

Framework for a global society and Mandom Group CSR

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 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.



Mandom Group CSR Promotion System

With the aim of strengthening our CSR promotion system, we set up the CSR Promotion Committee chaired by the President Executive Officer. The committee ensures a consistent approach to CSR promotion across the Mandom

Group, reinforces CSR activities, and monitors the progress of CSR material issues, liaising with relevant departments through five related committees and councils as well as other bodies.



Our Approach to CSR and CSR Guidelines

In developing our approach to CSR, we referred to the Mandom Group's corporate philosophy and philosophy/policies in special areas that establish our internal philosophy and values, and linked these to the ten principles of the UN Global Compact, Sustainable

Development Goals (SDGs), International Code of Conduct, and other frameworks for global society. Finally, our approach to CSR was determined along with a course of action regarding each of the seven core subjects of the ISO 26000 standard.

The Future We Want



External Site
UNGC: UN Global Compact
● Global Compact Official Website

External Site
SDGs: Sustainable Development Goals
● Global Compact Official Website > THE SDGs

Organizational Governance

We strive to maintain and further improve upon the fairness and transparency of our management, in full compliance with all laws and regulations, and will put forth every effort to ensure the safety and benefit of our stakeholders.

Human Rights

We support and respect the protection of human rights as declared by the international community and will do our best to continuously monitor actions and educate people at every stage of our business activities to avoid complicity in any human rights violations.

Labor Practices

We consider our employees corporate assets that are vital to our business, and strive continuously to create safe, clean workplaces that give employees the freedom to express themselves.

The Environment

We consider the impact that our business activities have on the environment and strive continuously to reduce that impact at every stage from the development of products and services to procurement, production, transportation, sales, and after-use disposal, recycling, etc.

Fair Operating Practices

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

Consumer Issues

We will utilize the feedback received from customers in our business activities to improve the benefits of our products and services from their standpoint and to ensure safety.

Community Involvement and Development

We will ascertain social issues from a global perspective and take useful action to resolve those issues in pursuit of sustainable social development and sustainable business growth.

CSR Material Issues and Mandom Group's Value Chain

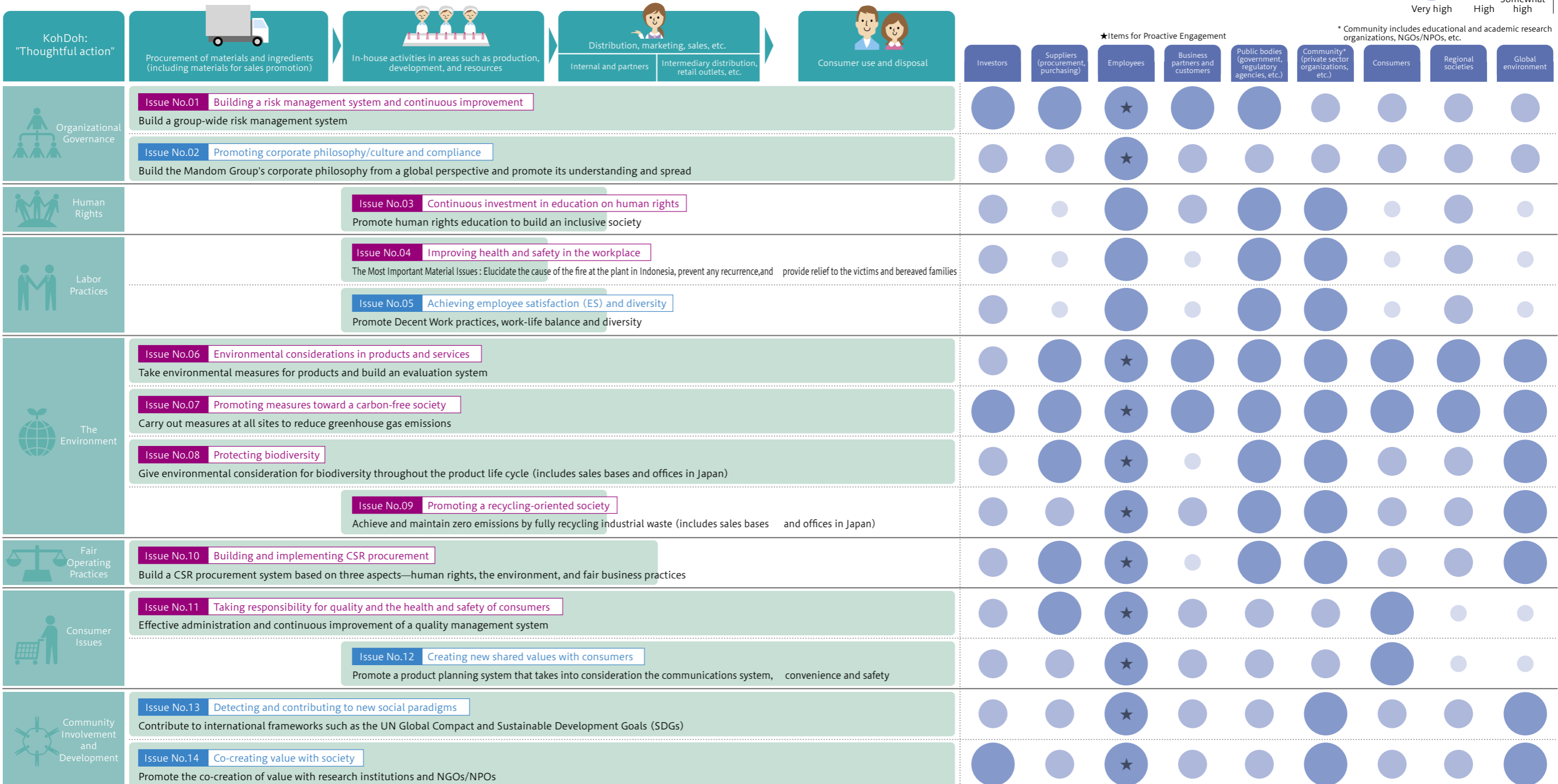
As indicated below, we have examined and clarified the relationship between the CSR Material Issues of the Mandom Group (Ver. 2: February 2017) and each stage of the Mandom Group's business activities (value chain).

CSR efforts are broadly divided into two types: fundamental CSR and strategic CSR/CSV. Fundamental CSR aims to eliminate or reduce negative impacts from our business activities, while strategic CSR strives to maximize positive impacts from our

business activities.

Going forward, we will further advance and strengthen our initiatives while developing an understanding of both positive and negative impacts of the business activities of the Mandom Group. We will search for the specific nature of "the future we want"—a future suited to the Mandom Group and based on our corporate philosophy.

Issue No. (red)	KohDoh for fundamental CSR, or to deal with threats to continuing our previous business activities, or other issues to be overcome
Issue No. (blue)	KohDoh for strategic CSR/CSV, or to create opportunities to improve future business activities, competitiveness, and company value, or further strengthen the corporate structure



The Relation between CSR Material Issues and Stakeholders

Mandom has been conducting dialogues with a wide range of diverse stakeholders since FY2006 in order to take their requests, hear their expectations, and reflect those in our business activities.

Stakeholders are diverse in terms of their expectations and demands on corporations, and their prioritization of issues pertaining to sustainability. These differences depend on their standpoint, principles, lifestyle, way of thinking, and other factors. Based on one of the Mandom Group's KohDoh principles of

"creating lifestyle value with consumers, for consumers," we will continue or initiate promotion of CSR Material Issues, and improvement/review of KohDoh, while taking advantage of various opportunities enabling exchange of views and dialogue with a wide range of people such as experts, research institutions, and groups. We hope we can count on your cooperation.



CSR Material Issues Approach and Progress Management

Based on the Mandom Group's CSR approach and CSR guidelines, we have selected the Mandom Group CSR Material Issues (Ver. 2, 14 themes) in light of the following perspectives.

Perspectives for Selecting CSR Material Issues

- Consistency with and stronger promotion of the Mandom Group's vision, corporate philosophy, strategies/policies, and code of conduct, etc.
- Consistency with international standards of conduct, principles, and initiatives that should be supported/respected by global corporations
- The high level of expectations and requirements of the diverse, wide range of stakeholders we must engage with
- Responsibility for impact on the economy, society, and environment of our entire value chain
- Consistency with the efforts of international society as a whole to achieve sustainable social development

Two Criteria for Promoting CSR Activities

- Eliminating or reducing negative impacts on building a foundation for comfortable living (Fundamental CSR)
- Maximizing positive impacts for achieving sustainable social development (Strategic CSR/CSV)

One of the Mandom Principles in the Mandom Group is "Social Responsibility and Sustainability." To abide by this principle, we must implement basic KohDoh in the form of CSR, properly incorporating expectations and requirements from outside the company into our business activities, while actively engaging in dialogue (discussion and exchange of views) with our diverse, wide-ranging stakeholders.

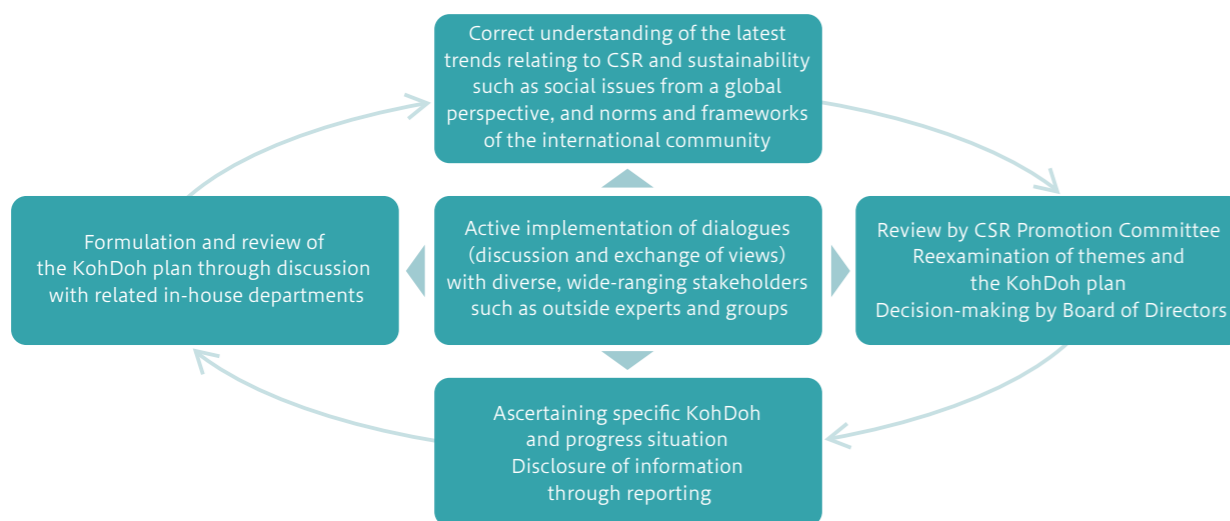
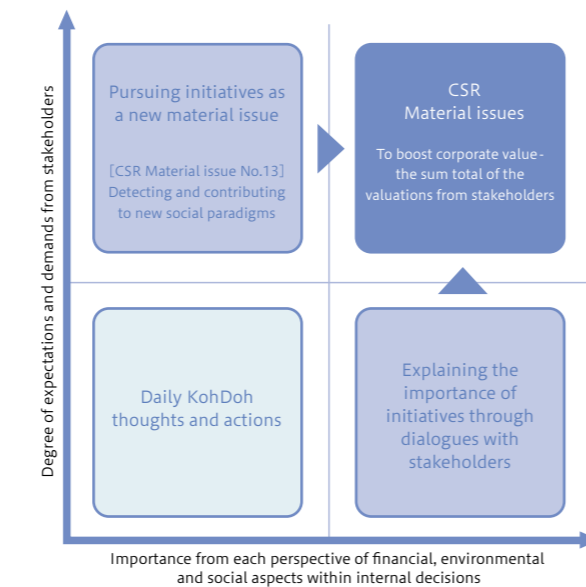
We have started progress management based on long-term goals and the KohDoh plan for the 14 themes of our CSR Material Issues (Ver. 2), but the specific content and process of that management is still not sufficient.

Regarding the 14 themes in our CSR Material Issues (Ver. 2), we have started progress management based on long-term goals and an action plan we established for the first time, but the specific content and processes are still not sufficient.

We have consulted with experts in certain areas but have not adequately addressed the expectations and demands from a broad range of our stakeholders. Furthermore, there are issues in terms of pursuing our own goals and "backcasting" from our ideal vision of the future, and this process is still ongoing.

Going forward, we plan to gather the opinions of more stakeholders and experts to find a higher level of CSR Material

Issues. At the same time, we will work hard to continuously re-examine our long-term goals and action plan, and strengthen our progress management system.



The Relation (connection) between CSR Material Issues and Sustainable Development Goals

After announcing support for the 10 principles in 4 areas advocated by the UN Global Compact in September 2015, we selected our first CSR material issues as the Mandom Group in December 2015, and in FY2016 we began setting goals with a long-term perspective, while soliciting the views of people such as experts from outside the company and considering a "KohDoh" Plan for the future. In these and other ways, we have aimed to promote and energize systematic CSR activities. As we started FY2017, we attempted to formulate still unset goals for the long-term perspective, while developing an overview and taking stock of the activities situation for each theme of our CSR material issues. At the same time we closely

examined the relation (connection) between our CSR material issues and the Sustainable Development Goals (SDGs) which are the core of the 2030 Agenda for Sustainable Development adopted in September 2015.

We believe that considering the relation (connection) between the framework of international society and our daily KohDoh will help each employee regard social/environmental issues from a global-scale perspective, promote understanding of the framework of international society which aims for development of a sustainable society, raise awareness of and promote useful action to resolve issues, and aid in development of personnel who work hard to develop a sustainable society.

SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



Progress Situation of CSR Material Issues of the Mandom Group and "KohDoh" Plan for the Future

The charts in the following pages describe the relation (connection) between Sustainable Development Goals (SDGs) and CSR Material Issues of the Mandom Group, the progress situation and overall assessment thus far, the situation regarding setting of a KohDoh plan for the future and long-term goals, and other related matters.

In particular, as efforts to develop a sustainable supply chain in FY2017, we started KohDoh with the aim of using certified palm oil and certified paper, issued Supplier CSR Guidelines (Ver. 2) to build up a CSR procurement system cognizant of human rights, labor, and the environment, and launched efforts with suppliers using a CSR Procurement Self-Assessment Tool Set.

As a material issue pertaining to labor practices, we are working to reduce overtime work, and as in the previous fiscal year, we

have achieved a major reduction in annual overtime hours per person.

In terms of "Promoting measures toward a carbon-free society," based on the Paris Agreement, we have not reached the level of effort expected and required by the frameworks of the global community and from all sides outside the company.

Going forward we will continue to deepen understanding of the framework and latest trends of international society as a whole, and expectations and requirements of corporations. At the same time we will continually make improvements while actively engaging in dialogue and exchanging views with all of our diverse, wide-ranging stakeholders, and work to promote CSR activities to attain long-term goals and realize co-creation of value with society.