



# I Compliance with Laws and Social Norms; Ethical Conduct

## 1 Mandom Group's Compliance

We, as members of society, shall fully understand the laws, customs and all other social norms of our country and other countries in their meaning and intent; we shall strictly adhere to them with a spirit of compliance and always think and act ethically with a high standard of social awareness and judgment.

The origin of Mandom Group's compliance is OYAKUDACHI (MANDOM SPIRIT) and Being honest with society (Corporate Philosophy).

In other words, our compliance is not a passive and defensive concept of "just sticking to the letter of the law." Rather, our compliance is an active and positive concept: we will obviously adhere to the law (minimum level of moral behavior) but will also hold our own standards at a higher level for the attainment of "OYAKUDACHI for consumers", ensuring consumers' safety and interests.

To be honest to the society, we shall always pursue compliance-driven business management. We will never adopt dishonest means as a way of achieving success.

Therefore, for Mandom Group,

(1) The ends never justify the means.

We shall not permit any line of thinking that condones the use of whatever method for the achievement of business results.

(2) Moral behavior takes precedence over success. (Success is not as important as upholding high moral standards.)

No matter how good the business results, we shall not recognize success achieved through immoral means (unjust methods).

## 2 Creating a Workplace Free of Compliance Breaches

### 1 Fraud Triangle

We shall understand that violation of compliance rules tends to occur when the three factors of 1. Motivation/Pressure to do an illegal act, 2. Opportunity to do an illegal act, and 3. Justification of doing an illegal act, are in full. We shall try to create a workplace free of compliance breaches by preventing formation of this "Fraud Triangle".

#### ● Specific conduct

- ① We shall endeavor to create openness in the workplace by encouraging close communication.
- ② We shall check as necessary whether everything is in order in our daily business and try to eliminate any intention of cover-up in the workplace.
- ③ We shall conduct by fully understanding that just one violation of compliance will result in a serious problem involving not only ourselves but also our families, colleagues, the company, and all stakeholders.

### 2 Creating Corporate Culture based on the Broken Windows Theory

We fully recognize that in a corporate culture where small rule breaking goes unpunished and where lack of distinction between private and corporate matters goes unchecked, standards gradually lapse and incubate serious compliance violation (Broken Windows Theory). Mandom Group's corporate managers shall lead the way in creating a corporate culture that does not condone small rule breaking and non-distinction of private/corporate matters, but a culture that upholds high ethical standards and alertness.

### 3 Creating Corporate Culture based on Innate Weakness Theory

We fully recognize that "human beings are weak, and without evil intent, we succumb to momentary weakness (give into temptation) depending on circumstances (Innate Weakness Theory). We shall generate a corporate culture of high ethical standards and alertness, where we shall try and eliminate the chances of colleagues succumbing to temptation and to follow up on each other's actions.

### 4 Elimination of Concealment and Thoroughness of "Report, Communication, and Consultation"

To eliminate all acts of concealment which is obstructive to compliance management, and to deal with risks quickly and properly, we shall create a corporate culture where information sharing by Report, Communication and Consultation is fully practiced.



# II

## Conduct from the View Point of Stakeholders

### 1 Supply of Safe, Reliable and Attractive Products and Services

“Consumer-led Lifestyle Value Creation” is our basic motto. We shall develop and provide, through “Challenge, Change, Innovation”, safe and reliable products and services that are attractive for consumers.

#### ●Specific conduct

- ① We shall constantly pursue excellent products in functionality and usage as well as high-quality services on the precondition of protection of safety and stability.
- ② In all types of experiments conducted for product quality assurance, our policy is to eliminate all animal experiments and to develop alternative technologies to animal experiments from the point of animal protection.
- ③ In the event of quality problem arising with respect to our products and services, we shall quickly and appropriately take measures such as investigating the facts and circumstances, adopting relief measures for the injured party, disclosing information and adopting other measures to prevent the problem becoming more serious, investigating the cause, and adopting measures to prevent recurrence.
- ④ We shall conduct marketing with originality (products, brands, advertising, promotion, sales) and shall practice “OYAKUDACHI” for consumers.
- ⑤ We shall aim to make products which give high satisfaction to consumers through continuous research and pursuit of original technologies.
- ⑥ We always offer safe products that will win consumers’ trust.
- ⑦ We shall aim to expand our scope of “OYAKUDACHI” for consumers and to realize long-term mutual prosperity with our partners.
- ⑧ We shall strictly adhere to legislations and regulations. To deepen consumers’ understanding about our products and services and their appropriate methods of use, we shall endeavor to conduct appropriate and helpful product indication, presenting information, and sincere communication.

### 2 Fair Competition and Trade

We shall engage in fair corporate activities fully complying with the legislations relating to fair competition and trade including the Antitrust Law of each country and each region.

#### ●Specific conduct

- ① We shall not make any arrangements with other companies in the same industry (both domestic and overseas) that would restrict free competition regarding price, production and sales volume, sales territory and sales timing.
- ② We shall not restrict our distribution companies regarding their selling price (resale price).
- ③ We shall not unfairly restrict our distribution companies regarding their free business activities such as handling of competitor products and having their own sales and purchase channels.

### 3 Conduct in Purchasing and Sales

#### ●Specific conduct

- ① In selecting our purchasing source and sales outlets, whether they are in domestic or overseas, we shall have an open-door policy and provide fairness of business opportunities. And following fair and rational criteria, we shall select our partners transparently in both purchasing and sales.
- ② We shall set our business terms on an equal and fair footing with our purchasing and sales partners. Based on the principles of fairness, honesty and respect for independence, we shall conduct fair and proper business transactions, and conduct responsible supply.
- ③ We shall fully comply with the Antitrust Law, including the following rules regarding sales and marketing activities.
  - 1) We shall use appropriate representations and descriptions regarding the quality of our products and services as well as our product standard in order to avoid customer misunderstanding, by avoiding misrepresentation through product claims (descriptions which mislead people to believe that the product is materially significantly more favorable than competitor products) and misrepresentation through advantage claims (descriptions which mislead people to believe that the product is significantly more advantageous than competitor products).
  - 2) If offering any free gifts to customers, it shall be within the confines of law (limits concerning maximum and total cost of the gifts)
- ④ We shall fully comply with the Antitrust Law, including the following rules regarding purchasing activities.
  - 1) We shall place our order with subcontractors supplying them with necessary information such as time of delivery, subcontract price, and payment due date.
  - 2) We shall predetermine the payment due date to fall within the date prescribed by law from the date of receipt of the product.



## 4 Adherence to Trade Control

### ● Specific conduct

- ① We shall ensure full understanding of and compliance with regulations relating to foreign trade including all laws, regulations and international treaties. This includes the Foreign Exchange and Foreign Trade Control Law for ensuring international security, international navigation and shipping, safety of ports and harbors and the protection of wild animals.
- ② We shall grasp international situation, to fulfil the social responsibilities expected as a global company, we shall not engage in any trade transactions that would endanger international security and other above-mentioned ends.
- ③ We shall construct a trade control system in order to engage in foreign trade that properly complies with legislations and regulations and ensure its rigorous operation.

## 5 Gifts and Reception

In dealing with companies and individuals with whom we come into contact on business, we shall restrain ourselves from gift-giving and hospitality that exceed the limits of ordinary common sense and internationally acceptable norms, and we shall refrain from being on the receiving end of such acts. We shall also neither offer nor accept any form of bribe (including things which possibly may be construed as bribes). We shall maintain healthy relationships with politics and administration.

### ● Specific conduct

- ① When we either accept or offer any hospitality, it shall be within ordinary common sense and social conventions.
- ② When we either accept or offer any hospitality, we shall not deal with cash or cash equivalents such as gift voucher.
- ③ We shall not offer any bribes to public servants (including those belonging to foreign governments) and any other person of equivalent position.
- ④ We shall neither accept nor demand any bribes in return from other companies or individuals that hope to start or maintain business relationships with our company.
- ⑤ We shall not either offer or indicate any bribes to other companies or individuals with which hope to start or maintain business relationships.
- ⑥ Regarding political activities, we shall not offer any donations prohibited by law.

## 6 Administration of Company Assets

### ● Specific conduct

- ① We shall handle our company assets (cash, securities, accounts receivable, raw materials, products, facilities, furniture, equipment, real estate and intellectual property) properly in accordance with company rules. We shall also fully respect the assets that belong to others.
- ② We shall use our company assets efficiently with due consideration of their cost-benefit performance.
- ③ We shall handle our company assets with sufficient care to protect them from loss or damage.

## 7 Handling of Intellectual Properties

### ● Specific conduct

- ① We shall recognize that our intellectual properties (patent right, utility model right, design right, trademark right, copy right) are important company assets and manage and handle them properly.
- ② We shall respect intellectual property of others and pay due attention so that there is no violation of any intellectual property of others.
- ③ When using the intellectual property of any other parties, we shall acquire the right to license its use from the right owner by means of appropriate procedure or contract. We shall use others' intellectual property solely to the agreed limits and purposes.
- ④ We shall take appropriate measures if any third party infringes any intellectual property of the Mandom Group.

## 8 Administration of Information and Protection of Personal Information

### ● Specific conduct

- ① We shall recognize the significance of information and manage/handle it properly.
- ② To avoid leakage of confidential information, we shall apply the following measures: storing information in locked places, setting passwords, strictly controlling mobile devices, signing confidentiality agreements, and confirming destination addresses to avoid wrong transmission.
- ③ We shall obtain confidential information of others in an appropriate way. We shall use such information obtained only within the limits of use in accordance with the contract etc. and manage it properly.
- ④ We shall stay alert to cyberattacks such as external computer viruses infection.
- ⑤ We shall manage personal information obtained from customers and suppliers with utmost care in order to prevent leaks.
- ⑥ We shall use personal information obtained from customers and suppliers only within the scope of the purposes they have agreed to. If they request us to revise or stop using their personal information, we shall take appropriate action.



## 9 Insider Trading

### ●Specific conduct

- ① We shall not engage in insider trading, the dealing in corporate shares either directly or indirectly, using unpublished internal information that we acquire or may acquire through our work.
- ② In the event that we acquire unpublished internal information, we shall be fully aware and be extremely careful that we shall be punished for violating Laws and Regulations simply by conducting share transactions even if we do not have intention to make profit.
- ③ In the event that we acquire unpublished internal information, we shall not perform stock transactions without following prescribed procedures and we shall thoroughly manage internal information.
- ④ We shall be fully aware of the fact that such a communication of internal information may infringe on Laws and Regulations (It is illegal to engage in an act of communication whose purpose may be deemed as causing others to gain profits or to avoid losses). We shall not communicate unpublished internal information to others unless we are required for our duties.

## 10 Proper Processing of Accounting and Expense

### ●Specific conduct

- ① To ensure appropriate financial reporting, we shall follow proper accounting processing in accordance with stipulated rules.
- ② To ensure the accuracy of our financial reporting, we shall create an appropriate internal control system and operate the system strictly.
- ③ We shall comply with applicable internal rules for expense processing (e.g. correct billing) and we shall conduct necessary checks to prevent any inappropriate or dishonest expense processing.

## 11 Restriction on Acts of Conflict of Interest/Competition

### ●Specific conduct

- ① We shall not commit the following acts that would come into conflict of interest with Mandom Groups;
  - 1) conducting a transaction such as sales or purchase, rental or lease, financial transaction, donation, etc. with himself/herself or a relative/friend, etc. (including companies involving himself/herself or a relative/friend, etc.) as the position of a Mandom Group's director or employee.
  - 2) undertaking to guarantee a debt for himself/herself or a relative/friend, etc. (including companies involving him/herself or a relative/friend, etc.) as the position of a Mandom Group's director or employee.
- ② We shall not become involved in any business that is in competition with Mandom Group's business activities. Such non-involvement obviously refers to a director or employee not personally engaging in competitive activities. Furthermore, he or she shall not belong to a company that engages in competitive activities and not take part in competitive business activity through other means.
- ③ If we are obliged to conduct Conflict of Interest Transactions or to take part in business that is in competition, we must take procedures designated by company.



## Conduct for Protecting Global Environment

We shall be aware that activities to address environmental issues are common issues for humanity, and shall take independent actions for these issues as essential elements in a company's existence and operations.

### 1.Environmental Considerations in Products and Services

We continuously improve the eco-friendliness of commodities by building a management system for evaluating environmentally friendly processes and their results in products and services.

### 2.Promoting Measures toward a Carbon-Free Society

We promote measures to create a carbon-free society based on the Paris Agreement, and efforts to reduce greenhouse gas emissions at all facilities.

### 3.Protecting Biodiversity

We grasp the impact on biodiversity of each product throughout its life cycle and carry out measures to protect biodiversity.

### 4.Promoting a Recycling-Oriented Society

We carry out measures to achieve and maintain zero emissions by fully recycling industrial waste.

### 5.Our Duty as a Citizen

We shall execute to protect global environment in our daily as same as company life through careful use of resources, reduction of waste and use of recycled products.



# IV Conduct in Relation to Society

## 1 Cooperation and Integration with Local Communities

### ● Specific conduct

- ① We shall be aware that we are a member of the local community and we shall fully understand and respect local cultures and customs, acquire understanding and trust in our corporate activities by participating in and cooperating with community activities.
- ② We shall aim to conduct business activities with respect to the history, culture, values, and customs of each country and each region.
- ③ In case of doing businesses in each country and each region, in addition to compliance with international rules and local laws, we shall work together with local communities, companies and relevant institutions so that we can build relationships of trust.

## 2 Social Contribution

### ● Specific conduct

- ① As a "good corporate citizen," we shall offer society the resources we have in an effective way suitable to our means through our positive support and sponsorship of academic, cultural, and sports activities together with voluntary activities. We shall endeavor to make active contributions to the healthy development of society.
- ② In undertaking these activities to make our social contribution, we shall make it our basic rule to conduct them within appropriate range by considering sufficiently their public and social benefits so that we can obtain the sympathy of a wide spectrum of stakeholders.

## 3 Non-involvement with Antisocial Forces

### ● Specific conduct

- ① We shall resolutely confront antisocial forces or organizations that would adversely impact on social order and safety. We shall clearly avoid involvement with any antisocial forces or organizations and their activities.
- ② We shall not support the activities of antisocial forces or organizations nor provide any benefits to them.
- ③ We shall conduct our businesses without using any influence of antisocial forces or organizations.
- ④ We shall not meet unreasonable demand made to us by antisocial forces or organizations.
- ⑤ When we exchange contracts concerning business transactions, we shall incorporate clauses requiring the elimination of anti-social forces.
- ⑥ Concerning unsolicited books or magazines or seminar information, we shall reject and unsubscribe from such offers.

## 4 Communication with Society

### ● Specific conduct

- ① We are aware that mutual communication with a wide range of stakeholders is not only a means for a company to fulfill its explanatory obligations but also a means to enhance corporate value. We shall enhance corporate value by having constructive communication frequently with stakeholders such as society, customers and business partners, not to mention shareholders.
- ② We shall earnestly listen the comments and requests made to us by stakeholders and reflect them in our business operations and management. Meanwhile we shall make disclosure of corporate information positively, effectively and fairly.
- ③ When disclosing corporate information, we shall not only endeavor to actively disclose information relating to management and finance such as financial statements, corporate philosophy, management policies, management plan and management targets, but we shall endeavor to actively disclose information relating to environmental and social aspects of our operations such as environmental activities and social contribution activities.
- ④ When we use social media in communication, we shall be fully aware of the fact that social media is being accessed by various users all over the world. We shall pay utmost attention so as not to invite misunderstanding or infringe copyright, portrait rights or privacy.



# V Conduct for Creating a Safe, Friendly and Decent Workplace

## 1 Respect for Human Rights, Ban on Discriminatory Treatment

- Specific conduct
  - ① We shall respect the basic human rights of everybody.
  - ② Under no circumstance shall we discriminate against anybody for their nationality, race, ethnicity, religion, color of skin, age, sex, gender identity, sexual orientation, health condition, physical disability or employment status. Should we detect any discrimination, we shall not turn a blind eye.
  - ③ We shall not discriminate against anybody or anything on the grounds of preconception or prejudice.
  - ④ We shall not force anybody to follow our own personal beliefs or preferences.

## 2 Ban on Child Labor and Forced Labor

- Specific conduct
  - ① We shall refrain absolutely from any use of child labor, the employment of children who are under the minimum working age.
  - ② We shall refrain absolutely from any use of forced labor, the illegal extraction of labor by means of physical or psychological constraint.
  - ③ We shall comply with treaties and laws that prohibit child labor and forced labor.

## 3 Distinction between Public and Private Affairs

- Specific conduct
  - ① We shall never confuse our corporate and private positions and capacities. We shall avoid conflicts of interest, avoiding interference of personal interest in the workplace and of company status outside the workplace.
  - ② We shall use the company PC and phone only within the scope necessary for business.
  - ③ We shall refrain from making any solicitations at work relating to personal philosophy/beliefs, or offering any sale of private goods.

## 4 Development of Working Conditions

- Specific conduct
  - ① We shall create working conditions which are conducive to work, taking into account health and safety.
  - ② We shall produce ways of working which develop individual capability and respect diversity, personality and individuality so that we can enhance the power of individual members to the strength of the entire team.
  - ③ Placing top priority on human life, we shall comply with laws and rules concerning working conditions/industrial health and safety.
  - ④ We shall positively implement measures such as creating a safety-first environment and ensuring reasonable working hours.
  - ⑤ We shall actively participate in efforts to maintain and promote health.
  - ⑥ If any accidents or other problems relating to our product occur, we shall promptly respond to such a situation.

## 5 Ban on Harassment

- Specific conduct
  - ① We shall speak and act with consideration from other people's point of view.
  - ② We shall not engage in sexual harassment (any sexual acts that go against somebody else's will).
  - ③ We shall not engage in power harassment (any harassment using some advantage of business position in and out of the office).
  - ④ We shall not engage in maternity harassment (any unfair treatment for pregnancy or childbirth).
  - ⑤ We shall not engage in other harassment such as social harassment (infringements of privacy or nuisances involving social networks) and alcohol harassment (for example, forcing of participation in drinking parties, forcing of drinking down a jug of beer in one go).
  - ⑥ Should we detect any harassment, we shall not turn a blind eye.

## 6 Organizational Measures for Crisis Management

- Specific conduct
  - ① We shall prepare to cope with crises such as actions taken by antisocial forces, terrorism, cyberattacks, and natural disasters, by developing a crisis management system in an organized manner.
  - ② We shall recognize cybersecurity risks and take necessary measures against them.
  - ③ We shall recognize that we are facing growing risks of incidents and accidents including terrorism. In this context, we shall collect necessary information and take safety measures with the belief that what we need to do first is to protect ourselves.



# VI

## Act of the Mandom Group Code of Conduct

We shall implement the Mandom Group Code of Conduct through efforts as follows.

### 1 Understanding of Laws and Social Norms

We shall actively gather domestic and foreign information relating to laws and social norms that are necessary to act up to the Mandom Group Code of Conduct. We shall endeavor to understand the information and carry out establishment, revision or abolition of company rules and regulations as necessary.

### 2 Ethical Conduct

As members of society, we shall always cultivate our “hearts” that would equip us with good judgment and social sense as well as firm ethical and moral values and principles. In the light of these, we shall look at our own conduct and we shall act up to the Mandom Group Code of Conduct by conducting in good faith with self-responsibility.

### 3 Strict Handling of Compliance Violation

If we have factors to prevent compliance management, we must unite to eliminate such factors thoroughly. In undertaking our business conduct, should there be any suspicion that a violation of compliance has occurred, we shall report to and consult our line manager or relevant company department, and take appropriate measures. We shall take strict action against the violation.

### 4 Help Line System

We shall establish Help Line System (information provider protection system) as reporting contact office when we find a violation of the Code of Conduct that would harm the public interest as a Mandom Group (including acts suspected of violating), and we shall operate it properly. In addition, we absolutely prohibit retaliation and disadvantageous handling to legitimate information providers to reporting contact office absolutely by internal regulations and will fully protect the legitimate information provider.



### 5 Creation and Operation of an Internal Control System

We shall properly assess whether Mandom Group is upholding the Mandom Group Code of Conduct and we shall build an internal system (internal control system) and strictly manage it so that if any violation is detected, we could promptly address the violation.

### 6 Dissemination

We shall endeavor to create an environment by distributing booklets or by other means, where all board members and employees can easily refer to the Mandom Group Code of Conduct. We shall also offer training and education so that everyone can gain a thorough understanding of the Mandom Group Code of Conduct.

#### 【Supplementary Rules】

To thoroughly implement compliance with this Code of Conduct, each Mandom Group company, its directors and employees shall make ceaseless efforts. Obligations for directors and employees to comply with this Code of Conduct shall be provided in Mandom Group’s Ethical Conduct Promotion Rules. If a director violates any of the Code of Conduct, such director shall be dealt with in accordance with the Company Law and other pertinent legislation. If an employee violates any of the Code of Conduct, such employee shall be dealt with in accordance with the office regulations.

## Complimentary Close

The Mandom Group Code of Conduct is a booklet that summarizes what we should keep in mind as we give material shape to the MANDOM MISSION. Therefore, we must act with always having the mind that purpose, content and method to perform our business are correspond to the Mandom Group Code of Conduct and the spirit in order to perform our business smoothly. We need to act appropriately with consulting our line manager or relevant company department in the event that there should be any suspicion that our business correspond to the Mandom Group Code of Conduct.

I pledge to understand fully and comply with the contents of this Mandom Group Code of Conduct.

Department \_\_\_\_\_ Name \_\_\_\_\_