

Risk Management

Risk Management

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Our Basic Approach and Strategy

The Unicharm Ideals state that “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.” And we always strives to create new value and set the fulfilling our social responsibilities through our business as the basis of our corporate activities. To ensure we realize and embody these ideals, we identify all potential risks associated with our business activities and eliminate the possibility of adverse impacts on the Company. At the same time, in the unlikely event that adverse impacts do occur, we have established a series of responses positioned as important management priorities that include taking prompt corrective action to minimize damage and implementing permanent measures to prevent their recurrence. In view of this, the Company has established a Groupwide risk management system, defining risk as “uncertainties (events) that could affect corporate value” and classifying and managing risk into three categories: strategic risks, significant operational risks, and operational risks.

The ultimate decision-making and oversight responsibility for risk management lies with the Board of Directors. While overseeing the code of conduct and code of ethics, the Board of Directors analyzes and evaluates risks that are reported by each department, and if necessary, leads the formulation of improvement proposals, which are then deliberated and decided upon. The Audit & Supervisory Committee, comprising a majority of outside directors, fulfills its role by implementing various audits as required by laws and regulations. Additionally, in the event that risks occur requiring an urgent response, including those not classified as “business and other risks,” the ESG Committee, chaired by the president & CEO comprising inside directors and executive officers, will quickly meet to discuss and respond to the identified risks. Furthermore, in the event of a serious crisis, a Crisis Management Team (CMT) will be established in accordance with the Crisis Communication Manual (CCM, revised January 1, 2025), which stipulates crisis management protocols, in an effort to respond rapidly and appropriately and resume operations as quickly as possible.

“Business and other risks” are significant risks that could impair the Company’s financial standing and management results. As we have implemented various business and other risk countermeasures, these risks are not likely to have serious impact on our business operations at the present time. In addition, the timing and extent to which these risks could emerge in the future are unknown. Business and other risks that could impact business operations in the future are not restricted to those listed below.

► Uncertainties (Events) That Could Affect Corporate Value

Classification	Definition	Management Method
Strategic risks	Risks that may affect the decision or execution of management strategies, business plans, and other important strategies and matters decided by the Board of Directors of Unicharm Corporation	The Board of Directors takes these risks into consideration when making decisions on important strategies and matters. The Board of Directors will monitor the situation after decisions are made on the basis of regular reports to the Board of Directors or through discussions by all Directors.
Significant operational risks	Risks that, if materialized, could significantly impede the execution of the Group's business or damage its reputation	The ESG Division will compile a list of the severity (impact × likelihood of occurrence) of these risks and the level of response readiness. The results of Control Self-Assessments (CSA) and business audits conducted by the Internal Audit Department are taken into consideration in determining the level of response readiness. The reports are made to the Board of Directors at least once a year following periodic review from the standpoint of changes in severity and whether there are any issues with the response readiness policy, and the Board of Directors monitors the situation.
Operational risks	Risks that can be prevented or mitigated to an acceptable extent through compliance with policies, rules, guidelines and operation processes established for daily business activities	The executive officer in charge shall be responsible for risk management and allocate management resources and execute management decisions based on these risks.

► Business and Other Risks

Strategic risks and significant operational risks are reviewed at least once a year and reported to the Board of Directors. Strategic risks and significant operational risks identified during the fiscal year under review and the measures taken to address these risks are as follows.

① Strategic risks

Strategic objectives	Drive growth in existing markets, expand market share, and secure revenue in existing markets	Enter new markets (new countries/regions and new business fields) and expand sales	Strengthen corporate brand
Risk events and impacts	Market contraction and loss of market share may impact sales and profit.	Failure to provide products suitable for specific countries/regions may result in the loss of sales opportunities.	Products, services, and operations that fail to resonate with stakeholders (e.g., low quality, high environmental impact) may impact our brand value.
Factors	<ul style="list-style-type: none"> Competitive market environment (e.g., lower-pricing tactics by competitors) 	<ul style="list-style-type: none"> Dominance of existing competitors in new markets Lack of expertise and necessary management resources (tangible and intangible) in new markets Compliance with existing R&D and manufacturing standards 	<ul style="list-style-type: none"> Lack of consideration for stakeholders Inappropriate marketing communication (e.g., greenwashing, etc.)
Risk appetite	We will avoid price competition that could lead to market contraction. We will promote a strategy of product and brand differentiation, even in cases where success or failure is uncertain, unless there is a risk of damage to our brand value.	We will carefully consider matters that may damage our brand value by taking into consideration the importance of our objectives and the impact on brand value. Our risk appetite for financial success upon entry into new markets is moderate.	We will carefully consider matters that may damage our brand value by taking into consideration the importance of our objectives and the impact on brand value. We will proactively allocate management resources to products, services, and operations that enhance our brand value, even if the financial outcome is uncertain.
Measures	<ul style="list-style-type: none"> Differentiation of products and services Improvement of cost efficiency 	<ul style="list-style-type: none"> Careful scrutiny of target regions and entry categories Development of unique products and improvement of development speed Establishment of design and quality standards for customers in new markets 	<ul style="list-style-type: none"> Provision of products with women in mind Expansion of our line of recycled models Effective marketing communication
Strategic objectives	Maximize lifetime value (customer lifetime value)	Leverage digital technology and data	Ensure speed advantage
Risk events and impacts	Inadequate cross-category and cross-brand marketing may impact customer retention, loyalty, and lifetime value.	Inferior utilization of digital technology and data may lead to competitive disadvantages.	Delays in decision-making and speed of execution may lead to competitive disadvantages.
Factors	<ul style="list-style-type: none"> Gaps in product lineup Lack of a business model that allows for the establishment of long-term relationships with customers 	<ul style="list-style-type: none"> Lack of a business model that allows for data collection Delay in the development of data infrastructure to analyze data owned and leverage it in decision making 	<ul style="list-style-type: none"> Lack of capability to discover individual insights Lack of organizational capacity for expeditious execution
Risk appetite	We will carefully consider matters that may damage our brand value by taking into consideration the importance of our objectives and the impact on brand value. We will proactively allocate management resources to increasing customer retention, loyalty, and lifetime value, even in cases where the financial outcome is uncertain when viewed in isolation.	We will work to minimize information security risks and risks related to leakage of personal information, etc. We will proactively allocate management resources to developing our data infrastructure, even if the financial outcome is uncertain.	We will take proactive action to gain a speed advantage over competitors.
Measures	<ul style="list-style-type: none"> Provision of new customer experience value through <i>Sofy Be</i>, a menstrual management app R&D in new domains and creation of new segments Development of marketing plans across categories and brands 	<ul style="list-style-type: none"> Establishment and improvement of data infrastructure 	<ul style="list-style-type: none"> Human resource system that promotes diversity of experience OODA Loop methodology Upgrading of risk management framework

② Significant operational risks

As indicated below, significant operational risks are evaluated in terms of impact, likelihood of occurrence, and the level of response readiness, and are prioritized and addressed according to the status of residual risk.

- Impact: Evaluated on a 3-point scale (3: serious impact, 2: certain level of impact, and 1: minor impact), in consideration of factors that include the impact on human resources, impact on tangible and intangible assets, financial impact, and impact on reputation
- Likelihood of occurrence: Evaluated on a 3-point scale (3: materialized, 2: may materialize within three years, and 1: likelihood of materializing is low)
- Residual risk: Evaluated on a 3-point scale, in consideration of the impact, likelihood of occurrence, and level of response readiness (the development of measures is inadequate, measures have been partially developed, and measures have been generally developed)

Item	Cyber security						Protection of personal information					
Description	There is a risk that data leaks and system shutdowns or malfunctions due to cyberattacks may result in compensation claims, restoration and response costs, lost profits due to disruption or suspension of operations, and loss of trust over the medium to long term.						There is a risk that personal information leaks to the outside may result in compensation claims and loss of trust over the medium to long term.					
Evaluation	Impact	3	Likelihood of occurrence	3	Residual risk	3	Impact	3	Likelihood of occurrence	3	Residual risk	3
	Cyber security risk management is becoming increasingly important due to the worldwide increase in cyberattacks and the Company's strategy to proactively leverage data.						The risk of personal information leaks to the outside is growing due to the worldwide increase in cyberattacks and the Company's strategy to proactively leverage data.					
Risk appetite	We will aim to minimize risk in accordance with the Unicharm Group Charter of Actions, which stipulates that "We will proactively work to build an advanced security management system for cyberspace."						We will aim to minimize risk in accordance with the Unicharm Group Charter of Actions, which stipulates that "We will appropriately acquire, utilize, manage, and dispose of our customers' personal information in a manner that does not infringe on their privacy."					
Measures	We revised the Information Security Rules in January 2024 to clarify the standards that all Group companies in Japan and overseas are required to meet. We also established a new Information Security Department in July 2024. Throughout 2024, we updated our risk assessments for the Group as a whole and promoted measures that should be given top priority, such as security measures for web servers and the development of incident response manuals. In 2025, we will continue to promote measures such as strengthening the management of IT assets and configurations, enhancing early detection of problems, and reinforcing the risk management and incident response systems of Group companies. With regard to the management of these efforts, the Information Security Committee, which meets quarterly, will share security incidents, discuss the priority levels of measures and response policies, and report issues and the status of efforts to the Board of Directors at least once a year.						There are various factors that may result in personal information leaks to the outside, including carelessness, unauthorized transfer of personal information, and leakage attributable to contractors. In view of these, we have revised the Personal Information Handling Rules within the Group, investigated the status of handling of personal information at each Group company, and rectified issues as necessary, and are strengthening individual measures at each Group company based on relevant factors.					
Item	Climate change						Exchange rate fluctuations					
Description	There is a risk that the introduction of a carbon tax, as well as higher tax rates and significant fluctuations in energy prices, may result in higher operating costs and higher procurement costs due to soaring raw materials prices. In addition, there is a risk that product development that fails to take into consideration the reduction of greenhouse gas emissions may result in loss of trust over the medium to long term.						Depending on the regulations, economic environment, and situation for both society and politics in certain countries and regions, there is a risk that the markets may change significantly and the Company's business activity and values of assets held may be affected. The financial statements of overseas consolidated subsidiaries denominated in the currency of each country or region are translated into Japanese yen in the consolidated financial statements; as such, there is a risk that the financial standing and business performance of the Company may be negatively affected at the time of a stronger yen.					
Evaluation	Impact	2	Likelihood of occurrence	2	Residual risk	2	Impact	2	Likelihood of occurrence	2	Residual risk	2
	The frequency of extreme weather events is increasing worldwide due to global warming, and climate change risk management is becoming increasingly important from the standpoint of sustainable corporate growth.						As overseas sales account for over 60% of our total sales, the impact of exchange rate fluctuations will affect the performance of the Group as a whole.					
Risk appetite	We will aim to minimize risk in accordance with the Unicharm Group Charter of Actions, which stipulates that "We will visualize and correctly identify greenhouse gases in the value chain in order to mitigate global warming and work to reduce emissions with the aim of achieving net zero emissions."						We will aim to minimize risk in accordance with the Unicharm Group Charter of Actions, which stipulates that "We will act with wisdom to improve profitability and meet the expectations of shareholders."					
Measures	We utilize primary GHG emissions data by material and promote product development that balances the efficient use of materials and reduction of GHG emissions. We will also continue to develop and market products that conform to the SDGs Theme Guideline, an internal guideline for contributing to sustainability. We will promote the reduction of energy consumption through the introduction of energy-saving equipment and efficient operation of such equipment, and continue to manage all Group company sites and plans for switching to renewable electricity with the aim of achieving a 100% ratio of renewable electricity to all electricity used for business development.						We will strive to minimize risk by hedging foreign currency transactions, including raw materials purchases, and by comprehensively taking into account the receivables and payables we hold. In addition, in order to contribute to the stable return of profits to shareholders and the internal circulation of funds, we will control the negative impact of the appreciation of the yen on overseas assets by proactively paying dividends from overseas consolidated subsidiaries that hold funds in excess of their planned investments.					

Item	Prevention of misconduct and corruption						Product reliability					
Description	Risks such as embezzlement, bribery, and fraudulent purchases may lead to a deterioration of corporate culture, decline in corporate value, and loss of trust over the medium to long term.						The risks of product defects and poor design may result in brand damage and loss of sales. In addition, the risks of misrepresentation and false advertising may result in compensation claims, criminal penalties, brand damage, and loss of sales.					
Evaluation	Impact	2	Likelihood of occurrence	2	Residual risk	2	Impact	2	Likelihood of occurrence	2	Residual risk	1
	As overseas sales account for over 60% of our total sales, human and financial losses due to misconduct at overseas subsidiaries could be expected to impact the Group as a whole.						In recent years, it has become more important than ever for companies to maintain product reliability as the speed of information transmission grows with the proliferation of social media and acceleration of digitalization, and as anyone can obtain information anywhere.					
Risk appetite	We will aim to minimize risk in accordance with the Unicharm Group Charter of Actions, which stipulates that “We will carry out fair corporate activities that combine the spirit of respecting human life and dignity with high ethical standards.”						We will aim to minimize risk in accordance with the Unicharm Group Charter of Actions, which stipulates that “We will always pursue a high level of safety and provide products and services that customers can use with peace of mind. We will comply with laws and regulations, industry’s self-regulatory standards, and internal self-regulatory standards, and will not provide any information that is false or misleading.”					
Measures	We will strive to reduce the chance of misconduct by strengthening checks and balances through reviewing the systems and mechanisms for preventing misconduct at each subsidiary and by reinforcing the monitoring system at the head office. We will continuously improve the operation of our whistleblowing system to ensure that it functions effectively, and conduct periodic compliance surveys within the Group to determine the status of compliance.						In order to provide customers with products that comply with the laws and regulations of each country and region, we work close with subsidiaries to establish stringent internal standards that address the laws and regulations of the respective countries and regions and ensure quality and product safety, while ensuring that all Group companies comply with these standards. In order to convey correct information, we have established a system of gate meetings and labeling reviews and conduct strict checks to ensure compliance with relevant laws and regulations as well as evidence-based and appropriate advertising and labeling. The Company has set up a framework to promptly investigate the cause of complaints on its products and address the problems, if any, regardless of their impact, to ensure reliability of its products is not affected.					
Item	Infrastructure for responding to disasters, accidents, etc.						Patents, trademarks, and other intellectual property rights					
Description	In the event of a large-scale natural disaster or accident, there is a risk of significant impact on operations due to human and physical damages.						Regarding intellectual property rights in the Company’s possession, in the event of infringement by a third party, there is a risk that it may lose expected income. In addition, there is also the possibility that the Company may unknowingly infringe upon the intellectual property rights of a third party, which may lead to large compensation claims or limitations imposed on the Company’s business.					
Evaluation	Impact	2	Likelihood of occurrence	2	Residual risk	1	Impact	2	Likelihood of occurrence	1	Residual risk	1
	Extreme weather events are increasing worldwide due to climate change, and it has become increasingly important to be prepared to ensure undisrupted manufacturing, secure raw materials, and ensure a stable supply of products in the event of a disaster or accident that is worse than expected.						As globalization and digitalization gain traction, competition among companies is intensifying and technological innovation is accelerating. In such an environment, intellectual property rights such as patents and trademarks have become increasingly important.					
Risk appetite	We will aim to minimize risk in accordance with the Unicharm Group Charter of Actions, which stipulates that “We will take appropriate action in accordance with the established crisis management manuals in the event of risks such as disasters, infectious diseases, and terrorism.”						We will aim to minimize risk in accordance with the Unicharm Group Charter of Actions, which stipulates that “We will respect the intellectual property rights (patents, design rights, trademarks, copyrights, etc.) of other parties.”					
Measures	We will establish a response system for natural disasters and accidents, educate and raise awareness among employees, and conduct periodic drills. We will promote stronger BCP not only at our business sites in Japan but also overseas. With regard to facilities, we have established fire prevention standards globally and conduct checks while continuously improving the status of compliance with these standards at each of our business sites globally.						We conduct investigations to prevent infringement during phases of product development and communication development to ensure that we do not infringe on intellectual property rights such as patents, design rights, and trademarks of third parties, and that our advertising materials do not violate labeling laws. We also conduct internal compliance training such as on-the-job training and workshops for our development and marketing departments on patents, designs, trademarks, labeling laws, etc. We take a firm stance against the infringement of our intellectual property rights by third parties and the unfair exercise of rights against the Company, including lawsuits.					

Within risk management, the Company has determined that quality and the natural environment also fall under “important business and other risks” that occur in the manufacturing industry. In order to respond to these issues in an organized and appropriate manner, we have established various measures using COSO (an internal control framework proposed by the Committee of Sponsoring Organizations of the Treadway Commission in the United States) and ISO as reference frameworks, as described below.

Also, business continuity risks that arise in the event of a disaster are managed individually through separately established business continuity plans (BCP).

► Primary Reference Frameworks

- COSO, ISO 9001, ISO 14001, ISO 10002, ISO 13485, ISO 14971

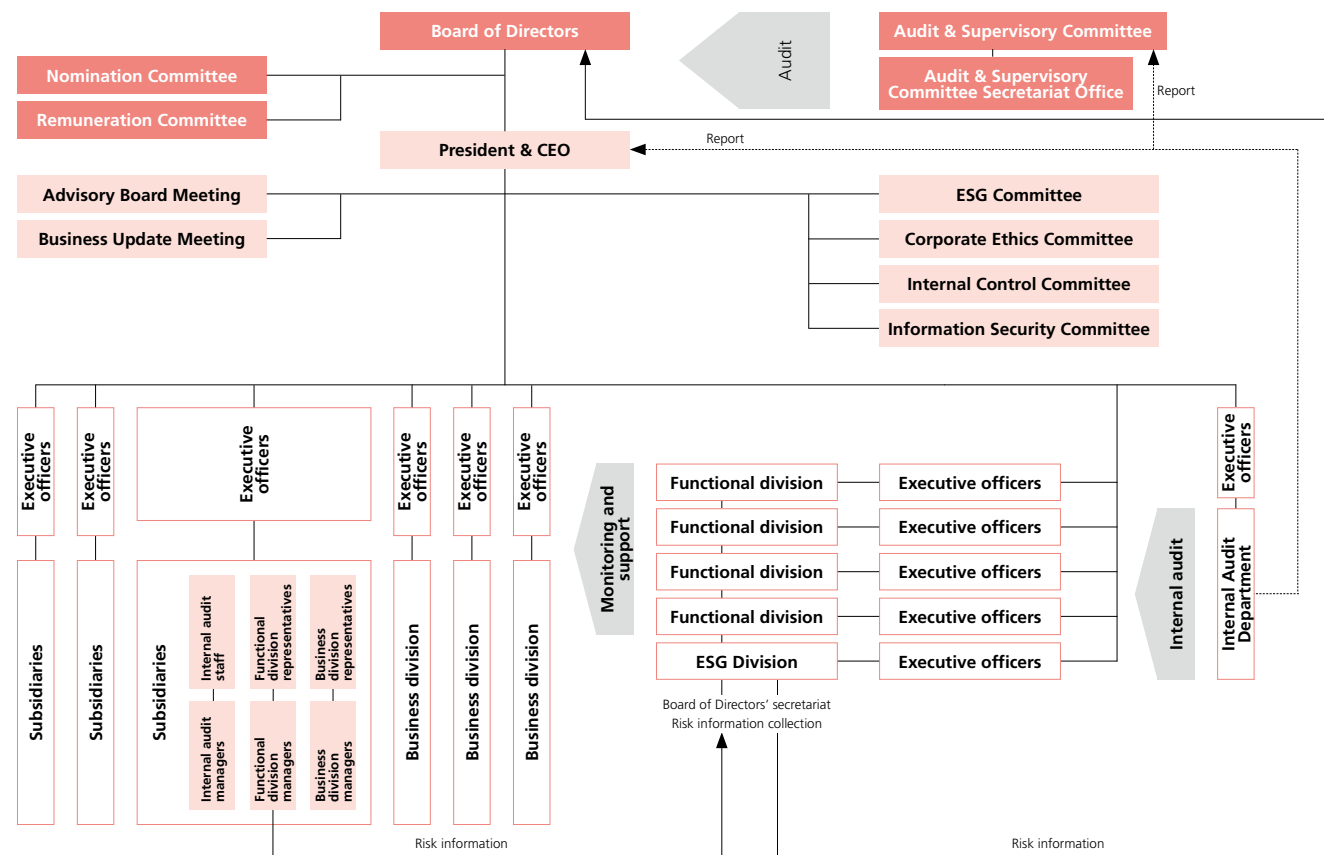
Management Structure

The Company has established a risk management system as shown in the diagram on the right. Under the supervision of the Board of Directors of the Unicharm Group, the president & CEO determines the basic policy for risk management of the Unicharm Group. In order to ensure effective and efficient risk management, executive officers of Unicharm Corporation are allocated the necessary authority, responsibilities, and management resources, and the ESG Division compiles risk information of the Group as a whole and reports regularly to the Board of Directors. In addition, an independent Internal Audit Department has been established to oversee these activities.

One of important themes to be addressed of the ESG Committee is sharing risk management issues and measures. The themes deliberated by the ESG Committee and their results are reported to the Board of Directors by the head of the ESG Division, and risk management supervision is implemented. Furthermore, in recognition of prohibitions on insider trading, compliance with antitrust laws, the elimination of child labor and forced labor, and the protection of personal information as important issues, we established the Unicharm Group Charter of Actions and require all employees to be aware of and use it as a guideline for their conduct.

Additionally, to comprehensively address risks of corruption, including insider trading and bribery, we are strengthening compliance education through various training programs and e-learning for employees working in countries and regions where these issues are likely to arise. Moreover, Unicharm provides employees with cautionary information on insider trading via the Company intranet and conducts internal audits as measures to prevent corruption. Audit results are reported to the president & CEO and the full-time Audit & Supervisory Committee members, and regular reports are made to the Audit & Supervisory Committee to verify the effectiveness of the audits.

► Risk Management System



Response to the Occurrence of a Crisis

In the event of a serious crisis, a Crisis Management Team (CMT) will be established in accordance with the Crisis Communication Manual (CCM), which stipulates crisis management protocols, in an effort to respond rapidly and appropriately and resume operations as quickly as possible. Specifically, we position the 12 major risks shown on the right as being particularly serious, and have assigned departments responsible for each risk. The risk manager is the executive officer in charge of the responsible department, and when a risk turns into a crisis and the CMT is launched, the risk manager selects the members and the CMT chair convenes the meeting.

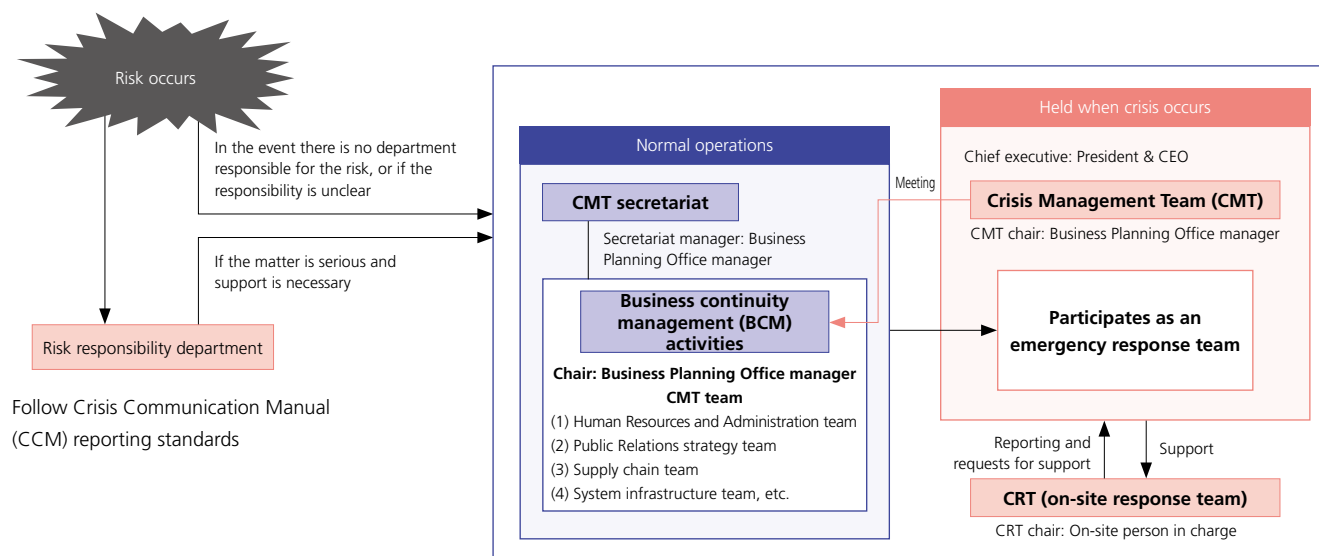
When a crisis does occur, Unicharm fulfills its social responsibility by assessing the situation in accordance with the CCM, working to prevent further damage and communicating appropriately with stakeholders.

Major Risks

	Major Risks	Specific Cases
1	Quality	Product defects, foreign matter contamination, health hazards, etc.
2	Representation	Mislabeling in violations of laws and regulations, packaging errors, etc.
3	Disasters	1) Man-made disasters and accidents (fires, explosions, etc.) 2) Natural disasters (earthquakes, typhoons, floods, lightning strikes, etc.)
4	Supplier- and vendor-related	Supply disruptions, supplier recalls, vendors illegally dumping our company products, etc.
5	Information accidents	Personal information and corporate secret leaks, industrial espionage, cyberattacks, business email fraud, impersonation of top management, etc.
6	Reputational damage	Spread of slander through SNS, video sites, and other media, etc.
7	Pandemics	COVID-19, novel influenza, viral infectious diseases, etc.
8	Occupational safety	Accidents during work hours, excessive overtime hours, abductions, etc.
9	Human rights	Sexual harassment, workplace harassment (power harassment), etc.
10	Environment	Illegal dumping of Unicharm products, neglect of undisposed products, soil contamination, etc.
11	Senior management- or executive-related	1) Accidents resulting in injury or death, abductions and kidnapping 2) Slander of executives and senior management 3) Corruption of executives
12	Disputes or political changes	Military coups d'état, wars, riots, terrorism, etc.

Framework in Response to the Occurrence of a Crisis

Updated January 2025



Initiatives and Results

Rigorous Information Security

To ensure rigorous information security, Unicharm has set out information security principles and procedures such as the Information Security Policy and Information Security Rules. We also have in place the Personal Information Protection Regulations and Specified Personal Information Handling Regulations to safeguard our customers' personal information, and we strictly manage this information and take precautions to prevent information leaks. To ensure these rules are strictly observed, we established the Information Security Committee, chaired by the executive officer in charge of information security comprising Company directors and executive officers. The Information Security Committee earmarks one day of each month as an information management day on which we highlight a different security topic to remind employees about the risks of specific information leaks. We continue to develop such measures, provide employee training, and monitor progress to improve the security of information management across the Group.

In Japan, as a physical measure to prevent information leaks through the loss or theft of PCs, smartphones, or other IT devices provided to employees, we have developed a cloud environment in which data and systems can only be used on servers. In fiscal 2022, Unicharm revised its regulations in accordance with the revisions to the Personal Information Protection Law and made this known to all employees, updating the content of new employee training. We also continue to increase the frequency of our communication with overseas subsidiaries and carry out targeted email attack training and risk assessments in IT fields. As a new initiative, since May 2024, we have held quarterly Information Security Committee meetings attended by all Company executive officers and representatives from subsidiaries. In addition to ascertaining Groupwide information security risks, the committee shares progress updates on promoted activities (identification, prevention, detection, response, and recovery efforts), and discusses issues and countermeasures.

Business Continuity Plan (Japan)

In Japan, we have been strengthening risk countermeasures since 2005, formulating a Business Continuity Plan (BCP) based on possible emergency scenarios that include a major earthquake directly under the Tokyo metropolitan area and a massive earthquake involving the Tokai, Tonankai, and Nankai plates (Nankai Trough earthquake). However, in light of increasing social and environmental risks in recent years, such as the frequent occurrence of natural disasters, climate change, cyberattacks, and infectious disease outbreaks, we significantly revised our BCP in fiscal 2024 and adopted an all-hazards approach. This revision aims to ensure the safety of employees and their families and strengthen the systems necessary for business continuity throughout the entire value chain. To this end, rather than simply revising existing manuals, we also introduced new technologies and systems to facilitate the prompt situational assessments and rapid responses in the event a disaster occurs. Specifically, this includes the launch of a "disaster bulletin board" that can be accessed via smartphones, as well as the introduction of tools that enable the rapid confirmation of conditions in disaster-affected areas. As a result, we are now able to share information in a timely and accurate manner when a disaster strikes, enabling us to focus on recovery efforts in disaster-affected areas where confusion is expected. In addition to the existing system for confirming the safety of employees and their families, we launched a smartphone app for the Business Continuity Management (BCM) portal, an internal website that facilitates rapid response in emergency situations.

We also conduct disaster drills, provide basic first aid instruction, and implement training for each functional department, while conducting safety confirmation drills regularly for all Group employees in Japan, with an emphasis on strengthening initial response, ensuring employee safety, and confirming the functional status of the disaster response headquarters after a disaster. In addition, to ensure the quick delivery of our products—which are daily necessities—to disaster-affected areas, we have reorganized our system for providing relief supplies during disasters and revised procedures for restoring critical operations, with a focus on securing head office functions.

In preparation for the outbreak of infectious diseases, the CMT established in fiscal 2020 formulated and implemented the COVID-19 Response Guidelines. We have since continuously revised our business continuity manual for pandemics and have been working to improve our remote work environment and strengthen our health management system.

We will continue to promote global risk countermeasures, including measures against riots and terrorism overseas, and enhance our ability to respond to all possible situations.

► Overview of the BCP

- (1) Basic requirements (basic policy, assumed risks, impact assessment, damage estimation, matters to be dealt with in an emergency)
- (2) Important standards of conduct related to the safety of the lives of employees and their families
- (3) Specific measures to ensure that critical operations are restored within the target recovery time and business continuity
- (4) Measures for cooperation with and contribution to the local community, which are important issues to be addressed along with business continuity
- (5) Measures necessary to implement the BCP, such as education and training, inspection and review, and continuous improvement

Ensuring Business Continuity Through Securing of Important Bases (Japan)

From the perspective of business continuity, we are implementing BCP measures that include the geographic dispersal of domestic supply bases. For example, in the event of a Nankai Trough earthquake, which is predicted to cause significant damage in western Japan and the Chubu region, we have established a comprehensive system to maintain supplies by utilizing production bases such as Fukushima Factory and Kyushu Factory as alternative bases if production at manufacturing bases such as Shizuoka Factory, Mie Factory, Itami Factory, Shikoku Factory, or other areas is suspended.

Risk Management Information Site

In fiscal 2017, we added the Risk Management Information Site to the Company intranet to provide information on potential risks that may impact the lives of Unicharm employees in Japan and overseas. More specifically, the website provides risk-related information and a response manual on natural disasters, pandemics, occupational accidents, large-scale equipment-related accidents, kidnapping, various types of intrusion and damage, terrorism, riots, coups d'état, and civil war. We also continued to make efforts to address changes in safety conditions and keep up with and improve access to safety-related information, organizing safety confirmation procedures for overseas business travelers into an easy-to-understand four-step process and aggregating information provided by the Ministry of Foreign Affairs of Japan and by a contracted risk response assistance company.



Risk Management Information Site

Use of Control Self-Assessments

The company has traditionally used control self-assessments (CSA) as a pre-check tool for on-site audits by our Internal Audit Department. However, to establish a system that prevents misconduct and scandals from occurring, and to correct issues that include the fact that confirmation items were biased toward general management and financial management, we reviewed and significantly revised the content in fiscal 2023 based on the characteristics of our business. We have updated the content to serve as a self-check tool for Group consolidated subsidiaries and each department within Unicharm Corporation, and have made it easier to understand for employees using CSA for the first time by incorporating simple language and clearly stating the points to be checked in the form of questions.

In fiscal 2024, we conducted CSA at consolidated subsidiaries both overseas and in Japan, as well as in each Unicharm Corporation department, with the Internal Audit Department confirming assessment details. After confirmation, the Internal Audit Department sent feedback reports to the subsidiaries and departments that had submitted CSA, highlighting areas for improvement and points to bear in mind.