



## Based on the content of the KohDoh Report 2016, I provide the following third-party opinion on the activities of Mandom corporation and its domestic and international affiliates.

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### 〈Positive Areas〉

This marks the third time I have asked to provide a third-party opinion for Mandom's KohDoh Report. This report is a good one that clearly reflects the Mandom Group's mission—aiming to provide a comfortable lifestyle supported by health and beauty. Many voices of stakeholders are presented, with a focus on employees both inside and outside of Japan, giving the report a personal tone.

There are two points in particular that I would like to praise. The first is the company's establishment of a CSR Promotion Division in April 2015 (page 10). In September 2015, Mandom also declared its commitment to the UN Global Compact, with its Ten Principles in four domains (page 10). If top management and the company's employees maintain a strong awareness of their social responsibility, CSR can be carried out to an appreciable extent, but to sustain CSR in a stable, ongoing way requires support systems and mechanisms. Readers of the report can see the level of Mandom's commitment to CSR in the efforts the company has made to set up mechanisms that reinforce CSR efforts.

The second positive I wish to point out is Mandom's first identification of key CSR issues for the group in December 2015 (pages 11–15). Additionally, the report clearly lays out its business activities according to the 14 items of the CSR Material Issues, based on the seven core subjects of the ISO 26000 standard. Honestly speaking, I was surprised at how much the level of the report improved in just one year. The Mandom Group does business in 11 countries and regions, and over 40% of its consolidated sales is outside of Japan, making it a truly global corporation. Yet the utilization of the ISO 26000 framework contributed in a significant way to the development of its business activities, including its CSR both inside and outside of Japan. I rate Mandom's earnest stance toward CSR highly.

In Feature 1 (pages 16–19), the report covered the fire that occurred at the group's Indonesia Plant in July 2015, along with the measures in response that have been taken since. According to the report, the cause of the accident was brought to light and measures were taken to prevent a recurrence, while sincere support was extended to the injured employees and their families, and to the families who lost loved ones in the accident. Although it was a tragic accident, the

special feature article on improving occupational health and safety in the workplace dealt with it head-on, disclosed information, and demonstrated a stance of regret and commitment to future safety in the workplace. For these things it gets high marks.

In Feature 2 (pages 20–23), the report covered a lecture on Universal Manners. Besides holding this lecture, in April 2015 Mandom established a Diversity Promotion Office (page 32). These activities give a strong impression of solid progress in the last year at Mandom toward understanding and promoting diversity. For a company to be in harmony with society, and for it to utilize a wide range of talented individuals distinctive in their own way, an understanding and respect for diversity and heterogeneity are vital. I expect that Mandom will continue to pursue such activities in the future, as well.

In fiscal 2015, Mandom also began doing basic research to establish alternative testing methods to replace animal testing and to develop cosmetics through the application of regenerative medicine technology, working with Osaka University's Graduate School and School of Pharmaceutical Sciences. As indicated in the president's message, the rapid change occurring in this day and age means that rather than adopting a reactive approach, it is necessary to take a closer look at the situation one finds oneself facing. Mandom is pursuing a course befitting its unique strengths, seeking businesses that will allow the company to become a stable, dedicated force for good in society in fulfilling people's real needs, and aiming to be a leading company in Asia.

### 〈Areas for Improvement〉

Mandom seemed to have a high awareness of global environmental protection, having achieved zero emissions at all of its business sites in Japan and formed a policy to stop using microplastic beads (page 42) in fiscal 2015, while revising its environmental policies in May 2016 (page 39). However, the volume of water used at the Fukusaki Factory increased, along with CO<sub>2</sub> emissions in distribution. It is easy to see the rise in production volume as the cause of the increase, but in the next fiscal year I would like to see improvements made in this regard as far as possible.

## To Our Readers



**Mandom corporation**  
Director and Senior Managing  
Executive Officer

In charge of Human Resources & General Resources Units, the General Administration Division, the CSR Promotion Division, and the Legal Affairs Division (Director and Chairman, PT Mandom Indonesia Tbk)

**Tatsuyoshi Kitamura**

We wish to apologize deeply for the suffering and distress caused to so many people involved in the factory fire that occurred in Indonesia on July 10, 2015. We take the graveness of this accident quite seriously and place utmost importance as a CSR issue on the thorough investigation of the cause of the accident, prevention of its recurrence, and provision of relief for the injured employees and their families, and the families of those who lost their lives. The Mandom Group will continue to do everything we can in this regard. Fiscal 2015 marks a turning point in CSR within the Mandom Group. The CSR Promotion Division was established in April; on September 24 we became a signatory to the UN Global Compact; in December we established CSR Material Issues" for the first time; in January

2016 we created a CSR information page on our website; we began adding and arranging information based on ISO 26000 and the GRI (G4) Guidelines; and we set up a system that allows us to disclose the latest CSR information on a more timely basis.

Regarding our CSR Material Issues, at present for the first version we selected 14 items to take action on, and we plan to improve the level of the content continuously with input from people outside the company. We also plan to use "backcasting" from our ideal vision of the future to set targets and establish PDCA systems based on a medium- to long-term perspective.

In a special feature article we reported on the factory accident in Indonesia and the follow-up, but I would like to explain the words in Indonesian that appear in the background of the photo of the memorial service held in Indonesia, "Doa Bersama Keluarga Besar." This phrase means, "Let us pray together as one big family." Next year, the Mandom Group celebrates the 90th anniversary since its founding in December 1927. We will formulate a vision looking to our 100th anniversary and, as a member of one larger worldwide family, pursue and practice CSR to meet the expectations of the global community.