

Materiality:

Strengths and initiatives to help

“Actions for sustainable global environment”

Recently, the severity of environmental problems such as climate change and plastic marine pollution have been increasing year by year, and the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) released in 2021 states that “It is unequivocal that human influence has warmed the atmosphere, ocean, and land.” The report concluded that human activities are also responsible for the increase in extreme events such as heat waves and heavy rainfall that have been occurring frequently in recent years.

We recognize that the growing awareness of our stakeholders, including consumers and investors, toward the global environment will have an impact on the continuity of the Company’s business activities in the future, and we believe that promoting global environmental initiatives as a company will enhance our corporate value. We have been engaged in activities to reduce our environmental impact to date, and we will further strengthen our efforts to reduce our environmental impact throughout the product life cycle, including less dependence on plastics, with the aim of transitioning to a recycling-oriented society. Regarding reduction of greenhouse gas emissions, we hope to realize virtually zero greenhouse gas emissions by 2050.

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 fulfil its wishes.

1. Initiatives for Climate Change

We will promote initiatives to reduce greenhouse gas emissions in the value chain with the aim of transitioning to a carbon-free society.

2. Initiatives for biodiversity

We seek to accurately understand 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 individuals

Each Mandom member will work to protect the environment by taking actions such as conserving resources, reducing waste and using recycled products, not just as an organized part of corporate activities but also as an integrated part of daily life as one individual consumer.

(Note) 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)

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. As part of our effort, we have adopted our own eco-friendly product standards alongside medium-to long-term targets. We are committed to making eco-friendly products in aid of achieving sustainability across society.

These standards will be updated on an ongoing basis, with reference to the latest information on technology and developments in Japan and overseas while taking into account views, expectations and wishes of all our diverse stakeholders.

Eco-Friendliness of Products

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
		Product 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
Other	Recycling Circular economy	Product that uses 20%+ less water when product is used, compared against benchmark
		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
		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 uses mono materials that make separation for disposal easier

(Notes) 1. Product that satisfies one or more of the criteria above shall be considered an eco-friendly product.

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

(FSC® N003667)

Materiality: “Actions for sustainable global environment”

Initiatives to Reduce Plastic Waste

In recent years, there have been growing concerns over the environmental impact that plastics have when they are released into the ocean.

In light of this situation, we, the Mandom Group, have positioned efforts to reduce plastics as a top priority in our product environmental friendliness agenda, and we will strive to develop products that are friendly to both consumers and the environment. We are also committed to further strengthening our efforts through the 4Rs (reduce (reduce use and emissions), reuse, recycle, and renewable (replace with renewable materials)) of plastic products to help solve the marine plastic problem.

<p>Reduce Reduction of usage and emissions</p>	<p>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.</p>
<p>Reuse Promotion of reuse</p>	<p>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.</p>
<p>Recycle Promotion of recycling</p>	<p>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.</p>
<p>Renewable Promotion of switching to renewable materials</p>	<p>Promote the switching to sustainable materials such as plant-based materials (biomass plastics, etc.) to reduce the use of petroleum-based materials.</p>

Examples of Initiatives in FY2021

In FY2021, we implemented the following initiatives, as concrete examples.

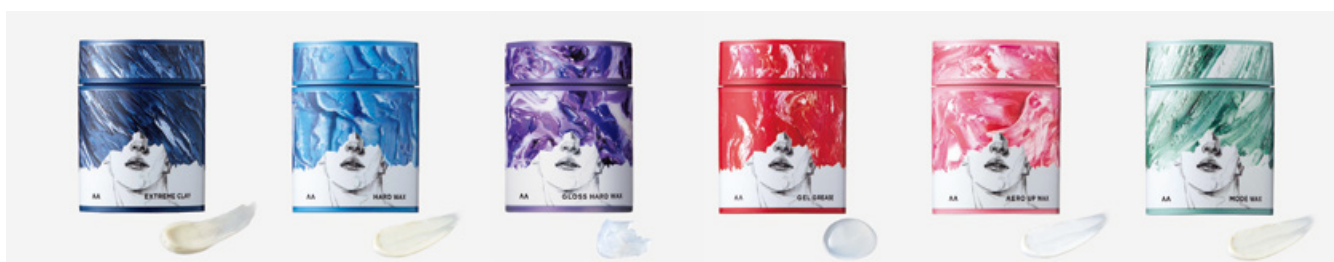
Example of “Reduce”

We removed the individual packaging of “Happy Deo Face Sheet” and “Gatsby Facial Cleansing Wipes/Body Cleansing Wipes” sold exclusively through e-commerce.



Example of “Renewable”

Biomass plastic was used for the container of “gatsby THE DESIGNER Wax/Gel Grease.”



Promoting Measures toward a Carbon-Free Society

Initiatives related to Climate Change (disclosure based on TCFD^{*1} recommendations)

It is recognized that carbon dioxide emissions have increased significantly since the Industrial Revolution, especially since the 20th century when the population grew significantly. As this increase in carbon dioxide emissions has been blamed for having a significant impact on climate change such as global warming, we recognize that the implementation of concrete measures to address climate change is an urgent issue that the world must join forces to address in order to realize a sustainable society.


Against the backdrop of the current climate change-related needs of society, Mandom upholds “social responsibility & sustainability” as its philosophy, which itself is equivalent to sustainability of the Mandom Group. To solve social and environmental issues, we will adhere to sustainable management (ESG management + SDGs management), working out sustainability policies and identifying material issues (materiality) in sustainability to provide further Dedication to Service (Oyakudachi) to consumers and create new corporate values through business operation.

The slogan “BE ANYTHING, BE EVERYTHING.” is also our ESG slogan.

As a “human-oriented” company, this slogan is relevant to all employees, and in a society where social issues are becoming increasingly diverse and complex, such as environmental issues, globalization, diversity, and identity, and it is difficult to resolve the issues faced by consumers, it represents Mandom’s desire to be dedicated to service and help realize a sustainable and

affluent society where people can enjoy expressing their true self, live a healthy and positive life, and continue challenging themselves to express their true self, instead of giving up or sacrificing one for the other, a so-called trade-off relationship. In particular, in response to climate change, we expressed our support for the TCFD in June 2022, as a good corporate citizen who lives socially with the dynamism of the times, and in order to be more effective in evolving our Dedication to Service and creating corporate value through our core business. At the same time, we also joined the TCFD Consortium^{*2}, which was established for the purpose of discussing effective corporate disclosure and appropriate initiatives regarding TCFD. Going forward, we will use the TCFD proposal framework to further strengthen our governance on climate change, analyze the risks and opportunities arising from climate change, and disclose information on the financial impact of climate change.



 **CSR Information**
 ▶ Mandom Group’s CSR KohDoh Practices > Environment > Preventing Global Warming

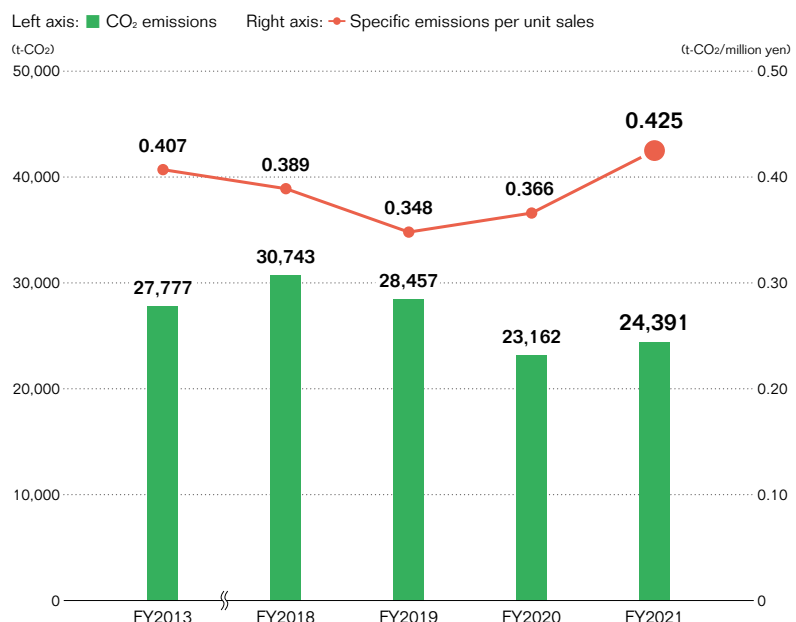
External Site
 ▶ *1 TCFD: Task force on Climate-related Financial Disclosures
 ▶ *2 TCFD Consortium

Formulation of Long-Term Targets

1. Aiming to achieve zero CO₂ emissions Group-wide in 2050
2. Aiming to reduce CO₂ emissions in Scope 1 + 2 in Japan and Overseas by 46% or more compared to FY2013 by FY2030

In FY2021, CO₂ emissions from Scope 1 + 2 in Japan and Overseas totaled 24,391 tons, a 12.2% reduction compared to FY2013. This is an increase of 5.3% YoY. This was due to an increase in fuel consumption and electricity consumption resulting from an increase in production volume in FY2021 in reaction to a significant drop in production volume in FY2020 due to ramifications of COVID-19.

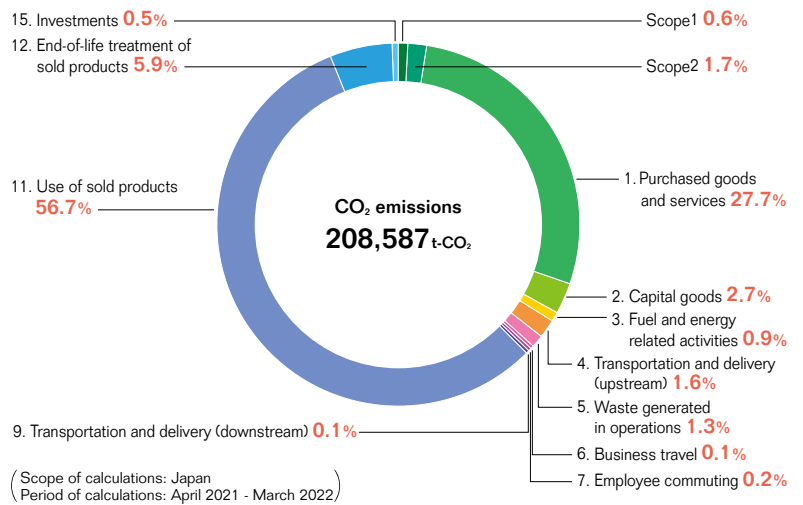
Trends in CO₂ Emissions (Scope 1 + 2 in Japan and Overseas)



Materiality: “Actions for sustainable global environment”

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

Promoting a Recycling-Oriented Society

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 FY2021, 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 explain rules for proper waste classification and disposal to new employees and individuals who have transferred to the head office building. Waste emissions including general wastes were 3,381 tons in FY2021, a year-on-year increase of 14.3%. We take this result seriously and will continue to promote the formation of a recycling-oriented society. In addition, in order to deepen our knowledge of the transition to a recycling-oriented society and to strengthen our efforts for a sustainable global environment, we participated in the MEGURU BOX Project, a demonstration experiment to collect used plastic, which was implemented from July 2021 by the Kyushu Circular Economy Partnership (secretariat companies: AMITA HOLDINGS CO., LTD. and NEC Solutions Innovator, Ltd.) to optimize resource recycling in the Kyushu 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.



MEGURU BOX

Efficient Water Use

At the Fukusaki Factory, we are 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.

In FY2020, water resource usage decreased due to a decrease in production volume, affected by COVID-19, but with a recovery in production volume, water resource usage in FY2021 was 72,343 m³, a year-on-year increase of 1.9%.

Water Input

