



















●Mandom Group's CSR Material Issues (Ver. 2)

ISO 26000 Core Subjects	Mandom Group's CSR Material Issues (Ver. 2)	Related SDGs themes (SDGs: Sustainable Development Goals)	Main specific activities in FY2017	Overall assessment (including some of the most recent activities)	Setting of long-term goals	Policy for the future and KohDoh plan
Organizational Governance	1 Theme: Building a risk management system and continuous improvement Through a Total Risk Management Committee, provide guidance and supervision regarding continuous improvements in business continuity management and planning (BCM/BCP) and efforts to build the risk management system for the group as a whole		<ul style="list-style-type: none"> Provided emergency response training at Mandom business sites in Japan (January 2018). Identified issues and examined responses in case of future amendment of laws and regulations pertaining to chemical substances. Established additional responses to new overseas risks, taking into account the latest international situation. 	<ul style="list-style-type: none"> There were 34 participants, including top management staff, in emergency response training. (Head Office: 26, Aoyama: 5, Fukusaki Factory: 3) Identified continuing risks and examined responses, including of overseas group companies, but did not develop adequate BCM or formulate BCP. 	—	<ul style="list-style-type: none"> Take thorough steps to ensure a safe and secure workplace environment, prevent accidents, and implement precautionary measures through additional installation of safety equipment in domestic and overseas factory facilities. Develop manual for recovery and formulate BCP in case information management systems are struck by disaster.
	2 Theme: Promoting corporate philosophy/culture and compliance Build the corporate philosophy for the Mandom Group from a global perspective and provide education to promote a complete understanding aimed at thorough implementation		<ul style="list-style-type: none"> Announced vision and new philosophy framework for our 100th anniversary (FY2027) at the group management policy announcement in April 2017. After that, held a series of philosophy education sessions and workshops for all divisions, inside and outside Japan. Conducted compliance education (8 times in each division), Mandom Code of Conduct training (3 times), and company-wide education on the Code of Conduct (once). 	<ul style="list-style-type: none"> Completed new philosophy workshops as planned for all divisions, inside and outside Japan. In all divisions in Japan, completed compliance education, Mandom Code of Conduct training, and company-wide education on the Code of Conduct, as planned. 	—	<ul style="list-style-type: none"> Continue instillation and education of the corporate philosophy. Revise the Code of Conduct manual and instill in the entire group. Establish policy and add/review provisions of in-house rules regarding the prevention of corruption. Instill and continue strengthening effective operation of the helpline system.
Human Rights	3 Theme: Continuous investment in education on human rights Conduct in-house human rights education aimed at training employees to act in a way befitting a corporation engaged in global business and designed to build an inclusive society (Issue No.10 : Building and implementing CSR procurement system)		<ul style="list-style-type: none"> With the cooperation of Amnesty International, carried out dialogue and voluntary seminar "Business and Human Rights" (October 2017). Published Mandom Group Supplier CSR Guidelines (Ver. 2) on the Mandom website (February 2018). 	<ul style="list-style-type: none"> About 120 Head Office employees participated in the voluntary seminar "Business and Human Rights." Eight selected employees from related divisions and 9 observers participated in the dialogue. Issued Supplier CSR Guidelines (Ver. 2), and sent this with a CSR procurement self-assessment questionnaire to 21 domestic suppliers. Responses to the questionnaire were received from 20 companies. Deferred review of the Code of Conduct and in-house rules to next year or after. 	(Under review) (Note) See Issue No. 10 for CSR procurement	<ul style="list-style-type: none"> Develop and clearly state in-house rules and Code of Conduct relating to human rights and harassment through compliance with the Act for Eliminating Discrimination against Persons with Disabilities, awareness/support for LGBT, etc.
Labor Practices	4 Theme: Improving health and safety in the workplace (Urgent Issue) Elucidate the cause of the fire at the plant in Indonesia, prevent any recurrence, and provide relief to the victims and bereaved families		<ul style="list-style-type: none"> Acquired certification at Mandom Indonesia based on US occupational health and safety standards (May 2017) and Indonesian safety standards (July 2017). Prepared draft of company-wide occupational health and safety policy. Continued activities to ensure a safe, healthy, and comfortable workplace environment for employees through improvement activities based on workplace patrols and in-house sharing of working time management. 	<ul style="list-style-type: none"> Finished outside renewal audit of Fukusaki Factory occupational health and safety management system "OHSAS 18001" (November 2017). Number of occupational accidents at Fukusaki Factory in FY2017: 3 Percentage of employees who took health checks in FY2017: 96.6% Percentage of employees who took stress checks in FY2017: 73.8% 	<ul style="list-style-type: none"> Number of occupational accidents: 0 Percentage taking health checks: 100% Percentage taking stress checks: 100% 	<ul style="list-style-type: none"> Promote taking health checks, mainly for preventive purposes, and continue to carry out stress checks and provide education on mental health. Promote efforts to disseminate and broaden knowledge of occupational health and safety activities at all bases. Create 36 agreements in accordance with the amended Labor Standards Act (scheduled to take effect on April 1, 2019), and inform/educate all employees.
	5 Theme: Achieving employee satisfaction (ES) and diversity Build and continuously improve a labor system with the aim of achieving Decent Work practices and ideal work-life balance, securing diverse human resources, and providing fair and impartial evaluations		<ul style="list-style-type: none"> Reduced overtime work, and carried out educational activities through efforts such as providing diversity education for new managers, and sending out an in-house e-mail newsletter "Diversity News." Expanded and implemented courses for Universal Manners test (Level 3) (Osaka: January 2018, Tokyo: February 2018). Continued to create a comfortable working environment to facilitate work by listening to employees with disabilities. Provided internships and engaged in recruitment activities for individuals with intellectual disabilities. Started staged introduction of work-from-home system. Improved system and carried out trials (use of satellite offices, flextime, etc.) as a company-wide project for reforming work styles. 	<ul style="list-style-type: none"> Provided diversity education for new managers (60 minutes). (Number of participants: 15) (In the previous year, 133 managers underwent manager training.) Universal Manners test (Level 3) was newly acquired by 54 employees in Osaka, and 55 employees in Tokyo. This certification is scheduled to be incorporated into new employee training in FY2018. Annual overtime hours per person for Mandom alone in FY2017 <ul style="list-style-type: none"> Regular employees excluding managers: 135 hours, 40 minutes (86.6% of previous year) All employees including contract employees: 90 hours, 53 minutes (86.1% of previous year) Failed to achieve statutory employment rate for disabled persons with figure of 1.93% in FY2017. 	<ul style="list-style-type: none"> Exceed statutory employment rate for disabled persons every year. (Example: Higher than the statutory minimum employment rate of 2.0% in FY2016) Number of employees quitting work for childcare: 0 every year Number of employees quitting work for elderly care: 0 every year Rate of obtaining make-up holidays: 100% Consumption rate of yearly paid holidays: 70% or higher Overtime: Average of less than 5 hours per month per person Percentage using in-house system for diverse work styles such as work-from-home and flexible working hours: 50% or higher 	<ul style="list-style-type: none"> Promote a healthy work-life balance and positive action <ul style="list-style-type: none"> Formulate plans to reform work styles. Bolster and promote use of system to eliminate employees quitting work for childcare. Bolster and promote use of system to eliminate employees quitting work for elderly care. Advance efforts to give more opportunities to women. Promote Decent Work <ul style="list-style-type: none"> Provide education to develop managers who can effectively utilize subordinates. Re-examine career course design. Promote diversity and inclusion <ul style="list-style-type: none"> Provide diversity training to the top management and division manager class. Make efforts to promote employment of the disabled. Bolster system for giving more opportunities to employees with foreign nationality. Provide education to prevent violation of human rights and all types of harassment.
The Environment	6 Theme: Environmental considerations in products and services Continuously improve the eco-friendliness of products by building a management system for evaluating environmentally friendly processes and their results in products and services		<ul style="list-style-type: none"> Set goals as Three-Year Middle-Range Planning for Mandom in Japan. (MP-12: FY2017-2019) Switch to FSC-certified paper for all cardboard used in products Use of biomass material in all laminated packaging Switch to FSC-certified paper for all paper containers and packaging (over 50%) Switched the scrubbing agent in Gatsby facial cleanser made in Indonesia for overseas markets from plastic microbeads to biodegradable raw materials. 	<ul style="list-style-type: none"> Finished switch to alternate raw materials for Gatsby facial scrub made in Indonesia for overseas markets, and started shipment of the new product. (Products for the Japanese market were switched to alternate raw materials in FY2016.) 	(Under review)	<ul style="list-style-type: none"> Review environmental-friendliness standards and formulate long-term vision. Promote development of environmentally friendly products (4R). Switch to plant-derived plastic materials. Switch to mechanically recycled PET materials. Expand scope of switch to FSC-certified paper (including package inserts and backing paper, etc.) and consider response for firms that have not acquired distribution management certification (CoC certification).

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 <p>The Environment</p>	<p>No. 7</p> <p>Theme Promoting measures toward a carbon-free society</p> <p>Promoting measures to create a carbon-free society based on the Paris Agreement, and efforts to reduce greenhouse gas emissions at all sites</p>	 	<ul style="list-style-type: none"> Promoted adoption of power reduction equipment (e.g., switching to LED lighting, changing transformers). 	<ul style="list-style-type: none"> Total energy input in FY2017: 454,043 GJ (change from previous year 94.7%) Domestic sites: 127,628 GJ (change from previous year 99.4%) Overseas sites: 326,415 GJ (change from previous year 92.9%) Total greenhouse gas (CO₂) emissions in FY2017 (Scope 1 + 2): 30,701 t (change from previous year 94.0%) Domestic sites: 6,216 t (change from previous year 98.1%) Overseas sites: 24,486 t (change from previous year 93.0%) 	<ul style="list-style-type: none"> Reduce total CO₂ emissions for domestic business by 6.5% or more relative to FY2013 levels by 2027. (Goal setting for overseas sites is under review) 	<ul style="list-style-type: none"> Revise company-wide CO₂ emissions reduction goal in light of the international situation and government policy, such as the Paris Agreement and the 2°C target. Examine adoption of renewable energy. Calculate Scope 3 CO₂ emissions. Formulate and promote long-term vision goals at overseas production bases (Indonesia, China). Continue and expand energy conservation activities.
	<p>No. 8</p> <p>Theme Protecting biodiversity</p> <p>Grasp the impact on biodiversity of each product throughout its life cycle and carry out measures to protect biodiversity</p>	 	<ul style="list-style-type: none"> Set goal of switching to RSPO-certified oil (Book & Claim system) for all glycerine supplied to the Fukusaki Factory as Three-Year Middle-Range Planning for Mandom in Japan. Started phased switching from three FSC-compliant supplier firms, starting with deliveries in February 2018. Promoted shift to paperless operations as part of reforming work styles. 	<ul style="list-style-type: none"> Joined RSPO (associate member) and finished procedures for credit purchasing. Promoted paperless operations. Total number of copies made by the Mandom Group in Japan: 18.8% reduction from previous year 	<p>Achieve the following by 2027.</p> <ul style="list-style-type: none"> Switch all palm oil used in our raw materials to certified palm oil. Use certified paper for all paper containers and packaging. 	<ul style="list-style-type: none"> Use RSPO-certified oil for all of the most numerous palm oil-derived raw materials by 2020 (Book & Claim system). Use FSC-certified paper for all cardboard by 2020. Continue promoting switch to paperless operations.
	<p>No. 9</p> <p>Theme Promoting a recycling-oriented society</p> <p>Achieve and maintain zero emissions by fully recycling industrial waste</p>		<ul style="list-style-type: none"> Investigated and selected contractor capable of recycling industrial wastes for landfill disposal (continuing). 	<ul style="list-style-type: none"> Industrial waste recycling rates Fukusaki Factory: 100%, Head Office: 100% 	<ul style="list-style-type: none"> Continuously achieve zero emissions. 	<ul style="list-style-type: none"> Reduce amount of content loss (manufacturing sites). Continue confirming that zero emissions are maintained at industrial waste disposal contractors.
 <p>Fair Operating Practices</p>	<p>No. 10</p> <p>Theme Building and implementing CSR procurement system</p> <p>Draft Supplier CSR Guidelines and gain the cooperation of suppliers to build and operate a CSR procurement system (Based on the specific topics within three core subjects— human rights, labor practices and the environment)</p>	  	<ul style="list-style-type: none"> Issued Mandom Group Supplier CSR Guidelines (Ver. 2). Sent CRS Procurement Self-Assessment Tool Set prepared by GCNJ to suppliers connected with sales promotion. 	<ul style="list-style-type: none"> Responses to Guidelines and Self-Assessment ·Ver. 1 (September 2016): 78/78 companies ·Ver. 2 (November 2017): 20/21 companies Deferred revision of Mandom Group procurement policy to FY2018. 	<p>(Under review)</p>	<ul style="list-style-type: none"> Expand scope to include secondary/tertiary and overseas suppliers, etc. Revise Mandom Group procurement policy, and explain/instill to suppliers. Continue checking response situation for Supplier CSR Guidelines and Self-Assessment. Examine evaluation methods for strengthening monitoring capabilities.
 <p>Consumer Issues</p>	<p>No. 11</p> <p>Theme Taking responsibility for quality and the health and safety of consumers</p> <p>Effective administration and continuous improvement of a quality management system in every phase of our business activities— planning, design and development, procurement, production, shipping and sales</p>		<ul style="list-style-type: none"> Published full lists of ingredients on the product information page of our website. Considered revision of Mandom Group quality assurance policy and review of quality assurance system. 	<ul style="list-style-type: none"> Started publishing full lists of ingredients on our website in April 2017. Continuing to add and update the list when new products go on sale. Deferred revision of quality assurance policy to FY2018. 	<ul style="list-style-type: none"> Take up the challenge of zero quality complaints. 	<ul style="list-style-type: none"> Revise Mandom Group quality assurance policy. Continuously improve and strengthen the quality assurance cycle for preventing product recall (strengthen checking function in PDCA).
	<p>No. 12</p> <p>Theme Creating new shared values with consumers</p> <p>Build a system of communication that enables the use of feedback from a wide range of consumers; build a product planning system that takes into consideration user-friendliness and safety</p>		<ul style="list-style-type: none"> Improved specifications and changed button design due to customer feedback that it is difficult to remove and attach the cover of LUCIDO Hair Color One Push Type. Considered adding a caution label to make clear that blade is not replaceable, as a response to the misunderstanding that the GB Body Hair Trimmer can be disassembled and its blade replaced (scheduled to be finished in summer 2018). 	<ul style="list-style-type: none"> Although improvements were made in products and services based on feedback from customers, these did not go as far as creating new shared value with consumers. 	<p>(Under review)</p>	<ul style="list-style-type: none"> Promote the use of universal design for containers, explanatory labeling, and other elements, so all consumers can safely and securely use products.
 <p>Community Involvement and Development</p>	<p>No. 13</p> <p>Theme Detecting and contributing to new social paradigms</p> <p>Look into KohDoh that can promote thorough in-company understanding of and ability to contribute to international frameworks such as the UN Global Compact's 10 Principles and the Sustainable Development Goals (SDGs)</p>	 	<ul style="list-style-type: none"> Carried out seminars and dialogues on universal design (May 2017). Cooperated with speeches and subcommittees in Osaka fieldwork of second year students at Kansai University Senior High School (June 2017). Cooperated with SGH Fall Holiday Business/University Tour and Training (November 2017) and research presentation meeting on "Investigations" (February 2018) of Osaka Prefectural Senri Senior High School. Carried out dialogue and voluntary seminar "Business and Human Rights" (October 2017). 	<ul style="list-style-type: none"> There were 32 participants in the universal design seminar. Eight selected employees and 7 observers participated in the dialogue. Due to the dialogue and voluntary seminar "Business and Human Rights," understanding was deepened regarding the significance and importance of up-to-date information and initiatives, together with members involved in CSR procurement. 	<ul style="list-style-type: none"> Carry out seminars and dialogues relating to social and environmental issues at least twice a year. 	<ul style="list-style-type: none"> Actively participate in UN Global Compact (Network Japan) and efforts of other groups outside the company. Continue seminars and dialogues relating to social and environmental issues. Review and implement in-house education programs. Strengthen support for international reporting guidelines such as GRI, and bolster and continue strengthening communication system.
	<p>No. 14</p> <p>Theme Co-creating value with society</p> <p>Build co-creative relationships with research organizations, NGOs, NPOs and others to achieve sustainable social development and begin taking measures (with Japanese Society for Alternatives to Animal Experiments; Graduate School of Pharmaceutical Sciences, Osaka University, etc.)</p>	 	<ul style="list-style-type: none"> Continued efforts in the Joint Research Program with the Graduate School of Pharmaceutical Sciences at Osaka University. Continued call for proposals for Mandom International Research Grants on Alternatives to Animal Experiments. (Decided on research themes for 11th grant: May 8, 2018, News Release) 	<ul style="list-style-type: none"> See the following section of the website for previous results of the Joint Research Program with the Graduate School of Pharmaceutical Sciences at Osaka University. Community Involvement and Development > Joint Research Program with the Graduate School of Pharmaceutical Sciences at Osaka University Received Distinguished Service Award at the 30th Annual Meeting of the Japanese Society for Alternatives to Animal Experiments. (November 2017) 	<p>—</p>	<ul style="list-style-type: none"> Continue efforts with the Graduate School of Pharmaceutical Sciences at Osaka University. Continue efforts with the Japanese Society for Alternatives to Animal Experiments. Pursue new co-creative relationships through efforts to address Issue No. 13.