

# Materiality:

## Strengths and initiatives to help

# “Sustainable procurement of raw materials”

At the Mandom Group, 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 Company 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.

Recently, companies have been internationally required to engage in fair and free competition as well as proper trade and responsible procurement.

To achieve this, the Mandom Group will procure palm oil, paper, etc. ethically. Our action ranges from protection of forests and biodiversity to execution of corporate social responsibility by sustaining natural and labor environments and respecting human rights throughout all supply chains.

## 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 stakeholders 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.

## Materiality: “Sustainable procurement of raw materials”

# Building and Implementing a CSR Procurement System

## Building and Implementing a CSR Procurement System

We have selected “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.

### Purchasing Policy

We at the Mandom Group have adopted the following Purchasing Policy and will implement it in order to pursue fair and transparent business practices to the fullest extent.

1. We strive to achieve fairness, honesty and transparency in all transactions based on the principles of mutual equality, respect for independence, and free competition, regardless of nationality, business record or size of business. In choosing our trading partners, we will take overall consideration including their effort input into sustainable technology development capacity and environmental protection, respect for human rights and management attitudes towards sustainability and social responsibility while balancing our judgements on our assessment of the quality, technology, price, delivery and stability of supply that they can assure.
2. Our shared goals are OYAKUDACHI and safety and reassurance to consumers. To this end, we will work with our trading partners by engaging in mutual learning and development as well as close communication so that we can build a business partnership of harmony and mutual prosperity.
3. We will contribute to the sustainable development of the society that surrounds us and the global world. Through collaboration with our trading partners, we will reduce environmental impact in all our activities involving design, production and distribution of our products and services.
4. In undertaking our international business operations, we will act as a local company to enhance OYAKUDACHI to our local stakeholders. We will promote local production and local purchasing.
5. We will fully understand and comply with Japanese and foreign laws and rules in order to engage in honest and fair purchasing activities.

## About the Mandom Group Supplier CSR Guidelines (Version 2)

In order to address sustainable procurement, we issued the Mandom Group Supplier CSR Guidelines (Version 2) in November 2017, asking suppliers for their understanding of these guidelines. 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.

We also conduct monitoring using the “CSR Procurement Self-Assessment Tool Set” recommended by the Global Compact Network Japan.

- Number of companies monitored in FY2021: 110



CSR Information

► Mandom Group’s CSR KohDoh Practices > Fair Operating Practices > Mandom Group Supplier CSR Guidelines (Version 2)

## Protecting Biodiversity

### Setting 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

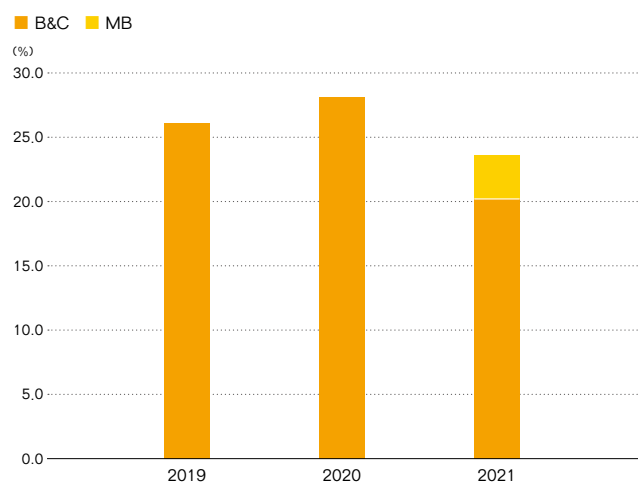
These efforts will not only protect both the environment and biodiversity; they will help to actively build and strengthen cooperative relationships with related counterparties and experts, NGOs and NPOs, and people in various communities. At the same time, the efforts will lead to our building and implementing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

### Procurement of Sustainable Palm Oil

In March 2018, Mandom joined the Roundtable on 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 Factory, the only production base in Japan, and began procuring mass balance (MB) certified oil in May 2021.

In FY2021, 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 Factory.

Ratio of Certified Raw Materials to Palm-Derived Raw Materials



### Procurement of Sustainable Paper Container and Packaging Materials

As part of our effort to procure sustainable paper container and packaging materials, we are conducting 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.

(Switchover rate as of April 2022: 78.8%)

In addition, for paper materials used in our products, we are striving to expand the use of environmentally friendly products by using FSC®-certified paper, used paper, and recycled paper in accordance with “Eco-Friendliness of Products” on page 35. (FSC® N003667)