

Risk Management

■ Basic approach and strategy

The Unicharm Ideals state “We contribute to creating a better quality of life for everyone by offering only the finest products and services to the market and customers, both at home in Japan and abroad”. With this in mind, the Company’s basic policy is to engage in business activities aiming to fulfill its social responsibilities and always striving toward new value creation for its stakeholders including customers, shareholders, business partners, employees and society. Gaining an appropriate understanding of the various risks that could affect the execution of business activities and realization of these objectives and preventing and minimizing the impact of such risks when they occur are positioned as important management issues. The Company has established a risk management system for the entire group that is implemented while continuously reviewing and improving business risk management.

At the same time as overseeing the code of conduct and code of ethics, the Board of Directors analyzes and evaluates major risks that are reported from each unit leader in order to deliberate and decide on improvement measures. Audit and Supervisory Committee members fulfill their roles by implementing various audits during their statutory term of office.

In addition, the ESG Committee has defined 12 major business risks that could impact the Company and is now discussing these risks and carrying out appropriate responses. Urgent risks that do not fall under these 12 major business risks are discussed and addressed by the ESG Committee promptly.

The following 12 major risks represent important matters that could impact the Company’s financial standing and management results. Thanks to the effects of various

response measures, at present, none of these risks have emerged to a level where they will have serious impacts on management. In addition, the timing and extent to which these risks could emerge in the future are unknown. Furthermore, other risks can be found outside of the major risks mentioned above. Risks that could impact the Company in the future are not necessarily restricted to those matters appearing here.

Basic policy

- Clarify roles and responsibilities related to risk management.
- Give due consideration to possible risks during the decision making process.
- Establish a system for implementing group-wide countermeasures against important risks facing management.
- Develop organizations, systems and plans related to crisis response.
- Conduct audits of the risk management process.

Message from the President & CEO	Unicharm Group's COVID-19 Initiatives	Kyo-sei Life Vision 2030	Unicharm Group Sustainability	Key Topics	Environment	Human Rights	Responsibility to Our Customers	Quality	Labor Standards	Health and Safety	Human Resources Data	Local Community	Supply Chain (Society)	Shareholders and Investors	Governance	Third Party Assurance Report	List of Awards and Commendations Received in Fiscal 2020
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Business Risks

Risks	Details of risks and impacts on the Company	The Company's main response
Risks related to the sales environment in conditions of intense competition	<p>Competition for the Company's main products could become even more severe in domestic and overseas markets in terms of price and product line depending on the economic and market environments. Given their consumer-oriented purpose, the Company's main products are always exposed to severe price competition and competitors are also releasing new products one after another. The selling environment is also influenced by changes in the consumption behavior of customers and the response of competitors regardless of the Company's efforts to lower manufacturing costs, cut overhead or enhance marketing. If the Company could not respond appropriately in response to such selling environment, its sales and profits could be adversely impacted.</p>	<p>The Company strives to thoroughly research the living conditions and consumption situation of individual country and region, develop products tailored to local culture and living environment and provide products that are not susceptible to economic impacts. The Company seeks to increase earnings in a stable manner by utilizing this research and market analysis methodology to expand its coverage area and countries. In addition, in terms of production, the Company is curtailing costs by lowering procurement costs and improving production efficiency while, in terms of sales and marketing, it strives to expand buyers of its products including through the online channel. The Company endeavors to maintain and improve competitiveness and reinforce its marketing capabilities by proposing to retailers ways of purchasing and selling products with a customer-oriented perspective utilizing digital technology. Furthermore, the Company is working to decentralize authority to its overseas subsidiaries and create a system where it can respond swiftly to changes in the consumption behavior of customers.</p>
Risks related to the changes in population structure	<p>In Japan, the number of births will continue to decline over a long period of time and the population of infants and menstruating women will decline, too. In addition, a similar trend is seen in some countries overseas where the Company engages in business. Through these changes in population dynamics, there is a possibility that demand for baby care and feminine hygiene related products, the core business of the Company, in these countries could decline. In addition, the Company believes it must strive to secure and develop talented human resources required for the execution of business. Meanwhile, the difficulty of securing human resources is rising due to the advancement of a declining birthrate and aging population. If it cannot secure or develop human resources as planned, the Company's business activities could be impacted.</p>	<p>Under its mission of contributing to the realization of "cohesive society", affluent society where all people live equally and freely, respect one another's humanity and are kind to one another and emotionally connected, the Company aims for business activities that are less susceptible to the impacts of population dynamics. It achieves this by using well-balanced business development of its products and services in every region and country of the world contributing to the satisfaction found in the joy of life and where all consumers, from infants to seniors, and partner animals (pets) are liberated from various burdens and can live independently and as they see fit through mutual aid. Additionally, the Company uses product strategy based on market growth stage in an effort to maintain and increase demand even with a declining target population by diversifying its lineup and appealing the value of products. As one way to counter the declining working population, the Company is promoting the creation of workplace environments where diverse human resources, regardless of nationality, gender, age or presence of disability, can utilize their strengths to achieve a sense of purpose by playing an active role. Specifically, the Company provides opportunities for growth by creating a development plan based on individual career vision and career plans, allocating the right people to the right position and conducting quarterly evaluations and offering rank-based training, with the aim of producing human resources who can identify and resolve challenges on their own. To encourage employees to determine their own work styles and sense of purpose, the Company has introduced working from home, eliminated core time and increased the option to select where and when to work to achieve flexible work styles that elevate creativity and productivity. Furthermore, the Company is actively working to utilize senior citizen workers and to promote the empowerment of women.</p>
Overseas business risk	<p>The Company manufactures products in China, Indonesia, Thailand, India, the Middle East and Brazil, among other countries. Business development overseas could involve considerable impacts on raw materials prices and equipment costs caused by fluctuations in exchange rates. There is also a possibility that major changes in markets could impact the Company's business activities or the value of its assets depending on the regulations, economic environment and social and political conditions of each country. In addition, the balance sheets of overseas consolidated subsidiaries denominated in the local currency are converted to Japanese yen when preparing the consolidated financial statements. As a result, strength in yen will have a negative impact on the Company's financial situation and management results.</p>	<p>In terms of international trading, the Company is working to secure a stable export & import transactions and earnings by changing shipment locations depending on the situation from the perspective of utilization of manufacturing bases and profitability due to exchange rates. In response to fluctuations in exchange rates, the Company strives to minimize risks by using hedging based on a comprehensive review of foreign currency denominated transactions including raw material procurement along with the outstanding credits and liabilities. Also, to contribute to stable shareholder returns and the flow of internal funds, the Company actively implements dividends from overseas consolidated subsidiaries that have cash in excess of planned investments and is building a mechanism to curtail negative impacts on overseas assets in case of yen strength.</p>
Raw materials price volatility risks	<p>As a manufacturer, the Company directly faces the risks of fluctuations in prices of raw materials. Currently, the Company purchases raw materials across borders from many different suppliers. In particular, raw materials such as pulp are procured from overseas suppliers using transactions that are typically denominated in US dollars. Depending on the volatility of exchange rates, the cost of raw materials could increase by a large amount. Also, fluctuations in market prices for commodities such as oil, naphtha, pulp among others could impact the prices of raw materials.</p>	<p>The Company analyzes trends in prices of major raw materials and forecasts future prices and uses adjustment of purchasing and regular revisions to its cost projections to manage earnings. It also strives to purchase raw materials in a stable manner using a comprehensive perspective by continuously engaging suppliers locally and in countries with preferential tariffs to prepare for unforeseen situations that block imports and for curtailing the risk of fluctuations in import prices attributed to exchange rates. In addition, the Company prepares for large increases in raw materials expenses due to exchange rates using forex hedging mentioned in matters for overseas business risks. It also conducts research to reduce the amount of used raw materials and increase their functionality.</p>
Risks related to environmental problems	<p>Environmental issues are growing on a worldwide scale including concerns over the depletion of resources, marine pollution caused by marine plastics and destruction of ecosystems. As a result, initiatives to conserve the environment and reduce environmental impacts are underway around the world. For the Company, which manufactures disposable products such as disposable diapers and feminine hygiene products, manufacturing that is considerate of the environment is a critical issue that cannot be neglected. In addition, the Company strives to comply with environmental laws and regulations in Japan and overseas, but if management of wastes is inappropriate and violates laws and regulations, it could receive legal punishment such as production restrictions and its social trust could be impacted.</p>	<p>As part of its recycling-oriented business model, the Company has implemented recycling projects for used disposable diapers since 2015. It has also successfully recycled pulp and super absorbent polymers (SAP) as well as created prototypes of disposable diapers made from recycled pulp. Furthermore, it has established "Environmental Targets 2030" to replace "Eco Plan 2020" ended in 2020 and set numerical targets for environmental issues in "Kyo-sei Life Vision 2030" revealed in October 2020. The Company is now formulating and implementing specific initiatives for achieving these targets. In addition, it is stepping up efforts toward environmental activities having established the "Basic Environmental Policy" and "Environmental Action Guidelines". The Company is now working to foster compliance with environmental laws and regulations by increasing employees' awareness toward the environment.</p>
Risks related to climate change	<p>The severity of impacts caused by climate change continues to increase with each passing year. The Paris Agreement represents an agreement to rein in increases in the worldwide average temperature. The Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Services Board (FSB) has issued recommendations encouraging companies to disclose climate-related financial information. If mitigation and adaptive measures against climate change such as reining in worldwide average temperature increases are not taken, it could cause soaring prices of forest-derived raw materials used as a main raw material for the Company's products, major fluctuations in energy prices and impact Asia the most, as pointed out by researchers where the Company is focusing its business operations. In addition, if the Company's initiatives to reduce CO₂ resulting in the curbing of temperature increases and relevant disclosures are inadequate, its social trust could decline as a result.</p>	<p>To contribute to the Paris Agreement's 2 degrees Celsius scenario, in June 2018, the Company received certification for its reduction plan up to 2045 from the Science-Based Targets (SBT) initiative. Also, it has stated its endorsement of the TCFD's recommendations and is now reporting information following this framework. Aimed at realization of a "zero carbon society in 2050", the President & CEO is taking the lead in target setting and progress management and the Company aims to achieve 100% of electricity use from renewable sources used to power its operations as indicated in "Kyo-sei Life Vision 2030" through the efforts of all employees. It is actively encouraging all stakeholders involved in the supply chain to ensure that emissions are reined in across the entire product lifecycle.</p>

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Risks	Details of risks and impacts on the Company	The Company's main response
Risks related to the reliability of products	As a manufacturer and seller of consumer products, the Company has not experienced the payment of large sums of compensation impacting management related to product quality or safety since it was founded. Nevertheless, if a serious problem involving quality or safety were to occur that could not be foreseen during the manufacture or sale of the products, the reliability of its products could decline greatly.	Many of the Company's products come into direct contact with the skin, so it strives toward proper labeling for conveying correct information and improving quality and safety so as to provide peace of mind to consumers. Also, the Company checks safety during all processes, from procurement of raw materials to development, manufacturing, sales and disposal, based not only on compliance with relevant laws and regulations but also its own in-house strict standards. If a complaint is made regarding one of the products, it has a system in place to swiftly identify and address the complaint to prevent a decline in the product's reliability, regardless of how big or small the complaint may be.
Risks related to legal compliance violations	If the Company or its employees violate laws or regulations overseas or in Japan, such as the Anti-monopoly Act, the Unfair Competition Prevention Act and tax laws and, for example, they receive public penalties for making unreasonable demands during a transaction or engage in bribery to facilitate public procedures, its performance or social trust could be impacted.	"The Unicharm Group Charter of Actions" contains the laws and regulations that should be taken into consideration by employees to fulfill the Company's pledge to all stakeholders as a way to improve awareness of compliance including anti-corruption matters. The Company conducts monitoring every year using an employee survey. In addition, compliance themes are covered in training for new employees and for employees assigned to work overseas with the purpose of raising awareness about legal compliance and preventing the occurrence of compliance violations. Furthermore, it organizes seminars on compliance as part of e-learning provided to all employees. In this manner, the Company thoroughly promotes compliance with laws and regulations.
Risks related to intellectual property including patents and trademarks	If the Company's intellectual property rights are infringed upon in some way or another by a third party, the Company could incur large damages such as a loss of expected earnings. In contrast, if the Company unknowingly infringes upon the intellectual property rights of a third party, it may be forced to pay a large sum of damages or have its business activities restricted.	The Company takes a resolute stance including litigation in response to infringement of its intellectual property rights by third parties or unfair exercising of these rights. It will use close collaboration internally and coordination with the government of each country to stop products that violate its intellectual property rights and counterfeits. At the same time, it combines off the job training, on the job training and e-learning in internal compliance training on patents, trademarks and the Premiums and Misleading Representations Act to ensure the safeguarding and protection of intellectual properties of the Company and others.
Risks related to disasters and accidents	In order to minimize losses due to interruptions to manufacturing or sales caused by a major earthquake, large-scale natural disaster, fire or accident, the Company has established a system enables collaboration between manufacturing and distribution points and the swift restoration of IT systems and management functions pursuant to the business continuity plan (BCP). Following a fire at its plant in India in June 2020, the BCP functioned to swiftly establish a supply system not only from other plants inside India but also plants in other countries, making it possible to minimize any downturn in sales due to the fire. However, the Company could experience problems in sustaining manufacturing, securing raw materials and providing a stable supply of products due to the occurrence of a disaster or accident that exceeds its predictions.	The BCP comprises the following: (1) basic requirements (2) ensuring and confirming the safety of employees and their families (3) specific measures for sustaining operations (4) important matters to address together with business continuity and (5) measures required to implement the BCP. Training exercises for (5) include evacuation drill using the example of an emergency situation based on scenarios is conducted continuously. In addition, in Japan, the Kyushu plant was constructed and put into operation in 2019 to disperse risk and to be used as a substitute base.
Risks related to acquisition, partnership, business consolidation, etc.	The Company strives to pursue the maximization of corporate value believing that it must always administer management resources efficiently. In the future, within this process, it could be considering acquisitions of other businesses, investments in or partnerships with other companies, merger and elimination of businesses and streamlining and spin offs. After execution, however, market changes could occur or results of these measures could fall below expectations, causing the possibility of losses due to falling prices of risk assets from goodwill, etc.	When considering acquisitions, partnerships and business integrations, the Company decides through the board of directors after fully confirming at relevant departments even the smallest possibility of goodwill of assets booked or impairment of other fixed assets based on gathering of sufficient information and careful planning of future investment recovery plans. After execution, for target companies that fall short of the plan after confirming risks of impairment after judging impairment outlook in a timely manner, it analyzes these factors and reviews the business plan as needed, in an effort to ensure the recoverability of planned profits.
Information leak risks	The Company retains large amounts of information including personal information obtained pursuant to agreements with business partners including customers or confidentiality agreements, not just information generated internally. If some form of information leak were to occur, the Company could be held legally responsible for information management or its trust could decline.	The Company has established Information Security Policy and Information Management Security Regulations. Personal information that it obtains is managed rigorously according to the Personal Information Protection Regulations and Specified Personal Information Handling Regulations and efforts are made to prevent leakage. To ensure the rigorous implementation of regulations, the Company has established the Information Management Security Committee which continuously implements employee training and monitoring along with information management security measures covering the entire group. As physical countermeasures to prevent information leak associated with the loss or theft of devices, the Company uses computers that cannot store data and a complete cloud environment where data and systems can only be used via a server. As countermeasures against external cyberattacks on our websites, we work closely with the external experts to implement various security measures, including building the most appropriate servers, preventing phishing and viruses, ensuring proper password and ID management, as well as using and monitoring with security devices. In addition, we have included information in the group-wide crisis communication manual to ensure that we respond promptly to identify the situation and minimize impacts during an incident, such as information leak.

For the management of these risks, Unicharm uses the ISO framework that also incorporates quality and environmental risks as important business risks as a manufacturer. In addition, individual management is conducted for risks including business continuity at the time of disasters.

Primary reference frameworks

- COSO · ISO9001 · ISO14001 · ISO10002 · ISO13485
- ISO14971

■ Management structure

Chaired by Representative Director and Director & Vice President acting as deputy chair, “ESG Committee” is a cross-functional organization which considers sharing risk management issues and measures to be one of the important themes that need to be addressed. The themes deliberated by ESG Committee and their results are reported to Board of Directors by the head of ESG Division, while supervision of risk management is implemented by directors and members of Audit and Supervisory Committee.

In addition, the Unicharm Group Charter of Actions has been established as the guidelines for actions by employees in recognition of major risks including the prohibition of insider trading, compliance with antitrust laws, the elimination of child labor and forced labor and the protection of personal information. In order to respond comprehensively to risks of corruption that have a high probability of occurring in society including insider trading and bribery, efforts are made to prevent corruption that include the provision of cautionary information to employees on insider trading using the internal intranet, training for employees posted overseas and the provision of cautionary information through e-learning as strengthened compliance training for employees engaged in operations in regional business activities are conducted, as well as the implementation of internal audits. Following an audit, the results are reported to the President & CEO and full-time Audit and Supervisory Committee members as well as regular reports are made to the Audit and Supervisory Committee to verify the effectiveness.

Response to the occurrence of business risks

If a major crisis occurs, Crisis Management Response Committee will be established and endeavor to respond quickly and appropriately and achieve a prompt recovery based on the Crisis Communication Manual established as a regulation related to crisis management.

An emergency in which the above business risks are realized is considered a crisis and Unicharm identifies the 12 items below as serious crises. When such a crisis occurs, Unicharm fulfills its social responsibility by assessing the situation swiftly and accurately in accordance with the Crisis Communication Manual, working to prevent the expansion of damage and communicating appropriately with stakeholders. A handy manual has been distributed to every employee for the purpose of responding promptly when an ESG risk has emerged and a crisis has occurred.

Serious crises

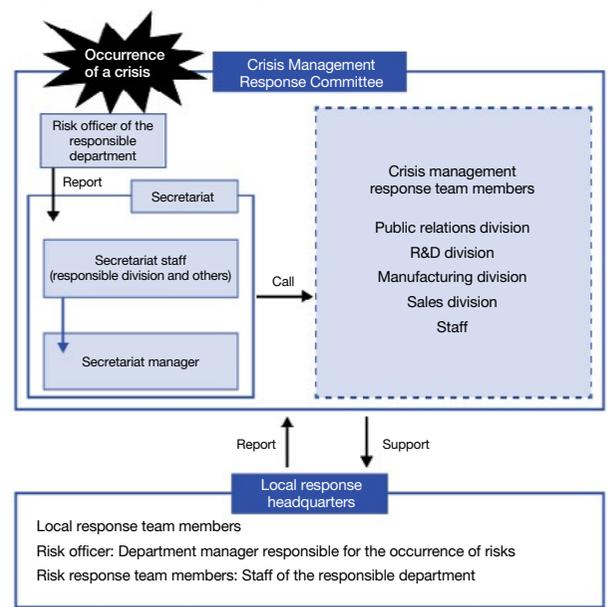
1. Quality	7. Top management/executives related
2. Environment	8. Disaster
3. Representations	9. Information accidents
4. Occupational safety	10. Reputational damage
5. Human rights	11. Pandemics
6. Supplier/vendor related	12. Disputes/political changes

■ Rigorous information security

To ensure rigorous information security, Unicharm has set out information security principles and procedures such as Information Security Policy and Information Management Security Rules. We also have Personal Information Protection Rules and Specific Personal Information Handling Rules in place to safeguard personal information provided by our customers and we strictly manage this information and take precautions to prevent information leaks. To ensure these rules are strictly observed and to prevent information leaks, Unicharm has established Information Management Security Committee which develops group-wide information management security initiatives and carries out employee education and ongoing monitoring. One day every month has been earmarked as an information management day when we highlight a different security topic each month to remind employees about the risk of specific information leaks.

Meanwhile, as a physical measure to prevent information leaks in Japan through the loss or theft of devices, we completed the adoption of PCs that cannot store data, development of a cloud environment in which data and systems can only be used on a server and creation of an environment in which systems can be used anywhere, at any time, without needing to take office PCs out of company premises thereby making it possible to impose restrictions on taking office PCs out of the office.

Diagram of structure in response to occurrence of a crisis



See P.018 “Unicharm Group Sustainability > ESG promotional structure”

Protecting intellectual property

Intellectual Property Division centralizes the management of the Unicharm Group's intellectual property assets and formulates and executes intellectual property strategies linked to its business and development strategies in an aim to put in practice an IP landscape in which intellectual property is useful for management decision making. Specifically, the Group focuses on the development of products, technology and services useful to realize the philosophy of NOLA & DOLA. Therefore, it strives to ensure its continued superiority in business through steadily applying and acquiring IP rights with collaboration between the development and marketing departments on IP based on these development activities.

As a patent application strategy, we intend to protect and utilize business and development results, along with reinforcing overseas patent applications and strengthening our patent portfolio in line with the global development of business. As a result, we have captured a top-class share in the industry with the application rate for global patents at 84.4% (2017) and registration rate for Japanese patents at 91.5% (2019) (data taken from the "Patent Administration's Annual Report 2020").

Meanwhile, Unicharm has applied for and secured trademarks that protect its brands in more than 160 countries around the world and we are also protecting our rights to proprietary packaging.

As part of our efforts to build and strengthen our intellectual property portfolio in Japan and overseas, we actively use the Japan Patent Office's "Patent Prosecution Highway Program" in order to raise the quality of our intellectual property rights as well as work on acquiring rights such as sound trademarks in Japan and overseas and promote acquisition of rights with accelerated review application. Unicharm also takes a firm stance on protecting its intellectual property rights including filing lawsuits against their infringements or unauthorized use.

Its IP division closely cooperates with business and product development divisions as well as overseas subsidiaries and works with local governments to eliminate unauthorized and counterfeit products in Japan and overseas such as Asia, the Middle East and Africa and online in e-commerce.

Unicharm is committed to cultivating a corporate culture that promotes the respect and protection of intellectual property rights of Unicharm and other companies as articulated in the Unicharm Action Guidelines by conducting employee training through a combination of on-the-job training, off-the job training and e-learning to ensure that employees in Japan and overseas are fully aware of compliance issues related to such things as patents, trademarks, misleading representations, etc.

As part of our public activities, we seek to provide advice on and influence international policy with respect to intellectual property by actively exchanging opinions with the patent offices in Japan and Asia.

Business Continuity Plan (BCP)*

Unicharm has been strengthening risk management since 2005. We have formulated a business continuity plan (BCP) to help us prepare for a major emergency that could occur in Japan such as an earthquake directly underneath Tokyo or a large-scale interconnected earthquake involving the Tokai, Tonankai and Nankai plates. As a specific example, we have assumed the scenario of an earthquake (intensity of approximately upper 6) with an epicenter under the Tokyo metropolitan area in an area that includes the head office, adjacent plants and sales offices and prepared impact assessments and damage assumptions, etc., considered alternative measures and established organizational and backup structures to ensure the safety of employees and their families for business continuity if an actual emergency occurs and conducted ongoing evacuation drills assuming the occurrence of such an emergency based on this scenario.

Our BCP Manual describes steps to ensure the delivery of Unicharm products that are necessities for daily living to people in disaster-affected areas as well as to those who require them as soon as possible and recover important operations of Unicharm, particularly head office functions.

* BCP: Plan for the continued operation and rapid recovery of core business activities after an emergency

Main overview of the business continuity plan (BCP)

- (1) **Basic requirements**
 - Basic policy
 - Assumed risks
 - Impact assessment
 - Assumed damage
 - Main elements
- (2) **Confirmation of safety and well-being of employees and their family members**
 - Ensuring and saving lives
- (3) **Specific measures for business continuity**
 - Organizational and command structures
 - Securing important bases
 - External information dissemination and information sharing
 - Backup
 - Provision of products and services
- (4) **Important items that should be responded along with business continuity**
 - Cooperation with and contributing to the community
- (5) **Measures necessary for implementing the business continuity plan (BCP)**
 - Education and training
 - Inspections, corrective action and reviews

We are working to further enhance workplace safety through various initiatives. Specifically, we conduct e-learning sessions for all employees to raise awareness and encourage proactive responses and we distribute a disaster response pocket manual for immediate reference during an emergency to all employees. We have put systems in place that allow us

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to contact employees using smartphones, which they must carry at all times, to help us confirm their safety and maintain business continuity during emergencies. In addition, we conduct disaster training drills at each business site, hold basic survival courses and provide training that is tailored to the function of each division and we carry out first response drills with an emphasis on confirming employee safety and the capabilities of disaster response headquarters including checking the safety of all Unicharm employees in Japan. We are conducting ongoing training and drills assuming the nighttime evacuation of production bases since 2017 and nighttime managers drill assembly since 2020. In February 2020, we launched the Crisis Management Team in response to the spread of COVID19, as well as compiled and implemented the “COVID19 Response Guideline” to ensure each employee will take appropriate measures. Going forward, we will develop systems for responding to all incidents that can be assumed by strengthening risk countermeasures on a global level that incorporate risks such as uprisings or terrorism overseas.



Crisis response training drills assuming the nighttime evacuation (Shizuoka Plant)



Survival course at the head office

permits communication of factory on-site data in a timely manner which is capable of enhanced levels of safety and productivity. In terms of environmental protection, the new plant features over 70 energy-saving machines that help to reduce carbon dioxide emissions. With regard to reducing water consumption, by switching over from water-cooled to air-cooled equipment for the plant’s ancillary equipment, the plant has succeeded in reducing the amount of waste water discharged to zero. In addition, by adopting driverless transporter vehicles and robots, we have “autonomated”^{*} the movement of heavy items within the plant and related materials supply operations, thereby reducing the amount of work that workers need to exert and enhancing efficiency. We have secured a supply system capable of functioning as an emergency location in addressing associated risks of operational shut down due to large scale disasters from a business continuity perspective as Unicharm’s main production facilities in Japan are located in Fukushima, Shizuoka and Shikoku, which means that they are at risk of being damaged in the event of a major earthquake occurring in the Nankai Trough (it is anticipated that an earthquake of this type could cause serious damage in Western Honshu and in the Chubu region). In the future, we will roll out the adoption of smart technologies to our existing plants and realize effective business continuity plan (BCP) through our new production system which effectively diversifies risks.

^{*} “Autonomation” is a form of automation that aims to integrate the expert skills and knowhow that human workers possess with digital technology.



Kyushu Plant

Smart factory in Kyushu that aims to effectively integrate people, knowhow and equipment

In March 2019, the Group’s first smart factory, Kyushu Plant, began its operation.

The plant, designed to integrate “people, knowhow and equipment”, adopts Internet of Things (IoT) technology that

Risk management information website

In 2017, we added “Risk Management Information Website” to our corporate Intranet, focused on potential risks to the lives of Unicharm employees working within and outside Japan. The Unicharm Group Charter of Actions specifies clear guidelines and criteria for responding to natural disasters, pandemics, occupational accidents, large-scale equipment-related accidents (all of the above are defined as safety risks), kidnapping, intrusion into and damaging of company facilities, terrorist attacks, riots, coups d’état and civil war. Information provided by Ministry of Foreign Affairs of Japan and a risk management company that we have contracted is updated on a daily basis and, in 2018, we compiled “Overseas Risk Management Manual” with handling procedures condensed into proper nouns and time for each event. In 2019, we compiled “Domestic Natural Disaster Response Manual” and “Headquarters Special Organized Crime Response Manual” and added pages to the various manuals included in our corporate Intranet. In 2020, we made a new announcement section on the top page for current travel restriction information in response to the Covid-19 pandemic as we continue to strive to keep up with current environmental changes and information concerning safety.



Risk Management Information Site