

Materiality 5 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		FY2023 Results	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-certified palm oil (including book-and-claim compliance)	2026	50.2%	P.61
Paper containers and packaging materials	Usage rate of FSC ² -certified paper for paper and containers and packaging, and recovered paper usage ratio	Switching completely to the use of FSC-certified paper/recovered paper for paper containers and packaging	2027	93.8%	P.62

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.

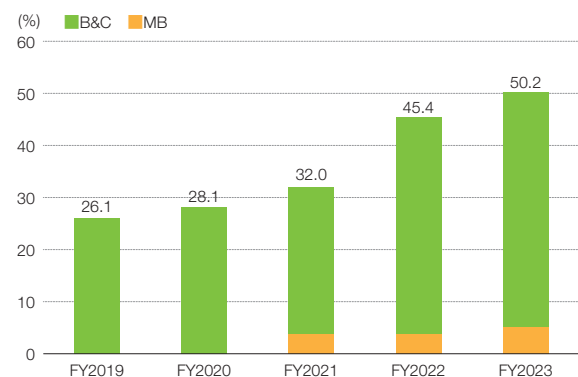
Example of Initiatives 1

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 FY2023, 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 ten 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

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Example of Initiatives 2

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 60. We are 93.8% of the way there as of March 31, 2024. 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

- WEB : External Site (Japanese Only)
- : FSC FSC Japan Official Website
- : WWF Japan Official Website About RSPO

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.

■ Aiming to Build and Implement a CSR Procurement System

We have selected “the 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 are currently engaged in thoughtful action based on our Purchasing Policy, but we need to strengthen that implementation, which includes making ongoing

improvements and revisions to prevent new social and environmental issues from arising and thereby avoiding such risks.

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.

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| <p>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.</p> <p>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.</p> <p>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.</p> | <p>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.</p> <p>5. We will fully understand and comply with Japanese and foreign laws and rules in order to engage in honest and fair purchasing activities.</p> |
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■ 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. We are also planning to request upstream companies and partner companies in the supply chain to share these guidelines, with the hope that this will lead to future discussions on CSR procurement aimed at mitigating risks and taking into consideration the impact on society and the environment. We also want to gradually work toward further transparency throughout the supply chain, while requesting the understanding and cooperation of our suppliers.

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

- Number of companies monitored in FY2023: 282

* Our next monitoring survey is scheduled to be conducted in FY2025.

 : Sustainability Information
: Sustainability > Society (S) > Connecting with Suppliers