

Based on the content of the KohDoh Report 2017,
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 year, Mandom is celebrating the 90th anniversary of its founding, and the company has reviewed its corporate philosophy with an eye on the future. This report is the first based on Mandom Group's new principle that "Mandom is a 'human-oriented' company. Guided by our original concepts of Health, Cleanliness & Beauty, we reach boldly beyond the norm to bring wonder and inspiration to people's everyday lives." A new element, "Social Responsibility & Sustainability," was added to the Mandom Principles renewed together with the corporate philosophy (P. 09). What is crucial for a global corporation is not just creating products which suit the characteristics of each region, but also to have a posture of interacting and coexisting with the stakeholders in each local community, which have diverse values. The Mandom Principles are basic rules to be followed by all employees, and I feel the addition this year of "Social Responsibility & Sustainability" was an extremely beneficial decision for the Mandom Group, whose overseas sales account for more than 40% of the total, to promote CSR through its main business.

The most positive point in this year's report is that information such as the relationship between CSR Material Issues and Sustainable Development Goals (SDGs), the description of activities in fiscal 2016, long-term goals, and directions for action in the future are indicated in ready-reference charts (P. 15–19). In 2015, Mandom established a new CSR Promotion Division, signed the UN Global Compact, and declared its support for the compact's Ten Principles in four areas of focus. At that time, efforts made major progress due to clear specification of CSR Material Issues, but in February 2017, the CSR Material Issues were updated and revised, their relationship with SDGs was indicated, and at the same time long-term goals were set. By doing this, a system has been put in place through which the Mandom Group can run, at the global level, the PDCA cycle, and continually promote CSR.

An ambitious stance is also evident in their long-term goals and

plans for future action. For example, in the environmental goals section, a policy is clearly indicated—as a long-term goal relating to protecting biodiversity—of switching completely to the use of RSPO-certified palm oil as a raw material source by 2027, and in the process leading up to that, RSPO-certified oil will be used for all of the most numerous palm oil-derived raw materials by 2020. Furthermore, as a future direction for "promoting measures toward a carbon-free society," it is clearly indicated that the scope of calculation will be broadened from CO₂ directly emitted by the company (Scope 1) and CO₂ indirectly emitted by the company (Scope 2), to CO₂ emitted in the entire value chain (Scope 3). As noted by Ms. Baba in Feature 01 (P. 21), it is crucial to visualize CO₂ emissions as a whole, in part to find points where the entire company and each business site can make improvements. Many companies are hesitant to include Scope 3, partly due to data constraints and other issues, and I highly rate Mandom's stance of always attempting to return to essentials, and step up to challenges when necessary.

Areas for Improvement

Over the last two years, Mandom's CSR activities have evolved rapidly. In the next fiscal year, I expect that Mandom will refine its CSR activities while remaining aware of global standards. For example, in expanding business globally, there is a need to fulfill social responsibility in the entire supply chain, both inside and outside Japan. I believe the scope of suppliers to comply with Supplier CSR Guidelines, which is currently limited to primary domestic suppliers, should be widened to secondary/tertiary suppliers and suppliers overseas. Lastly, although this is disclosed on the Internet rather than this report, the proportion of women in management positions has been flat for the last five years. For a global corporation, ensuring diversity and inclusion is a key issue, and thus I hope Mandom will work hard to improve this point.



To Our Readers

Mandom corporation Director and Senior Managing Executive Officer
Director and Chairman, PT Mandom Indonesia Tbk

Tatsuyoshi Kitamura

Fiscal 2016, like fiscal 2015 was a year of constant new issues, such as the Paris Agreement coming into effect, the need to respond to human rights and labor issues in the supply chain, and growth of ESG investment. Based on these global trends, this year's report describes the connection between the Mandom Group's CSR Material Issues and SDGs, and the voluntary seminar and dialogue held with the cooperation of Ms. Baba from Nikkei Business Publications.

In my work I've been posted in Indonesia, Singapore, and Malaysia, and I've experienced the haze due to field burning on palm plantations and other agricultural areas. When considering this problem, we must not try to solve just the environmental problem with CO₂ emissions and air pollution, but must take into account the fundamental local issues of poverty, and the economics-driven mindset that has been prevalent thus far in those countries. However, these complex problems in the background are not apparent to us who live a normal life in Japan, and cannot be understood correctly.

I believe that almost all social and environmental problems can be solved someday if we understand them correctly, cooperate, and work hard to achieve improvement. However, we should not make decisions on what to do based only on the information we ourselves know. While working with people outside the company, we must gather information from the wider world, and listen to a diverse range of views.

In our new corporate philosophy, we uphold our stance of being a "human-oriented company." This philosophy also includes the meaning of being kind to people. To achieve this, we must also be kind to the environment. Through our business activities and daily thoughtful action that aim to make us a human-oriented company, the Mandom Group's ideal, we will continue striving to be of service in realizing a sustainable society, while responding to expectations and demands from the society at large.