

Sustainable Procurement of Raw Materials

Commitment

We 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.

Medium to long-term targets

Themes of Initiatives	Evaluation Metrics	Medium- to Long-Term targets		FY2024 Progress	Example of Initiatives
		Numerical Targets	Target Year		
Palm oil	Ratio of RSPO ^{*1} -certified palm oil among palm oil that is used as an origin of raw materials	Switching 100% of palm-derived raw materials used at the Fukusaki Factory to RSPO ^{*1} -certified palm oil (including book-and-claim compliance)	2026	61.5%	P.64
Paper Container and Packaging Materials	Usage rate of FSC ^{*2} -certified paper for paper and containers and packaging, and recovered paper usage ratio	All paper containers and packaging to use FSC [®] -certified paper and recycled paper	2027	94.0%	P.64

*1 RSPO: Roundtable on Sustainable Palm Oil

*2 FSC[®]: Forest Stewardship Council[®] (FSC[®]N003667)

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.

Example of Initiatives 1

Understanding risks in the supply chain

Considering increasingly diverse and complex social and environmental issues over time, responsible procurement of raw materials by companies is increasingly emphasized. To realize a sustainable society, Mandom prioritizes understanding and managing whether raw materials used in products are appropriately procured in terms of human rights, environmental, and ethical perspectives.

We have been working based on the "Procurement Policy," formulating CSR Procurement Guidelines, presenting them

to our direct suppliers (primary suppliers), requesting their signatures of agreement, and conducting self-assessments (SAQ) to use as criteria for continuing or initiating trade relationships, improving transparency across the supply chain. In FY2024, to comprehensively understand risks in the supply chain, we requested all new suppliers to conduct SAQ. This is establishing a system to identify upstream risks in the supply chain early and continuously improve procurement activities. SAQ surveys are conducted every two years.

Results of CSR Procurement Self-Assessment Survey (conducted in FY2023)

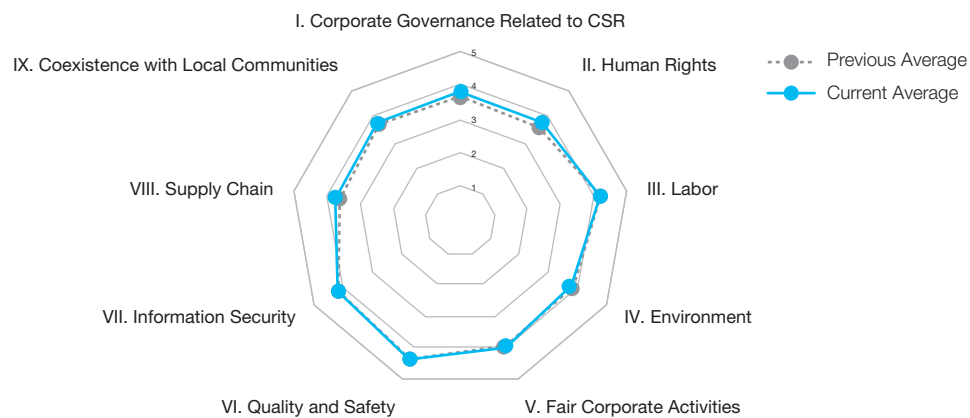
Based on the evaluation results of the conducted SAQ, we held individual dialogues with suppliers where procurement risks were identified, sharing issues and discussing specific improvement measures. Through these dialogues, we aim to strengthen relationships as partners beyond merely confirming trade conditions.

In addition to self-assessments through SAQ by suppliers,

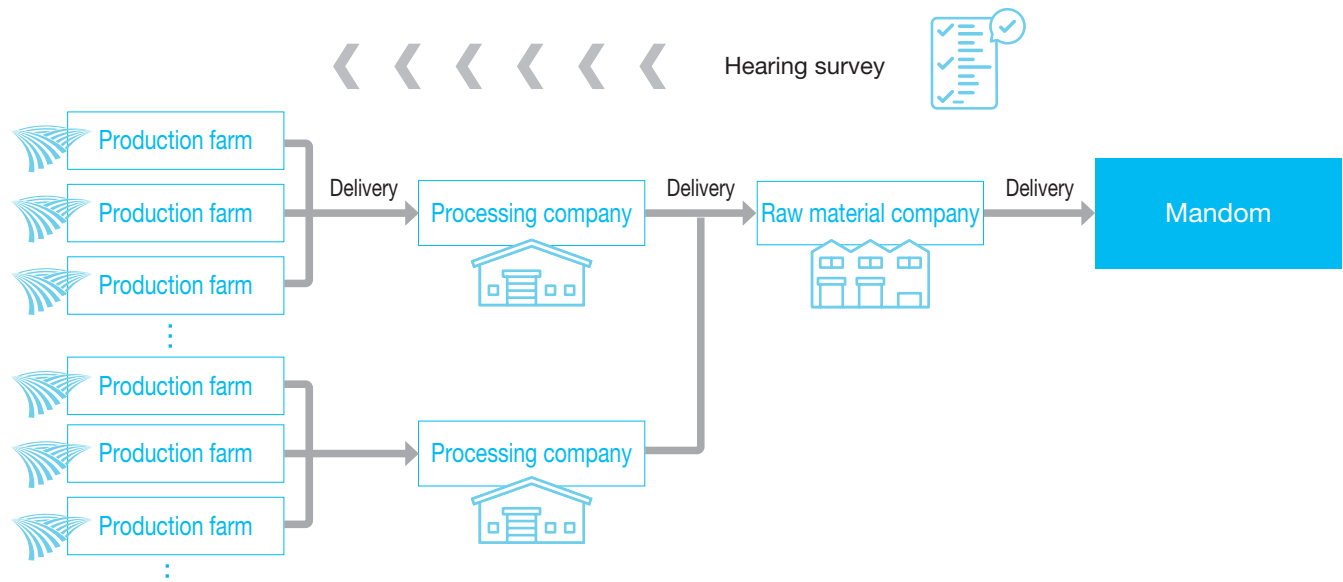
we conduct risk surveys tracing back to the origin level for certain natural raw materials where human rights violations are reported.

For example, in the procurement of plant-derived raw materials in developing countries, issues such as child labor, forced labor, and environmental destruction are internationally reported. To address these risks, we request information from primary suppliers who use these raw materials regarding production sites, procurement routes, and involved intermediaries, working to ensure traceability as much as possible.

Results of CSR Procurement Self-Assessment Survey



Overview of the flow of traceability surveys (tear-down surveys) for certain raw materials



During the survey process, challenges such as difficulty obtaining local information from multiple production farms and industry practice constraints were identified. We plan to continue risk surveys for key raw materials, utilizing external organizations as needed.

We will continue to improve the quality of assessments to visualize potential risks in the supply chain, and by building collaborative systems with partner companies to reduce risks, we aim to promote sustainable raw material procurement and realize more responsible corporate activities.

Comments from the person in charge

To build a sustainable procurement system, we started with processes to systematically classify and evaluate risks related to raw materials and associated supply chains. In FY2024, we expanded the scope to include all raw materials, advancing risk evaluation accuracy and risk management system development step by step. Additionally, we analyzed responses to SAQ from suppliers, identifying risks and conducting dialogues with suppliers as needed to support improvements through collaboration. As supply chains are expected to become increasingly broad and complex, flexible and accurate responses to international situations and region-specific risks will be in higher demand. We will strengthen collaboration with related departments, aiming for highly effective initiatives.



Yuko Shiomi
Strategic Procurement
Division, Procurement
Management Section

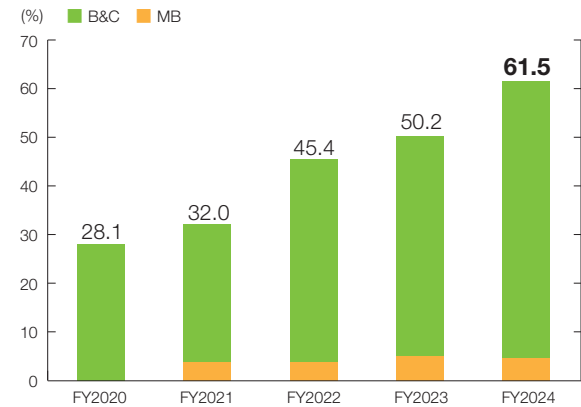
Sustainable Procurement of Raw Materials

Example of Initiatives 2

Procurement of Sustainable Palm Oil

In March 2018, we 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 FY2024, in addition to procuring RSPO-certified palm oil using a mass balance method for some raw materials used at our Fukusaki Factory, we completed the purchase of certification under the RSPO supply chain certification model “book-and-claim method” for the entire volume of 25 raw materials, including the one most commonly used at that factory. We plan to gradually increase our purchase of certifications for other materials in the future. For book and claim credits, we also purchase credits that support small-scale palm farmers who obtained RSPO certification.

Ratio of RSPO-certified palm oil used by Mandom in Japan (ratio by type)



* Revised calculation method from FY2021

Example of Initiatives 3

Procurement of Sustainable Paper Materials

Mandom engages in the procurement of sustainable paper materials. We will contribute to preventing global warming through the effective use of forestry resources that is eco- and community-friendly while preventing illegal deforestation and the destruction of ecosystems. We have set a target to use FSC®-certified paper or recycled paper for all paper containers and packaging for our products by 2027 in accordance with “Eco-Friendliness of Products” on page 61. We are 94.0% of the way there as of March 31, 2025. At the Fukusaki Factory, we are gradually introducing the use of FSC®-certified paper and recycled paper for cardboard used to transport Mandom products (FSC® N003667).

Examples of product using FSC®-certified paper



Used in mount part



Used in paper packaging materials



External Site
FSC Japan Official Website



External Site
WWF Japan Official Website about RSPO Certification

Human Rights Policy

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.

Establishment of Internal Reporting System (Helpline System)

In December 2002, we introduced the "Helpline System," an internal reporting system aimed at early detection, prevention, and recurrence prevention of compliance violations. This system accepts reports and consultations when acts contrary to various laws and codes of conduct are observed in the workplace or when there is a risk of violation. It is operated by the Code of Conduct Promotion Committee, including external contacts (advisory lawyers), ensuring that whistleblowers are not treated disadvantageously. In September 2007, we expanded the scope of the Helpline

System to include business partners of Mandom Group companies in Japan.

We request business partners who notice compliance violations or potential violations by directors or employees of our group companies in Japan to report to our Helpline reception desk according to the following procedure.

Upon receiving a report, the Code of Conduct Promotion Committee will promptly investigate the facts, identify causes, prevent and prohibit violations, and prevent recurrence, working towards resolution.