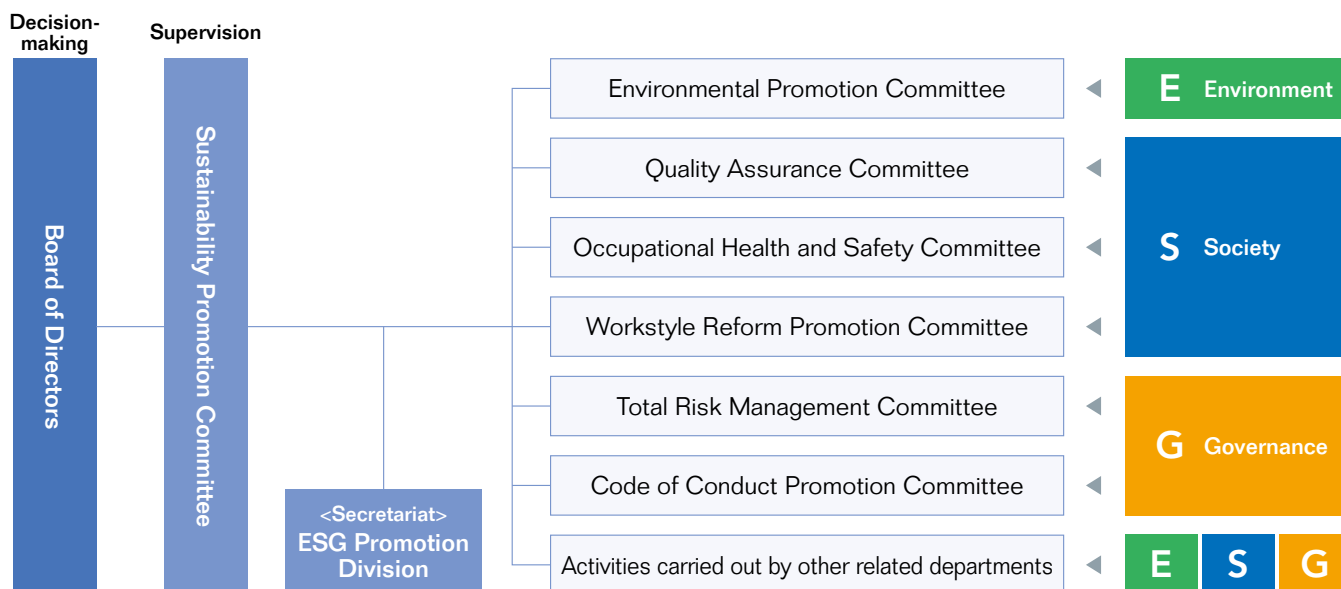


Promotion of Sustainability

Promotion System for Sustainability of the Mandom Group

We have established a Sustainability Promotion Committee, headed by the President Executive Officer with the aim of strengthening the sustainability promotion system. While developing our approach for promoting the sustainability of

the Mandom Group and holding discussions with relevant departments at committee meetings and other meetings, we are strengthening our efforts to contribute to the sustainable development of society.



Activities of Sustainability Promotion Committee and associated committees

Committee	FY2020 Themes
Sustainability Promotion Committee	<ul style="list-style-type: none"> • Deliberate sustainability strategy and material issues (materiality) in sustainability • Supervise and manage associated committees, including evaluating, analyzing, and proposing improvements to their activities • Prior deliberation of matters each committee will report to Board of Directors
Environmental Promotion Committee	<ul style="list-style-type: none"> • Report on recent environment-related issues • Report on activities of Head Office, sales sites, and Fukusaki Site • Report details of subcommittee activities • Consider and deliberate matters to report to Sustainability Committee
Quality Assurance Committee	<ul style="list-style-type: none"> • Conduct management reviews based on quality assurance regulations • Summarize reports from consumers • Respond to quality issues • Review the quality management system documents • Conduct and report on quality training and internal quality audits
Occupational Health and Safety Committee	<ul style="list-style-type: none"> • Improve the health and safety and workplace environment of employees • Ongoing health and safety activities in the Tokyo Metropolitan area
Workstyle Reform Promotion Committee	<ul style="list-style-type: none"> • Improve the shape of operations in each division • Promote work shape improvements horizontally across the entire company • Promote the effective use of common groupware
Total Risk Management Committee	<ul style="list-style-type: none"> • Continue promoting risk subcommittees from last year • Prepare a response manual for COVID-19 measures and gain committee approval
Code of Conduct Promotion Committee	<ul style="list-style-type: none"> • Confirm new Code of Conduct promotion system • Determine policies of company-wide education on Mandom Code of Conduct • Confirm current status of internal reporting system and consider future direction

Framework for a global society and sustainability of the Mandom Group

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 April 2020, some functions of the CSR Promotion Division were incorporated into the corporate planning function in order to respond to the increasing demands for companies

in such areas, including eco-friendliness, social contribution, and governance functions, and the ESG Promotion Division was newly established to handle the internal promotion of ESG and strengthen our communication of ESG outside the Group. 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; |
| | Principle 5 : the effective abolition of child labour; and |
| | Principle 6 : the elimination of discrimination in respect of employment and occupation. |
| Environment | Principle 7 : Businesses should support a precautionary approach to environmental challenges; |
| | Principle 8 : undertake initiatives to promote greater environmental responsibility; and |
| | Principle 9 : encourage the development and diffusion of environmentally friendly technologies. |
| Anti-Corruption | Principle 10 : Businesses should work against corruption in all its forms, including extortion and bribery |



Conduct ESG training and dialogues with experts for management

On Thursday, February 18, 2021, Mandom invited Mr. Shinichiro Hyogo, an expert at Mitsubishi UFJ Trust and Banking Corporation, to ask an outsider's opinion on Mandom sustainability management. Mr. Hyogo evaluated Mandom's efforts toward sustainability and provided advice for the future.

Date : Thursday, February 18, 2021, 1:00-2:00 p.m.

Place : Held remotely

Participants : Mr. Shinichiro Hyogo, Chief Analyst and Chief Fund Manager in Asset Management Division at Mitsubishi UFJ Trust and Banking Corporation
Motomobu Nishimura, President Executive Officer & Director at Mandom Corporation, four directors, three external directors, two Audit & Supervisory Board members, two external Audit & Supervisory Board members, three supervisory executive officers, and ten executive officers * Affiliation and title as of the meeting

Details : ① Explanation from Mr. Hyogo on the importance of ESG
② Dialogue, including Mr. Hyogo's opinion of Mandom received beforehand

Comments from Mr. Hyogo

As everyone proactively expressed their opinions, I could feel that the company was earnestly facing the issue of sustainability head on. Mandom has already taken various efforts to address sustainability issues. However, it is necessary for management and employees to come together as one for such efforts since the external environment changes quickly.

I hope that Mandom will further strengthen efforts for environmental issues and proactively participate in initiatives such as TCFD, which many Japanese companies have endorsed. In the cosmetics industry, which Mandom is a member of, profits were easily generated from inbound visitors to Japan before the COVID-19 pandemic, allowing the company to focus on cash flow and yearly gains and losses. However, as short-term performance is strained due to the COVID-19 pandemic, the lack of attention on the balance sheet has once again come to the surface. In the future, I hope Mandom will not focus solely on cash flow and yearly gains and losses, but rather implement financial KPI such as ROIC and increase its attention on capital efficiency. I hope Mandom will clarify its investment standards for its business and brand as it takes efforts to improve corporate value.



E Environment

Environmental Policies and Environmental Promotion System

It is our sincere hope to instill Dedication to Service (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

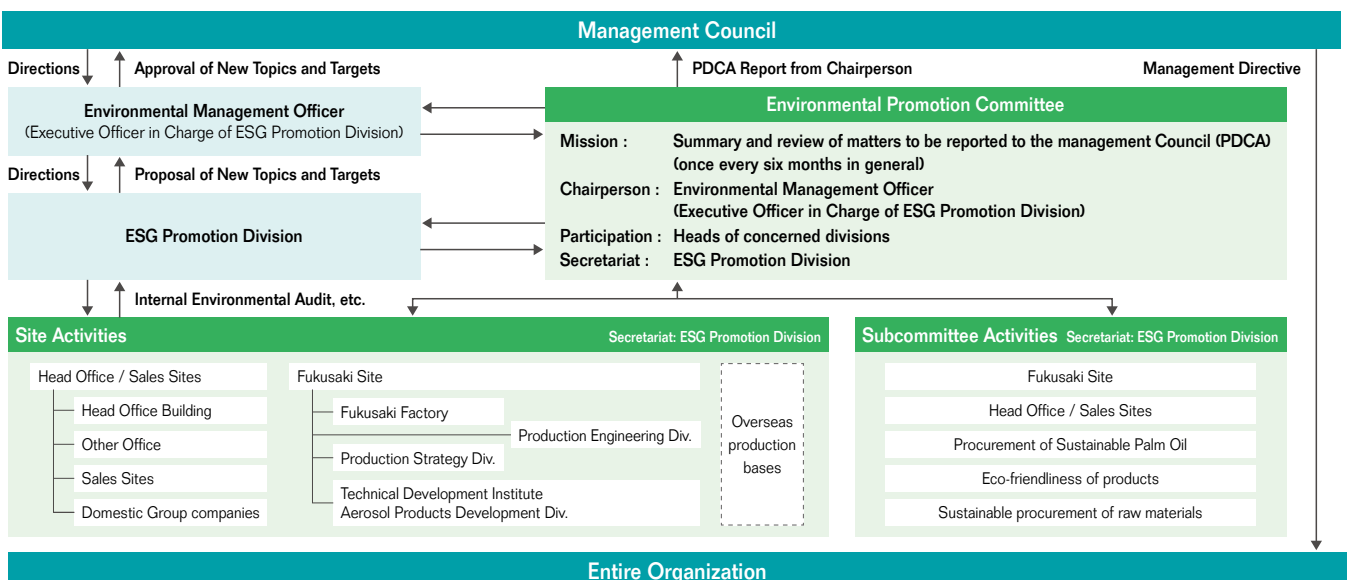
We will share this policy to the public and actively promote the disclosure of environmental information as we strive to promote communication with stakeholders.

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/en/company/philosophy_sf.html#policy)

Environmental Promotion System



Environmental Considerations in Products and Services

Formulating Environmental-friendliness Standards

Based on our Environmental Policies, we are proceeding with the provision of environmentally friendly products and services. As part of these efforts, we set environmental-friendliness standards for products and medium-term targets. We will also promote the creation of products that take into consideration the environment as we move toward a more sustainable society. We will continue to update these standards while referencing future trends in and outside Japan, newest technological information, and the opinions, expectations, and requests of our diverse stakeholders.

Life cycle stage	Environmental Issues	Environmental-friendliness standards
Procurement of raw materials	Biodiversity conservation and forest conservation	Product that uses recycled paper with 80%+ content of waste paper pulp as material for its outer and inner box package inserts and other paper-based items
		Products that uses FSC certified paper as material for its outer and inner boxes, package inserts and other paper-based items
		Product that uses raw and other materials that have satisfied other international environmental certification systems or criteria
Product use	Climate change Carbon neutrality / CO ₂ emissions reduction	Product that uses 25%+ plant-derived biomass content for its container and packaging materials
		Product that uses 10%+ biomass content for its laminate packaging
		Product that uses 25%+ recycled materials for its container and packaging materials
Disposal	Waste reduction	Product that uses 50%+ recycled materials for its laminate packaging
		Product that uses 20%+ less in power for dryer and gas for hot water supply when product is used, compared against benchmark.
		Product that uses 20%+ less water when product is used, compared against benchmark.
Other	Recycling Circular economy	Product that eliminates use of main container and packaging materials or reduces weight or dimension to achieve 10%+ less use of such packaging, compared against benchmark
		Product that eliminates use of individually packaged units or reduces weight by 10%+ of such packaging, compared against benchmark
Other	Recycling Circular economy	Refill product that reduces container weight by 50%+, compared to standard container weight.
		Product that has switched from petroleum-based plastic to alternative materials (e.g. paper, glass)

* Product that satisfies one or more of the criteria above shall be considered an eco-friendly product.

* The benchmark will be a product manufactured in 2016 when Mandom revised the Environmental Policy.

1. By 2027, we aim to turn 90% of Mandom products marketed in Japan into eco-friendly products.

2. By 2050, we aim to turn 100% of products marketed by the Mandom Group into eco-friendly products.

Responding to plastic problems

Mandom is promoting the following initiatives to reduce plastic waste.

Reduce 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.
Reuse 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.
Recycle 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.
Renewable 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 films of Gatsby facial cleansing paper and body cleansing paper. Plastic textiles are not used in non-woven fabric.



Development of refillable products



Mandom joined the Japan Clean Ocean Material Alliance (CLOMA) in October 2020. CLOMA addresses issues relating to marine plastic litter.

By joining CLOMA, Mandom is taking action towards addressing the problems relating to marine plastic litter. We will further strengthen our 4R activities regarding plastic products by liaising with CLOMA member companies across different industry sectors. We will discuss alternative materials such as paper and the use of biodegradable plastics.

Protecting biodiversity

Formulation of Targets

1. Procure 100% of palm-derived materials accepted by the Fukusaki Plant as certified oil (including book-and-claim method) by 2026
2. To switch completely to the use of FSC®-certified paper for paper containers and packaging by 2027



External Site

FSC *

▶ FSC Official Website

WWF 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

In March 2018, Mandom joined the Roundtable for Sustainable Palm Oil (RSPO) in order to procure sustainable palm oil that takes into consideration the social issues and environmental impact of the raw material production area, and in March 2021 acquired RSPO supply chain certification at its Fukusaki Plant, the only production base in Japan, and began procuring MB (mass balance) certified oil in May 2021. In FY2020, we have completed the purchase of certification under the RSPO supply chain certification model “book-and-claim method” for the entire volume of raw materials derived from palm oil, which is the most commonly used raw material at our Fukusaki Plant.

Procurement of Sustainable Paper Container and Packaging Materials

As part of our effort to procure 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. (FY2020 cut-off performance: 70.4%)

Promoting a recycling-oriented society

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 FY2020, 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 2,957 tons* in FY2020, a year-on-year decrease of 14.7%. In addition, in order to deepen our knowledge of the transition to a recycling-based society and to strengthen our efforts for a sustainable global environment, we will participate in the MEGURU BOX Project, a demonstration experiment to collect used plastic, which will be implemented from July 2021 by the Kyushu Circular Economy Partnership (secretariat companies: AMITA HOLDINGS CO., LTD. and NEC Solutions Innovator, Ltd.) to optimize resource cycle in Kyusyu region and create business contributing to a sustainable society. The “MEGURU BOX Project” is the first of its kind in Japan, to work with more than ten companies, including daily necessities manufacturers and Kitakyushu City, to create a system for resource recycling.



News Release

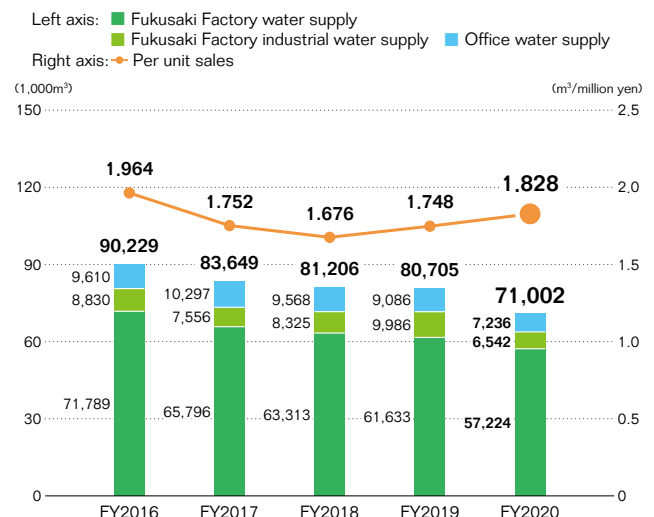
▶ Participation in the MEGURU BOX Project, a demonstration experiment to collect used plastic (Japanese Only)

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 FY2020 was 71,002m³, a decrease of 12.0% year on year.

▶ Water input



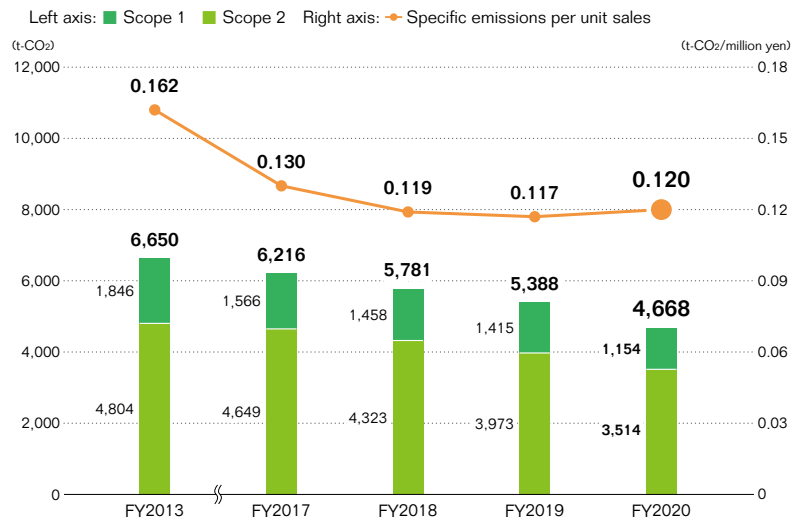
Promoting measures toward a carbon-free society

Formulation of Targets

Mandom aims to produce net zero CO₂ emissions by 2050 across the entire Group

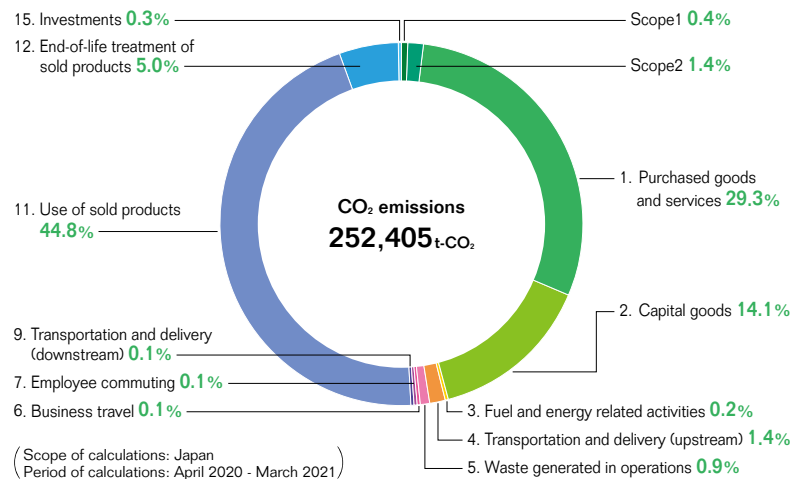
In FY2020, Scope 1 + 2 CO₂ emissions of the domestic business in Japan were 4,668 tons, a 29.8% reduction relative to FY2013.

► Trends in CO₂ 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 entire value chain from the procurement of materials to the manufacture, sales, use, and disposing 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.



CSR Information

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



Reform of work styles in the New Normal

As COVID-19 spreads, Mandom executed plans that prioritized employee safety to create an environment where employees could easily work without being constrained by place and time by proactively utilizing work-from-home and staggered shifts, eliminating core time from the flextime system, changing payment methods for commuting allowances (shifting from payment of regular passes to actual expenses), and providing work-from-home allowances. Even in the office and production environments, we conducted various measures, such as restricting and managing the number of employees coming to work, as well as installing hand sterilization stations in employee entrances. We also, in principle, conducted meetings and business talks online and we developed a policy to improve internal communication during remote work.



Company Information

► Gallery > Mandom's activities during the new normal



Acrylic panel installed in meeting room



Thermography before entering production plant



Spacing/restriction of cafeteria seating to avoid close contact

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.



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)

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.

In December 2021, our domestic subsidiary Mandom Will Corp. (referred to below as "Mandom Will") 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 holidays 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.



CSR Information

► Mandom Key Data on Personnel and Labor

Providing high quality and peace of mind

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



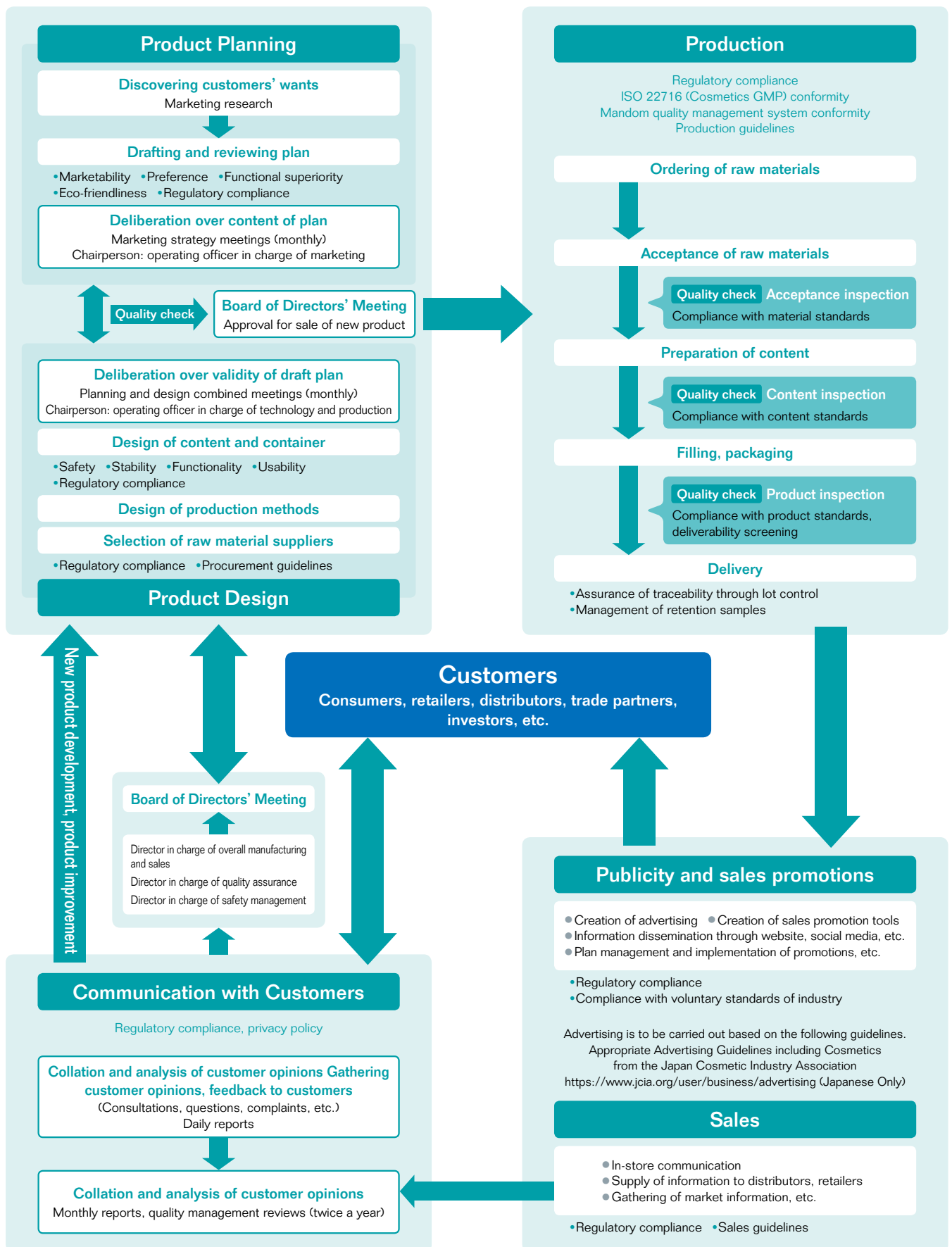
Visual inspection of products



Functionality inspection of product contents

Promotion of Sustainability

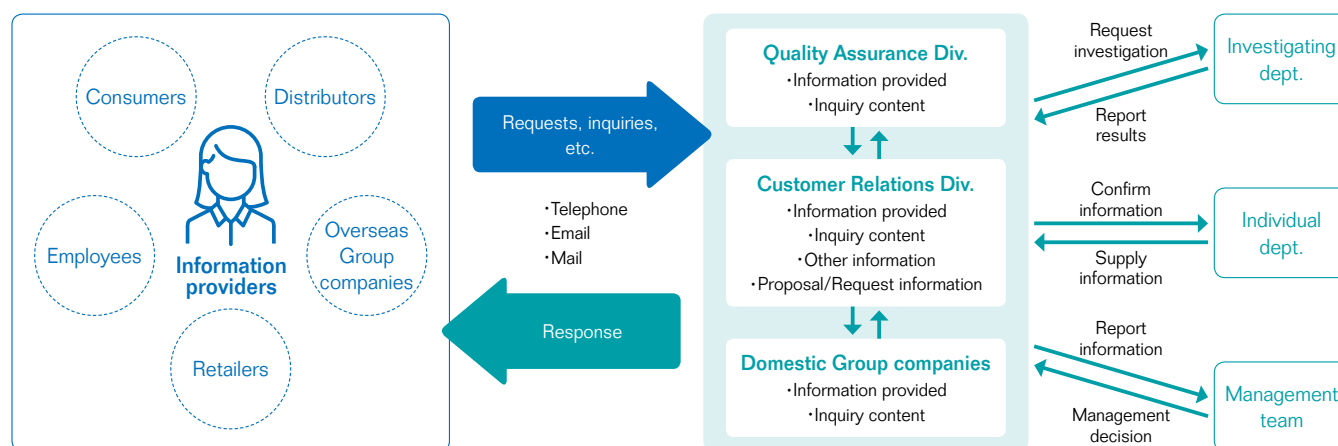
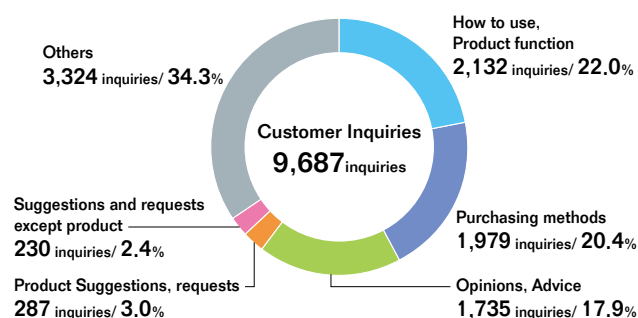
Mandom Quality Assurance Activities and Implementation of Customer Feedback



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 FY2020



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.

FY2020	Gatsby Styling Grease	Since inquiries about how to separate trash to be recycled have increased, the following environmentally-friendly labeling is written on the product: "Bottle is plastic; Cap is aluminum."
	Gatsby Acne Care Water	Since inquiries about the product appearing blacker due to ingredient changes have increased, the following is written on the top of the product: "Changed to environmentally-friendly powder * Color may appear lighter, but this does not affect quality"
	GATSBY Body Hair Remover Foam Type	Since inquiries about use in delicate zones have increased, the following is written on the back of the product: "Please do not use on delicate zones"
	LÚCIDO Ageing Care Refreshing Lotion	We added a "gel-type" label to the product in response to feedback that the product did not look how customers imagined
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.

Human rights

The Mandom Group recognizes that our business activities must only exist on the basis of our respect for human rights. We have adopted and will implement the following Human Rights Policy so that we can promote action in respect of the human rights of all Mandom employees and their families, trading partners and all others involved in the supply chain as well as production operations upstream, consumers and all other stakeholders relating to the Mandom Group.

Mandom Group's Human Rights Policy

1. Basic Stance on Human Rights

We support and respect international norms relating to human rights including the International Bill of Human Rights stipulated by the United Nations on the basic human rights of all people, the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights.

As a signatory to the United Nations Global Compact, the Company supports the ten basic principles of the Compact.

The Mandom Group will comply with the laws of the nations and regions where we conduct our business activities.

If laws or rules in the nations or regions conflict with the international principles on human rights, we will comply with the local laws while pursuing methods of respecting the internationally accepted basic human rights principles.

2. Respect of Stakeholder Human Rights and Promotion of Diversity

We respect all the diverse values, individualities and privacy of stakeholders relating to our corporate activities as we promote diversity.

We will not discriminate under any circumstance against any person on reasons of race, nationality, ethnicity, sex, age, origin, religion, education, physical characteristics, disability, health condition, sexual orientation, or gender identity.

We strive to create a workplace environment where employees can work safely with reassurance, energy and in full mental and physical health, where there is mutual trust and where common sense prevails.

We will eliminate any discrimination, violence or harassment in the workplace.

3. Due Diligence in the Supply Chain

We will follow the Guiding Principles on Business and Human Rights and identify the negative impact on human rights relating to the business conducted by the Mandom Group and will engage in action that prevents or reduces such negative impact. If due diligence action on human rights uncovers any occurrence or furtherance of negative impact on human rights, we will strive to take appropriate and effective remedial action. If our products or services are directly linked to a negative impact on human rights due to our trading partnerships, we recognize the possible need to take corrective action.

4. Dialogue and Discussion with Stakeholders

In our activities relating to negative impact on business and human rights, we will engage experts from outside the Company and we will provide opportunities and engage in dialog and discussion with relevant stakeholders, with respect and sincerity.

5. Reporting System

Any employee recognizing the possibility of violation of laws and rules that apply in the countries and regions of our operation or the infringement of human rights rules and other in-house regulations can use the internal reporting system to report such violations. We also have set up a reporting contact where external stakeholder can report any violation of our Human Rights Policy or any risk of violation.

6. Education and Training

We will deliver continuous education to employees so that correct knowledge about respect for human rights can be fully diffused and understood throughout the Mandom Group.

7. Information Disclosure

We will disclose the progress and results of our human rights actions on the Company website and through other means.

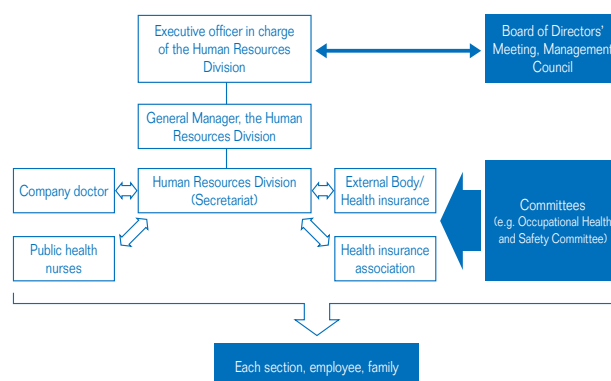
The Mandom Group's Health and Productivity Management Policy

We at the Mandom Group will promote health and productivity management, removing anxieties about health from the minds of employees and their families so that our human resources, the very basic foundation of the Company's management, can work at their full capability with reassurance. This is an essential effort in achieving VISION2027.

1. Every Mandom Group employee strongly will be aware of the importance of maintaining and enhancing the health of himself or herself and all family members and will engage in KohDoh Practices as a self-disciplined and self-regulating Mandom Group member who can work at their best every day.
2. The Company will prioritize the health and productivity management of employees and their families. Through health and productivity management, we will implement action to promote health in a wide context, supporting the maintenance and enhancement of good health for employees and their families.
3. We will support and promote the improvement of employees' health literacy and create a safe and reassuring workplace so that we become a company where all employees can become valuable resources who work with motivation and can engage in total participation in corporate activities.

* Health and Productivity Management is a management approach in which enterprises focus on and strategically implement action towards promoting their employees' health from a management perspective, based on the concept that employees being able to work in good health enhances corporate value.

Health & Safety Governance System



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)

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.53.



CSR Information

► Fair Operating Practices

> Building and implementing a CSR procurement system

Sustainable procurement of raw materials

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. Please refer to the external website below for details.



External Site

Global Compact Network Japan
▶ CSR/Sustainable Procurement Self-Assessment Tool Set (English version)

Co-creating value with the community

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

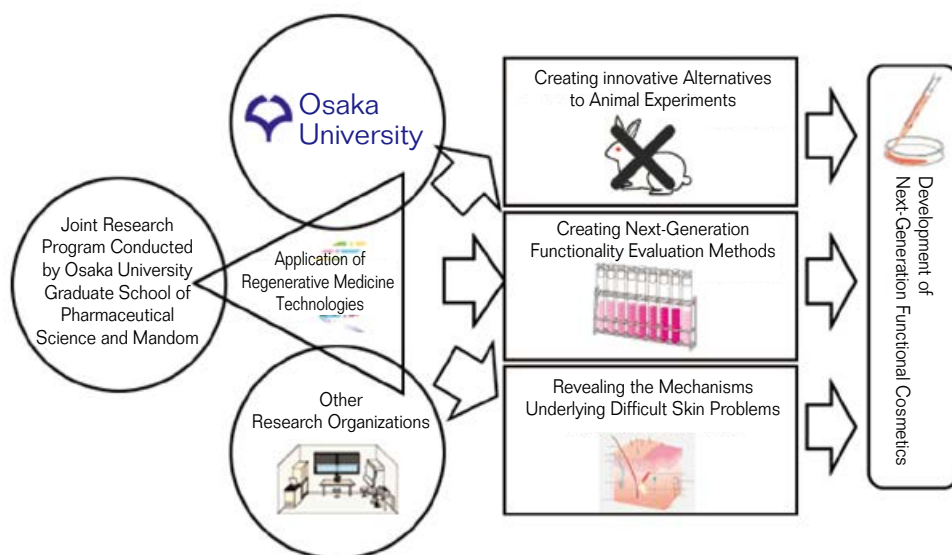
Established the Laboratory of Advanced Cosmetic Science Joint Research Program at the Graduate School of Pharmaceutical Sciences at Osaka University

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. In FY2020, two adjunct professors, one invited professor, six specially appointed assistant professors, one part-time invited faculty member, one part-time staff member, seven joint researchers, and five graduate students, for a total of 23 people (including nine Mandom employees) are conducting research.

Through this joint research course, we hope to contribute to the development of research on cosmetic science and the training of researchers and engineers.



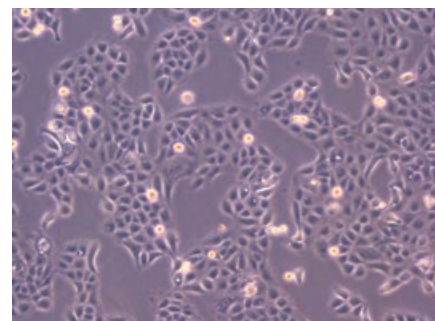
The Graduate School of Pharmaceutical Sciences at Osaka University



Central Laboratory



Experiment in progress



Cultured human skin cells

Concluded Agreement on a Cross-appointment System

In August 2018, Osaka University and Mandom concluded an agreement on a cross-appointment system with the aim of further promoting continued and multi-faceted cooperation with a focus on co-creation between the university and the company. Under the agreement, a female Mandom employee holds a concurrent position at the Graduate School and School of Pharmaceutical Sciences at Osaka University as a Specially Appointed Assistant Professor (full-time). At the university's Laboratory of Advanced Cosmetic Science, she is engaged in international joint research with overseas faculties, and using the results to guide students in their own studies. On March 1, 2020, Osaka University and Mandom concluded the second agreement on a cross-appointment system. Under this agreement, a female Mandom employee holds a concurrent position at the Graduate School and School of Pharmaceutical Sciences at Osaka University and is conducting research into replacing laboratory animal testing with alternative safety test methods.



CSR Information

- ▶ The Mandom Group's Approach to CSR > Community Involvement and Development
- > Joint Research Chair with Osaka University Graduate School of Pharmaceutical Sciences

Research Results in the Advanced Cosmetic Science Joint Research Program

Research is being conducted every day to create innovative cosmetics in the Advanced Cosmetic Science Joint Research Program. We report on these research results when appropriate through news releases and other media. In addition, as part of our open innovation activities, we are participating in the "Program on Open Innovation Platform with Enterprises, Research Institute and Academia (OPERA)" promoted by the Japan Science and Technology Agency (JST), and are working with industry-academia partners to promote basic chemistry that will become the basis for a wide range of applications of chlorine dioxide generated on demand (MA-T or Matching Transformation System).



News Release on May 8, 2020

Successful generation of immortalized human eccrine sweat gland myoepithelial cells



News Release on June 18, 2019

Researcher in Joint Research Group Led by Osaka University Wins Academic Prize at Cosmetic Victories 2019
First in Japan to Receive the Award

~ -Proposing New Concept for Next-Generation Antiperspirants~

Other

Joint Research Chair with Kitasato University School of Pharmaceutical Sciences

Established Skin Science Joint Research Program (Mandom) at Kitasato University, School of Pharmacy

Kitasato University and Mandom signed an agreement on December 25, 2020 to establish an endowed chair*, the first of its kind in the field of cosmetics, at Kitasato University's School of Pharmaceutical Sciences, the Joint Chair of Skin Science (Mandom). From April 2021, Mandom will strengthen our open innovation function as a research base in the Tokyo metropolitan area, and we are jointly engaged in formulation and application research on technologies to effectively deliver drugs inside the skin, with the aim of applying these technologies to high-function skin care products.

By promoting industry-academia collaboration that accelerates open innovation, and by working to deepen skin science technology in collaboration with the latest technology information, human resources, and the pharmaceutical field, we hope to build a technological system that can approach new social issues (such as improving healthy life expectancy and taking care of social stress) that cannot be solved independently.

* A course to be established with contributions from individuals, corporations, or organizations to cover the expenses necessary for its operation. In this course, university faculty members and researchers from funded companies will conduct joint research on social issues in order to advance and enhance education and research.

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 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 2021, we began providing research grants for the three topics selected as our 14th (FY2021) research themes.



CSR Information

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



External Site

The Japanese Society for Alternatives to Animal Experiments