. Provide products and services that contribute to sustainable development.

### Information Security

1. Implement strict information security practices to ensure confidential information (including personal information) is handled safely.

### Supply Chain

1. Ensure companies in your supply chain and/or subcontracting companies, related to business with the Mandom Group, comply with the Guidelines.  
 If your company already has guidelines in place with at least the same requirements and requests supplier compliance, no further action is required.

### Coexistence with Local Communities

1. Build good relationships with local communities through collaboration.
2. Respond promptly and sincerely to complaints from surrounding areas.
3. Support communities through business activities.

#### ● Revisions to the Guidelines

We will make revisions to the Guidelines to respond to changes both within and outside the Mandom Group as circumstances demand.

Revisions will be posted on our website. Please note that further consent and/or confirmation of compliance status will be required.

#### ● Confirmation of compliance status

The Suppliers' CSR Self-Assessment Survey has been compiled based on the CSR/Sustainable Procurement Self-Assessment Tool Set published by UN Global Compact Network Japan as the ninth instalment in their series of Building the Sustainable World. See the external website below for more details.



#### External Site

Global Compact Network Japan

▶ CSR/Sustainable Procurement Self-Assessment Tool Set (English version)

## Human Rights

### ► Basic Policy

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.

### Priority Initiatives

- Conduct in-house human rights education aimed at training employees to act in a way befitting a corporation engaged in global business (P.20) and in-house human rights awareness activities designed to build an inclusive society

## ■ Promoting Human Rights Education

At Mandom, we disseminate the following information through our Mandom Group Code of Conduct (2018 revised version), and promote KohDoh to ensure workplaces

are safe, comfortable, and rewarding places to work. We also work hard to promote human rights awareness through ongoing employee education.

### Excerpt from the Mandom Group Code of Conduct (2018 revised version)

#### Respect for Human Rights, Ban on Discriminatory Treatment

1. We shall respect the basic human rights of everybody.
2. Under no circumstance shall we discriminate against anybody for their nationality, race, ethnicity, religion, color of skin, age, sex, gender identity, sexual orientation, health condition, physical disability or employment status. Should we detect any discrimination, we shall not turn a blind eye.
3. We shall not discriminate against anybody or anything on the grounds of preconception or prejudice.
4. We shall not force anybody to follow our own personal beliefs or preferences.

#### Ban on Child Labor and Forced Labor

1. We shall refrain absolutely from any use of child labor, the employment of children who are under the minimum working age.
2. We shall refrain absolutely from any use of forced labor, the illegal extraction of labor by means of physical or psychological constraint.
3. We shall comply with treaties and laws that prohibit child labor and forced labor.

#### Development of Working Conditions

1. We shall create working conditions which are conducive to work, taking into account health and safety.
2. We shall produce ways of working which develop individual capability and respect diversity, personality and individuality so that we can enhance the power of individual members to the strength of the entire team.
3. Placing top priority on human life, we shall comply with laws and rules concerning working conditions/industrial health and safety.
4. We shall positively implement measures such as creating a safety-first environment and ensuring reasonable working hours.
5. We shall actively participate in efforts to maintain and promote health.
6. If any accidents or other problems relating to our product occur, we shall promptly respond to such a situation.

#### Ban on Harassment

1. We shall speak and act with consideration from other people's point of view.
2. We shall not engage in sexual harassment (any sexual acts that go against somebody else's will).
3. We shall not engage in power harassment (any harassment using some advantage of business position in and out of the office).
4. We shall not engage in maternity harassment (any unfair treatment for pregnancy or childbirth).
5. We shall not engage in other harassment such as social harassment (infringements of privacy or nuisances involving social networks) and alcohol harassment (for example, forcing of participation in drinking parties, forcing of drinking down a jug of beer in one go).
6. Should we detect any harassment, we shall not turn a blind eye.

## Realizing a Society Enabling Participation by Diverse Human Resources

At Mandom we promote activities that foster a culture which values diversity and difference, not only by utilizing female employees, but also exploiting a variety of highly individual, diverse capabilities, and embracing employees with foreign nationality. The issues of human rights and labor practices are

closely related. We are working to develop an organizational system that embodies diversity and inclusion in order to retain human resources with diverse attributes and value systems, and enable them to reach their full potential.

## Understanding and Paying Respect to the Culture and Customs of People in Different Countries

We carry out business with respect for the history, culture, customs, and ways of thinking of the people in different countries and regions.

Our wholly owned subsidiary, PT Mandom Indonesia Tbk is based in a country where about 90% of the population is Muslim. To show respect for the religious customs of Muslim workers, we have built a place of worship on company grounds and run operations with as much consideration as possible for prayer times throughout the day.

Also, in deference to the victims of the July 10, 2015 fire at the plant in Indonesia, and the families of those who were injured or who lost their lives, we have engaged in follow-up activities in a way that is respectful of local customs, religious beliefs, and culture.



100-day memorial for victims of the factory fire accident in Indonesia (October 19, 2015)

## Regarding our Special Subsidiary, Mandom Will Corp.

In August 2018, we established the Mandom Will Corp. (referred to below as "Mandom Will") with the aim of utilizing diverse human resources and expanding employment, and on December 17, 2018, the company acquired certification as a Special Subsidiary, as set forth in the Act on Employment Promotion etc. of Persons with Disabilities.

At Mandom Will, we have put in place an environment and programs tailored to suit diversity, so that people with disabilities and those returning to employment can work with high motivation over the long term without undue stress. Steps taken in this area include allocating work to match diverse capabilities and characteristics, and enabling

the taking of annual paid holiday in hourly units to deal with issues such as going to the hospital. We are also working to develop human resources capable of self-growth through work.

The Mandom Group is promoting diversity and inclusion to ensure acceptance of diversity, enable individuals to perform at their peak ability, and achieve growth of both the company and our employees. Going forward, we will continue efforts to cultivate human resources and develop an environment/programs to realize a company where all employees are valued assets who can derive satisfaction from their work.

## Human Rights Initiatives in the Supply Chain

We have been promoting inter-departmental CSR activities since setting up a CSR Promotion Committee (currently Sustainability Promotion Committee) in 2015.

At the Sustainability Promotion Committee we have set forth the issue of building and implementing a CSR procurement system. We are working to develop a CSR procurement system that takes into account issues in the supply chain such as human rights, labor practices, the environment, and fair business practices, while enlisting the cooperation of trading partners.

In November 2017, we issued the Mandom Group Supplier

CSR Guidelines (Ver. 2), asked all of our trading partners to develop an understanding of these guidelines, and started monitoring using the CSR Procurement Self-Assessment Tool Set recommended by the Global Compact Network Japan. For details, please see the Mandom Group Supplier CSR Guidelines (Ver. 2), P.57.



CSR Information

► Mandom Group CSR Promotion System

► Fair Operating Practices > Building and implementing a CSR procurement system