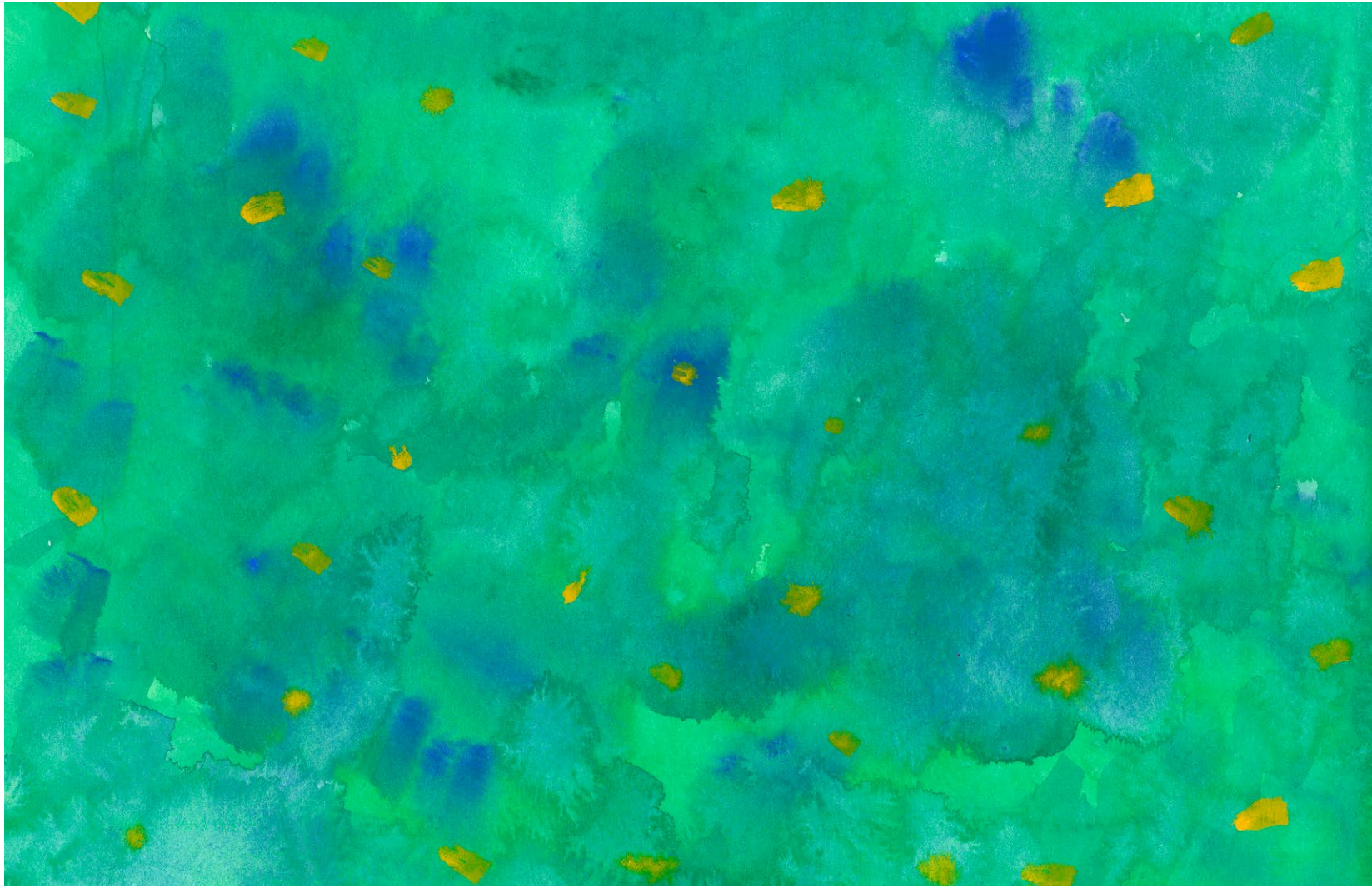
unicharm
Love Your Possibilities



Unicharm Group

Sustainability Report 2025

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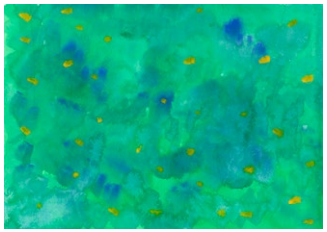
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About the Cover

In keeping with its corporate brand essence "Love Your Possibilities," Unicharm supports each individual in various ways so that they can unlock their full potential. Since 2016 and for the 10th year in a row, we have supported Paralym Art in its continuous efforts to foster the social participation and financial independence of people with disabilities and have featured works by artists with disabilities on the cover of *Sustainability Report 2025* and *Integrated Report 2025*.

Paralym Art®
障がい者アートを応援しています



Title *Birds in a Forest*
Artist Anzu (Kobohand)

Artist's Message

It would bring me joy if my painting can brighten the mood and warm the heart of those who see it.

Editorial Policy / Contents

2-2,2-3,2-28

Editorial Policy

Preparation of *Sustainability Report 2025*

Unicharm's *Sustainability Report* communicates the Company's sustainability activities, focusing on the results of its medium- to long-term ESG goals, Kyo-sei Life Vision 2030. For *Sustainability Report 2025*, we strived to further improve the contents from the previous year, particularly from the viewpoint of disclosing information on the environment (E), society (S), and governance (G).

In preparing this report, we referred to the United Nations (UN) Global Compact, GRI Standards, and other sources, while incorporating information that reflects the global needs of society for sustainability reports. Moving forward, we will take measures to continuously enhance the quality of our sustainability report to cater to the needs of our stakeholders. We hope that you take the time to read this report in conjunction with *Integrated Report 2025*.

Contents

Coverage

The scope of *Sustainability Report 2025* covers the Unicharm Group, including Unicharm Corporation and its domestic and overseas consolidated subsidiaries, but also contains information on certain non-consolidated subsidiaries and affiliated companies. In the report, "Unicharm" or "the Company" refers to "the Unicharm Group." Company names are stated individually as needed to specify scope. Please refer below for the scope of environmental data aggregation.

P.135 Environmental Data > Environmental Management > Sites for which data has been compiled

Intended Audience

All Unicharm stakeholders inclusive of customers, shareholders, investors, business partners, and employees

Reporting Period

January 1, 2024 to December 31, 2024 (the report focuses on results from 2024 and includes some of the latest information from 2025)

Date of Issue

July 2025
Next issue scheduled for July 2026 (previous issue: July 2024)

Reference

"Sustainability" section of Unicharm's corporate website

Independent Assurance

Unicharm has received independent assurance from KPMG AZSA Sustainability Co., Ltd. for the environmental information contained in this report. Environmental performance indicators that have received independent assurance are indicated with a ✓

P.154 Independent Assurance Report

Reference Guidelines

- GRI Standards
  (GRI disclosure numbers have been noted for each corresponding disclosure item)
- Environmental Reporting Guidelines 2018 of the Ministry of the Environment
- TCFD Recommendations
- SASB Standards

United Nations (UN) Global Compact

Unicharm supports the Ten Principles of the UN Global Compact and has participated in this initiative since May 2006.

Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The Ten Principles of the UN Global Compact

▶ Information Disclosure System



Overview of the Unicharm Group

2-1,2-2,2-7

Company Profile

As of December 31, 2024

Corporate Name	Unicharm Corporation
Date of Establishment	February 10, 1961
Capital	¥15,993 million
No. of Shares Issued	1,862,502,957 (as of January 1, 2025)
Head Office	Sumitomo Fudosan Tokyo Mita Garden Tower, 3-5-19, Mita, Minato-ku, Tokyo, Japan
Registered Company Office	182 Shimobun, Kinsei-cho, Shikokuchuo City, Ehime, Japan
No. of Employees	16,464
No. of Production Bases	40 factories (Japan: 17, Asia (excluding Japan): 19, Others: 4)
Listed Exchange	Prime Market of the Tokyo Stock Exchange
Major Business Operations	Wellness care products Pet care products Feminine care products Baby and child care products Commercial-use food packaging materials
URL	https://www.unicharm.co.jp/en/home.html

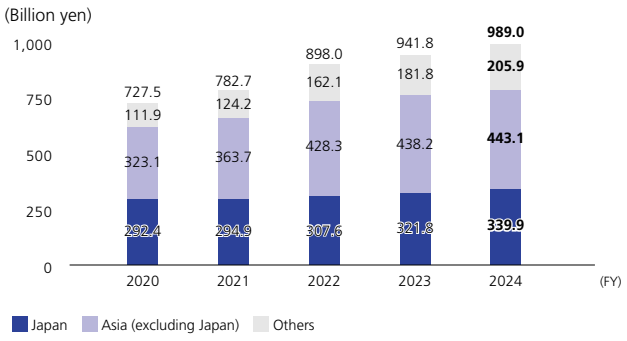
Primary Consolidated Subsidiaries and Affiliates

As of December 31, 2024

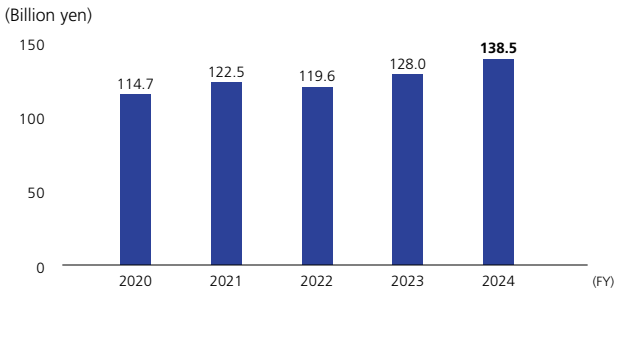
Japan	Unicharm Products Co., Ltd. Unicharm Kokko Nonwoven Co., Ltd. Cosmotec Corporation Unicare Corporation Unicharm Mölnlycke K.K. Peparlet Co., Ltd.
Asia (Excluding Japan)	UNITED CHARM COMPANY LTD. Uni.Charm (Thailand) Co., Ltd. LG Unicharm Co., Ltd. Unicharm Consumer Products (China) Co., Ltd. PT UNI-CHARM INDONESIA TBK Unicharm India Private Limited Diana Unicharm Joint Stock Company DSG International (Thailand) Public Company Limited Unicharm Australasia Pty Ltd
Others	Unicharm Gulf Hygienic Industries Ltd. Unicharm Middle East & North Africa Hygienic Industries S.A.E. UNICHARM DO BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS DE HIGIENE LTDA. The Hartz Mountain Corporation
Total	50 subsidiaries and affiliates

Primary Management Indicators

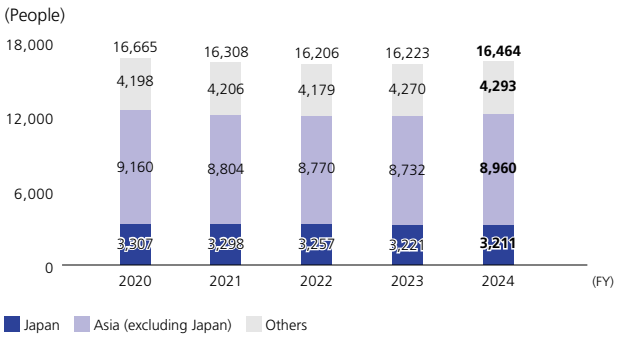
▶ Consolidated Net Sales



▶ Consolidated Core Operating Income



▶ Number of Group Employees



The Unicharm Way

2-6

Unicharm has defined its purpose (reason for existence) as contributing to the realization of the Sustainable Development Goals (SDGs). To realize this purpose by means of each employee thinking and acting on their own, we have identified the three key components of mission (what we want to achieve), vision (how we want to achieve), and value (what we must focus on in order to achieve), and are working to bring these to fruition.

Purpose: Our Reason for Existence

The realization of the SDGs

Mission: What We Want to Achieve

To Realize a Cohesive Society (Social Inclusion)

At Unicharm, we believe in a cohesive society (social inclusion) that ensures each person is independent while supporting others in a way that allows just the right sense of distance, enabling everyone to spend their lives in the way they so wish regardless of their situation, including vulnerable members of society and those who are at a disadvantage either temporarily or for an extended period due to aging, illness, childbirth, menstruation, or other factors.

Vision: How We Want to Achieve

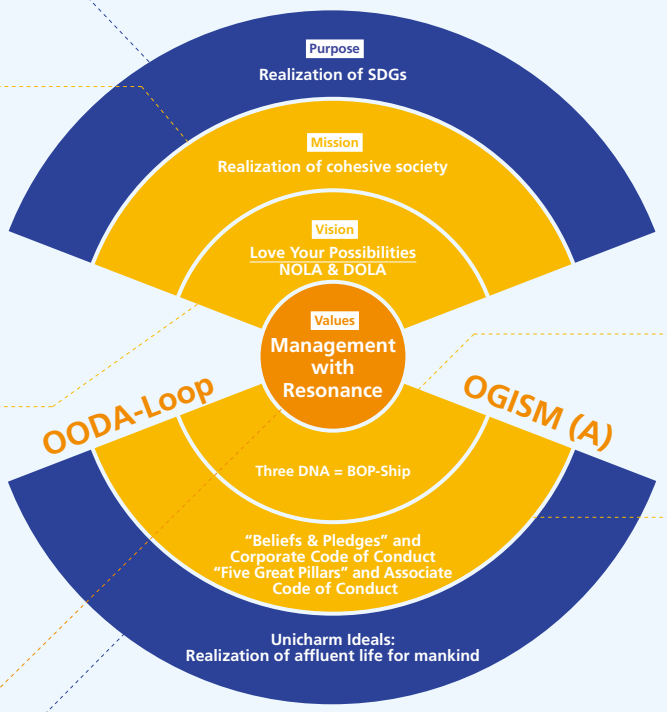
Realizing "Love Your Possibilities" and "NOLA & DOLA"

"Love Your Possibilities" is our corporate brand essence, which incorporates our hope of providing all people, from newborns to the elderly, with products and services that provide mental and physical support through gentle care so that they may be free of their burdens and can fulfill their dreams, as depicted in "NOLA & DOLA" (Necessity of Life with Activities & Dreams of Life with Activities), which has been our vision up to now.

Value: What We Must Focus on in Order to Achieve

Promoting Management with Resonance

Management with resonance is a unified management model promoted by all of Unicharm's employees. It serves as a framework for senior management and frontline employees to work as one toward a shared goal. All Unicharm employees aim to realize the shared goal of creating a cohesive society by aligning their direction while constantly thinking and acting on their own initiative.



Unicharm Ideals

- We contribute to creating a better quality of life for everyone by offering only the finest products and services to markets and customers, both in Japan and abroad.
- We strive to pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfillment of our social responsibilities.
- We bring forth the fruits of cooperation based on integrity and harmony, by respecting the independence of the individual and striving to promote the Five Great Pillars.*

* The Five Great Pillars: (1) Founder's spirit, (2) Enterprising spirit, (3) Spirit of simplicity and fortitude, (4) Spirit of collaboration, and (5) Spirit of respecting people

(Established: 1974)

Three Aspects of Our DNA = Best Practiceship, Ownership, and Partnership

The Three Aspects of Our DNA, a corporate culture and spirit that has been seamlessly passed down since our founding, represents the mindset and behavioral traits of Unicharm Group employees. It was revised as Best Practiceship, Ownership, and Partnership (BOP-Ship) to encourage better understanding of our diverse employees around the world.

Three Aspects of Our DNA	BOP-Ship
Create value through personal transformation Changing yourself and achieving personal growth to create new value	**Best Practiceship** Accumulating best practices, abandoning past resolutions, constantly making updates, and incorporating best practices with an emphasis on speed
Find reason within ourselves Growing through learning from failures	**Ownership** Recognizing everything as "our own matter" and thinking and acting on our own initiative to overcome difficulties
Maintain our No. 1 position through continued and dedicated services Always providing our customers with the highest satisfaction	**Partnership** Always respecting collaboration with peers with a spirit of altruism

Beliefs & Pledges and Corporate Code of Conduct

- Pledge to our customers
  We pledge to earn the full support of customers by always doing everything we can.
- Pledge to our shareholders
  We pledge to distribute industry-leading returns to shareholders.
- Pledge to business partners
  We pledge to achieve mutual growth by maintaining fair and equitable relationships.
- Pledge to employees
  We pledge to enable the happiness of employees and their family members by filling each of them with confidence and pride.
- Pledge to society
  We pledge to contribute to the economic and emotional fulfillment of all people and all of society through our corporate activities.

(Established: 1999)

Five Great Pillars and Associate Code of Conduct

- Creativity and innovation
  We will respect the creation of new social value and maintain a spirit that always seeks out innovation.
- Ownership
  We will follow in the footsteps of our founder and strive to identify and solve issues from a Companywide perspective to achieve our management targets.
- Challenge
  We will continue to transform our abilities without fear of failure and maintain a positive attitude based on our belief in the capacity of challenge to tap into unlimited potential.
- Leadership
  We will become leaders who are capable of motivating people with our own determination by clearly showing the way for the organization to move forward.
- Fair business practice
  We will carry out fair corporate activities that combine the spirit of respecting humanity and dignity with high ethical standards.

(Established: 1999)

Message from the President & CEO

2-22

Contributing to Realizing a Cohesive Society Through Our Corporate Brand Essence "Love Your Possibilities"

"Love Your Possibilities"

In 2024, Unicharm unveiled its corporate brand essence "Love Your Possibilities." It expresses our commitment to contributing to realizing a cohesive society in which all people are united and support one another, believing in their unlimited untapped potential and demonstrating this potential with a spirit of compassion and altruism.

Through the manufacture and sale of sanitary pads, disposable diapers, and other hygiene products made from its nonwoven fabric and absorbent material processing and molding technologies, Unicharm has dispelled negativity such as discomfort, inconvenience, and unsanitary conditions, allowing people to experience pleasure and the joy of living and to fulfill their dreams. We have grown to what we are today by providing unique value in these ways. However, consumers today also place emphasis on environmental and social issues, and therefore, we must provide products and services that not only benefit consumers, but guide the natural environment and local communities to an even better future. In light of this changing business environment, we will help resolve environmental and social issues while continuing to embrace the challenge of creating new value. In doing so, we will expand the possibilities of customers around the world toward our goal of helping realize a cohesive society.



President & CEO
Unicharm Corporation
Takahisa Takahara

Kyo-sei Life Vision 2030 Medium- to Long-Term ESG Goals

Before unveiling "Love Your Possibilities," in October 2020, Unicharm announced its medium- to long-term ESG goals, Kyo-sei Life Vision 2030. In formulating this vision, we identified material issues based on the themes of addressing environmental and social issues and strengthening governance and gathered opinions from internal and external stakeholders, in light of our purpose (reason for existence) of contributing to the achievement of the SDGs. The opinions we received were organized and analyzed to identify material issues, and based on their relevance to our business development, we established 20 key themes, indicators, and targets —five each spanning the four themes of safeguarding the well-being of individuals, safeguarding the well-being of society, safeguarding the well-being of our planet, and the Unicharm Principles.

In safeguarding the well-being of individuals, our aim is to provide products and services that contribute to the realization of a society where all people can have a sense of individuality and enjoy their daily lives. In safeguarding the well-being of society, our aim is to provide products and services that not only improve the safety, security, and satisfaction of our customers, but contribute to solving social issues and promoting sustainability. Safeguarding the well-being of our planet means providing products and services that are sanitary and convenient, as well as contributing to activities that improve our planet's environment. Finally, under the Unicharm Principles, we pursue fairness and transparency in order to establish and retain stakeholder trust. We believe the steady implementation of Kyo-sei Life Vision 2030 by each employee through their business activities will contribute to the resolution of environmental and social issues and the growth of local communities, which in turn will lead to the sustainable growth of our business.

P.10 Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

Communicating "Love Your Possibilities" to the World

As an example of safeguarding the well-being of individuals and safeguarding the well-being of society, I will discuss the initiatives we are taking in Kenya to promote the use of sanitary pads.

In the African country of Kenya, sanitary pads are only used by approximately 30% of women due to economic factors and lack of a proper distribution system. To address this issue, from August 2023 Unicharm began importing premium sanitary pads produced at its factory in Egypt for sale in Kenya in cooperation with Toyota Tsusho Corporation (Toyota Tsusho) and its local subsidiary CFAO Kenya Limited (CFAO Kenya). However, faced with further issues of balance between price and quality, many women were unable to use sanitary pads on a daily basis. Unicharm decided that women in Kenya should be able to get their hands on sanitary products with the functionality and quality they want "anytime, anywhere, by anyone, when they need them" and in collaboration with Toyota Tsusho and CFAO Kenya, we began selling "*SOFY Long Lasting*" sanitary pads produced in Kenya from January 2025. Leveraging our proprietary nonwoven fabric and absorbent material processing and molding technologies, we developed a product that caters specifically to the needs of women in Kenya while reducing cost to approximately two-thirds of conventional imported products by locally procuring a portion of raw materials. These sanitary pads are also available in single packs so they can purchase only what they need, when they need it. On the other hand, Toyota Tsusho and CFAO Kenya have assumed the role of expanding the local sales system, such as increasing the number of stores selling sanitary pads and managing the sales thereof, by taking full advantage of the locally based distribution network. Furthermore, by promoting the wider use of sanitary pads and conducting activities to spread proper knowledge about menarche and menstruation, we aim to create an environment in which more women in Kenya can use hygiene products on a daily basis, improving public hygiene in the region as a whole.



With a view to expanding our presence into neighboring countries, we will create new jobs by encouraging the greater use of sanitary pads in Kenya and Africa as a whole, and increase possibilities for all women in these regions by revitalizing local economies and advancing the role of women in society.

P.106 Manufacture and Sale of Sanitary Pads in Kenya (Regional Contributions)

Realizing a Cohesive Society Through Groupwide Efforts

The achievement of Kyo-sei Life Vision 2030 entails the concerted efforts of the approximately 16,000 Unicharm Group employees working in various countries and regions. In light of this, ESG targets were incorporated into performance evaluations to encourage each employee to independently and proactively achieve the goals of Kyo-sei Life Vision 2030. In addition, we established semiannual targets that align with the key themes, indicators, and targets of Kyo-sei Life Vision 2030 and have a system in place to steadily implement measures on a daily, weekly, and monthly basis toward the achievement of these targets. I believe that having each employee think and act on their own initiative toward these goals in their daily work will enable us to provide unique value that cater to the characteristics of each country and region, and by extension, help expand the possibilities of customers around the world.

We will continue to work collectively as a Group to steadily promote Kyo-sei Life Vision 2030, resolve environmental and social issues through our business activities, and contribute to the growth of local communities toward our goal of realizing a cohesive society.

May 2025

Takahisa Takahara
President & CEO
Unicharm Corporation

Sustainability Management

Message from the Head of the ESG Division

2-9,2-12,2-13,2-14,2-17,2-22



We will redouble our efforts to address environmental and social issues and ensure appropriate governance in order to sustainably enhance our corporate value.

Senior Executive Officer,
General Manager of ESG Division
Unicharm Corporation

Kenji Ueda

In keeping with its purpose (reason for existence) of contributing to the achievement of the Sustainable Development Goals (SDGs), Unicharm works to resolve environmental and social issues through its business activities. I will discuss some of these initiatives in this section.

In conjunction with our Kyo-sei Life Vision 2030 medium- to long-term ESG goals, in Environmental Targets 2030 focused on the natural environment, we have defined three key issues and medium- to long-term ESG goals responding to the problem of plastic waste, responding to climate change, and helping prevent deforestation (response to procurement-related issues). Our approach to these issues is strongly linked to our business continuity, and I believe that the achievement of these goals will have a significant impact on our business results.

In responding to the problem of plastic waste, we are reducing materials costs and plastic use by using thinner packaging materials and switching to paper for in-store promotional materials. In responding to climate change, we are introducing solar power generation systems through a power purchase agreement (PPA) to increase the use of renewable electricity and thereby reduce GHG emissions, and minimize the increased costs from rising energy prices. In helping prevent deforestation (response to procurement-related issues), we are engaging in a Groupwide effort to expand the procurement of certified pulp, one of the main raw materials for disposable diapers and sanitary pads.

By virtue of these efforts, in fiscal 2024 we were selected for the CDP's A List, the highest rating, in all three categories of climate, forests, and water.

Next, regarding resolving social issues, I would like to talk about Project Jagriti,*1 an initiative implemented in India. In cooperation with non-government agencies (NGOs), this project develops female entrepreneurs who sell sanitary pads and other products in rural areas of India and contributes to the advancement of women in society by promoting financial independence and widespread access to sanitary products. Meanwhile, in Japan, where the birthrate continues to decline, we sell *Sofy Ninkatsu Orimono Sheet* in support of those trying to conceive,*2 in addition to providing *Sofy Be*, a menstruation and physical condition management app that helps users understand the relationship between hormones and physical condition. Through such product sales and service offerings, we remain committed to helping resolve social issues through our business activities.

Finally, with respect to governance, we work to ensure compliance and strengthen risk management based on fair, transparent, prompt, and decisive management. The countries and regions in which we operate continue to increase and therefore, we are working to establish a management system that not only ensures compliance with the laws and regulations of each country and region but also can recognize and respond to risks in a timely manner.

Unicharm will continue to step up efforts in addressing environmental and social issues and maintaining appropriate governance, keeping in mind that these are essential for sustained improvement of corporate value. In addition, we will strengthen information disclosure in accordance with international standards and aim to become a company that is trusted by all stakeholders, including consumers, shareholders, business partners, employees and their families, and local communities.

*1 A Hindi word that means “awakening”
*2 Refers to acquiring knowledge, discussing with family members, monitoring one’s physical condition, and receiving fertility treatment, among other activities people often engage in when trying to conceive a child

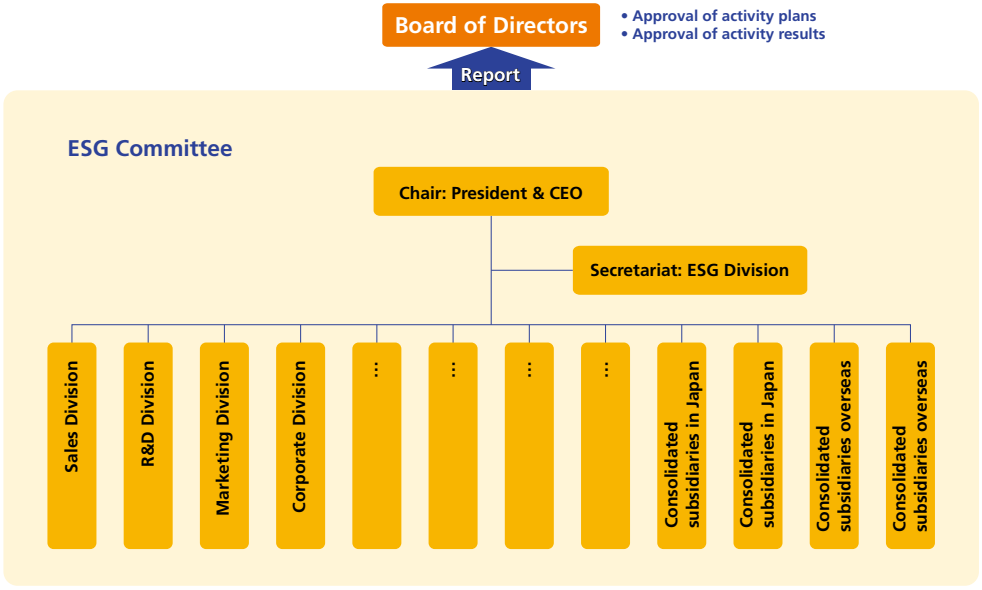
Management Structure

2-9,2-12,2-13,2-14,2-17

Sustainability Promotion System

Unicharm has established an appropriate system to steadily implement sustainability management. Specifically, the ESG Committee, chaired by the president & CEO, meets four times a year to deliberate and decide on all sustainability matters and governance-related policies and activities, and monitors their progress. The ESG Committee is attended not only by directors, executive officers, and other members of management, but also by those in charge of the Sales Division, R&D Division, Marketing Division, Corporate Division, and consolidated subsidiaries in Japan and overseas, and has a system in place to quickly carry out the various sustainability-related activities that are decided by its members. Matters deliberated and decided on by the ESG Committee are reported to the Board of Directors at least once a year.

▶ Sustainability Promotion System



▶ Roles and Results of the ESG Committee

Roles		• Deliberate and decide on the progress of Kyo-sei Life Vision 2030 medium- to long-term ESG goals and the medium-term management plan • Identify and address risks, opportunities, and key issues related to sustainability across the Group and deliberate and decide on information disclosure • Report matters deliberated and decided on by the ESG Committee to the Board of Directors at least once a year
Fiscal 2024 Results	No. of Meetings Held	Four (February, May, August, and November)
	Main Themes of Discussion	Progress of Kyo-sei Life Vision 2030 medium- to long-term ESG goals, Environmental Targets 2030, and the medium-term management plan • GHG Emissions Visualization Project • Operation of SDGs Theme Guideline—internal guideline for contributing to sustainability • Disclosure of biodiversity-related information • Policy and progress on production of integrated and sustainability reports • Sharing of information on external ESG assessments • Control Self-Assessment (CSA) and internal audit plan

▶ Core Themes and Categories of ESG Committee Initiatives

ISO 26000 Core Subjects	Organizational governance, human rights, labor practices, the environment, fair business practices, consumer issues, and community involvement and development

E: Core Themes

- Plastic waste: Reduction of plastic use
- Climate change risk: Reduction of greenhouse gases and management of energy use
- Water risk: Reduction of water use
- Pollution and resources: Waste reduction, resource usage, recycling, and pollution prevention
- Supply chain: Supplier policy, environmental issues, and sustainable procurement of forest resources and palm oil
- Biodiversity: Forest-derived raw materials and palm oil
- Development of environmentally friendly products

S: Core Themes

- Labor standards: Forbiddance of child and forced labor, prohibition of discrimination, freedom of association, collective bargaining rights, minimum wage, and prevention of harassment
- Health and safety of employees
- Human rights: Due diligence, children's rights, forbiddance of child labor, community employment, and complaint handling
- Society: Community investment and social contribution activities
- Responsibilities to customers: Responsible advertising and marketing and customer satisfaction
- Supply chain: Forbiddance of child and forced labor, prohibition of discrimination, freedom of association, collective bargaining rights, minimum wage, health and safety, due diligence, and capacity building
- Product quality and safety

G: Core Themes

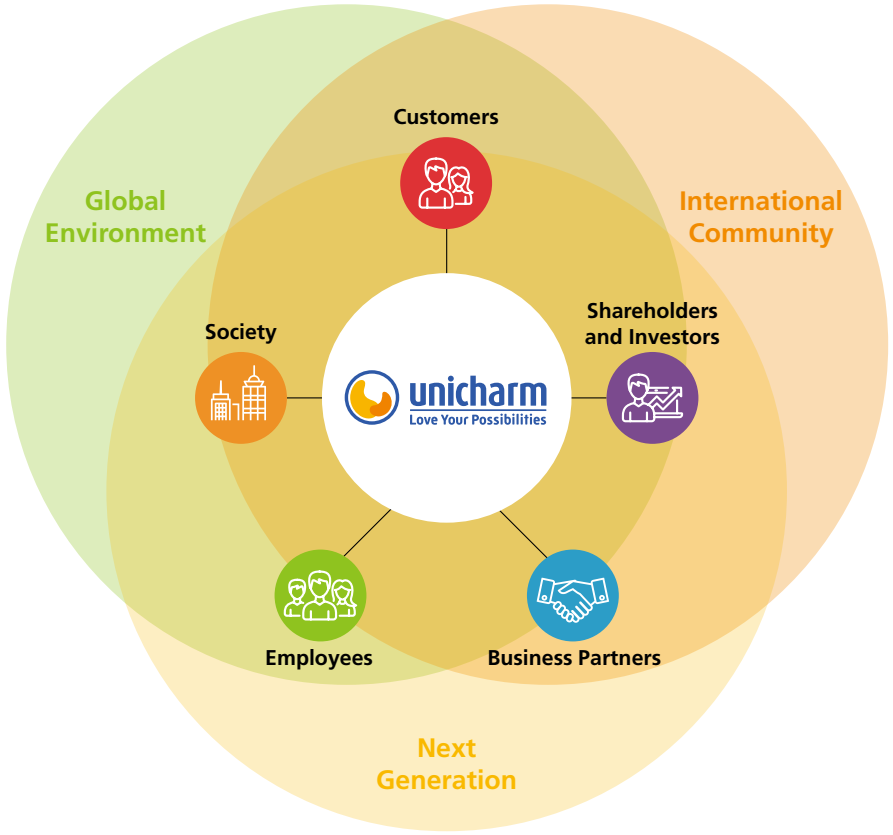
- Corruption prevention: Bribery prevention, insider trading, whistleblowing system, education, and risk assessment
- Corporate governance
- Companywide risk management: Environment, society, corporate governance
- Compliance
- Tax transparency

Communicating with Stakeholders 2-6,2-29

Guided by our Beliefs & Pledges, Corporate Code of Conduct, and Multi-Stakeholder Policy, which vow that Unicharm will undertake honest corporate activities that win the fullest confidence of its customers, shareholders and investors, business partners, employees, and society, we are working to increase stakeholder engagement through a range of opportunities. In addition, as a company that provides consumables that are essential to a hygienic lifestyle, we regard the global environment, international community, and next generation as important stakeholders.

web **Multi-Stakeholder Policy (in Japanese only)**
https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/Unicharm_Corporation_stakeholder.pdf

▶ The Unicharm Group's Stakeholders



▶ Communicating with Stakeholders

Stakeholders	Communication Policy (Beliefs & Pledges)	Primary Communication Methods	Frequency	Example Themes
Customers	We pledge to earn the full support of customers by always doing everything we can.	Customer Communication Center, group interviews, monitoring surveys, exhibitions and seminars, websites, and various social media accounts	Regularly	Quality, safety, and functions of products and opinions and responses concerning products and services
Shareholders and Investors	We pledge to distribute industry-leading returns to shareholders.	General meeting of shareholders	Once a year	Summary explanations of financial results and sound company management
		Financial results announcements and briefings	Four times a year	
		Individual dialogue with investors and overseas IR activities	Regularly	
Business Partners	We pledge to achieve mutual growth by maintaining fair and equitable relationships.	Growth strategy awareness raising program	Twice a year	Product and service proposals, supply chain management, quality, safety, and the environment
		Exhibitions and events	Regularly	
		Medium- to long-term policy briefings	Once a year	
		Questionnaires and audits	Regularly	
Employees	We pledge to enable the happiness of employees and their family members by filling each of them with confidence and pride.	Management with resonance practical meetings	Once a week	Compensation, health, satisfaction toward work, and introduction of programs and case studies that demonstrate respect for diversity
		Employee surveys	Once a year	
		Labor-management discussions, employee counseling hotline, family day at factories, and in-house intranet and Company newsletter	Regularly	
Society	We pledge to contribute to the economic and emotional fulfillment of all people and all of society through our corporate activities.	Activities in local communities, cooperation with governments and NGOs / NPOs, and activities held in emerging countries and through trade groups	Regularly	Disaster assistance, incontinence care, health promotion, health and hygiene, local hiring, and coordination through business activities

Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

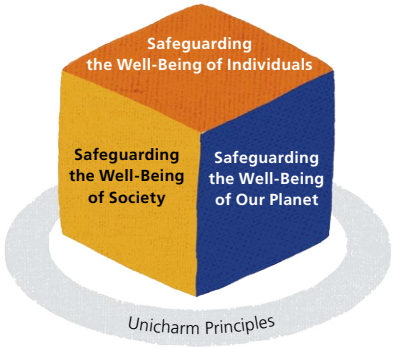
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Positioning of Kyo-sei Life Vision 2030 Medium- to Long-Term ESG Goals in Unicharm's Value Creation

Unicharm has continued to achieve sustainable growth through its commitment to resolve social issues through its business activities and help realize a cohesive society. With our commitment to resolve the concerns of society as the centerpiece of our value creation model, in October 2020, we announced our medium- to long-term ESG goals, Kyo-sei Life Vision 2030—For a Diverse, Inclusive, and Sustainable World—(hereafter, Kyo-sei Life Vision 2030) to encourage our diverse employees across the globe to think and act on their own.

Kyo-sei Life Vision 2030 is a set of indicators and targets that was established in pursuit of absolute value, an essential part of our value creation. It was designed so that we would play a key role in the lives of consumers and the growth of local communities by resolving environmental and social issues through our business activities.

Realizing a Cohesive Society
(For a Diverse, Inclusive, and Sustainable World)



Sustainability Promotion System

The ESG Committee, on which the president & CEO serves as chair and the ESG Division serves as secretariat, manages and oversees all of the Company's sustainability-related activities. The committee convenes four times a year and is attended by members of management, including directors and executive officers, and persons in charge of each division and consolidated subsidiary. It deliberates and decides on policies and activities related to sustainability as a whole and monitors progress. Matters deliberated and decided on by the committee are reported to the Board of Directors at least once a year and the formulation and promotion of Kyo-sei Life Vision 2030 are also carried out under this system.

P.8 Sustainability Promotion System

Key Themes Based on Our Approach to Realizing a Cohesive Society

In formulating Kyo-sei Life Vision 2030, we assumed the realization of a cohesive society in 2050 and backcasted to identify the approach we should take to draw us closer to that goal.

In order to evolve into a company that provides social infrastructure through which all people from newborns to the elderly and their pets can enjoy a healthy lifestyle, society, and planet by 2030, major changes must be made, such as developing marketing tactics that cater to specific needs as well as revamping and bolstering our line of products and services to expand our business globally. Moreover, to continue to protect the global environment while sustaining economic growth, we must accelerate the creation of a sustainable economy.

Through this approach, we identified 20 key themes that need to be proactively addressed, organized into four relevant areas. For each of the four areas and 20 key themes, we established indicators and targets from the perspective of pursuing absolute value.

Realizing a Cohesive Society in 2050

Possible Trends in 2050	Acceleration of aging society	Normalization of women's social advancement	Advancement of diversity and expansion of its concept
	Evolution of the IoT and AI	Destabilization of society due to abnormal weather and novel diseases	Diffusion of circular economy
	Socioeconomic growth in Africa	Collapse/reconstruction of supply chains due to changes in resource supply and demand	Global changes in demographic dynamics
Desirable Future in 2030 Based on Our Vision	**[Society]** A cohesive society where the well-being of individuals, society, and our planet is maintained in a balanced state		**[Unicharm]** A worldwide company that provides social infrastructure to support healthy bodies and minds for all people as well as pets, while at the same time promoting the well-being of society and our planet
Our Approach to Realizing the Desirable Future of 2030	Expansion throughout the world	Evolution of products and services	Personalization	Circular economy

Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

Formulation of Kyo-sei Life Vision 2030

Phase 1 Identify Material Issues

1 Extra issues

We extracted 513 social issues related to our value creation from a number of published sources and categorized them into 44 groups (ISO 26000, GRI Standards, SDGs, FTSE, MSCI, DJSI, etc.) based on four viewpoints.*

2 Internal assessment

We surveyed approximately 900 people associated with Unicharm, including members of the Board of Directors, executive officers, general managers, subsidiary presidents, and managers.

3 External assessment

We petitioned 56 organizations to participate in surveys and assess the degree of importance assigned to various issues from the external viewpoint of stakeholders, and received responses from 32 organizations.

4 Workshops with executive officers

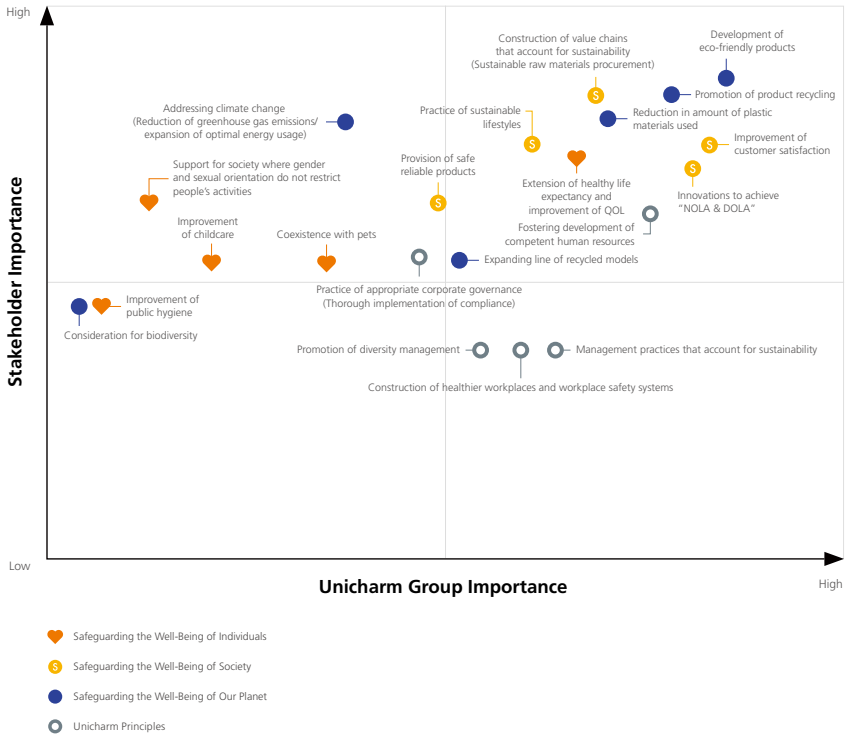
We held workshops on the Sustainable Development Goals (SDGs) and other themes, at which executives offered their opinions about what society might look like in 2050 as well as possible directions the Company should take.

5 Identify material issues

We listed the main themes underlying where we want the company to be in 2030 and various necessary approaches to achieve those goals, then we identified our material issues. The results of deliberations were subsequently approved by the ESG Committee.

* (1) Unicharm's vision of the company it aims to be, (2) Unicharm's current situation, (3) social trends in Japan and overseas, and (4) trends of other companies

Material Issue Matrix Diagram



Phase 2 Establish Targets for Material Issues

1. Implementation of research into ESG assessment institutions and competitor benchmarks
2. Comparison between branding strategies of our products
3. Exchange of opinions with general managers and senior managers
4. Creation of indicators and initial proposals for targets
5. Discussions with Marketing Division and R&D Division
6. Finalization of indicators and target values
7. Approval by ESG Committee

Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

Key Theme

Safeguarding the Well-Being of Individuals

Our aim is to provide products and services that contribute to the realization of a society where all people can have a sense of individuality and enjoy their daily lives.

Our Basic Approach and Strategy

Based on its corporate brand essence "Love Your Possibilities," Unicharm strives to provide products and services that help realize a society in which people all over the world can continue to live in their own way. We set internal standards at each stage of development, including for safety and quality and from various perspectives such as increasing added value and reducing environmental impact. Our products do not advance to the next stage of development without meeting these standards. All Unicharm products currently on the market comply with these internal standards.

It is essential as we remain committed to this approach that we continue to safeguard the well-being of individuals through all of the products and services we provide.

Key Themes	Indicators	Results			Key Themes in Fiscal 2024	Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024		Target Value	Target Year	
Extension of healthy life expectancy and improvement of QOL	Percentage of products and services that contribute to the realization of a society where everyone can have a sense of individuality	100%	100%	100%	P.63 *Lifree Anti Bocor* Disposable Diapers Made of Breathable Materials (Indonesia) P.63 *Lifree Peace-of-Mind Pants Absorbs* (Japan) P.72 Providing Useful Information and Services to Customers	100%	2030	
Support for society where gender and sexual orientation do not restrict people's activities	Percentage of products and services that contribute to a society where people around the world are free from discrimination by gender or sexual orientation (including products and services that contribute to the elimination of sexual discrimination still present in certain countries and regions)	100%	100%	100%	P.104 #NoBagForMe Project (Health) P.105 Education on Menarche and Menstruation (Health) P.106 Supporting the Financial Independence of Women (Regional Contributions)	100%	2030	
Coexistence with pets	Percentage of products and services that contribute to the realization of a society where pets are welcomed by family members and community residents	100%	100%	100%	P.63 *Deo-Toilet Deodorizing Fan+* Cat Toilet (Japan) P.63 *Deo Sheet Deodorizing Lab Toilet System* (Japan) P.63 *Deo Sheet Kirei Pad* (Japan)	100%	2030	
Improvement of childcare	Percentage of products and services that contribute to the realization of a society where infants and their families can live healthily and happily	100%	100%	100%	P.62 *MamyPoko Sweat-Free Comfy Night Pants* (South Korea) P.62 *MamyPoko Pants Skin Comfort All in 1 Skin Care* (Indonesia)	100%	2030	
Improvement of public hygiene	Percentage of products and services that contribute to activities that can reduce the spread of preventable infectious diseases (contact transmission or droplet transmission)	100%	100%	100%	P.62 *Bobby ANTIMOS Wipes* (Vietnam)	100%	2030	

Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

Key Theme

Safeguarding the Well-Being of Society

Our aim is to provide products and services that not only improve the safety, security, and satisfaction of our customers but also contribute to solving social issues and promoting sustainability.

Our Basic Approach and Strategy

At Unicharm, we believe the sustainable growth of our business entails the sustainability of the societies in which we do business. For this reason, we place the highest priority on our coexistence with all stakeholders, and value the importance of promoting mutual understanding and cooperation through detailed communication. We share with all stakeholders our philosophy and action plans for the high standards of quality, safety, and environmental protection that they expect, and we strive to achieve, and aim to develop a framework that enables us to work closely together to resolve social issues through our business activities as swiftly as possible.

Key Themes	Indicators	Results			Key Themes in Fiscal 2024	Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024		Target Value	Target Year	
Innovations to achieve "NOLA & DOLA"	Percentage of products and services that contribute to freedom from various burdens and finding enjoyment in life	100%	100%	100%	P.64 Providing Apps and Content That Cater to the Needs of Women	100%	2030	
Practice of sustainable lifestyles	Percentage of products and services suitable for the SDGs Theme Guideline, an internal guideline for contributing to sustainability	10.5%	5.9%	15.4%	P.61 SDGs Theme Guideline: Internal Guideline for Contributing to Sustainability	50%	2030	
Construction of value chains that account for sustainability	Percentage of products and services that use raw materials procured from local production for local consumption, thereby contributing to local economies based on the perspectives of the environment, society, and human rights	Development ongoing	Development ongoing	Development ongoing	P.47 Expanding the Use of Certified Pulp (PEFC- and CoC-Certified) P.48 Use of Hardwood Pulp	Double (compared with 2020)	2030	
Improvement of customer satisfaction	Percentage of products and services supported by consumers (No. 1 market share)	24.0%	23.6%	23.1%	P.70 Responsibility to Our Customers (Consumers)	50%	2030	
Provision of safe, reliable products	Percentage of products to which a new internal guideline for safety and quality has been set and certification has been granted	100%	100%	100%	P.73 Quality Assurance	100%	2030	

Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

Key Theme

Safeguarding the Well-Being of Our Planet

Our aim is to provide products and services that are sanitary and convenient, as well as to contribute to activities that improve our planet's environment.

Our Basic Approach and Strategy

At Unicharm, we believe sustainable growth entails all our businesses taking responsibility for the sustainability of the global environment, which serves as the foundation for our continuous growth. Accordingly, we have established environmental targets for Kyo-sei Life Vision 2030 and Environmental Targets 2030, and are making steady progress toward these targets across the Group. Moreover, in the field of nonwoven fabric and absorbent material processing and molding technologies, Unicharm boasts a world-class research and development system and actively promotes the development of products that align with research themes, such as reducing environmental impact. Through these and other measures, we are driving innovation in our existing business domains.

Key Themes	Indicators	Results			Key Themes in Fiscal 2024	Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024		Target Value	Target Year	
Development of eco-friendly products	No. of products and services that implement the "3Rs + 2Rs" based on Unicharm's unique approach	2	2	5	P.23 RefF Project Targeting the Realization of a Recycling-Based Society	10 or more	2030	
Expanding line of recycled models	No. of disposable paper diaper recycling facilities introduced	1	1	1	P.23 RefF Project Targeting the Realization of a Recycling-Based Society	10 or more	2030	
Addressing climate change	Percentage of renewable energy used for business operations in total	11.0%	22.8%	25.8%	P.39 Switching to Renewable Electricity	100%	2030	
Promotion of product recycling	Material recycling of nonwoven products using recycling resources	Development ongoing	Development ongoing	Development ongoing	P.53 Secondary Use of Product Waste: *Paper sand* (Japan) P.53 Secondary Use of Product Waste (Brazil) P.53 Reuse of Waste from Nonwoven Fabric (Japan)	Start of commercial usage	2030	
Reduction in amount of plastic materials used	Percentage of virgin plastics to total plastics	Development ongoing	Development ongoing	Development ongoing	P.26 Reducing Usage of Plastic in Packaging Materials P.28 Product Initiatives	Reduced by half (compared with 2020)	2030	

Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

Key Theme

Unicharm Principles

Our aim is to pursue fairness and transparency in order to establish and retain stakeholder trust.

Our Basic Approach and Strategy

At Unicharm, we believe that fair and transparent management is essential to ensuring and enhancing our relationship of trust with stakeholders. The Unicharm Ideals state that "we strive to pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfillment of our social responsibilities." Viewing this as our highest priority, we have established and operate various internal rules and systems. In order to adapt to the ever-changing business environment, we must develop and utilize human resources with an even greater emphasis on diversity. We will create working environments that facilitate the personal growth of each employee and bring them happiness and accelerate our business growth in the process.

Key Themes	Indicators	Results			Key Themes in Fiscal 2024	Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024		Target Value	Target Year	
Management practices that account for sustainability	Maintain and improve ratings by external evaluation agencies	—	—	—	P.153 External Evaluations	Highest level	Every year from 2026	
	No. of serious human rights violations in the value chain	1 (revised)	1 (revised)	Zero	P.79 Human Rights Risk Assessment at Unicharm Group Factories P.100 Human Rights Risk Assessments of Supplier Factories	Zero	Every year	
Practice of appropriate corporate governance	No. of serious compliance violations	Zero	Zero	Zero	P.123 Response to Serious Compliance Violations	Zero	Every year	
Promotion of diversity management	Percentage of female managers driven by the provision of various opportunities for women	23.2%	24.7%	25.5%	P.86 Promotion of Women's Empowerment	30% or more	2030	
Fostering development of competent human resources	Percentage of positive answers received for the "Growth Through Work" section of the employee awareness survey	89.2%	88.7%	90.1%	P.82 Employee Survey	80% or more	2030	
Construction of healthier workplaces and workplace safety systems	Reduction in the percentage of employees on leave for mental or physical health reasons by improving the workplace environment so that employees can work with peace of mind and maintain mental and physical health	7 employees (Japan)	9 employees (Japan)	13 employees (Japan)	P.94 Mental Health Measures	Reduced by half (compared with 2020)	2030	

Environmental Targets 2030 (Medium- to Long-Term ESG Goals)

3-1,3-2,3-3,101-1,101-4

Unicharm provides consumables essential to a healthy lifestyle. We also recognize the importance of addressing global environmental issues, such as resource depletion and climate change, regarding the sustainability of our business. With this in mind, in May 2020 we established our 2050 Vision, a vision of the type of company we want to be in 2050, with a focus on addressing environmental issues through our business activities, and declared Environmental Targets 2030, the goals we must achieve by 2030 in order to realize this vision.

Formulation Process

Phase 1 Identify Material Issues

1) Extraction and analysis of issues

We extracted issues based on society's awareness of marine plastic pollution, the Paris Agreement, forest resource protection, the SDGs, and other considerations, as well as stakeholder interest and the results of Eco Plan 2020 (environmental targets for fiscal 2016 to fiscal 2020). These issues were then filtered, analyzed using a materiality matrix, and identified from the perspective of their importance to the environment.

▶ Material Environmental Issues Identified by Unicharm Toward 2030

Stakeholder Interest			
High	• Effectively utilizing water resources	• Effectively utilizing forest resources • Promoting environmentally friendly products	• Responding to the problem of plastic waste polluting the oceans • Responding to climate change
	• Responding to environmental air pollution (NOx/SOx)	• Promoting measures to safeguard marine resources	• Promoting a recycling society • Enhancing the quality of information disclosure
	• Complying with laws and regulations	• Promoting efficient production activities	• Appropriately managing chemical substances
		Impact on Unicharm	High

2) External assessment

In April 2019, the Company's ESG Division and Marketing Division held open discussions on environmental activities with the Nature Conservation Office and four members of the World Wide Fund for Nature (WWF) Japan.

Suggestions from open discussions:

1. Company vision
   - When setting and sharing environmental targets for 2030, first set out the Company's vision for where it wants to be in 2050
   - Once our 2050 Vision has been established, consider what must be achieved by 2030 as part of the process of realizing this vision
2. Raising issues

In consideration of our areas of activity, three issues that Unicharm should actively work on are:

(1) Approach to plastics pollution
- Follow the 3Rs (reduce, reuse, recycle) in order to promote reduction in the quantity of materials consumed and effective use of recycled materials
- Consider adoption of the 5Rs (3Rs + refuse, replace) and begin with actions that can be taken now to make steady progress in this area
- Take proactive steps in sharing information

(2) Approach to responding to climate change
- Take proactive steps toward the creation of a renewable energy society by announcing initiatives aimed at realizing a zero-carbon society by 2050 and through activities such as lobbying the government and electric power providers

(3) Approach to sustainable procurement of forest resources
- Thoroughly examine and disclose information on the origin of forest resources, as there have been issues in certain areas even when certified
- Expand use of certified materials, based on our guidelines not only for raw materials used in our products but also for forest-derived resources used in the making of office furniture, promotional materials, and similar products

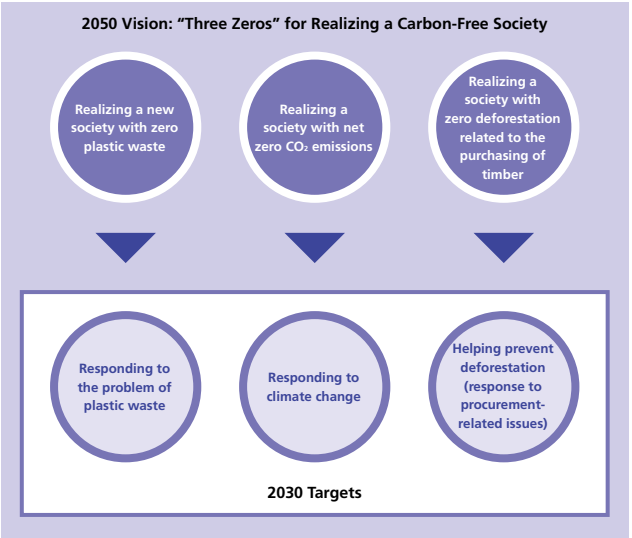
Phase 2 Establish Targets for Material Issues

We held discussions based on suggestions we received through open discussions, established measures to implement and target values for material issues, and reported to the Board of Directors upon approval by the ESG Committee.

Environmental Targets 2030: 2050 Vision and 2030 Targets

Under our 2050 Vision (the type of company we want to be in 2050), we have set the target of realizing a "three zeros" society with zero plastic waste, net zero CO_2 emissions, and zero deforestation related to the purchasing of timber, and have formulated targets for the years leading up to 2030.

▶ Environmental Targets 2030: 2050 Vision and 2030 Targets



▶ Progress of Environmental Targets 2030

Implementation Items			Base Year	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Targets	Fiscal 2024 Results	Fiscal 2025 Targets	2030 Targets
Responding to the problem of plastic waste	Reducing usage of plastic in packaging materials	Per unit of sales	2019*1	–12.3%	–18.4%	–21.1%	–26.5%	–27.0%	–30%
	Selling products that do not contain petroleum-derived plastic	—	—	Development ongoing	Development ongoing	Development ongoing	Development ongoing	Development ongoing	10 or more stock-keeping units (SKUs) sold
	Raising awareness about proper disposal of used products	—	—	50% (8 countries and regions)	56% (9 countries and regions)	63% (10 countries and regions)	63% (10 countries and regions)	69% (11 countries and regions)	Rolled out at all Group companies
	Eliminating the use of plastic in sales promotional items	—	—	Japan: 81.8% decrease from fiscal 2019	Japan: 86.9% decrease from fiscal 2019 China: 76.5% decrease from fiscal 2019	Japan: 88.8% decrease from fiscal 2019 China: 79.9% decrease from fiscal 2019	Japan: 97.5% decrease from fiscal 2019 China: 93.7% decrease from fiscal 2019 Vietnam: 37.4% decrease from fiscal 2022 India: 21.7% decrease from fiscal 2023	Japan: 97.9% decrease from fiscal 2019 China: 94.8% decrease from fiscal 2019 Vietnam: 47.8% decrease from fiscal 2022 India: 34.8% decrease from fiscal 2023	In principle, reduced to zero at all Group companies
Responding to climate change	Reducing CO_2 emissions associated with raw materials procurement	Per unit of sales	2016	–12.6% (Japan)	+5.9%*2	–5.9%	+4.1%	+0.6%	–17%
	Reducing CO_2 emissions in manufacturing	Per unit of sales	2016	–35.2%	–55.4%	–57.8%	–59.8%	–62.2%	–34%
	Reducing CO_2 emissions associated with disposal of used products	Per unit of sales	2016	–11.6% (Japan)	–35.8%*2	–37.0%	–38.0%	–39.9%	–26%
Helping prevent deforestation (response to procurement-related issues)	Ensuring traceability to pulp and palm oil production locations (country/region)	Forest-derived raw materials*3	—	97.1%	99.2%	100%	99.3%	100%	Completed
		Palm oil (Japan)	—	62.8%	58.5%	95%	99.4%	100%	
	Expanding the use of certified pulp (PEFC- and CoC-certified)	Percentage of certified factories*4	—	48.4%	58.6%	72%	60.0%	75%	100%
		Percentage of certified materials procured*5	—	72.3%	65.3%	73%	70.3%	75%	
	Expanding the use of certified palm oil (RSPO-certified)*6 (Japan)	—	—	62.8%	58.5%	95%	99.4%	100%	100%
	Promoting the recycling of used disposable diapers	—	—	2*7	2	2	2	2	Rolled out in at least 10 municipalities

*1 We have updated our base year from fiscal 2016 to fiscal 2019 following a review in fiscal 2020. *2 Calculated using values from LCI database AIST-IDEA Ver. 3.4 Research Laboratory for IDEA, RISS, AIST, IPCC2021 with LULUCF AR6, and revised the calculation method for activity volume.
*3 Percentage of raw materials derived from forest resources (pulp) for which traceability has been established to their place of origin (country and region), in addition to third-party certified materials
*4 Percentage of Unicharm factories that have acquired chain of custody (CoC) certification *5 Figures for fiscal 2023 have been retroactively recalculated due to a revision in the number of factories subject to calculation and the scope of calculation for overseas businesses.
*6 RSPO-certified palm oil based on the mass balance system. Figures for fiscal 2023 and prior have been retroactively recalculated due to the addition of new materials subject to calculation.
*7 In fiscal 2022, we commenced operation of recycling facilities in two municipalities, Shibushi City and Osaki Town in Kagoshima Prefecture (conducted demonstration trials on the collection of used disposable diapers in Higashiyamato City and Machida City in Tokyo in fiscal 2020 and fiscal 2021, respectively).

Fiscal 2024 Results

Responding to the problem of plastic waste

- Reducing usage of plastic in packaging materials: We reduced the amount of plastic used in packaging materials by 26.5% (per unit of sales) compared with 2019 standards by minimizing the flap of packaging and using paper packaging instead.
- Raising awareness about proper disposal of used products: Unicharm's product packaging in 10 countries and regions contains information on the proper disposal of used products. We also promote efforts such as conducting classes on waste separation and recycling.
- Eliminating the use of plastic in sales promotional items: In addition to Japan and China, we are also promoting initiatives in Vietnam and India such as switching to paper materials and reducing the use of plastic promotional materials.

P.25 Plastic Waste Reduction Measures

Responding to climate change

- Reducing CO_2 emissions associated with raw materials procurement: Despite promoting the development of lighter, slimmer products and thinner packaging, CO_2 emissions increased 4.1% (per unit of sales) compared with fiscal 2016 standards.
- Reducing CO_2 emissions in manufacturing: We achieved our 2030 targets ahead of schedule by reducing CO_2 emissions by 59.8% (per unit of sales) compared with fiscal 2016 standards by procuring renewable power sources.
- Reducing CO_2 emissions associated with disposal of used products: We reduced the amount of CO_2 emissions from the disposal of used products by 38.0% (per unit of sales) compared with 2016 standards by promoting the development of lighter, slimmer products and thinner packaging, in the same manner as our raw materials procurement activities.

P.37 Climate Change

Helping prevent deforestation (response to procurement-related issues)

- Ensuring traceability to pulp and palm oil production locations (country/region), expanding the use of certified pulp (PEFC and CoC-certified), and expanding the use of certified palm oil (RSPO-certified): We expect to achieve our 2030 targets for pulp by acquiring PEFC certification at our factories and strengthening initiatives with suppliers. The percentage of certified palm oil procured in Japan increased to 99.4% due to our ability to further procure oil in small units from fiscal 2024.
- Promoting the recycling of used disposable diapers: We operate recycling facilities in the two municipalities of Shibushi City and Osaki Town in Kagoshima Prefecture.

P.44 Biodiversity Conservation

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Environment

Environmental Management

Basic Environmental Policy

2-12,2-13,2-24

Our Basic Approach and Strategy

The products and services that Unicharm provides are consumables essential to a clean and healthy lifestyle. However, at the same time, they are closely connected to the global environment in terms of resource use and waste emissions. Accordingly, as we expand operations across the globe, our role and responsibility in reducing environmental impact continues to increase year after year.

As a manufacturer of consumer goods, we recognize the importance of our responsibility for protecting the global environment, and we will contribute to the achievement of the Sustainable Development Goals (SDGs), the Paris Agreement, and other goals through our business, in accordance with the Unicharm Group Basic Environmental Policy. We will also promote environmentally friendly manufacturing in all our business activities and provide products and services that bring comfort, excitement, and joy to people all over the world, thereby contributing to the realization of a sustainable society that protects the global environment and brings economic prosperity.

Under Environmental Targets 2030, formulated in May 2020, we set targets for 2030 based on our 2050 Vision in response to three environmental issues: plastic waste, climate change, and deforestation. Meanwhile, in Kyo-sei Life Vision 2030, our medium- to long-term environmental goals announced in October 2020, we established the key themes for safeguarding the well-being of our planet and are taking the measures necessary to achieve these targets.

P.16 Environmental Targets 2030 (Medium- to Long-Term ESG Goals)
P.10 Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

▶ Unicharm Group Basic Environmental Policy

2-23

In order to pass on a beautiful Earth to future generations, we recognize that we must play a significant role as a manufacturer of disposable products. We are committed to providing goods and services that bring comfort, excitement, and joy to people all over the world, thereby contributing to the realization of a sustainable society that protects the global environment and brings economic prosperity.

Basic Environmental Policy

1. Development of Environmentally Friendly Products and Services
   We design and provide consumers with products and services that reduce environmental impact (energy and resource conservation and waste reduction) at each stage of the supply chain, including concept planning, raw materials procurement, manufacturing and processing, distribution and sales, product use, and disposal and recycling.
2. Response to Climate Change
   With the aim of realizing a zero-carbon society, we work to prevent global warming by visualizing, accurately assessing, and reducing the amount of greenhouse gases along the value chain.
3. Reduction of Waste and Use of Energy and Resources
   In order to protect the global environment, we strive to develop technologies that are conducive to reducing waste and the use of energy and resources at the product development and design stages. We also make every effort to use resources and energy efficiently, reduce waste and emissions, and recycle in all of our activities along the value chain.
4. Commitment to Local Communities and to Protecting the Natural Environment
   When using forest and water resources in our activities along the value chain, we pay due consideration to biodiversity, strive to protect local communities and ecosystems, actively work to prevent wastewater and other forms of pollution, and act responsibly to ensure that we do not adversely impact these communities and the natural environment. If we find that our business activities are having a negative impact on the environment, we will take corrective measures right away with the utmost priority.
5. Compliance with Laws and Regulations
   We will comply with relevant laws, regulations, and ordinances at all stages of the product life cycle, from the procurement of raw materials to the disposal of used products, while establishing voluntary standards of conduct and striving to protect the global environment.
6. Strengthening of Communication with Society
   We will contribute to the realization of a sustainable society by continuing to develop partnerships with suppliers and our various stakeholders and becoming a company trusted by society.

Guidelines

1. Development of Environmentally Friendly Products and Services
   - We strive to procure and use raw materials that are attuned to local production for local consumption.
   - We will reduce the use of petroleum-derived plastic in our raw materials.
   - We will establish recycling systems for used products and introduce this system in an increasing number of countries and regions.
2. Response to Climate Change
   - We will accurately assess the amount of greenhouse gas emissions along the value chain, develop a plan to reduce them, and steadily put this plan into action.
   - We will make active use of renewable electricity.
3. Reduction of Waste and Use of Energy and Resources
   - We will make effective use of energy and raw materials.
   - We will strive to use fewer resources in our products (including packaging) and promote recycling.
   - We will reduce waste from all activities along the value chain.
4. Commitment to Local Communities and to Protecting the Natural Environment
   - We strive to protect biodiversity and promote the development, use, and dissemination of technologies that contribute to sustainable use.
   - We contribute to the protection and sustainable use of biodiversity at all stages of the value chain.
   - We strive to use certified lumber and establish traceability to ensure that we do not contribute to forest destruction.
   - We strive to monitor water risk and take appropriate measures when carrying out business activities in countries and regions with high water risk.
   - We address water-related issues by making efficient use of water and preventing wastewater pollution.
5. Compliance with Laws and Regulations
   - We comply with environmental laws, regulations, and ordinances that pertain to the Company.
   - We establish and comply with voluntary standards as necessary.
   - We assess compliance with laws, regulations, ordinances, and voluntary standards regularly and take corrective action in the event that compliance is inadequate.
6. Strengthening of Communication with Society
   - We will promote activities to protect the Earth's ecosystem together with suppliers, customers, local communities, external organizations, specialists, and all other stakeholders by engaging in sincere dialogue.

Management Structure

Our environmental activities are managed by the ESG Committee, which is chaired by the president & CEO and operates under the supervision of the Board of Directors. The implementation of ISO 14001, which closely relates to our day-to-day operations, is pursued independently by each of our business locations and involves a Plan–Do–Check–Act (PDCA) cycle and gate control based on preset control points and key performance indicators (KPIs). The ESG Division is responsible for tasks such as understanding the environmental situation and it reports to the ESG Committee, which meets four times a year. The details of its discussions are also reported to the Board of Directors.

Environmental Targets 2030 and the key themes established for safeguarding the well-being of our planet under Kyo-sei Life Vision 2030, which we have set as key environmental targets, are translated into targets for each individual division and involve detailed activities such as individual targets and weekly action plans linked to each division. The key themes in Kyo-sei Life Vision 2030 center on the achievement of certain targets by 2030 while Environmental Targets 2030 focuses on ensuring results year after year.

Evaluation and Remuneration System Incorporating ESG Assessments

To ensure that directors and executive officers take the lead in steadily implementing ESG strategies, in fiscal 2020, ESG goals were incorporated into the evaluation criteria for directors (excluding those who are Audit & Supervisory Committee members) and executive officers. ESG goals were also incorporated into the evaluation criteria for all employees from fiscal 2023.

P.118 Evaluation Criteria for and Basic Policy on Executive Remuneration and Fiscal 2024 Remuneration Targets and Results

Environmental Management System Based on ISO 14001 Certification

Unicharm has acquired ISO 14001 certification, the international standard for environmental management, at each business site in Japan and overseas and continues to promote environmental conservation activities by implementing and operating an environmental management system (EMS) based on this standard.

As of December 31, 2024, 77.4% (76.9% in Japan, 77.8% overseas) of our business sites have acquired ISO 14001 certification.

P.143 Social Data > The Unicharm Group's ISO Certifications

Environmental Audits for Preventing Environmental Risk and Enhancing Performance

Unicharm conducts three types of environmental audits in order to eliminate environmental risks and enhance environmental performance of activities and controls:

(1) regular audits in conformance with ISO 14001;
(2) on-site audits at industrial waste processing partners to confirm appropriate practices; and
(3) audits for specific purposes, including confirmation of legal compliance.

Results of Environmental Regulatory Audits 2-27

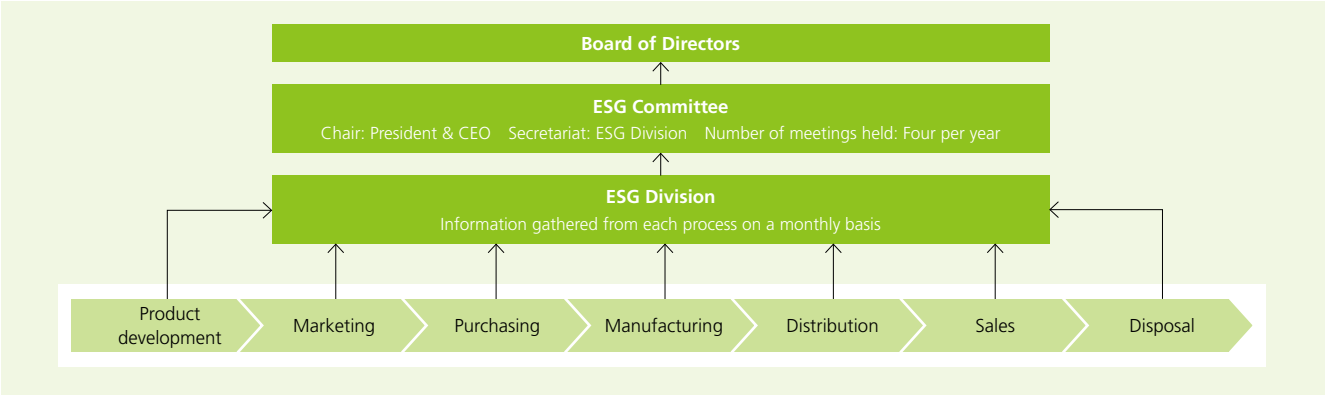
It has been confirmed that surveys, data, and documentation for submission to governments as required by environmental laws and regulations were submitted correctly in fiscal 2024. No fines have been incurred for violations of environmental laws or regulations. There are no environmental matters pending.

Indicators and Targets

Unicharm has formulated Environmental Targets 2030 and key themes for safeguarding the well-being of our planet under Kyo-sei Life Vision 2030, and promotes efforts aimed at achieving these targets.

P.16 Environmental Targets 2030 (Medium- to Long-Term ESG Goals)
P.14 Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals) > Safeguarding the Well-Being of Our Planet

▶ Environmental Management Structure



P.8 Sustainability Promotion System

Initiatives and Results

Partnership with Stakeholders

2-28

Climate change and other environmental issues cannot be resolved through the efforts of Unicharm alone. For that reason, we promote and actively take part in various measures and initiatives undertaken by companies, organizations, and governments.

Climate Change	• Task Force on Climate-related Financial Disclosures (TCFD) • Science Based Targets initiative (SBTi) • Japan Climate Initiative (JCI) • RE100 • Japan Climate Leader Partnership (JCLP) • GX League • Green x Digital Consortium • Actions by the Business Community on Long-term Global Warming Countermeasures up to 2050 (Keidanren) • Keidanren Carbon Neutrality Action Plan
Plastic Issues	• Plastic Circular Challenge 2025 • Plastic Smart • Business Coalition for a Global Plastics Treaty (Japan) • Japan Clean Ocean Material Alliance (CLOMA)
Biodiversity	• Japan Partnership for Circular Economy (J4CE) • Voluntary Action Plan for the Formation of a Recycling-Oriented Society (Keidanren) • Keidanren Declaration of Biodiversity and Action Policy • Re-Style partner company • Sustainable Green Ecosystem Council (SGEC)/PEFC National Governing Body in Japan

Medium- to Long-Term Policy Briefing Session for Suppliers

In October 2024, we held the 15th Unicharm Medium- to Long-Term Policy Briefing Session for Suppliers with the aim of stabilizing material quality and disseminating our procurement policies and guidelines. The 2024 event, which was also streamed online, was attended by 283 participants from 133 companies, including material suppliers for personal care products, as well as material suppliers for pet care products and external production contractors. The aim of this briefing session was to enhance awareness of our various policies, including the Unicharm Group Basic Environmental Policy, the Unicharm Group Policy on Human Rights, and the Basic Policy of Procurement, as well as to request supplier cooperation by reporting, explaining, and ensuring understanding of our policies and guidelines for building a sustainable supply chain and using Sedex, progress in our various activities aimed at achieving Kyo-sei Life Vision 2030 and Environmental Targets 2030, data provision for the GHG Emissions Visualization Project, and quality control and other efforts aimed at improving customer satisfaction through the supply of safe products.

P.43 GHG Emissions Visualization Project

Environmental Education for Employees

To enhance the environmental awareness of employees, we provide environmental education through new employee training and other training programs, the Company intranet, and the sharing of information via email. Unicharm also holds workshops on a regular basis for employees to acquire the specific skills that are necessary for their respective duties.

Environmental Education (Brazil)

UNICHARM DO BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS DE HIGIENE LTDA. (UCB), Unicharm's local subsidiary in Brazil, held a lecture on the environmental activities of the Unicharm Group and UCB, in which attended by approximately 300 people attended including UCB employees. The lecture covered topics such as the Unicharm Group's environmental goals and achievements and UCB's environmental initiatives over the past two years.



Environmental Activities in Honor of World Environment Day (Malaysia)

Under the theme "Our Land, Our Future. We are Generation Restoration," Unicharm's local subsidiary in Malaysia conducted the following three environmental activities in honor of World Environment Day on June 5.

1. Donations of wastepaper, aluminum cans, and used clothes by employees to nonprofit organization Dual Blessing Bhd. for use as recycled material
2. Seminar on e-waste recycling by a visiting instructor from the Department of Environment (Ministry of Natural Resources and Environment) of Malaysia
3. 3R campaign with experts from the Solid Waste Management and Public Cleansing Corporation under the Ministry of Housing and Local Government of Malaysia

Environmental Education (United States)

The Hartz Mountain Corporation, Unicharm's local subsidiary in the United States, prepared a document to summarize the key achievements of its sustainability commitment, 2050 vision, and 2030 sustainability targets and communicate them to the employees of its sales division. Customers of Hartz Mountain expect its suppliers to be environmentally conscious as well, and we believe incorporating the company's sustainability commitment and goals into its sales activities will expand its sales channels.

Launch of "Choose. Use. Circulate." Website

At Unicharm, we engage in various activities aimed at realizing a sustainable society based on Environmental Targets 2030 and Kyo-sei Life Vision 2030. In Japan, we have introduced the Recycle for the Future (RefF) Project, an initiative to recycle used disposable diapers, on Unicharm's social media account "Notes for reflecting on the future of disposable diapers," in addition to implementing a variety of initiatives from which we have seen positive results. Overseas, we actively carry out activities in accordance with the characteristics and circumstances of each country and region.

According to a survey conducted in May 2024 on consumer awareness of sustainable daily necessities, many people are keen to make more sustainable decisions when it comes to sanitary pads and hygiene products for pets, childcare, and nursing care, but are unsure about how to make those decisions. Based on the results of this survey, we launched our "Choose. Use. Circulate." website in acknowledgment of World Environment Day on June 5, 2024, to widely communicate our environmental initiatives to stakeholders and work together on environmental measures. The website introduces our 2050 Vision and includes a roadmap, examples of activities in various countries and regions, and other content describing Unicharm's commitment to achieve net zero CO_2 emissions.



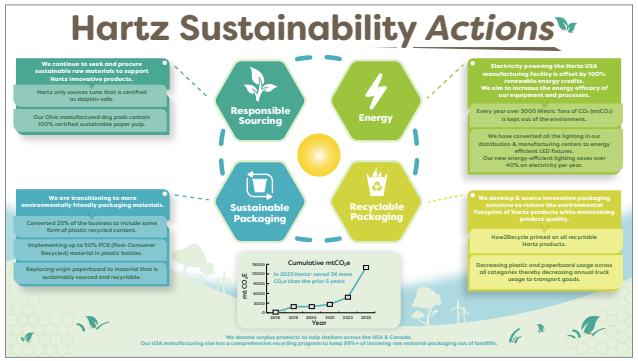
web **Notes for reflecting on the future of Unicharm's disposable diapers (in Japanese only)**
https://note.com/unicharm_reff

web **Results of awareness survey on sustainable daily necessities (in Japanese only)**
https://www.unicharm.co.jp/ja/company/news/2024/0604-01.html

web **Launch of "Choose. Use. Circulate." website**
https://www.unicharm.co.jp/en/csr-eco/ghg.html

Sustainability Website Update (United States)

The Hartz Mountain Corporation updated the contents of its Sustainability Actions & Commitment website to include short- and long-term sustainability targets as part of its "Our Commitment," "Our Vision," and "Our Goals" sections. The website also discloses results of the company's four sustainability actions: energy, responsible sourcing, sustainable packaging, and recyclable packaging.



web **Hartz Sustainability Actions & Commitment**
https://www.hartz.com/sustainabilityactions-commitment/

Zero Carbon Challenge Cup 2025 Sponsorship

The Zero Carbon Challenge Cup, a program that Unicharm has sponsored for 10 consecutive years, commends the daily work of various organizations (including schools, corporations, local governments, and NPOs) toward preventing global warming and building a zero-carbon society for the next generation. In our role as a cosponsor of this program, we have established the Love Your Possibilities Award.

In the final round of Zero Carbon Challenge Cup 2025, a total of 53 groups from the Student, Junior and Kids, Corporate and Municipal, and Citizens divisions made presentations, among which Ehime Prefectural Ozu Agricultural High School's "Reducing CO_2 with Basho (Japanese banana)—Realizing a Decarbonized Society" (Student division) was selected as the winner of the Love Your Possibilities Award.



CDP

In an effort to actively disclose information to its various stakeholders around the world, Unicharm participates in and responds to questionnaires for CDP, an international non-profit organization that conducts environmental surveys globally and discloses such information toward the realization of a sustainable society.

In fiscal 2024, Unicharm was selected for the A List, the highest CDP rating, in the categories of climate change, forests, and water security.

▶ CDP Rating

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Climate Change	A–	A–	A
Forests	B	A	A
Water Security	B	A	A

Selected for Inclusion in "Environment Sustainable" Category of 6th ESG Finance Awards Japan

Unicharm selected for inclusion in the "Environment Sustainable" category at the 6th ESG Finance Awards Japan in recognition of our unwavering promotion of horizontal recycling of used disposable diapers, climate change responses, transition to renewable electricity, reduction of plastic usage, and biodiversity conservation throughout the Company, as well as our disclosure of the status of these efforts.

RefF Project Targeting the Realization of a Recycling-Based Society

301-2,301-3,306-2

Issues Facing Society and Background of Recycling Technology Developments

In Japan, most used disposable diapers are incinerated, which impacts the environment due to the emission of CO_2 during this process. Further, as disposable diapers contain high moisture content, they are difficult to burn, which requires more energy for incineration and additional costs to maintain and build new incinerators. The production of new disposable diapers also requires many natural resources, including wood.

To remain the preferred brand by customers and to continue to grow, it is important that Unicharm establishes a sustainable system in which the life cycle of our disposable diapers does not burden the natural environment, and that we instill the sustainable value of this system in our customers. Based on our belief that new technologies were needed to achieve this goal, in 2015 we launched a project to recycle used disposable diapers.

Circular Recycling of Used Disposable Diapers

Unicharm's recycling system is designed to achieve hygiene and quality equivalent to that of non-recycled raw materials through a process that includes cleaning and separating collected disposable diapers and applying our proprietary ozone treatment to sterilize the extracted pulp.

After launching this project in 2015, in fiscal 2016 we began demonstration trials in Shibushi City, Kagoshima Prefecture, to recycle used disposable diapers at So Recycle Center LLC, which handles the recycling of waste in Shibushi City. Subsequently, in fiscal 2018, Osaki Town located in So County, Kagoshima Prefecture, joined the demonstration trials. In June 2022, nursing care facilities in Kagoshima Prefecture began using disposable diapers incorporating recycled materials as part of their absorbent materials, realizing the horizontal recycling of used disposable diapers. Based on this world-first*1 horizontal recycling technology for disposable diapers, the Recycle for the Future (RefF) Project was born, as we aim to create a future in which hygiene products are not discarded after use.

In April 2023, Shibushi City began collecting used disposable diapers at five childcare facilities through the *Hands-Free Commute**2 program. In August 2024, the city began providing *MamyPoko Pants RefF*, disposable baby diapers for childcare facilities using raw materials recycled from used baby diapers, thereby forming the cycle of use, collection, and recycling and realizing a circular economy in Shibushi City.

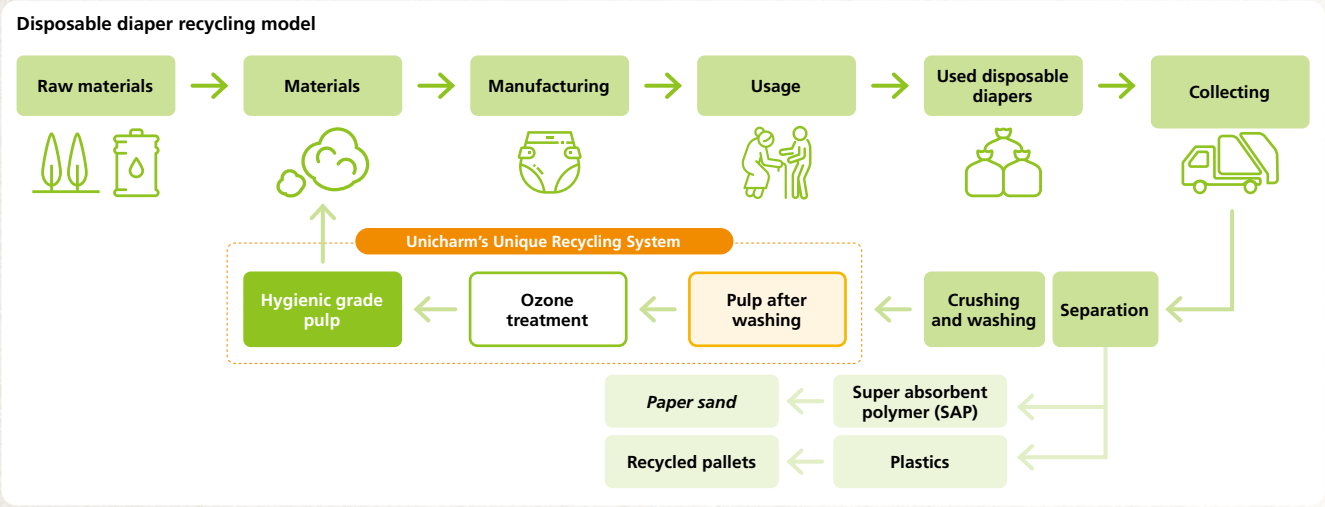
*1 Horizontal recycling of used disposable diapers to new disposable diapers using ozone treatment technology (based on Unicharm research, December 2020)
*2 Flat-rate service providing disposable baby diapers and baby wipes to childcare facilities

P.66 *Hands-Free Commute*: A Subscription-Based Model for Disposable Diapers

Promotion Structure

Unicharm's disposable diaper recycling business is promoted by a cross-organizational team led by the chief RefF officer (CRO) and comprising members in charge of marketing, technical development, and public relations. In collaboration with the Ministry of the Environment, we work with various municipalities and organizations, including Shibushi City and Osaki Town in Kagoshima Prefecture, as well as So Recycle Center LLC.

▶ Recycling of Used Disposable Diapers



Unicharm Receives Japan Business Federation Chairman's Award at 32nd Global Environment Awards

At the 32nd Global Environment Awards, sponsored by the Fuji Sankei Group, Unicharm received the Japan Business Federation Chairman's Award for its contributions to resource recycling through years of technological development and the establishment of a demonstration model. Established in 1992, the Global Environment Awards aims to foster industrial development in harmony with the global environment by developing new technologies and products that help prevent global warming and realize a recycling-oriented society, promoting environmental conservation activities and businesses, pursuing sustainable social systems, and enhancing awareness of global environmental conservation.

RefF Project Targeting the Realization of a Recycling-Based Society

Disseminating Information to Promote Consumer Understanding and Cooperation

Consumer understanding and cooperation with regard to sorting and collection is an essential aspect of our efforts to promote the recycling of used disposable diapers. Accordingly, since June 2022, we have been disseminating information through the Unicharm social media account "Notes for reflecting on the future of disposable diapers." In January 2024, Unicharm Corporation and the Unicharm Group's subsidiaries in Japan began using business cards made from recycled pulp, while in April 2024, we launched the RefF brand website "Together we create a future cycle."

In March 2024, Shibushi City, Kagoshima Prefecture installed collection boxes for disposable diapers at 470 waste collection sites. These boxes are made from recycled plastics that were extracted from used disposable diapers. Meanwhile, to promote greater awareness of the importance of separating and collecting used disposable diapers, from December 2022 Osaki Town has been distributing collection bags for disposable diapers made from plastics separated in the recycling process.

In addition, Unicharm continues to promote efforts with local governments to enhance people's awareness of the importance of recycling used disposable diapers, such as conducting lectures at elementary schools in Shibushi City on the theme "RefF: Disposable Diaper Recycling" and conducting workshops in Osaki Town to create postcards using recycled pulp.



web **Notes for reflecting on the future of Unicharm's disposable diapers (in Japanese only)**
https://note.com/unicharm_reff

web **RefF brand website "Together we create a future cycle."**
https://www.unicharm.co.jp/en/csr-eco/reff.html

Products Using Recycled Raw Materials

After commencing trials of *Lifree Side Leak Prevention Tape-on RefF*, disposable diapers that use recycled materials for a portion of their absorbent paper, at certain nursing care facilities in Kagoshima Prefecture in June 2022, Unicharm added *Lifree All Night Dry & Secured Pad Ultra RefF* to its product lineup and began selling them to hospitals and nursing care facilities in the Kyushu region. In April 2024, we expanded our sales channels and categories through the general release of *Deo-Toilet Deodorizing / Disinfecting Sheets RefF* toilet-related products for cats and *MamyPoko Pants RefF* disposable baby diapers at select retailers and our online store. The cardboard boxes, packaging, and diapers of *MamyPoko Pants RefF* are all printed in the same color to cater to the needs of childcare facilities to identify sizes more easily. In October 2024, all 56 public childcare facilities in Yokohama City that are part of the *Hands-Free Commute* program began using *MamyPoko Pants RefF*. In April 2025, Unicharm introduced *Lifree Nobiru Fit Thin Lightweight Tape-on RefF* disposable diapers for adults. Shortly prior to that, in March 2025, we released *Deo-Sand: Paper Sand That Deodorizes with Fragrance RefF Pure Floral Fragrance*, a cat litter made partially from super absorbent polymer recycled from used disposable diapers. This is Japan's first* *Paper sand* product using super absorbent material that has been separated and recycled from used disposable diapers as a raw material.

Moreover, the Company promotes resource recycling efforts with other companies. In August 2024, Poppy Paper Co., Ltd. began selling toilet paper that uses pulp recycled from wastepaper and used disposable diapers collected in Shibushi City and Osaki Town. In October 2024, Oji Nepia Co., Ltd. introduced *Nepia Nepinepi Toilet Double Rolls 12-Pack RefF* in the Kyushu region, which are produced by using electricity generated from recycled solid fuel (RPF) in the production process. Furthermore, in February 2025, Wakakusa Co., Ltd. began using recycled pallets to transport materials from warehouses to factories. These pallets are made from a combination of plastics separated in the recycling process of used disposable diapers and plastic materials collected under the Containers and Packaging Recycling Law.

* Based on Unicharm research, March 2025

Our Approach to Further Creating Value

Unicharm's recycling system is currently operated by two municipalities, Shibushi City and Osaki Town, and we are conducting research and demonstration trials to increase the number of partner municipalities in the future. From December 2024 to January 2025, the Company participated in a demonstration project conducted by Hamamatsu City, Shizuoka Prefecture, where it was in charge of providing disposable diaper collection boxes and developing and providing products made from recycled pulp. In the future, our goal is to develop a recycling model that can be deployed not only in Japan but across the globe, and to introduce our resource recycling system in more than 10 municipalities by 2030.

In order to realize a sustainable society, it is important to foster social acceptance and normalization of recycling used disposable diapers as a part of daily life, so that customers will be encouraged to choose recycled products for the sustainable value they provide. Going forward, we will continue to develop new products using raw materials that are recycled from used disposable diapers and continue to expand our sales channels with the aim of realizing a recycling-oriented society.

Recycling-Based Society

Plastic Waste Reduction Measures

Our Basic Approach and Strategy

Although plastics are easy to process, durable, and essential to our hygienic lives, they must be properly disposed of and recycled after use. As a manufacturer that uses plastic in its products and packaging materials, Unicharm recognizes that it has a responsibility in this regard. Aiming to address the global problem of plastic, Unicharm supports the Plastics Smart campaign organized by the Ministry of the Environment. In addition, we became a member of the Japan Clean Ocean Material Alliance (CLOMA) in January 2024.

In response to the problem of plastic waste, which was put forth as an issue to be addressed under Environmental Targets 2030 announced in May 2020, we declared "realizing a new society with zero plastic waste" as part of our 2050 Vision and laid out our 2030 targets. In fiscal 2022, we participated in the World Wide Fund for Nature (WWF) Japan's Plastic Circular Challenge 2025 to express our commitment to resolving plastic pollution issues and set targets for 2025. Moreover, to strengthen efforts to resolve the issue of plastic waste throughout the Group, in fiscal 2023 Unicharm declared its participation in the Japan Business Coalition for a Global Plastics Treaty, for which WWF Japan serves as secretariat, and became a member of the Business Coalition for a Global Plastics Treaty in fiscal 2024.

Risks and Opportunities

Risks

The sanitary pads and disposable diapers produced by Unicharm utilize plastic materials molded into sheets and films to create product and packaging materials. Accordingly, there is a risk that production costs will rise due to tighter regulations and taxes on petroleum-derived plastics, as well as an imbalance between the supply and demand of raw materials due to the mandatory use of recycled plastics. Furthermore, if our efforts to proactively address the issue of plastic waste are not conveyed appropriately to consumers, there is a risk that they may refrain from purchase.

Opportunities

Ongoing efforts to reduce the total amount of plastic used throughout our business activities will enable Unicharm to comply with stricter regulations on the use of petroleum-derived plastic materials and contain production cost increases due to rising material prices. Furthermore, there is an opportunity to increase sales with products that use less plastic, as they are more likely to be supported by consumers who wish to purchase and use environmentally friendly products.

Management Structure

At Unicharm, we report the progress of responses to environmental issues in accordance with Environmental Targets 2030 and Kyo-sei Life Vision 2030 based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The ESG Committee, chaired by the president & CEO, formulates plans to resolve material issues related to our measures to overcome the problem of plastic waste, which are submitted to the Board of Directors for approval. Four times a year, the ESG Committee convenes to report on the progress of activities and discuss and decide on further measures for improvement, thereby implementing a PDCA cycle toward the achievement of targets.

P.20 Environmental Management Structure
P.8 Sustainability Promotion System

Indicators and Targets

▶ **Kyo-sei Life Vision 2030: Safeguarding the Well-Being of Our Planet**

Indicators	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	2030 Targets
Material recycling of nonwoven products using recycling resources	Development ongoing	Development ongoing	Development ongoing	Start of commercial usage
Percentage of virgin plastics to total plastics	Development ongoing	Development ongoing	Development ongoing	Reduced by half (compared with fiscal 2020)

▶ Responding to the Problem of Plastic Waste Under Environmental Targets 2030

Implementation Items		Base Year	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Targets	Fiscal 2024 Results	Fiscal 2025 Targets	2030 Targets	2050 Vision
Reducing usage of plastic in packaging materials	Per unit of sales	2019*1	–12.3%	–18.4%	–21.1%	–26.5%	–27.0%	–30%	Realizing a new society with zero plastic waste
Selling products that do not contain petroleum-derived plastic	—	—	Development ongoing	Development ongoing	Development ongoing	Development ongoing	Development ongoing	10 or more stock-keeping units (SKUs) sold	
Raising awareness about proper disposal of used products	—	—	50% (8 countries and regions)	56% (9 countries and regions)	63% (10 countries and regions)	63% (10 countries and regions)	69% (11 countries and regions)	Rolled out at all Group companies	
Raising awareness about proper disposal of used products	—	—	Japan: 81.8% decrease from fiscal 2019	Japan: 86.9% decrease from fiscal 2019 China: 76.5% decrease from fiscal 2019	Japan: 88.8% decrease from fiscal 2019 China: 79.9% decrease from fiscal 2019	Japan: 97.5% decrease from fiscal 2019 China: 93.7% decrease from fiscal 2019 Vietnam: 37.4% decrease from fiscal 2022 India: 21.7% decrease from fiscal 2023	Japan: 97.9% decrease from fiscal 2019 China: 94.8% decrease from fiscal 2019 Vietnam: 47.8% decrease from fiscal 2022 India: 34.8% decrease from fiscal 2023	In principle, reduced to zero at all Group companies	

*1 We have updated our base year from fiscal 2016 to fiscal 2019 following a review in fiscal 2020.

▶ Our Commitment to Participation in the Plastic Circular Challenge 2025 of WWF Japan

	Base Year	Fiscal 2025 Target	2030 Target
Plastic used in promotional materials	2019	Reduced by half	In principle, reduced to zero at all Group companies

Initiatives and Results

Reducing Usage of Plastic in Packaging Materials

We are working to reduce the amount of plastic used in packaging throughout the Group by making packaging thinner and minimizing the number of bonded parts. Through these efforts, in fiscal 2024 we reduced the amount of plastic used in packaging materials by 26.5% (per unit of sales) compared to fiscal 2019. Furthermore, we also promote the use of plastics made from plant-derived raw materials.

Reducing Usage

Unicharm is continuously engaged in reducing plastic usage without compromising product quality or functionality by revising package designs, including making packages thinner, minimizing areas where packaging is pasted together, and reducing package size by altering the way products are packed.

- **Baby Diaper Packaging (Brazil)**

Unicharm's local subsidiary in Brazil has revised its method of packaging disposable baby diapers, reducing plastic use by an average of approximately 14% for the *MamyPoko Fralda-Calça Dia&Noite* series and approximately 6% for the *MamyPoko Fralda-Calça* series. We also reduced plastic use in package handles by about 60% by adjusting their specifications.

- ***Lifree Peace of Mind Slim Pants* and *Lifree Rehabilitation Pants* (Japan)**

We changed the absorbent materials for our disposable adult diapers *Lifree Peace of Mind Slim Pants* and *Lifree Rehabilitation Pants* to make them thinner and reduced their packaging size, thereby reducing the amount of plastic used in these packages.

- **Pet Food Packaging (Japan, Thailand)**

Unicharm has resized the packaging of its *Gran-Deli* and *Gran-Deli Frecious* brand of dog food and *Silver Spoon* brand of cat food and treats (*Rich & Flavorful, Japan Select, Nyan Spoon, Snacks That Make Cats Happy*) sold in Japan as well as its *AllWell* brand of cat food sold in Thailand, maintaining the same volume while reducing plastic use.

- ***Lifree Buttocks Clean Shower ESSENCE Soap Type* (Japan)**

We increased the concentration of this cleaning solution by 1.5 times to expand the number of uses per bottle and made the container smaller, contributing to an approximate 20% reduction*2 in plastic use.



*2 volume-ratio

• Reducing Usage of Plastic by Adopting Different Materials (United States)

We changed the packaging material of *Delectables Squeeze Up* cat treats from polyethylene terephthalate (PET) and linear low-density polyethylene (LLDPE), which are non-recyclable film laminates, to a oriented polypropylene (OPP) and cast polypropylene (CPP), realizing single material construction and thereby reducing plastic use by around 21 tons per year.

Using Paper Packaging

Unicharm is working to reduce the amount of plastic used in packaging by switching packaging and some packaging materials to paper materials.

• *Ultra-Comfort Pleasantly Comfortable on the Ears Face Masks* (Japan)



In May 2024, Unicharm released *Ultra-Comfort Pleasantly Comfortable on the Ears*, a limited-edition face mask with a paper-based inner pouch. The amount of plastic used in the inner pouch has been reduced by approximately 60%.*1

*1 Compared with conventional inner pouches

• *Diana SENSI FOR NATURE* (Vietnam)

In conjunction with World Environment Day on June 5, 2024, Unicharm's local subsidiary in Vietnam released *Diana SENSI FOR NATURE*, limited-edition sanitary pads that come in paper packaging, thereby reducing the amount of plastic used in packaging by around 56%.



• *SOFY Ultra-Sound-Sleep Peace-of-Mind Pants* (China)



Unicharm's local subsidiary in China has adopted paper packaging for its trial pack of *SOFY Ultra-Sound-Sleep Peace-of-Mind* pants-type sanitary pads, reducing plastic by around 25%. During the 11-month period from May 2024 to March 2025, these trial packs were distributed to around 2.48 million people, contributing to a reduction of approximately 6.5 tons in plastic use.

• *Sofy Hadaomoi ORGANIC Sanitary Pads* (Japan)



In June 2024, Unicharm released *Sofy Hadaomoi ORGANIC*, limited-edition sanitary pads that come in paper packaging to reduce plastic use. The packaging is also designed to be used as a storage case for sanitary pads.

• *Moony Natural Newborn Tape-Type Trial Pack* (Japan)



Unicharm has adopted paper packaging for its *Moony Natural Newborn Tape-Type Trial Pack* disposable diapers distributed at baby stores.

• Switching to the Use of Paper Hooks for Period Underwear Packaging (Japan)



The hooks that are used to display Unicharm's period underwear products at retail stores were changed from a plastic to a paper material, reducing the amount of plastic used in packaging by roughly 20%.

Using Plant-Derived Plastics

• *Lifree Sawayaka for Men Comfortable Sheet* (Japan)



In April 2023, we launched *Lifree Sawayaka for Men Comfortable Sheet*, an absorbent sheet for men that is approximately 2.0 mm thick and feels as comfortable to wear as underwear. The individual packaging of this product contains a bio-derived polyethylene film.

Using Recycled Materials

301-2,301-3

• Use of Post-Industrial Recycled (PIR) Plastic*2

In cooperation with suppliers, Unicharm's local subsidiary in India began introducing materials containing 10% post-industrial recycled (PIR) plastic*2 in the packaging of all in-house manufactured products in June 2024. This initiative is in response to the revised Plastic Waste Management Rules in India, requiring the use of 10% recycled plastic in packaging materials from 2025.

In November 2024, Unicharm's local subsidiary in Australia incorporated approximately 15% of conventional post-consumer recycled (PCR) plastic*3 into linear low-density polyethylene (LLDPE) used in the packaging of newborn- and small-size baby diapers, in addition to approximately 5% of PIR plastic.

Our local subsidiary in the United States uses approximately 10% of PIR plastic in the packaging of *Home Protection* pet sheets for dogs.

*2 Plastic recycled from waste generated during the manufacturing process, such as product loss
*3 Plastic recycled from post-consumer waste, such as packaging materials

• Recycling Trimmings Generated in Manufacturing Process for Use in Packaging

The packaging (wrapping material) for the sanitary pads and disposable diapers Unicharm manufactures utilize film plastic materials. In the past, we disposed of trimmings (excess materials) generated when cutting materials in the manufacturing process. In response, in November 2023, THE PACK CORPORATION, Fukusuke Kogyo Co., Ltd., and Unicharm subsidiary Cosmotec Corporation began engaging in a joint effort to recover trimmings and reuse them as raw material for packaging. In fiscal 2024, this recycled material was adopted in the packaging of *MamyPoko Pants RefF*, disposable baby diapers use recycled raw materials from used disposable diapers.



Plastic material trimmings

© Fujiko-Pro, Shogakukan, TV-Asahi, Shin-ei, and ADK

• Utilizing Reusable Plastic (United States)

Our subsidiary in the United States uses blister packaging comprising approximately 20% recycled plastic for its *Chew'n Clean Tuff Bone Extra Small* and *Chew'n Clean Twisty Bone dog toys*.



Product Initiatives

In light of the fact that many of the products manufactured and sold by Unicharm are considered disposable after use, we promote product development focused on reducing environmental impact upon disposal of our products. We are making efforts to develop lighter and thinner products by combining raw materials, increase the number of products using plant-derived raw materials, and develop products that do not use petroleum-derived plastic.

Reducing Usage

• Reducing Raw Material Usage

Unicharm continues to reduce the use of raw materials while maintaining and improving product functions. In the case of *Moonyman* and *Moonyman Low Irritation, More Comfort* disposable baby diapers released to the Japanese market in September 2024, we reduced the weight of materials used in these products by 9.6%*1 compared with conventional baby diapers by minimizing the use of rubber in the gathers and redesigning the shape of the absorbent materials.

*1 Calculated based on *Moonyman* large size diapers

• Reducing Adhesive Usage (Japan, Indonesia)



In November 2023, Unicharm launched *Lifree Thin Lightweight Comfortable Pants* with improved comfort that utilize an ultrasonic bonding technology to join thread elastic at the waist. The use of this technology reduces the amount of hot melt (adhesive) used in bonding by approximately 190 tons per year. Reducing the amount of adhesive makes the product easier to recycle, and improving the compression ratio when packaged increases loading efficiency, further contributing to a reduction in environmental impact during distribution and delivery.

Meanwhile, in Indonesia, *MamyPoko X-tra Kering* was introduced in December 2024, for which we improved the flexibility of these disposable baby diapers by reducing the amount of hot melt (adhesive) used in bonding.

• Utilizing Organic Cotton Rather Than Super Absorbent Polymer (Japan)

In the *Sofy Hadaomoi ORGANIC* series of sanitary pads and panty liners, the surface sheet top layer that touches the skin is made of 100% organic cotton, which is manufactured with minimal environmental impact on soil and water quality. These products do not use super absorbent polymer.

• *Deo Sheet Kirei Pad* Pet Sheets (Japan)

In September 2024, Unicharm introduced *Deo Sheet Kirei Pad* pet sheets to maximize the use of regular *Deo Sheet* pet sheets. By applying *Deo Sheet Kirei Pad* over the urine spots, it eliminates the needs to change the entire sheet. This product has reduced plastic use by approximately 52% compared with conventional product and makes use of waste generated in the manufacturing process of nonwoven fabrics.

*2 Based on Unicharm research for *Deo Sheet Ultra Absorbent* regular size pet sheets. The number of sheets used is based on preliminary product tests.

• Promoting Awareness of the Benefits of Using Both Disposable Diapers and Absorption Pads

At Unicharm, we recommend using both disposable adult diapers (outer layer) and urine absorption pads (inner layer). When used together, only the inner layer needs to be replaced, reducing waste by roughly 20% compared with using and replacing the outer layer alone.

Moreover, in the rural areas of Thailand, we promote the *Sharity* project to sell *Lifree Hygienic Pants* cloth diapers and *Lifree Sub-pad* urine absorption pads together rather than disposable adult diapers.





• Promoting Reuse Through Refillable and Replaceable Products

Unicharm is committed to reducing waste through the supply of *Wave* cleaning products that use replaceable sheets, refillable *Moony* baby wipes, *Silcot* wet wipes, and other products that enable the container or the main unit to be reused repeatedly, thereby reducing the amount of plastic waste.

• Reusable Water-Absorbent Sanitary Underwear (Japan)



Sofy Fit-to-Body Absorbent Underwear, released in January 2024, offers excellent absorbency and fit, and a single pair can be used safely, even on heavy days. They can also be washed for repeated use.

Utilizing Plant-Derived Plastics

• Products Using Biomaterials (Indonesia)

Since 2021, Unicharm's subsidiary in Indonesia has continued to launch environmentally friendly products in conjunction with World Environment Day. In June 2024, the fourth year of this project, we launched *MamyPoko Royal Soft Bio* disposable baby diapers, *CHARM Cooling Fresh Bio* and *CHARM Daun Sirih Bio* sanitary pads, and *Kirey Wipes Antibacterial Bio* wet wipes, all utilizing previously discarded biomaterials such as sugarcane pomace, limestone, botanical oils, and natural resins.





* Materials using biomass or biomineral materials

• *SOFY Natural Love* (Thailand, Philippines)

In conjunction with World Environment Day on June 5, 2024, Unicharm's subsidiaries in Thailand and the Philippines released *SOFY Natural Love* sanitary pads made of tissue using around 50% less bleach that have reduced the use of petrochemical-derived plastic materials in the packaging by roughly 20% through the use of biomass materials.



• *Wave Handy Wiper with Cat Design Case* (Japan)

In March 2024, Unicharm released its limited-edition *Wave Handy Wiper with Cat Design Case*, for which it reduced the use of petrochemical-derived plastic materials by roughly 10% through the adoption of environmentally friendly biomass plastic.



• *Deo-Toilet* Using Plant-Derived Plastic (Japan)

In June 2023, we released limited quantities of *Deo-Toilet*, a plastic molded litter box for cats weighing up to 5kg, and *Deo-Toilet Half-Cover Sets* incorporating plant-derived plastic for 10% of the raw materials used in the plastic toilet containers.



Toilet for cats weighing up to 5kg



Half cover

Efforts Associated with Disposal and Recycling of Used Products

In some countries and regions where Unicharm provides products, there are areas where the process of waste separation and collection has yet to become widespread. As a manufacturer that provides consumer goods essential for hygienic daily life, we believe it is important to educate people about the correct disposal method for used products and spread awareness regarding sorting and recycling activities.



Example from Japan

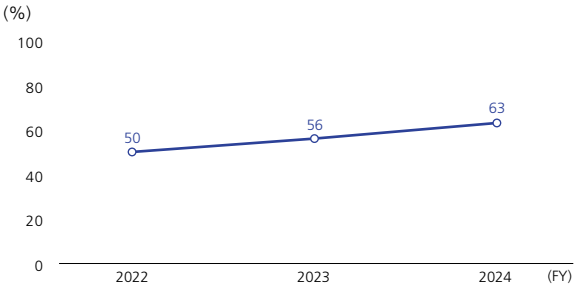


Example from India

Raising Awareness About Proper Disposal of Used Products

Although the disposal methods for products after use vary between countries and regions, the entire Unicharm Group is raising awareness of proper disposal methods through product packaging displays and other methods in accordance with the laws and standards of each country and region. In fiscal 2024, we displayed disposal methods on product packaging in 63% of our sales area (10 out of 16 target countries and regions). We also conduct classes on sorting and recycling for children, who are the future of our society.

▶ Rate of Awareness of Proper Disposal of Used Products



P.137 Environmental Data > Raising Awareness About Proper Disposal of Used Products

• Lecture on Waste Separation and Disposal (Indonesia)

In June 2024, Unicharm's local subsidiary in Indonesia conducted a lecture on waste separation at an elementary school in the province of Karawang. This initiative was first held in fiscal 2022 as part of the company's slogan "Ethical Living for SDGs." Held for the seventh time in June 2024, the more than 100 students who participated learned about the importance of and things to keep in mind when separating and disposing of waste. The company also donated four trash cans to help maintain the school's sanitary environment.



• Education on Waste Separation (Thailand)

Unicharm's local subsidiary in Thailand provides education on waste separation in neighboring municipalities and at elementary and junior high schools. In fiscal 2024, approximately 300 local residents in four municipalities took part, learning about the separation and disposal of milk cartons and other beverage containers. We also explained the proper methods of separating general, hazardous, and recyclable waste (milk cartons and paper) to approximately 250 students at elementary schools.



Commitment to Recycling and Extended Producer Responsibility (EPR)

As part of its continued commitment to sustainability and environmental responsibility, Unicharm India Private Limited (UCIa), Unicharm's local subsidiary in India, recycled roughly 4,000 tons of plastic between fiscal 2023 and fiscal 2024 through the efforts of GEM Enviro Management Limited. This initiative is an essential element of UCIa's commitment to Extended Producer Responsibility (EPR) and contributes to reductions in plastic pollution and the promotion of a circular economy.

Promoting the Recycling of Used Disposable Diapers

Since 2015, Unicharm has conducted demonstration trials involving the recycling of disposable diapers. In June 2022, select nursing care facilities in Kagoshima Prefecture began using disposable adult diapers that use recycled materials for a portion of their absorbent paper, realizing the horizontal recycling of used disposable diapers. In our recycling system, collected diapers are washed and separated, then undergo a unique ozone treatment process to sterilize and recycle the extracted pulp, making it equivalent to unused raw materials in terms of hygiene, safety, and use.

We are also working to promote the understanding and spread of sorted collection through the installation of disposable diaper collection boxes in Shibushi City (since March 2024) and the distribution of used diaper collection bags made with plastic separated in the recycling process in Osaki Town (since December 2022). Furthermore, in November, 2024, Unicharm held a lecture on the theme "RefF: Disposable Diaper Recycling" as a part of activities to commemorate the 150th anniversary of the founding of Onomi Elementary School in Shibushi City, Kagoshima Prefecture.





Aiming to inspire those who will shape the future of our planet, Unicharm's corporate website offers an illustrated guide to recycling disposable diapers, intended for elementary and junior high school students.



web **An Illustrated Guide to Recycling Disposable Diapers**
https://www.unicharm.co.jp/en/csr-eco/education.html

Initiatives Involving Promotion Items

Unicharm makes efforts to reduce the amount of plastic used in promotional materials for display products in retail stores. We aim for a 50% reduction in plastic throughout the Group by fiscal 2025 compared to base year fiscal 2019, and then zero plastic usage by 2030. This initiative was promoted first in Japan and is gradually being expanded to all Group companies. Following China, we also introduced this initiative in Vietnam and India in fiscal 2024.

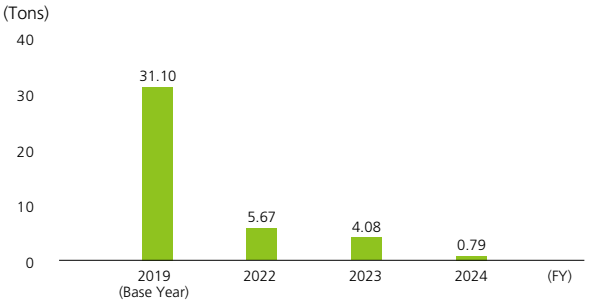
Initiatives in Japan

We are replacing the plastic used in display hooks and fixtures and point-of-purchase (POP) displays with paper materials and are developing racks made of paper. As a result, in fiscal 2024 plastic use in sales promotional items in Japan amounted to approximately 0.79 tons, a 97.5% reduction from that in fiscal 2019.



Sales promotional items made from paper

▶ Plastic Use in Sales Promotional Items (Japan)



Initiatives in China

Following the switch to paper POP displays, Unicharm's subsidiary in China introduced paper racks and verified degradable materials, as a result of which, plastic used in promotional items was approximately 7.6 tons in fiscal 2024, a 93.7% reduction from that in fiscal 2019.



Paper POP displays (China)

Initiatives in Vietnam

Unicharm's local subsidiary in Vietnam is switching to paper-based displays and shelf liners with the aim of achieving zero plastic use in sales promotional items. As a result, in fiscal 2024, plastic used in sales promotional items was approximately 11.5 tons, a 37.4% reduction from that in fiscal 2022.

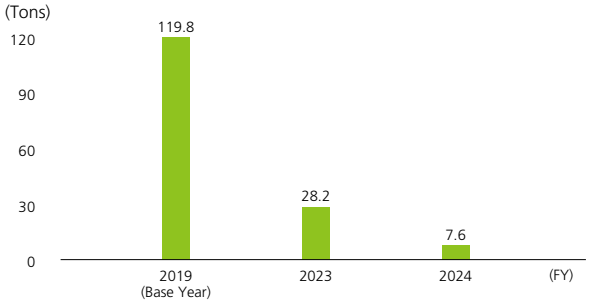


Paper display fixtures (Vietnam)

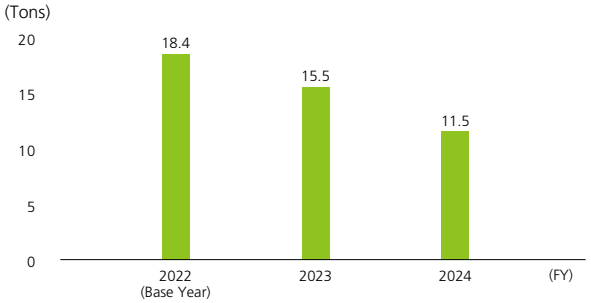
Initiatives in India

Unicharm's local subsidiary in India is working to reduce the use of plastic-based sales promotional items, such as swing pop displays and display racks. Through these efforts, plastic used in sales promotional items was roughly 120.9 tons in fiscal 2024, a 21.7% reduction from that in fiscal 2023.

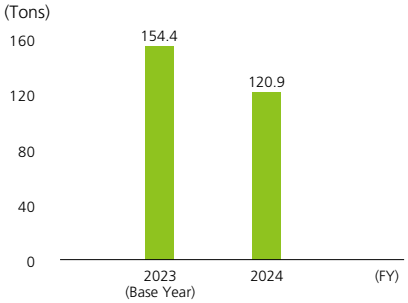
▶ Plastic Use in Sales Promotional Items (China)



▶ Plastic Use in Sales Promotional Items (Vietnam)



▶ Plastic Use in Sales Promotional Items (India)



Zero-Carbon Society

Disclosure Based on the TCFD Recommendations

201-2

Our Basic Approach and Strategy

Unicharm announced its endorsement of the TCFD recommendations in May 2019. We have examined the risks and opportunities associated with climate change and disclosed our initiatives, indicators, and targets related to the three areas of governance, strategy, and risk management in accordance with the TCFD framework.

Governance

The president & CEO is responsible for evaluating risks and opportunities related to climate change and for setting and enforcing CO_2 reduction targets. The ESG Committee, chaired by the president & CEO and staffed by directors and all executive officers, meets quarterly to report and deliberate on overall environmental activities including those related to measures against climate change, our response to social issues, and important issues for governance. For ESG Committee meetings, the ESG Division—which is responsible for responding to Groupwide environmental issues—collects and verifies environmental data and information on our activities every month for each site, and after discussions with the executive officer in charge of ESG, sets agendas for committee meetings.

The activities of the ESG Committee are then supervised by the Board of Directors, which receives reports on committee activities from the executive officer in charge of ESG at least once a year. The ESG Committee and the Board of Directors perform checks and provide guidance and instructions on these activities in accordance with the progression of Environmental Targets 2030 and Kyo-sei Life Vision 2030. To allow Unicharm to achieve its goals, we also set the term (years) for return on investment, deliberate on investment decisions on a case-by-case basis, implement necessary measures, and aim to meet our targets. Following the recommendations of the TCFD, since fiscal 2021, we have publicly shared information about specific plans based on Environmental Targets 2030 and Kyo-sei Life Vision 2030.

Moreover, to ensure that directors and executive officers demonstrate strong leadership toward the accomplishment of ESG strategies and targets, in fiscal 2020 we introduced ESG items into the evaluation indexes used to determine performance-linked compensation for directors (excluding those who are Audit & Supervisory Committee members) and executive officers. Furthermore, ESG criteria were also added as evaluation indicators for all employees in fiscal 2023.

P.118 Evaluation Criteria for and Basic Policy on Executive Remuneration and Fiscal 2024 Remuneration Targets and Results
P.20 Basic Environmental Policy > Management Structure
P.8 Sustainability Promotion System

▶ Overview of TCFD Pillars and Initiative Status

TCFD Recommended Disclosure Pillars		Unicharm Initiative Status
Governance	Organizational governance with respect to climate-related risks and opportunities	• The ESG Committee, chaired by the president & CEO, meets quarterly and reports deliberations and decisions to the Board of Directors one or more times annually • In fiscal 2020, we introduced ESG criteria into the evaluation metrics for determining performance-linked remuneration of executive officers
Strategy	Impact of climate-related risks and opportunities on organization's businesses, strategy, and financial planning	• We conducted scenario analysis of financial impacts in 2030 based on 1.5°C and 4°C conditions in accordance with the TCFD recommendations • In Environmental Targets 2030 and Kyo-sei Life Vision 2030, we set reduction targets by scope and targets for switching to renewable electricity, and disclosed the results • Through the GHG Emissions Visualization Project, we formulated the GHG emissions reduction road map and promoted the visualization of GHG emissions of raw materials
Risk Management	Methods for identifying, assessing, and managing climate-related risks	• Risks and opportunities related to climate change are positioned as "Business Risks," with the ESG Committee discussing details and taking appropriate actions as necessary
Indicators and Targets	Indicators and targets used to assess and manage relevant climate-related risks and opportunities	• In May 2018, we received certification for our 2.0°C target from the Science Based Targets initiative (SBTi). However, to promote further reduction of CO_2 and other greenhouse gases, we established our 1.5°C target, for which we received certification from the SBTi in October 2024 • Under our 2050 Vision, we have set the target of realizing a "three zeros" society (zero plastic waste, net zero CO_2 emissions, and zero deforestation) in 2050, and to achieve this, formulated specific targets in Environmental Targets 2030 and Kyo-sei Life Vision 2030, and disclosed progress toward their achievement

Strategy

Unicharm considers risks and opportunities with reference to our situation year by year (the short term), in alignment with our medium-term management plan (the medium term, three to five years) and international prospects (the long term, 10 to 20 years) encompassing factors such as the SDGs and the Paris Agreement. We also use an enterprise risk management (ERM) approach to identify business and other risks facing the entire Group and address climate change risks as one of them. In order to respond to the risks and opportunities identified, we are implementing the course of action shown on the right in conjunction with our financial plan.

Scenarios and Planning

Scenario analysis was conducted using two situations assuming global average temperature increases of 1.5°C and 4°C by 2100 compared to pre-industrial times. The Representative Concentration Pathways (RCP) scenario* is used as the basis for calculating estimated physical impacts.

To participate with a scientific approach in efforts focused on the 2°C target indicated in the Paris Agreement of 2015, we received approval from SBTi in 2018 for our reduction target toward 2030. However, due to the need for a more stringent 1.5°C target, announced at COP26, we obtained certification for this target in October 2024.

We set 2030 targets in Environmental Targets 2030 and Kyo-sei Life Vision 2030, which are key environmental targets for the entire Group, and have incorporated the plans into strategies from both short-term and long-term perspectives and implemented them such as by stating environmental considerations as part of product development strategies in the marketing and development divisions and introducing energy-saving activities and renewable electricity in the production division.

* Multiple representative concentration pathway scenarios are prepared to project future climates in each pathway, and various socioeconomic scenarios can be formulated to realize these concentration pathways. These include risks associated with factory operations in coastal areas where sea levels are rising, operational risks associated with supply chain disruptions caused by cyclones and other weather events, risks of lower GDP in equatorial regions due to heat waves, and raw material costs due to delays in the growth of forest resources and the harvesting of crops and other products due to changes in terrestrial ecosystems.

▶ Risks and Scenarios Envisioned by the Company Based on the TCFD Recommendations

We evaluated impacts on our business and finances on three levels (major moderate, and minor) and defined financial consequences as follows: major (the impact would lead to a suspension or major downsizing or expansion of our business), moderate (the impact would have a partial effect on our business), and minor (the impact would have a slight effect on our business).

			Evaluation Criteria	Assessed Financial Impact	Financial Consequences in 2030		Length of Measures			Progress of Unicharm's Measures
					1.5°C	4°C	Short Term	Medium Term	Long Term	
Risks	Opportunities	Policies, laws, and regulations	Introduction of a GHG emissions trading scheme and introduction and raising of carbon taxes	• Higher factory operation costs due to the introductions of and increases in GHG emissions trading and carbon taxes	Major	Minor	●	●	●	• Set GHG emissions reduction targets and implemented initiatives to reduce energy use
			GHG emissions	• Mandatory reporting of GHG emissions • Highly accurate reporting level requirements	Major	Minor	●	●		• Continued to visualize GHG emissions and develop specific reduction methods in Japan and at our subsidiaries overseas, which have played a leading role in these efforts, by proceeding with the GHG Emissions Visualization Project
			Introduction of plastic waste regulations	• Impact on commodity production costs due to regulatory compliance with regulations on petroleum-derived containers and packaging materials	Major	Minor	●	●	●	• Set targets for reduction of petrochemical-derived plastics use and implemented initiatives to reduce usage
				• Increase in material and product costs due to mandatory use of renewable plastic	Major	Minor	●	●	●	• Recycled trim of plastic materials generated in the manufacturing process and used it in product packaging
		Technologies	Up-front costs associated with the transition to low-carbon technology	• Costs for visualizing GHG emissions (system construction costs and other investments)	Major	Minor	●	●		• Continued to visualize GHG emissions and develop specific reduction methods in Japan and at our subsidiaries overseas at our subsidiaries in Japan and overseas, which have played a leading role in these efforts, by proceeding with the GHG Emissions Visualization Project
		Markets	Increase in energy prices	• Fluctuations in retail electricity prices • Impact of procurement costs due to the increased use of renewable electricity	Major	Minor	●	●		• Set target of 100% use of renewable electricity for our business activities by 2030 and switched to it
			Higher raw materials prices	• Impact of cost increase due to conversion from petrochemical-derived materials to naturally-derived materials	Major	Minor	●	●	●	• Set targets for reduction of petrochemical-derived plastics use and implemented measures accordingly
				• Procurement cost impact of increased demand for certified pulp for forest conservation	Major	Minor	●	●	●	• Engaged in responsible procurement and procured raw materials through emphasis on manufacturing and supply capabilities in accordance with the Declaration of Biodiversity, Basic Policy of Procurement, Sustainable Procurement Guidelines, and Forest-Derived Raw Materials Procurement Guidelines
			Changes in consumer behavior	• Growing ethical awareness among consumers • Growing demand for products with low GHG emissions	Major	Minor	●	●		• Appropriately disclosed information through public relations, packaging, our website, news releases, and other methods of disclosure

			Evaluation Criteria	Assessed Financial Impact	Financial Consequences in 2030		Length of Measures			Progress of Unicharm's Measures
					1.5°C	4°C	Short Term	Medium Term	Long Term	
Risks	Transition	Reputation	Criticism toward sectors concerned	• Reputation risk as a company that uses pulp and other forest resources • Use of certified materials as a criterion for determining whether a company is committed to environmental measures	Major	Minor	●	●		• Established targets for 100% procurement of certified pulp (PEFC- and CoC-certified) and certified palm oil by 2030 and disclosed the status of these initiatives
	Physical	Acute	Intensification of extreme weather	• Impact of suspended operations due to supply chain disruptions resulting from floods and other major disasters related to typhoons, cyclones, or weather anomalies	Major	Major	●	●	●	• Conducting medium- to long-term water risk analysis using the Aqueduct Overall Water Risk Map (Aqueduct) and implement countermeasures in cooperation with external parties, especially in areas with high water risk
		Chronic	Excess demand for water	• Suspension of operations due to unstable supply of forest-derived raw materials (pulp, paper, etc.) indirectly caused by water resource depletion • Suspension of product sales due to tight supply of water used in the manufacturing process of wet wipes and pet food • Increased operating costs due to higher water usage fees	Major	Moderate	●	●	●	• Using Aqueduct to conduct medium- to long-term water risk analysis and introduce water recycling systems at water-intensive nonwoven fabric and *Paper sand* manufacturing plants to reduce water withdrawal
Opportunities	Resource efficiency		Efficient use of transportation	• Impact of reduced CO_2 emissions and costs through the use of railroads and ships, including collaborations with other companies	Major	Major	●			• Modal shift from truck to ocean vessel for material transport is underway. Through a joint effort with other companies, a round-trip transportation network*1 and a relay transportation network*2 have also been established as measures to reduce CO_2 emissions
			More efficient production and distribution processes	• Impact of reduced CO_2 emissions and costs from promoting factory emissions recycling activities for more efficient use of resources and switching to compressed packages	Major	Major	●	●		• Recycling of trim of plastic materials generated when cutting materials in the manufacturing process into raw materials for use in product packaging • Reducing emissions through secondary use of product waste disposed throughout the entire Group, such as cat continence care products (*Paper sand*) • Reducing package size and improving loading efficiency by reviewing product specifications and package filling methods
			Use of recycling methods	• Expanded use of used disposable diaper recycling technologies and increased cost absorption opportunities • Practical application of advanced used disposable diaper recycling technology • Growing demand for products with low environmental impact	Major	Major	●	●		• Realized a system that washes and separates collected used disposable diapers and recycles them into pulp that is as hygienic and safe as unused pulp
			Reduction of water usage and consumption	• Designing environmentally friendly products and promoting factory efficiency	Major	Moderate	●	●		• Set target for reducing water withdrawal for the entire Group by 1% each year from the previous fiscal year, and promoting water withdrawal reduction, water recycling, and purification at production sites
	Energy sources		Use of renewable electricity	• Achieving carbon neutrality in 2050, reducing energy costs	Major	Moderate	●	●	●	• Introducing renewable electricity at production sites
	Products and services		• Development and expansion of lineup of low-carbon products and services • Development of new products and services through R&D and innovation • Leveraging of ability to diversify business activities • Adaption to changes in consumer preferences	• Product development to encourage GHG emissions reduction • Purchasing with built-in GHG indicators • Promoting environmentally friendly products and development of environmental labels	Major	Major	●	●	●	• Implementing system construction to visualize the GHG emissions of raw materials through the GHG Emissions Visualization Project • Developing and marketing products conforming to the SDGs Theme Guideline, an internal guideline for contributing to sustainability
	Markets		Tapping into new markets	• Impact from the spread of environmentally friendly products • Impact of the proliferation of products using certified wood	Major	Minor	●	●		• Expanding our lineup of environmentally friendly products and products made of certified materials in accordance with the SDGs Theme Guideline
	Resilience		Participation in renewable electricity programs and adoption of energy-saving measures	• Switching to renewable electricity • Reducing electricity consumption • Reducing raw material consumption	Major	Moderate	●	●		• Establishing calculation rules and systems for the GHG Emissions Visualization Project and continuing to collect primary data from suppliers

*1 A method of transport in which after unloading cargo, trucks are reloaded with different products before returning to their point of departure for the purpose of maximizing cargo loading efficiency
*2 A method of transport in which a delivery route is assigned to multiple drivers

Conforming to Regulations and Standards

In response to the transition to a 1.5˚C target at COP26, Unicharm has revised its target from 2˚C, which was previously approved by the SBTi in 2018, to 1.5˚C and resubmitted an application for approval, which was granted in October 2024.

In Japan, we are conducting capital investments (introduction of inverters that offer energy-saving potential) that contribute to an annual 1% increase in energy efficiency as stipulated in the country's Act on Rationalizing Energy Use and Shifting to Non-Fossil Energy.

Establishing a System to Promote the Research and Development of Low-Carbon Products

We are in discussions with suppliers from whom we procure raw materials to provide primary GHG emissions data for each material. We believe that obtaining such data will enhance the accuracy of estimations for the amount of emissions that can be reduced through the use of different materials, allowing developers to select low-carbon raw materials more appropriately. To promote such efforts, in May 2022, we launched the GHG Emissions Visualization Project through which we are establishing calculation rules and developing systems in accordance with ISO 14064 and the Greenhouse Gas Protocol and collecting primary GHG emissions data for each material.

P.43 GHG Emissions Visualization Project

Risk Management

We use an enterprise risk management (ERM) approach to identify risks to the Group as a whole and engage with climate change risks as one of them.

Groupwide climate-related risk assessment is conducted by the ESG Division. First, we run simulations of climate change impact that cover severity, scope, and transition risks (carbon pricing, energy prices, etc.) based on the recommendations of the TCFD and create multiple qualitative scenarios (1.5˚C target scenario and 4˚C target scenario) for the period up to 2050, using information from sources such as the IPCC*1 *Sixth Assessment Report* and the IEA's*2 *World Energy Outlook 2023*.

These scenarios are then used, together with the estimated value of damage (calculated as part of site-level risk assessment), to estimate the total damage costs of Group companies. The results of this evaluation are reported to the ESG Committee and the Board of Directors and are then used in the formulation of our business strategy and business plan. In the event that the ESG Committee, in which the Board of Directors and all executive officers participate, judges that the aforementioned scenarios would be impacted, a responsible task team will be established for developing a plan, with the ESG Division acting as secretariat. This plan will then be approved at the next ESG Committee meeting, upon which the responsible team will implement it and report on progress at ESG Committee meetings.

*1 IPCC: Intergovernmental Panel on Climate Change
*2 IEA: International Energy Agency

P.127 Business and Other Risks

Indicators and Targets

To develop a specific action plan for mitigating climate change, Unicharm has endorsed the SBTi since May 2017. After conducting simulations up to 2045 and consulting with the SBTi, in June 2018, Unicharm became the 17th company in Japan to have its reduction plan certified for consistency with the 2˚C target. Moreover, in light of increasing global momentum to promote the reduction of CO_2 and other greenhouse gases, we obtained certification for the 1.5˚C target in October 2024.

We have set specific long-term CO_2 reduction targets for both Scope 1 (direct emissions from our own factories, offices, vehicles, etc.), Scope 2 (indirect emissions from our own factories, vehicles, etc.), and Scope 3 (indirect emissions from the supply chain).

1.5˚C Target (Base Year: 2021, Target Year: 2031)

- Reduce Scope 1 and Scope 2 greenhouse gas emissions by 46.2%
- Reduce Scope 3 greenhouse gas emissions by 27.5%

By achieving these goals, we will also be preparing for the following risks.

(1) If regulations are strengthened in order to achieve the goals of the Paris Agreement, there is a risk that the development of energy-saving measures and the purchase of emissions credits will become necessary and that costs will rise for electric power companies, manufacturing sites, and suppliers.
(2) Electricity prices in Japan have risen by approximately 10% on average due to carbon taxes and the cost structure for purchasing renewable electricity. If carbon taxes are introduced in all of the overseas countries and regions where Unicharm carries out manufacturing or the cost structure for purchasing renewable electricity is not improved, operating costs could rise by 10%.

Unicharm has established a medium- to long-term vision and targets for climate change in its 2050 Vision and Environmental Targets 2030. "Reducing CO_2 emissions associated with raw materials procurement" (Scope 3, Category 1), "reducing CO_2 emissions in manufacturing" (Scope 1 and Scope 2), and "reducing CO_2 emissions associated with disposal of used products" (Scope 3, Category 12), which account for a large proportion of CO_2 emissions over the product life cycle, have been set as our targets for climate change response. For Scope 1 and Scope 2, meetings on energy conservation and renewable energy are held with promoters of environmental activities at each site four times a year, and monitor the progress of annual plans. For "CO_2 emissions from raw materials procurement" (Scope 3 Category 1) that form the bulk of our Scope 3 emissions, we perform LCAs*3 to calculate CO_2 emissions for each product from the design phase onward, and product developers and the ESG Division discuss these emissions and consider countermeasures from the perspectives of product function and CO_2 emissions.

*3 LCAs: Life Cycle Assessments. A method used to quantitatively assess the potential environmental impact on our planet and ecosystem of the resources used and CO_2 emissions generated throughout a product's life cycle, encompassing raw materials procurement, production, logistics, use, and disposal

P.38 CO_2 Emissions Throughout the Supply Chain (Overall Picture of Scopes 1 to 3)
P.38 CO_2 Emissions Associated with Raw Materials Procurement
P.39 CO_2 Emissions During Manufacturing, Sales, and Distribution

Zero-Carbon Society

Roadmap to Realizing a Zero-Carbon Society

Environmental Targets 2030

Fiscal 2025 Targets (Base year: 2016)

- Reducing CO_2 emissions associated with raw materials procurement (per unit of sales): +0.6%
- Reducing CO_2 emissions in manufacturing (per unit of sales): –62.2%
- Reducing CO_2 emissions associated with disposal of used products (per unit of sales): –39.9%

Kyo-sei Life Vision 2030

2030 Targets

- Percentage of renewable electricity used: 100%
- Development of eco-friendly products: 10 or more
- Number of disposable diaper recycling facilities: 10 or more

Environmental Targets 2030

2030 Targets (Base year: 2016)

- Reducing CO_2 emissions associated with raw materials procurement (per unit of sales): –17%
- Reducing CO_2 emissions in manufacturing (per unit of sales): –34%
- Reducing CO_2 emissions associated with disposal of used products (per unit of sales): –26%

2021 (base year): 1.5°C target

- Scope 1 + Scope 2: 500.7 thousand tons
- Scope 3: 6,588.2 thousand tons

1.5°C Target

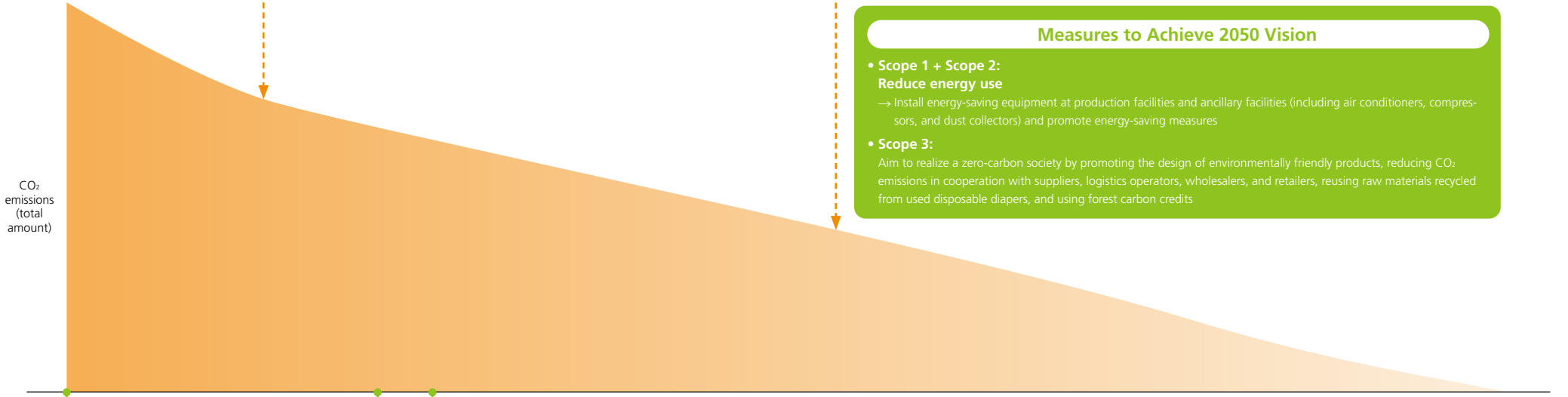
2031 Targets (Base year: 2021)

- Scope 1 + Scope 2: 46.2% reduction
- Scope 3: 27.5% reduction

2050

Realize a zero-carbon society (2050 Vision)

2021 | 2025 | 2030 | 2031 | 2050



Measures to Achieve 2050 Vision

- **Scope 1 + Scope 2: Reduce energy use**
  → Install energy-saving equipment at production facilities and ancillary facilities (including air conditioners, compressors, and dust collectors) and promote energy-saving measures
- **Scope 3:**
  Aim to realize a zero-carbon society by promoting the design of environmentally friendly products, reducing CO_2 emissions in cooperation with suppliers, logistics operators, wholesalers, and retailers, reusing raw materials recycled from used disposable diapers, and using forest carbon credits

2018
Acquired 2.0°C target certification

2023
Became member of RE100

2024
Acquired 1.5°C target certification

Zero-Carbon Society

Climate Change

302-4,302-5

Our Basic Approach and Strategy

Unicharm recognizes that climate change is an issue that must be addressed with a matter of urgency. Therefore, in order to contribute to achieving the 2°C target*1 indicated in the Paris Agreement at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21), we received certification in June 2018 under the Science Based Targets initiative (SBTi) for our CO_2 reduction plans up to 2045. Following the adoption of a more stringent 1.5°C target*2 at COP26 in 2021, we resubmitted our 1.5°C target to the SBTi for certification, which we received in October 2024. We also endorsed the Task Force on Climate-related Financial Disclosures (TCFD) in May 2019 and continue to report in accordance with its framework. Furthermore, in November 2023, we became a member of RE100 to achieve the goal of switching to 100% use of renewable energy in our business activities by 2030 as set forth in Kyo-sei Life Vision 2030, announced in October 2020.

Our 2050 vision of Environmental Targets 2030, announced in April 2020, calls for the realizing a society with net zero CO_2 emissions. We will strive to reduce CO_2 emissions from our various business activities in cooperation with the Japan Climate Initiative (JCI), the Japan Climate Leaders' Partnership (JCLP), the GX League, and RE100. At the same time, we will continue to actively encourage all parties involved in our supply chains to reduce their emissions throughout the product life cycle.

*1 Aims to limit the increase in global average temperature to under 2°C above pre-industrial levels in accordance with the Paris Agreement reached at COP21 in 2015
*2 COP26 in 2021 incorporated the pursuit of efforts to limit the temperature to within 1.5°C instead of the 2°C stipulated in the Paris Agreement.

P.32 Disclosure Based on the TCFD Recommendations

Risks and Opportunities

P.35 Disclosure Based on the TCFD Recommendations > Risk Management

Management Structure

P.32 Disclosure Based on the TCFD Recommendations > Governance

Indicators and Targets

▶ Responding to Climate Change Under Environmental Targets 2030

Implementation Items		Base Year	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Targets	Fiscal 2024 Results	Fiscal 2025 Targets	2030 Targets	2050 Vision
Reducing CO_2 emissions associated with raw materials procurement Scope 3, Category 1	Per unit of sales	2016	–12.6% (Japan)	+5.9%*	–5.9%	+4.1%	+0.6%	–17%	Realizing a society with net zero CO_2 emissions
Reducing CO_2 emissions in manufacturing Scope 1 and Scope 2			–35.2%	–55.4%	–57.8%	–59.8%	–62.2%	–34%	
Reducing CO_2 emissions associated with disposal of used products Scope 3, Category 12			–11.6% (Japan)	–35.8%*	–37.0%	–38.0%	–39.9%	–26%	

* Calculated using values from LCI database AIST-IDEA Ver. 3.4 Research Laboratory for IDEA, RISS, AIST, IPCC2021 with LULUCF AR6, and revised the calculation method for activity volume

▶ Kyo-sei Life Vision 2030: Safeguarding the Well-Being of Our Planet

Indicators	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	2030 Target
Percentage of renewable energy used for business operations in total	11.0%	22.8%	25.8%	100%

Initiatives and Results

CO_2 Emissions Throughout the Supply Chain (Overall Picture of Scopes 1 to 3)

305-1,305-2,305-3,305-5

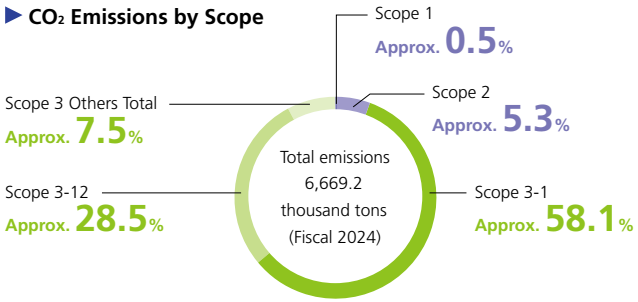
Unicharm calculates its CO_2 emissions according to the Greenhouse Gas Protocol,*1 the standard for calculating greenhouse gas (GHG) emissions most widely used in the world today. In fiscal 2024, life cycle CO_2 emissions were estimated to be approximately 58.1% for Scope 3 purchased materials, 28.5% for end-of-life treatment of sold products, 7.5% for others, and 5.8% for Scope 1 and Scope 2 manufacturing. Based on these estimates, we are working to reduce CO_2 emissions at all stages of the life cycle, from raw materials procurement to end-of-life treatment of sold products.

▶ CO_2 Emissions by Scope and Category

(Thousand tons)

Scope	Category	Fiscal 2022	Fiscal 2023	Fiscal 2024	Remarks
Scope 1	Direct emissions	31.6	29.2	✓ 30.1	
Scope 2	Indirect emissions from energy sources	454.5	376.9	✓ 354.6	
Scope 3*2	1 Purchased goods and services	3,830.6	3,756.1	✓ 3,877.7	
	2 Capital goods	85.2	99.0	121.2	
	3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	59.3	51.1	49.5	
	4 Upstream transportation and distribution	320.7	225.5	206.7	*3
	5 Waste generated in operations	40.1	28.7	26.2	
	6 Business travel	2.1	2.0	2.1	
	7 Employee commuting	12.7	12.8	13.2	
	8 Upstream leased assets	0.0	0.0	0.0	*4
	9 Downstream transportation and distribution	79.9	81.0	63.2	*3
	10 Processing of sold products	0.0	0.0	0.0	*4
	11 Use of sold products	0.0	0.0	0.0	*4
	12 End-of-life treatment of sold products	2,151.8	1,875.7	✓ 1,903.4	
	13 Downstream leased assets	0.0	0.0	0.0	*4
	14 Franchises	0.0	0.0	0.0	*4
	15 Investments	39.6	34.7	21.3	
	Total for Scope 3	6,622.0	6,166.5	6,284.5	
Total		**7,108.1**	**6,572.6**	**6,669.2**	

▶ CO_2 Emissions by Scope



P.138 Environmental Data > CO_2 Emissions by Scope and Category

▶ Life Cycle CO_2 Emissions Ratio



Note: As a general rule, figures are rounded off to the nearest unit. Accordingly, the total amount may be different from the sum of its components.

*1 In 1998, the Greenhouse Gas Protocol was established to develop standards for calculating and reporting GHG emissions, led primarily by the World Resources Institute (WRI), an environmental NGO based in the United States, and the World Business Council for Sustainable Development (WBCSD), which comprises over 200 multinational corporations. In 2001, the first edition of the GHG Protocol Corporate Standard was established and, since then, this approach to calculating GHG emissions has become a global standard.

*2 Scope 3 was calculated using values from LCI database AIST-IDEA Ver. 3.4 Research Laboratory for IDEA, RISS, AIST, IPCC2021 with LULUCF AR6. Moreover, Scope 3 emissions up to fiscal 2023 were recalculated using the same database, in addition to revising the calculation method for activity volume.

*3 The overseas portion of 3-1, 3-2, 3-3, 3-5, 3-6, 3-7, 3-12, and 3-15 are calcu- lated based on activity level, while other categories are estimated based on sales weight.

*4 Does not apply to any work process

CO_2 Emissions Associated with Raw Materials Procurement

305-5

With regard to Scope 3, including CO_2 emissions associated with raw materials procurement, we have received certification from the SBTi for our targeted reduction in CO_2 emissions of 27.5% by 2031 compared to the base year of fiscal 2021. In fiscal 2024, we promoted the development of lighter, slimmer products and thinner packaging, and the transition to biomass and recycled materials.

P.138 Environmental Data > CO_2 Emissions by Scope and Category

Communicating the Importance of Climate Change Measures to Suppliers

As CO_2 emissions from purchased goods and services (Scope 3, Category 1) and end-of-life treatment of sold products (Scope 3, Category 12) account for approximately 58.1% and 28.5% of the overall product life cycle, respectively, it is essential that we promote measures together with suppliers. We are promoting the reduction of CO_2 emissions by actively requesting suppliers to switch to renewable electricity, use plant-derived biomass materials and recycled materials, and thinner and lighter materials. These efforts significantly contribute to low carbon emissions, not only in procurement but also in disposal.

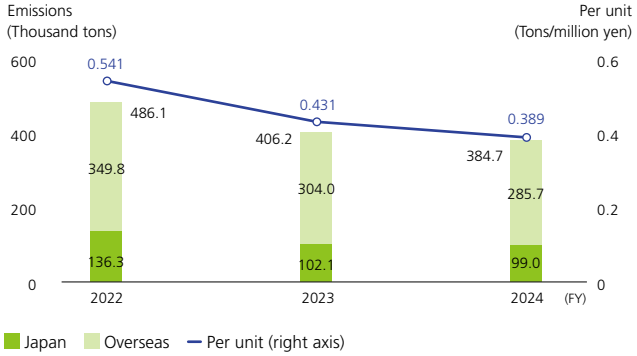
P.21 Medium- to Long-Term Policy Briefing Session for Suppliers

CO_2 Emissions During Manufacturing, Sales, and Distribution 305-5

Initiatives at Factories 305-1,305-2

Regarding Scope 1 and Scope 2, we have set the goal of transitioning to 100% renewable electricity by 2030, and the entire Group is working to reduce CO_2 emissions. Meetings on energy conservation and renewable energy are held four times a year with promoters of environmental activities at each site to promote their respective energy conservation activities and procurement of renewable energy by formulating annual plans, confirming progress, and sharing best practices for reducing electricity consumption and switching to renewable energy. In fiscal 2024, CO_2 emitted during manufacturing amounted to 384.7 thousand tons, a 59.8% reduction (per unit of sales) from the fiscal 2016 base year.

▶ Progress on CO_2 Emissions (Scope 1 and Scope 2)



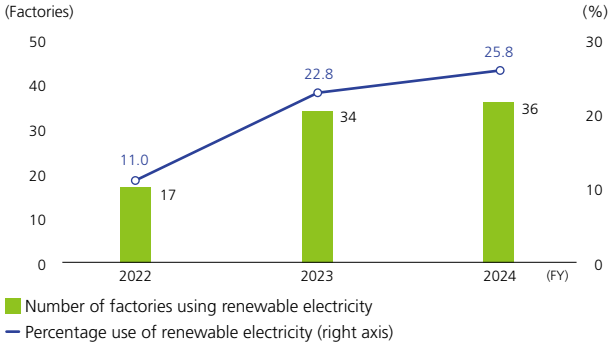
Note: Consolidated net sales is used as the denominator to calculate "Per unit (tons/million yen)."

P.138 Environmental Data > Scope 1 and Scope 2 CO_2 Emissions

• Switching to Renewable Electricity

In fiscal 2024, two factories installed solar power generators and three factories purchased renewable energy certificates, increasing the percentage use of renewable electricity to 25.8% and reducing CO_2 emissions by approximately 100 thousand tons per year.

▶ Number of Factories Using Renewable Electricity and Percentage Use of Renewable Electricity



South Korea: Solar power generators were installed at the Gumi Factory in December 2023, which generates approximately 600,000 kWh of electricity and reduce CO_2 emissions by approximately 200 tons per year.

Japan: Solar power generators were installed at the Peparlet's Shimada Factory in March 2024, which generates approximately 1.3 million kWh of electricity and reduces CO_2 emissions by approximately 480 tons per year.

Saudi Arabia: Solar power generators were installed at the Riyadh Factory in October 2024, which will generate 600,000 kWh of electricity and reduce CO_2 emissions by approximately 200 tons per year.

Indonesia: Renewable energy certificates were purchased for the Karawang Factory in January 2024 and for the East Java Factory and the nonwoven factory in June 2024.

▶ Factories Using 100% Renewable Electricity

Commencement of Operations	Factory Name
January 2017	Jaguariúna Factory (Brazil)
September 2020	Kyushu Factory (Japan)
February 2021	Itami Factory (Japan)
April 2021	Toyohama Works, Shikoku Factory (Japan)
December 2021	Hartz Pleasant Plain Factory (United States)
March 2022	Saitama Factory (Japan)
April 2022	Mie Factory (Japan)
April 2022	Peparlet's three factories (Japan)
April 2023	Unicharm Kokko Nonwoven (3 manufacturing sites) (Japan)
April 2023	Cosmotec (Japan)
April 2023	Kinsei Products (Japan)
March 2024	Peparlet's Shimada Factory (Japan)

• Installing Energy-Saving and Efficiently Operated Equipment

Energy-saving measures are being implemented at each factory, including the introduction of high-efficiency motors and other energy-saving equipment, efficient equipment operations such as motor speed adjustments and the use of inverters, measures to prevent air leaks from compressors, and the use of LED lighting. Meetings on energy conservation and renewable energy are held four times a year to share best practices and expand energy conservation and renewable energy measures throughout the Group.

For example, Unicharm's local subsidiary in Vietnam has been conducting tests to check for air leaks from compressors in all production lines since November 2024. The aim is to reduce compressor electricity consumption from air loss by 3% to 5%. In addition, Unicharm's local subsidiary in South Korea upgraded its fan inverter control and cooling systems and adjusted the heating time of hot melt (adhesive), reducing CO_2 emissions by approximately 746 tons in fiscal 2024. Our local subsidiary in China converted to energy-efficient motors for all of its production lines, which has reduced electricity use by approximately 40% on each line.

Development-Related Initiatives

Unicharm applies the SDGs Theme Guideline with the aim of constantly improving products and services during the new product development and improvement stages. This guideline aims to develop products and services that contribute to achieving the SDGs by realizing reduced output (contributing to reductions in environmental impact through reduced use of raw materials) and increased output (ensuring greater customer satisfaction by providing even more value through our products and services). Through these activities, we provide products and services that contribute to resolving environmental and social issues through Unicharm's business.

P.61 SDGs Theme Guideline: Internal Guideline for Contributing to Sustainability

Office-Related Initiatives

We have established 22 energy-saving measures including appropriate air conditioning settings, use of blinds, turning off unnecessary lights, and recommending the use of stairs, and continue to promote energy-saving efforts in the office.

▶ 22 Energy-Saving Measures

Subcategory		Activities
1	Blinds	Blinds are lowered during work and blades are set at a 45-degree angle
2	Blinds	Blinds are closed when leaving the office
3	Air conditioning	Set air conditioning near south-side windows at 26°C and others at 28°C when cooling
4	Air conditioning	Set at 20°C when heating
5	Air conditioning	Use circulators to circulate air
6	Air conditioning	Make effective use of window fans on east-side windows
7	Air conditioning	Make effective use window ventilation openings
8	Air conditioning	Install air conditioning auxiliary fans, etc.
9	Air-conditioning	Replace old air conditioners when appropriate
10	Multi-functional machines	Set at power saving mode after use
11	Power supplies	Unplug microwave ovens when not in use
12	Lighting	Make effective use of outside light during bright hours
13	Lighting	Dim excessively bright lighting
14	Lighting	Make sure to turn off when leaving conference rooms
15	Lighting	Change to LED lighting when appropriate
16	Elevators	Use the stairs as much as possible when going up two floors or less and going down three floors or less (2 Up 3 Down policy)
17	Computers	Set to standby mode when away from computers for long periods of time
18	Computers	Make effective use of battery on laptop computers
19	Vending machines	Turn off beverage vending machines
20	Work	Designate a space for working on holidays
21	Work	Introduce daylight saving time
22	Work	Concentrate flex holidays (extended time off that can be taken at various times of the year) during periods of intense heat

• Unplugging Activities

In response to recent tight energy supply and demand conditions, we are promoting unplugging activities. Every day from 12:00 to 16:00 is designated peak power time, during which laptop computers are unplugged from power outlets and used on battery power to the extent that it does not interfere with business operations, and smartphone and cell phone charging is discouraged.

• Super Cool Biz and Warm Biz

To save electricity, we set air conditioning temperatures to 28°C in summer and 20°C in winter. We have implemented Super Cool Biz and Warm Biz since fiscal 2011, and permit employees to work wearing polo shirts in summer and jumpers in winter.

P.107 Matching Fund (Support for Disaster-Affected Areas)

• Head Office Relocated to ZEB Ready Certified Office Tower

In July 2023, we relocated our head office to a new ZEB Ready* certified office tower that consumes 50% less energy compared with conventional buildings. Primary energy consumption has been reduced by more than 50% through the installation of solar power generation systems, highly insulated glass, and high-efficiency air conditioning and lighting equipment. Electricity consumption has decreased by approximately 40% since the relocation.

* One in four tiers of the Net Zero Energy Building (ZEB) series. The certification criteria for ZEB Ready are applied to buildings that reduce primary energy consumption by 50% or more from the standard primary energy consumption through energy conservation, excluding renewable energy.

Transportation-Related Initiatives

Unicharm has been working with business partners to improve transportation efficiency, promote modal shift, and enhance cargo loading efficiency by making corrugated cardboard smaller and streamlining pallet modules. These are some of the measures actively being pursued toward the reduction of CO_2 emissions during transportation and the development of a sustainable logistics structure.

• Expanding Modal Shift Using Trains and Ships

As part of Unicharm's efforts to reduce CO_2 emissions, we are promoting a modal shift to rail and maritime shipping, which emit less GHG than trucks. Unicharm Products Co., Ltd. has been certified as a leading business under the Eco-Ship Mark certification system. We are also working to expand environmentally friendly rail transportation, especially for long-distance transportation between our Fukushima and Shikoku factories, and in fiscal 2019 we received Eco-Rail Mark certification, promoted by the Ministry of Land, Infrastructure, Transport and Tourism.

エコシップマーク

エコレールマーク
認定企業 T19-006

• Joint Transportation via Rail Freight Container

In 2021, Unicharm Products and Suntory Logistics, Ltd., a logistics subsidiary of Suntory Holdings Limited, began joint transportation via rail freight container over the route between Shizuoka Prefecture and Fukuoka Prefecture. By combining Suntory beverages, which are heavy goods, and our products, which are light goods, we maximize container loading efficiency. With this weekly joint transportation system, we have reduced CO_2 emissions by a combined total of approximately two tons per year.



• Joint Delivery of In-Store Promotional Materials

Unicharm has been working together with FineToday Co., Ltd. and Lion Corporation for the integration of logistics operations for promotional materials used at retail stores and on sales floors, conducting joint deliveries since fiscal 2019. This collaborative effort between three companies to minimizes environmental impact through using the same packaging materials, bundling deliveries, reducing the use of delivery trucks, conserving resources, and reducing CO_2 emissions. It also contributes to improvements in backyard operations by reducing the burden of receiving cargo and the storage space for promotional materials at retailers.

• Expanding Our Water Transport Network (China)

By revising our transport model and further expanding our water transport network, we will work to reduce CO_2 emissions from logistic processes. Water transport not only reduces CO_2 emissions but also transport costs.

Jointly Received Special Award at 2024 Green Logistics Partnership Conference

Unicharm Products Co., Ltd. jointly received the Special Award at the 2024 Green Logistics Partnership Conference (sponsored by the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Economy, Trade and Industry, the Japan Association for Logistics and Transport, the Japan Institute of Logistics Systems, and Keidanren (Japan Business Federation)) for its joint logistics efforts with Suntory Holdings Limited, Suntory Logistics Ltd., Trancom Co., Ltd., and Asahi Tsusho Japan Co., Ltd.

The award is in recognition of these companies' efforts to build and promote a long-distance transportation network that takes environmental aspects and labor shortages into account by combining Unicharm and Suntory's cargo and Asahi Tsusho's facilities to operate regular round-trip transport services between Shikoku and Kanto, and by introducing a driver rotation system and improving efficiency through the use of larger fleets. Through this initiative, we achieved round-trip operations for all vehicles (250 vehicles per year), reduced transport distance by 200,000 km per year, reduced CO_2 emissions by 223 tons per year, improved vehicle loading rate by 106%, and reduced the workload of drivers by enabling day-trip operations and scheduled operations.

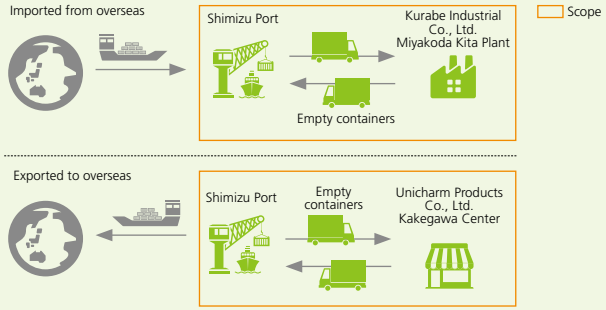
みんなで地球にやさしい物流を
グリーン物流パートナーシップ

Received Special Award at 25th Logistics Environment Awards

Unicharm Products received the Special Award at the 25th Logistics Environment Awards (sponsored by the Japan Association for Logistics and Transport) for its joint logistics efforts with Kurabe Industrial Co., Ltd., Konoike Transport Co., Ltd., LOGISTEED, Ltd., and LOGISTEED Express, Ltd. This initiative was recognized for its significant contribution to a sustainable future, including the reduction of CO_2 emissions through the operation of round-trip transport* and the shortening of work hours of truck drivers.

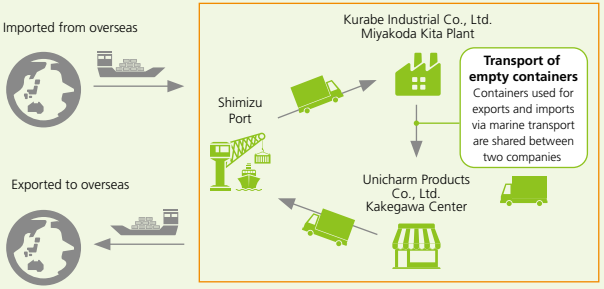
Previous System

CO_2 emissions of up to 118.94 tons per year



Current System

CO_2 emissions of 77.9 tons per year

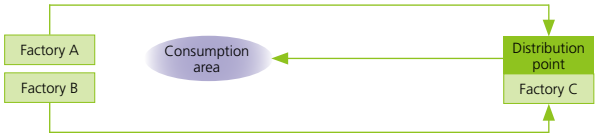


* A method of transport in which a truck that has unloaded goods does not return to its point of departure without loading separate cargo

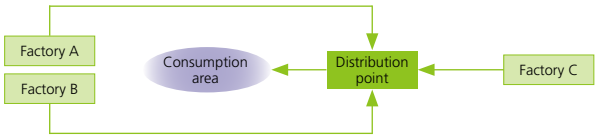
• Establishing Distribution Points on the Outskirts of Consumption Areas

By consolidating products that were previously concentrated at distribution point far from the areas of greatest consumption from factories into distribution point established near the consumption areas, we are working to reduce waste in delivery, improve delivery efficiency, and reduce CO_2 emissions.

Before



After improvement



• Environmental Efforts at Warehouses (Australia)

In cooperation with a logistics operator, Unicharm's local subsidiary in Australia is working to reduce CO_2 emissions by switching the power source for the forklifts used in its warehouses to solar power batteries.

• Using EV Trucks for Deliveries (China)

In China, we anticipate an approximate 42% reduction in CO_2 emissions by switching from gasoline vehicles to electric vehicles for short-distance deliveries. We are also looking to adopt new energy sources for trucks used in long-distance deliveries.

• Adopting Ultrasonic Coupling Technology to Improve Transportation Efficiency

In November 2023, Unicharm launched *Lifree Thin Lightweight Comfortable Pants* with improved comfort by changing the method of joining the elastic thread at the waist from the conventional hot melt (adhesive) gluing to ultrasonic bonding. By eliminating the need to consider the impact of compression on adhesive through this change, the package size is made approximately 10% more compact,* increasing loading efficiency during distribution and delivery. This is expected to reduce CO_2 emissions by approximately 220 tons per year.

* Front width comparison

• Improving Loading Efficiency Through Use of Thinner Packaging (China)

Unicharm's local subsidiary in China has reduced the thickness of its product sample packaging by about 30% by mixing washi (Japanese paper). It also reduced CO_2 emissions during transport and deliveries by approximately 50% through improvements in loading efficiency as a result of changing the method of filling packages and further reducing volume.

CO_2 Emissions Associated with End-of-Life Treatment of Sold Products

305-5

Unicharm works to reduce CO_2 emissions when used products are disposed of by promoting the 3Rs (reducing the amount of materials used by making products lighter and slimmer, using thinner packaging, and other efforts; reusing by providing refill and replacement products; and recycling used disposable diapers and other products). Through these efforts, in fiscal 2024 we reduced CO_2 emissions from the disposal and processing of used products by 38.0% (per unit of sales) compared with fiscal 2016.

P.26 Reducing Usage of Plastic in Packaging Materials
P.28 Product Initiatives

Raising Awareness of Proper Waste Separation and Disposal Methods

Although waste disposal methods vary between countries and regions, in some countries and regions where we provide our products, waste separation and collection are not widespread. In addition to raising awareness of proper disposal methods through product packaging, we conduct classes in various countries and regions for children, who are the future of our society, on the correct way to dispose of garbage, how garbage can be transformed into resources through sorting, and the recycling of used disposable diapers.

P.29 Raising Awareness About Proper Disposal of Used Products

GHG Emissions Visualization Project

305-5

In May 2022, we launched the GHG Emissions Visualization Project to further enhance the promotion of initiatives responding to climate change in Environmental Targets 2030 and Kyo-sei Life Vision 2030. This project aims to quantitatively visualize the Carbon Footprint of Products (CFP)*1 and identify and implement specific reduction measures for each of our products. For this project, we have teamed with Wastebox, Inc. and obtained the support of Deloitte Tohmatsu Consulting LLC, a company with a wealth of knowledge and experience related to comprehensive support for carbon neutrality.

Phase 1: Visible (Visualization of GHG Emissions)

In fiscal 2022, we established a calculation system in accordance with Greenhouse Gas Protocol international standards and developed a system that enables CFP values to be calculated by company and product. We also obtained information on primary GHG emissions data*2 for each material covering approximately 80% (on a purchase amount basis) of personal care product materials procured mainly in Japan. These measures allow us to not only calculate GHG emissions in accordance with global standards, but also reflects supplier efforts to mitigate climate change and improve productivity, including more accurate visualization of GHG emissions for each material.

Phase 2: Measurable (Scenario Analysis)

In fiscal 2023, the CFP value calculation system constructed in Phase 1 commenced operation, and the accuracy of the values for each product was verified. We recognize that decarbonization is an issue for which it is difficult to achieve significant results on our own, and we believe it is important to expand our efforts beyond daily necessities to encompass the entire industry. To this end, we also held three information exchange meetings on the theme of visualizing GHG emissions in May, August, and November, inviting relevant government ministries and agencies, other businesses in our industry, and environment-related companies. In addition to complying with international calculation rules, we exchanged opinions extensively on how ultimately labeling should be easy to understand and familiar to consumers when they select products and services.

Phase 3: Manageable (Implementation of Measures)

In fiscal 2024, our calculation rules were certified under the Internal-PCR approval program*3 of the Sustainable Management Promotion Organization (SuMPO). In addition, we conducted a demonstrate test to develop a primary data distribution infrastructure to enable primary data for each material collected from and used in Phase 1 and Phase 2 to be effectively used by industry peers and material manufacturers. We also held information exchange meetings on visualization of GHG emissions with industry peers in March and October 2024 and exchanged views with Keidanren (Japan Business Federation) and the Japan Hygiene Products Industry Association. Furthermore, we conducted hot spot analysis and gap analysis to determine specific reduction measures and expanded these initiatives into the pet care field and began deploying them at our overseas subsidiaries in Thailand and Indonesia.

Phase 1: Visible (Visualization of GHG Emissions) → **Phase 2: Measurable (Scenario Analysis)** → **Phase 3: Manageable (Implementation of Measures)**

OODA and PDCA Cycles (Continuous Measurement and Improvement of Effectiveness)

Fiscal 2022 Results

- Established rules for calculating GHG emissions in accordance with Greenhouse Gas Protocol, and completed the construction of a system for calculating CFP values by company and product
- Obtained information on primary GHG emissions data for each material covering approximately 80% (on a purchase amount basis) of personal care product materials procured mainly in Japan

Fiscal 2023 Results

- Commenced operation of the system constructed in Phase 1, fine-tuned CFP values by product
- Conducted three meetings in May, August, and November to exchange opinions with government ministries and agencies, other businesses in our industry, and environment-related companies regarding the visualization of GHG emissions to discuss the ideal format of easy-to-understand and friendly labeling when consumers select products and services

Fiscal 2024 Results

- Received certification for our internal CFP calculation rules under the Internal-PCR approval program; promoted the calculation of CFP values in society and the industry as a whole
- Obtained primary data on materials for pet care products and began implementation at overseas subsidiaries
- Commenced joint demonstration tests on primary data distribution infrastructure in September 2024
- Held information exchange meetings on visualization of GHG emissions with relevant government ministries and agencies, industry peers, and environment-related companies in March 2024 and October 2024

Fiscal 2025 Onward

- Formulate approaches that contribute to the enhancement of corporate value
- Adapt and expand approaches, including expansion into to other lines of manufacturing and compliance with regulations in various countries and regions
- Improve the accuracy of value chain hotspots identified through LCA analysis, in cooperation with academia

*1 System indicating GHG emissions throughout the entire life cycle of products and services, from the procurement of raw materials, to disposal and recycling, converted to CO_2

*2 Data collected and measured by the business responsible for calculations (e.g., electricity consumed in the manufacture of its products), and interviews with external stakeholders (e.g., direct understanding of company-related emissions by business partners)

*3 By constructing and operating a highly reliable and suitable Internal-PCR system, we aim to visualize the environmental information of our products in an effort to achieve carbon neutrality and promote internal and external communication using environmental information such as CFP.

Biodiversity

Biodiversity Conservation

101-1,101-2,101-4,304-2

Our Basic Approach and Strategy

Unicharm promotes the use of resources in a sustainable manner based on the belief that damage to biodiversity caused by our business activities would result in tremendous damage to the entire value chain. With regard to pulp, paper, and palm oil in particular, which we use as raw materials, we established the Forest-Derived Raw Materials Procurement Guidelines, procure materials only from properly managed forests, and contribute to the mainstreaming of biodiversity by eliminating illegally logged timber and protecting the rights of local residents and forestry-related workers.

Under the theme of "helping prevent deforestation (response to procurement-related issues)," part of our Environmental Targets 2030 announced in May 2020, we declared our 2050 Vision of "realizing a society with zero deforestation related to the purchasing of timber" to contribute to the preservation of biodiversity. To realize this vision, we set targets for 2030 that include ensuring traceability, completing confirmation of origin, and switching to 100% certified pulp and palm oil, as well as promoting the recycling of used disposable diapers.

Moreover, in February 2025, we formulated the Unicharm Group Biodiversity Response Declaration based on the Kunming–Montreal Global Biodiversity Framework adopted at the 15th Conference of the Parties (COP15) to the Convention on Biological Diversity in December 2022 and the National Biodiversity Strategy 2023–2030 approved by the Cabinet of Japan in March 2023.

Keidanren Initiative for Biodiversity

▶ Unicharm Group Biodiversity Response Declaration

Unicharm is committed to conserving biodiversity and the natural environment in all aspects of its corporate activities, based on the following principles:

Understanding Our Dependence and Impact on Biodiversity:
We will strive to deeply understand the relationship between our business activities and biodiversity. We will continuously identify and assess our dependence and impact on biodiversity throughout the entire life cycle of our products, from raw materials procurement to manufacturing, use, and disposal.

Minimizing Our Environmental Footprint:
We will endeavor to minimize our impact on biodiversity throughout the entire life cycle of our products. This includes addressing deforestation, water resource consumption, and climate change.

Utilizing Sustainable Resources:
We will use sustainably sourced raw materials throughout our supply chain. For raw materials that have a significant impact on biodiversity, such as pulp, palm oil, and wood-derived fibers, we will promote the use of certification systems and improve traceability.

Promoting Biodiversity Conservation Activities:
We will actively engage in forest conservation, water resource protection, ecosystem restoration, and other activities in cooperation with local communities where we operate.

Coexisting with Local Ecosystems:
We will respect the ecosystems in the areas where we operate and aim to coexist with local communities and the natural environment without causing biodiversity loss.

Empowering Our Employees:
We will implement educational and awareness-raising activities to encourage all Unicharm Group employees to embrace this declaration and take positive action to conserve biodiversity and the natural environment.

Collaborating with Stakeholders:
We will promote collaboration in conserving biodiversity and the natural environment by working with various stakeholders, including government agencies, international organizations, NGOs/NPOs, local communities, and business partners.

February 10, 2025
Takahisa Takahara
President & CEO Unicharm Corporation

Forest-Derived Raw Materials Procurement Guidelines

Introduction

Unicharm recognizes the seriousness of environmental issues that have emerged in recent years, including the impact of global warming and loss of biodiversity, and aims to realize procurement of sustainable raw materials. Being fully aware that our business operations are dependent on natural resources, Unicharm supports procurement models that do not involve destruction of forests. We will also take initiatives toward current environmental issues regarding plantations of palm oil.

Strategy

With climate change-related risks having risen significantly in recent years, besides striving to reduce the burden placed on the environment and to safeguard the environment, Unicharm is also making a serious effort to promote supply chain management that takes biodiversity into account, in line with the goal of building a sustainable society. Therefore, we are committed to environmental conservation through the operation of the Forest-Derived Raw Materials Procurement Guidelines, which further specify and enhance the Basic Environmental Policy and the Basic Policy of Procurement more specific regard to biodiversity.

Goals

By 2030, Unicharm aims to only procure raw materials that are sustainably sourced and recycled and achieve 100% supply chain traceability for the pulp and paper used in the absorbent materials of its products and the small quantities of palm oil used in its pet foods.

When using virgin pulp other than wastepaper or recycled pulp, we work with suppliers to fully ensure that it does not contribute to deforestation. More specifically, we confirm whether the pulp and paper used in our products have obtained third-party certification, including the Programme for the Endorsement of Forest Certification (PEFC), and certificates of origin other than high conservation value forests (HCVFs) or high carbon stock forests (HCSFs). As for palm oil, we are switching to the use of Roundtable on Sustainable Palm Oil (RSPO)-certified oil.

In addition, we will readily participate in the activities of industry organizations and strive to use sustainably sourced forest resources in our products.

Action Guidelines

(1) Prioritize the use of waste paper, recycled pulp, and mill broke (paper trimmings and scrap generated during the paper manufacturing process)
(2) Prioritize the use of forest resources certified by reputable third parties such as the PEFC
(3) In the case of forest resources for which third-party certification is not available, promote the establishment of supply chains that are verified for the following:
- certificates of origin and tags, etc., to ensure that the resources in question are not logged from HCVFs or HCSFs
- a guarantee that no damage is caused to forests
- respect for the human rights of workers and indigenous residents and prohibition of forced and child labor
- compliance with local laws and regulations

P.19 Unicharm Group Basic Environmental Policy
P.98 Basic Policy of Procurement

Risks and Opportunities

Risks

Pulp raw materials come from North American slash pine that has been systematically planted and logged. However, if the cultivation of slash pine becomes difficult due to drought caused by global warming or forest fires caused by excessive dryness, there is a risk that the balance of supply and demand for raw materials will collapse, making stable procurement difficult, which could lead to higher purchase prices. There is also a risk that procurement costs for palm oil will increase due to higher demand for certified oil from the Roundtable on Sustainable Palm Oil (RSPO) and other organizations in consideration of sustainability, while in the absence of such consideration, there is a risk that wholesalers, retailers, and other distributors will stop handling our products and consumers will refrain from purchase.

Furthermore, there is a risk of incurring substantial costs to restore sites to their original state in the event of adverse impacts on biodiversity.

Opportunities

Proactive use of certified materials contributing to sustainability is expected to lead to the stable procurement of raw materials and control costs. Additionally, through collaboration with wholesalers and retailers to offer products that focus on the importance of biodiversity, we expect to gain consumer understanding and expand sales. Furthermore, by utilizing pulp made from hardwoods, which grow quickly and can be planted and logged systematically in Southeast Asia, we can expect to secure stable supplies of raw materials and reduce transportation costs in Asia, where we are expanding business. We believe these efforts will also lead to the revitalization of local economies through local production for local consumption.

Management Structure

Plans and progress on important biodiversity-related issues are shared and reported at ESG Committee meetings held four times a year and chaired by the president & CEO. Specific plans are organized in line with the Task Force on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD) frameworks and reported in accordance with Environmental Targets 2030 and Kyo-sei Life Vision 2030.

P.8 Sustainability Promotion System

Collaborating with Stakeholders

We identify and review biodiversity problems and material issues through open discussions with outside experts to set indicators for our activities. For our forest-derived raw materials, the ESG Division and Procurement Department are working together to promote a switch to third-party certified raw materials with sustainability assurance.

Indicators and Targets

▶ Helping Prevent Deforestation (Response to Procurement-Related Issues) Under Environmental Targets 2030

Implementation Items		Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Targets	Fiscal 2024 Results	Fiscal 2025 Targets	2030 Targets	2050 Vision
Ensuring traceability to pulp and palm oil production locations (country/region)	Forest-derived raw materials*1	97.1%	99.2%	100%	99.3%	100%	Completed	Realizing a society with zero deforestation related to the purchasing of timber
	Palm oil (Japan)	62.8%	58.5%	95%	99.4%	100%		
Expanding the use of certified pulp (PEFC- and CoC-certified)	Percentage of certified factories*2	48.4%	58.6%	72%	60.0%	75%	100%	
	Percentage of certified factories*3	72.3%	65.3%	73%	70.3%	75%		
Expanding the use of certified palm oil (RSPO-certified)*4 (Japan)	—	62.8%	58.5%	95%	99.4%	100%	100%	
Promoting the recycling of disposable diapers	—	2*5	2	2	2	2	Rolled out in at least 10 municipalities	

*1 Percentage of raw materials derived from forest resources for which traceability has been established to their place of origin (country and region), in addition to third-party certified materials
*2 Percentage of Unicharm factories that have acquired chain of custody (CoC) certification
*3 Figures for fiscal 2023 have been retroactively recalculated due to a revision of the number of factories subject to certification and the scope of data aggregation for overseas business sites.
*4 RSPO-certified palm oil based on the mass balance system. Figures for fiscal 2023 and prior have been retroactively recalculated due to the addition of materials subject to aggregation.
*5 In fiscal 2022, we commenced operation of recycling facilities in two municipalities, Shibushi City and Osaki Town in Kagoshima Prefecture (conducted demonstration experiments on the collection of used disposable diapers in Higashiyamato City and Machida City in Tokyo in fiscal 2020 and fiscal 2021, respectively).

▶ Kyo-sei Life Vision 2030: Safeguarding the Well-Being of Our Planet

Indicators	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2030 Targets
No. of products and services that implement the "3Rs + 2Rs" based on Unicharm's unique approach	2	2	5	10 or more
No. of disposable paper diaper recycling facilities introduced	1	1	1	10 or more

Initiatives and Results

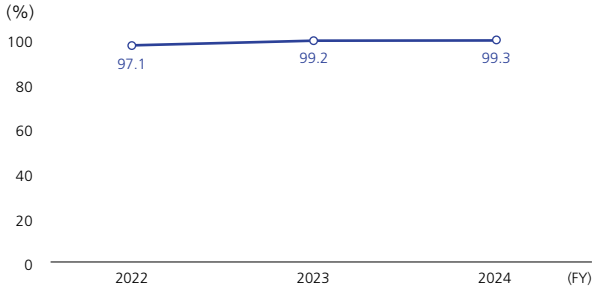
Forest-Derived Raw Materials (Pulp)

Procuring Sustainable Forest-Derived Raw Materials

Unicharm is promoting the procurement of sustainable forest-derived raw materials. Much of the pulp used in product absorbent materials is made from Forest Management (FM)-certified softwood forests native to North and South America. We also request that suppliers not use raw materials harvested from high conservation value forests (HCVFs) and high carbon stock forests (HCSFs), which have a significant impact on biodiversity. Since fiscal 2016, we have expanded the scope of this policy to include local suppliers overseas in an effort to promote sustainable raw material procurement.

In fiscal 2024, the percentage of forest-derived raw material (pulp) traceable to its origin was 99.3% for the Group overall.

Percentage of Forest-Derived Raw Materials Traceable to Their Origin



P.140 Environmental Data > Forest-Derived Raw Materials

Expanding the Use of Certified Pulp (PEFC- and CoC-Certified)

We are working on a Groupwide basis to acquire CoC certification under the Programme for the Endorsement of Forest Certification (PEFC), and in fiscal 2024, acquired certification for our Shanghai Factory in China and Bắc Ninh Factory in Vietnam. As of December 31, 2024, 18 of 30 eligible factories have acquired certification, bringing the percentage of CoC-certified factories to 60.0%, while 70.3% of the pulp we procured was PEFC-certified.*1 PEFC certified labels have been included on the packaging of disposable baby diaper products, such as *Moony Low Irritation*, *More Comfort Moonyman Low Irritation*, *More Comfort*, *Moony*, *Moonyman*,*2 *Moony Oyasumi-Man* (Japan),*2 *MamyPoko* (South Korea), *MamyPoko Pants* and *PETPET Pants* (Malaysia), and *MamyPoko Premium Care Pants* (Taiwan–Greater China), as well as *Sofy Hadaomoi* (Japan) and other sanitary pads produced at our CoC-certified factories around the world. Moreover, we endeavor to promote awareness of Unicharm's initiatives among consumers by posting information on our products containing pulp and paper made from appropriately managed forest-derived raw materials on social media and our corporate website.

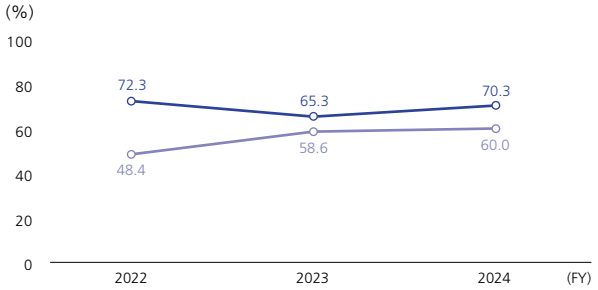
PEFC
PEFC/31-31-1417-1
Promoting Sustainable Forest Management

*1 PEFC 100% certified pulp
*2 Excluding super big size



Products with the PEFC certification label (from left: Japan, Taiwan–Greater China, and Malaysia)

Percentage of CoC-Certified Factories and Percentage of PEFC-Certified Pulp Procured



P.140 Environmental Data > PEFC and CoC Certifications

List of CoC-Certified Factories

Fiscal Year of Certification	Factory
2020	Karawang Factory No. 1 and No. 2, East Java Factory (Indonesia)
	Wellgrow Factory (Thailand)
	Fukushima Factory, Shizuoka Factory, Shikoku Chuo Factory, Kyushu Factory (Japan)
2021	Gumi Factory (South Korea)
	DSG Malaysia Factory (Malaysia)
	Hartz Pleasant Plain Factory (United States)
	Junan Factory (Taiwan–Greater China)
2022	Mie Factory (Japan)
2023	DSG Factory No. 1 and No. 2 (Thailand)
	Jaguariúna Factory (Brazil)
2024	Shanghai Factory (China)
	Bắc Ninh Factory (Vietnam)

Concluding a Memorandum of Understanding Related to Forest Certification Joint Promotion

Unicharm and the Sustainable Green Ecosystem Council (SGEC/PEFC Japan) concluded a memorandum of understanding (MoU) in November 2022 to jointly promote the following six areas of sustainable forest use and protection.

Furthermore, in an effort in an effort to "3. Conduct activities that contribute to the conservation of forest resources" as stated in the MoU, we have participated in tree-planting activities conducted by SGEC/PEFC Japan each year since fiscal 2021.

▶ MoU Related to Forest Certification Joint Promotion

1. Increase use and exposure of PEFC labels
2. Promote sustainable forest use along the supply chain
3. Conduct activities that contribute to the conservation of forest resources
4. Enhance awareness of the benefits of using PEFC-certified materials
5. Give full consideration to the use of PEFC-certified paper for paper other than that used for Unicharm products
6. Introduce PEFC-certified products through our corporate website, newsletters, and social media, and the intranet used by PEFC member companies

P.49 Participation in *We Love Forest* Tree Planting Festival in Fiscal 2024 (Japan)

Expanding Use of Certified Materials in Paper Packaging

From fiscal 2019, we switched to the use of certified materials for paper packaging and cardboard for masks, tampons, cosmetic cotton, cat food, and other products sold in Japan.



Paper packaging made from certified materials

Percentage of Office Paper Made from Certified Materials

We also value the importance of environmental awareness regarding paper used in our offices, and in fiscal 2024, 99.9% of office paper used was made from environmentally friendly materials (with 37.6% of office paper made from 100% recycled paper and 62.3% made from certified materials). The Unicharm Head Office is also gradually transitioning to office paper made with PEFC-certified paper.

P.140 Environmental Data > Percentage of Office Paper Made from Certified Materials

Use of Hardwood Pulp

As hardwoods grow quickly and can be systematically harvested in Southeast Asia, we are promoting the development of products utilizing hardwood pulp as a raw materials. For Unicharm, which is extensively engaged in business throughout Asia, the use of hardwood pulp diversifies raw materials procurement sources and reduces transportation costs, while also leading to the development of local economies through the promotion of local production for local consumption.

Compared to the conventional softwood pulp we mainly use, hardwood pulp fibers are thinner and softer, which presents a challenge molding. In response, we developed a technology that uses a 3D fiber process to join the fibers, making them difficult to tear. This process creates an absorbent material that keeps its shape even with vigorous movement and perspiration. In fiscal 2020, we launched *Sofy SPORTS* sanitary pads that make the most of these features. In September 2023, we launched *Sofy Synchro Fit Daytime Use for Especially Heavy Menstrual Flow Thick Type*, a sanitary product leveraging the thin and soft characteristics of hardwood pulp featuring high-density absorbent materials that conform to the body and prevent leakage even when physically active, providing approximately 1.2 times greater absorbency than standard products.



Providing and Expanding Our Line of Products Using Plant-Derived Components

Unicharm is enhancing its development and supply of products using plant-derived components.

P.29 Utilizing Plant-Derived Plastics

Providing and Expanding Our Line of Organic Products

Unicharm is expanding its product lineup to include products made using organic cotton, which minimizes environmental impacts on soil and water quality.

• Japan

In Japan, we sell *Moony Low Irritation, More Comfort* disposable baby diapers, *Sofy Hadaomoi ORGANIC* sanitary pads, *Lifree Sawayaka Pad Organic Cotton* for urinary incontinence care, and other products using organic cotton.

▶ Number of Products Using Organic Cotton (Japan)

Fiscal Year	No. of Products
2022	33
2023	53
2024	42



P.140 Environmental Data > Number of Products Using Organic Cotton (Japan)

• Vietnam

To address the rising demand for environmentally friendly products and in honor of World Environment Day 2024, Unicharm's local subsidiary in Vietnam released *Diana SENSI FOR NATURE*, limited-edition sanitary pads made of organic cotton and unbleached materials.

• Indonesia

In conjunction with World Environment Day 2024, Unicharm's local subsidiary in Indonesia launched *MamyPoko Royal Soft Bio*, limited-edition disposable baby diapers using organic cotton, of which the surface layer has been approved for safety on baby's skin.



Forest Conservation Activities

• Participation in *We Love Forest* Tree Planting Festival in Fiscal 2024 (Japan)

Unicharm has participated in tree-planting festivals held by SGEC/PEFC Japan since fiscal 2022. In fiscal 2024, we participated in the *We Love Forest* tree planting festival in October, donating 300 cedar trees through the Matching Fund.*



* Created to provide support for disaster-affected areas. Original polo shirts and jumpers worn by employees and other goods are sold within the company, with the company donating an amount equivalent to the purchase price of the goods to charity.

P.107 Matching Fund (Support for Disaster-Affected Areas)

• Tree-Planting Activities (India)

In recognition of World Environment Day 2024, employees of Unicharm's local subsidiary in India participated in tree-planting activities at the Neemrana Factory and Sri City Factory.

• Improving Employees' Forest Conservation Awareness (Brazil)

In June 2024, Unicharm's local subsidiary in Brazil distributed a total of 400 succulent plants to increase employee awareness of forest conservation.

Letter of Appreciation from the Forestry Agency for Donations to the Green Fund

Unicharm Corporation received a letter of appreciation from the Forestry Agency of Japan for its donation efforts to the Green Fund made in cooperation with 22 retail partners as part of a campaign held in conjunction with World Environment Day. The Green Fund is operated by the National Land Afforestation Promotion Organization (supported by the Ministry of Agriculture, Forestry and Fisheries and the Forestry Agency), and the funds raised are used for tree-planting and other forest conservation efforts and environmental education for children who will lead the next generation.

• Mangrove Planting (Thailand)

In August 2024, Unicharm's local subsidiary in Thailand held a mangrove planting project in Chachoengsao Province with local communities and partner companies as part of its environmental conservation activities. A total of 1,196 people including employees, business partners, agency representatives, and government officials participated in the event and planted approximately 1,000 mangrove saplings.



• Mangrove Planting (Malaysia)

In September 2024, Unicharm's local subsidiary in Malaysia collaborated with an NGO to plant mangroves in support of the "Greening Malaysia—Our Trees, Our Life" campaign launched by the Ministry of Natural Resources, Environment and Climate Change of Malaysia. Around 60 employees participated in this event.



• Sapling Donations (Taiwan–Greater China)

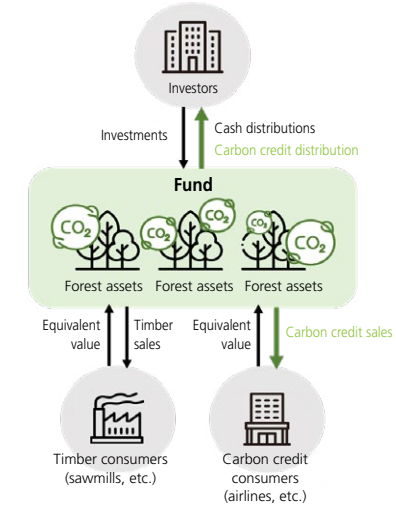
Unicharm's local subsidiary in Taiwan–Greater China held a walking activity from April to June 2024 in which 125 employees participated. In this event, saplings were donated to Kaohsiung Province, a habitat for endangered bird species, according to the number of steps taken and distance walked by participants. Eight saplings were donated as a result of 100 million steps taken in total by the participants.

P.93 Walkathon (Taiwan–Greater China)

Participation in "Eastwood Climate Smart Forestry Fund I"

Unicharm is a participant in "Eastwood Climate Smart Forestry Fund I" launched in June 2023 and managed by the Sumitomo Forestry Group. This fund consists of investments from 10 Japanese companies, including Unicharm, that aim to implement sustainable forest management, which contributes to combating climate change, in addition to conventional forest management for timber production. The investor companies receive profits from timber sales and carbon credits generated from the forests through appropriate forest management with the aim of contributing to carbon offsetting for society as a whole.

Through these investments, Eastwood Climate Smart Forestry Fund I has acquired forests in the United States, Canada, Panama, and Costa Rica. By acquiring forests in different climate zones, it aims to diversify risks from both a timber production and carbon credit generation perspective and contribute to carbon offsetting for society as a whole.



Participation in Forest Carbon Credit Project (Thailand)

Since August 2023, Uni.Charm (Thailand) Co., Ltd. has been participating in the Carbon Credit Management Project for Sustainable Development in Forests, organized by the Mae Fah Luang Foundation. The project promotes sustainable agriculture by helping communities manage forests as carbon sinks. We also work with communities to facilitate the use of water sources from forests and the development of farming, agriculture, and drinking water, contributing to the sustainability of both the economy and the environment. In fiscal 2024, the project contributed to a reduction in the incidence of fires of around 8.4% as well as a decrease in PM2.5.

Palm Oil

Procuring Sustainable Palm Oil

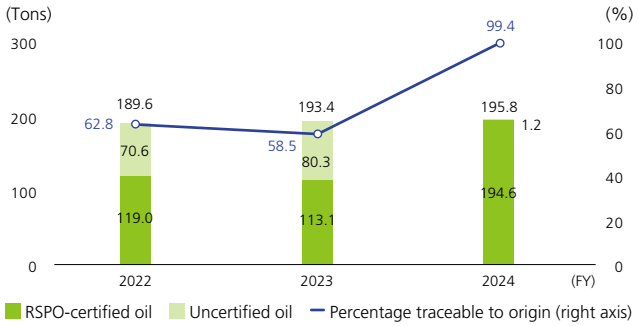
Unicharm joined the RSPO in fiscal 2017 and promotes the procurement of certified sustainable palm oil.

The palm oil used in our domestically produced pet foods is Fuji Oil Group's RSPO-certified oil. Fuji Oil is working to improve the traceability of palm oil to the oil mills and plantations of its suppliers.

In 2024, Unicharm's procurement of RSPO-certified palm oil (Japan) based on the mass balance system*1 was 194.6 tons, while 99.4% of the palm oil used was traceable to its origin. Going forward, Unicharm will continue sustainable procurement activities while confirming quality and procurement routes to switch all our palm oil purchases to RSPO-certified oil.

*1 A certification model in which certified oil produced at certified farms is mixed with other uncertified oil during the distribution process. Although the certified oil physically contains uncertified oil, the certified farms and the amount of certified oil purchased are guaranteed.

Amount of Palm Oil Procured (Japan) and Percentage of Palm Oil Traceable to Origin



P.140 Environmental Data > Palm Oil (Japan)

web **Unicharm's progress can be confirmed here:**
https://rspo.org/

web **FUJI OIL CO., LTD. > Sustainable Procurement of Palm Oil**
https://www.fujioil.co.jp/en/sustainability/palm_oil/

Circular Economy Initiatives

Recycling of Used Disposable Diapers

Since 2015, Unicharm has conducted demonstration trials involving the recycling of disposable diapers. In June 2022, select nursing care facilities in Kagoshima Prefecture began using disposable adult diapers that use recycled materials for a portion of their absorbent paper, realizing the horizontal recycling of used disposable diapers. In our recycling system, collected diapers are washed and separated, then undergo a unique ozone treatment process to sterilize and recycle the extracted pulp, making it equivalent to unused raw materials in terms of hygiene, safety, and use. As of fiscal 2024, Unicharm operates used disposable diaper recycling facilities in the two municipalities of Shibushi City and Osaki Town, Kagoshima Prefecture.

In April 2023, Shibushi City began collecting used disposable diapers at childcare facilities through the *Hands-Free Commute**2 program. In August 2024, the city began providing *MamyPoko Pants RefF*, disposable baby diapers for childcare facilities using raw materials recycled from used baby diapers, to these childcare facilities, thereby forming the cycle of use, collection, and recycling and realizing a circular economy in Shibushi City.

*2 Flat-rate service providing disposable baby diapers and baby wipes to childcare facilities

P.23 RefF Project Targeting the Realization of a Recycling-Based Society

Biodiversity

Reducing Waste and Preventing Pollution

306-1,306-3,306-4,306-5

Our Basic Approach and Strategy

Unicharm recognizes its tremendous responsibility as a company that provides consumer goods essential for hygienic lifestyles, and we make efforts to minimize impacts on biodiversity at each stage of the product life cycle, from raw materials procurement to development, manufacturing, logistics, usage, and disposal, while protecting biodiversity around our factories by reducing waste and preventing pollution.

Certified as a Ministry of the Environment Re-Style Partner Company (Japan)

Unicharm was certified as a Re-Style Partner Company by the Ministry of the Environment for promoting initiatives aimed at building a recycling-based society. We continue to promote the 3Rs (reduce, reuse, recycle) among consumers such as by our participation in the MOE-sponsored Let's Choose! 3R Campaign.

Risks and Opportunities

Risks

If we fail to properly dispose of waste generated from our business activities or violate laws and regulations, there is a risk we will be subject to penalties, such as suspension of operations orders from the government and other authorities. We also assume reputational risks, such as wholesalers, retailers, and other distributors suspending the handling of Unicharm products or consumers refraining from purchases due to bad publicity. There is also a risk of health hazards to employees, their families, and local residents who work at or live near business sites that generate environmental pollution. Depending on the location of the business site and its surroundings, the impact from pollution could be widespread and include groundwater and atmospheric contamination.

We recognize that in the event of such pollution, there is a risk Unicharm will incur large financial burdens related to restoring the environment to its original condition and providing compensation in line with health hazards.

Opportunities

Unicharm takes appropriate measures centered on production sites to prevent air, water, soil, and other types of pollution. Specifically, these measures include the reporting, measurement, and management of environment-related indicators as determined by governments in each country and region. We believe that by disclosing this information, we are able to gain the trust of our stakeholders. We also believe that steadfast efforts and appropriate information disclosure will increase this trust, making it easier for consumers to choose the products and services Unicharm offers.

Furthermore, we believe our efforts to recycle used disposable diapers are highly acknowledged for their contribution to reducing waste, thereby increasing the likelihood that our products will be selected in support of these efforts.

Management Structure

The ESG Committee, chaired by the president & CEO, identifies important matters related to waste reduction and pollution prevention and examines and formulates improvement plans, which are submitted for approval by the Board of Directors. The committee meets four times a year to share the progress of activities as appropriate and make amendments as necessary, thereby implementing a PDCA cycle.

We also manage the temporary industrial waste storage facilities, confirm waste processors and measure emissions and wastewater in order to minimize the impact on biodiversity in the areas surrounding our manufacturing facilities.

P.20 Environmental Management Structure
P.8 Sustainability Promotion System

Environmental Audits

Regarding waste reductions and pollution prevention, activities and controls are implemented in accordance with environmental laws and regulations and ISO 14001. Three types of environmental audits are implemented to maintain and improve the level and performance of activities and controls:

(1) regular audits in conformance with ISO 14001;
(2) on-site audits at industrial waste processing partners to confirm appropriate practices; and
(3) audits for specific purposes, including confirmation of legal compliance.

Indicators and Targets

With regard to reducing waste, we have set and are promoting targets with a particular focus on addressing the problem of plastic waste. In terms of preventing pollution, we aim to achieve zero violations of environmental laws and regulations at each of our factories.

▶ Responding to the Problem of Plastic Waste Under Environmental Targets 2030

Implementation Items		Base Year	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Targets	Fiscal 2024 Results	Fiscal 2025 Targets	2030 Targets	2050 Vision
Reducing usage of plastic in packaging materials	Per unit of sales	2019*1	–12.3%	–18.4%	–21.1%	–26.5%	–27.0%	–30%	Realizing a new society with zero plastic waste
Selling products that do not contain petroleum-derived plastic	—	—	Development ongoing	Development ongoing	Development ongoing	Development ongoing	Development ongoing	10 or more stock-keeping units (SKUs) sold	
Raising awareness about proper disposal of used products	—	—	50% (8 country/regions)	56% (9 country/regions)	63% (10 country/regions)	63% (10 country/regions)	69% (11 country/regions)	Rolled out at all Group companies	
Eliminating the use of plastic in sales promotional items	—	—	Japan: 81.8% decrease from fiscal 2019	Japan: 86.9% decrease from fiscal 2019 China: 76.5% decrease from fiscal 2019	Japan: 88.8% decrease from fiscal 2019 China: 79.9% decrease from fiscal 2019	Japan: 97.5% decrease from fiscal 2019 China: 93.7% decrease from fiscal 2019 Vietnam: 37.4% decrease from fiscal 2022 India: 21.7% decrease from fiscal 2023	Japan: 97.9% decrease from fiscal 2019 China: 94.8% decrease from fiscal 2019 Vietnam: 47.8% decrease from fiscal 2022 India: 34.8% decrease from fiscal 2023	In principle, reduced to zero at all Group companies	

*1 We have updated our base year from fiscal 2016 to fiscal 2019 following a review in fiscal 2020.

P.25 Plastic Waste Reduction Measures

Initiatives and Results

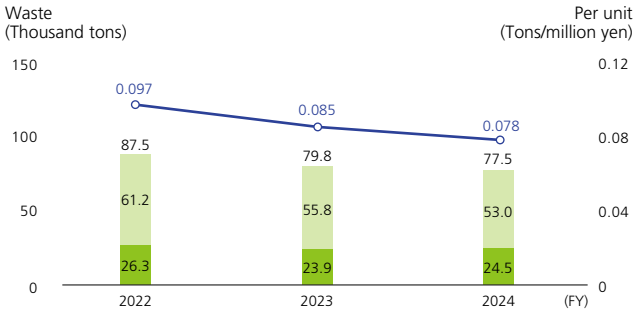
Reducing Waste

Disposing of Waste from Our Factories

Unicharm strives to minimize waste by reducing product loss and recycling trimming generated when cutting materials in the manufacturing process. For waste that is unavoidably generated from our factories, we select waste processors that have minimal impacts on biodiversity and the global environment from the perspective of the 3Rs (reduce, reuse, recycle) and consign disposal with a focus on recycling. When selecting waste disposal contractors, we always visit the site to verify how waste is handled.

In fiscal 2024, waste amounted to 77.5 thousand tons, a decrease of approximately 2.3 thousand tons from fiscal 2023. This is an approximate 7.5% reduction on a per unit of sales basis.

▶ Waste Generated*2



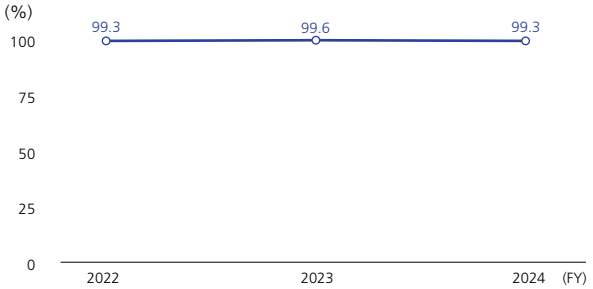
*2 Consolidated net sales is used as the denominator to calculate "Per unit (Tons/million yen)."

P.140 Environmental Data > Emissions Generated

Promotion of Recycling at Production Sites 301-2,301-3

Unicharm promotes the recycling of product waste and trim at production sites throughout the Group. In 2024, we attained a recycling rate of 99.3% at our production sites (four main factories) in Japan while maintaining a final landfill disposal rate of less than 1%, thereby achieving our target of zero landfill waste at these sites for the 16th consecutive year. At production sites overseas, our subsidiary in Thailand has adopted use of equipment that dismantles and recycles products not meeting specifications from the production process. In conjunction with our recycling efforts in Japan, we have achieved zero landfill waste at our production sites overseas.

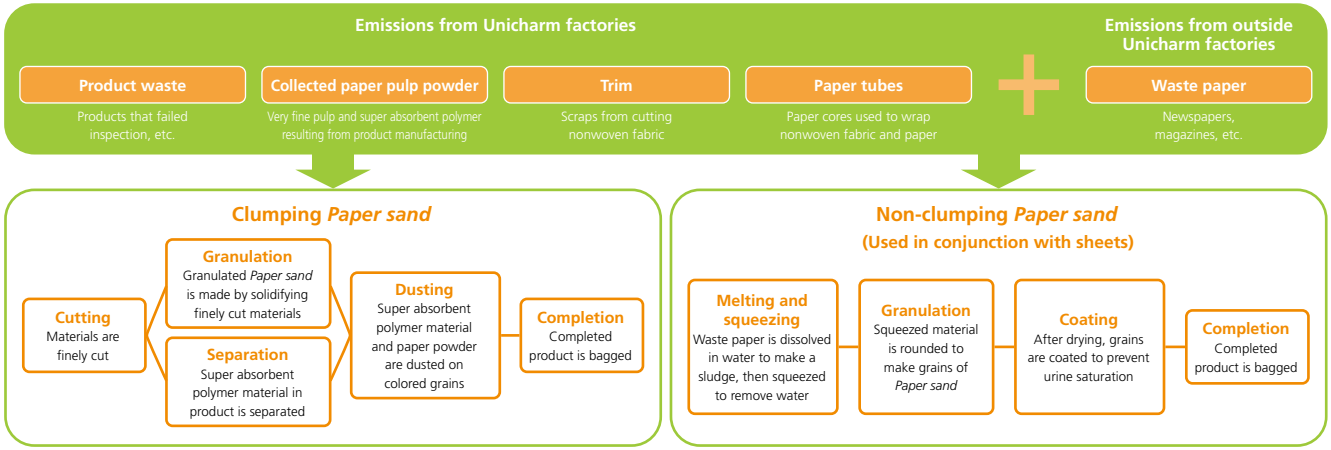
▶ Recycling Rate (Japan)*3



*3 Figures indicate the material and thermal recycling rates at Unicharm's four main production sites in Japan: Unicharm Products Co., Ltd.'s Fukushima Factory, Shizuoka Factory, Shikoku Factory, and Kyushu Factory (the incinerator at the Fukushima Factory was in operation until fiscal 2022).

P.141 Environmental Data > Recycling Rate

▶ Manufacturing Process of *Paper Sand* Incorporating Secondary Use of Product Waste



• Secondary Use of Product Waste: *Paper Sand* (Japan)

Unicharm's pet care product production subsidiaries Peparlet Co., Ltd. and Kinsei Products Co., Ltd. promote waste reductions by making secondary use of Groupwide product waste as raw materials for *Paper sand* cat continence care products. In 2024, approximately 14 thousand tons of waste was reused as raw material.

Furthermore, the construction of a new factory in Shimada City, Shizuoka Prefecture, was completed in October 2023 to consolidate Peparlet bases around the Fujieda region of Shizuoka Prefecture. This new factory will improve production and logistics efficiency and promote the reuse of process waste and other materials generated at Group production sites in Japan and overseas, thereby reducing waste.

• Secondary Use of Product Waste (Brazil)

Unicharm's local subsidiary in Brazil is working together with partner companies to promote the secondary use of product waste. Product waste is separated into absorbent material (pulp and super absorbent polymer) and other components (including nonwoven fabric and rubber). The absorbent material is recycled into pet sheets while the other components are reused as wood plastic composite—composite materials made of wood fiber and plastic—which are used to manufacture trash cans, benches, and various other products.

• Reuse of Waste from Nonwoven Fabric (Japan)

Our *Deo Sheet Kirei Pad* pet sheets released in September 2024 are 100% recycled from the waste generated through the nonwoven fabric manufacturing process.

P.28 *Deo Sheet Kirei Pad* pet sheets

• Reusing Paper Tubes from Rolled Materials (Japan, India)

At production sites in Japan and India, paper tubes (the paper cores of rolled materials), which were previously thermally recycled, are now returned to suppliers for reuse.

• Recycling Plastic Waste Generated During the Manufacturing Process for Use in Packaging (Japan)

Unicharm recycles the trimmings of plastic materials generated at factories for use in product packaging.

P.28 Recycling Trimmings Generated in Manufacturing Process for Use in Packaging

• Industry Efforts to Reduce Pet Food Loss (Japan)

Unicharm endorses the Pet Life Support Project implemented by the Japan Pet Food Association and the Japan Pet Food & Suppliers Wholesalers Association with support from the Ministry of the Environment. This project facilitates a system to manage information registered by supporting manufacturers on pet food nearing its expiration date, and provides it free of charge to animal shelters upon request. Through this activity, we aim to reduce pet food loss throughout the industry and contribute to animal welfare by saving the lives of shelter dogs and cats and supporting their transfer to new foster homes.

• Reducing Waste Through the Recycling of Used Disposable Diapers (Japan)

Since 2015, Unicharm has conducted demonstration trials involving the recycling of used disposable diapers. In June 2022, select nursing care facilities in Kagoshima Prefecture began using disposable diapers that use recycled materials as part of their absorbent paper, realizing the horizontal recycling of used disposable diapers. In our recycling system, collected diapers are washed and separated, then undergo a unique ozone treatment to sterilize and recycle the extracted pulp, making it equivalent to unused raw materials in terms of hygiene, safety, and use.

We collected approximately 173 tons of used disposable diapers in fiscal 2024 and our goal is to collect 230 tons in fiscal 2025.

Preventing Pollution

Hazardous chemical substances emitted from our factories are managed with due consideration to their impact on people and ecosystems. We have formulated guidelines and have a dedicated department that investigates toxicity and legal compliance.

Hazardous Waste

• Polychlorinated Biphenyl (PCB) (Japan)

There are currently no units of low-concentration PCB-contaminated equipment in storage.

P.141 Environmental Data > Polychlorinated Biphenyl (PCB) Storage Situation (Japan)

• Substances Subject to the Pollutant Release and Transfer Register (PRTR) (Japan)

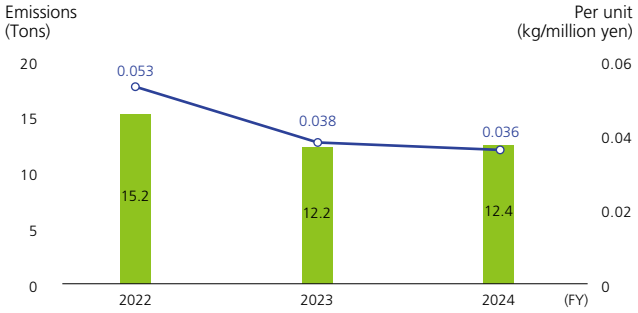
There is currently no PCB in storage.

P.141 Environmental Data > Pollutant Release and Transfer Register (PRTR) Substances (Japan)

Air Pollution Countermeasures 305-7

To counter air pollution, we are working to reduce nitrogen oxide (NOx) and sulfur oxide (SOx) emissions, which we are required to measure, by improving the operational efficiency of boilers and other equipment.

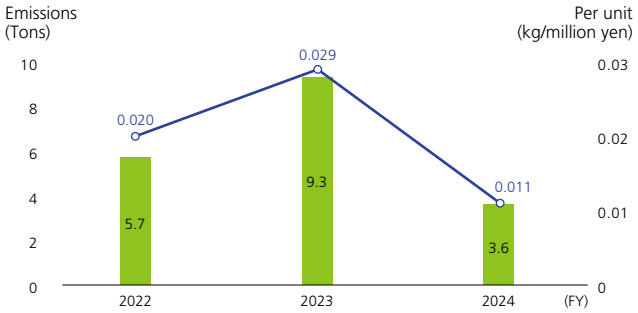
▶ NOx Emissions (Japan)*1



Total NOx emissions — Per unit (right axis)

*1 Consolidated net sales is used as the denominator to calculate "Per unit (kg/million yen)."

▶ SOx Emissions (Japan)*2



Total SOx emissions — Per unit (right axis)

*2 Consolidated net sales is used as the denominator to calculate "Per unit (kg/million yen)."

P.141 Environmental Data > NOx and Sox Emissions (Japan)

• Protection of the Ozone Layer (Japan) 305-6

We manage Chlorofluorocarbons (CFCs) in compliance with laws and regulations and conduct regular inspections in an effort to protect the ozone layer.

P.141 Environmental Data > Ozone-Depleting Substances (Japan)

Preventing Water Pollution, Soil Contamination, and Offensive Odors

Wastewater is discharged after measuring biochemical oxygen demand (BOD), chemical oxygen demand (COD), and other parameters in accordance with laws and regulations established by the governments of each country and region, after undergoing treatment in accordance with wastewater treatment standards. We strive to prevent pollution by setting and adhering to strict voluntary standards exceeding the standards of the Water Pollution Control Law and Law Concerning Special Measures for Conservation of the Environment of Seto Inland Sea in Japan, and the Water Pollution Prevention and Control Law of the People's Republic of China. In fiscal 2024, there were no violations of any laws, regulations, or voluntary standards, and the applicable factories properly reported to the government as required by laws and regulations.

Furthermore, to prevent soil contamination and offensive odors, we also conduct regular measurements according to in-house standards, and in fiscal 2024, there were no accidents associated with soil contamination or offensive odors.

P.141 Environmental Data > Biochemical Oxygen Demand (BOD) and Chemical Oxygen Demand (COD) (Japan)

Promoting Awareness of Proper Methods for Disposing of Products After Use

Waste disposal methods vary between countries and regions, and in some countries and regions where Unicharm provides its products, it remains common practice to bury disposable diapers in the ground or discard them in the river after use. For this reason, we educate customers on proper disposal methods through our product packaging. We also conduct environmental awareness classes for children in Indonesia and Thailand to educate them about waste separation and proper disposal methods. We believe these efforts will help protect rivers as water sources, and other ecosystems.

P.29 Raising Awareness About Proper Disposal of Used Products

• Drop Point Project (Thailand)

Unicharm's local subsidiary in Thailand conducts the Drop Point Project to install packaging collection boxes in the areas surrounding its factories. The company also conducts activities to educate the students of nearby universities and vocational colleges on the proper ways to separate and dispose of packages, which has led to an approximately 85% improvement in their awareness of packaging separation and disposal.



• Cleanup Activity (Taiwan–Greater China)

Unicharm's local subsidiary in Taiwan–Greater China participated in Global Volunteer Day held by the AS Watson Group, a chain of health and beauty stores, in September 2024 to protect the ocean and clean up the beaches in Taiwan. Approximately 300 people, including 14 employees, participated in this activity, collecting approximately 591 kg of debris.



• Cleanup Activity (Australia)

In March 2024, 12 employees of Unicharm's local subsidiary in Australia took part in Clean Up Australia Day, picking up trash from the beaches of Melbourne.



• Donation of Trash Cans (Brazil)

To raise environmental awareness at schools, Unicharm's local subsidiary in Brazil donated six trash cans made from product waste of disposable diapers to Centro de Integração Empresa-Escola (CIEE), an integrated business school.



P.53 Secondary Use of Product Waste (Brazil)

• Zero Waste Project (Thailand)

With the aim to reduce landfill waste, Unicharm's local subsidiary in Thailand has teamed up with Burapha University to recycle used face masks into plastic pellets. The company provided training to employees on recycling and installed five collection boxes inside a factory for used face masks.



Water Recycling-Oriented Society

Water Resources

303-1

Our Basic Approach and Strategy

Although Unicharm uses limited amounts of water directly in manufacturing processes, water is an integral part of pulp, paper, and other material manufacturing processes conducted by suppliers of raw materials. Accordingly, we believe it necessary to make effective use of limited water resources, and in the interest of water conservation, we conduct water risk assessments of all our business activities and take measures accordingly, reduce water usage (water withdrawal) at production sites, and recycle and purify water, in accordance with the Unicharm Group Basic Environmental Policy.

P.19 Unicharm Group Basic Environmental Policy

Risks and Opportunities

Risks

We mainly manufacture and sell disposable diapers and sanitary pads, as well as wet wipes and other hygiene products and pet food. Although we use a small amount of water directly in our manufacturing processes, our upstream suppliers, from whom we procure materials, utilize substantial amounts of water as they use pulp, paper, and forest-derived resources as raw materials. There is a risk we will be forced to suspend operations due to instability in the supply of forest-derived raw materials, which is an underlying cause of water resource depletion; a risk of product sales suspension due to a dwindling supply of water used in wet wipe and pet food manufacturing processes; and a risk of cost increases in line with higher water usage costs and difficulty ensuring stable supplies of water. To this end, we ask all suppliers to understand and cooperate with the Unicharm Group Sustainable Procurement Guidelines.

We have conducted a medium- to long-term water risk assessment using the Aqueduct Overall Water Risk Map, a World Resources Institute (WRI) tool, and request that our suppliers operating in particularly high-risk river basins carefully manage water resources and work to alleviate risk.

Opportunities

With the proliferation of hygiene awareness and practices, such as the habit of sanitizing with alcohol experienced during the pandemic, demand may increase for wet wipes to clean one's hands and surroundings without the use of water. The strength of our products is that they do not require water for use or disposal, and demand is particularly high in areas where droughts or disasters have occurred and lifeline services have not been established. Proactive involvement in these scenarios presents an opportunity to promote the use of Unicharm products.

P.99 Unicharm Group Sustainable Procurement Guidelines

Management Structure

Plans and progress on important matters related to water resources are shared at ESG Committee meetings held four times a year and chaired by the president & CEO, and upon approval from the Board of Directors, a PDCA cycle is implemented toward the achievement of targets. Furthermore, the ESG Division collects and monitors data on water usage (water withdrawal) on a monthly basis, and wastewater at least twice a year.

P.20 Environmental Management Structure
P.8 ESG Promotion System

Indicators and Targets

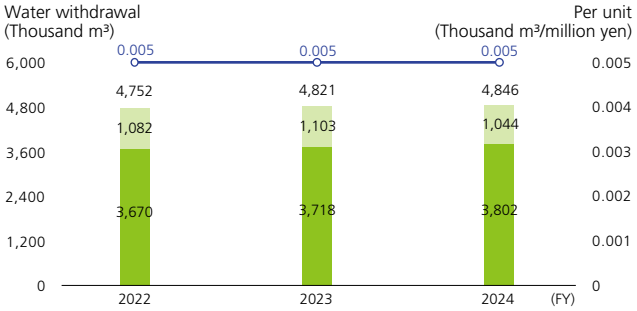
Implementation Items	Fiscal 2024 Results	Fiscal 2025 Targets	Target Year
Reduce water usage (water withdrawal) by 1% annually YoY	Up 0.5% YoY	1% reduction YoY	Annually
Zero wastewater law and regulation violations at factories	Zero annually	Zero annually	Annually

Initiatives and Results 303-3

Water Security 303-3,303-4,303-5

Unicharm uses water mainly for equipment cooling, cleaning associated with machine maintenance, some nonwoven fabric manufacturing processes, and pet food manufacturing processes. We have set a goal of reducing water usage (water withdrawal) by 1% annually year on year, and are reviewing processes, introducing water-saving equipment, and at some locations using rainwater to water plants. Total water usage (water withdrawal) in fiscal 2024 was 4,846 thousand m³, an increase of 0.5% from fiscal 2023. Moreover, water usage per unit of sales was 0.005 thousand m³, an amount almost equivalent to that in fiscal 2023.

▶ Water Usage (Water Withdrawal)*1



*1 Consolidated net sales are used as the denominator for per unit of sales.

P.142 Environmental Data > Water Usage (Water Withdrawal)

Reducing Water Usage (Water Withdrawal at the Kyushu Factory) (Japan)

The Kyushu Factory has reduced water usage (water withdrawal) and achieved zero wastewater by using an air-cooling system instead of a conventional water-cooling system for air conditioning equipment inside the factory. Going forward, we will introduce air-cooling systems to other factories to coincide with the timing of upgrades to existing air conditioning systems.

Reducing Water Usage (Water Withdrawal) by Recycling Water

Although water usage is limited, Unicharm is working to recycle water, especially at factories that exceed the Group's average water usage. We are promoting reductions in water usage (water withdrawal) by introducing water recycling systems at nonwoven fabric and *Paper sand* manufacturing factories.

- **Recycling Water at Nonwoven Fabric Factories (Indonesia)**

Our nonwoven fabric manufacturing factory in Indonesia has been equipped with water recycling equipment since the factory was established in 2013 to recycle water used in the manufacturing process. In fiscal 2024, the factory wastewater recycling rate was 91%.

- **Recycling Water at Peparlet Factories (Japan)**

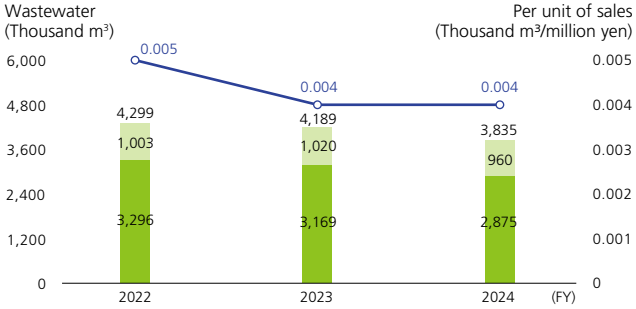
Peparlet factories recycle water by pumping wastewater from the dehydration process during *Paper sand* production back into the manufacturing process. Factory wastewater recycling rates for fiscal 2024 were 100%, achieving zero factory wastewater.

Water Usage and Wastewater Volumes 303-2

Unicharm defines water usage (factory usage + product usage) as "water withdrawal volume – wastewater volume." Main water usage occurs at factories during the *Paper sand* manufacturing process and the evaporation of cooling water, while product water usage includes wet wipes and pet food.

In addition, wastewater volumes include some locations where wastewater is considered equal to water withdrawal. Wastewater is mainly discharged during the absorbent paper and pet food manufacturing processes. Wastewater in fiscal 2024 amounted to 3,835 thousand m³, a 8.4% reduction from fiscal 2023.

▶ Wastewater*2



*2 Consolidated net sales are used as the denominator for per unit of sales. At sites where wastewater is not measured, wastewater volume is considered equal to water withdrawal. Some estimates have been revised since fiscal 2024 and the calculation method has been revised. Accordingly, figures for fiscal 2023 and prior have been retroactively recalculated.

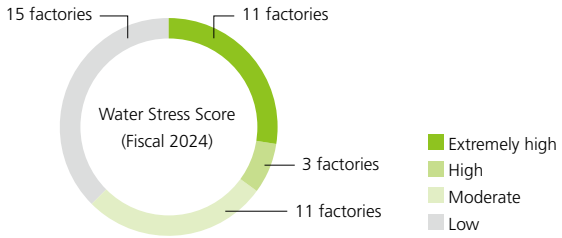
P.142 Environmental Data > Wastewater

Identifying and Responding to Water Risks*

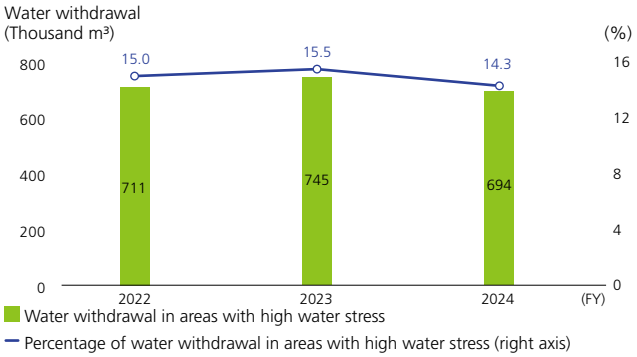
Of 40 total factories in the Unicharm Group, 14 were identified as having "extremely high" or "high" water stress scores in fiscal 2024 using Aqueduct. Even in areas with high water stress scores, we have set the goal of reducing water usage (water withdrawal) by 1% annually year on year, and are engaged in efforts to achieve these reductions. Furthermore, based on climate change and other future scenarios, we also identified seven factories that will have "extremely high" water stress scores in 2050, and recognize the need to address water risk going forward.

* Water stress is identified using the Aqueduct Overall Water Risk Map, a World Resources Institute (WRI) tool.

▶ Water Stress Score of Unicharm's Factories



▶ Water Withdrawal and Percentages in Areas with High Water Stress



P.142 Environmental Data > Water Usage by Source (Water Withdrawal) (Overseas)
P.142 Environmental Data > Percentage of Water Withdrawal from Areas with High Water Stress

• Collaborating with Relevant Agencies and Associate Companies in Response to Flooding (Thailand)

The Wellgrow Factory in Thailand is located in an industrial park near the Bang Pakong River, which is at high risk of flooding. This factory is an important manufacturing base for disposable diapers and sanitary pads for the domestic market in Thailand, as well as exports to other countries and regions. Although damage to this factory caused by flooding in 2011 was limited, we are cognizant of risks including labor and production capacity reductions and stoppages and sales declines, and are implementing countermeasures in collaboration with relevant agencies and associate companies.

Logistics Function Responses

- We created a shipping plan with logistics providers taking into account several alternative transportation routes in anticipation of flooding.
- We established a communication system using social media for daily operations and enhanced cooperation.

Employee-Focused Responses

- We created emergency evacuation procedures from Stage 1 to 6 with the highest priority placed on employee safety.
- We established a factory emergency organizational chart, communication network, and emergency response team that are revised annually in January. Emergency evacuation drills are also held regularly.

Factory Facility Responses

- Every year before the rainy season, we inspect sandbags and waterproof board partitions, and clean drains and gutters around the factory to prevent clogging.
- We collect river flooding information and monitor water levels as appropriate in cooperation with government agencies and Wellgrow Industrial Estate Co., Ltd.
- We strengthen advance preparations for location, design, and disaster-prevention products to minimize flood damage when building new factories. During factory expansions in 2014, designs were changed to raise the height of factory floors and drainage systems were upgraded.

• Project to Reuse RO Reject Water (India)

At the Neemrana Factory in India, Unicharm will install a system that reuses concentrated water (RO reject water) to address water risks. This project is an effort to improve the plant's water stress score of "extremely high," with the expectation that the system will reduce daily water usage (water withdrawal) by 8% to 10%.

Preventing Pollution

Water Pollution Control

Wastewater is discharged after measuring biochemical oxygen demand (BOD), chemical oxygen demand (COD), and other parameters in accordance with laws and regulations established by the governments of each country and region, after undergoing treatment in accordance with wastewater treatment standards. We strive to prevent pollution by setting and adhering to strict voluntary standards exceeding those of the Water Pollution Control Law and Law Concerning Special Measures for Conservation of the Environment of Seto Inland Sea in Japan, and the Water Pollution Prevention and Control Law of the People's Republic of China. In fiscal 2024, there were no violations of any laws, regulations, or voluntary standards, and the applicable factories properly reported to the government as required by laws and regulations.

P.54 Preventing Water Pollution, Soil Contamination, and Offensive Odors

Promoting Awareness of Proper Methods for Disposing of Products After Use

Waste disposal methods vary between countries and regions, and in some countries and regions where Unicharm provides its products, it remains common practice to bury disposable diapers in the ground or discard them in rivers. For this reason, we educate customers on disposal methods prescribed by local governments through our product packaging. We also conduct environmental awareness classes for children in Indonesia and Thailand to educate them about waste separation and proper disposal methods. We believe these efforts will help protect rivers as water sources, and other ecosystems.

P.29 Raising Awareness About Proper Disposal of Used Products

Society

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Innovation Management

Product Development

Our Basic Approach and Strategy

In November 2024, Unicharm formulated the mission, vision, and value of its Global Development Division. In line with its vision Research Locally, Develop Globally, we will analyze the lifestyles of customers around the world to identify their needs and turn ideas into products by repeatedly developing and verifying hypotheses.

Unicharm's product development consists mainly of the development of personal care products and pet care products. In our development of personal care products, we endeavor to develop unique products by considering all stages of life and evolving and discovering new ideas that turn unpleasant experiences into comfortable ones. In our development of pet care products, we help ensure the well-being of dogs and cats by developing pet foods specifically for each breed and age group as well as toiletry products that cater to different breeding environments and specific pet breeds and physiques.

We continuously work to develop materials and processing technologies for nonwoven fabric, super absorbent polymer, pulp, and paper, in addition to engaging in research and developing processing technologies for pet food ingredients. The marketing, development, and production divisions work closely to shorten the lead time from the start of product development to product release.

▶ The Global Development Division's Mission, Vision, and Value

Mission: Contribute to the realization of a society in which all pets can live in harmony with people
We will help create a society in which all pets can live peacefully together with people through a virtuous cycle of generating unique value and profits through monozukuri.

Vision: Research locally, develop globally
We will create unparalleled experiences by working closely with each community to resolve their issues and fulfill their dreams.

Value: Confront uncertainty
With our passion for customers at the forefront, we will continue to work closely with them as well as society by learning sincerely and taking on the challenge of responding to our uncertain business environment.

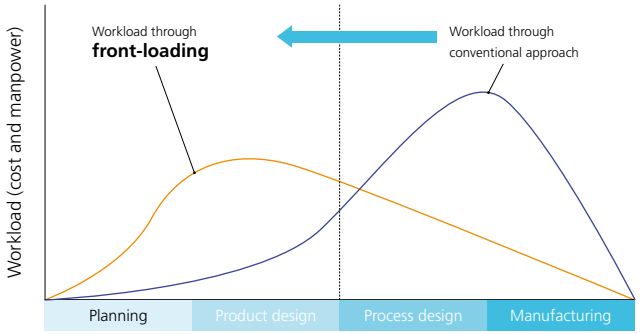
Management Structure

Unicharm holds Management of Technology (MOT) meetings twice a year to formulate road maps for short-, medium-, and long-term product development, production technology development, and materials technology development. In so doing, we work to strengthen our system for planning and implementing development strategies in order to actively respond to issues that may arise in the future. We have also taken a front-loading* approach to product development (R: Research), the development of new materials and technologies essential to provide new value (D: Development), and the development of equipment to ensure stable mass production of these products, materials, and technologies (E: Engineering). These three functions form our R&D&E system, which allows us to accelerate the development of new products and the renewal of existing products.

Furthermore, as a company that continues to expand business globally, it is essential that we develop products based on the characteristics of each country and region. Accordingly, we have established satellite offices of the R&D Division at major overseas subsidiaries and created a structure that facilitates the local development of products tailored to the needs of each country and region.

* An approach in which management resources are allocated to early stages of the product development process to advance tasks previously performed at later stages

▶ Reducing Workload Through Front-Loading of Tasks



SDGs Theme Guideline: Internal Guideline for Contributing to Sustainability

302-5

The SDGs Theme Guideline was established and is operated to constantly improve the quality of our products and services. We define this improvement as increasing output by reducing input and contributing to the achievement of the SDGs through our products and services, and have formulated the following indicators:

(1) Reducing input
Contribute to reductions in environmental impact through less use of raw materials

(2) Increasing output
Ensure greater customer satisfaction by providing even more additional value through our products and services than in the past

(3) Contributing to the achievement of the SDGs
Play a key role in resolving environmental and social issues toward the achievement of the SDGs, while attaining indicators (1) and (2)

We have adopted these three indicators as "10% minus input, 10% plus output & SDGs theme" and establish development themes that will contribute to the achievement of the SDGs.

A product that complies with this guideline is *MamyPoko Royal Soft Organic Cotton* disposable baby diapers introduced to the Indonesian market in fiscal 2024. These diapers come with an ultra-thin absorbent sheet, reducing the use of raw materials and enhancing comfort. This product will also be launched in Malaysia, Singapore, and the Philippines in fiscal 2025.



Indicators and Targets

▶ Kyo-sei Life Vision 2030: Safeguarding the Well-Being of Individuals

Indicators	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	2030 Targets
Percentage of products and services that contribute to the realization of a society where everyone can have a sense of individuality	100%	100%	100%	100%
Percentage of products and services that contribute to a society where people around the world are free from discrimination by gender or sexual orientation (including products and services that contribute to the elimination of sexual discrimination still present in certain countries and regions)	100%	100%	100%	100%
Percentage of products and services that contribute to the realization of a society where pets are welcomed by family members and community residents	100%	100%	100%	100%
Percentage of products and services that contribute to the realization of a society where infants and their families can live healthily and happily	100%	100%	100%	100%
Percentage of products and services that contribute to activities that can reduce the spread of preventable infectious diseases (contact transmission or droplet transmission)	100%	100%	100%	100%

▶ Kyo-sei Life Vision 2030: Safeguarding the Well-Being of Society

Indicators	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	2030 Targets
Percentage of products and services that contribute to freedom from various burdens and finding enjoyment in life	100%	100%	100%	100%
Percentage of products and services suitable for the SDGs Theme Guideline, an internal guideline for contributing to sustainability	10.5%	5.9%	15.4%	50%
Percentage of products and services that use raw materials procured from local production for local consumption, thereby contributing to local economies based on the perspectives of the environment, society, and human rights	Development ongoing	Development ongoing	Development ongoing	Double (compared with fiscal 2020)
Percentage of products and services supported by consumers (No. 1 market share)	24.0%	23.6%	23.1%	50%

▶ Kyo-sei Life Vision 2030: Safeguarding the Well-Being of Our Planet

Indicators	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	2030 Targets
No. of products and services that implement the "3Rs + 2Rs" based on Unicharm's unique approach	2	2	5	10 or more

Initiatives and Results

MamyPoko Sweat-Free Comfy Night Pants (South Korea)

Unicharm's local subsidiary in South Korea released *MamyPoko Sweat-Free Comfy Night Pants*, disposable baby diapers with a sheet that absorbs sweat from the baby's back and waist areas, the first of its kind in this market.

As they tend to sweat easily, babies develop skin problems such as rashes more frequently than adults in the summer and during other warm parts of the year. In addition, summer evening heats in South Korea (with nighttime temperatures of 25°C or higher) increases the need for comfortable sleep. To address this issue, we developed a night-use disposable diaper that absorbs sweat to prevent rashes and offers stronger urine absorption capabilities to reduce concerns over leakage. The sweat-absorbing sheet quickly absorbs sweat from the back and waist and reduces discomfort by lowering the body temperature by approximately 3°C*. Moreover, as this diaper has an absorbency capacity of up to five times, a single diaper helps babies sleep comfortably throughout the night.



* Compared to our products

Bobby ANTIMOS Wipes (Vietnam)

In Vietnam, there are growing concerns about the spread of dengue fever transmitted by mosquitos. It is particularly important to take prevention measures against mosquito bites for infants, who are more prone to dengue fever than adults and can become seriously ill. However, ordinary spray-type repellents carry the risk of entering the eyes or mouth. To address this problem, Unicharm's local subsidiary in Vietnam released *Bobby ANTIMOS Wipes*, insect-repellent wet wipes that can be applied evenly on the skin without the risks associated with spray-type repellents. This product is easy to carry and can be used at home and in a variety of other scenes, such as schools and parks.



MamyPoko Pants Skin Comfort All in 1 Skin Care (Indonesia)

Unicharm's local subsidiary in Indonesia launched *MamyPoko Pants Skin Comfort All in 1 Skin Care*, a disposable baby diaper with natural coconut oil on the surface of the top sheet, the first of its kind in Indonesia.

Due to the extreme delicateness of babies' skin, moisturizers such as cream and oil are commonly used for skin care treatment in Indonesia. When choosing disposable diapers, people tend to select those that are gentle on the skin. For these reasons, we developed *MamyPoko Pants Skin Comfort All in 1 Skin Care*, in which coconut oil, an extract long used in Indonesia for its gentleness and moisturizing effects, is applied to the surface of the top sheet and comes into direct contact with the skin. The inclusion of coconut oil in these diapers is expected to produce results alleviating skin irritation for up to 12 hours.



Sofy Chojukusui Oyasumi Premium (Japan)

During menstruation, women experience stress from lack of quality sleep due to disturbances in their physical performance and uneasiness over menstrual leakage. In view of this, in October 2024, Unicharm Corporation introduced *Sofy Chojukusui Oyasumi Premium*, a sanitary pad with ultra-thick cushions to prevent leakage. These ultra-thick cushions are firmly fitted to the body from the front to back, preventing leakage by eliminating any gaps between the pad and body. This product absorbs fluid twice as fast as conventional pads.



SOFY Peace-of-Mind Pants-Type Sanitary Pads for Day Use (China)

Unicharm's local subsidiary in China launched *SOFY Peace-of-Mind Pants-Type Sanitary Pads for Day Use*, a sanitary pad that can be easily changed even outside the home. This product comes with retractable tape on both sides of the waist so that they can be changed without taking off your pants. It offers the reassuring absorption capabilities of pants-type sanitary pads and the ease of being able to change them anytime.



SOFY Tanom Pew Natural Love (Thailand)

In Thailand, there are increasing consumer needs for environmentally friendly products, especially among the younger generation. In light of this, Unicharm's local subsidiary in Thailand introduced *SOFY Tanom Pew Natural Love*, a sanitary pad that uses organic cotton on the surface layer, reduces the use of bleach on the tissue by approximately 50%, and features packaging made of around 20% less plastic. In Thai, "tanom pew" means "caring for the skin," and is used in the product name to convey that this sanitary pad is gentle on the skin.



3D MASK UV MASK (Vietnam)

In Vietnam, where motorbikes are a common form of transportation, masks are frequently worn in public to prevent inhalation of exhaust emissions. With the younger generation in particular, people are becoming more conscious about their skin and taking measures to prevent suntans when going out. With this in mind, in June 2024, Unicharm's local subsidiary in Vietnam launched *3D MASK UV MASK*, a 3D face mask that offers the basic functions of standard face masks and cuts ultraviolet (UV) rays by approximately 98%. It comes in salmon pink color to blend in easily with the skin and brighten its complexion.



SOFY Charcoal Fresh Pantyliner (Thailand)

Due to Thailand's hot and humid year-round climate, women are concerned over the dampness and odor in their shorts. To address this issue, Unicharm's local subsidiary in Thailand released *SOFY Charcoal Fresh Pantyliner*. For this product, we include charcoal in the top sheet as it is commonly used and familiar to consumers in Thailand for its deodorizing and dehumidifying capabilities.



Caryn Extra Absorbent Pants (Vietnam)

In April 2024, Unicharm's local subsidiary in Vietnam introduced *Caryn Extra Absorbent Pants* disposable adult diapers. In developing this product, we studied the current state of incontinence care in Vietnam and investigated the problems and concerns over the leakage of existing slim-type disposable diapers. We then came up with a product that is approximately twice as absorbent as existing slim-type diapers with a thickness of only 6 mm. Even when worn for long hours or at night when it can be hard to go the bathroom, or when a bathroom cannot be reached in time, these diapers absorb urine quickly and repeatedly so that users do not have to worry about leakage. In addition, the mint fragrance of these diapers helps reduce concerns about smell.



Lifree Sawayaka Peace-of-Mind Pads for Overnight (Japan)

In November 2024, Unicharm Corporation launched *Lifree Sawayaka Peace-of-Mind Pads for Overnight*, a light incontinence sanitary pad that can be used comfortably throughout the night, reducing anxiety over nighttime leakage that tend to occur when adjusting positions or getting up. This product comes with three-dimensional gathers to prevent leakage when a bathroom cannot be reached in time as well as a crease on the frontal area to prevent leakage when getting up. In addition, the uniquely developed fluffy absorbent pad at the center absorbs urine quickly so that users can sleep comfortably throughout the night.



Lifree Anti Bocor Disposable Diapers Made of Breathable Materials (Indonesia)

Unicharm's local subsidiary in Indonesia released *Lifree Anti Bocor*, a disposable adult tape-type diaper that uses breathable material in the waist area. This product offers exceptional breathability, reducing skin moisture in the waist area by approximately 25% and decreasing humidity inside the diaper by around 23% compared with conventional products.



Lifree Peace-of-Mind Pants Absorbs (Japan)

As muscles weaken and legs and surrounding areas of the body get thinner with age, gaps may form between the body and diaper when worn by elderly people.*1 In response to this issue, Unicharm Corporation introduced *Lifree Peace-of-Mind Pants Absorbs*, disposable adult diapers with absorbent material that fit firmly around the legs to reduce anxiety over nighttime leakage.



*1 Based on Unicharm research

Deo Sheet Kirei Pad (Japan)

Dogs have a tendency to avoid urinating on in the same areas of pet sheets. Therefore, a sheet may need to be replaced every time a dog urinates on it even though most of it is not covered in urine. In view of this, in September 2024, we introduced *Deo Sheet Kirei Pad*, a mini pet sheet applied over the urine spots of regular size pet sheets so that dogs can urinate on the same sheet over and over again. Since there is no need to change the entire sheet every time, it can be used as many times as possible, reducing waste by around 25%.*2 In addition, this product makes use of waste generated in the manufacturing process of nonwoven fabric.



*2 Based on Unicharm research for *Deo Sheet Reliable Super-Absorption* Regular size pet sheets. The number of sheets used is based on preliminary product tests.

P.28 *Deo Sheet Kirei Pad* Pet Sheets (Japan)

Deo-Toilet Deodorizing Fan+ Cat Toilet (Japan)

In March 2024, Unicharm Corporation launched *Deo-Toilet Deodorizing Fan+*, a cat litter box with an activated carbon filter fan that addresses cat owners' needs to eliminate strong odors even from freshly deposited stool.*3 This product continuously absorbs stool odors through its dense activated carbon filter that draws in odor components. It also features a silent mode, providing peace of mind even for cats that are highly sensitive to sound.



*3 Based on Unicharm research. Parameters are for one cat (weighing 8 kg or less) using standard mode. In a consumer test based on daily use, 89.5% of respondents expressed that the product is effective in eliminating stool odors. Deodorizing efficiency is based on gas concentration and odor concentration tests (three-point comparison odor bag method) conducted by external institutions. It may not be completely effective throughout the entire period of use.

Deo Sheet Deodorizing Lab Toilet System (Japan)

To address the need of dog owners to remove odor from pet sheets that have been used for a long time, in March 2024, Unicharm Corporation launched *Deo Sheet Deodorizing Lab Toilet System*, a toilet system for dogs featuring a two-layer structure that eliminates odors from pet sheets for up to three days.*4 The bottom layer is an antibacterial dry filter with silver ions that inhibits the growth of odor-causing bacteria*5 while the top layer is a highly absorbent deodorizing mat with deodorant microcapsules that absorbs urine and odor for up to three days. The surface of the mat is designed to remain dry by ensuring that the urine seeps through while the uneven board below helps dogs maintain balance when defecating, providing comfort for both dogs and their owners.



*4 Based on Unicharm research. Parameters are for one dog (weighing 4 kg or less for the regular type and weighing 10 kg or less for the wide type) when only urine is absorbed (without feces). In a consumer test based on daily use, 87.9% of respondents no odor from the mat for up to three days. This research involved assessing the intensity, pleasantness, and unpleasantness of odors as well as ammonia concentration by odor judges three days after dripping 20 cc of dog urine per day.

*5 Based on the results of an antibacterial test conducted by a third-party institution. Does not inhibit the growth of all types of bacteria. Odor-causing bacteria are bacteria that help facilitate the production of ammonia from urine.

Innovation Management

Digital Transformation (DX)

Our Basic Approach and Strategy

Unicharm strives to create new value centered on the processing and molding technologies for nonwoven fabric and absorbent materials that it has cultivated since its founding. This new value is certainly intended to improve consumers' quality of life, but to also help them continue to live in their own way and realize their ideal selves. However, as values continue to diversify, fulfilling the specific needs of each customer is no easy task.

In response, we leverage digital technology to visualize the vast array of data accumulated through our research and development activities over the years to develop insights into hidden desires of which customers themselves may be unaware. Even if we focused on a specific type of customer, their needs would change depending on the circumstance. By thoroughly identifying and understanding the precise needs that change according to situation and providing the best possible products and services in the most suitable time and manner, we aim to endear ourselves to customers in such a way that they "could not imagine a world without Unicharm."

These are the kinds of measures we take to closely connect with people at all stages of life, from newborns to the elderly, and continue to provide incremental value so that they, as well as their pets, who are beloved members of the family, continue to use our products and services throughout their lifetime.

Management Structure

In January 2021, the Company established the DX Promotion Division and developed a system in which DX-related strategies are created and operated in an integrated manner from the perspective of Groupwide optimization. Specifically, the DX Promotion Division plays a central role in the Digital Transformation Alliance, a virtual organization that guides and manages the DX representatives of Group companies. The alliance oversees the promotion of DX throughout the Group by checking the progress of various DX initiatives and monitoring the development of employees into DX specialists.

Moreover, in July 2023 we established the Marketing by DX (MDX) Division. Aiming to maximize lifetime value, the MDX Division will develop a system that draws on digital technology to continue strengthening customer relations over the long term.

Recognized as a DX-Certified Operator

The DX certification system is a national system recognizing companies that meet the basic requirements specified in the Digital Governance Code based on the Act on Facilitation of Information Processing. Certified operators are deemed to be DX-Ready—that is, ready to transform their businesses using digital technology. Unicharm was recognized as a DX-Certified Operator in fiscal 2022.

Initiatives and Results

Providing Apps and Content That Cater to the Needs of Women

At Unicharm, we are dedicated to developing content that help women address changes in their physical condition and concerns about menstruation.

Sofy Be

In fiscal 2024, Unicharm began offering the *Sofy Be* app. In addition to its basic function of tracking menstrual cycles, the app contributes to women's mental and physical well-being by focusing on their hormonal cycles, which can greatly impact both the mind and body. The app helps manage women's mental and physical well-being by using a hormonal graph to visualize the relationship between hormonal changes and physical condition and mood and identify the causes of their conditions. Also, the app features an AI chat function that kindly addresses the concerns of women who feel they do not have a personal support network to talk about their physical and mental problems. In "active pregnancy mode" the app allows users to share various information with their partners. Moreover, users of the app can enroll in *Sofy Omamori Insurance Medical Support for Women*, which covers illnesses and injuries, including fertility treatment, in all stages of life.



* Refers to acquiring knowledge, discussing with family members, monitoring one's physical condition, and receiving fertility treatment, among other activities people often engage in when trying to conceive a child

web ***Sofy Be* app (in Japanese only)**
https://www.sofy.jp/ja/app/sofybe.html

Sofy and *Sofy Girl* Apps

Unicharm offers two apps specifically for menstrual management: the *Sofy* app for adult women and *Sofy Girl* app for the younger generation. To be easy to use for those with menstrual problems, The *Sofy* app classifies physical characteristics into 24 types according to a diagnosis supervised by a physician, based on which it offers advice on cramping, premenstrual syndrome (PMS),*1 and other menstruation-related concerns. Moreover, in fiscal 2023, a Pregnancy Planning Mode function was added to the *Sofy* app, which provides useful information for those trying to conceive and offers a product-linked function to track the use of *Sofy Ninkatsu Orimono Sheet*. Meanwhile, the *Sofy Girl* app is a menstruation management app for those experiencing their first menstrual cycle and their parents with a function that automatically predicts and displays the next cycle after recording the start of menstruation. The number of users of the *Sofy* and *Sofy Girl* apps combined exceeded two million as of December 31, 2024.

Overseas, our local subsidiaries in India and the Philippines also offer their own versions of the menstruation management app.

*1 Emotional and physical symptoms such as irritation, stomach pains, and headaches that are experienced before a period

web **Sofy app (in Japanese only)**
https://www.sofy.jp/ja/app/sofy.html

web ***Sofy Girl* app (in Japanese only)**
https://www.sofy.jp/ja/app/sofygirl.html

web ***SOFY Club* app (India)**
https://www.sofy.in/sofy-club-app/

web ***SOFY Club* app (Philippines)**
https://apps.apple.com/ph/app/sofy-club/id6479239447

Sofy Sarakeda-so TikTok Account

Unicharm provides various information on menstruation-related topics through its Sofy Sarakeda-so TikTok account, targeting the younger generation. The account has received approximately 48 million views as of December 31, 2024.

web **Sofy Sarakeda-so TikTok account (in Japanese only)**
https://www.tiktok.com/@sofy_official_7days/

Unicharm Receives TikTok Best Activation Award for Sofy Sarakeda-so

Unicharm received the Best Activation Award in the Creative Category at TikTok for Business Japan Awards 2024. This award is in recognition of its short, trendy video about a problem that is difficult to share with others, creating an interactive dialogue among users.

The Creative Category of the TikTok for Business Japan Awards recognizes highly effective campaigns that embody "entertainment" and have an impact on business and society using a platform based on the creative expressions and new ideas of TikTok advertisements. The Best Activation Award is given to campaigns that demonstrate particularly high levels of programmatic advertising and those for which an appropriate PDCA cycle has been put in place to achieve results.

Launch of *Gohan Matching* Service

In July 2024, Unicharm launched the *Gohan Matching* service, in which AI provides recommendations on dry cat food matching the user's cat simply by answering questions. Based on responses to 21 questions regarding a cat's age, weight, health, preferred ingredients, and other characteristics, our proprietary AI recommends three types of dry cat food that are ideally suited from among more than one trillion response patterns. In addition, the results page displays product features of the recommended cat food as well as information on retail stores and online stores that carry these products. Going forward, we will continue to analyze machine learning algorithms to recommend products with even greater accuracy.



web ***Gohan Matching* (in Japanese only)**
https://jp.unicharmpet.com/ja/food_matching/index.html

Petnote: Online-to-Offline (O2O) Platform for Pet Products

Petnote is an online-to-offline (O2O)*2 platform for pet products operated in China by Onedot Inc. and Shanghai Wanli Network Technology Co., Ltd., affiliated companies of Unicharm Corporation. It offers a speedy O2O commerce service, in which pet food and pet supplies are ordered through the *Petnote* app or various other apps and delivered to their homes in approximately 30 minutes to an hour. The service is available in 12 major cities across China and continues to expand.

In addition, *Petnote*'s WeChat mini program allows users to record various aspects of their pet's health. These include daily records of their pet's diet, weight, and incontinence care, irregularities, memories from events, and even grooming activities, such as nail clippings and shampoos. Users can also receive consultation services on their pet's health from a dedicated veterinarian.

Petnote

*2 Online-to-offline (O2O) commerce is a business strategy that attracts customers from online channels to make purchases in physical stores.

DOQAT Pet-Related Q&A Service

DOQAT is an online Q&A service platform where dog and cat owners can share information and advice on any matter related to their beloved pets, with approximately 55,000 registered users as of December 31, 2024. Through the sharing of experiences and ideas between people with dogs and cats of similar breeds and ages, the service enables owners to gain insights from one another and lead happier and more peaceful lives with their pets. We also utilize Q&A data to develop even better products and communications with our customers.

モヤモヤしたらQしよう DOQAT

web ***DOQAT* Pet-Related Q&A Service (in Japanese only)**
https://doqat.jp/

Hands-Free Commute: A Subscription-Based Model for Disposable Diapers

A subscription-based model for disposable diapers to alleviate the burden on both parents and childcare workers, *Hands-Free Commute* is a system that monitors data on the number of disposable diapers and baby wipes in stock at nursery schools and automatically calculates order quantities. Also, Unicharm and business partner BABY JOB Inc. have acquired several business model patents in relation to the *Hands-Free Commute* system. This system has been adopted at approximately 5,230 childcare facilities in Japan as of December 31, 2024.

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P.23 RefF Project Targeting the Realization of a Recycling-Based Society > Circular Recycling of Used Disposable Diapers

Utilization of UniChat AI Text Generation Service

In August 2023, Unicharm began using UniChat, an AI text generation service that utilizes Large Language Models (LLM) for Unicharm employees. UniChat is provided in a safe and secure environment exclusively for the use of our employees, and is mainly used for summarizing, correcting, and translating text, and generating ideas for copywriting. In fiscal 2024, we linked UniChat to internal information using retrieval-augmented generation (RAG) and applied this mechanism to expand the functionality of information linkage, such as patents and utility model bulletins published externally and the automation of summarization and document creation tasks.

We will continue to use generative AI to expand the functionality of AI assistance services as well as enhance productivity and accelerate business activities.

Selected as Finalist at 2nd Generative AI Innovation Awards

The 2nd Generative AI Innovation Awards, sponsored by Google Cloud Japan, aims to showcase innovative solutions to issues using Google Cloud's generative AI service. Unicharm's "Patent and Utility Model Publications and Generative AI: Efforts to Improve Business Efficiency and Value" was selected as one of the 12 finalists for their success in drawing out the full potential of generative AI and their innovativeness in enabling the use of generative AI by anyone in their daily work.

Development of Smart Factories

The Kyushu Factory, completed in March 2019, is the Group's first smart factory. With the aim of streamlining tasks to be performed by anyone, realizing a safe working environment, and producing safe and reliable products, the Kyushu Factory has introduced IoT technology to provide timely access to on-site information, automated*1 the movement and supply-related tasks of heavy items through the adoption of driverless vehicles and robots, and implemented AI-based data diagnostics to detect irregularities and predict malfunctions along production lines, thereby reducing labor and increasing efficiency.

In addition, Toyohama Logistics Center, a logistics hub of Unicharm Products Co., Ltd. that commenced operations in May 2024, is equipped with automated equipment developed by Trancom Co., Ltd. We expect these equipment to improve the efficiency of cargo operations by reducing the number of cargo handlers by approximately 50% and increasing storage capacity by approximately 10%, thereby eliminating labor shortages and strengthening and stabilizing the supply system.

We are also steadily proceeding with efforts to develop smart factories at our other locations through the introduction of collaborative robots and SCADA.*2



*1 A form of automation that aims to integrate human craftsmanship and knowledge with digital technology
*2 Supervisory Control and Data Acquisition: A supervisory control system that controls processes and centralizes monitoring in manufacturing and industrial settings

Streamlining Logistics Operations Using Logistics EDI

In August 2023, Unicharm began distributing Advanced Shipping Notices (ASN)*1 to wholesalers using the Logistics Electronic Data Interchange (EDI)*2 provided by PLANET, INC. to improve productivity by digitalizing logistics operations. The distribution of ASN to wholesalers will simplify inspections at time of delivery and digitalize the invoicing process (reduce paper use), thereby improving productivity by reducing time spend on receiving goods and enhancing the efficiency of logistics resources. In addition, the digitalization of individual logistics transaction information, such as ASN, is expected to optimize transportation and delivery efficiency and inventory throughout the supply chain.

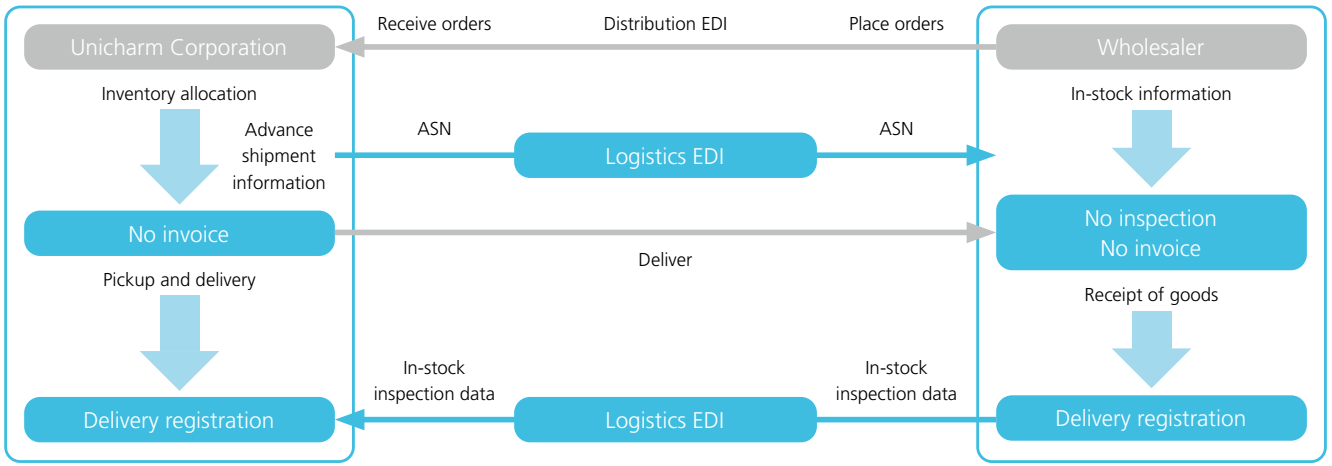
We will continue to improve the efficiency of logistics operations throughout the daily commodity goods industry in cooperation with wholesalers and logistics operators.

▶ Benefits of Using ASN

1. Digitalization of invoices reduces the use of paper
As Unicharm can distribute delivery statement information to the wholesaler using ASN data and the wholesaler can distribute inspection data to Unicharm via the logistics EDI upon receipt of goods, neither party needs to print, store, or input invoice information, thereby improving operating efficiency.
2. Simplifies inspections at time of delivery between the Company and wholesaler
As Unicharm can distribute ASN via the logistics EDI and the wholesaler can perform warehousing and storage tasks based on delivery statement information obtained in advance, the inspection process for incoming goods is simplified, thereby reducing throughput time*3 for delivery vehicles.

*1 Advance shipment information provided by the shipper to the receiver, consisting of ship-from and ship-to codes, order number, product code, delivery quantity, and other information
*2 EDI for logistics standards between manufacturers and wholesalers in the daily commodity goods industry; allows the manufacturer to distribute ASN to the wholesaler and the wholesaler to distribute in-stock inspection data—which provides information on receipt of goods—to the manufacturer
*3 The time it takes for a product to enter and exit the delivery site

▶ Workflow Using ASN



Innovation Management

Intellectual Property

Our Basic Approach and Strategy

Unicharm is devoted to developing products and services that align with its corporate brand essence "Love Your Possibilities" as well as technology useful to their realization. Therefore, it strives to ensure its continued superiority in business by steadily applying and acquiring intellectual property (IP) created through these R&D activities. The responsibility for planning and implementing IP strategies is shouldered principally by the Intellectual Property Division.

The Intellectual Property Division centralizes the management of the Unicharm Group's IP assets and formulates and executes IP strategies linked to its business and development strategies. To make the most of our products and services and fully ensure their benefits and uniqueness are protected through the IP rights we hold, we promote IP activities as a single cycle by organically linking the process of creating IP assets, protecting IP rights, and utilizing these rights. In addition, Unicharm has applied for and secured trademarks that protect its brands in more than 160 countries around the world and is also protecting its rights to proprietary packaging.



Along with raising the quality of our IP rights, we are also working to establish and strengthen our IP portfolio. To this end, we will acquire patent and trademark rights in a timely manner through the active use of the Patent Prosecution Highway Program of the Japan Patent Office and accelerated examination systems in Japan and overseas. We are also working to promote IP policies through active exchanges of opinion with the Japan Patent Office.

Meanwhile, Unicharm also takes a firm stance on protecting its IP rights, including filing lawsuits to tackle infringement or unauthorized use. Its Intellectual Property Division cooperates closely with the Marketing Division and R&D Division as well as overseas subsidiaries, and works with local government agencies to eliminate unauthorized and counterfeit products in Japan and overseas, such as in Asia.

Management Structure

Independent of the R&D Division and business divisions, the Intellectual Property Division manages cross-divisional matters regarding IP in both Japan and overseas. Through regular meetings with the relevant divisions and subsidiaries, the Intellectual Property Division devises countermeasures after discussing whether to secure IP to establish competitive advantages for Unicharm. Moreover, in cooperation with the R&D Division and business divisions, the Intellectual Property Division promotes the appropriate management of IP rights by quantitatively evaluating Unicharm's IP rights and conducting regular inventory regular reviewal.

Initiatives and Results

Making Active Use of Intellectual Property

At Unicharm, we actively use IP rights to protect our high-value-added products and services. One of the most important areas of focus is the IP mix, which provides multifaceted protection of products and services with multiple IP rights, including patents, utility models, designs, and trademarks. We have two objectives in this area. The first is deterring entry and imitating in premium products, namely acquiring patents for new technologies, using these rights to draw attention to our technological capabilities, and checking for product infringements, in order to prevent other companies from imitating us and to differentiate between products. The second is deterring the development of lower-priced copies of products. As our brand power is particularly strong in Asia, where lower-priced imitations modeled on the appearance and selling points of our own products appear on the market, we mainly leverage our trademarks, designs, and utility models to minimize any potential damage to our sales.

We also analyze and keep abreast of information on the status of our IP in comparison with that of other companies. Objectively viewing the strengths of our IP, we communicate this information to senior management, business divisions, and the R&D Division.

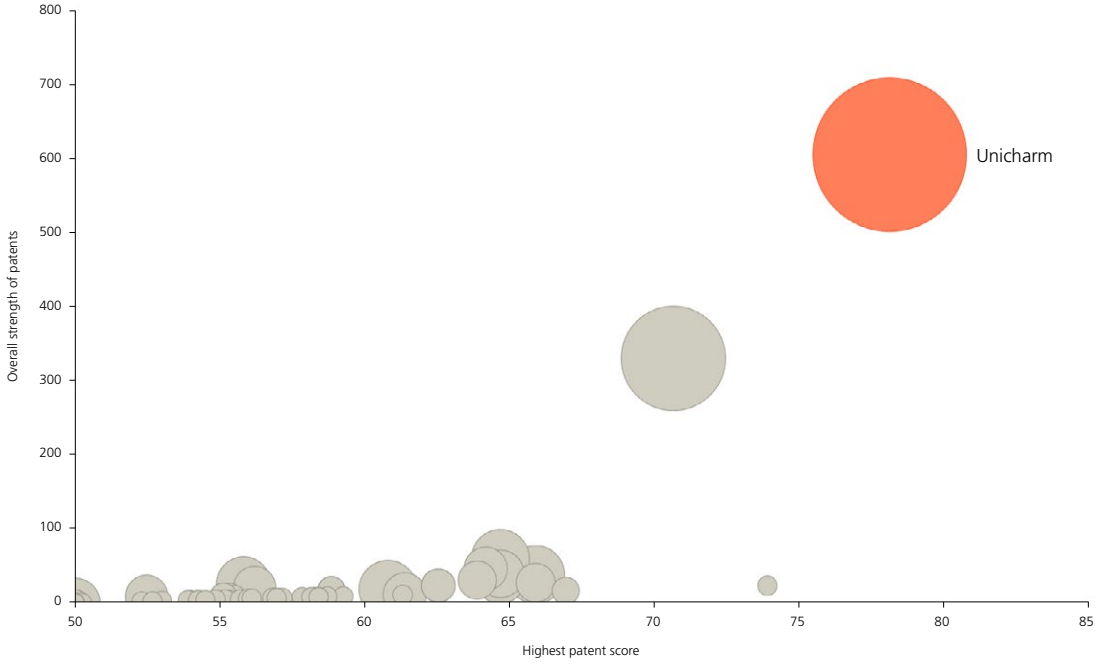
Protecting the Intellectual Property of Our Disposable Diaper Recycling Technology

To strengthen our R&D activities, we analyze and disseminate the IP information of related technologies to facilitate continuous innovation by strengthening our inventions and creations. As a result, we have been able to hold IP that are highly attractive to other companies from both a qualitative and quantitative perspective, as shown below in the bubble chart for the patent scores of our disposable diaper recycling technology.

For example, the RefF brand registered trademark is printed on the packaging of products using recycled pulp to show our commitment to recycling. We have also licensed the use of the RefF mark to companies participating in the RefF Project and are working to promote awareness of the RefF brand through the wider use of this label.

We will continue to actively utilize our IP and aim to realize a recycling-oriented society in cooperation with local governments and affiliated companies.

▶ Patent Scores of Unicharm's Disposable Diaper Recycling Technology



Note: A patent score indexes and assesses the degree of attention given to patents. In the above bubble chart, the vertical axis (overall strength of patents) represents the overall strength of patents held by a company, the horizontal axis (highest patent score) represents the highest patent score among patents held, and the bubble size indicates the number of patents held. (Chart prepared by Unicharm using Patent Result Co., Ltd.'s Biz Cruncher patent analysis tool)

In-House Training Programs

To protect and promote the respect of IP rights held by Unicharm and other companies as set forth in the Unicharm Group Charter of Actions, we conduct internal compliance training for employees in Japan and overseas subsidiaries on patents, trademarks, and the Premiums and Representations Act through a combination of off-the-job training, on-the-job training, and e-learning.

Invention Reward Program

Unicharm has established the Invention Reward Program to recognize and reward inventors for inventions that have achieved results in all aspects, including not only a product's functional value but also its social value, technical value, and patent value. The purpose of this program is to inspire and encourage employees to play an active role in inventing new products and serve as a mechanism for sparking extraordinary inventions. A reward ceremony for this program has been held annually over its 21-year history since fiscal 2004.

Customer Satisfaction

Responsibility to Our Customers (Consumers)

Our Basic Approach and Strategy 102-16

At Unicharm, it is a top priority of our corporate activities to continuously provide products and services that provide customer satisfaction. As a part of this policy, the Customer Communication Center (CCC), which serves as the point of contact for customer inquiries, is committed to enhancing customer satisfaction through effective communication, responding in a swift, fair, and impartial manner to customer inquiries and opinions in accordance with the Customer Communication Center Vision and the Complaint Correspondence Policy.

Also, in fiscal 2017 Unicharm issued its Self-Declaration of Consumer Orientation to declare its ongoing commitment to enhancing customer satisfaction.

▶ Self-Declaration of Consumer Orientation

Philosophy

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 in Japan and abroad.

Policy on Basic Initiatives—Commitment of Top Management

Unicharm hereby declares that it will always respond to customer complaints and inquiries in an honest, swift, and fair manner.

I. All feedback received from customers is put together at the Customer Communication Center (CCC) and addressed fairly and impartially by the CCC based on the quality management system (QMS) (ISO 9001) complaint correspondence process manual and ISO 10002 complaint response process documents. Information concerning problems with products or services is swiftly reported to top management and necessary steps are taken to improve the situation.

II. If the situation must be remedied, all relevant departments work together following the QMS (ISO 9001) procedures on rectification and prevention measures to swiftly remedy the problem and prevent future recurrences.

III. Customer feedback is seriously reviewed and efforts are made toward improvements involving all relevant departments so as to ensure customer satisfaction going forward. We strive to ensure that precious customer feedback can be properly reflected in our improvement activities for products and services.

Specific Initiatives

I. Ensurance of corporate governance: A system for reporting customer feedback to top management without fail or delay

We will carry out transparent corporate management and actively disclose information while working to fulfill the Company's growth and development, employees' happiness, and our social responsibilities.

A time slot is set aside at executive meetings for reports from the CCC for discussing and disseminating a correspondence policy based on a serious review of feedback received from customers.

II. Proactive initiatives involving all employees: Fostering of a corporate culture and employee mindset that are customer-oriented

In order to improve customer satisfaction, once every year, an occasion is set where all Unicharm Group employees, including those from outside Japan, come together to present on products and services as well as proposals for pleasing customers in an effort to learn about best practices. This will enable all Unicharm Group employees to share a customer-oriented mindset and strive for further improvement.

III. Swift response through systematic collaboration between relevant departments: Initiatives for swift and honest responses

All feedback received from customers is put together at the CCC and addressed fairly and impartially by the CCC based on the QMS (ISO 9001) complaint correspondence process manual and ISO 10002 complaint response process documents.

Information concerning problems with our products or services are reported promptly to senior management for immediate improvement. When corrective measures are necessary, the relevant departments will work together to resolve the issue promptly and prevent future recurrences.

IV. Enhanced information provision to consumers and two-way exchanges of information: Dissemination of information for safe use

Frequently asked questions about product safety will be published on the Company's website in an effort to widely disclose this information. We will provide information to customers by various means so that they can use our products safely and effectively. These means include product packaging, user manuals, and advertisements to educate customers about the correct way to use products, as well as through our corporate website, news releases, and disseminations from the CCC.

V. Improvement and development based on consumer and social needs: Product creation making customer-oriented approaches and social responsibilities a reality

The entire Company will work on improvement activities linking the needs of customers with commercialization of products after carefully reviewing their feedback.

We will set rigorous environmental standards for our products and carefully select product designs and raw materials to meet the challenge of reducing waste in the production process to the extent possible.

The entire Company will also work as one solid team toward mitigating environmental impacts, including reducing waste throughout our business activities.

Date of Establishment: January 16, 2017
Revised: January 1, 2021
Takahisa Takahara President & CEO Unicharm Corporation

Please refer to the following sections for more details on our initiatives.

I. Ensurance of corporate governance
II. Proactive initiatives involving all employees

P.71 Responsibility to Our Customers (Consumers) > Initiatives and Results

III. Swift response through systematic collaboration between relevant departments

P.71 ISO 10002 Complaint Response Management System
P.74 ISO 9001 Quality Management System

IV. Enhanced information provision to consumers and two-way exchanges of information

P.72 Measures to Enhance Customer Satisfaction
P.72 Providing Useful Information and Services to Customers

V. Improvement and development based on consumer and social needs

P.72 Training Sessions for Employees Using Feedback from Customers
P.72 Example of Products Reflecting Customer Feedback

Customer Communication Center Vision

We aim to have our customers shift their minds from saying "I'm glad that I inquired and consulted with the Customer Communication Center" to "I'll purchase Unicharm products because they are trustworthy and I know I can contact the Customer Communication Center whenever I need to."

To achieve this goal, we are committed to making sure that "listening compassionately to the true voice of customers and conveying our thoughtful message to them" becomes second nature, treating others' matters as our own and solving their immediate problems together while providing them with greater inspiration for childcare and nursing care, thereby sharing our joy and excitement and encouraging them to purchase Unicharm products again. By doing so, we would like to deepen our bonds with customers in Asia and around the world.

Complaint Correspondence Policy

1. Customer feedback will be centrally managed by the Customer Communication Center and addressed in a fair and impartial manner in accordance with the QMS (ISO 9001) complaint correspondence process manual and ISO 10002 complaint response process documentation. Information concerning problems with our products or services will be reported to the president & CEO and steps will be taken immediately to remedy them.
2. If our products or services must be revised based on customer feedback, all relevant departments will work together to immediately rectify the situation and prevent future recurrences in accordance with the QMS (ISO 9001) corrective and preventive measures procedure manual.
3. We will strive to reflect the valuable feedback from customers in our products and services. We will take customer feedback seriously and exert our best efforts so that each department works together to ensure that customers will be satisfied.

Second Consecutive Award for Good Practices of Consumer-Oriented Management

At the Consumer Affairs Agency's Awards for Good Practices of Consumer-Oriented Management, Unicharm received the Minister of State for Special Missions Award in fiscal 2022 and the Commissioner of the Consumer Affairs Agency Commendation in fiscal 2023. The 2023 award was in recognition of Unicharm's approach to developing *Sofy Ninkatsu Orimono Sheet* and other products that reflect the voices of consumers, and its contributions to creating working environments that are accommodating to women through corporate seminars on menstruation.

消費者志向経営 Award 2022　消費者志向経営 Award 2023

Management Structure

With the Chief Quality Officer (CQO) in charge of quality control, Unicharm strives to improve quality and safety through customer opinions, which are collected by the CCC and relevant departments, and develop products that are tailored to customer needs.

Moreover, as an independent department that reports directly to the president & CEO, the CCC consults with the president & CEO and the CQO on the customer response policy once every six months. In addition, at meetings held by the CQO roughly once a month, we have developed and are operating a system to check the progress of targets and discuss and confirm the appropriate promotion of consumer-oriented management.

ISO 10002 Complaint Response Management System

We are building a response system that is compliant with the ISO 10002 complaint response management system (MS), an international standard for complaint response management.

In addition to Japan, Unicharm issued its declaration of self-conformity with the ISO 10002 complaint response MS at the CCCs of its overseas bases in China, Taiwan–Greater China, Thailand, Indonesia, Australia, and other countries, and aims to do so in India, Vietnam, and South Korea going forward. Upon declaration, we verify that the system is being operated properly through regular audits and information exchanges by our CCC in Japan.

Indicators and Targets

	Fiscal 2024 Target	Fiscal 2024 Result	Fiscal 2025 Target
Customer satisfaction level	Over 85.0%	89.8%	Over 85.0%

Initiatives and Results

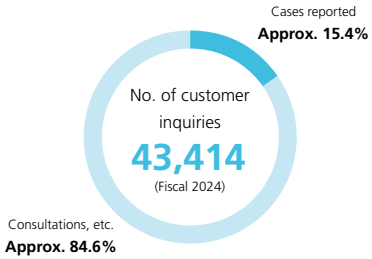
Reflecting Customer Feedback in Our Products and Services

In fiscal 2024, the number of customer inquiries decreased by 7.8% to 43,414 (from 47,107 in fiscal 2023) and of these, the number of cases reported were 6,707, a decline of 6.1% (from 7,142 in fiscal 2023). The introduction of chatbot AI technology and the Store Locator System service, the addition of Q&A sections on our corporate website, and other measures to improve customer access to information contributed to the decrease in the number of inquiries.

FAIN centralized customer information management system and compiled into monthly reports to provide information to the relevant departments. In addition, members of the CCC actively participate in debriefing sessions with the R&D Division and the Marketing Division as well as product package confirmation meetings (consumer communication meetings) to continue to develop even better products and services for our customers.

P.75 Measures to Ensure Appropriate Product Labeling

Breakdown of Customer Inquiries



Providing Useful Information and Services to Customers

The "Know and Useful" section (in Japanese only) of Unicharm's corporate website offers information and advice on nursing care, incontinence care, menstruation, trying to conceive, pregnancy and childbirth, childcare, and living with pets.

In addition, we offer a range of services to improve customer satisfaction. Specifically, we introduced a chatbot-based service that helps users select the right adult diaper in an interactive manner; *the Adult Diaper Counseling service*, which combines LINE's chat-based diagnostic feature and Bodygram, an AI technology that enables measurements to be made automatically through data read by smartphones; and the Store Locator System service, which allows customers to immediately look up stores in their vicinity that sell Unicharm products at any place and time using their location information.

web **Know and Useful (in Japanese only)**
https://www.unicharm.co.jp/ja/useful.html

web ***Adult Diaper Counseling service* (in Japanese only)**
https://www.unicharm.co.jp/ja/company/news/2021/1207-02.html

web ***Store Locator System service* (in Japanese only)**
https://map.unicharm.co.jp/

Training Sessions for Employees Using Feedback from Customers

The CCC provides employee training aimed at improving quality and customer-oriented approaches. In fiscal 2024, the CCC provided a curriculum using voice data, such as recordings of actual phone conversations with customers, to 115 newly hired graduates and employees of R&D, marketing, and other divisions. By providing such opportunities to hear the voices of customers, employees learn about the significance of incorporating customer feedback into our product development. It also inspires us to improve our customer-oriented approaches across the Group and further strive to provide products that bring satisfaction to our customers.

Example of Products Reflecting Customer Feedback

***Sofy Chojukusui Shorts*: Identifying Sizes More Easily**

Comment from a customer: "I always wear *Sofy Chojukusui Shorts* to bed when I start my cycle. My daughter, who also started hers, is happy not to have to worry about leakage during sleep. However, we use different sizes, and it can be difficult to distinguish which is which. It would be nice if the sizes were marked so that we can tell right away."

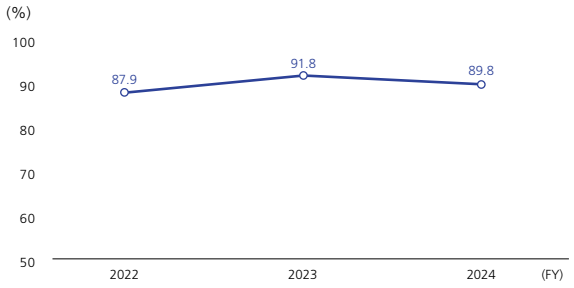
In response, we added size markings on the bottom as well as a Back label to distinguish front from back when the product was renewed in October 2024.



Measures to Enhance Customer Satisfaction

Unicharm conducts training sessions led by outside instructors and study sessions on specialized knowledge to enhance the quality of firsthand customer service provided by employees. In addition, we carry out a customer satisfaction survey each year through the participation of a third party as a part of our various efforts to continuously enhance the quality of service provided by the CCC. According to our fiscal 2024 survey, 89.8% of respondents were satisfied with our level of customer service, a decrease of 2.0 percentage points from the previous year.

▶ Customer Satisfaction Level



Activities of Overseas CCCs

With the aim of improving customer satisfaction across the Group, including its overseas subsidiaries, Unicharm is working to strengthen customer service skills based on the ISO 10002 complaint response management system and interoffice collaboration.

A meeting is held every six months with the participation of the CCC in Japan and overseas CCCs in China, Taiwan–Greater China, Thailand, Indonesia, Australia, India, Vietnam, and South Korea. By sharing issues in each country and region and developing solutions together, we continue to improve the quality of our customer service across the Group.

In addition, the Customer Communication Center Global Convention was held in-person for the first time in seven years in June 2024. Members actively exchanged views on how issues are being addressed in each country and region with the aim of establishing a system to ensure customer satisfaction.

TV Commercials with Subtitles

All Unicharm TV commercials aired in Japan are subtitled* to ensure that the information we provide is communicated effectively to people who are hard of hearing.



TV commercial with subtitles

* The Company uses closed captioning, which allows viewers to turn subtitles on or off by using their remote control or pressing a button.

Words of Appreciation from Customers

"We have been using *Silcot* wet wipes for a while now. One day, my husband injured his right hand and had to rely solely on his left his not-dominant hand for pretty much everything, but because *Silcot* Wet Wipes can be popped open and pulled out easily with one hand, they have made our lives easier."



Quality

Quality Assurance

416-1

Our Basic Approach and Strategy

At Unicharm, 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. In keeping with this belief, which is set forth in the Unicharm Ideals, we are committed to continuously improving the quality of our products by always thinking from our customers' point of view.

Since many of our products used by customers come into direct contact with their skin, we must not only continuously strive for improvements in quality and safety but also ensure that our labels convey information appropriately so that customers can use our products with peace of mind.

Policy on Management of Chemical Substances

To provide safe and reliable products and services to customers while reducing their impact on the global environment, Unicharm is committed to ensuring the high standards of safety it sets for itself throughout the entire product life cycle, from materials procurement to product development, manufacturing, customer use, and disposal. In addition, we conduct comprehensive product risk assessments, including chemical analyses, as we believe it is our corporate social responsibility to be accountable to customers for the safety of our products. The Unicharm Group uses its Material Safety Guidelines to minimize the impact of chemical substances in our products on the human body and the global environment, and applies a policy for managing chemical substances that ultimately eliminates all harmful impacts found in the raw materials we use.

In defining harmful substances, we broadly gather information from a global perspective, such as from the databases of the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) and the European Chemicals Agency (ECHA), and identify approximately 4,000 chemical substances from potentially harmful substances classified as a substance of very high concern (SVHC), as well as toxic pigments, preservatives, modifiers, and surfactants, and create a list of target substances for reduction. While the target reduction substances are being determined, the information we receive from material suppliers on the substances found in their materials is used to conduct product risk assessments to measure the toxicity of chemical substances.

web **List of Example Target Reduction Substances**
https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/quality/quality_material_list.pdf

web **Example of Toxicity Risk Evaluation (in Japanese only)**
https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/quality/quality_toxicity_risk.pdf

Policy on Animal Testing

From an animal welfare perspective, Unicharm is eliminating animal testing as a means to verify and prove the impact of chemical substances on health and the global environment. We no longer conduct experiments on animals, including outsourced testing, to check the safety of our products, nor do we plan to in the future. This is in exception of cases where Unicharm was held accountable toward society on safety issues or met with demands from local administrations in certain countries and regions. Whenever animal testing is unavoidable, we will minimize its use based on the 3R Principle for animal experiments the "replacement" of animals with alternative testing methods, the "reduction" of the number of animals used, and the "refinement" of animal experiments to alleviate the pain and distress of animals.

Safety Confirmation Workflow

Verification Process	Verification Scheme
Collect market, government, academic, and industry information on a global scale	
Establish and operate voluntary safety standards	• Material Safety Guidelines • Confirmation with industry standards
Confirm the safety of materials	• Chemical substance risk assessment • Human repeat patch testing
Conduct multifaceted evaluation through Safety Assessment Committee I	• Comprehensive risk assessment (impact on human health and the ecosystem) • Consideration of necessary tests • Consideration of foreseeable misuse
Confirm the safety of products	• Home-use tests (HUTs)
Conduct final evaluation through Safety Assessment Committee II	• Comprehensive risk assessment results (impact on human health and the ecosystem) • Test results • HUT results
Launch products approved by Safety Assessment Committee	• Safety assessment confirmation form

Reference Information Examples

- GHS (Globally Harmonized System of Classification and Labelling of Chemicals)
- ECHA (European Chemicals Agency)
- SVHC (Substances of Very High Concern)
- RoHS (Restriction of Hazardous Substances) Directive
- REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals)
- OEKO-TEX® STANDARD 100
- Commission Regulation (EU) 2015/1221
- DIRECTIVE 2009/48/EC
- POPs (Persistent Organic Pollutants)
- Dioxin Regulation Act
- Montreal Protocol

Management Structure

At Unicharm, our quality management system is verified for compliance and effectiveness to ensure the highest levels of quality and, to that end, is audited internally and externally, primarily by the Global Quality Assurance Department under the direction of the chief quality officer (CQO). While taking corrective and preventive measures, the Global Quality Assurance Department, Unicharm Products Co., Ltd.'s Quality Control Department, and the Customer Communication Center jointly conduct management reviews on a regular basis and report the results to the CQO, which are reflected in our ongoing efforts to enhance quality on a Companywide basis.

ISO 9001 Quality Management System

Certain business sites in Japan and overseas have obtained ISO 9001 certification, the international standard for quality management systems, and operate a quality management system based on this standard. Relevant business sites in Japan and overseas have acquired ISO 13485 certification, the international standard for quality management systems specific to medical devices. As of December 31, 2024, 90.3% (84.6% in Japan, 94.4% overseas) of Unicharm's business sites were ISO 9001-certified while 100% of its relevant business sites were ISO 13485-certified.

P.143 Social Data> The Unicharm Group's ISO Certifications

Indicators and Targets

▶ **Kyo-sei Life Vision 2030:**
Safeguarding the Well-Being of Society

Indicator	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2030 Target
Percentage of products to which a new internal guideline for safety and quality has been set and certification has been granted	100%	100%	100%	100%

Initiatives and Results

Safety Initiatives

To ensure that our products that come into direct contact with the skin can be used by our customers with peace of mind, Unicharm conducts quality gate checks at each stage of the product life cycle, from material procurement to product development, manufacturing, customer use, and disposal, in accordance with the Unicharm Management System Basic Regulations. At the product development stage, a gate function is established by the Safety Assessment Committee to assess the risks associated with products based on their various uses and methods of disposal. For products confirmed as safe for customer use, a safety assessment confirmation form is issued. In addition, those products using materials that have been confirmed as safe are then tested for actual use.

Global Safety Initiatives

Safety initiatives are essential in all countries and regions where we operate. For that reason, we have been operating a Groupwide safety confirmation system, led by our local subsidiaries in China, South Korea, Taiwan–Greater China, Thailand, Indonesia, and Vietnam. Moreover, meetings attended by the representatives of each country and region, as well as periodic one-on-one meetings, are held to share insights and information on safety initiatives.

In addition, we visit suppliers, testing partners, and government institutions around the world as a means to strengthen communication.

Operation of Chemical Substance Management System

In fiscal 2017, Unicharm introduced a system that keeps track of information on the chemical substances contained in its products, enabling the Company to strengthen its relationships with material suppliers and manage chemical substances more efficiently. As of December 31, 2024, this chemical substance management system is operated in six countries and regions, including Japan. We will continue to gradually expand our network for this system and develop a framework that enables the local representatives who are in charge of the increasing volume of imports and exports to comply with the regulations of the countries and regions in which our products are sold and swiftly conduct inspections on chemical substances in our products, thereby providing customers with even greater levels of safety and peace of mind.

Pet Food Safety Initiatives

All ingredients used in our pet food are verified in accordance with the Ingredients Specification Sheet and the Ingredients Survey Sheet based on Company regulations, and only those that have been confirmed to meet our quality standards are used. The Ingredients Specification Sheet is used to verify the progress of measures taken against foreign substances, pesticide residues, and microbial contamination during the raw materials production stage. We also regularly visit manufacturers of these raw materials to confirm the status of quality control. Moreover, to ensure that they comply with the standards and thresholds stipulated in the Pet Food Safety Act established by the Ministry of Agriculture, Forestry and Fisheries (MAFF), our products are regularly inspected for safety by an external agency and assessed by means of analytical and feeding tests based on the standards for general nutrition food set by the Pet Food Fair Trade Association.

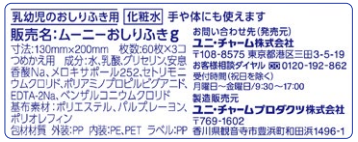
Furthermore, we develop formulation and production methods that are tailored to specific dog and cat breeds and characteristics and intended use of food, conduct shelf-life tests to ensure that quality is preserved up to best-before dates, and take measures to maintain the deliciousness of dog and cat food, such as through the use of oxygen absorbers and barrier films and aluminum metalized films.

Product packaging labels, meanwhile, are checked from the vantage point of our customers by multiple departments to verify that the information on product labels is based on scientific evidence and to ensure that they meet relevant laws and regulations, including the Pet Food Safety Act, the Pet Food Fair Competition Code, the Act Against Unjustifiable Premiums and Misleading Representations, and the Containers and Packaging Recycling Law.

Providing Chemical Substance Information

417-1

Based on our chemical substance management policies and standards, it has been confirmed that there are no safety issues concerning the chemical substances in our products. In addition, these chemical substances are disclosed on product packaging in accordance with laws and industry standards, enabling customers to confirm such information firsthand and use our products with peace of mind.



Example of product information on packaging

Acquisition of OEKO-TEX® STANDARD 100 Certification

OEKO-TEX® STANDARD 100 is an international safety certification for textile products given only to products that clear strict standards after analysis and testing for more than 1,000 types of harmful substances by authorized testing institutes that belong to the international consortium called OEKO-TEX®. To bear the STANDARD 100 label, which assures high standards of safety, all raw materials used in the product must clear the specified safety criteria.

Unicharm's cosmetic cotton products, including *Silcot Soft and Rich Touch Cotton* and *Silcot Facial Towel Suhada Omoi* disposable facial wipes, have received product class I (textile products for babies) certification, which is subject to particularly strict requirements within OEKO-TEX® STANDARD 100.

Dermatest® Dermatological Skin Test

Dermatest® is an internationally renowned dermatological laboratory established in Germany in 1978 that specializes in clinical trials using human subjects, cosmetics testing, and dermatology by adhering to strict testing standards.

Lifree disposable adult diapers, *BabyJoy Olive* disposable baby diapers coated with olive oil, and *SOFY Olive* sanitary pads and panty liners, which are all sold in Saudi Arabia, were certified as "excellent" by Dermatest®, receiving the highest rating of five stars in its dermatological skin test. This certification mark is printed on the packaging of each product. From fiscal 2024, the Dermatest® certification mark is also printed on the packaging of *Lifree* disposable adult diapers in Arabic to ensure even greater awareness of the safety of our products in Saudi Arabia.

Moreover, certain baby diapers sold in Malaysia and Singapore and certain sanitary pads sold in Taiwan–Greater China and South Korea were also certified as "excellent" by Dermatest® in its dermatological skin test.

Quality Management Initiatives in Manufacturing

Unicharm's quality management initiatives standardize factory manufacturing conditions and manual processes, minimizing variations in equipment and manual processes by maintaining and monitoring them to ensure the consistency of product quality. In addition, the Company provides information it receives from customers on defects to its production sites and improves quality, primarily through the Unicharm Total Management Strategic System (UTMSS). Using this system, phenomena at production sites are viewed in terms of the three "gen" principles— *genba* (actual place), *genbutsu* (actual item or product), and *genjiten* (actual time)—and actions are taken to eliminate the true causes of product defects.

Under the UTMSS improvement activities, a presentation ceremony is held at least once a month. At the ceremony, the team that achieved the highest results in their improvement activities is recognized as the year's most outstanding team at the Global Production Award, which is attended by representatives of all Group factories worldwide. Through these initiatives, we continue to take measures toward improvements, instill best practices throughout the Group, and share frameworks with our factories overseas.

In addition to the UTMSS improvement activities, Unicharm's production sites are forging ahead with digital transformation to realize a workplace that is free of product defects. For instance, cameras, electronic measurement devices, and other digital devices are now being used in product inspections that were formerly conducted manually, which has led to improvements in the frequency and accuracy of inspections.

By strengthening our production management system in this way, we are further improving the consistency of our product quality and the efficiency of our production activities and reducing product defects, thereby maximizing customer satisfaction.

Measures to Ensure Appropriate Product Labeling

417-1

In its marketing communications (product packaging, website announcements, and advertising materials), Unicharm has created its own voluntary standards based on the Pharmaceutical & Medical Devices Act, the Premiums and Representations Act, the Containers and Packaging Recycling Law, and the industry standards set by the Japan Hygiene Products Industry Association, in order to provide correct information to its customers. In addition to confirming compliance with these standards, we are working on a Groupwide basis to realize the most optimal and accurate labeling possible, by verifying whether the information we provide will lead to misunderstanding or misuse on the part of customers. Our voluntary standards in response to changes in our internal and external business environment, including the diversification of advertising media and changes in consumer awareness due to market changes, are then shared with the relevant departments through training and other means.

Additionally, a consumer communication meeting is established at the product design and packaging design stages to serve as a specialized screening function for product labeling. At the product design stage, we verify that the information on product labels is based on scientific evidence, while at the packaging design stage, we confirm whether the labeling is appropriate from the viewpoint of our customers through the participation of members from our Customer Communication Center.

Standardization* as a Foundation for Future Dissemination and Its Benefits to Society

Standardization plays an important role in not only enhancing a company's competitiveness but also in contributing to the benefit of society as a whole. Aiming to realize a sustainable society through our business activities, we actively take part in international standardization efforts in various fields.

For example, we contributed to the formulation of JIS S 0261:2024, a Japanese Industrial Standard (JIS) that stipulates requirements for the quality of recycled pulp for urine absorbent products and the methods for testing them, with the aim of promoting widespread use of such pulp. We believe the establishment of this JIS will objectively ensure the quality and safety of recycled pulp, helping promote the recycling of disposable diapers and effective use of recycled pulp, and thereby contributing to the realization of a recycling-oriented society.

In the early days of the COVID-19 pandemic, there was a lack of official standards for face masks as a variety of products filled the market in response to surging demand. To address this, we contributed to the formulation of JIS T 9001:2021, a standard for performance requirements and testing methods of face masks to ensure their safety and reliability. This JIS has since evolved into an international standardization effort, which we believe will play a meaningful role in controlling and preventing infectious diseases worldwide.

* JIS Z 8002:2006 (Standardization and related activities—General vocabulary) defines standardization as "the act of establishing provisions for common and repeated use, aimed at achieving the optimum degree of order in a given context concerning actual or potential issues."

Human Rights

Respect for Human Rights

2-24,407-1,408-1,409-1,410-1

Our Basic Approach and Strategy

Since its establishment in 1961, Unicharm has taken appropriate measures to promote respect for human rights based on its "spirit of respecting humanity and dignity" as stated in its management policy. With the expansion of business into countries and regions outside of Japan, we determined that we must promote activities based on international human rights standards. In fiscal 2017, we established the Unicharm Group Policy on Human Rights, which aligns with the aims of the Universal Declaration of Human Rights (adopted in 1948 by the United Nations General Assembly). This human rights policy states that we strive to practice respect for human rights in all of our business activities and has been incorporated into the Unicharm Group Charter of Actions to instill this belief in all Group employees.

Furthermore, to contribute to the economic growth of the countries and regions in which we operate, we actively create employment in various fields and procure raw materials from local suppliers based on the principle of local production for local consumption. In view of this, the Unicharm Group CSR Procurement Guidelines, which were upgraded to the Basic Policy of Procurement in fiscal 2017, and the Unicharm Group Sustainable Procurement Guidelines were formulated and implemented in fiscal 2009 and fiscal 2017, respectively, for the purpose of maintaining fair and impartial relationships with all our suppliers.

The Basic Policy of Procurement applies to all executives and employees of the Unicharm Group. We also encourage our business partners and suppliers to uphold and comply with this policy and to work together to promote human rights initiatives. Through these and other measures, we not only eliminate forced and child labor and ensure respect for children's rights, but also prohibit discrimination on the basis of nationality, race, religion, gender, sexual preference, age, family background, disability, or any other factors. We also ensure that Unicharm employees have the right to freedom of association, collective bargaining, minimum wage, and that they are not subjected to excessive working hours.

▶ Unicharm Group Policy on Human Rights

2-23

The corporate brand essence of "Love Your Possibilities" at the Unicharm Group (the Group) incorporates our hope that "Unicharm aims to provide all people, from newborns to the elderly, with products and services that provide mental and physical support through gentle care so that they may be free of their burdens and can fulfill their dreams." In accordance with this commitment, the Group supports the realization of a society where human rights are respected as a fundamental right granted to all people. Based on this assumption, the Group will make efforts to fulfill its responsibility to respect human rights.

1. Background
The Group established the Unicharm Group Policy on Human Rights (the Policy) by which it will promote efforts to respect the human rights of all stakeholders including employees based on the following international human rights principles: the International Bill of Human Rights (the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights), the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, the Ten Principles of the UN Global Compact, and the UN Guiding Principles on Business and Human Rights. The Policy complements the corporate philosophy and Unicharm Group Charter of Actions (The Unicharm Way), clarifying how the Group will address matters concerning human rights in the Charter of Actions.

2. Scope of Application
The Policy will apply to all executives and employees who work at the Group. The Group will also require its business partners and suppliers to uphold and comply with the Policy and work together with them to promote efforts to respect human rights.

3. Responsibility to Respect Human Rights
The Group will fulfill its responsibility of respecting human rights by ensuring that its business activities do not result in human rights violations and by responding appropriately to correct any adverse human rights impacts it may have caused. Furthermore, the Group will require its business partners and suppliers to respond appropriately to correct any adverse human rights impact they may have caused even if the Group does not directly contribute to those impacts.

Compliance with Applicable Laws and Regulations
The Group will comply with the laws and regulations of each country and region where it conducts its business activities. Where there is a conflict between national or regional laws/regulations and international human rights standards, it will seek the ways to honor international human rights standards.

Human Rights Due Diligence
The Group will establish a system of human rights due diligence in accordance with procedures based on the UN Guiding Principles on Business and Human Rights under which it will make efforts to prevent or mitigate adverse human rights impacts.

Remedy
In the event the Group's business activities directly or indirectly result in adverse human rights impacts, it will provide a remedy through appropriate dialogue and procedures.

Education
The Group will provide appropriate education to ensure effective implementation of the Policy by which it will be instilled inside and outside the Company.

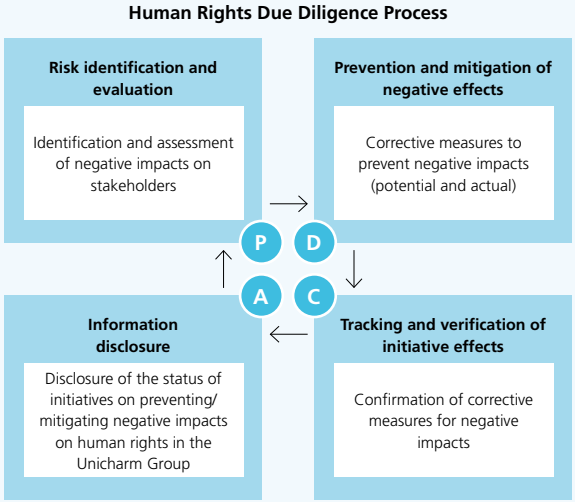
Dialogue and Consultation
The Group will engage sincerely in meaningful consultation with people whom its business activities may have impacted as a part of its efforts under the Policy.

Reports
The Group reports on its efforts related to human rights through its website, etc.

Date of Establishment: October 25, 2017
Revised: February 10, 2021
Takahisa Takahara
President & CEO
Unicharm Corporation

▶ Human Rights Due Diligence Process

Unicharm Group Policy on Human Rights



Core evaluation items for managing labor issues

- Prohibition of child labor
- Prohibition of forced labor
- Mechanisms for employee representatives to be involved in Company management
- Reduction of excessive working hours
- Support for living wages

Respect for Children's Rights

The Unicharm Group Charter of Actions stipulates that the Group does not tolerate any form of child labor. Meanwhile, with respect to our suppliers, the Unicharm Group Sustainable Procurement Guidelines specify that the Group forbids the employment of children under the minimum employment age, as a part of the measures it takes to prohibit child labor throughout the supply chain. By virtue of our products and services, we work to help improve childcare, create an environment that is conducive to balancing work and childcare, and share information that will prove beneficial to the children who will help lead the next generation.

In December 2021, Unicharm also participated in Children's Smile Movement, an initiative held by the Tokyo Metropolitan Government to foster a spirit of caring for children throughout society.

P.99 Unicharm Group Sustainable Procurement Guidelines
P.97 Prohibition of Child and Forced Labor
P.66 *Hands-Free Commute*: A Subscription-Based Model for Disposable Diapers

Participation in the Kodomo-Mannaka Child Support Program

In July 2023, Unicharm endorsed the aims of the Kodomo-Mannaka ("child-centered") Declaration, which aims to realize a society in which children can grow in a healthy and happy environment by constantly considering what is best for them. The Kodomo-Mannaka Support program is an initiative that encourages people to share their own child-centered activities using social media.

こども まんなか

Participation in My Declaration of Human Rights Program

In fiscal 2021, Unicharm became a signatory to My Declaration of Human Rights, a program endorsed by the Human Rights Bureau of the Ministry of Justice in Japan. This initiative aims to realize a society in which human rights are respected by everyone through declarations by companies, organizations, and individuals to act on behalf of human rights. Guided by our commitment to "the spirit of respecting humanity and dignity" as stated in our management policy since our founding, we will continue to strive to realize an environment where employees from diverse backgrounds are able to demonstrate their leadership and creativity.

The Unicharm Group's My Declaration of Human Rights

In keeping with the Unicharm Group Policy on Human Rights, we will realize a cohesive society (social inclusion). The Unicharm Group stands behind the realization of a society where human rights are respected as a fundamental right granted to all people.

My じんけん宣言! Declaration of Human Rights

Management Structure

Since it is necessary to have a variety of departments involved in human rights, the Global Human Resources & Administration Division and the ESG Division take the lead, under the direction of the general manager of the Global Human Resources & Administration Division who is the executive-level officer assigned responsibility for human rights, in collaborating with the relevant departments that handle purchasing and auditing and Group companies inside and outside Japan and in reporting through the ESG Committee. In terms of our human rights initiatives for suppliers, which are led by the Procurement Department, the Basic Policy of Procurement and the Unicharm Group Sustainable Procurement Guidelines are distributed to our suppliers in an effort to promote compliance.

P.8 Sustainability Promotion System
P.100 Supply Chain Management > Management Structure

▶ Overview of Human Rights Initiatives

Policies

Policy on Human Rights
Basic Policy of Procurement
Sustainable Procurement Guidelines
Forest-Derived Raw Materials Procurement Guidelines

Management

Overseer: General manager of the Global Human Resources & Administration Division

Unicharm Group	Suppliers
Global Human Resources & Administration Division ESG Division Audit Department	Procurement Department ESG Division Subsidiaries

Prevention and Mitigation Systems

Unicharm Group	Suppliers
Training and education Whistleblowing system	Human rights and labor monitoring Medium- to long-term policy briefing Use of Sedex (SMETA audits)

Reports and Information Disclosure

ESG Committee ↓ Report Board of Directors	Integrated Report Sustainability Report

Indicators and Targets

Kyo-sei Life Vision 2030: Unicharm Principles

Indicator	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Annual Target
No. of serious human rights violations in the value chain	1 (revised)	1 (revised)	Zero	Zero

Initiatives and Results

Consultation and Whistleblower Hotline for Human Rights Issues

At Unicharm, the Compliance Hotline is in place to serve as a point of contact for consultations on, and the reporting of, violations of laws, regulations, and internal rules, acts of bribery and other forms of corruption, and serious violations of corporate ethics. Meanwhile, the Ring-Ring Employee Hotline was established to act as a contact point for consultations on and the reporting of workplace issues, including harassment and employee relations. These hotlines, in principle, are accessible to all directors and employees*1 of Unicharm Corporation and its subsidiaries and affiliate companies, and users are able to maintain anonymity when receiving consultation and reporting on matters. In fiscal 2024, there were no cases of serious human rights violations reported to these hotlines.

*1 Includes contract, part-time, temporary, and dispatched employees, and former employees who resigned within a year

P.123 Whistleblowing System

Human Rights Education for Unicharm Group Employees

Employees are provided with education and training so that each person will acquire proper knowledge on human rights and the prevention of human rights risks. Upon the establishment of the Unicharm Group Policy on Human Rights, we held e-learning sessions for all employees on three separate occasions in fiscal 2018, in order to promote awareness of the importance of respecting human rights around the world. The Unicharm Group Charter of Actions, amended in fiscal 2021, is recited regularly at morning assemblies and other gatherings. In addition, we continue to educate employees and enhance awareness of our human rights policy through our new employee, role-based, and new leader training sessions. Role-based training consists of a curriculum through which employees learn about harassment and other issues that are likely to occur in the workplace and the appropriate measures to take in the event of a human rights issue.

In fiscal 2024, a workshop was held for all managers to enhance awareness of harassment prevention. By increasing awareness of those who should lead by example and fostering them to be able to respond appropriately to harassment complaints, we are committed to creating an environment where all employees can work with peace of mind. We also held a workshop on unconscious bias (practical level) for all Unicharm Corporation employees. As in fiscal 2023, employees were trained to gain a better understanding of unconscious bias by means of scrum meetings in sections and groups on how to respond in certain situations that are likely to occur in the actual workplace. In addition, a workshop titled Business and Human Rights was held by a law firm for departments where human rights issues may be more difficult to assess, such as in procurement. By using other companies' initiatives as a reference, the workshop enabled participants to learn about the ways in which they can increase their knowledge and awareness of business and human rights.

P.86 Diversity and Inclusion
P.124 Harassment Prevention

Human Rights Awareness of Suppliers

In October 2024, we held the 15th Unicharm Medium- to Long-Term Policy Briefing Session and explained the Unicharm Group Policy on Human Rights and the Unicharm Group Sustainable Procurement Guidelines to 133 suppliers, from whom we requested their support and compliance. In addition, we shared the progress of our use of the Sedex platform with suppliers, encouraged them to become members of Sedex and conclude relationships for the use of this platform, and requested their cooperation on the Self-Assessment Questionnaire (SAQ).

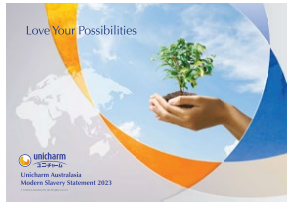
P.101 Medium- to Long-Term Policy Briefing Session for Suppliers

Human Rights Initiatives in Australia

To promote human rights awareness throughout the supply chain, Unicharm Australasia Pty Ltd (UcA), Unicharm's local subsidiary in Australia, conducts a curriculum and training on the risks of and measures against modern slavery,*2 particularly for materials suppliers and retailers composing the downstream supply chain. In fiscal 2024, these programs were held for nine such suppliers and retailers. An example is a training program we conducted for a supplier that commissioned the production of t-shirts for promotional purposes. We believe this is a step in the right direction to addressing the apparel industry's high risk for violations of the Modern Slavery Act (MSA).*3

In March 2024, UcA held a seminar sponsored by Sedex for 12 Sedex member companies to share best practices on human rights. In July 2024, UcA also released Modern Slavery Statement 2023, which details the structural, operational, and monitoring frameworks for identifying risks concerning modern slavery within the supply chain network, in accordance with the MSA. In October 2024, UcA gave a keynote lecture to members of the Australian Catholic Anti-Slavery Network (ACAN) modern slavery working group on best practices in response to the MSA.

*2 Forms or acts of bonded labor, forced labor, human trafficking, etc., in which people are forced into slavery and servitude
*3 Modern Slavery Act 2018 was enacted to prevent forced labor, child labor, and other human rights violations in the supply chain by promoting voluntary compliance by companies through the mandatory disclosure of corporate activities

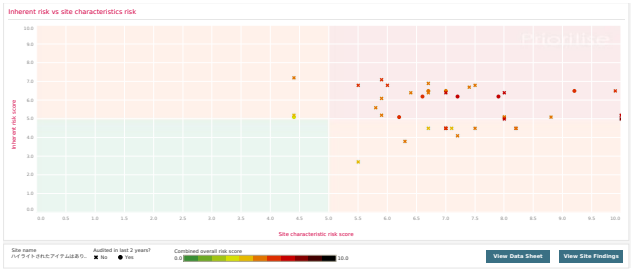


web **Unicharm Australasia Pty Ltd Modern Slavery Statement 2023**
https://modernslaveryregister.gov.au/statements/18871/

Human Rights Risk Assessment at Unicharm Group Factories

In fiscal 2024, the Sedex*1 SAQ was conducted and these results were used along with Sedex's risk assessment tool to calculate a risk score. The risk score is determined by calculating an inherent risk score based on each factory's country and region of operation and line of business and a site characteristic risk score based on the SAQ results. These scores are used as a reference to conduct an even more in-depth analysis of high-risk factories and formulate other risk mitigation measures.

▶ Risk Score of Unicharm Group Factories



Note: Simple averages of risk scores on labor standards and on health and safety have been plotted above.

*1 A global membership organization leading in responsible sourcing practices, Sedex provides companies with technology and insight to build a responsible business and supply chain, including the world's largest platform for sharing supply chain data on labor standards, health and safety, the environment, and business ethics. Over 85,000 business members in 180 countries and regions use Sedex solutions to manage supply chain risk, meet compliance requirements, and demonstrate measurable impact.

Human Rights Risk Assessments of Supplier Factories

P.100 Human Rights Risk Assessments of Supplier Factories

Audits of Unicharm Group Factories

A social compliance audit is carried out periodically at Unicharm factories through an external auditing firm to assess the effects of risk elimination and mitigation measures and make improvements on any issues identified. Specifically, we utilize the Sedex Members Ethical Trade Audit (SMETA)*2 to identify such issues, which are compiled and shared internally by the ESG Department. These issues are confirmed and then inspected and reviewed at each factory, preventing the occurrence of human rights issues in the process.

*2 A social auditing methodology developed by Sedex that enables businesses to assess their sites and suppliers to understand working conditions in their supply chain across the areas of labor standards, health and safety, the environment, and business ethics.

▶ Audits of Unicharm Group Factories: Number of Audits and Evaluations

		Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result
No. of audits		6	4	9
No. of issues identified	Business Critical	0	0	0
	Critical	13	10	23
	Major	86	19	30
	Minor	36	14	19
	Total	**135**	**43**	**72**

Audits of Supplier Factories

P.101 Supplier Monitoring

Establishing KPIs and Collecting Relevant Data

In 2021, Unicharm established a system that enables the ESG Division to use SAQ to collect data for key performance indicators (KPIs) such as employee absentee rates and employee turnover rates at each factory, as well as to monitor progress made. In fiscal 2024, we provided the results of these analyses to all factories and verified the effects of using such data. We also requested the planning of SMETA audits for fiscal 2025 and beyond.

Stakeholder Engagement for Human Rights

Since human rights issues can affect a wide range of stakeholders, Unicharm approaches its engagement in various ways.

Fiscal Year	Initiatives	Results
2021	• Participated in the Global Conference on Business and Human Rights in Tokyo, organized by CRT Japan and the Institute for Human Rights and Business (IHRB) • Participated in Sedex's JANZ (Japan, Australia, and New Zealand) Conference 2021 • Participated regularly in Sedex's various community events (on the use of SAQ, audits, and gender-specific data, approaches to indirect suppliers for materials and services, and other topics)	• Gained diverse viewpoints and information from companies in various sectors, government authorities, NPOs, international organizations, attorneys, and providers of services related to human rights due diligence, which were used to determine the themes and specific approaches we must undertake on a priority basis
2022	• Participated in forums on business and human rights and human rights due diligence held by the United Nations Development Programme (UNDP) • Participated in subcommittee activities of Global Compact Network Japan • Held discussions on human rights risk assessment through the ESG Committee	• Compiled information on recent developments in Japan and the rest of the world and on initiatives carried out by other companies; conducted risk analysis internally and held discussions on how management decisions should be made within ESG Committee
2023	• Participated in seminar on business and human rights and dialogue on human rights due diligence held by the UNDP • Participated in subcommittee activities of Global Compact Network Japan • Participated in Japanese Cosmetics & Personal Care Products Industry Buyer Members Sedex Working Team • Explained the Company's human rights policy to 143 supplier companies at the 14th Unicharm Medium- to Long-Term Policy Briefing Session	• Compiled examples of best practices in other industries and expert opinions and information to determine direction of the Company's human rights initiatives
2024	• Participated in seminar on business and human rights held by the UNDP • Participated in Japanese Cosmetics & Personal Care Products Industry Buyer Members Sedex Working Team • Participated in the Australian Food & Grocery Council Sustainability Summit • Explained the Company's human rights policy to 283 representatives of 133 supplier companies at the 15th Unicharm Medium- to Long-Term Policy Briefing Session • Cooperated with ASEAN–Australia Counter Trafficking to support human rights education of ASEAN countries • Held workshop on business and human rights through a law firm	• Discussed measures to enhance awareness and literacy of human rights in the Company by collecting latest information and details of other companies' efforts and in Australia expanded activities to support human rights education externally

Human Resources

Development and Utilization of Human Resources

404-1,404-2,404-3

Our Basic Approach and Strategy

The Unicharm Group maintains a basic policy on human resources development to pursue Wealth in Three Aspects for each employee: aspirational wealth, economic wealth, and wealth of mind and body. We believe that ensuring a good balance between each of these types of wealth is of vital importance.

Employees who are wealthy in terms of their aspirations aim to contribute to society as a whole through their work while having an ambitious and broad outlook. Utilizing My Career Vision & Career Plan, a framework unique to Unicharm, each employee takes the initiative to formulate their own career development plan. Specifically, employees reflect on their own values and what matters to them most, on the basis of which they draw up a life vision and career vision for where they would like to be in 10 and three years. They then devise a career plan to realize these visions. The contents of My Career Vision & Career Plan are incorporated into KYOSHIN, a human resource development platform that we have operated since fiscal 2021. Accordingly, in order to support the self-actualization of each employee, Unicharm is working to expand the scope of various training programs and supports the growth of its employees.

In pursuit of economic wealth, we have endeavored to foster and strengthen engagement with employees in several ways, such as through establishing and maintaining a consistently industry-leading compensation system while also introducing a restricted share-based remuneration plan to serve as medium- to long-term incentive for employees.

For wealth of mind and body, we ensure that our employees maintain good health through various measures, such as providing health checkups once a year. In addition, through training programs on mental health awareness and stress checks to monitor the mental health of our employees, we do our utmost to provide an environment where they can work in good health, both mentally and physically, and with peace of mind.

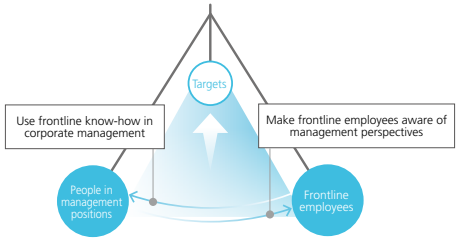
By means of such measures, Unicharm will continue to strengthen investment in human capital, ensuring that it continues to achieve business results and enhance corporate value by creating a rewarding workplace environment where diverse human resources are able to utilize their individual strengths to the fullest.

Management with Resonance: Unicharm's Unique Management Method

Unicharm has developed a unique management method in which the industriousness of each and every employee becomes the epicenter of change, increasing the resonance of individuals who work together to effect change across the entire Company and allow each employee to realize their vision. We call this business practice and creation of such corporate culture "management with resonance."

Through the practice of management with resonance, management can get firsthand information from the front lines in an honest, timely, and frequent manner while, through dialogue with management, employees can learn management perspectives, viewpoints, and time frames to develop mutual understanding. In this way, employees and management firmly work toward a shared goal, fostering a sense of unity that offers both challenges and comfort. The resonance we envision is like a pendulum, one in which daily ingenuity and know-how swing back and forth between employees and management.

Management with Resonance

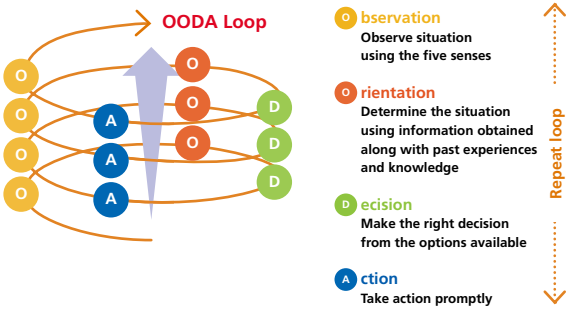


Operation of the OODA Loop Methodology

Since fiscal 2003, Unicharm has operated the Schedule–Action–Performance–Schedule (SAPS) management model through which each employee thinks and acts on their own initiative to achieve goals by actively operating a PDCA cycle, enhancing the strengths of both employees and the organization. However, it became necessary to establish a model that adapts to today's ever-changing business environment more flexibly than ever. Recognizing this need, we replaced the SAPS management model with the Observe–Orient–Decide–Act (OODA) Loop methodology in fiscal 2019.

With the OODA Loop methodology, we quickly grasp unexpected changes by observing current business conditions and appropriately orient ourselves to the situation and reach a decision, and then quickly take action. This cycle is repeated while constantly reviewing approaches and continuously making fundamental changes. By rotating the OODA Loop methodology, we nurture employees who can autonomously take action based on quick situational judgment and decision-making in response to changes in the business environment.

Philosophy of the OODA Loop Methodology



Establish a mechanism where we constantly review approaches and make fundamental changes

Relationship Between Management Strategy and Human Resource Strategy

At Unicharm, we believe that business results are determined through the combination of strategic planning and strategy execution.

In terms of strategic planning, it is imperative that each employee formulates detailed strategies that reflect the specific circumstances of the economy and lifestyles of each country and region without compromising the intuition, know-how, and key aspects of the Company's strategies. Specifically, each employee formulates a plan independently every six months using the Objectives–Goals–Issues–Strategies–Measures–Action Plan (OGISM (A))* table, which incorporates the steps of strategic planning in a standardized format. In analyzing the current situation, predicting environmental changes, and identifying risks and opportunities, we refer to The Unicharm Way, which is infused with management know-how accumulated since the Company's founding in 1961, to enhance the accuracy of plans by reflecting on these established practices.

We then proceed to the strategy execution stage using the OODA Loop methodology to achieve our goals.

To instill and accelerate this series of efforts across the Group, we utilize KYOSHIN, a Groupwide human resource development platform, to invigorate communication between leaders and members.

* A format that compiles the necessary components of planning by streamlining them in the following order: Objectives (targets to be achieved within the period) Goals (numerical targets) Issues Strategies Measures (determination criteria) Action Plan

Management Structure

Our company's human resource development is headed by the president & CEO, and is led by the Global Human Resources & Administration Division, with the basic principle of "developing 'resonant personnel' who embody BOP-Ship all over the world." Our human resource development plan is approved through periodic reports to management, including directors and executive officers, and the implementation status and effectiveness thereof are also reported regularly. In addition, our human resource development strategies and measures are deployed across the Group, in conjunction with the human resource managers of the relevant divisions and the human resource departments of Group companies and affiliates.

Indicators and Targets

▶ Kyo-sei Life Vision 2030: Unicharm Principles

Indicator	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	2030 Target
Percentage of positive answers received for the "Growth Through Work" section of the employee awareness survey	89.2%	88.7%	90.1%	80% or more

Initiatives and Results

A Human Resource Development Program Inspired by The Unicharm Way

The Unicharm Way, a compilation of the values, action guidelines, and important statements from management to be shared throughout the Group, is embraced by all of our employees worldwide. We promote management with resonance by ensuring that The Unicharm Way is practiced by employees in their day-to-day business activities. Previously available only in booklet form, since fiscal 2021 this statement of corporate ideals has been accessible through a Company smartphone app offered in nine languages, including English and Japanese, enabling all employees to immerse themselves in The Unicharm Way at any place and time.



My Career Vision & Career Plan

Unicharm has introduced a system called My Career Vision & Career Plan in which each year employees create their own career vision and career plan and receive career-related advice and support from their supervisor toward the realization of their personal goals. We encourage employees to envision where they want to be in 10 and three years, backtrack from there and think proactively about the skills and experiences they need to gain now, and take action.

KYOSHIN Human Resource Development Platform

Appropriate on-site guidance from supervisors is essential to the development of employees. In order to provide appropriate guidance, supervisors must be able to visualize information on their subordinates. To strengthen supervisors' ability to provide guidance and the visualization of human resources information across the Group, in fiscal 2020 Unicharm began implementing KYOSHIN, a human resource development platform focused on strengthening talent management that is utilized at 17 local subsidiaries including Japan as of March 31, 2024. KYOSHIN features various functions, including employee profiles, performance goals and assessments, career plans and vision, and e-learning. For example, in performance goals and assessments, employee goals are entered into KYOSHIN every six months, which are approved by a supervisor upon confirming details via interview. At quarterly interviews thereafter, supervisors confirm the progress of these goals and provide feedback. In this way, KYOSHIN has enhanced the frequency and quality of communication between supervisors and employees and strengthened our human resource development capabilities.

Scrum Leader On-the-Job Training (OJT) Workshop

At Unicharm, we use the term "scrum" to describe the smallest organizational unit, such as a section or a group. Section managers and group managers who serve as scrum leaders play a pivotal role in developing resonant personnel by helping scrum members achieve their goals and enhance productivity. The Scrum Leader On-the-Job Training (OJT) Workshop was held for the first time in Japan in fiscal 2022. In fiscal 2024, it was held a total of four times and attended by 75 scrum leaders. In this workshop, leaders gain the know-how to simultaneously achieve strategy execution and human resource development. Through daily OJT, we aim for scrum members and leaders to grow together and, going forward, this workshop will be expanded across the Group as mandatory training for new leaders. Furthermore, scrum leaders are provided an allowance of ¥20,000 per month for their role.

Program for Realizing the Career Visions of Young Employees

Unicharm Corporation has an in-house internship program in place to enable young employees to gain a deep understanding of the roles and responsibilities of positions they hope to be transferred to and reconsider the required skills and background by allowing them to directly experience working in these positions. We have also introduced a career challenge program that facilitates the personal development and the achievement of career plans by enabling employees to voluntarily request transfers to their desired positions.

Employees check the type of human resources necessary in each department through the Company's intranet and outline their goals and objectives for the transfer based on their My Career Vision & Career Plan. They can then apply for these positions after taking stock of the skills and knowledge required.

The program is intended to encourage each employee to autonomously take action and develop their own career plan so that the Group as a whole continues to grow through efforts to invigorate employees.

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Coverage
No. of employees participating in the in-house internship program	26	28	28	Unicharm Corporation
No. of employees participating in the career challenge program	26	25	25	

Brothers & Sisters Program

Unicharm operates the Brothers & Sisters Program, in which a "brother" or "sister" is assigned to new graduate employees who are in their third year of employment or less and mid-career employees who are in their first year of employment to provide one-on-one work-related support and help them adjust to the workplace culture. By designating a senior employee of relatively similar age, this program enables employees to comfortably discuss their concerns with senior employees. We encourage senior employees to participate in this program as it is an opportunity to grow both personally and professionally by gaining new insight through contributions to the growth of their subordinates. Since fiscal 2023, an allowance of ¥15,000 per month is provided to each brother and sister for their role in the program.

Career Navigator Program

This is an internal program that recruits current employees to work closely and communicate with students who wish to become future Unicharm employees, enabling those students to gain a strong understanding of the Company by navigating a path toward their first day on the job. Employees who take on the role of a career navigator are also likely to gain a deeper understanding of the Company, in addition to enhancing their various knowledge and skills. They also receive an allowance of ¥10,000 per month for their role in the program.

Strengthening Employee Engagement Through Reading Session of Integrated Report

At Unicharm, we regard each employee as an important stakeholder and, in view of this, we have held the Reading Session of Integrated Report in scrum teams throughout the Group every year since fiscal 2021. By ensuring awareness of our specific initiatives for realizing a cohesive society among each employee, we believe we will enhance motivation, improve strategy implementation capabilities, and accelerate the achievement of business results and the development of human resources.

	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result
Percentage of implementation of "Reading Session of Integrated Report" at scrum (%)	100	100	100

The Unicharm Awards

The Unicharm Awards are held once a year as a means for all employees to recognize those employees and teams that achieved remarkable results by practicing management with resonance and applying on-site know-how to management. Held via video conferencing with business sites around the world, the Unicharm Awards serve as a venue for both the presenters and the audience to learn from each other by enabling them to benchmark the presentations of the teams representing various countries and regions and gain specific knowledge.

In fiscal 2024, presentations were made by 16 representative teams, with the Lifree ZERO Decubitus team from Indonesia taking home the Gold Prize, the awards' highest honor.

Global OODA Caravan

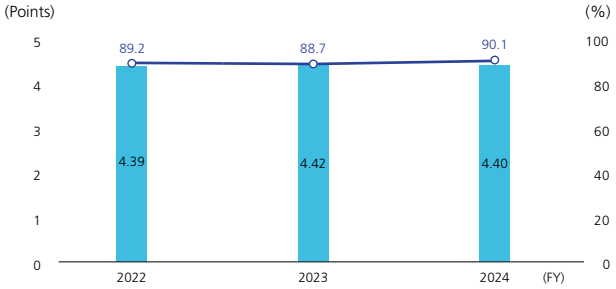
Unicharm has held the Global OODA Caravan since fiscal 2022 to create opportunities for the president & CEO and employees working on the front lines to share their views through face-to-face dialogue. To increase employees' motivation to achieve our goal of becoming the No. 1 company in the world by 2030, we explain how they will each contribute to this goal through their assigned tasks and share the inspiration behind this plan with all participants. In fiscal 2024, the Global OODA Caravan was held at Unicharm's local subsidiaries in Brazil, India, and Thailand, as well as the Tohoku Branch in Japan. Over the three years from fiscal 2022 to fiscal 2024, this program has been held 18 times in 13 countries and regions, with the participation of more than 700 employees.

Employee Survey

Aiming to establish a virtuous cycle in which employees develop through their work, in turn leading to the growth of our business, we conduct an employee survey once a year at all Group companies to verify employee satisfaction, fulfillment, and attitudes toward work. The evaluation criteria are translated into eight languages to enable employees in countries and regions outside of Japan to respond. By conducting it on a yearly basis, the survey not only serves to invigorate employees and organizational reforms, but is also used as a reference when considering various personnel and management initiatives. As an example, in fiscal 2024 the percentage of positive responses for the "Growth Through Work" section of the employee survey was 90.1% in fiscal 2024.

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Targets	Coverage
Percentage of employees who responded to employee survey (%)	100	100	100	100	Unicharm Group
Percentage of positive answers received for "Growth Through Work" section of the employee awareness survey (%)	89.2	88.7	90.1	92.5	
Average score on a five-point scale on the level of satisfaction section of the employee survey	4.39	4.42	4.40	4.50	

Results of Employee Survey



Employee satisfaction (average score on a five-point scale)
Percentage of positive answers received for the "Growth Through Work" section of the employee awareness survey (right axis)

Skills Development and Career Planning Support Programs

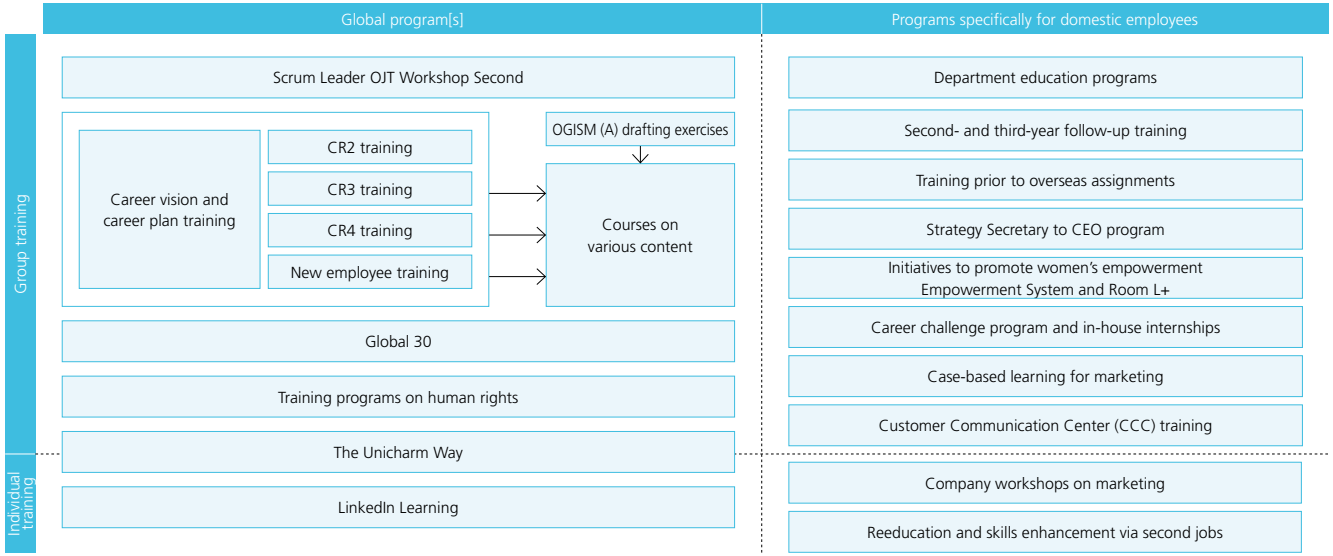
The growth of our employees is essential to the growth of the Company. Accordingly, we are expanding our training and education programs so that each employee continues to learn and pursue their career vision.

Unicharm Corporation's training programs include training according to levels and roles and mandatory professional development training, as well as training toward career advancement through self-directed learning and leader development training. We foster a corporate culture of continuous growth not only through the training programs we offer but also through a culture of self-directed learning.

Time and Costs Allocated to Employee Skills Development Training

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Coverage
Total training hours allocated to employee skills development training	49,824	50,503	68,067	Unicharm Corporation
Total training costs allocated to employee skills development training (thousand yen)	84,000	75,310	100,190	
Training days per employee	4.4	3.5	4.8	
Training hours per employee	35	28	38	
Training cost per employee (yen)	58,618	42,119	56,349	

Skills Development and Career Planning Support Programs (Fiscal 2024)



CR (Competency Ranking): Internal qualification standard

Our Distinctive Skills Development Training Programs (Excerpt)

Title	Target	Summary	No. of Participants in Fiscal 2024
Training for newly hired employees	New employees	Deepening understanding of the Unicharm Spirit while learning about the Company's history and nurturing a customer-oriented mindset; building a vision of youth leadership and developing their own 10-year career plans	61
Second-year follow-up training	Second-year employees	Looking back on their path of entering the Company, undergoing training and being assigned to a specific department in their first year with Unicharm, reviewing their own issues with the actual work, and understanding the mindset, behavior, and approach expected of second-year employees; recognizing their own issues as well as their root causes and deciding on a specific action plan to overcome them	58
Third-year follow-up training	Third-year employees	Looking back on their first two years as a Unicharm employee, reviewing their current mindset and skills, and understanding the roles, mindsets, actions, and approaches required for employees in their third year and translating them into an action plan; evolving My Career Vision & Career Plan for linking the growth of each individual and that of the Company	58
CR-based training, training according to roles	Qualified employees and employees who correspond to these roles	Training in line with their respective levels and roles based on building their understanding of Unicharm's OODA Loop methodology, improving their practical skills, and providing opportunities and occasions to enhance their ability to think and take action; creating a 10-year career vision and career plan based on their thoughts of the leadership vision and their self-evaluations; education on harassment using specific examples and discussing prevention and solutions for various scenarios	152
E-learning for new leaders in charge of personnel development	New leaders in charge of personnel development	Training including practical methods for developing leadership, as the most important responsibility for such persons is the development of personnel; also motivating subordinates, creating a good workplace, and preventing harassment	46
Training prior to overseas assignments	Employees posted overseas	Developing and fostering independent professionalism, higher-level leadership for instructing subordinates, and the mindset of being a CEO of a small- to medium-sized enterprise or that of a department head, in consideration of the high level of responsibility during overseas assignments, so that expatriate employees can deliver results as soon as they begin overseas; the training program also thoroughly prepares assignees in terms of compliance and governance and helps them to understand cross-cultural management, as well as methods of crisis management to avoid potential trouble in their new positions	24

Reskilling

In a VUCA (volatile, uncertain, complex, and ambiguous) world marked by drastic changes to both our business and the environment thereof, keeping up to date with the latest information has become more important than ever to creating new value.

To enhance IT literacy and develop more digital human resources, we encourage employees to acquire IT Passport certification and provide allowances to those who get certified. In fiscal 2024, over 350 employees acquired IT Passport certification.

Additionally, to enable employees to effectively use the UniChat AI text generation service in their daily work, UniChat Utilization Navi, an e-newsletter containing educational content, was distributed 22 times in fiscal 2024. We also held a workshop on generative AI, which spurred an increase in the use of generative AI among Unicharm Corporation employees to 77%.

Furthermore, to enable each employee to advance their careers by studying at their own pace without being bound by time or location, an online learning platform, LinkedIn Learning, was introduced in Japan and 12 overseas subsidiaries.

We will continue to provide valuable information to ensure that employees remain deeply committed to their studies and to acquiring new skills and knowledge.

P.66 Utilization of UniChat AI Text Generation Service

Second Job System

The Second Job System was introduced in fiscal 2018 to facilitate the further growth of our employees. A number of employees have benefited from this system by acquiring new skills and expertise and expanding their network of contacts.

	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Coverage
No. of employees using the Second Job System	56	59	73	Unicharm Corporation

Revising Our Human Resource System with a Focus on Management with Resonance

In April 2024, Unicharm Corporation revised its human resource system. This revision was made to put management with resonance into practice, in other words, the establishment of an organization in which each employee pursues even higher goals and takes ownership in achieving them based on an understanding of the organization's overall situation. Furthermore, by realizing the three aspects of wealth—aspirational wealth, economic wealth, and wealth of mind and body—we aim to improve employee motivation and combine employees' personal growth with the growth of the Company.

(1) Revision of Remuneration System

Unicharm Corporation's remuneration policy is to provide industry-leading compensation based on individual performance and contribution. We revised our remuneration system to provide higher compensation to employees who continue to work hard and achieve results regardless of age or tenure. We believe that compensating employees based on hard work and results, rather than raising base salaries across the board, is fair for everyone.

- Increase of annual salaries: We increased the base salaries of all positions and levels by discontinuing allowances not related to performance or ability and reallocating them to base salaries. We reviewed the annual salary range for each qualification, raising it by an average of 7.3% and a maximum of 37%.
- Revision of starting salaries: We raised base starting salaries by approximately ¥25,000 to encourage new employees to make a difference early in their careers. We will also continue to implement the Adjustable Starting Salary System, which increases the salaries of employees with qualifications, in order to encourage employees to begin developing their skills before joining the Company.
- Revision of annual salaries of employees promoted to management positions: We increased the annual salaries of employees promoted to management positions due to the significance of their roles and responsibilities, and the importance of the position holding the key to human resource development.

(2) Revision of Evaluation System

To enable employees to grow to their full potential, we revised the evaluation system to underline the importance of setting and achieving high goals and continuously improving their skills. Under the previous system, bonuses and promotions were based on overall evaluation. This system was revised so that performance evaluations are reflected in bonuses and competencies* and skills are reflected in promotions, ensuring that employees who meet the qualification requirements are promoted appropriately. Moreover, to promote the development of resonant personnel who think deductively and act on their own initiative and powerfully promote business transformation, we have defined the six competencies required of these personnel.

- Promotions and demotions based on employee competency: Promotions and demotions are based not only on work performance but also on the mindset and actions that lead to this performance and their level of contribution to the organization. By defining the competency requirements and clarifying the evaluation criteria, we will ensure that employees are considered for promotions and demotions in a fair, just, and equitable manner.
- Evaluations based on the will to challenge: To ensure that employees who pursue more advanced and difficult strategies and produce results are recognized for their willingness to take on greater responsibilities, we have established the degree of difficulty of strategies as an evaluation indicator.
- Acquisition of qualifications as a promotion requirement: We have established qualifications as a requirement for promotion to encourage employees to acquire new knowledge and further hone their skills.

To respond to changes in the market environment, we will revise our human resource system as necessary by flexibly and promptly and continuie to embrace the challenge of realizing a cohesive society.

* Behavioral traits commonly seen in high-performing employees

Career Development Evaluations

At Unicharm, our basic policy on personnel evaluations is to integrate the three aspects of human resource development—development, evaluation, and compensation of employees—and to conduct evaluations for the purpose of developing human resources and determine compensation based on those evaluations.

In addition, because action is the key to achieving results, we work to consistently link our personnel evaluations and development using the OODA Loop method. We have introduced a system called My Career Vision & Career Plan in which employees create their own career vision and career plan, share them with their supervisors, and set semiannual and quarterly goals for their achievement. Supervisors monitor employee progress each quarter and provide support for their career development by adjusting individual trajectories so that employee efforts will lead to good outcomes and successful experiences.

In addition, in fiscal 2023 ESG criteria were incorporated into the performance assessments of all employees with to the aim of achieving the SDGs. Through the addition of this evaluation criteria, we are developing a system in which individual achievements contribute to social value.

	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Coverage
Percentage of employees who regularly receive assessment reviews for career development (%)	100	100	100	Unicharm Corporation

Succession Plan

Unicharm is in the process of establishing a succession plan to develop key strategic positions that are deemed important to executing various strategies and management candidates, etc., who will guide the next generation.

▶ Succession Plan

(1) Each executive officer conducts interviews with prospective executive officers on a regular basis based on each candidate's career vision and career plan, and the results are used to create and update the human resource skills matrix.

(2) The president & CEO conducts interviews with each executive officer on a quarterly basis, determines, in an objective manner, the targets to be achieved by the responsible department and each executive officer, evaluates performance, and provides guidance and training. The outside directors also meet with each executive officer at least once a year to confirm the status of and issues related to business execution, offer advice from a broad perspective, help resolve issues, and provide guidance and training so that they gain a higher perspective as a manager.

(3) The operational status of the above schemes is reported regularly to the Nomination Committee and the Remuneration Committee for discussion and deliberation.

(4) The Board of Directors nominates candidates for directors and executive officers based on the results of discussions by the Nomination Committee.

(5) Global 30, a new successor development program directly supervised by the president & CEO, has been established to identify and develop candidates for directors and executive officers over the medium to long term, expanding the program, which had previously been focused on Japan, to overseas. Approximately 15 candidates for key positions in Unicharm Group management are selected to take part in experiential training in liberal arts and other fields at our head office approximately six times over a three-year period.

(6) The Strategy Secretary to CEO program is held for mid-career employees in their 30s, whereby they are transferred to the Business Planning Office to serve as a secretary to the president & CEO for a two-month period to learn about the mindset and behavior of managers.

(7) The Co-Chief Officer program is held to break down barriers of organizations, implement the Company's key strategies on a cross-divisional basis, and promote the growth of young talent. Executive officers and senior manager level executives appointed as chief officers work in tandem to establish and promote action plans for key strategies.

By establishing a forum for executive officers to discuss key Groupwide strategies with directors, including outside directors, the Company seeks to provide guidance and training through outside directors and substantiate discussions by the Nomination Committee, the members of which include outside directors.

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Coverage
Succession preparedness rate (%)	201.6	219.1	218.3	Unicharm Corporation employees
No. of employees participating in the Strategy Secretary to CEO program (cumulative)	6 (51)	6 (57)	6 (63)	Unicharm Group

Global 30 Successor Development Program

We have launched the Global 30 program to develop senior executives who will lead the Unicharm Group forward. The first phase of this program was conducted over three days from July 17, 2024 to July 19, 2024, in which 17 employees of Group subsidiaries in Japan and 15 Group subsidiaries overseas participated in training courses at our head office and the Kyushu Factory in Japan.

The program is designed to foster the overall skills required of senior executives and the curriculum includes liberal arts education. This year, the program consisted of a seminar of macroeconomics, an iaido (art of the sword) experience to learn about Japanese culture, and a tour of the Kyushu Factory to become acquainted with the latest smart factories.

Selection for Human Capital Management Quality 2024 Silver Award

Unicharm was selected for the Human Capital Management Quality 2024 Silver Award from among approximately 200 companies that responded to Human Capital Survey 2024. This award was in recognition of our efforts to link management and human resource strategies, such as the various measures we have established and conducted based on our unique management model, management with resonance, to foster the growth of each employee through their work.

人的資本経営品質 2024

Human Resources

Diversity and Inclusion

401-3,405-1,405-2

Our Basic Approach and Strategy

In accordance with the Unicharm Group Charter of Actions, we aim to be a company where diverse individuals acknowledge and respect each other's various differences in nationality, race, religion, gender, sexual orientation, age, ancestry, and disability, and are able to demonstrate and utilize their individuality and abilities to the fullest.

Management Structure

Under the direction of the executive officer in charge of human resources, our diversity and inclusion initiatives are conducted in cooperation by the Global Human Resources & Administration Division and persons in charge of human resource strategies in each functional division, business division, and subsidiary. Persons in charge of human resource strategies come from various backgrounds, and we believe diversity and inclusion in our workplace is improved by creating an environment in which diverse human resources can demonstrate their abilities appropriately. Plans for these initiatives are approved through regular reports to management, including directors and executive officers, and their status of implementation and effectiveness are reported regularly to management.

Indicators and Targets

▶ **Kyo-sei Life Vision 2030: Unicharm Principles**

Indicators	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	2030 Target
Percentage of female managers driven by the provision of various opportunities for women	23.2%	24.7%	25.5%	30% or more

Initiatives and Results

Promotion of Women's Empowerment

At Unicharm, we are working to establish a workplace environment and a human resource system that enables all employees regardless of gender or life stage to constantly play an active role. We are also strengthening our efforts to promote women's advancement, such as holding networking events for young employees.

In fiscal 2021, we launched our Room L+ mentorship system as a way to help female employees build networks and dispel or eliminate career and lifestyle-related concerns through mentoring and roundtable discussions. We then established Maternity Leave Room L+, providing a venue to exchange information based on type of profession and fostering a sense of security for those who have returned to work from maternity or childcare leave. In fiscal 2024, we collaborated with other companies and held interviews with mentors to help broaden the perspectives of participants by creating opportunities for mentees to connect with not only other mentees but also senior employees and employees of other companies. As a result, the employee satisfaction rate for our mentoring activities was 4.92 out of 5.0, surpassing that of the previous year.

Furthermore, in fiscal 2022, we introduced our Empowerment System, in which we provide individual support to women who are candidates for division head positions and for executive positions. In this program, executive officer candidates participate in one-on-one monthly interviews with executive officers who are not in charge of personnel development (immediate supervisors) for a period of one year. A total of 13 female leaders participated in this program in fiscal 2024, which in addition to the aforementioned one-on-one interviews, consisted of exchange meetings and social gatherings for all mentors and mentees, a lecture held by a female outside director, and an event to celebrate our accomplishments. The satisfaction rate of participants was 4.96 out of 5.0 for the program itself and 4.92 out of 5.0 for on-on-one interviews. As a result of such efforts, women hold 25.5% (17.7% in Japan, 30.9% overseas) of our management positions as of December 31, 2024.

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Targets	Coverage
Percentage of female employees (%)	35.8	36.4	36.8	—	Unicharm Group
Percentage of female managers (%)	23.2	24.7	25.5	—*	
Percentage of female executive officers (%)	3.4	3.6	3.4	6.0	
No. of female executives (Japan)	2	2	2	3	
No. of female executives (overseas)	12	10	10	—	

* 30% or more in 2030

Female Leader Development Program (Indonesia, India)

Unicharm's local subsidiary in Indonesia held the Female Leadership Forum, a program aimed at fostering the motivation of female employees to develop into leaders. The program consisted of a session in which female executives discussed their own experiences as well as a lecture by an external instructor on balancing work and family life, stress management, and self-care.

Meanwhile, Unicharm's local subsidiary in India conducts a female leader development program called Break the Glass Ceiling and Power Through. It aims to foster a growth mindset by addressing the real-life challenges that women encounter, discussing ways to overcome them, and breaking down the barriers they face. A total of 47 female employees from various departments participated in this program in fiscal 2024, which was conducted both on-site and online.

In support of the aims of the Women's Empowerment Principles, Unicharm has signed a statement to act in accordance and is strengthening efforts to promote the advancement of women across the Group, such as becoming a member of 30% Club Japan to promote diversity initiatives and increase the percentage of women on corporate boards. In October 2024, as part of an exchange meeting for companies participating in 30% Club Japan, a dialogue was held between the president of Unicharm Corporation and female executive candidates from participating companies.

in support of
WOMEN'S EMPOWERMENT PRINCIPLES
Established by UN Women and the UN Global Compact Office

30% Club
GROWTH THROUGH DIVERSITY

Certified as Himeboss Declaration Business by Ehime Prefecture

Unicharm has been certified as a Himeboss Declaration Business by Ehime Prefecture, a program in which Ehime Prefecture certifies businesses that are dedicated to promoting women's advancement and the balance of work and family life. This certification was in recognition of our commitment to increase the ratio of women in management positions and promote the participation of male employees in childcare.

Hiring Employees of Diverse Nationalities and Promoting Them to Management Positions

202-2

At our Group subsidiaries around the world, executive and management positions are primarily held by those hired locally in their respective countries and regions. Meanwhile, in Japan we also hire and promote employees to managerial roles regardless of nationality or race. In these ways, we strive to create a system and foster a corporate culture in which all employees across the Group can engage and flourish.

	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Target	2030 Target	Coverage
Percentage of locally hired employees in management positions (general manager and above) at overseas subsidiaries (%)	52.2	52.3	58.7	—*	80	Unicharm Group's overseas subsidiaries

* Numerical targets are not established as diversity is currently being met.

Hiring Experienced Personnel and Promoting Them to Management Positions

We actively recruit individuals who are experts in their field with a wealth of experience and skills. Employees who join the Company as experienced professionals are actively promoted to management positions upon determining their respective abilities and aptitude. We also promote the rehiring of employees who have left the Company for family or other reasons.

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Target	Coverage
No. of mid-career hires	43	43	65	58	Full-time employees of Unicharm Corporation
Percentage of mid-career hires in management positions (%)	29.1	33.5	38.1	40.0	

Creating a Workplace for People of All Life Stages

We have introduced the Re-Create System, in which employees in their 50s can apply for transfer to other departments by reflecting on their career to date and identifying what they would like to do, what they can do, and what they must do going forward.

Moreover, Unicharm has developed an environment where employees who have reached retirement age can make full use of their abilities in order to pass on their skills and expertise to the next generation. Those who wish to continue working can remain employed as "professional staff." Compensation is determined in accordance with the roles and responsibilities of their position, in which they can draw on their past experiences and existing skills and knowledge while making the most of newly acquired skills and knowledge, ensuring that their compensation appropriately reflects the nature of their position. When determining the compensation of professional staff, we also refer to market assessments of their potential abilities. Also, the hiring of retirement-age personnel does not have any impact on our recruitment of young employees.

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Target	Coverage
Rehiring rate of retired employees (%)	92.9	86.2	88.4	85 or more	Unicharm Corporation
Hiring rate of retired employees seeking reemployment (%)	100	100	100	100	

Expanding Our Recruitment of People with Disabilities

Unicharm actively employs highly motivated individuals regardless of disability and aims to create a workplace where they can demonstrate their abilities and achieve continuous growth. Specifically, we have set appropriate goals in accordance with the respective abilities and desires of employees while establishing a corporate cultural environment that emphasizes team accomplishments by helping one another succeed through the provision of appropriate guidance and advice on a weekly basis.

In fiscal 2023, a nationally certified anma massage therapist with a visual impairment was hired for our new massage room at Unicharm headquarters. In fiscal 2024, we introduced Room C, an internal network that provides a community for employees with disabilities to establish contacts across departments and an environment in which members can freely exchange information and interact during lunch breaks.

We strive to provide an appropriate workplace environment where each individual can demonstrate their talents in accordance with the characteristics of their disability, such as by installing elevator and handrails, enabling free and safe mobility by removing obstacles, and giving due regard to providing work instructions by means of email or chat.

Moreover, at Unicharm's satellite office in Mito City, Ibaraki Prefecture, employees with disabilities are engaged in scanning, invoice processing, and other duties.

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Target	Coverage
Average annual employment rate of people with disabilities (%)	2.1	2.2	2.4	2.5	Unicharm Corporation

Expansion of Regional Employment Through Respect for Different Cultures and Religions

Unicharm helps expand employment in the various countries and regions in which it operates through its business activities. By providing employment opportunities and respecting the characteristics and cultures of these countries and regions, we uncover promising individuals.

In Saudi Arabia, women are prohibited from mixed-gender interactions outside of their families due to cultural and religious reasons, which limit their employment opportunities. In light of such circumstances and out of respect for the local culture, in 2012 Unicharm established a factory that allows women to work in a same-gender environment. Today, due in part to the easing of various restrictions, a number of women are taking on significant roles not only at the factory but also as members of the promotion and product development departments.



Best Workplace Recognition at D&I AWARD 2024

Following its honor in 2023, Unicharm was recognized once again by JobRainbow Co., Ltd. as a "Best Workplace" at D&I AWARD 2024, Japan's largest award for companies that excel in diversity and inclusion initiatives. This year's award was in recognition of its high level of commitment to diversity and inclusion (D&I) in both Japan and overseas, the efforts of each employee to actively promote D&I and foster a corporate culture of D&I, and the fact that our D&I philosophy is reflected in all aspects of our business activities and organization and that this impact has been noticed outside the Company.

In May 2021, Unicharm became a member of The Valuable 500, an international initiative that promotes the active participation of people with disabilities, and continues to strengthen its efforts in this area.

Respect for Sexual Orientation

At Unicharm, we respect all sexual orientations and gender identities, and strive to provide a workplace environment where employees can work to their potential. In fiscal 2022, we reviewed our Harassment Prevention Regulations and added a provision on sexual orientation and gender identity to these regulations. In addition, we conduct e-learning and level-specific training to promote awareness and deepen understanding of sexual minorities.

As part of diversity and inclusion training, in November 2023, we held a workshop for all Unicharm employees to promote awareness of unconscious bias. Participants learned about unconscious bias and how to manage it effectively in the workplace by doing case studies, watching videos, and engaging in group discussions. In fiscal 2024, an advanced version of this workshop was held to further deepen understanding of unconscious bias and enable participants to put their knowledge into practice. Both workshops in fiscal 2023 and fiscal 2024 were attended by all Unicharm employees. Furthermore, we introduced a same-sex partnership system to enable sexual minorities to receive the same benefits as opposite-sex couples.

By continuing to educate and raise awareness through such initiatives, Unicharm is working to foster a workplace culture in which each individual respects one another and can take pride in their diversity.

In December 2022, Unicharm was registered as a Tokyo Metropolitan Government Barrier-Free Support Company for its efforts to foster awareness among employees and society about the importance of equal participation and being free from preconceptions.

System for Determining Fair Compensation 202-1

Unicharm has a system in place to determine employee compensation in a fair manner, ensuring that the compensation of employees with the same qualifications and duties does not differ based on gender. The average wage of female employees is lower than that of male employees due to a couple of factors: the ratio of women in management positions and the difference in years of service. To resolve these issues, we are taking measures to support women's career development and promote more women to leadership positions. We will continuously strive to achieve gender equality by setting concrete goals and disclosing our progress regularly.

▶ Wages of Female Employees as a Ratio of Male Employees*

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Coverage
Starting base salaries (%)	100	100	100	Full-time employees of Unicharm Corporation
Base salaries (%)	81.3	77.5	80.6	
Total remuneration amount (%)	71.9	73.0	75.2	

* Calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015)

Support for Balancing Work and Childcare

Unicharm offers a variety of support programs (Moony Childcare Support System) to provide a workplace environment that is conducive to balancing work and childcare.

- **Moony Maternity Leave**
  Employees may take up to six weeks of paid leave before childbirth (14 weeks for multiple pregnancy) and up to eight weeks of paid leave after childbirth.
- **Moony Childcare Leave**
  Employees may take childcare leave until the arrival of their child's second birthday. Those with paid vacation days remaining at the start of this leave may use up to 15 of those days as part of this leave. While employees do not receive salary during the period of the leave, they are provided childcare benefits from unemployment insurance. Male employees may take this leave from their partner's pregnancy.
- **Moony Childcare Involvement Leave**
  Male employees may take up to five days of this special paid leave within eight weeks of the birth of their child.
- **Postpartum Paternity Leave**
  Male employees may take up to four weeks of this childcare leave within eight weeks of the birth of their child.
- **Moony Shortened Work Hours for Childcare**
  Employees with children up to the age of third-year elementary school who have returned to work from childcare leave may reduce their work hours to as few as five hours per day.
- **Covering the Cost of *Hands-Free Commute***
  The Company covers the cost of this disposable diaper subscription service for childcare facilities when used by employees.

P.66 *Hands-Free Commute*: A Subscription-Based Model for Disposable Diapers

▶ Moony Childcare Support System

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Targets	Coverage
No. of employees taking Moony Childcare Leave	128	140	139	—	Unicharm Corporation and Unicharm Products Co., Ltd.
Percentage of employees taking Moony Childcare Leave (%)	95.8	96.1	100	100	
Percentage of male employees taking Moony Childcare Leave (%)	94.7	100	100	100	
Percentage of employees taking Moony Childcare Involvement Leave (%)	93.2	83.7	88.0	100	Unicharm Corporation

Unicharm Corporation endorses the declaration made by Work-Life Balance Co., Ltd. to have all eligible male employees take paternity leave.

▶ Programs to Support Diverse Work-Styles: Case Study from Unicharm Corporation

System	Target	Summary
Moony Maternity Leave	Employees expecting the birth of their child	Can take up to six weeks of paid leave before childbirth (14 weeks for multiple pregnancy) and up to eight weeks of paid leave after childbirth
Moony Childcare Leave	Employees with children under two years old	Can take up to two years of leave until the day before their child's second birthday
Moony Childcare Involvement Leave	Male employees of Unicharm Corporation who have children up to eight weeks old	Can take up to five days of leave within eight weeks of the birth of their child
Postpartum Paternity Leave	Male employees of Unicharm Corporation with children under eight weeks old	Can take up to four weeks of leave within eight weeks of the birth of their child
Moony Shortened Work Hours for Childcare	Employees who have children up to the third-year of elementary school	Can shorten work hours to five hours a day
Covering the Cost of *Hands-Free Commute*	Employees using childcare facilities	The Company fully covers the cost of *Hands-Free Commute* (disposable diaper subscription service for childcare facilities) when used by employees
Moony Birth Support Leave Program	Employees who undergo fertility treatment	Can take up to one year of leave for advanced fertility treatment
Egg Freezing and Storage Service	Employees and family members who wish to enroll (up to second degree of kinship)	Can use benefit coupon codes for discounts on the use of frozen egg storage services at medical institutions that are affiliated with external regenerative medicine-related businesses
Lifree Nursing Care Leave	Employees who have family members in need of continuous nursing care for more than two weeks as a result of injury, sickness, or physical or mental disorder	Can take, upon application, up to five days of leave per year for each family member requiring nursing care
Lifree Flexible Work Program	Employees with family members in need of long-term nursing care for more than one month as a result of injury, sickness, or physical or mental disorder, or on the Committee for the Inquest of Prosecution	Can apply for the option to work completely from home without the need to come to the workplace or to work fewer days (three or four days per week) to care for family members in need of nursing care
Sofy Leave	All female employees	Can take days off during menstruation when working may be difficult; bearing our brand name, we are working to promote awareness of this system within the organization and foster a culture that encourages employees to take such leave
Remembering Our Beloved Pets Leave	Employees with a pet (dog or cat) at home	Can take one day of special leave upon the passing of a pet (dog or cat)
Anniversary Leave	All employees	Can take paid leave for anniversaries and other planned holidays (four days per six months/eight days per year)
Civic Duties Leave System	Those selected to serve as a citizen judge or on the Committee for the Inquest of Prosecution	Can take, upon application, the required number of days of leave to appear in court as a citizen judge
Bone Marrow Donor System	Employees who wish to donate bone marrow	Can take, upon application, up to seven business days of leave per donation of bone marrow for procedures required to donate to a patient in Japan (excluding donor registrations)
Flextime System	All employees (with the exception of certain positions)	A flextime system without core hours that enables employees to work efficiently while maintaining the right balance between their work and personal lives by deciding their own work hours, including start and finish times
Remote Work Program	All employees (excludes positions for which remote work is not feasible)	Can work from home or any other environment where employees can easily concentrate on work up to twice a week, in principle
Second Job System	All employees	Can work a side job toward the advancement of skills or personal development, provided that the roles will not impede their primary work (applicable only to off-business hours and holidays)
Career Recovery System	Employees who were full-time at the time of retirement	Can be reemployed within a five-year period from the time of their resignation, dependent on mutual agreement between the former employee and the Company

Human Resources

Employee Health

403-6,403-10

Our Basic Approach and Strategy

At Unicharm, we believe that maintaining the physical and mental well-being of our employees is essential to enabling them to work with passion and make the most of their abilities. Accordingly, we established the Health Management Declaration in April 2007, and promote health management across the Group to enhance the health literacy of all employees based on the principle of "protecting our health on our own." Unicharm has also been a member of the Health Management Alliance since fiscal 2023 in pursuit of a healthy society. By promoting collaborative health* between companies and health insurance associations, we make every effort to ensure that employees are healthy and able to perform at their very best, spurring the growth of both employees and the Company. Furthermore, the Health Management Declaration is revised as appropriate.

* In which insurers, such as health insurance associations, and businesses actively work together, clarifying their respective roles and creating a positive working environment, to effectively and efficiently protect and promote the health of insured parties (employees and their families)

web **Health Management Alliance (in Japanese only)**
https://kenkokeiei-alliance.com/

▶ Basic Policy

1. Employees give priority to primary prevention and strive to improve lifestyle habits based on the principle of "protecting our health on our own."
2. The Company provides a safe and comfortable environment so that employees can enjoy a fulfilling workplace and fully exercise their abilities.
3. The Human Resources Division properly uses and manages personal information such as medical examination results and promotes health management with collaborators inside and outside the Company.

▶ Health Management Declaration

Unicharm is committed to resolving environmental and social issues in the aim to realize a cohesive society. Resolving such issues entails diverse and vibrant employees who can demonstrate their potential to the fullest and therefore, the health of each employee is of utmost importance.

In addition, Unicharm's three aspects of wealth (aspirational wealth, economic wealth, and wealth of mind and body) are positioned as a common goal for all employees. We believe that fulfilling one's professional and personal dreams is only possible by maintaining good mental and physical health, that this fulfillment will lead to the happiness of employees, enabling the Company to maintain and improve productivity, and that employees and the Company can share in the health of one another.

Unicharm is strengthening existing measures to maintain and improve health and promoting health management as part of its human resource strategy to enable employees to work vigorously and in good health while creating added value. We vow to strategically maintain and promote the mental and physical health of employees with the conviction that their health is our most important management resource in realizing a society where individuality is respected and everyone supports one another.

Takahisa Takahara
President & CEO
Unicharm Corporation

▶ Health Management Action Policy

1. Improve the health literacy of employees and contribute to the creation of healthy workplaces as a group of professionals who support the health of employees
2. Enhance individual performance by bringing smiles to the faces of employees and increasing the number of employees who are physically and mentally healthy
3. Raise health awareness by supporting self-care activities casually but rigorously based on the principle of "protecting our health on our own"

Management Structure

Under the direction of the president & CEO, the Iki-Iki Health Promotion Office, established within the Global Human Resources & Administration Division, takes the lead in reporting on matters related to employee health promotion regularly to management and planning and implementing measures upon approval. We also work with industrial physicians, public health nurses, and other experts to constantly ensure the physical and mental well-being of employees.

Indicators and Targets

▶ Kyo-sei Life Vision 2030: Unicharm Principles

Indicator	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	2030 Target
Reduction in the percentage of employees on leave for mental or physical health reasons by improving the workplace environment so that employees can work with peace of mind and maintain mental and physical health	7 employees (Japan)	9 employees (Japan)	13 employees (Japan)	Reduced by half (compared with fiscal 2020)

Initiatives and Results

Creating Vibrant and Healthy Working Environments

Aiming to reduce the working hours of employees while improving their productivity, we at Unicharm are promoting workstyle reform by adjusting the mindsets and the tasks of each employee. Specifically, the Company has introduced a remote work system that allows employees to work from home and a flextime system (without set core work hours) that allows them to choose when to work so that they can flexibly adjust their workstyle according to life events. We are also striving to improve working environments by considering ways of taking time off from work, allowing employees to refresh their mind and body by delineating work and non-work times, such as by prohibiting phone calls and emails between supervisors, colleagues, and subordinates on days off.

	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Coverage
Percentage of employees utilizing the remote work system (%)	57.0	52.0	48.0	Unicharm Corporation

Encouraging the Taking of Paid Leave

At Unicharm Corporation, we encourage employees to take at least five days of paid leave per year, including four days every six months as anniversary leave in which planned paid leave can be taken for anniversaries, etc.

	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Target	Coverage
Percentage of paid leave taken (%)	61.8	71.2	70.0	75.0	Unicharm Corporation

Appropriate Management of Working Hours

Unicharm Corporation monitors working hours through log records on employee computers. We ensure employees are able to rest between workdays through initiatives such as the Work Interval Program, which requires employees to take at least 12 hours in principle and 10 hours at minimum between the end of a workday and the start of the next workday. We have also introduced monthly no-overtime days and premium Fridays to encourage employees to leave the office on time.

	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Target	Coverage
Total working hours per employee	2,000.2	1,966.6	1,957.4	Less than 2,000 hours	Unicharm Corporation

Annual Health Checkups

To help maintain the physical and mental well-being of its employees, Unicharm Corporation conducts regular health checkups for required examination items, as well as offering cancer screenings, pulmonary function tests, abdominal ultrasounds, and fundus and intraocular pressure tests for examination items recommended by the Japanese government. We have maintained a 100% uptake rate since fiscal 2009.

Employees required to undergo further examination as a result of the health checkup receive guidance from an industrial physician to detect and treat conditions as early as possible. Moreover, since fiscal 2020 we have digitized the results of health checkups and analyze them to provide educational activities and health management support that cater to the specific needs of each employee.

	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Coverage
Percentage of employees receiving health checkups (%)	100	100	100	Unicharm Corporation

Women's Health

As an early prevention measure for breast and cervical cancer, Unicharm Corporation offers breast and gynecological exams to all female employees, regardless of age, which is paid for by the Company. In addition, our menstrual leave system "Sofy Leave" bears the brand name of our sanitary pads, to promote internal awareness and foster a culture that encourages employees to take such leave.

Continuing from 2023, in conjunction with World Menopause Day on October 18, Unicharm again provided educational programs on menopause. The curriculum also focuses on male menopause, providing a checklist to participants to facilitate early detection and diagnosis. By having all employees regardless of age or gender gain some basic knowledge on menopause, Unicharm aims to create an even more understanding and respectful workplace.

Moreover, to promote diverse career and life paths, in fiscal 2024 we began subsidizing the cost of egg freezing and storage services, an option for women to continue working with peace of mind. We also conduct webinars to facilitate proper understanding of both mind and body, expanding the range of career and life choices for all genders and enabling them to continuously enhance their performance with peace of mind and without regrets.

	Fiscal 2023 Result	Fiscal 2024 Result	Coverage
No. of participants in menopause program	2,150	2,142	Unicharm Corporation

P.105 Pink Ribbon Activities (Health)

Unicharm Receives Women's Health Management Award

Unicharm Corporation received the Promotion Award at the Women's Health Management Awards 2024, organized by the Women's Healthcare Awareness & Menopause Network Society. We were recognized for the uniqueness and effectiveness of our e-learning seminars on menopause education for all employees as well as our continuous support for employees who responded in a questionnaire that they were experiencing menopausal symptoms.

Women's Health Awareness Talk (Malaysia)

In conjunction with World Health Day on April 7, Unicharm's local subsidiary in Malaysia partnered with the Lions Club of Kuala Lumpur Bukit Kiara to host Women's Health Awareness Talk, which was attended by 130 women from Unicharm Malaysia, including employees from factories and sales divisions. A renowned naturopathic physician delivered a lecture titled "The Women's Womb: Why do women get reproductive ill-health," in which she discussed the importance of maintaining a healthy womb from the perspective of naturopathic medicine.

Ensuring the Well-Being of Older Employees

Unicharm Corporation holds training sessions on themes specific to older employees upon reentry to the workforce, such as fall prevention (exercise and nutrition to maintain muscle strength), sleep, mental health, and early cancer detection, with the aim to ensure that employees continue to lead long and healthy lives after retirement. We also encourage all employees to undergo physical fitness tests and body composition measurement tests.

Promotion of a Smoke-Free Environment

Unicharm Corporation gradually began implementing a smoking ban in fiscal 2013 and has completely banned smoking at all of its business sites since fiscal 2016. During work hours, employees are prohibited from smoking even outside of Company premises, such as during sales activities and remote work. In introducing this smoke-free policy, we posted relevant information on popup displays of our Company intranet to enhance awareness. Also, each year, we provide information on smoking cessation in honor of World No Tobacco Day through our monthly internal newsletter to promote health awareness and our in-house digital signage. We have also introduced a support program provided by the health insurance association as part of our ongoing efforts to ban smoking.

Promotion of Exercise

Unicharm holds radio calisthenics each weekday morning at 8 a.m. to enable employees to continuously exercise in a relaxing and fun environment. Employees working from home or other remote location also participate in these exercises online. We also strongly encourage employees to use the stairs when moving from floor to floor within the office to maintain their physical strength and prevent deterioration in their physical fitness.

To help refresh the minds and bodies of employees during break times at work, enhance productivity, and improve health awareness, Unicharm Corporation offers massages by anma therapists and one-on-one stretching programs by outside trainers at its head office. In addition, body composition measurement tests and physical fitness tests are provided to measure health and fitness levels. In recognition of these and other efforts, Unicharm Corporation was selected as a White 500 company under the Certified Health & Productivity Management Outstanding Organizations Recognition Program for the second consecutive year.

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Coverage
No. of participants in body composition measurement tests	116	235	306	Unicharm Corporation
No. of massage room users	—	253	782	
No. of participants in one-on-one stretching program	—	338	342	

Unicharm Corporation is a supporter of the Sport in Life Project, which aims to make sports a part of daily life, and is a member of the Sport in Life Consortium. We were also recognized as a Sports Yell Company 2025+ by the Japan Sports Agency and as a Tokyo Sports Promotion Company by the Tokyo Metropolitan Government in 2024 for our efforts to actively support and promote sports activities to improve the health of employees.

Walkathon (Taiwan–Greater China)

Since fiscal 2022, Unicharm's local subsidiary in Taiwan–Greater China has been conducting a walkathon biannually to promote employee health. In this program, participants are awarded one point for walking at least 8,000 steps per day. Employees use an exclusive app to set targets and manage the results of their step counts. Those who earn 72 or more points during the program or reach one million steps in total are awarded prizes as a way to encourage employees to exercise regularly. A total of 125 employees took part in the 4th Walkathon held from April to June 2024.

P.49 Sapling Donations (Taiwan–Greater China)

SOCSO Activ@Work Challenge 2024 (Malaysia)

Unicharm's local subsidiary in Malaysia held the SOCSO Activ@Work Challenge 2024, an internal challenge aimed at developing healthy lifestyles. For the three-month period from July to September, 120 participants competed to achieve the highest number of steps. The challenge is divided into two categories: individual and divisional. In the individual category, the employee with the highest number of steps is determined the winner, while in the divisional category, this acknowledgment goes to the division with the highest average number of steps among all its employees. Recognizing the importance of maintaining an active lifestyle for their health and well-being, the employees who participated have remained committed to walking even after the event.

Walk & Run Event (Thailand)

With the aim of promoting employee health, in November 2024 Unicharm's local subsidiary in Thailand held a Walk & Run event in which 109 employees participated for a combined total distance of 4,092 kilometers.

Measures Against Infectious Diseases

To ensure the safety of employees, their families, and business partners, Unicharm Corporation has established the Unicharm Infectious Disease Guidelines, based on which it is taking measures to prevent infectious diseases. To enable as many employees as possible to receive flu vaccinations, Unicharm partially covers the cost of and holds in-house clinics for vaccination. For employees assigned or traveling to overseas bases, we provide information on infectious diseases such as COVID-19, HIV/AIDS, tuberculosis, malaria, and hepatitis through the overseas support information on our Company intranet. Meanwhile, in Malaysia, Singapore, Thailand, and Vietnam where the spread of dengue fever is a concern, we introduced *MamyPoko ANTIMOS Pants*, an anti-mosquito disposable diaper, and offer an educational program through this product's website. In Brazil and Vietnam, we sell wet sheet-type insect repellent wipes that are designed to repel mosquitoes.

web ***MamyPoko ANTIMOS Pants* website**
https://mamypokoagainstdengue.com/

P.106 Educational Activities Regarding Dengue Fever (Health)

Participation in Conference for Tuberculosis Prevention in the Workplace (Indonesia)

In November 2022, Unicharm's local subsidiary in Indonesia took part in a conference hosted by the Ministry of Health of the Republic of Indonesia aimed at preventing tuberculosis in the workplace. The conference aims to promote early detection of tuberculosis in order to achieve the Indonesian government's goal of eliminating tuberculosis by 2030. To help achieve this goal, in July 2022 our Indonesian subsidiary launched a program to eliminate tuberculosis in the workplace through the support of the country's Ministry of Health and Otsuka Pharmaceutical Co., Ltd. In fiscal 2024, the program continued to provide online consultation, medication, and other forms of support to those infected with tuberculosis. In May 2024, we were recognized for our efforts to tackle tuberculosis in the workplace at an event organized by Indonesia's Ministry of Health to commemorate World Tuberculosis Day (March 24).

Mental Health Measures

At Unicharm Corporation, we educate employees on the importance of stress checks and the proper ways to make use of such results to encourage more employees to undergo these checks as a preventive measure against mental health illness. We also provide training programs on ways to maintain mental health and well-being, which is attended by all of our employees each year.

	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Coverage
Percentage of employees who underwent stress checks (%)	98.2	99.5	100	Unicharm Corporation
No. of employees who participated in mental health training	1,934	1,944	2,126	
No. of employees on mental health leave	7	9	13	

Back-to-Work Support Program

To ensure a seamless return to work even after a long-term leave due to illness, Unicharm Corporation provides individual support through consultations with an industrial physician or a public health nurse based on its Back-to-Work Support Program. We also have a support program in place for employees to receive consultations from external counselors.

Presenteeism and Absenteeism

Presenteeism is a state in which one's performance declines due to headache, backache, anxiety, hay fever, or other conditions, despite being able to continue with one's work. Unicharm Corporation regularly measures the degree and causes of presenteeism using the Single-Item Presenteeism Question (SPQ) developed by the University of Tokyo. Meanwhile, absenteeism is when one is absent from work due to health issues. The number of sick days due to employee illness or injury is calculated using a formula (= Total number of sick leave days including weekends and holidays ÷ (Number of employees × 365) × 100) and monitored over time, along with the causes of these absences. This and other relevant information is used to formulate health measures and promote the health of employees.

	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Coverage
Presenteeism (%)	14.3	15.2	14.0	Unicharm Corporation
Absenteeism (%)	0.493	0.733	0.782	

Human Resources

Occupational Safety and Health

403-1,403-2,403-3,403-4,403-5,403-6,403-7,403-8,403-9,403-10

Our Basic Approach and Strategy

In accordance with the Unicharm Group Policy on Human Rights and the Unicharm Group Charter of Actions, we at Unicharm work to eliminate all forms of child and forced labor as well as prevent overwork.

With the intent of preventing disasters and accidents, we have established basic policies for managing occupational safety and health and will create a workplace environment that places the highest priority on ensuring safety and maintaining and improving the health of our employees at all times.

Unicharm's policies on occupational safety and health are translated into various languages so that they are understood by all of our employees.

Ensuring Thorough Safety and Occupational Health Management

The Company prioritizes employee safety at all times by having all employees work together to improve the work environment, with safety and health managers taking the lead, and aims to achieve zero accidents by implementing thorough safety and health management.

Managers also observe the mental and physical health of their subordinates and respond promptly when they find an issue.

Management Structure

Unicharm has established the Safety and Health Management Regulations* in accordance with the Industrial Safety and Health Act with a view to ensure safety and maintain and improve the health of its employees while preventing accidents and disasters.

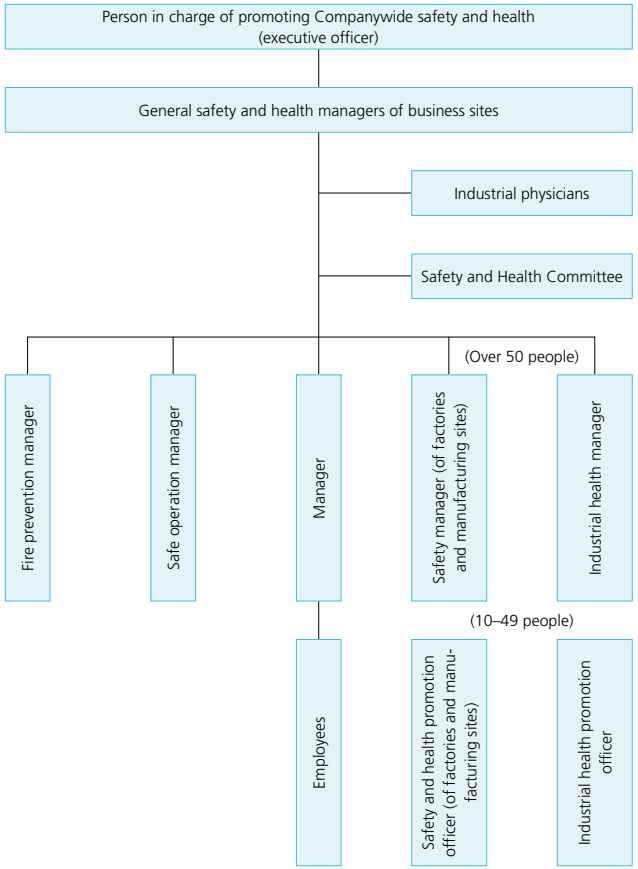
To develop and manage the Companywide safety and health management system, the executive officer in charge of promoting safety and health throughout the Company, appointed by the president & CEO, coordinates the general safety and health managers of each business site, who are the highest-level authority for these sites. At each site, the general safety and health manager appoints a safety manager, industrial health manager, and fire prevention manager, in addition to formulating a Safety and Health Committee to develop a management system.

The Safety and Health Committee, comprising members selected from the Company and labor union as well as industrial physicians, meets each month to discuss matters such as activities to improve the workplace environment, prevention of workplace accidents, elimination of vehicle accidents, and promotion of employee health. Moreover, workplace inspections are conducted by committee members once every two months.

Important actions are reported by the Safety and Health Committee secretariat to the person in charge of promoting Companywide safety and health for approval. Actions related to safety approved by the person in charge are carried out as activities in each department. A PDCA cycle is implemented in which the progress of each activity is reported periodically to the Safety and Health Committee, improvement measures are determined based on their effectiveness, and further actions are taken.

* Applies to full-time employees, contract employees, part-time employees, and employees on assignment from relevant subsidiaries and external organizations

▶ Unicharm Corporation's Occupational Safety and Health Management System



Occupational Safety and Health at Production Sites

Unicharm implements an occupational safety and health management system (OSHMS) at its production sites to continuously maintain and improve occupational safety and health activities. We follow a specified PDCA process to promote ongoing health and safety management on an autonomous basis, enhancing safety and health standards such as prevention of workplace accidents, promotion of worker health, and creation of pleasant work environments. Our OSHMS aims to improve the health and ensure the safety of all individuals, including executives, employees, contingent staff, and part-timers, as well as employees of associate companies operating on our premises (including contractors and outsourced companies). OSHMS operations ensure that all employees at production sites have set goals for promoting safety and health activities under clear roles and responsibilities and through regular checks by the general safety and health managers (including factory manager), this system allows the identification of latent risks for occupational injuries and diseases in the workplace and the revision of health and safety activities.

Acquiring ISO 45001 Certification for Occupational Health and Safety Management Systems

Unicharm has obtained ISO 45001 certification, the international standard for occupational health and safety management systems, at 28.1% of its production sites across the globe (23.1% in Japan, 31.6% overseas).

Indicators and Targets

▶ Occupational Safety and Health Targets and Results

	Manufacturing Industry Average (Fiscal 2023)	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Targets	Coverage
No. of violations of the Industrial Safety and Health Act	—	0	0	0	0	Unicharm Corporation employees
No. of fatal workplace accidents	—	0	0	0	0	
No. of workplace accidents resulting in inability to work*1	—	0	0	0	0	
Workplace accident frequency rate*2	1.29	0.22	0.22	0.00	Below industry average	
Workplace accident severity rate*3	0.08	0.00	0.02	0.00		

*1 Workplace accidents resulting in inability to work: Permanent inability to work or undertake certain tasks
*2 Workplace accident frequency rate = Number of workplace accident occurrences ÷ Total number of working hours × 1 million hours
*3 Workplace accident severity rate = Number of lost working days ÷ Total working hours × 1,000 hours

Initiatives and Results

Occupational Safety and Health Targets and Results

Every year, we aim for zero workplace accidents. We continue to promote a range of measures aimed at improving occupational health and safety, including visits to manufacturing floors by factory and production site managers. In fiscal 2024, there were zero cases of workplace accidents resulting in fatalities and the inability to work, and the workplace accident frequency and severity rates were both below industry average.

Recognizing safety and health as a matter of utmost importance, and with the aim of creating a safe and comfortable workplace environment, the Company will continue to improve work environments and thoroughly enforce basic safety standards by strengthening safety measures through equipment inspections and other efforts. In addition, we will promote timely and appropriate safety measures such as preventive actions based on risk assessments and external evaluation by companies that specialize in safety crisis management.

Occupational Safety Risk Assessment

As a company that operates in various countries and regions, Unicharm maintains a risk management information website on its corporate intranet, which specifically provides information on risks that may impact the lives of employees around the world. The site specifies clear guidelines and criteria for responding to natural disasters, pandemics, occupational accidents, large-scale equipment accidents, kidnappings, intrusion into and damaging of Company facilities, terrorism, riots, coups d'etat, and civil wars. Regarding risks the intranet is updated daily with information from the Ministry of Foreign Affairs of Japan (MOFA) and a risk management company contracted to provide its services. We carry out risk assessments by means of education, information dissemination, and monitoring of the work environment through providing information, alerts, business trip restrictions, and measures for dealing with serious injuries and illnesses.

In fiscal 2020, we carried out a risk assessment regarding COVID-19 infections to formulate our guidelines for dealing with COVID-19 so that each employee could take appropriate action. We also implemented infectious disease prevention measures and domestic and international business trip restrictions. In terms of production sites, we conducted risk assessments using safety diagnoses through a third-party organization.

In terms of promoting new businesses and projects in addition to existing ones, as needed, we also carry out risk assessments and monitoring that take into account the local laws, ambient environment, infrastructure, facilities, and so on. In order to further protect against disasters, we will also systematically move forward with risk assessments, revise work methods and improve facilities for eliminating and reducing risks and thoroughly educate and train employees.

P.133 Risk Management Information Site

Eliminating Workplace Accidents

Having designated April 17 of each year as Unicharm Group Occupational Safety Day, we vow to eliminate workplace accidents through a Groupwide effort. We hold a safety convention with the participation of all production sites in Japan and overseas, where they pledge to eliminate occupational accidents toward the goal of achieving zero accidents and fires. To this end, it was declared that senior executives would take the initiative to create a "safe and comfortable workplace" based on the philosophy of "safety as an asset" and "safety taking precedence over all."

Daily Safety Briefings (Malaysia)

Each day after morning exercise, Unicharm's local subsidiary in Malaysia holds safety briefings led by office and factory managers. This briefing serves as a reminder for all employees and enhances their awareness of the importance of safety and accident prevention.

Alcohol Checks (Japan)

All sales division staff at Unicharm's branch and sales offices in Japan are required to undergo alcohol checks prior to the operation of vehicles to ensure that they do not do so while under the influence of alcohol. The alcohol check management system we have implemented is designed to monitor blood alcohol levels of our sales staff via PC or smartphone even when driving directly home.

Occupational Safety and Health Education and Training

Production Sites

Unicharm's production sites provide training on occupational safety and health to employees before assignment to their respective departments or when changing roles. For leader training and special training programs that are required by law, we rely on external organizations to provide education and training on occupational safety and health. Moreover, depending on their position and workplace, employees are trained on the handling of machinery and equipment, raw materials, safety equipment, and devices for controlling hazardous materials prior to the assignment to their respective departments or when changes are made to the nature of their duties.

▶ Occupational Safety and Health Education and Training

Targets	Details	No. of Participants in Fiscal 2024	Coverage
Newly appointed leaders	Education on occupational safety and health, including leader training, as required by law	10	Unicharm Products Co., Ltd.
Employees prior to changing roles	Education and training on occupational safety and health	55	
New employees before assignment to their respective departments	General education including on occupational safety and health	20	

Outside of Production Sites

In addition to production sites, we are working to eliminate occupational accidents at offices through workplace inspections and the checking of evacuation routes, firefighting equipment, and automated external defibrillator (AED) locations.

Prohibition of Child and Forced Labor

As clearly stipulated in the Unicharm Group Policy on Human Rights and the Unicharm Group Charter of Actions, we at Unicharm do not tolerate any form of child or forced labor.

Unicharm's factories are monitored on a regular basis using Sedex's Self-Assessment Questionnaire (SAQ). In fiscal 2024, 40 business sites (17 in Japan, 23 overseas) responded to the SAQ, confirming that there were no cases of child labor or forced labor.

P.79 Human Rights Risk Assessment at Unicharm Group Factories

Dialogue Between Labor and Management 2-30

We place a great deal of value on mutual trust between labor and management and hold monthly discussions between the Company and labor union. In addition to these regular meetings, additional meetings are held depending on the nature of these discussions. In fiscal 2024, we discussed revisions to the compensation, evaluation, and benefit systems in continuing to pursue the three aspects of wealth (aspirational wealth, economic wealth, and wealth of mind and body), which make up our basic policy on human resources, ensure that employees with high aspirations who work hard and achieve results are compensated appropriately, and evolve our human resources system into one that facilitates the rapid growth of employees through further challenges. We will continue with efforts to foster workplaces that can motivate and fulfill employees.

P.84 Revising Our Human Resource System with a Focus on Management with Resonance

Selected as One of Vietnam 100 Best Places to Work for the Second Consecutive Year (Vietnam)

For the second consecutive year, Unicharm's local subsidiary in Vietnam, Diana Unicharm Joint Stock Company (DUC), was selected as one of Vietnam 100 Best Places to Work. Vietnam 100 Best Places to Work is a survey and awards program organized by Anphabe, a pioneering consultant in employer branding and the creation of pleasant work environments.

In fiscal 2024, surveys were conducted between April and September, with 56,866 experienced business people in 18 different job categories evaluating 712 companies. DUC was ranked 12th in the category of Large Companies and Consumer Goods and 29th in the category of Top 100 Companies to Work in Vietnam.

Selected as One of Top 50 Companies to Work for the Fourth Consecutive Year (Thailand)

For the fourth consecutive year, Unicharm's local subsidiary in Thailand, Uni.Charm (Thailand) Co., Ltd. (UCT), was selected as one of the Top 50 Companies to Work by Work Venture, a human resource consulting firm in Thailand. This annual ranking is based on a survey of approximately 13,000 men and women between the ages of 22 and 35 who have worked in Thailand. UCT was selected as one of the top 50 companies for its corporate culture that embodies the realization of a cohesive society and teamwork-oriented workplace environment.

Supply Chain Management

308-1,308-2

Sustainable Procurement

2-24,407-1,408-1,409-1

Our Basic Approach and Strategy

Unicharm established the Unicharm Group CSR Procurement Guidelines in 2009 for the purpose of maintaining fair and impartial relationships with all business partners. The guidelines incorporate provisions relating to compliance with laws and regulations, appropriate action regarding human rights issues, conservation of the natural environment, and product safety, such as the "abolition of child labor," "elimination of discrimination," and "promotion of measures against global warming" as stated in the UN Global Compact. Through mutual communication with business partners based on these guidelines, we shared Unicharm's approach to responsible procurement and specific activities, and sought their understanding of our requests.

In October 2017, we revised the Unicharm Group CSR Procurement Guidelines and established the Basic Policy of Procurement to prevent human rights, labor, and environmental issues throughout the supply chain stemming from the global expansion of our business. At the same time, the Unicharm Group Sustainable Procurement Guidelines were established to accompany our Basic Policy of Procurement, declaring our intentions toward the prohibition of child labor, forced labor, and discrimination; the protection of the right to freedom of association and the right to collective bargaining; reductions in excessive working hours; compliance with minimum wage laws; consideration of health and safety; and the prevention of corruption. The Basic Policy of Procurement and the Unicharm Group Sustainable Procurement Guidelines stipulate that the Company shall take measures to ensure appropriate working hours by reducing the overtime work of its employees and complying with the working hours stipulated by the local laws and regulations in each country and region. In terms of wages, as a matter of course our basic policy is to provide remuneration that exceeds the minimum wage stipulated by local laws and regulations taking into account the payment of living wages.

However, laws and regulations on human rights, occupational safety, and workplace environment protection vary by country and region, as do public perceptions. Accordingly, we are strengthening efforts to gather information that is highly relevant to each country and region and adapt to their specific circumstances. We also promote procurement activities with priority on crisis management while working to promote understanding and awareness of our stance and approach to procurement, such as complying with the laws and social norms of each country and region and giving due consideration to human rights and labor conditions when engaging in new transactions and conducting ethical risk assessments. These efforts apply to all business partners in the countries and regions in which we do business. We will continue promoting initiatives in order to fulfill our social responsibilities throughout the supply chain.

Unicharm's products and services are primarily consumables essential to a clean and healthy lifestyle. At the same time, our business is closely associated with the global environment in terms of the use of natural resources and the generation of waste. Therefore, our role in and responsibilities for reducing environmental impact are significant and continue to increase each year in line with the expansion of our business scale.

The pulp and paper that form the absorbent material used in our disposable diapers and sanitary products are produced from coniferous trees while the palm oil added in small quantities to pet food is produced at tropical plantations. We value the importance of using sustainable certified materials for such forest-derived resources and, based on this belief, we formulated the Forest-Derived Raw Materials Procurement Guidelines in 2015.

▶ Basic Policy of Procurement

2-23

The Unicharm Group will make efforts to fulfill its corporate social responsibility and implement its fair and equitable corporate activities.

1. Compliance with Laws, Regulations, and Social Norms
(1) Comply with related laws and regulations and social norms in purchasing activities.
(2) Provide business partners with fair and equitable opportunities for competition in purchasing activities regardless of nationality, size, or track record.
(3) Require business partners to implement appropriate management of information obtained in purchasing activities.

2. Due Consideration to Human Rights and Labor
(1) Engage in purchasing activities with corporations that place importance on respect for human rights.
(2) Engage in purchasing activities with corporations that give due consideration to the appropriateness of labor practices.
(3) Respect the importance of engaging in purchasing activities with corporations that promote appropriate employment practices.

3. Environmental Responsibility
(1) Value corporations that understand the importance of, and promote, environmental conservation in purchasing activities.
(2) Emphasize environmentally friendly raw materials in purchasing activities in an effort to achieve a recycling-oriented society.

4. Procurement of Safe and Secure Products and Materials That Provide Peace of Mind
(1) Choose products and materials for which safety has been confirmed in purchasing activities.
(2) Choose economical and high-quality materials and products in purchasing activities.
(3) Emphasize the ability to manufacture and supply products that meet requirements in purchasing activities.

5. Development of Relationships of Mutual Trust
(1) Cultivate a relationship and trust with business partners within the scope of social norms.
(2) Strive to enhance business performance mutually through the exchange of essential information with business partners.

▶ Unicharm Group Sustainable Procurement Guidelines

These guidelines define the ethical standards that Unicharm wants all of its suppliers to adhere to in order to help realize sustainable procurement. We expect all of our suppliers to understand and comply with the intent of these guidelines.

1. Compliance with Laws and Social Imperatives

(1) Legal compliance
- Comply with laws and regulations (antitrust laws, personal information protection laws, subcontracting laws, etc.) as well as social imperatives related to individual country and region.

(2) Fairness in transactions and prohibition of bribery
- Comply with laws related to fair trading, fair competition, and antitrust.
- Prohibit all stakeholders from offering or accepting bribes (monetary or nonmonetary benefits) and from abusing a superior bargaining position.

(3) Management and protection of information
- Comprehensively manage and protect confidential information and build a structure that prevents information leakage.
- Use suppliers' intellectual property rights only after concluding appropriate contracts and do not use them illegally.
- Properly handle personal information.

2. Consideration to Human Rights and Labor (Refer to the Unicharm Group Policy on Human Rights)

(1) Respecting of the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- Respect the International Bill of Human Rights (the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights) and the ILO Declaration on Fundamental Principles and Rights at Work.

(2) Respecting of human rights

a. Prohibition of child labor
- Do not employ children who do not meet the minimum age requirement. (A child is defined as any person younger than 16 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling in which case the higher age requirement applies.)

b. Prohibition of forced labor
- Do not employ any form of forced or inhumane labor, hold a person in slavery or servitude, or engage in human trafficking.
- Employ only people who voluntarily wish to be employed and do not restrict their rights to freely leave their jobs.

c. Prohibition of discrimination
- In recruitment and employment, do not discriminate on the basis of race, national origin, ethnicity, gender, religion, or physical impairment, etc.

(3) Prohibition of inhumane treatment
- Respect the human rights of employees and do not subject them to inhumane treatment such as physical abuse, physical punishment, harassment, physical oppression, or sexual abuse.

(4) Fair employment

a. Working hours
- Comply with working hours set by the local laws and regulations of the individual country and region (excluding crises and emergency situations).

b. Proper compensation
- Pay employees in compliance with local compensation-related laws and regulations on minimum wage, overtime work, and piecework pay, etc.
- For overtime work, pay a wage premium in accordance with local laws and regulations of the individual country and region.

c. Ensuring of health and safety
- Clearly identify potentially dangerous locations related to work and take preventive actions and implement workplace safety measures.
- To prepare for emergencies, take steps such as confirming the reporting requirements in the event of an emergency, establishing rules for notifying employees, and installing fire detectors.

d. Respecting of freedom of unionization and the right to collective bargaining
- Do not, in any way, obstruct employees' right to form a labor union using legal and peaceful means in accordance with applicable laws.

3. Responsibility to the Environment

(1) Environmental conservation

a. Legal compliance
- Comply with environment-related laws and regulations of the individual country and region.
- In accordance with local laws and regulations, submit the required administrative reports when necessary and retain records.

b. Control of substances that are harmful to the environment
- Control discharge of harmful substances that can cause air pollution and water quality degradation, etc.
- Control discharge of harmful substances that can cause soil contamination.
- Control discharge of waste generated during manufacturing, product usage, and end-of-life disposal.

c. Promotion of resource conservation and recycling
- Strive to conserve resources, manage waste, and promote recycling.
- Improve usage efficiency of energy (such as electricity and fuel).
- Strive to consume sustainable resources such as alternative energy sources.

d. Promotion of global warming countermeasures
- Identify substances that contribute to global warming, assess their emissions, and retain records.
- Control discharge of substances that contribute to global warming.

(2) Promotion of procurement of sustainable raw materials (refer to the Forest-Derived Raw Materials Procurement Guidelines)
- Prohibit use of illegally logged lumber.
- Do not consume natural resource-derived raw materials such as lumber and water excessively but utilize resources in step with the cycling speed at which nature recovers.

4. Procurement of Safe and Secure Products and Materials

(Refer to the Unicharm Group Materials Safety Guidelines)

(1) Supplying of safe materials
- Report component composition, including the content of chemical substances deemed harmful by the Unicharm Group.

(2) Supplying of materials that are high in quality and for which the supplier has a large supply capacity
- Submit safety data sheets (SDSs) for materials.

P.76 Unicharm Group Policy on Human Rights

▶ Forest-Derived Raw Materials Procurement Guidelines

P.45 Forest-Derived Raw Materials Procurement Guidelines

Management Structure

To address social issues such as employee health and safety and labor standards along the supply chain, meetings are held by the managers of the ESG Division, the Purchase R&D Department in the Global R&D Division which manages the material suppliers and contract manufacturers, and the Trinity Promotion Department and the Strategic Sourcing Department of Unicharm Products Co., Ltd., to discuss and determine the areas of foremost priority and specific courses of action while monitoring the progress of ongoing measures and seeking solutions to various issues.

In addition, the ESG Committee, chaired by the president & CEO, reports on the policies and progress of measures to resolve social issues related to the supply chain and of environmental activities on a regular basis, reviewing our plans as necessary.

P.8 Sustainability Promotion System

Effective Use of Global Platform

At Unicharm, we utilize the Sedex* platform to manage our response to social and environmental issues along the supply chain. Our material suppliers and contract manufacturers are requested to become member of Sedex and acknowledge their relationship with Unicharm on the Sedex platform. The information acquired by means of the Sedex platform is used to enhance our decision-making and progress management capabilities.

In fiscal 2024, we encouraged the suppliers of materials used in our pet care products to join Sedex. We also continued to participate in the Japanese Cosmetics & Personal Care Products Industry Buyer Members Sedex Working Team—which was introduced to efficiently promote responsible procurement, including human rights due diligence—using supplier evaluation information provided via the Sedex platform, which we have utilized since fiscal 2023.

web Sedex corporate website
https://www.sedex.com/

Sedex | Member

* A global membership organization leading in responsible sourcing practices, Sedex provides companies with technology and insight to build a responsible business and supply chain, including the world's largest platform for sharing supply chain data on labor standards, health and safety, the environment, and business ethics. Over 85,000 business members in 180 countries and regions use Sedex solutions to manage supply chain risk, meet compliance requirements, and demonstrate measurable impact.

Indicators and Targets

▶ Kyo-sei Life Vision 2030: Unicharm Principles

Indicator	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Annual Target
No. of serious human rights violations in the value chain	1 (revised)	1 (revised)	Zero	Zero

Initiatives and Results 412-1,412-3

Human Rights Risk Assessments of Supplier Factories

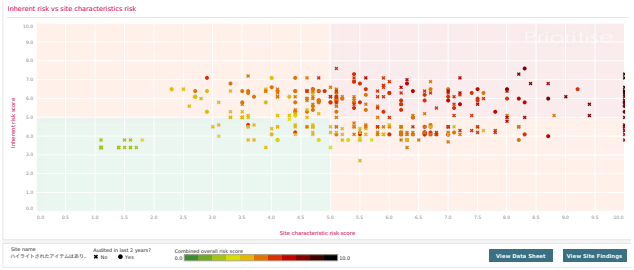
Unicharm conducts risk assessments of supplier factories using Sedex's risk assessment tool, and in fiscal 2024 began assessing risks related to the suppliers of materials used in its pet care products.

As of December 31, 2024, we have reached an agreement with approximately 68.5% of material suppliers of personal care and pet care products and contract manufacturers of personal care and pet care products for use of the Sedex platform, enabling access to risk-related information. Of these factories, 61.8% have consented to sharing their inherent risk score while 54.0% have consented to sharing their site characteristic risk score. Using these scores as a reference point, we will continue to consider our approach to suppliers.

▶ Human Rights Risk Assessment Results in Fiscal 2024

		Percentage of Suppliers Using the Sedex Platform (%)	Percentage of Suppliers Sharing Inherent Risk Score (%)	Percentage of Suppliers Sharing Site Characteristic Risk Score (%)
Personal care products	Material suppliers	91.9	82.6	73.9
	Contract manufacturers	78.5	72.3	50.8
Pet care products	Material suppliers	29.7	25.9	24.5
	Contract manufacturers	68.8	68.9	56.3
Total		**68.5**	**61.8**	**54.0**

▶ Risk Score of Supplier Factories



Note: Simple averages of risk scores on labor standards and on health and safety have been plotted above.

Human Rights Risk Assessment at Unicharm Group Factories

P.79 Human Rights Risk Assessment at Unicharm Group Factories

Supplier Monitoring 414-2

We monitor the activities of suppliers using the results of SMETA audits*1 by means of the Sedex platform. In 2024, a SMETA audit was carried out in 79 different scenarios, serving as a source of information on 221 cases of violations. The detected violations are classified according to the four ratings of Business Critical, Critical, Major, and Minor, and are subject to Sedex's SMETA Non-Compliance Guidance. For violations classified as either Business Critical or Critical that have yet to be amended three months after the date of audit, we contact the supplier to verify the status and course of action toward improvement. In fiscal 2024, of the 44 cases classified as Critical, two violations (two suppliers) that were not yet confirmed as amended within three months were discussed with suppliers to confirm the corrective action plan.

*1 A social auditing methodology developed by Sedex that enables businesses to assess their sites and suppliers to understand working conditions in their supply chain across the areas of labor standards, safety and health, the environment, and business ethics.

▶ Supplier Audits: Number of Audits and Evaluations

		Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result
No. of audits		31	26	79
No. of issues identified	Business Critical	1	1	0
	Critical	41	32	44
	Major	182	111	127
	Minor	109	44	50
	Total	**333**	**188**	**221**

Monitoring of Unicharm Group Factories

P.79 Audits of Unicharm Group Factories

Eliminating and Mitigating Risks 414-1

New Suppliers

When engaging in business with new suppliers, Unicharm presents and requests compliance with the Unicharm Group Policy on Human Rights and the Unicharm Group Sustainable Procurement Guidelines. New suppliers are also asked to become a member of Sedex and acknowledge their relationship with Unicharm on the Sedex platform. Whenever a major issue related to labor standards, safety and health, or other matters arises in regard to suppliers, it will be taken into consideration when assessing the pros and cons of engaging in business with them.

Existing Suppliers

If a serious issue is found when monitoring the activities of existing suppliers, discussions are held with them to seek solutions toward improvement. In October 2024, we held the 15th Unicharm Medium- to Long-Term Policy Briefing Session to explain our human rights policy and procurement policy to existing suppliers, and requested their cooperation in the GHG Emissions Visualization Project and our initiatives related to quality control.

Training and Education on the Risks of and Measures Against Modern Slavery (Australia)

Unicharm's local subsidiary in Australia conducts ongoing training and education on the risks of and measures against modern slavery.*2 The company focuses on its downstream materials suppliers, distributors, retailers, and other business partners to raise awareness of human rights throughout its supply chain network.

*2 Forms or acts of bonded labor, forced labor, human trafficking, etc., in which people are forced into slavery and servitude

P.78 Human Rights Initiatives in Australia

Global Communication with Suppliers

Unicharm works with suppliers to engage in improvement activities on a wide range of materials-related themes through meetings between local subsidiaries and the suppliers of each country and region. We hold briefing sessions on procurement themes at distribution warehouses and supplier factories to distribute copies of the Unicharm Group Sustainable Procurement Guidelines, which have been made available in various languages, and explain the purpose of the guidelines so as to ensure the communication necessary for realizing a sustainable society through the efforts of the entire supply chain.

Medium- to Long-Term Policy Briefing Session for Suppliers

In October 2024, we held the 15th Unicharm Medium- to Long-Term Policy Briefing Session for Suppliers with the aim of stabilizing material quality and disseminating our procurement policies and guidelines. The 2024 event, which was also streamed online, was attended by 283 participants from 133 companies, including material suppliers for personal care products, as well as material suppliers for pet care products and external production contractors. The aim of this briefing session was to enhance awareness of our various policies, including the Unicharm Group Basic Environmental Policy, the Unicharm Group Policy on Human Rights, and the Basic Policy of Procurement, as well as to request supplier cooperation by reporting, explaining, and ensuring understanding of our policies and guidelines for building a sustainable supply chain and using Sedex, progress in our various activities aimed at achieving Kyo-sei Life Vision 2030 and Environmental Targets 2030, data provision for the GHG Emissions Visualization Project, and quality control and other efforts aimed at improving customer satisfaction through the supply of safe products.



15th Unicharm Medium- to Long-Term Policy Briefing Session

P.43 GHG Emissions Visualization Project

Education for Internal Personnel

In order to promote sustainable procurement, it is essential that everyone involved understands the basic policies and guidelines for building a sustainable supply chain. We therefore educate the person in charge of our factories about the necessity of sustainable procurement initiatives and the importance of building a sustainable supply chain. In fiscal 2024, we held training sessions for the Company's person in charge of procurement to request cooperation from the suppliers of materials used in our pet care products on the use of the Sedex platform.

Initiatives to Improve Quality of Materials

Unicharm is proceeding at full speed in enhancing the quality of materials by focusing on the key areas for improvement from a quality consistency point of view and working closely with suppliers. As part of these efforts, we conduct quality audits on suppliers through which we confirm whether they are in compliance with our requirements in all processes from raw materials procurement to shipment. If a non-complying item is discovered, we will request that corrective action be taken immediately and continue to check its progress until the issue is resolved and reconfirm its status in the next audit. We will make ongoing improvements to material quality by repeating this cycle from auditing to the instilling of improvements.

Moreover, at the 15th Unicharm Medium- to Long-Term Policy Briefing Session, we explained Unicharm's Quality Control Policy once again to all suppliers and requested them to thoroughly implement countermeasures and recurrence prevention measures for quality defects, ensure the traceability of materials, and share details of serious defects due to materials, and check for abnormalities.

Establishment of Household Goods Supply Chain Council

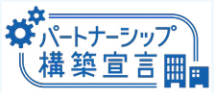
In May 2024, Unicharm established the Household Goods Supply Chain Council in cooperation with 13 industry peers, believing that social issues related to product supply and distribution, such as labor shortage and soaring energy and labor costs, must be addressed by the household goods industry as a whole through the cooperation of each manufacturer. The council aims to resolve social issues related to logistics by working together with distributors and logistics operators to realize a sustainable and highly productive supply chain, in order to continuously ensure the stable supply of household goods which are essential to daily life. Furthermore, to promote the seamless sharing of logistics data, we will work with adjacent industries to serve as a point of contact for the household goods industry by coordinating with the government's initiatives to realize the Physical Internet*1 while utilizing the Logistics Electronic Data Interchange (EDI) provided by PLANET, INC.

*1 A joint transport and delivery system in which the concept of internet communications is applied to logistics (physical distribution) and cargo packed in standardized containers is transported and delivered via a network of shared logistics assets (including warehouses and trucks) belonging to multiple companies

P.67 Streamlining Logistics Operations Using Logistics EDI

Declaration of Partnership Building

Unicharm announced its Declaration of Partnership Building to build new partnerships by advancing cooperation, coexistence, and co-prosperity with supply chain partners and businesses that create value.



web **Unicharm Corporation Declaration of Partnership Building (in Japanese only)**
https://www.biz-partnership.jp/declaration/47703-05-06-tokyo.pdf

Won Supply Chain Innovation Award 2024 Grand Prize

Unicharm and the Household Goods Logistics Standardization Working Group comprising 10 household goods manufacturers and 12 logistics operators received the Supply Chain Innovation Award 2024*2 Grand Prize (sponsored by the Ministry of Economy, Trade and Industry and managed by the Manufacturing / Distribution / Sales Cooperation Council*3). The working group was honored for its efforts to transform logistics systems with the aim of optimizing transport, delivery, and inventory throughout the supply chain using digital technology.



*2 An award given to businesses that have led the industry with outstanding efforts through cooperation among the manufacturing, distribution, and sales sectors to optimize the entire supply chain

*3 Established in May 2011 with the aim of enhancing industrial competitiveness and contributing to human prosperity through collaboration among manufacturers (manufacturing), intermediary distributors and wholesalers (distribution), and retailers (sales) to eliminate waste throughout the supply chain and create a system for the creation of new value. GS1 Japan and the Distribution Economics Institute of Japan serve as secretariat.

Briefing Session on Strengthening Governance (Indonesia)

Unicharm's local subsidiary in Indonesia, PT UNI-CHARM INDONESIA TBK (UCI), held a briefing session in December 2024 on the topic of strengthening governance for logistics operators and distributors in an effort to maintain fair and impartial relationships with business partners as a listed company. More than 30 business partners attended the briefing session, in which UCI explained its approach and stance on governance and requested their understanding of and cooperation on its compliance requirements.

Responsible Procurement Initiatives Geared to Conserving Biodiversity and the Natural Environment

We view the diminishing supply of forest-derived resources (including pulp, paper, and palm oil) stemming from forest destruction and water resource depletion along the upstream process as a risk to the Company. In light of this, Unicharm is working to reduce environmental impact and protect the environment with the aim of realizing a sustainable society while paying due consideration to biodiversity in our supply chain management. Specifically, we established the Forest-Derived Raw Materials Procurement Guidelines in 2015 and the Unicharm Group Sustainable Procurement Guidelines in 2017 in an effort to reduce risks by requesting the understanding and cooperation of suppliers.

Meanwhile, our ability to reduce waste and lower environmental impact and costs through procurement of energy-efficient resources that minimize CO_2 emissions, reduction of waste and use of recycled materials, and selling products made from these forest-derived resources by promoting them as environmentally friendly products, present opportunities for the Company. We will continue to step up recycling efforts in-house while working to ensure that resources are recycled and utilized more efficiently throughout society.

Procurement of Sustainable Pulp and Paper

P.47 Expanding the Use of Certified Pulp (PEFC- and CoC-Certified)

Procurement of Sustainable Palm Oil

P.50 Procuring Sustainable Palm Oil

Procurement of Sustainable Seafood (United States)

The tuna and skipjack tuna used as ingredients in our *Delectables* cat treats are 100% dolphin-safe certified.

The dolphin-safe certification is a certification system based on U.S. law certifying that the tuna and skipjack tuna used as ingredients in canned food were caught without harming any dolphins. If the dolphin-safe certification is the only criteria met by ingredients, the dolphin-safe label can be displayed on these products.

Communities

Social Contribution Activities

203-1,203-2,413-1

Our Basic Approach and Strategy

Unicharm's approach to management is one in which it contributes to the betterment of society through its business activities. Specifically, we address various social issues by providing products and services that are tailored to the characteristics of the countries and regions in which we operate. We also strive to be a corporate citizen that provides products and services essential to the lives of the people in these communities.

▶ Policy on Social Contribution Activities

At Unicharm, we recognize the importance of coexisting with local communities through our business activities. Therefore, in resolving issues, we place particular emphasis on the countries and regions in which we operate and the areas in which we have fostered deep connections through our business activities.

Key Areas of Social Contribution Activities

• Health • Regional contributions • Support for disaster-affected areas

Management Structure

In Japan, Unicharm's various divisions and Group companies develop business activities on their own initiative. In countries and regions outside of Japan, local subsidiaries take the lead in developing business operations and social contribution activities that are specifically catered to each community. Policy decisions for the Group as a whole are discussed and made by the ESG Committee, which is chaired by the president & CEO.

P.8 Sustainability Promotion System

Spending on Social Contribution Activities

In fiscal 2024, Unicharm spent a total of ¥159.5 million on social contribution activities, of which ¥53.1 million was in the form of donations.

To generate synergies between the achievement of the Sustainable Development Goals (SDGs) and the revitalization of local communities, Unicharm endorses the SDGs for Regional Revitalization Public–Private Partnership Platform, which was established as a forum for public–private partnerships that work to strengthen ties with a wide range of stakeholders.

地方創生SDGs 官民連携プラットフォーム

DSGT Receives CSR-DIW AWARD 2024

Unicharm's local subsidiary in Thailand, DSG International (Thailand) Public Company Limited (DSGT), received the CSR-DIW Award 2024 from the Ministry of Industry, Department of Industry Works (DIW) in honor of its corporate social responsibility initiatives in Thailand. CSR-DIW is a framework led by DIW to promote initiatives that help companies manage their business with environmental, social, and economic sustainability in mind and strengthen their contributions to local communities and the environment. Prior to winning the award, DIW conducted an evaluation which determined that DSGT is operating appropriately based on a business management system (company policies and organization) that meets the guidelines set forth by CSR-DIW and conducting its activities, including community contributions, in accordance with these guidelines.

Initiatives and Results

#NoBagForMe Project (Health)

The #NoBagForMe Project was introduced in June 2019 with the aim of realizing a society that enables as many women as possible to understand and make the right choices when it comes to menstruation care and to live their lives in the way they so wish. In fiscal 2020, a corporate training program called "Education on menstruation for everyone"* was developed to promote mutual understanding between varying perspectives within the Company stemming from differences in gender and physical characteristics and conditions, by instilling proper awareness of the mechanisms of menstruation and women's health. According to a survey conducted in February 2023 among 30 companies and organizations that participated in "Education on menstruation for everyone," 73.3% responded that their view of menstruation had changed after attending the training program.

As of March 31, 2025, we have provided training and video content to approximately 560 companies and organizations, and will continue to provide educational activities on menstruation, regardless of age or gender, while promoting social awareness.

* A training program for external companies and organizations to enhance knowledge and promote mutual understanding of menstruation

Unicharm is a member of the Japan National Chapter of the Unstereotype Alliance, a global initiative led by UN Women to promote gender equality and eliminate harmful gender stereotypes through the use of media and advertising.

#UNSTEREOTYPE ALLIANCE

Education on Menarche and Menstruation (Health)

Unicharm conducts lectures on menarche and menstruation in various countries and regions, primarily in Asia, for young women experiencing puberty so that they can gain basic knowledge about menstruation and the ways in which their bodies function, how to live comfortably and with peace of mind during menstruation, and the things to keep in mind to lead a healthy hygienic lifestyle.

In fiscal 2013, our local subsidiary in India launched an educational project "Managing Menstruation-My Pride" in cooperation with local non-government agencies (NGOs) to educate students on the mechanisms of and proper care in managing menstruation. Approximately 660,000 students have taken part in this project over the 12 years that have followed. This project aims to help women learn about their menstrual cycle and proper management so that they can experience menstruation in a comfortable and healthy manner, fostering their self-esteem. In fiscal 2024, lectures on menstruation were provided to students at more than 1,600 schools and universities.

We also continue to provide such educational programs in Japan, China, Taiwan–Greater China, Indonesia, Myanmar, Vietnam, and Thailand, and promote efforts to raise menstruation awareness through information on our corporate website and the supply of educational materials and sanitary pads.

▶ Initiatives to Raise Awareness of Menarche and Menstruation Worldwide (Fiscal 2024 Results)

	Fiscal 2024 Results and Details
India	• Conducted educational programs on menarche and menstruation (including online lectures) for approximately 126,000 students at 1,688 schools • Held educational sessions for approximately 5,000 mother–daughter pairs (46 times) • Held workshops on menstrual hygiene at five public schools and girls' dormitories in the rural areas of Sri City
Japan	• Provided information on menarche via *Sofy First Body Navi* website (in Japanese only) web https://jp.sofygirls.com/ja/home.html • Provided approximately 436,000 menarche education sets in cooperation with Nippon Calmic Ltd.
China	• Presented sanitary pads and booklets for *First Body Navi* to around 400 female students at four junior high schools in Ningxia • Participated in the Shundo Project, for which actress Lusi Zhao, who appears in the *SOFY* brand commercial, is an ambassador, and presented sanitary pads and booklets for First Body Navi to approximately 1,000 female students in remote regions of China • Donated 340 cases of Girls' Growth Box containing booklets of First Body Navi and sanitary pads to female students in the remote areas of Sichuan Province to promote menarche education and improve period poverty
Taiwan–Greater China	• Provided information via corporate website of local subsidiary • Provided 5,000 sets of sanitary pads (requests from healthcare teachers at elementary schools and the cooperation with lingerie brand Been Teen to accommodate) • Distributed application information for menarche sets to parents of female students aged 10 to 13 via social media and presented 12,000 sets
Indonesia	• Disseminated information on *Charm Girl's Talk*, a website on menarche education with 85,115 registered users (as of December 31, 2024) web https://www.charmgirlstalk.com/ • Provided information on menstruation, ways to live more comfortably during menstruation, and women's health on the *Charm* official website, Instagram, and other social media
Myanmar	• Conducted menarche education program for 71,640 students at 299 schools
Vietnam	• Conducted menarche education at 10 schools mainly in Ho Chi Minh and Hanoi and distributed approximately 70,000 samples of sanitary pads at 138 schools
Thailand	• Provided educational content on menstruation through *SOFY* brand website web https://th.sofyclub.com/th/advice/howtocare/Sofygirlguidebook.html • Distributed booklets of menarche education at 204 junior high schools, high schools, and universities

Pink Ribbon Activities (Health)

Pink Ribbon activities are a global awareness campaign aimed at promoting proper knowledge of breast cancer and awareness about the importance of early detection and appropriate treatment. Unicharm is a strong supporter of this campaign in the countries and regions in which it operates.

In Japan, where the Company has supported Pink Ribbon activities for the past 17 years since 2008, the dedicated website *Sofy* Pink Ribbon was established in fiscal 2024 to provide information and enable visitors to acquire basic knowledge on breast cancer and conduct self-checks for early detection. At the same time, Unicharm released limited edition versions of the product *Sofy Body Fit* in specially designed Pink Ribbon packaging and donated a portion of the proceeds.

In addition, as an early prevention measure for breast cancer, Unicharm covers the cost of breast cancer screenings for all female employees. Also, we designate October of each year "Pink Ribbon Month," during which employees wear Pink Ribbon badges and pink ID cardholders and may raise awareness of breast cancer among their families, coworkers, and others who are close to them.



Since 2021, our local subsidiary in Indonesia has continued to promote awareness of breast cancer and contribute to increased breast cancer screenings. Together with the Indonesian Breast Cancer Foundation (YKPI), we held an information session in October 2024 on the slogan "Ayo SADARI Setelah Menstruasi (Let's Self-Check After Menstruation)" to promote early detection of breast cancer, inviting around 450 female students from several junior high schools in Jakarta. The information session provided students with an opportunity to learn about breast cancer through a seminar by a medical specialist, who responded to students' questions and concerns as well as inquiries regarding the self-check.

In Thailand, our local subsidiary conducted Pink Ribbon activities to raise awareness of breast cancer screening in cooperation with the Queen Sirikit Centre for Breast Cancer, the most prestigious breast cancer research institute in Thailand.

web **_Sofy_ Pink Ribbon (Japan) (in Japanese only)**
https://www.sofy.jp/ja/campaign/pinkribbon.html

Educational Activities Regarding Dengue Fever (Health)

To raise awareness of dengue fever prevention, the Association of Southeast Asian Nations (ASEAN) has designated June 15 as ASEAN Dengue Day, on which educational activities and prevention campaigns will be held throughout the ASEAN region.

In Thailand, ASEAN Dengue Day 2024 was held in Bangkok in June 2024. This event, hosted by the Thai Ministry of Public Health, Department of Disease Control, and the Embassy of Japan in Thailand, shares the same goal as the World Health Organization (WHO), which is to achieve zero deaths from dengue fever. In fiscal 2024, 18 companies and organizations, including our local subsidiary, Uni.Charm (Thailand) Co., Ltd. (UCT), and approximately 400 people, including medical and health experts, participated in the event. At the venue, UCT distributed samples of *MamyPoko ANTIMOS Pants* disposable baby diapers, promoted for their coating of mosquito repellent derived from natural sources that is safe to use and offers peace of mind.

In Vietnam, local subsidiary Diana Unicharm Joint Stock Company (DUC) held an event to coincide with ASEAN Dengue Day (June 15) in cooperation with the local Red Cross and medical teams from the Hoang Mai District Medical Center to raise awareness of dengue fever prevention. Approximately 200 people participated, including DUC employees. The event included community cleanup, lectures on mosquito control measures at home and the risks of dengue fever, and the distribution of *Bobby ANTIMOS Pants* disposable baby diaper samples. Between November and December 2024, DUC cooperated with the Ho Chi Minh City Center for Disease Control (HCDC) to prepare and distribute 200,000 leaflets with easy-to-understand tips on dengue fever prevention in southern Vietnam. This initiative aims to deepen public understanding of dengue fever and make effective prevention a habit by combining *Bobby ANTIMOS* brand wet-sheet type insect repellent wipes and pants-type disposable baby diapers, which utilize a safe and secure plant-based mosquito repellent, with HCDC's public health education.

In Malaysia, local subsidiary UNI-CHARM CORPORATION SDN. BHD. (UCMa) held the Let's Defeat Dengue Fever! MamyPoko campaign in June in cooperation with the Petaling Jaya City Council (MBPJ) to coincide with Dengue Fever Prevention Month. Approximately 60 UCMa employees and 20 people from MBPJ and the Health District Office participated in the campaign. Petaling Jaya is known as an area where dengue fever spreads frequently. The campaign included cleanup activities, extermination of mosquito larvae, and distribution of *MamyPoko ANTIMOS Pants* mosquito-repellent disposable baby diaper samples.



Supporting the Financial Independence of Women (Regional Contributions)

In fiscal 2021, our subsidiary in India, Unicharm India Private Limited (UCla), collaborated with PURE India Trust, a local NGO, to launch Project Jagriti* in support of women living in rural areas of the country. Along with raising awareness about the use of sanitary pads, the project aims to provide women in India's rural areas with opportunities to engage in the sale of *SOFY* sanitary pads, thereby promoting the financial independence of women by creating employment opportunities through Unicharm's products. These female entrepreneurs, referred to as "*SOFY* Ambassadors," are responsible for not only selling *SOFY* products but also promoting proper knowledge about menstruation. In the four years since this project was launched, UCla has supported a total of 330 women, and these entrepreneurs have been able to earn continuous income through this project. On March 8, 2024, International Women's Day, an event was held in the Bulandshahr and Sikar districts to honor 200 *SOFY* Ambassadors who have taken charge of Project Jagriti.

In fiscal 2024, a total of 167 awareness-raising sessions were conducted by *SOFY* Ambassadors for women in rural areas, in which 6,300 people participated, including young girls. By providing basic knowledge about menstruation and the proper use of sanitary pads, these sessions contribute to improved menstrual hygiene practices.

* Jagriti means "awakening" in Hindi.

Manufacture and Sale of Sanitary Pads in Kenya (Regional Contributions)

In cooperation with Toyota Tsusho Corporation and CFAO Kenya Limited, a group company of Toyota Tsusho, Unicharm Corporation began producing and selling sanitary pads in Kenya in January 2025. Through this initiative, we aim to contribute to the social advancement of women by enabling people living in Africa to purchase sanitary pads "anytime, anywhere, by anyone, when they need them." Based on this aim, we decided to produce and sell *SOFY Long Lasting* sanitary pads, offering the quality expected by people in Africa at reasonable prices. We will continue to enhance our local production and sales system, enabling more women to use sanitary pads with peace of mind.



GO WITH YOUR DOG Project (Regional Contributions)

Since fiscal 2022, Unicharm has promoted the GO WITH YOUR DOG Project to provide more opportunities for people to safely enjoy outings with their dogs. We introduced a travel tour in May 2022—the first of its kind in Japan—that allows people to board planes with their dogs, established restaurants in July 2022 that allow people and their dogs to dine together, and opened DOG SUITE and DOG PARK inside ES CON FIELD HOKKAIDO baseball stadium in March 2023, where people can bring their dogs to spectate games. In fiscal 2024, we also became a sponsor of WANderful Festival in ES CON FIELD HOKKAIDO, an event where people can attend baseball games with their dogs outside of DOG SUITE, held the Manner Up Campaign together with Mitsui Fudosan Retail Management Co., Ltd. (Mitsui Outlet Park Kisarazu) and Three Arrows Incorporated (PET THREE), where people can enjoy shopping with their dogs, conducted the Travel with Your Dog campaign on Rakuten Travel, and hosted several other events in cooperation with companies and organizations to provide more opportunities for people to enjoy outings with their beloved pets. Also, to be considerate of those around us, we encourage the wearing of *Manner-Wear* diapers on such outings to raise awareness of the importance of proper manners.

web **GO WITH YOUR DOG Project (in Japanese only)**
https://jp.unicharmpet.com/ja/manner-wear/gowithwanco/home.html

Hartz Loving Paws Program (Regional Contributions)

Unicharm's local subsidiary in the United States, The Hartz Mountain Corporation (Hartz), has implemented the Hartz Loving Paws program, which aims to realize a society where people and pets can coexist happily by supporting animal shelters, finding permanent homes or foster homes for rescued pets.

In July 2024, Hartz collaborated with Greater Good Charities' Good Flights program to airlift more than 90 rescued pets from the southern region to the east coast of the United States to find new families for them. The airlifted rescued pets were transported to St. Hubert's Animal Welfare Center, where they received the necessary medical care before finding their foster homes. Through the partnership between Hartz and Greater Good Charities' Good Flights, we have helped find foster homes for more than 200 dogs and cats to date.

web **Hartz Loving Paws**
https://www.hartz.com/hartz-loving-paws/

Matching Fund (Support for Disaster-Affected Areas)

We are continuing our "Super Cool Biz and Warm Biz" activities,* which combine reducing the environmental impact through everyday power-saving and energy-saving measures with a matching fund aimed at supporting areas affected by the Great East Japan Earthquake that occurred in 2011. Over the past 14 years, a total of 31,744 employees have participated in these activities.

* An employee participation initiative that provides donation equivalent to the amount paid by employees to purchase original items of clothing, etc., including polo shirts and jumpers that can be worn at work

Support for Victims of the Noto Peninsula Earthquake (Support for Disaster-Affected Areas)

For those affected by the Noto Peninsula Earthquake that occurred on January 1, 2024, Unicharm delivered emergency relief supplies, including sanitary pads, disposable adult diapers, and disposable baby diapers through the Japan Hygiene Products Industry Association at the request of the Japanese government. Moreover, as part of relief efforts and recovery support, we donated ¥10 million through the Japanese Red Cross Society in addition to providing ¥5,035,000 in donations collected from employees through the Matching Fund.

Support for Typhoon-Stricken Areas (Support for Disaster-Affected Areas)

Unicharm's local subsidiary in Vietnam, Diana Unicharm Joint Stock Company (DUC), has donated VND 1.2 billion, including donations collected from employees through the Vietnam Fatherland Front Committee, to people in northern Vietnam who were severely affected by super typhoon Yagi.

DUC also donated 36,000 packs of *Bobby ANTIMOS Wipes*, wet-sheet type insect repellent wipes that prevent dengue fever, to six northern provinces that suffered severe damage from the storm and floods, in cooperation with the Ministry of Health's Maternal and Child Health Department.

▶ Key Social Contribution Activities in Fiscal 2024

Health

Support for Medical Institutions, Welfare Facilities, etc.

- Vietnam: Visited a social protection center in Bắc Ninh Province that cares for orphans and children with disabilities and donated disposable baby diapers and sanitary pads
- Vietnam: Held Blood Donation Day in cooperation with the National Institute of Hematology and Blood Transfusion, in which 106 people participated, including employees and their families and four employees from partner companies, donating 35,300 ml of blood
- Malaysia: Held Blood Donation and Health Campaign 2024, in which 70 employees and suppliers registered and 50 donated blood
- Taiwan–Greater China: Donated NT$756,000 including NT$252,000 in donations collected from 146 employee volunteers to families of patients with serious illnesses; these funds will be used for medical treatment, rehabilitation, mental health counseling, and financial support for families
- Taiwan–Greater China: Donated goods to social welfare organizations
- India: Partnered with NGO The Earth Saviours Foundation to donate goods and funds to people living in shelters
- Australia: Held morning tea ("Australia's Biggest Morning Tea") in office to support the Cancer Council, raising and donating AUD$190
- Australia: Held a luncheon on Daffodil Day to support cancer patients, raising and donating the AUD$42 through fundraising activities for the Cancer Council
- Indonesia: Visited a children's home in Mojokerto, East Java and held a Buka Puasa meal, donating IDR 5,246,000
- Brazil: Set up a collection box for bottle caps to be exchanged for wheelchairs
- Brazil: Donated 5,520 disposable adult diapers and 240 wet towels to a non-profit facility that houses vulnerable seniors
- Brazil: Four employees participated in volunteer activities at a nursing home in Campinas, donating disposable adult diapers
- Japan: Donated 20 wheelchairs and 10,000 face masks to the Sapporo Social Welfare Council in cooperation with Tsuruha Holdings Inc.

Support for Pink Ribbon Activities

- Japan: Promoted awareness of our activities via our corporate website and product packaging and donated a portion of the proceeds in our 17th consecutive year as sponsor
- Indonesia: Collaborated with the Breast Cancer Foundation to hold a campaign for female junior high and high school students
- Thailand: Collaborated with a research institute to raise awareness of breast cancer screenings

P.105 Pink Ribbon Activities (Health)

Menarche and Menstruation Education

- All countries and regions of operation: Held classes on menarche and menstruation

P.104 #NoBagForMe Project (Health)
P.105 Education on Menarche and Menstruation (Health)

- India: In the WE CARE Initiative, carried out relief activities and educational outreach activities to raise health awareness on menstruation in collaborated with other organizations
- India: Held four events related to menstrual hygiene in slum communities on Menstrual Hygiene Day in May, attended by more than 15,000 people; installed a vending machine for sanitary pads at Jaipur Government Hospital
- India: Planted trees at Jaipur Central Jail on World Environment Day and conducted awareness-raising activities on menstrual hygiene and management for female inmates
- Thailand: Held a study session on menarche education at an event hosted by the provincial government of Nonthaburi Province, adjacent to Bangkok, attended by around 130 welfare volunteers

Continence Care Education

- Japan: Held seminars on incontinence and continence care in cooperation with education institutions 22 times, attended by 1,417 people
- Indonesia: Conducted joint research with the Faculty of Medicine, University of Indonesia on the subject of elderly pressure ulceration
- Thailand: Organized educational activities for bedridden patients and caregivers in communities near our factory on the proper way to wear disposable adult diapers

Support for Pets

- United States: Supported animal shelters and foster families through the Hartz Loving Paws Program

P.107 Hartz Loving Paws Program (Regional Contributions)

- South Korea: Supported the Cat Protection Association's stray cat sheltering activities and donated 857 cases of pet care products
- China: Donated pet care products to an NGO that conducts rescue activities for dogs and cats
- Taiwan–Greater China: On the anniversary of the company's founding, conducted cleanup activities inside the animal protection facility of the New Taipei City Government Animal Protection and Health Inspection Office

Regional Contributions

Sponsorship of Childcare Support

- Japan: Provided diapers to parents of newborn babies in Kakegawa City (Shizuoka Prefecture) and Shibushi City and Osaki Town (Kagoshima Prefecture)
- Japan: Sponsored the Smiles Child-Rearing Support Project in Ehime Prefecture and a program to provide disposable baby diapers in Shikokuchuo City
- Thailand: Held seminars on menstrual care, etc., on Children's Day (second Saturday of January), with 2,244 children from five schools participating
- South Korea: Donated 1,993 cases of sanitary pads and 1,226 cases of disposable baby diapers to an organization that supports single-parent families
- Australia: Donated 38,470 diapers to The Nappy Collective's Clean Bums for Little Ones campaign for vulnerable families in need
- Australia: Eight employees participated in a charity walk in support of a children's hospital in Melbourne
- Australia: Nine employees participated in support of Our Village, a charity organization that supports babies, children, and mothers by cleaning donated baby goods and clothes; also continued donations of disposable baby diapers
- Vietnam: Continued activities in honor of Action Month for Children and donated food items to a charity house for orphans and other children in cooperation with the Bắc Ninh Department of Industry and Trade
- Taiwan–Greater China: Held an activity to donate used shoes to children in Kenya, collected from all over Taiwan, on the anniversary of the company's founding

Support for Supply Shortage

- China: Donated sanitary pads to 164 minors from impoverished households in Changning (70 recipients) and Qingpu (94 recipients) districts in Shanghai, where our offices are located
- South Korea: Signed an agreement with the city of Gumi for the "Share Pad Campaign" to donate 2,166 cases of sanitary pads and 215 cases of disposable baby diapers
- South Korea: Donated 665 cases of sanitary pads to youth refugees who fled the coup in Myanmar
- Vietnam: Donated 720 packs of wet wipes to Truong Sa Island
- Australia: Assisted donation of recycled goods to support families in financial difficulty
- Malaysia: Collaborated with BIG Pharmacy Group to conduct a consumer promotion to support elderly care facilities in need of disposable adult diapers, and donated disposable adult diapers and food items to elderly care facilities; volunteers including 30 employees cleaned these facilities, gave haircuts to the elderly, and conducted health checks

Support for Female

- India: Provided support to female entrepreneurs through Project Jagriti, a program that supports women in rural regions of the country
  P.106 Supporting the Financial Independence of Women (Regional Contributions)
- India: Donated 2,000 packs of sanitary pads to a university and held awareness-raising sessions on cervical and breast cancer at an event held in Dausa to coincide with International Women's Day
- India: Supported female inmates in 15 prisons in Haryana through Project SAKHI, a project launched together with Haryana Prison authorities and NGO India Vision, by educating them on menstrual hygiene management and providing a year's supply of sanitary pads
- South Korea: Donated 10 cases of sanitary pads to female inmates
- Australia: Five employees participated in a charity walk in support of ovarian and breast cancer
- Indonesia: Held an event to support women's advancement at Binus University in Jakarta on International Women's Day, with over 100 students in attendance
- Indonesia: Conducted gender equality education for 100 housewives on the theme "Empowering Women, Towards Gender Equality" in collaboration with the Department of Empowerment, Child Protection and Population Control of South Jakarta, in conjunction with a campaign to eliminate violence against women
- China: Held a study session on menstruation for around 20 female drivers in charge of e-commerce deliveries

Cleanup Activities

- Australia: 12 employees participated in Clean Up Australia Day and picked up trash on Melbourne beaches
- Taiwan–Greater China: Approximately 300 people, including 14 employees, participated in Global Volunteer Day, an event organized by drugstore chain AS Watson, and collected approximately 591 kg of trash from Taiwan's oceans and beaches
- Thailand: Conducted educational activities on the importance of waste separation and recycling at Wat Nong Pla Mo School in Saraburi Province, where our factory is located
  P.54 Promoting Awareness of Proper Methods for Disposing of Products After Use
- Taiwan–Greater China: Conducted a river cleanup in Sanxia District, New Taipei City on the anniversary of the company's founding, collecting 27.12 kg of trash and cleaning up the beaches
- Vietnam: Removed trash and stagnant water, and trimmed overgrown vegetation to prevent mosquito breeding, in conjunction with ASEAN Dengue Day
  P.106 Educational Activities Regarding Dengue Fever (Health)

Regional Contributions Through Sports

- Japan: Continued to support J2 League professional soccer team FC Imabari as a top partner and cohesive society partner since 2020, and held Unicharm Match Day at ASICS Satoyama Stadium
- Japan: Sponsored the 2024 Unicharm Trophy Ehime International Open Tennis Tournament, an Association of Tennis Professionals (ATP) certified event
- Japan: Continued to support and sponsor the Fukushima Red Hopes, a professional baseball team based in Fukushima Prefecture that plays in the Baseball Challenge League of the Japan Independent Baseball League

Regional Revitalization

- Thailand: Educated participants in local schools and communities on how to make dishwashing detergent using natural ingredients (kaffir lime) and mosquito-repelling herbs; also created a sales channel for dishwashing detergent at schools to provide financial support
- Japan: Unicharm products selected as thank-you gifts for the Furusato Nozei (hometown tax return) program in Tanagura Town (Fukushima Prefecture), Kakegawa City (Shizuoka Prefecture), Nabari City (Mie Prefecture), Itami City (Hyogo Prefecture), Kanonji City (Kagawa Prefecture), Kanda Town (Fukuoka Prefecture), and Kamisato Town (Saitama Prefecture), where our production facilities are based
- Japan: Promoted activities in support of children who will shape the future of Ehime Prefecture through the corporate version of Furusato Nozei (Next Generation Baseball Player Development Project and purchase of children's books for Shikokuchuo City Digital Library)

Support for Disaster-Affected Areas

Disaster Relief and Ongoing Support of Disaster-Affected Areas

- Japan: Continued to promote our Matching Fund employee participation initiative since fiscal 2011
  P.107 Matching Fund (Support for Disaster-Affected Areas)
- Japan: Provided support for the Noto Peninsula Earthquake
  P.107 Support for Victims of the Noto Peninsula Earthquake (Support for Disaster-Affected Areas)
- Indonesia: Donated products to Gresik Regency, one of the areas severely affected by the March 2024 earthquake, through the local disaster prevention bureau
- Brazil: Donated more than 1,700 packs of disposable baby diapers, along with 17 cases of clothing and food items collected from employees, in support of those affected by the severe rain and flooding that occurred in Rio Grande do Sul in southern Brazil between April and May 2024
- Vietnam: Provided support for typhoon-stricken areas
  P.107 Support for Typhoon-Stricken Areas (Support for Disaster-Affected Areas)
- Malaysia: Donated 180 cases of disposable baby diapers in cooperation with the KARISMA Humanitarian Outreach Mission, in support of those affected by flood damage that occurred in Kelantan and Terengganu on the east coast of Peninsular Malaysia between November and December 2024

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Governance

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Corporate Governance

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Our Basic Approach and Strategy

Unicharm strives to achieve sustainable growth and create medium- to long-term corporate value by cooperating appropriately with stakeholders and ensuring that it is recognized and trusted by society, and believes that such efforts will lead to the promotion of sound corporate management in accordance with the Unicharm Ideals. To realize this goal, our basic policy on corporate governance is to achieve transparent, fair, timely, and decisive management through frank and proactive engagement that will gain the support of various stakeholders and enable management to make appropriate decisions without overlooking opportunities.

web **Corporate Governance Report**
https://www.unicharm.co.jp/en/company/corporate-governance.html

Management Structure

Role of the Board of Directors

At Unicharm, we believe that the Board of Directors' performance regarding the following functions will lead to the creation of an environment that enables appropriate decision-making by management without overlooking opportunities, and ultimately to the improvement of corporate value.

- Determine the Company's medium- to long-term direction
- Provide advice to management from various internal and external viewpoints
- Oversee decision-making processes to ensure transparency and fairness through deliberations on decisions and matters to be reported regarding important business execution

The Company's inside directors and executive officers possess a high level of expertise in its areas of business. Assuming that decisions are made based on their expert opinions and advice, the Board of Directors oversees this process and provide advice on the Company's medium- to long-term direction from a wide range of perspectives.

Composition of the Board of Directors

The Board of Directors is of an appropriate size to capably engage in extensive discussions and fulfill the abovementioned roles. Outside directors are selected from among those with strengths in areas that are strategically important to the Company and where advice from an outside perspective would have particular significance. On the other hand, we believe that appointing a certain percentage of inside directors and ensuring adequate incentives for appropriate risk-taking and providing information to the Board of Directors will strengthen the decision-making and advisory functions of the Board of Directors. Furthermore, the Company ensures the transparency and fairness of the decision-making process through appropriate oversight by both internal and outside directors.

Audit & Supervisory Committee

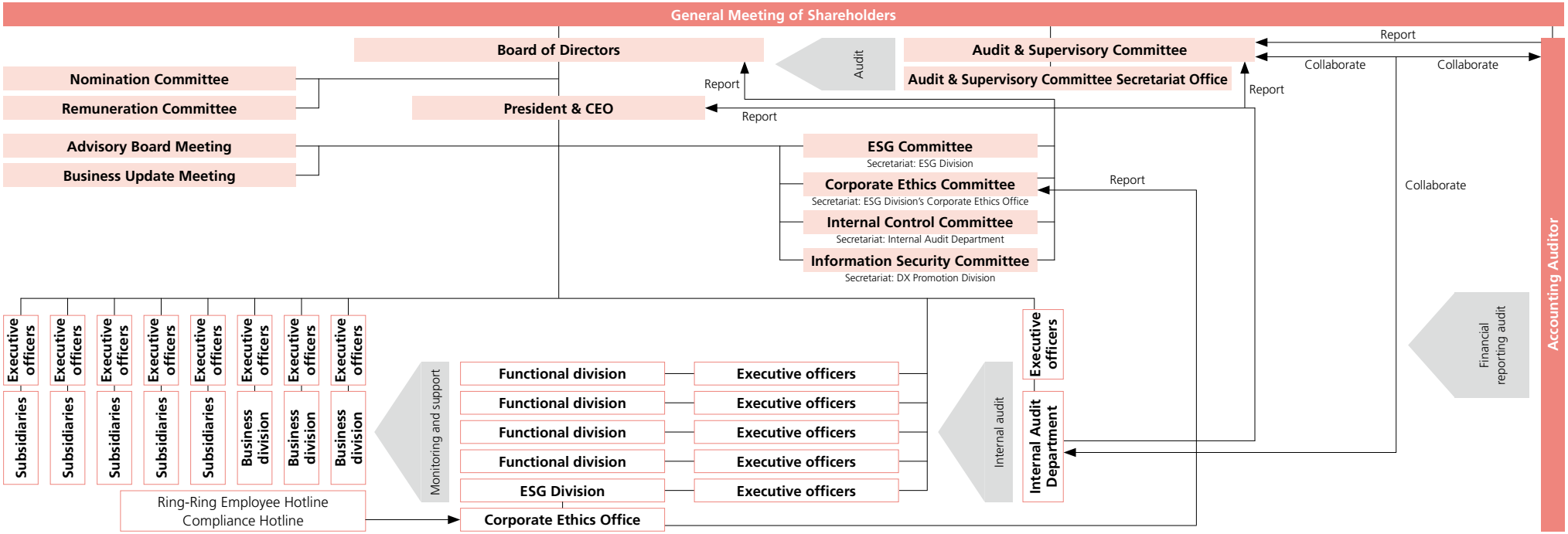
The Company has deemed that a company with audit and supervisory committee structure, in which Audit & Supervisory Committee members are involved in decision-making and an advisory role as members of the Board of Directors, is appropriate to enable the Board of Directors to fulfill its role of overseeing decision-making processes in a transparent and fair manner. Furthermore, the Company's Articles of Incorporation establish that decisions on the execution of important operations be raised at Board of Directors meetings and not delegated to directors pursuant to Article 399-13, Paragraph 6 of the Companies Act.

Nomination Committee and Remuneration Committee

The Nomination Committee and Remuneration Committee have been established as discretionary bodies to ensure transparency and objectivity in the process for nominating candidates for directors and executive officers and determining their remuneration. The Company has been deemed that the current composition of the Board of Directors, of which half of the members are inside directors and half are outside directors and chaired by an outside director, is appropriate to ensure the transparency and objectivity of nomination- and remuneration-related decisions and adequate incentives for appropriate risk-taking and providing information to the Board of Directors.

Corporate Governance Structure

(As of March 19, 2025)



Composition, Decision-Making Authority, and Performance (Agenda Items) of Members of the Board of Directors, Audit & Supervisory Committee, and Other Committees

	Composition and Decision-Making Authority	Fiscal 2024 (Agenda Items)
Board of Directors	The Board of Directors comprises six members, including one representative director and two outside directors. It has the authority to determine basic management policies, decide on the establishment of the internal control system, and execute other important duties. It also fulfills a supervisory role in monitoring the formulation and execution of the medium- to long-term direction and provides advice from a variety of internal and external perspectives, ensuring an environment that enables management to make appropriate decisions without missing out on opportunities.	• Medium-Term Management Plan • Budgets and financial results • Organizational reforms, director and executive officer personnel • ESG Committee, Corporate Ethics Committee, Internal Control Committee, and Information Security Committee activities
Audit & Supervisory Committee	The Audit & Supervisory Committee comprises three members, including one full-time member who is a non-executive director and two members who are outside directors. The full-time member of the Audit & Supervisory Committee is selected for this role to increase the effectiveness of audits performed by the Audit & Supervisory Committee based on information obtained by a person highly familiar with the Company's internal situation. This person gains information through attending important meetings other than those of the Board of Directors and close collaboration with the internal auditing departments.	• P.115 Audit Status (1) Audit Status of the Audit & Supervisory Committee: Activity Status of the Audit & Supervisory Committee
Nomination Committee	The Nomination Committee is a discretionary body established for the purpose of nominating director candidates and ensuring the transparency and objectivity of the selection of executive officers. The Nomination Committee has the authority to (1) propose ideas on the appointment and dismissal of directors to submit to the general meeting of shareholders, (2) select and dismiss the representative director, and (3) discuss proposals on the selection and dismissal of executive officers as well as executive officers with line responsibility.	• Director and executive officer candidates, etc.
Remuneration Committee	Unicharm has established the Remuneration Committee, a discretionary body with the purpose of securing transparency and objectivity regarding the remuneration of directors (excluding directors who are Audit & Supervisory Committee members) and executive officers. The Remuneration Committee has the authority to deliberate on (1) proposals concerning remuneration of directors to be submitted to the general meeting of shareholders, (2) the policy for determining remuneration of individual directors (excluding directors who are Audit & Supervisory Committee members) and executive officers, and (3) the evaluation criteria and results used to determine the remuneration of individual directors (excluding directors who are Audit & Supervisory Committee members) and executive officers.	• Director and executive officer performance evaluations • Director and executive officer remuneration, etc.

▶ Composition of Important Meetings and Committees

	Composition and Functions
Advisory Board Meeting	The Advisory Board Meeting is chaired by the representative director and the president & CEO, and is attended by all directors with the exception of outside directors, executive officers, and the leaders of relevant business units. Outside directors also attend the meeting as necessary. The meeting convenes to deliberate on how to achieve the strategies in the medium-term management plan as well as the business plans and strategies of Group companies.
Business Update Meeting	The Business Update Meeting is attended by all directors with the exception of outside directors, executive officers, and the leaders of relevant business units. The president & CEO chairs this meeting. In principle, the meeting convenes once a month to provide reports on the execution of operations, and discussions are held on material issues in terms of business execution selected by the chair for prompt resolution.
ESG Committee	The ESG Committee is chaired by the president & CEO and the ESG Division serves as its secretariat. The committee discusses the progress of activities and countermeasures for issues related to the medium-term management plan and medium- to long-term ESG goals.
Corporate Ethics Committee	The Corporate Ethics Committee is chaired by the executive officer in charge of the Corporate Ethics Office. All Audit & Supervisory Committee members serve as full-time members of this committee, which promotes a system for ethics and legal compliance.
Internal Control Committee	The Internal Control Committee is chaired by the executive officer in charge of the Internal Audit Department, which serves as its secretariat. The committee is responsible for ensuring that the internal control system related to financial reporting is appropriately assessed by management and audited by an audit firm.
Information Security Committee	The Information Security Committee is chaired by the executive officer in charge of the DX Promotion Division, which serves as its secretariat. The committee functions as a system for ensuring information security.
Accounting Auditor	The Audit & Supervisory Committee approves the accounting auditor based on its auditing system, independence, and expertise.

▶ Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees and Attendance at These Meetings (Fiscal 2024)

	Board of Directors	Audit & Supervisory Committee	Nomination Committee	Remuneration Committee
Takahisa Takahara President & CEO	100% (9/9)	—	100% (1/1)	100% (1/1)
Toshifumi Hikosaka Director, Senior Management, in Charge of Production and Development	100% (9/9)	—	—	—
Kenji Takaku Director, Senior Managing Executive Officer in Charge of Marketing and Sales	100% (9/9)	—	—	—
Hiroaki Sugita Director, Audit & Supervisory Committee Member Outside Independent	100% (9/9)	100% (11/11)	100% (1/1)	100% (1/1)
Noriko Rzonca Director, Audit & Supervisory Committee Member Outside Independent	100% (9/9)	100% (11/11)	100% (1/1)	100% (1/1)
Shigeru Asada Director, Audit & Supervisory Committee Member	100% (9/9)	100% (11/11)	100% (1/1)	100% (1/1)

Note: Outside Outside director Independent Independent director
Attendance is based on the number of times committees have convened during respective tenures.

▶ Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees and Relevant Expertise of Directors (as of March 19, 2025)

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	Tenure	Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees				Relevant Expertise of Directors										
		Board of Directors	Audit & Supervisory Committee	Nomination Committee	Remuneration Committee	Corporate Management	Finance and Accounting	Corporate Governance	Risk Management	Human Resource Development	Overseas Business	Marketing	Distribution Strategy	Development and Production	Sustainability*2	Digital Transformation
Takahisa Takahara President & CEO	29 years, 9 months	◎		○	○	●	●	●	●	●	●	●			●	
Kenji Takaku Director, Senior Management, in Charge of Marketing and Sales	2 years	○				●		●	●	●	●	●	●	●		
Tetsuya Shite Director, Senior Managing Executive Officer	—*1	○				●		●	●	●			●		●	
Hiroaki Sugita Director, Audit & Supervisory Committee Member Outside Independent	4 years	○	○	◎	◎	●	●	●	●	●		●	●		●	●
Noriko Rzonca Director, Audit & Supervisory Committee Member Outside Independent	2 years	○	○	○	○	●		●	●	●	●	●			●	●
Shigeru Asada Director, Audit & Supervisory Committee Member	6 years	○	◎	○	○	●	●	●	●	●	●					

Note: ◎ denotes serving as the chair and ○ denotes serving as a member Outside Outside director Independent Independent director
*1 Appointed on March 19, 2025 *2 Environment and quality

Views on the Balance Between Knowledge, Experience, and Skills of the Board of Directors and Diversity and Size Thereof 405-1

In order to perform its functions, we must ensure that the Board of Directors has a good balance of essential knowledge, experience, and skills and that its composition is diverse and of an appropriate size.

Maintaining Diversity and Appropriate Size

The Company's inside directors and executive officers possess a high level of expertise in its areas of business which is utilized by the Board of Directors to oversee decision-making processes and provide advice on the Company's medium- to long-term direction from a wide range of perspectives. In this way, the Company ensures that the composition of the Board of Directors is diverse and of an appropriate size.

Inside Directors

The Board of Directors oversees decision-making processes and provides advice on the Company's medium- to long-term direction from a variety of perspectives utilizing the expertise of inside directors and executive officers. Accordingly, inside directors are selected from candidates with extensive knowledge of the Company's business.

Outside Directors

Outside directors are selected from candidates with strengths in areas that are key to the Company's strategies and in which advice from an external perspective is of particular importance. Emphasis is also placed on their ability to promote DX, as this is an area in which advice from outside directors is particularly important in implementing the strategies underscored in the medium-term management plan. Furthermore, we also select candidates with experience in corporate management, due to its significance in the Board of Directors' ability to fulfill its supervisory function.

Directors Who Are Audit & Supervisory Committee Members

As a company with audit and supervisory committee structure, we believe, on the whole, that directors who are Audit & Supervisory Committee members must possess the knowledge, experience, and abilities to conduct effective audits. We also believe that directors who are Audit & Supervisory Committee members should include those with sufficient knowledge of finance and accounting, in particular, as well as legal affairs.

▶ Reasons for Appointment of Outside Directors

Name	Audit & Supervisory Committee Member	Independent Director	Supplementary Explanation on Appropriateness	Reasons for Appointment
Hiroaki Sugita	○	○	Mr. Sugita currently serves as a Senior Advisor of Boston Consulting Group and is not involved in the Company's consulting business. Moreover, the ratio of expense payment for consulting from Mr. Sugita comprises less than 1% of both groups' consolidated net sales for the three most recent fiscal years. He has been designated as an independent director upon determining that he does not have any conflict of interest with the Company's general shareholders and fulfills the independence criteria stipulated in the Guidelines for Listing Management of the Tokyo Stock Exchange and the Company's selection standards for independent directors.	Having previously served as Japanese representative of major foreign capital consulting firm the Boston Consulting Group (currently, Boston Consulting Group LLC) and currently serving as a Senior Advisor, Mr. Sugita possesses a high level of insight and is highly experienced in finance and accounting, as well as management strategies within business management, particularly in globalization strategy, corporate governance, group management, and digital transformation (DX). The Company has determined that he is qualified to further develop its global expansion and provide appropriate advice on both governance and management strategies based on his high level of insight in these areas.
Noriko Rzonca	○	○	Ms. Rzonca has been designated as an independent director upon determining that she does not have any conflict of interest with the Company's general shareholders and fulfills the independence criteria stipulated in the Guidelines for Listing Management of the Tokyo Stock Exchange and the Company's selection standards for independent directors.	Ms. Rzonca has years of experience in management positions at major overseas and foreign-affiliated financial institutions through which she has acquired a high degree of insight into corporate management and corporate governance. She has also been in charge of strengthening DX strategies, developing digital human resources, and building a data-driven management platform at Sony Bank Inc. and Cosmo Energy Holdings Co., Ltd. She has made significant contributions to the Company's management strategies through the promotion of DX and the development of digital human resources, drawing on her high level of insight in DX strategies. Based on her experience working overseas with a foreign company, Ms. Rzonca continues to provide guidance in the development and execution of global strategies and risk management, as well as provide appropriate advice in strengthening governance and implementing digital strategies and play a key role in our efforts to become a global leading company.

Candidates and Appointment and Dismissal of Executive Officers 2-10

Policies

Candidates for both inside and outside directors are nominated from those possessing outstanding characteristics and comprehensive management knowledge, with an emphasis on their capacity to appropriately fulfill the duties of a prudent manager and on their loyalty and contributions to the Company's sustained growth and increased corporate value. Internal directors are appointed based on the periodic assessment of their cultivation of successors and implementation of supervision by the directors, the Nomination Committee, and the Board of Directors. Moreover, in nominating director candidates, efforts are made to ensure that the Board of Directors, on the whole, has a good balance of essential knowledge, experience, and skills and that its composition is diverse and of an appropriate size.

Executive officers are appointed from those with outstanding characteristics who are familiar with the Group's businesses and practice the Five Great Pillars and Associate Code of Conduct established as the Group's Charter of Actions for both executives and employees, with an emphasis on the ability to appropriately execute business activities.

To ensure objectivity and transparency, the evaluation criteria for directors and executive officers are clearly defined per role and disclosed. When receiving an evaluation below standard for two consecutive years, the director or executive officer will be subject to review by the Nomination Committee and dismissed or not reappointed by the Board of Directors following a comprehensive evaluation based on advice and recommendations from the committee. For specific evaluation criteria, please refer to "Director Remuneration."

P.117 Director Remuneration

Procedures

The nomination of candidates for directors and the appointment of executive officers are both determined by the Board of Directors based on deliberations by the Nomination Committee, which is chaired by an independent outside director and comprises the president & CEO, two independent outside directors, and one non-executive director, in order to secure transparency and objectivity. The Nomination Committee deliberates on the policy concerning the nomination of candidates for directors and the appointment of executive officers as necessary. Decisions on candidates for directors who are Audit & Supervisory Committee members are made by the Board of Directors based on a draft formulated after deliberation by the Nomination Committee in accordance with the policy of the Audit & Supervisory Committee, with prior consent from the same.

Succession Plan

Please refer to "Succession Plan" for details on the system for fostering and nominating successors.

P.85 Succession Plan

Resolution Requirements for the Appointment of Directors

The Articles of Incorporation stipulate that a resolution on the appointment of a director is reached when more than one-third of shareholders with exercisable voting rights are in attendance and pass the proposal with a majority vote, with directors separated by those who are and who are not members of the Audit & Supervisory Committee. In addition, the Articles of Incorporation stipulate that the resolution on the appointment of directors shall not use cumulative voting.

Transactions Between Related Parties 2-15

The Company obtains prior approval of the Board of Directors when conducting direct or indirect business with its directors (including directors who are Audit & Supervisory Committee members) or their relatives. When important transactions are carried out between Group companies, a legal check is conducted in advance to verify the validity of transactional conditions and their method of determination, as well as careful deliberation by the Board of Directors, including multiple independent outside directors.

Selection Standards for Independent Directors

The selection standards for independent directors are presented below.

web **Selection Standards for Independent Directors (in Japanese only)**
https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/company/about/dokuritsutorisimariyakusennnin.pdf

Audit Status

❶ Audit Status of the Audit & Supervisory Committee

Organization and Personnel

The Audit & Supervisory Committee comprises three members, including one full-time member who is a non-executive director and two members who are outside directors.

Outside director Hiroaki Sugita has experience as Japanese representative, Managing Director and Senior Partner of major foreign capital consulting firm Boston Consulting Group, where he currently serves as a Senior Advisor, in addition to his role as an outside director at several other companies, where he utilizes his considerable knowledge of corporate management and corporate governance.

Outside director Noriko Rzonca has years of experience in management positions at major overseas and foreign-affiliated financial institutions through which she has acquired a high level of insight into corporate management strategies and corporate governance.

Shigeru Asada, who serves as a full-time member of the Audit & Supervisory Committee, has sufficient knowledge of finance and accounting from his experience as the executive director and general manager of the Accounting Control & Finance Division of the Company, in addition to his experience as the head of the internal audit and tax departments and as the officer in charge of accounting for overseas businesses at Panasonic Corporation's global headquarters.

The Audit & Supervisory Committee conducts systematic audits based on reports from departments, including the Internal Audit Department, and other internal control systems and may require further reports and the sharing of opinions as needed.

Activity Status of the Audit & Supervisory Committee

1. Meeting frequency:
Meetings of the Audit & Supervisory Committee are generally held once a month and from time to time as needed.

2. Specific meeting agenda:
The following resolutions and reports were made in fiscal 2024.
Resolutions: Audit plan and the sharing of the duties of the Audit & Supervisory Committee, reappointment and non-reappointment of the accounting auditor, agreement on the remuneration of the accounting auditor, Audit & Supervisory Committee audit reports, etc.
Reports: Prior confirmation of the Board of Directors' agenda items, audit plan and audit report of the accounting auditor, internal control and audit reports on the Internal Audit Department, strategies of domestic and overseas subsidiaries, reports on financial position and business restructuring, etc.

3. Attendance of Audit & Supervisory Committee members:
Please refer to "Composition and Participation Status of the Board of Directors, Audit & Supervisory Committee, and Other Committees" for the attendance record at meetings of the Audit & Supervisory Committee held in fiscal 2024. The average duration of Audit & Supervisory Committee meetings was approximately 60 minutes.

P.113 Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees and Attendance at These Meetings (Fiscal 2024)

4. Activities of full-time Audit & Supervisory Committee members:
Full-time Audit & Supervisory Committee members share information with part-time outside directors who are Audit & Supervisory Committee members, while auditing the appropriateness of the operational status of the internal control system through (1) collecting information internally, (2) monitoring information dissemination from Company management, (3) attending regularly held business update meetings and advisory meetings that deliberate on the Company's master plan and management plan of each subsidiary company in Japan and overseas, (4) auditing business reports, financial documents, consolidated financial statements, and supplemental schedules, (5) perusing important approval documents and contracts, (6) receiving reports from the Internal Audit Department in a timely manner, and (7) verifying the appropriateness of the methods and results of the accounting auditor and confirming whether an internal control system is in place through regular meetings with said auditor.

② Status of the Internal Audit

The Company has established the Internal Audit Department (seven members) as an internal auditing section that is under the direct control of the president & CEO. It conducts internal audits on executing departments and compiles internal audit reports, which include points of critique and improvement recommendations. The reports are then shared with the president & CEO, as well as the Audit & Supervisory Committee, and submitted to the department undergoing the audit. In case any deficiency is noted, the audited department will develop and implement an improvement plan while the Internal Audit Department will monitor the improvement results.

Regular meetings are held between the Internal Audit Department, the Audit & Supervisory Committee, and the accounting auditor to share information and opinions. Moreover, audits done by this assembly include the establishment and operational status of an internal control system developed by the internal control sections.

③ Policy and Reason for Selection of the Audit Firm

The selection of an accounting auditor is made upon considering the audit system, independence, and expertise of the accounting auditor by the Company's Audit & Supervisory Committee.

If an accounting auditor is found to fit the description of any item under Article 340, Paragraph 1 of the Companies Act, the accounting auditor will be terminated by the Audit & Supervisory Committee, given the agreement of all members of the committee. The decision to reappoint an accounting auditor is made every fiscal year with consideration of the accounting auditor's suitability, independence, and job performance. If the decision is made such that non-reappointment is appropriate, then the Audit & Supervisory Committee will determine the details of the proposal concerning the non-reappointment of the accounting auditor to the general meeting of shareholders.

Development of an Internal Control System

The Company formulated its Basic Policy for Establishing an Internal Control System in accordance with the Companies Act and established the Internal Control Committee in compliance with the Internal Control and Reporting System (J-SOX) of the Financial Instruments and Exchange Act. The Internal Control Committee conducts an annual reassessment of risks for each Group company, reviews target countries and regions for J-SOX assessment, and revises the scope of assessment for business processes. The committee also monitors the development and operational status of the internal control system and works to ensure the reliability of financial reports.

The Company makes ongoing improvements to this internal control system from a global perspective by taking into account the regulatory developments in countries where the Group operates and through other means.

Director Remuneration 2-19,2-20

1. Method of Determining the Policy for Decisions on Individual Remuneration of Directors

To ensure transparency and objectivity in the process for determining individual remuneration of directors, remuneration of directors is deliberated by the Remuneration Committee, which consists of the president & CEO (one person), a non-executive director (one person), and independent outside directors (two persons), with the independent outside directors comprising half of the seats on the committee, which is chaired by an independent outside director. Based on these deliberations, the results are then conferred for approval with the Board of Directors.

▶ Our Basic Policy

Remuneration for directors (excluding directors who are Audit & Supervisory Committee members) and executive officers of the Company and related policies are determined based on comprehensive evaluation of their motivation to improve Unicharm's performance and corporate value and the securing of excellent human resources, in order to ensure that the level of remuneration is commensurate with the roles and responsibilities of their position.

Basic policies on their remuneration aimed at promoting growth-oriented management, accomplishing management strategies, and fulfilling management plans are as indicated on the right.

▶ Basic Policy on Director Remuneration

1. Contributes to the sustainable growth and medium- to long-term increase of corporate value
2. Remuneration structure that is linked closely with performance and motivates the fulfillment of management plans and the achievement of results
3. Remuneration level that can attract and retain human resources who can assume the role of management
4. Highly transparent and objective process for determining remuneration

▶ Director Remuneration Policy

1. Remuneration is set to match director remuneration levels in the same industry in Japan and overseas and in companies of the same scale in other industries, as well as in consideration of our financial situation, in order to promptly cope with changes in the external environment and market conditions.
2. The target value of monetary compensation is set within the top 25 percentile and that of combined stock option compensation from a medium- to long-term perspective is set within the top 10 percentile.

2. Overview of the Policy for Decisions on Individual Remuneration of Directors

The following is an overview of the Company's policy for decisions on the individual remuneration of directors.

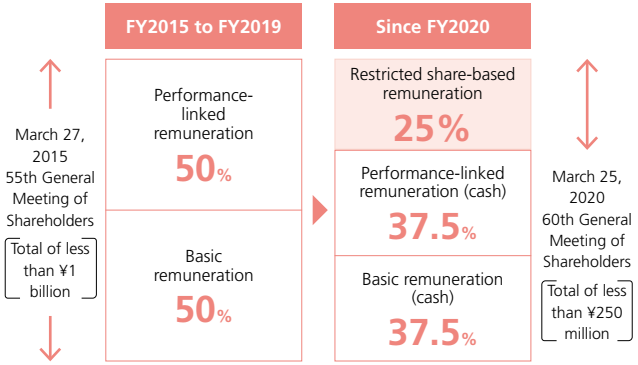
1 Overview of the Director Remuneration System

Remuneration for directors (excluding directors who are Audit & Supervisory Committee members) and executive directors consists of basic remuneration (cash) and performance-linked remuneration. Performance-linked remuneration consists of monetary compensation as a short-term incentive and restricted share-based remuneration as a medium- to long-term incentive. In addition, basic remuneration for each position is determined based on the extent of job responsibility.

Independent outside directors, coming from a stance independent of business execution, and directors who are Audit & Supervisory Committee members receive only fixed remuneration, given their roles to provide supervision and advice on the Company's management from an objective perspective.

The total amount of annual remuneration was approved to be within ¥1 billion for directors (applicable to eight members and excluding those who are Audit & Supervisory Committee members) and within ¥100 million for directors who are Audit & Supervisory Committee members (applicable to three members) at the 55th General Meeting of Shareholders held on March 27, 2015. The total annual amount of restricted share-based remuneration was approved to be within ¥250 million (applicable to three members and remaining within the aforementioned ¥1 billion limit) at the 60th General Meeting of Shareholders held on March 25, 2020.

▶ Composition of Remuneration



- Basic remuneration (cash): To ensure the Company's competitiveness in the marketplace, basic remuneration is determined based on benchmarks set according to the extent of the roles and responsibilities for each position and paid in the form of monthly fixed compensation.
- Performance-linked remuneration (cash): As a short-term (one-year) incentive, performance-linked remuneration is set in the range of 0% to 200% (consisting of 10 remuneration levels) of the basic remuneration amount depending on performance results for that period. It is paid out from the following April to March of the following year based on the results of the fiscal year under evaluation (preceding January to December).
- Restricted share-based remuneration: As an incentive to increase corporate value over the medium to long term, the Company allocates in April of the following year restricted shares equivalent to 33% to 100% of the basic remuneration amount according to the performance results of the fiscal year under evaluation (preceding January to December). Restricted share-based remuneration has a transfer restriction period set at three years.

▶ Evaluation Criteria for and Basic Policy on Executive Remuneration and Fiscal 2024 Remuneration Targets and Results

The evaluation criteria (consisting of eight themes in four categories, including ESG assessment) used to determine performance-linked remuneration (cash) and restricted share-based remuneration of directors (excluding those who are also Audit & Supervisory Committee members) and executive officers as well as the targets and results for remuneration in fiscal 2024 are presented below.

Moreover, weightings for evaluation criteria are assigned to each position in line with the extent of responsibilities. For example, evaluation weightings for the representative director are set at 50% each for the Group's performance and key strategies. For executive officers responsible for line function departments, the weightings are 30% each for the performance of the Group and the departments of which they are in charge and 20% each for the key strategies of the Group and the departments of which they are in charge.

In addition, in ESG assessment, which was added as a part of the evaluation criteria from fiscal 2020, Unicharm strives to be assessed as quantitatively as possible through criteria such as inclusion in the FTSE Blossom Japan Index and improved ESG scores. In fiscal 2023, the Company's efforts to further promote its medium- to long-term ESG goals, Kyo-sei Life Vision 2030, and DX initiatives were recognized through our selection as a constituent of all six ESG indices adopted by the Government Pension Investment Fund (GPIF) and as a Noteworthy DX Company 2023 among DX Stocks 2023, which has enhanced corporate value. In fiscal 2024, we were acknowledged for our efforts to accelerate the promotion of "our business itself as ESG" and enhance corporate value. The Company was selected as a constituent of all ESG indices adopted by GPIF, in addition to being selected as a Sustainability Transformation Stock 2024 by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, an Environmentally Sustainable Company at the 5th ESG Finance Award Japan, a constituent stock of the SOMPO Sustainability Index, and a Best Workplace for the third time at D&I Award 2024.

No.	Evaluation Criteria	Accountability	Assessment Weighting	Targets	Results	Assessment
1	Group performance (business plan)	1-1 Consolidated net sales	20%–50%	¥1,006,000 million (up 6.8% YoY)	¥988,981 million (up 5.0% YoY)	98.3%
		1-2 Consolidated core operating income		¥144,000 million (up 12.5% YoY)	¥138,463 million (up 8.2% YoY)	96.2%
		1-3 Profit attributable to owners of parent		¥90,000 million (up 4.6% YoY)	¥81,842 million (down 4.9% YoY)	90.9%
2	Department performance	2-1 Sales in applicable business division	0%–40%	(Each department)	(Each department)	—
		2-2 Profits in applicable business division		(Each department)	(Each department)	—
3	Group key strategy	3-1 Priority strategies for each role	20%–50%	(Each director)	(Each director)	—
		3-2 ESG assessment (specialist rating agency evaluation, etc.)		(Each director)	(Each director)	—
4	Department key strategy	4 Priority strategy in applicable business division	0%–40%	(Each department)	(Each department)	—

Overview of key assessment indicators

1. Performance-based indicators for Company efforts 2. Performance-based indicators for individual director and executive officer efforts 3. Assessment indicators for Company priority strategies (including qualitative assessments)
4. Assessment indicators for individual director and executive officer priority strategies (including qualitative assessments)

▶ Conditions in the Agreement on the Allotment of Restricted Share-Based Remuneration

Restricted share-based remuneration means that eligible directors and executive officers receive monetary claims as their remuneration, all of which are then contributed to the Company. Finally, the Company disposes of treasury shares in exchange for these contributions. The Company and each of the eligible directors and executive officers conclude an agreement on the allotment of restricted shares.

1	Restriction period	The eligible directors and executive officers are prohibited from assigning, pledging as collateral, or disposing of ("transfer restriction") these shares ("allotted shares") for three years from the date of the allotment ("restriction period").
2	Handling of retirement	If an eligible director or executive officer resigns or retires from the position of director, executive officer, or another position stipulated in advance by the Board of Directors before the restriction period ends, the Company shall automatically acquire the allotted shares without contribution unless there are justifiable reasons for retirement from office such as expiration of the term of office or death.
3	Removal of transfer restriction	The Company will remove the transfer restriction for all of the allotted shares when the restriction period ends on the condition that the eligible directors and executive officers serve in the position of director, executive officer, or another position stipulated in advance by the Board of Directors throughout the restriction period. However, if an eligible director or executive officer resigns or retires from the position of director, executive officer, or another position stipulated in advance by the Board of Directors before the end of the restriction period due to justifiable reasons for retirement from office, such as expiration of the term of office or death as outlined in "2" above, the Company will reasonably adjust as needed the number of allocated shares for removal of the transfer restriction and the timing of when to remove the transfer restriction. Also, the Company will automatically acquire without contribution the allotted shares for which the transfer restriction has yet to be removed as of the point in time immediately after the removal of the transfer restriction period following the above rules.
4	Clawback provision	The eligible directors and executive officers shall return all or part of the accumulated allotted shares without contribution in the event of material accounting fraud or substantial losses to take responsibility for such occurrences.
5	Other matters	Other matters concerning the agreement on the allotment of restricted shares shall be determined by the Board of Directors.

❷ Method for Determining Individual Remuneration of Directors

In order to properly assess individual remuneration amounts based on the contribution performance of each director, the evaluation results based on each key performance indicator (KPI) are reported to and deliberated by the Remuneration Committee with a decision made by the representative director entrusted in a resolution of the Board of Directors.

❸ Policy Regarding Decisions on the Composition and Amount of Fixed Remuneration, Bonuses, and Restricted Share-Based Remuneration

A Remuneration Committee meeting was held on February 22, 2021, to deliberate on matters concerning the calculation method, composition, timing of payment, and details and delegation of authority for the determination of fixed remuneration, performance-linked remuneration, and share-based remuneration. After discussions on the matters that should be resolved by the Board of Directors, decisions were made according to the resolutions of the Board of Directors meeting held on the same day.

3. Reasons for the Board of Directors' Decision to Ensure That Individual Compensation of Directors in Fiscal 2024 Is Consistent with the Policy for Decisions on Individual Remuneration of Directors

In regard to the individual remuneration of directors for fiscal 2024, the method for determining remuneration and the determined amounts of remuneration have been deemed consistent with the policy for determining remuneration approved by the Board of Directors. In addition, a high degree of importance is placed on reports from the Remuneration Committee, which also corresponds to said policy.

▶ Total Remuneration for Each Director and Executive Officer, Total for Each Type of Remuneration, and Number of Directors Receiving Remuneration

Role	Total Remuneration (million yen)	Total for Each Type of Remuneration (million yen)			No. of Directors Receiving Remuneration
		Basic Remuneration	Performance-Linked Remuneration	Non-Monetary Remuneration Restricted Share-Based Remuneration	
Directors (excluding Audit & Supervisory Committee members and outside directors)	557	194	194	170	3
Directors (Audit & Supervisory Committee members) (excluding outside directors)	8	8	—	—	1
Outside directors	21	21	—	—	2

1. Total amount of remuneration of directors (excluding Audit & Supervisory Committee members) includes amounts recorded as expenses of ¥170 million for restricted share-based remuneration of three directors (excluding Audit & Supervisory Committee members).
2. Following the enforcement of the Companies Act, the Company's shareholders approved a resolution to abolish the retirement benefit system for directors and executive officers and incorporate their bonuses into remuneration at the 47th General Meeting of Shareholders held on June 26, 2007. Directors and executive officers now only receive annual compensation.

Support System for Outside Directors

A designated secretary supports outside directors while the Board of Directors' secretariat coordinates between outside directors and the Board of Directors and distributes meeting documents four business days before the meeting, in principle, in an effort to ensure adequate time for reviewing proposals in advance. Support is also provided to ensure that outside directors can make appropriate decisions by providing information on the Company's important strategies, even if there is no direct correlation to the matters of the resolution.

In addition, employees of the Audit & Supervisory Committee Secretariat Office provide assistance for the two outside directors who are Audit & Supervisory Committee members. The full-time Audit & Supervisory Committee member also supports outside directors by providing preliminary explanations of agenda items for the Board of Directors and setting up meetings with relevant departments as necessary.

Policy on Cross-Shareholdings

The Company holds the minimum number of shares in other companies necessary for the purpose of maintaining and strengthening its business relationships. In such cases, the Company shall determine whether to invest or not based on whether such investment would contribute to an increase in the corporate value of the Company, comprehensively taking into account the benefits that can be gained by maintaining and improving dividends and business relationships, as well as risks, capital costs, and other factors.

Each year, the Board of Directors verifies the appropriateness of each cross-shareholding, based on whether the purpose of the cross-shareholding has become insubstantial relative to the time of its acquisition and whether the risks and benefits are commensurate with capital costs.

Shares that are deemed as unreasonable to hold based on this verification are sold as appropriate, taking into consideration the overall impact on the market and other factors. With respect to the exercising of voting rights, the Company shall appropriately exercise voting rights upon careful examination of proposals and determination of whether or not these proposals contribute to the improvement of shareholder value. The Company shall not vote for any proposals that may damage shareholder value, regardless of whether they are submitted by the companies or their shareholders.

Analysis and Evaluation of Overall Board Effectiveness 2-18

The Company conducts a questionnaire of all directors every year and also hosts a discussion on the results of this survey with all participating directors. Through this process, the Company confirms progress regarding points identified as requiring further action in previous evaluations, identifies points that need to be addressed to further enhance the effectiveness of the Board of Directors, and summarizes the results of its analysis and evaluation of overall effectiveness of the Board of Directors. These results are also published with the approval of the Board of Directors.

The following is an overview of the analysis and evaluation results of the questionnaire conducted in fiscal 2025.

1. Questionnaire overview

The questionnaire asked respondents to selectively answer questions regarding the composition of the Board of Directors (number of members, skills, knowledge, experience, and diversity), oversight of succession planning, the quality, quantity, and timing of information provided at Board of Directors meetings, whether active discussions and comments were made, the number of days and hours the meetings were held, the number of proposals, and the time allotted for deliberation. Respondents were also asked to reflect on fiscal 2024 and comment on the future direction of the Board of Directors, its functions to be strengthened, the role of outside directors, the setting of agendas, the provision of information to directors, Board composition, and areas to address over the medium to long term.

2. Progress regarding points identified as requiring further action in previous evaluations

1. Regarding ongoing improvements, such as providing clearer explanations of information needed for deliberations to facilitate increasingly proactive discussions, we further strengthened coordination between the Board of Directors' secretariat and the Application Department and reflected issues identified by Audit & Supervisory Committee members in the explanatory materials.
2. Regarding setting agendas for discussion, including those focused on risk, we increased the number of matters to be reported to the Board of Directors.
3. Opinions on the composition of the Board of Directors, succession plan, and the operation of the Nomination Committee and the Remuneration Committee were shared with the Nomination Committee and Remuneration Committee secretariats, and discussions were held regarding the succession plan.
4. Regarding efforts to achieve further improvements, including progress and follow-up reports conducted in fiscal 2023, and increasing opportunities for outside directors and executive officers to engage, we enhanced the content of the progress and follow-up reports and conducted meetings between outside directors and executive officers on important management issues.

3. Results of the analysis and evaluation of overall effectiveness of the Board of Directors and points that must be addressed to further enhance effectiveness

Based on the results of the questionnaire and subsequent discussions of those results, the Company's Board of Directors was determined to be continuously improving and thus functioning effectively. We discussed the future direction of the Board of Directors, its functions to be strengthened, and the roles expected of outside directors and determined that the following efforts shall be made to further enhance the effectiveness of the Board of Directors.

1. Matters in which it is highly important to receive advice from directors, such as the Company's medium- to long-term direction, are added to the Board agenda for reporting and discussion at the discretion of the chairperson.
2. Strengthen preliminary explanations of agenda items for directors. For agenda items explained in advance, we will simplify explanations at Board of Directors meetings to allow more time for discussions.
3. Improve the materials used in considering proposals at Board of Directors meetings to enable discussions on the types of risks involved and whether they align with the organization's risk appetite.
4. Clarify internal rules regarding concurrent positions of directors from the perspectives of conflicts of interest and the focus and commitment necessary.

Evaluating Audit & Supervisory Committee Effectiveness

The Company's Audit & Supervisory Committee, in principle, meets once a month. During these meetings, the Audit & Supervisory Committee performs its audit duties through preliminary discussions of agenda items for Board of Directors meetings, reports on the audit plan summary and audits from the accounting auditor, reports on internal audits and internal control assessments from the Internal Audit Department, reports on performance projections and issues from the Accounting Control & Finance Division, and activity reports from each department based on their importance. Full-time Audit & Supervisory Committee members collect information necessary for audits based on the characteristics of full-time members, such as attending important meetings and reviewing important documents. In addition, through audit reports prepared by the full-time Audit & Supervisory Committee members and the exchange of opinions and information, outside Audit & Supervisory Committee members strive to improve the effectiveness of audits conducted by the Audit & Supervisory Committee.

Compliance

Fair Business Practices

2-25,2-26,2-27,205-1,205-2,205-3,410-1

Our Basic Approach and Strategy

In line with the Unicharm Ideals, "we strive to pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfillment of our social responsibilities," which serve as the foundation of our business activities. We have established the Unicharm Group Charter of Actions, which sets forth more specific standards of conduct to ensure that directors and employees maintain the highest ethical standards, and comply with laws and regulations and the Articles of Incorporation.

The Unicharm Group Charter of Actions prohibits bribery and the provision and acceptance of excessive entertainment and gifts. Similarly, the charter also prohibits improper political contributions, donations to organizations, insider trading, money laundering, and other actions that could lead to fraud or corruption, and we strive to prevent all Group employees from engaging in such actions. Furthermore, to ensure that workplace culture is not conducive to fraud or corruption, we thoroughly manage our working conditions and hours in compliance with various laws and regulations.

The Unicharm Group Charter of Actions is recited at morning assemblies and other gatherings at our various business sites to instill awareness in all employees. We believe it is essential for directors, executive officers, and other members of management to lead by example so that the Unicharm Group Charter of Actions are not mere formality. By continuously conveying such words and actions to employees, we instill a sense of ethics and enhance their awareness of the charter.

▶ **Unicharm Group Charter of Actions / Action Guidelines for Practicing Our "Beliefs & Pledges" and Corporate Code of Conduct (Excerpt)**

Practicing Our Pledge to Society

Compliance with Laws and Regulations, Industry Standards, and Internal Rules

1. Unicharm complies with laws and regulations, industry standards, and internal standards and rules and ensures compliance with the laws and regulations pertaining to our business activities.
2. We refrain from the use of terms or expressions that may be construed as forms of slander or social discrimination against other companies or individuals.

Respect for Rules and Cultures of International Society

1. In conducting global business activities as a multinational enterprise, Unicharm respects local cultures and practices and acts in accordance with international rules.
2. Unicharm strives to establish good relationships with local communities and win their trust.

Political Contributions, Donations, and Gifts and Entertainment to Public Servants

1. Unicharm ensures that political contributions and donations to various organizations are made in a transparent manner by means of an internal approval process.
2. Unicharm does not provide gifts or entertainment to public servants or persons in equivalent positions nor makes facilitating payments to facilitate official procedures.

Preparation for Disasters, Infectious Diseases, Anti-Social Forces, Cyberattacks, and Other Risks

1. Unicharm takes appropriate actions in the event of disasters, infectious diseases, terrorism, and other crisis based on the crisis management manual.
2. Unicharm does not engage in relationships with anti-social forces or respond to any requests from them by taking a resolute stance in cooperation with the local police.
3. Unicharm strives to establish the most advanced cybersecurity management system.

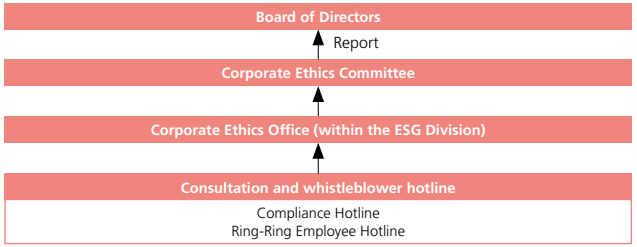
Management Structure

The ESG Committee, chaired by the president & CEO, monitors and supervises all activities related to social responsibility centered around a framework of quality, safety, and the environment. Specifically, the ESG Committee ensures the legality, fairness, and soundness of business activities and reports regularly to the Board of Directors.

Moreover, the Compliance Hotline has been established as a consultation and whistleblowing contact point for violations of laws and regulations, internal regulations, and major corporate ethics while the Ring-Ring Employee Hotline has been established for problems in the workplace, such as internal harassment acts and interpersonal issues, as part of efforts to develop and enhance the compliance structure. The Corporate Ethics Office has been established within the ESG Division as the contact point for the management of these bodies. In the event of a serious problem, the executive officer in charge of the Corporate Ethics Office takes the helm to resolve the issue by convening the Corporate Ethics Committee, which consists of all members of the Audit & Supervisory Committee. The Corporate Ethics Committee reports on the actions it has taken to the Board of Directors so that the effectiveness of the committee can be verified on a regular basis.

In addition, in order to conduct audits on whether business execution in each division is being conducted appropriately in accordance with laws and regulations, and to provide advice as necessary, the Internal Audit Department has been established to serve as an internal auditing section that is independent from each business execution division and is directly supervised by the president & CEO and to conduct internal audits on all Group companies.

▶ Compliance Promotion Structure



P.112 Corporate Governance Structure

Indicators and Targets

▶ Kyo-sei Life Vision 2030: Unicharm Principles

Indicator	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Annual Target
No. of serious compliance violations	Zero	Zero	Zero	Zero

Initiatives and Results

Prohibition of Insider Trading

To prevent directors, executive officers, and employees from engaging in insider trading, Unicharm established the Insider Trading Prevention Regulations. The executive officer in charge of ESG, who is appointed by the president & CEO, is designated as the person responsible for managing insider information in order to prevent illegal acts. In addition to ensuring internal awareness of our zero-tolerance stance on insider trading, we require the submission of a trade notice for Unicharm's shares whenever they are traded and set specific limits on the trading of such shares based on the circumstances of the positions, roles, and departments of directors, executive officers, and employees.

Anti-Corruption Measures

The Board of Directors has established policies to prevent all forms of corruption including bribery and such efforts are also being conducted in conjunction with the related departments. In addition, the Unicharm Group Sustainable Procurement Guidelines, which aim to maintain fair relationships with suppliers and prevent acts of corruption in transactions, clearly indicate the necessity of compliance with laws, regulations, and social norms and fair trade, as well as the prohibition of bribery and kickbacks, and promote the comprehensive prevention of corruption in transactions.

P.99 Unicharm Group Sustainable Procurement Guidelines

Regular Reviews of the Effectiveness of the Standard of Conduct

The Company confirms the effectiveness of its standard of conduct through monitoring using the employee survey and internal audits conducted annually and revises this standard as necessary. The Company renamed the Unicharm Group Action Guidelines to the Unicharm Group Charter of Actions on February 10, 2021.

P.82 Employee Survey

Fines, Surcharges, Settlements, and Dismissals Resulting from Acts of Corruption

In fiscal 2024, there were no fines, surcharges, or settlements resulting from acts of bribery or other forms of corruption, including facilitation payments. In addition, there were no disciplinary actions imposed on employees for such acts.

	Fiscal 2022	Fiscal 2023	Fiscal 2024	Coverage
No. of fines, surcharges, and settlements resulting from serious legal violations related to corruption and bribery	0	0	0	Unicharm Corporation
Amount of fines, surcharges, and settlements resulting from serious legal violations related to corruption and bribery (yen)	0	0	0	
No. of employees subject to disciplinary action due to acts of corruption or bribery	0	1	0	

Whistleblowing System

The Compliance Hotline has been established for Group employees, both within and outside Japan, as a consultation and whistleblowing contact point for the violation of laws and regulations, violation of internal regulations and acts of corruption such as the taking and receiving of bribes, or major corporate ethics violations. The Ring-Ring Employee Hotline has been established for employees to report or receive consultation on their concerns over human rights issues, acts of harassment, and workplace interpersonal issues. In principle, the system is available to all executives and employees*1 of the Company and its subsidiaries and affiliates, who can then remain anonymous when reporting or receiving consultation.

These matters are handled in accordance with the Consultation and Whistleblowing Management Regulations of the Corporate Ethics Office and whistleblowers and employees receiving consultation are notified of the results, with the exception of those who requested anonymity. The privacy of those who use this system is respected and every effort possible is made to ensure that they do not suffer any disadvantage from receiving consultation or reporting violations. In addition, if it becomes necessary to involve a third party, the whistleblower's consent to this will be sought. Along with the Compliance Hotline and the Ring-Ring Employee Hotline, Unicharm has also put in place a system that makes it easy for employees and their families to consult with external organizations.

Overseas, similar hotlines have been established and are being operated at our subsidiaries in China, Taiwan–Greater China, Thailand, Indonesia, Malaysia, Singapore, India, Brazil, South Korea, the United States, Vietnam, Saudi Arabia, Egypt, and Australia.

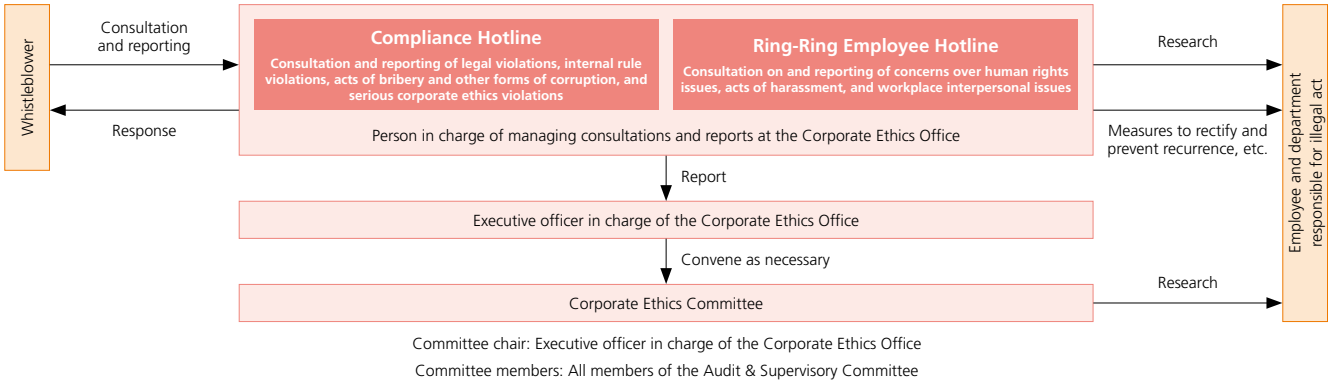
*1 Includes contract, part-time, temporary, and dispatched employees, and former employees who resigned within a year

▶ Number of Consultations and Reports via the Whistleblowing System

	Fiscal 2022	Fiscal 2023	Fiscal 2024
No. of consultation/whistleblowing cases (Japan)	100	165	210
No. of consultation/whistleblowing cases (overseas)*2	42	48	56
Of which, are in violation of compliance	0	0	0

*2 Unicharm's local subsidiaries in China, Taiwan–Greater China, Thailand, Indonesia, Malaysia, Singapore, India, Brazil, South Korea, the United States, Vietnam, Saudi Arabia, Egypt, and Australia

▶ Whistleblowing System Response Process



Committee chair: Executive officer in charge of the Corporate Ethics Office
Committee members: All members of the Audit & Supervisory Committee

Response to Serious Compliance Violations

At Unicharm, we define a "serious compliance violation" as one that impairs our corporate value, has an adverse impact on our business operations, and requires external information disclosure. Aiming to achieve our target of zero compliance violations as declared in Kyo-sei Life Vision 2030, we are taking appropriate measures to enhance compliance awareness. In fiscal 2024, there were no cases of serious compliance violations.

Initiatives to Raise Compliance Awareness

The Unicharm Group Charter of Actions, which all Group employees are required to comply with at all times, states the behaviors that should be kept in mind in order to achieve our pledge to each stakeholder and, through the recital of this charter, we are working to improve awareness of compliance in relation to issues such as corruption prevention. In addition, compliance-related questions have been added to the employee survey, which is conducted across the Group each year, to prevent acts of fraud, enhance awareness of legal compliance, and monitor compliance awareness.

P.82 Employee Survey

Compliance Education and Training

Aiming to raise awareness of compliance with laws and regulations and prevent problems from occurring, Unicharm holds workshops, distributes email newsletters, and posts information on the Company intranet to constantly share details of revised laws and compliance information related to its business as a means to enhance compliance awareness throughout the Group. In addition, we held a workshop on the whistleblowing system for department heads and scrum leaders in conjunction with the amendments to the Whistleblower Protection Act in June 2022.

▶ Measures to Raise Compliance Awareness

Target	Details	Fiscal 2024 Results	
		No. of Times	No. of Attendees
All employees	All areas of compliance (distribution through email newsletters and posting on Company intranet)	6	All employees
New employees	Compliance and basis of contracts	1	60
Employees to be posted overseas (pre-posting training)	Prohibition of bribery, protection of confidential information, contract compliance, etc.	2	24
Divisional basis	Setting of themes according to business activity and holding of workshops	2	39

Harassment Prevention

Unicharm has established the Harassment Prevention Regulations with the goal of establishing a comfortable workplace environment. According to these regulations, any act in the workplace that causes disadvantage or loss to others, damages their dignity, or infringes on their human rights is defined as "harassment" regardless of the intentions of the person responsible and is completely forbidden by the Company. Moreover, a curriculum on harassment prevention is covered in our training according to levels and roles, training for new leaders, and diversity and inclusion training.

	Fiscal 2022	Fiscal 2023	Fiscal 2024	Coverage
No. of participants in harassment prevention manager training	26	21	495	Unicharm Corporation
No. of participants in new leader training	26	21	46	

India: Prevention of Workplace Harassment

To ensure compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act established in 2013, Unicharm's local subsidiary in India conducts training on sexual harassment in the workplace, the possible consequences of such behavior, and the procedures for filing complaints. In fiscal 2024, 139 employees in the company's staff and manufacturing divisions participated in this training.

Compliance

Tax Compliance

207-1,207-2,207-3,207-4

Our Basic Approach and Strategy

In line with the Unicharm Ideals, "we strive to pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfillment of our social responsibilities." To this end, we have set forth our standards of conduct in the Unicharm Group Charter of Actions and instill them in each of our employees, ensuring compliance with all laws and regulations.

Included in this compliance is our basic policy to comply with the tax laws of all countries and regions in which we operate and ensure that tax payments are made appropriately in accordance with the principles of tax fairness. Specifically, we have established an appropriate Groupwide tax management system and take the following measures in accordance with the Unicharm Group Shared Policy on Tax, which were prepared for the purpose of maintaining and improving tax compliance and approved by the Board of Directors.

Support for the BEPS Project

Recognizing the purpose of the Inclusive Framework on Base Erosion and Profit Shifting (BEPS), a project led by the Organisation for Economic Co-operation and Development (OECD), the Unicharm Group pays special attention to ensure that transactions are conducted for legitimate business purposes and real business activities, and that taxes are paid appropriately in each region, in order to prevent the transfer of tax sources to tax havens (countries or regions with no or lower taxes) for the purpose of excess tax savings. In addition, in order to ensure that transactions between Group companies comply with the tax laws of each country and region, as well as OECD guidelines and appropriate transfer pricing transactions based on arm's-length principles, Unicharm has established its own Transfer Price Regulations and will work to ensure that international income is allocated appropriately in accordance with the contributions of each Group company. Moreover, when necessary, we apply for qualifications of bilateral advance pricing agreements in order to prevent double taxation due to transfer pricing taxation.

▶ Unicharm Group Shared Policy on Tax (Excerpt)

(Compliance with Tax Law)

Article 1: Unicharm Corporation (Hereinafter referred to as "Parent entity") and subsidiaries shall conduct business activities in accordance with the tax relevant laws in each country/region within which it operates and international standards in order to fulfill our corporate social responsibility as a global enterprise.

Article 2 Parent entity and subsidiaries shall develop strong, mutually respectful relationships with tax authorities, through enhancement in transparency by providing tax relevant information in a timely and appropriate manner. Also as necessary, they shall be committed to eliminating uncertainty by entering into arrangements such as advance ruling system.

(Filing, Payment and so on)

Article 3 The finance controllers shall file a tax return and pay the tax within the due date in accordance with the tax relevant laws of each country/region appropriately.

2. In the event that overpayment or underpayment are found out in accordance with the tax relevant laws in each country/region, the finance controllers shall go forward with appropriate procedures of additional payments or refunds promptly in consultation with the external tax advisors.
3. The finance controllers shall file a variety of applications and so on appropriately (e.g. Applications for tax treaty), according to the details of the transaction.

Management Structure

In each country and region of operation, Unicharm has appointed an accounting manager with tax-related expertise and established an organization and system to maintain and improve tax compliance. To ensure the appropriateness of tax management, decisions on important transactions are made based on approval after consultation with the executive officer in charge of accounting and finance at Unicharm Corporation—the person responsible for tax management in the Group—following confirmation of treatment in tax law. In addition, the Audit & Supervisory Committee, which oversees the implementation of corporate tax policies, reports the results of tax audits to the Company's Board of Directors.

Moreover, the Group has established, developed, and implemented an internal control system that can ensure appropriate accounting treatment and financial reports. The effectiveness of this system is evaluated through audits by the accounting auditor and the Audit & Supervisory Committee. In addition, we use expert third-party tax advisers effectively and efficiently to maintain tax compliance.

Moreover, employees receive regular training on tax matters through e-learning seminars and other forms of instruction to raise awareness of tax compliance within the Company. During tax inquiries, the executive officer in charge of accounting and finance reports progress and results to the president & CEO along with the Audit & Supervisory Committee as needed in an effort to enhance the entire Group's tax compliance.

Initiatives and Results

▶ Tax Payments by Country/Region (Million yen)

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Japan	19,898	25,102	29,155
China	6,056	3,984	1,621
Vietnam	1,546	463	1,978
Saudi Arabia	1,518	2,168	2,586
Thailand	2,703	1,963	3,774
Other regions	5,682	6,459	8,278
Total	**37,403**	**40,139**	**47,393**

Risk Management

Risk Management

2-16,201-2

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 a 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	• Competitive market environment (e.g., lower-pricing tactics by competitors)	• 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	• 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	• Differentiation of products and services • Improvement of cost efficiency	• 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	• 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	• Gaps in product lineup • Lack of a business model that allows for the establishment of long-term relationships with customers	• 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	• 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	• Provision of new customer experience value through *Sofy Be*, a menstrual management app • R&D in new domains and creation of new segments • Development of marketing plans across categories and brands	• Establishment and improvement of data infrastructure	• 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 Cyber security risk management is becoming increasingly important due to the worldwide increase in cyberattacks and the Company's strategy to proactively leverage data.	Impact 3 / Likelihood of occurrence 3 / Residual risk 3 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 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.	Impact 2 / Likelihood of occurrence 2 / Residual risk 2 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

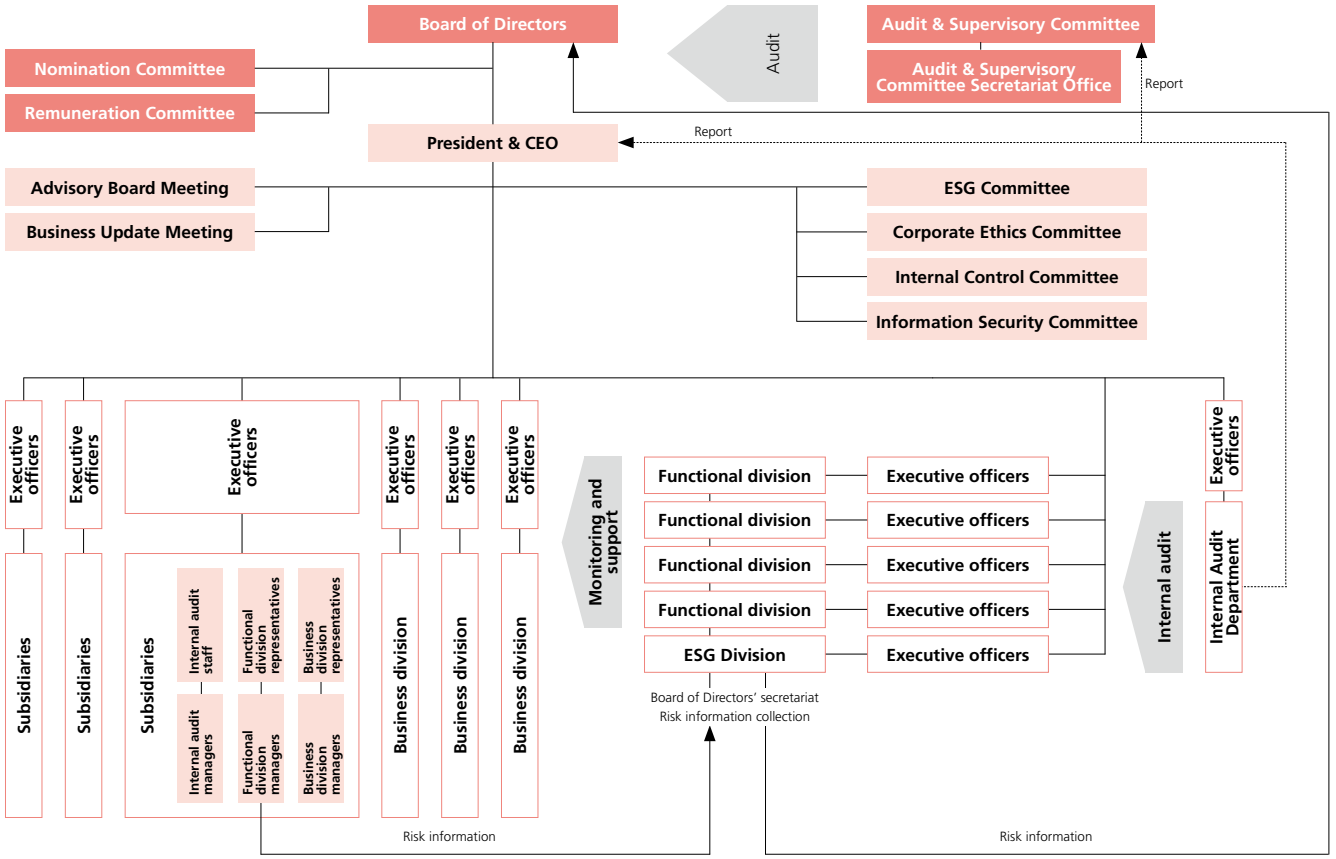
The Company has established a risk management system as shown in the diagram on the right. Under the supervision of the Board of Directors of the Unicharm Group, the president & CEO determines the basic policy for risk management of the Unicharm Group. In order to ensure effective and efficient risk 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.

P.8 Sustainability Promotion System

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.

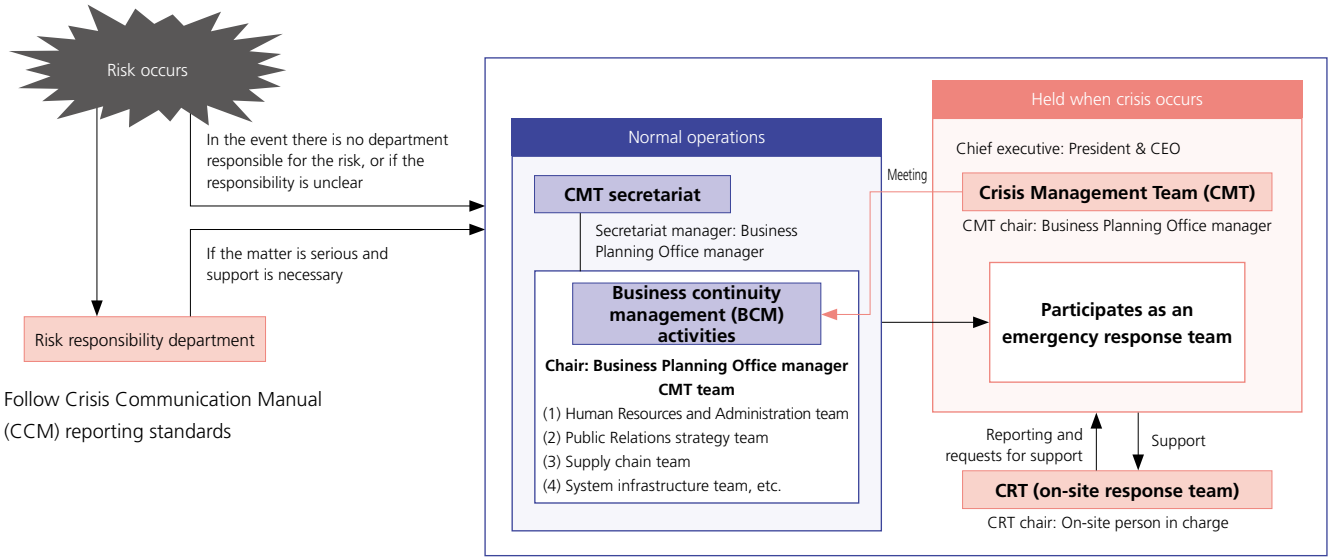
When a crisis does occur, Unicharm fulfills its social responsibility by assessing the situation in accordance with the CCM, working to prevent further damage and communicating appropriately with stakeholders.

▶ 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



Follow Crisis Communication Manual (CCM) reporting standards

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.

Data

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Environmental Management

▶ Sites for which data has been compiled (100% of net sales)
All business locations inside Japan (however, data of sales offices and Unicharm Mölnlycke K.K. has been collected only for fuel, electricity, and CO_2)
Unicharm Corporation (headquarters, sales offices, and R&D), Unicharm Products Co., Ltd. (Fukushima Factory, Shizuoka Factory, Shikoku Factory, Kyushu Factory, Itami Factory, Mie Factory, and Saitama Factory*), Unicharm Kokko Nonwoven Co., Ltd. (Toyohama Manufacturing Team, Kawanoe Manufacturing Team, Kokko Manufacturing Team), Cosmotec Corporation, Unicharm Mölnlycke K.K., Peparlet Co., Ltd., and Kinsei Products Co., Ltd.

Overseas (manufacturing locations only)
China: Unicharm Consumer Products (China) Co., Ltd., (Shanghai Factory, Tianjin Factory, Jiangsu Factory), Unicharm Nonwoven (Tianjin) Co., Ltd., and Unicharm Packaging Material (Tianjin) Co., Ltd.
Indonesia: PT UNI-CHARM INDONESIA TBK (Karawang Factory and East Java Factory), PT UNICHARM NONWOVEN INDONESIA
Thailand: Uni.Charm (Thailand) Co., Ltd. (Wellgrow Factory) and DSG International (Thailand) Public Company Limited
India: Unicharm India Private Limited (Sri City Factory and Neemrana Factory)
Taiwan–Greater China: UNITED CHARM COMPANY LTD. (Junan Factory)
Vietnam: Diana Unicharm Joint Stock Company (Bắc Ninh Factory)
United States: The Hartz Mountain Corporation (Hartz Pleasant Plain Factory)
South Korea: LG Unicharm Co., Ltd. (Gumi Factory)
Saudi Arabia: Unicharm Gulf Hygienic Industries Ltd. (Riyadh Factory)
Egypt: Unicharm Middle East & North Africa Hygienic Industries S.A.E. (Ramadan Factory)
Brazil: UNICHARM DO BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS DE HIGIENE LTDA. (São Paolo Factory)
Myanmar: Unicharm Myanmar Company Limited
Malaysia: DSG (MALAYSIA) SDN. BHD.
* The operations of the Itami Factory, Mie Factory, and Saitama Factory were transferred from Unicharm Corporation to Unicharm Products Co., Ltd. in May 2024.

Policies and standards
Aggregation is based on internal rules concerning the management of environmental information with reference to GHG Protocol.

Numerical data
As a general rule, figures are rounded off to the nearest unit and therefore the total amounts may not necessarily equal the sum of their components.

Notes
1. Scope 1 is calculated based on GHG Protocol's Emission Factors for Cross-Sector Tools (lower heating value is used when converting energy).
2. Regarding Scope 2, CO_2 emissions from electricity in Japan are calculated based on emission factors of electric utility providers under the Greenhouse Gas Emissions Calculation, Reporting, and Publication System established by the Ministry of the Environment, while overseas emissions are calculated based on emission factors of the International Energy Agency (IEA). Brazil now uses 100% renewable electricity and Myanmar uses 100% private power generation. Steam is calculated using a list of formulas and emission factors for calculating greenhouse gas emissions.
3. Scope 3 was calculated using values from LCI database AIST-IDEA Ver. 3.4 Research Laboratory for IDEA, RISS, AIST, IPCC2021 with LULUCF AR6. Figures for fiscal 2023 and prior were also recalculated based on this database, in addition to revising the calculation method for activity volume. The overseas portion of 3-1, 3-2, 3-3, 3-5, 3-6, 3-7, 3-12, and 3-15 are calculated based on activity level, while other categories are estimated based on sales weight.
4. In terms of transportation, we have statistics only for within Japan. The overseas portion of Scope 3 on P.139 is estimated based on the ratio of sales with Japan.
5. Quantification of greenhouse gas emissions is subject to uncertainty regarding the measurement of activity data and the determination of emission factors as well as scientific uncertainty regarding the determination of Global Warming Potential.
6. Energy conversion for Scope 2 is calculated based on the Act on Rationalization of Energy Use and Shift to Non-fossil Energy. Calculations for fiscal 2022 and fiscal 2023 are also based on the latest laws. Electricity is converted at 3.6 GJ/thousand kWh.
7. For sites where wastewater volume is not measured, wastewater volume is considered to be equal to water withdrawal.
8. Waste includes industrial waste, general waste from offices, and valuable resource.
9. Figures for certified materials (pulp and palm oil) have been retroactively adjusted for fiscal 2022 and fiscal 2023 due to the addition of business sites and materials subject to calculation.
10. To increase the reliability of our non-financial data, we have received independent assurance report from KPMG AZSA Sustainability Co., Ltd. in accordance with ISAE 3000 and ISAE 3410. Items with a check (✓) have been independently assured by a third party.

▶ Energy/Material Flow from a Life Cycle Perspective

Input (Fiscal 2024 Results)

Product Manufacturing Input

Raw materials and auxiliary materials		
Resources	Japan	612 thousand tons

Resources		
Heavy oil, light oil, gasoline Total 156 TJ	Japan Overseas	78TJ 78TJ
Liquefied petroleum gas (LPG), natural gas, utility gas Total 322 TJ	Japan Overseas	250TJ 72TJ
Steam Total 1 TJ	Japan Overseas	0TJ 1TJ
Electricity Total 825 GWh	Japan Overseas	262GWh 563GWh
Water ✓ Total 4,846 thousand m³	Japan Overseas	3,802 thousand m³ 1,044 thousand m³

Transportation Input

Resources		
Light oil	Japan	15.4 thousand kl

Resources → Materials manufacturer → Transportation → Production → Products

Products Japan 512 thousand tons

Transportation → Wholesale and retail stores → Consumption

Output (Fiscal 2024 Results)

Wastewater ✓ Total 3,835 thousand m³	Japan Overseas	2,875 thousand m³ 960 thousand m³	Fluvial discharge and atmospheric release
CO_2 (Scope 1 and Scope 2) ✓ Total 385 thousand tons	Japan Overseas	99 thousand tons 286 thousand tons	
Emissions ✓ Total 77 thousand tons	Japan Overseas	25 thousand tons 53 thousand tons	
Emissions for off-site disposal Total 77 thousand tons			Recycled 69 thousand tons Outsourced disposal 8 thousand tons
Recycled	Japan	23 thousand tons	
Outsourced disposal	Japan	1 thousand tons	
Recycled	Overseas	46 thousand tons	
Outsourced disposal	Overseas	7 thousand tons	

CO_2	Japan	82.0 thousand tons	Atmospheric release
NOx	Japan	1.9 thousand tons	

Waste	Japan	1,444 thousand tons	Waste, incineration, recycling
Containers and packaging	Japan	12.2 thousand tons	

Aggregation period: January 1 to December 31, 2024
Scope of aggregation: Please refer to information on the left
Assured items by third party: ✓
P.154 Independent Assurance Report

▶ Resources Used in Product Manufacturing

Raw Materials and Auxiliary Materials

		Unit	2022	2023	2024
Resources	Japan	Thousand tons	658	648	612

Resources

		Unit	2022	2023	2024
Heavy oil, light oil, gasoline	Japan	TJ	76	96	78
	Overseas		12	76	78
	Total	TJ	**88**	**172**	**156**
Liquefied petroleum gas (LPG), natural gas, utility gas	Japan	TJ	190	220	250
	Overseas		75	67	72
	Total	TJ	**265**	**287**	**322**
Steam	Japan	TJ	90	7	0
	Overseas		1	1	1
	Total	TJ	**91**	**8**	**1**
Electricity	Japan	GWh	272	254	262
	Overseas		587	563	563
	Total	GWh	**859**	**817**	**825**
Water	Japan	Thousand m³	3,670	3,718	3,802
	Overseas		1,082	1,103	1,044
	Total	Thousand m³	**4,752**	**4,821**	✓ **4,846**
Light oil used for transportation	Japan	Thousand kL	18.3	18.1	15.4

▶ Output

		Unit	2022	2023	2024
Wastewater	Japan	Thousand m³	3,296	3,169	2,875
	Overseas		1,003	1,020	960
	Total	Thousand m³	**4,299**	**4,189**	✓ **3,835**
CO_2 (Scope 1 and Scope 2)	Japan	Thousand tons	136	102	99
	Overseas		350	304	286
	Total	Thousand tons	**486**	**406**	✓ **385**
Emissions	Japan	Thousand tons	26	24	25
	Overseas		61	56	53
	Total	Thousand tons	**88**	**80**	✓ **77**
Emissions for off-site disposal	Japan recycled	Thousand tons	23	23	23
	Japan outsourced disposal		1	1	1
	Overseas recycled		49	48	46
	Overseas outsourced disposal		12	8	7
	Total	Thousand tons	**86**	**80**	**77**
Emissions for on-site disposal	**Total**	Thousand tons	**2**	—	—
CO_2 emissions in transportation	Japan	Thousand tons	121.2	120.9	82.0
NOx emissions in transportation	Japan	Thousand tons	2.3	2.2	1.9
Waste in consumption	Japan	Thousand tons	1,566	1,542	1,444
Containers and packaging in consumption	Japan	Thousand tons	14.7	14.5	12.2

▶ Total Product Weight (Japan)

	Unit	2022	2023	2024
Total product weight	Thousand tons	481	474	512

Basic Environmental Policy

▶ CDP Rating

	2022	2023	2024
Climate Change	A–	A–	A
Forests	B	A	A
Water Security	B	A	A

Recycling-Based Society

Plastic Waste Reduction Measures

▶ Raising Awareness About Proper Disposal of Used Products

	2022	2023	2024
Rate of awareness of proper disposal of used products	50% (8 countries/regions)	56% (9 countries/regions)	63% (10 countries/regions)

▶ Plastic Use (Tons) in Sales Promotional Items

	2022	2023	2024
Japan	5.7	4.1	0.8
China	—	28.2	7.6
Vietnam	18.4	15.5	11.5
India	—	154.4	120.9

Zero-Carbon Society

Climate Change

▶ Energy Use

		Unit	2022	2023	2024
Japan		TJ	1,379	1,237	1,270
Overseas	Thailand	TJ	397	390	364
	China		372	382	393
	Indonesia		561	532	520
	India		230	256	271
	Vietnam		139	139	141
	Taiwan–Greater China		27	26	24
	United States		22	17	17
	South Korea		49	46	47
	Saudi Arabia		213	212	239
	Egypt		59	73	77
	Myanmar		7	7	7
	Brazil		48	53	51
	Malaysia		44	36	27
	Total	TJ	2,169	2,169	2,179
Total		TJ	**3,548**	**3,406**	✓**3,449**
Per unit*		TJ / million yen	0.004	0.004	0.003

Note: Calculations are based on GHG Protocol's Emission Factors for Cross-Sector Tools (lower heating value is used).
Electricity is converted at 3.6 GJ/thousand kWh.

* Unit denominators are consolidated net sales.

▶ CO_2 Emissions by Scope and Category

Scope	Category	Unit	2022	2023	2024	Remarks
Scope 1	Direct emissions	Thousand tons	31.6	29.2	✓ 30.1	
Scope 2	Indirect emissions from energy sources	Thousand tons	454.5	376.9	✓ 354.6	
Scope 3*1	1 Purchased goods and services	Thousand tons	3,830.6	3,756.1	✓ 3,877.7	
	2 Capital goods		85.2	99.0	121.2	
	3 Fuel- and energy-related activities not included in Scope 1 or Scope 2		59.3	51.1	49.5	
	4 Upstream transportation and distribution		320.7	225.5	206.7	*2
	5 Waste generated in operations		40.1	28.7	26.2	
	6 Business travel		2.1	2.0	2.1	
	7 Employee commuting		12.7	12.8	13.2	
	8 Upstream leased assets		0.0	0.0	0.0	*3
	9 Downstream transportation and distribution		79.9	81.0	63.2	*2
	10 Processing of sold products		0.0	0.0	0.0	*3
	11 Use of sold products		0.0	0.0	0.0	*3
	12 End-of-life treatment of sold products		2,151.8	1,875.7	✓ 1,903.4	
	13 Downstream leased assets		0.0	0.0	0.0	*3
	14 Franchises		0.0	0.0	0.0	*3
	15 Investments		39.6	34.7	21.3	
	Total for Scope 3	Thousand tons	6,622.0	6,166.5	6,284.5	
Total for Scopes 1, 2, and 3		Thousand tons	**7,108.1**	**6,572.6**	**6,669.2**	
Per unit*4		Tons / million yen	7.915	6.979	6.744	

*1 Scope 3 was calculated using values from LCI database AIST-IDEA Ver. 3.4 Research Laboratory for IDEA, RISS, AIST, IPCC2021 with LULUCF AR6. Figures for fiscal 2023 and prior were also recalculated based on this database, in addition to revising the calculation method for activity volume.
*2 The overseas portion of 3-1, 3-2, 3-3, 3-5, 3-6, 3-7, 3-12, and 3-15 are calculated based on activity level, while other categories are estimated based on sales weight.
*3 Does not apply to any work process
*4 Unit denominators are consolidated net sales.

▶ Scope 1 and Scope 2 CO_2 Emissions

		Unit	2022	2023	2024
Japan		Thousand tons	136.3	102.1	99.0
Overseas	Thailand	Thousand tons	40.5	37.2	40.4
	China		47.5	25.7	31.0
	Indonesia		119.9	106.6	91.4
	India		46.4	44.2	44.5
	Vietnam		22.3	21.3	16.7
	Taiwan–Greater China		3.8	3.3	3.3
	United States		0.1	0.1	0.1
	South Korea		12.1	11.2	5.2
	Saudi Arabia		39.2	37.6	40.2
	Egypt		9.7	11.5	8.5
	Myanmar		0.6	0.5	0.5
	Brazil		0.1	0.1	0.1
	Malaysia		7.7	4.8	3.6
	Total	Thousand tons	349.8	304.0	285.7
Total		Thousand tons	**486.1**	**406.2**	✓ **384.7**
Per unit*5		Tons / million yen	0.541	0.431	0.389

*5 Unit denominators are consolidated net sales.

▶ Scope 3 CO_2 Emissions

		Unit	2022	2023	2024
Japan		Thousand tons	2,662.9	2,375.4	2,505.5
Overseas	Thailand	Thousand tons	582.6	717.2	642.5
	China		693.0	677.5	622.6
	Indonesia		939.2	799.4	743.7
	India		533.7	500.1	567.1
	Vietnam		174.9	217.6	211.9
	Taiwan–Greater China		69.7	67.2	65.4
	United States		154.1	75.2	92.4
	South Korea		68.1	62.8	62.6
	Saudi Arabia		428.6	427.2	523.5
	Egypt		83.6	89.8	103.6
	Myanmar		9.6	6.1	5.8
	Brazil		133.6	91.0	77.8
	Malaysia		88.3	60.0	60.1
	Total	Thousand tons	3,959.1	3,791.1	3,779.0
Total		Thousand tons	**6,622.0**	**6,166.5**	**6,284.5**
Per unit*		Tons / million yen	7.374	6.548	6.355

* Unit denominators are consolidated net sales.

▶ Procurement of Renewable Electricity

		Unit	2022	2023	2024
Japan		Thousand kWh	34,274	77,006	91,954
Overseas	Thailand	Thousand kWh	10,678	14,707	15,848
	China		23,143	53,831	48,851
	Indonesia		927	8,229	18,858
	India		0	5,880	10,626
	Vietnam		5,146	5,231	5,364
	Taiwan–Greater China		0	390	472
	United States		6,188	4,361	4,501
	South Korea		0	0	665
	Saudi Arabia		0	0	53
	Egypt		0	0	0
	Myanmar		0	0	0
	Brazil		13,230	14,199	13,758
	Malaysia		0	2,087	1,704
	Total	Thousand kWh	59,312	108,915	120,700
Total		Thousand kWh	**93,586**	**185,921**	**212,654**
Percentage of renewable electricity use		%	11.0	22.8	25.8

Biodiversity

Biodiversity Conservation

Forest-Derived Raw Materials

		Unit	2022	2023	2024
Amount of third-party certified forest-derived raw materials procured	Japan	Tons	155,378	163,317	135,647
	Overseas		299,731	257,829	294,136
	Total	Tons	**455,109**	**421,146**	**429,783**
Percentage of pulp traceable to place of origin*1	Japan	%	100.0	100.0	99.8
	Overseas		95.7	97.5	99.1
	Total	%	**97.1**	**99.2**	**99.3**

*1 Percentage of forest-derived raw materials (pulp) derived from forest resources for which traceability has been established to their place of origin (country and region), in addition to third-party certified materials

PEFC and CoC Certifications

	Unit	2022	2023	2024
Percentage of CoC-certified factories*2	%	48.4	58.6	60.0
Percentage of PEFC-certified pulp procured*3		72.3	65.3	✓70.3

*2 Figures for fiscal 2023 and prior have been retroactively recalculated due to a revision of the number of factories subject to certification.
*3 Figures for fiscal 2023 have been retroactively recalculated due to a revision of the number of factories subject to certification and the scope of data aggregation for overseas business sites.

Percentage of Office Paper Made from Certified Materials

	Unit	2022	2023	2024
Ratio of environmentally friendly office paper	%	99.9	99.6	99.9
Office paper made from 100% recycled paper		97.7	83.5	37.6
Office paper made from certified materials		2.2	16.1	62.3

Number of Products Using Organic Cotton (Japan)

	No. of products
2022	33
2023	53
2024	42

Palm Oil (Japan)

	Unit	2022	2023	2024
Amount of palm oil procured	Tons	189.6	193.4	195.8
Amount of certified palm oil*5 procured		119.0	113.1	194.6
Percentage of raw materials traceable to place of origin	%	62.8	58.5	99.4
Percentage of certified palm oil*5 procured		62.8	58.5	✓99.4

*4 Figures for fiscal 2023 and prior have been retroactively recalculated due to the addition of materials subject to aggregation.
*5 Certified palm oil is RSPO-certified oil using the mass balance system.

Reducing Waste and Preventing Pollution

Emissions Generated

		Unit	2022	2023	2024
Japan		Thousand tons	26.3	23.9	24.5
Overseas	Thailand	Thousand tons	7.6	7.3	6.5
	China		17.1	17.8	16.3
	Indonesia		8.1	7.2	6.5
	India		8.0	6.6	7.2
	Vietnam		5.8	5.7	5.3
	Taiwan–Greater China		0.8	0.7	0.6
	United States		4.0	1.0	0.9
	South Korea		1.5	1.3	1.2
	Saudi Arabia		4.1	4.2	4.5
	Egypt		1.7	1.9	2.1
	Myanmar		0.011	0.013	0.008
	Brazil		1.2	1.2	1.2
	Malaysia		1.3	1.0	0.7
	Total	Thousand tons	61.2	55.8	53.0
Total		Thousand tons	**87.5**	**79.8**	✓**77.5**
Per unit*6		Tons / million yen	0.097	0.085	0.078

*6 Unit denominators are consolidated net sales.

Recycling Rate

	Unit	2022	2023	2024
Japan*1	%	99.3	99.6	99.3

*1 Calculated based on total material recycling and thermal recycling (the Fukushima Factory incinerator was in operation until fiscal 2022) at the four main domestic plants (Unicharm Products Co., Ltd.'s Fukushima Factory, Shizuoka Factory, Shikoku Factory, and Kyushu Factory)

Polychlorinated Biphenyl (PCB) Storage Situation (Japan)

	Unit	2022	2023	2024
Units of PCB stored	Units	0	0	0

Pollutant Release and Transfer Register (PRTR) Substances (Japan)

Substance	Unit	2022	2023	2024
Toluene	Tons / year	43.2	180.1	208.2
Ethylene oxide	kg / year	95.8	31.9	4.9
Dioxin	mg-TEQ / year	0.290	—	—
Methylnaphthalene	Tons / year	0.10	0.04	0.04
Polycondensation of adipic acid, (N-(2-aminoethyl) ethane-1,2-diamine or N,N'-bis(2-aminoethyl) ethane-1,2-diamine) and 2-(chloromethyl)oxirane	Tons / year	—	—	0.61

NOx and SOx Emissions (Japan)

	Unit	2022	2023	2024
NOx	Tons	15.2	12.2	12.4
NOx per unit*2	kg / million yen	0.053	0.038	0.036
SOx	Tons	5.7	9.3	3.6
SOx per unit*2	kg / million yen	0.020	0.029	0.011

*2 Unit denominators are consolidated net sales.

Ozone-Depleting Substances (Japan)

Substance	Business Site	Use	Unit	2024
Halon (Class 1)	Unicharm Products Shizuoka Factory	Fire retardant	Tons	1.6
	Unicharm Products Shikoku Factory (Kagawa)			0.07
	Unicharm (other development sites in Kagawa)			0.0001
HCFCs (Class 1)	Unicharm Products Fukushima Factory	Refrigerant	Tons	2.6
	Unicharm Products Shizuoka Factory			3.6
	Unicharm Products Kyushu Factory (Fukuoka)			2.3
	Unicharm Products Shikoku Factory (Kagawa)			3.7
	Unicharm Products Itami Factory (Hyogo)			0.34
	Unicharm Products Mie Factory			0.29
	Unicharm Products Saitama Factory			0.30
	Unicharm Kokko Nonwoven Co., Ltd. (Ehime/Kagawa)			0.65
	Peparlet Co., Ltd. (Shizuoka)			0.04
	Unicharm (other development sites in Kagawa)			0.86
CFCs	Unicharm (other development sites in Kagawa)	Refrigerant	Tons	0.001

Note: Reported for Company properties based on the Act on Rational Use and Proper Management of Fluorocarbons

Biochemical Oxygen Demand (BOD) and Chemical Oxygen Demand (COD) (Japan)

	Unit	2022	2023	2024
BOD	Tons	14.4	16.2	17.0
COD		9.8	18.6	19.4

Water Recycling-Oriented Society

Water Resources

▶ Water Usage (Water Withdrawal)

	Unit	2022	2023	2024
Japan	Thousand m³	3,670	3,718	3,802
Overseas		1,082	1,103	1,044
Total	Thousand m³	**4,752**	**4,821**	✓ **4,846**
Per unit of sales*1	Thousand m³ / million yen	0.005	0.005	0.005

*1 Unit denominators are consolidated net sales.

▶ Water Usage by Source (Water Withdrawal) (Japan)

	Unit	2022	2023	2024
Surface water (rivers, lakes, and ponds)	Thousand m³	157	152	150
Groundwater		697	660	692
Other water sources		2,816	2,906	2,960
Total	Thousand m³	**3,670**	**3,718**	**3,802**
Of these, locations that have specified facilities under the Water Pollution Control Law				
Surface water (rivers, lakes, and ponds)	Thousand m³	6	4	8
Groundwater		406	389	416
Other water sources		2,816	2,906	2,960

▶ Water Usage by Source (Water Withdrawal) (Overseas)*2

	Unit	2022	2023	2024
Surface water (rivers, lakes, and ponds)	Thousand m³	960	996	927
Groundwater		79	61	41
Other water sources		43	46	76
Total	Thousand m³	**1,082**	**1,103**	**1,044**
Of these, areas with high water stress				
Surface water (rivers, lakes, and ponds)	Thousand m³	640	678	614
Groundwater		71	54	34
Other water sources		0	13	46

*2 Some classifications have been revised since fiscal 2024. Accordingly, figures for fiscal 2023 and prior have been retroactively recalculated.

▶ Wastewater*3

	Unit	2022	2023	2024
Japan	Thousand m³	3,296	3,169	2,875
Overseas		1,003	1,020	960
Total	Thousand m³	**4,299**	**4,189**	✓ **3,835**
Per unit of sales*4	Thousand m³ / million yen	0.005	0.004	0.004

*3 For sites where wastewater volume is not measured, wastewater volume is considered to be equal to water withdrawal. Some estimates and calculation methods have been revised since fiscal 2024. Accordingly, figures for fiscal 2023 and prior have been retroactively recalculated.
*4 Unit denominators are consolidated net sales.

▶ Water Stress Score*5

	Unit	2024
Extremely high	No. of factories	11
High		3
Moderate		11
Low		15

*5 The World Resources Institute (WRI) tool Aqueduct (Aqueduct Overall Water Risk Map) is used to ascertain water stress.

▶ Percentage of Water Withdrawal from Areas with High Water Stress

	Unit	2022	2023	2024
Water withdrawal from areas with high water stress	Thousand m³	711	745	694
Percentage of water withdrawal from areas with high water stress	%	15.0	15.5	14.3

Social Data

2-7,401-1,401-3,403-9,403-10,404-1,404-3,405-1,405-2

Customer Satisfaction

Customer Satisfaction

	2022	2023	2024	Coverage
Customer satisfaction level (%)	87.9	91.8	89.8	Unicharm Corporation

Human Rights

Number of Audits and Evaluations of Unicharm Group Factories

		2022	2023	2024	Coverage
No. of audits		6	4	9	Unicharm Group
No. of issues identified	Business Critical	0	0	0	
	Critical	13	10	23	
	Major	86	19	30	
	Minor	36	14	19	
	Total	**135**	**43**	**72**	

Quality

The Unicharm Group's ISO Certifications

(As of December 31, 2024)

Name of Certified Group Company	ISO 9001	ISO 14001	ISO 13485	ISO 45001
Unicharm Corporation and Unicharm Products Co., Ltd.	○	○	○*	
Unicharm Kokko Nonwoven Co., Ltd.	○	○	—	○
Cosmotec Corporation	○		—	
UNITED CHARM COMPANY LTD.	○	○	—	○
Uni.Charm (Thailand) Co., Ltd.	○	○	○	○
PT UNI-CHARM INDONESIA TBK (Factory 1)	○	○	○	
PT UNI-CHARM INDONESIA TBK (Factory 2)	○	○	○	
PT UNI-CHARM INDONESIA TBK (Factory 3)	○	○	○	
Unicharm Consumer Products (China) Co., Ltd.	○	○	—	
Unicharm Consumer Products (Jiangsu) Co., Ltd.	○	○	—	○
Unicharm Consumer Products (Tianjin) Co., Ltd.	○	○	—	○
Unicharm Gulf Hygienic Industries Ltd.	○	○	—	○
LG Unicharm Co., Ltd.	○	○	—	
Unicharm India Private Limited	○	○	—	
Unicharm Australasia Pty Ltd	○		—	
Unicharm Middle East & North Africa Hygienic Industries S.A.E.	○	○	—	○
UNICHARM DO BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS DE HIGIENE LTDA.	○	○	—	
Diana Unicharm Joint Stock Company	○		—	
DSG International (Thailand) Public Company Limited	○	○	—	
UNI-CHARM MALAYSIA TRADING SDN. BHD.	○			

* ISO 13485 certification is applicable only to Unicharm Products Co., Ltd.
— : Not acquired

Human Resources

Human Resources Data

			2022	2023	2024	Coverage
No. of full-time employees		Male	10,397	10,312	10,411	Unicharm Group
		Female	5,809	5,911	6,053	
		Total	**16,206**	**16,223**	**16,464**	
	Japan	Male	2,617	2,569	2,520	
		Female	640	652	691	
		Total	**3,257**	**3,221**	**3,211**	
	Overseas	Male	7,780	7,743	7,891	
		Female	5,169	5,259	5,362	
		Total	**12,949**	**13,002**	**13,253**	
Percentage of full-time employees (%)		Male	59.0	60.5	59.5	
		Female	46.7	48.4	48.3	
		Total	**53.9**	**55.5**	**54.8**	
No. of contract employees		Male	7,238	6,725	7,072	
		Female	6,639	6,295	6,486	
		Total	**13,877**	**13,020**	**13,558**	
	Japan	Male	843	829	891	
		Female	676	595	649	
		Total	**1,519**	**1,424**	**1,540**	
	Overseas	Male	6,395	5,896	6,178	
		Female	5,963	5,700	5,727	
		Total	**12,358**	**11,596**	**11,905**	
Percentage of contract employees (%)		Male	41.0	39.5	40.5	
		Female	53.3	51.6	51.7	
		Total	**46.1**	**44.5**	**45.2**	
No. of managerial employees		Male	1,192	1,178	1,164	
		Female	361	386	399	
		Total	**1,553**	**1,564**	**1,563**	
	Japan	Male	536	521	524	
		Female	90	95	113	
		Total	**626**	**616**	**637**	
	Overseas	Male	656	657	640	
		Female	271	291	286	
		Total	**927**	**948**	**926**	

		2022	2023	2024	Coverage
Ratio of Japanese to overseas management employees (%)	Japan	40.3	39.4	40.8	Unicharm Group
	Overseas	59.7	60.6	59.2	

		2022	2023	2024	Coverage
Average age of employees	Male	42.8	41.4	42.3	Full-time employees of Unicharm Corporation
	Female	38.7	38.2	38.6	
	Total	**41.9**	**40.6**	**41.3**	
Average length of service (years)	Male	15.4	17.5	17.2	
	Female	12.2	12.6	11.8	
	Total	**14.6**	**16.3**	**15.7**	
Employee turnover rate (%)	Male	3.0	2.2	1.5	
	Female	5.0	3.4	1.5	
	Total	**3.5**	**2.5**	**1.5**	

		2022	2023	2024	Coverage
No. of new graduate hires	Male	25	43	39	Full-time employees of Unicharm Corporation
	Female	16	17	19	
	Total	**41**	**60**	**58**	
Turnover rate of employees with less than 3 years of service who started as new graduates (%)	Male	7.5	6.1	3.7	
	Female	3.6	5.3	0.0	
	Total	**6.0**	**5.8**	**2.5**	
Recruitment cost per employee (yen)		1,924,620	1,450,000	1,837,398	
Starting salary of new graduate employees*: Master's degree (yen)		226,000	226,000	250,000	Unicharm Corporation
Starting salary of new graduate employees*: Bachelor's degree (yen)		210,000	210,000	235,000	

* Adjustable Starting Salary System (starting salary increases by up to ¥15,000 for employees who have passed the Microsoft Office Specialist (MOS), TOEIC, marketing exams, or other certification programs prior to joining the Company)

Development and Utilization of Human Resources

Programs for Realizing the Career Vision of Young Employees

	2022	2023	2024	Coverage
No. of employees participating in the in-house internship program	26	28	28	Unicharm Corporation
No. of employees participating in the career challenge internship program	26	25	25	

Strengthening Employee Engagement Through Reading Session of Integrated Report

	2022	2023	2024	Coverage
Percentage of implementation of "Reading Session of Integrated Report" at scrum (%)	100	100	100	Unicharm Group

Employee Survey

	2022	2023	2024	Coverage
Percentage of employees who responded to the employee awareness survey (%)	100	100	100	Unicharm Group
Percentage of positive answers received for the "Growth Through Work" section of the employee awareness survey (%)	89.2	88.7	90.1	
Average score on a five-point scale on the level of satisfaction section of the employee awareness survey	4.39	4.42	4.40	

Time and Costs Allocated to Employee Skill Development Training

	2022	2023	2024	Coverage
Total training hours allocated to employee skill development training	49,824	50,503	68,067	Unicharm Corporation
Total training costs allocated to employee skill development training (thousand yen)	84,000	75,310	100,190	
Training days per employee	4.4	3.5	4.8	
Training hours per employee	35	28	38	
Training cost per employee (yen)	58,618	42,119	56,349	

Second Job System

	2022	2023	2024	Coverage
No. of employees using the Second Job System	56	59	73	Unicharm Corporation

Career Development Evaluations

	2022	2023	2024	Coverage
Percentage of employees who regularly receive assessment reviews for career development (%)	100	100	100	Unicharm Corporation

Succession Plan

	2022	2023	2024	Coverage
Succession preparedness rate (%)	201.6	219.1	218.3	Unicharm Corporation employees
No. of employees participating in the Strategy Secretary to CEO program	6	6	6	Unicharm Group
Cumulative total of employees who have participated in the Strategy Secretary to CEO program	51	57	63	

Diversity and Inclusion

Promotion of Women's Empowerment

	2022	2023	2024	Coverage
Percentage of female employees (%)	35.8	36.4	36.8	Unicharm Group
Percentage of female managers (%)	23.2	24.7	25.5	
Percentage of female executive officers (%)	3.4	3.6	3.4	
No. of female executives (Japan)	2	2	2	
No. of female executives (overseas)	12	10	10	

Hiring Employees of Diverse Nationalities and Promoting Them to Management Positions

	2022	2023	2024	Coverage
Percentage of locally hired employees in management positions (general manager and above) at overseas subsidiaries (%)	52.2	52.3	58.7	Unicharm Group's overseas subsidiaries

Hiring Experienced Personnel and Promoting Them to Management Positions

	2022	2023	2024	Coverage
No. of mid-career hires	43	43	65	Full-time employees of Unicharm Corporation
Percentage of mid-career hires in management positions (%)	29.1	33.5	38.1	

▶ Creating a Workplace for People of All Life Stages

	2022	2023	2024	Coverage
Rehiring rate of retired employees (%)	92.9	86.2	88.4	Unicharm Corporation
Hiring rate of retired employees seeking reemployment (%)	100	100	100	

▶ Expanding Our Recruitment of People with Disabilities

	2022	2023	2024	Coverage
Average annual employment rate of people with disabilities (%)	2.1	2.2	2.4	Unicharm Corporation

▶ System for Determining Fair Compensation

	2022	2023	2024	Coverage
Starting base salaries (%)	100	100	100	Unicharm Corporation employees
Base salaries (%)	81.3	77.5	80.6	
Total remuneration amount (%)	71.9	73.0	75.2	

* Calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015)

▶ Support for Balancing Work and Childcare

	2022	2023	2024	Coverage
No. of employees taking Moony Childcare Leave	128	140	139	Unicharm Corporation Unicharm Products Co., Ltd.
Percentage of employees taking Moony Childcare Leave (%)	95.8	96.1	100	
Percentage of male employees taking Moony Childcare Leave (%)	94.7	100	100	
Percentage of employees taking Moony Childcare Involvement Leave (%)	93.2	83.7	88.0	Unicharm Corporation

Employee Health

▶ Creating Vibrant and Healthy Working Environments

	2022	2023	2024	Coverage
Percentage of employees utilizing the remote work system (%)	57.0	52.0	48.0	Unicharm Corporation

▶ Encouraging the Taking of Paid Leave

	2022	2023	2024	Coverage
Percentage of paid leave taken (%)	61.8	71.2	70.0	Unicharm Corporation

▶ Appropriate Management of Working Hours

	2022	2023	2024	Coverage
Total working hours per employee	2,000.2	1,966.6	1,957.4	Unicharm Corporation

▶ Annual Health Checkups

	2022	2023	2024	Coverage
Percentage of employees receiving health checkups (%)	100	100	100	Unicharm Corporation

▶ Women's Health

	2022	2023	2024	Coverage
No. of participants in menopause program	—	2,150	2,142	Unicharm Corporation

▶ Promotion of Exercise

	2022	2023	2024	Coverage
No. of participants in body composition measurement tests	116	235	306	Unicharm Corporation
No. of massage room users	—	253	782	
No. of participants in one-on-one stretching program	—	338	342	

▶ Mental Health Measures

	2022	2023	2024	Coverage
Percentage of employees who underwent stress checks (%)	98.2	99.5	100	Unicharm Corporation
No. of employees who participated in mental health training	1,934	1,944	2,126	
No. of employees on mental health leave	7	9	13	

▶ Presenteeism and Absenteeism

	2022	2023	2024	Coverage
Presenteeism*1 (%)	14.3	15.2	14.0	Unicharm Corporation
Absenteeism*2 (%)	0.493	0.733	0.782	

*1 Measured using Single-Item Presenteeism Question (SPQ) developed by the University of Tokyo
*2 Sick leave days rate = Total number of sick leave days including weekends and holidays ÷ (Number of employees × 365) × 100

Occupational Safety and Health

▶ Occupational Safety and Health

	Manufacturing Industry Average (Fiscal 2023)	2022	2023	2024	Coverage
No. of violations of the Industrial Safety and Health Act	—	0	0	0	Unicharm Corporation employees
No. of fatal workplace accidents	—	0	0	0	
No. of workplace accidents resulting in inability to work*1	—	0	0	0	
Workplace accident frequency rate*2	1.29	0.22	0.22	0.00	
Workplace accident severity rate*3	0.08	0.00	0.02	0.00	

*1 Workplace accidents resulting in inability to work: Permanent inability to work or undertake certain tasks
*2 Workplace accident frequency rate = Number of workplace accident occurrences ÷ Total number of working hours × 1 million hours
*3 Workplace accident severity rate = Number of lost working days ÷ Total working hours × 1,000 hours

▶ Occupational Safety and Health Education and Training

Targets	Details	2024	Coverage
Newly appointed leaders	Education on occupational safety and health, including leader training, as required by law	10	Unicharm Products Co., Ltd.
Employees prior to changing roles	Education and training on occupational safety and health	55	
New employees before assignment to their respective departments	General education including on occupational safety and health	20	

Supply Chain Management

▶ Human Rights Risk Assessment Results for Fiscal 2024

		Percentage of Suppliers Using the Sedex Platform (%)	Percentage of Suppliers Sharing Inherent Risk Score (%)	Percentage of Suppliers Sharing Site Characteristic Risk Score (%)	Coverage
Personal care products	Material suppliers	91.9	82.6	73.9	Unicharm Group
	Contract manufacturers	78.5	72.3	50.8	
Pet care products	Material suppliers	29.7	25.9	24.5	
	Contract manufacturers	68.8	68.9	56.3	
Total		**68.5**	**61.8**	**54.0**	

▶ Supplier Audits: Number of Audits and Evaluations

		2022	2023	2024	Coverage
No. of audits		31	26	79	Unicharm Group
No. of issues identified	Business Critical	1	1	0	
	Critical	41	32	44	
	Major	182	111	127	
	Minor	109	44	50	
	Total	**333**	**188**	**221**	

Governance Data

Corporate Governance

Board of Directors

			2022*1	2023*2	2024*3	2025*4
Directors	Inside	Male	4	4	4	4
		Female	0	0	0	0
		Total	**4**	**4**	**4**	**4**
	Outside	Male	1	1	1	1
		Female	1	1	1	1
		Total	**2**	**2**	**2**	**2**
	Total		**6**	**6**	**6**	**6**
Percentage of independent outside directors (%)			33.3	33.3	33.3	33.3
Percentage of female directors (%)			16.7	16.7	16.7	16.7

Audit & Supervisory Committee

			2022*1	2023*2	2024*3	2025*4
Audit & Supervisory Committee members	Inside	Male	1	1	1	1
		Female	0	0	0	0
		Total	**1**	**1**	**1**	**1**
	Outside	Male	1	1	1	1
		Female	1	1	1	1
		Total	**2**	**2**	**2**	**2**
	Total		**3**	**3**	**3**	**3**
Percentage of independent outside directors (%)			66.7	66.7	66.7	66.7
Percentage of female directors (%)			33.3	33.3	33.3	33.3

Nomination Committee

			2022*1	2023*2	2024*3	2025*4
Nomination Committee members	Inside	Male	2	2	2	2
		Female	0	0	0	0
		Total	**2**	**2**	**2**	**2**
	Outside	Male	1	1	1	1
		Female	1	1	1	1
		Total	**2**	**2**	**2**	**2**
	Total		**4**	**4**	**4**	**4**
Percentage of independent outside directors (%)			50.0	50.0	50.0	50.0
Percentage of female directors (%)			25.0	25.0	25.0	25.0

Remuneration Committee

			2022*1	2023*2	2024*3	2025*4
Remuneration Committee members	Inside	Male	2	2	2	2
		Female	0	0	0	0
		Total	**2**	**2**	**2**	**2**
	Outside	Male	1	1	1	1
		Female	1	1	1	1
		Total	**2**	**2**	**2**	**2**
	Total		**4**	**4**	**4**	**4**
Percentage of independent outside directors (%)			50.0	50.0	50.0	50.0
Percentage of female directors (%)			25.0	25.0	25.0	25.0

Officers (Directors [including Audit & Supervisory Committee members] and Executive Officers)

		2022*1	2023*2	2024*3	2025*4
Officers	Male	31	30	31	31
	Female	2	2	2	3
	Total	**33**	**32**	**33**	**34**
Percentage of female directors (%)		6.06	6.25	6.06	8.82

*1 As of March 25, 2022
*2 As of March 24, 2023
*3 As of March 27, 2024
*4 As of March 19, 2025

▶ Number of Board of Directors and Committee Meetings Held and Attendance Rate

		2022	2023	2024
Board of Directors	No. of times held	10	9	9
	Attendance rate (%)	100	100	100
Audit & Supervisory Committee	No. of times held	11	11	11
	Attendance rate (%)	97.0	100	100
Nomination Committee	No. of times held	1	1	1
	Attendance rate (%)	100	100	100
Remuneration Committee	No. of times held	2	1	1
	Attendance rate (%)	100	100	100

▶ Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees and Attendance at These Meetings (Fiscal 2024)

	Board of Directors	Audit & Supervisory Committee	Nomination Committee	Remuneration Committee
Takahisa Takahara President & CEO	100% (9/9 times)	—	100% (1/1 time)	100% (1/1 time)
Toshifumi Hikosaka Director, Senior Management, in Charge of Production and Development	100% (9/9 times)	—	—	—
Kenji Takaku Director, Senior Managing Executive Officer in Charge of Marketing and Sales	100% (9/9 times)	—	—	—
Hiroaki Sugita Director, Audit & Supervisory Committee Member Outside Independent	100% (9/9 times)	100% (11/11 times)	100% (1/1 time)	100% (1/1 time)
Noriko Rzonca Director, Audit & Supervisory Committee Member Outside Independent	100% (9/9 times)	100% (11/11 times)	100% (1/1 time)	100% (1/1 time)
Shigeru Asada Director, Audit & Supervisory Committee Member	100% (9/9 times)	100% (11/11 times)	100% (1/1 time)	100% (1/1 time)

Note: Outside Outside director Independent Independent director
Attendance is based on the number of times committees have convened during respective tenures.

▶ Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees and Relevant Expertise of Directors (as of March 19, 2025)

	Tenure	Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees				Relevant Expertise of Directors										
		Board of Directors	Audit & Supervisory Committee	Nomination Committee	Remuneration Committee	Corporate Management	Finance and Accounting	Corporate Governance	Risk Management	Human Resource Development	Overseas Business	Marketing	Distribution Strategy	Development and Production	Sustainability*2	Digital Transformation
Takahisa Takahara President & CEO	29 years, 9 months	◎		○	○	●	●	●	●	●	●	●			●	
Kenji Takaku Director, Senior Management, in Charge of Marketing and Sales	2 years	○				●		●	●	●	●	●	●	●		
Tetsuya Shite Director, Senior Managing Executive Officer	—*1	○				●		●	●	●			●		●	
Hiroaki Sugita Director, Audit & Supervisory Committee Member Outside Independent	4 years	○	○	◎	◎	●	●	●	●	●		●	●		●	●
Noriko Rzonca Director, Audit & Supervisory Committee Member Outside Independent	2 years	○	○	○	○	●		●	●	●	●	●			●	●
Shigeru Asada Director, Audit & Supervisory Committee Member	6 years	○	◎	○	○	●	●	●	●	●	●					

Note: ◎ denotes serving as the chair and ○ denotes serving as a member Outside Outside director Independent Independent director
*1 Appointed on March 19, 2025 *2 Environment and quality

▶ Evaluation Criteria for and Basic Policy on Executive Remuneration and Fiscal 2024 Remuneration Targets and Results

No.	Evaluation Criteria	Accountability	Assessment Weighting	Targets	Results	Assessment
1	Group performance (business plan)	1-1 Consolidated net sales	20%–50%	¥1,006,000 million (up 6.8% YoY)	¥988,981 million (up 5.0% YoY)	98.3%
		1-2 Consolidated core operating income		¥144,000 million (up 12.5% YoY)	¥138,463 million (up 8.2% YoY)	96.2%
		1-3 Profit attributable to owners of parent		¥90,000 million (up 4.6% YoY)	¥81,842 million (down 4.9% YoY)	90.9%
2	Department performance	2-1 Sales in applicable business division	0%–40%	(Each department)	(Each department)	—
		2-2 Profits in applicable business division		(Each department)	(Each department)	—
3	Group key strategy	3-1 Priority strategies for each role	20%–50%	(Each director)	(Each director)	—
		3-2 ESG assessment (specialist rating agency evaluation, etc.)		(Each director)	(Each director)	—
4	Department key strategy	4 Priority strategy in applicable business division	0%–40%	(Each department)	(Each department)	—

Overview of key assessment indicators
1. Performance-based indicators for Company efforts 2. Performance-based indicators for individual director and executive officer efforts 3. Assessment indicators for Company priority strategies (including qualitative assessments)
4. Assessment indicators for individual director and executive officer priority strategies (including qualitative assessments)

▶ Total Remuneration for Each Director and Executive Officer, Total for Each Type of Remuneration, and Number of Directors Receiving Remuneration

Role	Total Remuneration (million yen)	Totals for Each Type of Remuneration (million yen)			No. of Directors Receiving Remuneration
		Basic Remuneration	Performance-Linked Remuneration	Non-Monetary Remuneration	
				Restricted Share-Based Remuneration	
Directors (excluding Audit & Supervisory Committee members and outside directors)	557	194	194	170	3
Directors (Audit & Supervisory Committee members) (excluding outside directors)	8	8	—	—	1
Outside directors	21	21	—	—	2

1. Total amount of remuneration of directors (excluding Audit & Supervisory Committee members) includes amounts recorded as expenses of ¥170 million for restricted share-based remuneration of three directors (excluding Audit & Supervisory Committee members).
2. Following the enforcement of the Companies Act, the Company's shareholders approved a resolution to abolish the retirement benefit system for directors and executive officers and incorporate their bonuses into remuneration at the 47th General Meeting of Shareholders held on June 26, 2007. Directors and executive officers now only receive annual compensation.

Compliance

Fair Business Practices

▶ Fines, Surcharges, Settlements, and Dismissals Resulting from Acts of Corruption

	2022	2023	2024	Coverage
No. of fines, surcharges, and settlements resulting from serious legal violations related to corruption and bribery	0	0	0	Unicharm Corporation
Amount of fines, surcharges, and settlements resulting from serious legal violations related to corruption and bribery (yen)	0	0	0	
No. of employees subject to disciplinary action due to acts of corruption or bribery	0	1	0	

▶ Number of Consultations and Reports via the Whistleblowing System

	2022	2023	2024	Coverage
No. of consultation/whistleblowing cases (Japan)	100	165	210	Unicharm Group
No. of consultation/whistleblowing cases (overseas*)	42	48	56	
Of which, are in violation of compliance	0	0	0	

* Unicharm's local subsidiaries in China, Taiwan–Greater China, Thailand, Indonesia, Malaysia, Singapore, India, Brazil, South Korea, the United States, Vietnam, Saudi Arabia, Egypt, and Australia

▶ Measures to Raise Compliance Awareness

Target	Details	2024	
		No. of Times	No. of Attendees
All employees	All areas of compliance (distribution through email newsletters and posting on the Company intranet)	6	All employees
New employees	Compliance and basis of contracts	1	60
Employees to be posted overseas (pre-posting training)	Prohibition of bribery, protection of confidential information, contract compliance, etc.	2	24
Divisional basis	Setting of themes according to business activity and holding of workshops	2	39

▶ Harassment Prevention

	2022	2023	2024	Coverage
No. of participants in harassment prevention manager training	26	21	495	Unicharm Corporation
No. of participants in new leader training sessions	26	21	46	

Tax Compliance

▶ Tax Payments by Country/Region (million yen)

	2022	2023	2024
Japan	19,898	25,102	29,155
China	6,056	3,984	1,621
Vietnam	1,546	463	1,978
Saudi Arabia	1,518	2,168	2,586
Thailand	2,703	1,963	3,774
Other regions	5,682	6,459	8,278
Total	**37,403**	**40,139**	**47,393**

Reference Chart for Key Themes of Kyo-sei Life Vision 2030

Key Themes

Safeguarding the Well-Being of Individuals	
1	Extension of healthy life expectancy and improvement of QOL
2	Support for society where gender and sexual orientation do not restrict people's activities
3	Coexistence with pets
4	Improvement of childcare
5	Improvement of public hygiene
Safeguarding the Well-Being of Society	
6	Innovations to achieve "NOLA & DOLA"
7	Practice of sustainable lifestyles
8	Construction of value chains that account for sustainability
9	Improvement of customer satisfaction
10	Provision of safe, reliable products
Safeguarding the Well-Being of Our Planet	
11	Development of eco-friendly products
12	Expanding line of recycled models
13	Addressing climate change
14	Promotion of product recycling
15	Reduction in amount of plastic materials used
Unicharm Principles	
16	Management practices that account for sustainability
17	Practice of appropriate corporate governance
18	Promotion of diversity management
19	Fostering development of competent human resources
20	Construction of healthier workplaces and workplace safety systems

Corresponding Pages and Sections in *Sustainability Report 2025*

Page	Section	Key Themes
19	Basic Environmental Policy	11 12 13 14 15
23	RefF Project Targeting the Realization of a Recycling-Based Society	11 12
25	Plastic Waste Reduction Measures	14 15
32	Disclosure Based on the TCFD Recommendations	13
36	Roadmap to Realizing a Zero-Carbon Society	13
37	Climate Change	13
43	GHG Waste Visualization Project	13
44	Biodiversity Conservation	11 12
51	Reducing Waste and Preventing Pollution	14 15
56	Water Resources	—
60	Product Development	1 2 3 4 5 6 7 8 9 11
64	Digital Transformation (DX)	1 2 3 4 5 6 7 8 9 11
68	Intellectual Property	1 2 3 4 5 6 7 8 9 11
70	Responsibility to Our Customers (Consumers)	9
73	Quality Assurance	10
76	Respect for Human Rights	16
80	Development and Utilization of Human Resources	19
86	Diversity and Inclusion	18
91	Employee Health	20
95	Occupational Safety and Health	20
98	Sustainable Procurement	16
104	Social Contribution Activities	—
111	Corporate Governance	16 17
121	Fair Business Practices	16 17
125	Tax Compliance	16 17
126	Risk Management	16 17

External Evaluations

Unicharm has been selected as a constituent of all six ESG indices for Japanese stocks,* adopted by the Government Pension Investment Fund (as of March 31, 2025). We will continue to carry out appropriate business management and ensure highly transparent communication of our business results, in order to continue to be selected for key ESG indices and enhance our corporate value in line with the expectations of all stakeholders.

* ESG indices for Japanese stocks adopted by the Government Pension Investment Fund are indicated with a ◆.

▶ Index Inclusion and Evaluation (as of March 31, 2025)

FTSE4Good Index Series

FTSE4Good

An index developed by FTSE Russell of the United Kingdom that selects companies meeting ESG criteria
https://www.lseg.com/en/ftse-russell/indices/ftse4good

◆ FTSE Blossom Japan Index

FTSE Blossom Japan Index

An index developed by FTSE Russell of the United Kingdom that selects Japanese companies with superior ESG performance
https://www.lseg.com/ja/ftse-russell/indices/blossom-japan (in Japanese only)

◆ FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index

A new index developed by FTSE Russell of the United Kingdom in March 2022 that selects Japanese companies based on their ESG ratings, giving particular weight to the climate governance and climate change efforts of those with high greenhouse gas emissions
https://www.lseg.com/ja/ftse-russell/indices/blossom-japan (in Japanese only)

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Unicharm Corporation has been independently assessed, and has satisfied the requirements to become a constituent member of the FTSE4Good Index Series, the FTSE Blossom Japan Index, and the FTSE Blossom Japan Sector Relative Index. Created by the global index provider FTSE Russell, these indices were designed to measure the performance of companies demonstrating strong environmental, social, and governance practices, and are used by a wide variety of market participants to create and assess responsible investment funds and other financial products.

◆ S&P/JPX Carbon Efficient Index

S&P/JPX Carbon Efficient Index

Developed by S&P Dow Jones Indices and Japan Exchange Group, Inc., the S&P/JPX Carbon Efficient Index measures the performance of companies in the Tokyo Stock Price Index, overweighting or underweighting companies based on their disclosure of environmental information and their carbon efficiency (carbon emissions per unit of revenue).

◆ Morningstar Japan ex-REIT Gender Diversity Tilt Index

MORNINGSTAR GenDi J
Japan ex-REIT Gender Diversity Tilt Index
TOP CONSTITUENT 2025

An index by Morningstar, Inc. of the United States that uses gender equality scores provided by Equileap to measure the performance of companies that have instilled their gender diversity policies into their corporate culture and of companies that are committed to providing equal opportunities to employees, regardless of gender. Unicharm received a rating of Group 1, the highest of five levels.
Disclaimer https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/report/E_disclaimer_ms.pdf

SX Brand 2024

SX Brand 2024

Unicharm was selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for SX Brand 2024, which recognizes a group of progressive companies that have enhanced their ability to generate sources for sustainable growth and improved their corporate value through sustainability transformation (SX). SX is an initiative to synchronize the sustainability of society with the sustainability of companies by conducting the necessary management and business reforms in order to achieve long-term sustainable increases in corporate value.

MSCI ESG Leaders Indexes*

2024 MSCI ESG Leaders Indexes Constituent

Indexes created by MSCI Inc. of the United States that select Japanese companies with comparatively high ESG ratings within their respective industries
https://www.msci.com/msci-esg-leaders-indexes
* The MSCI ESG Leaders Indexes were renamed the MSCI Selection Indexes in February 2025.

◆ MSCI Nihonkabu ESG Select Leaders Index

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

An index created by MSCI Inc. of the United States that selects Japanese companies with comparatively high ESG ratings within their respective industries
https://www.msci.com/documents/10199/f1498635-6bf7-efa0-8905-93c66eb75e06

MSCI Japan ESG Select Leaders Index

2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

An index created by MSCI Inc. of the United States that selects Japanese companies with comparatively high ESG ratings within their respective industries
https://www.msci.com/documents/10199/5c0017c6-3dd9-41a5-ac67-a8ffa1356121

◆ MSCI Japan Empowering Women Index (WIN)

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

An index created by MSCI Inc. of the United States that selects Japanese companies with high gender diversity scores and that promote women's participation and advancement
https://www.msci.com/documents/10199/4c513b87-a805-45a3-a8b0-ee95a5f11f16

The inclusion of Unicharm Corporation in any MSCI index, and the use of MSCI logos, trademarks, service marks, or index names herein, does not constitute a sponsorship, endorsement, or promotion of Unicharm Corporation by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

JPX-Nikkei Index 400

JPX-NIKKEI 400

The JPX-Nikkei Index 400 is composed of companies with high appeal for investors, which meet requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives. The index is jointly calculated and published by JPX Market Innovation & Research and Nikkei.

Sompo Sustainability Index

2024 Sompo Sustainability Index

An index operated by Sompo Asset Management Co., Ltd. that selects approximately 300 Japanese companies with consistently strong ESG practices for use in its Sompo Sustainable Management investment product

CDP

CDP A List 2024

Ratings by CDP, an international not-for-profit charity that strives to create sustainable societies by conducting questionnaires and disclosing information on the environment across the globe
In fiscal 2024, Unicharm was selected for CDP's A List, its highest rating, in all three areas of climate change, forests, and water security.

Independent Assurance Report

2-5

We obtained independent assurance of Unicharm's *Sustainability Report 2025*.

Independent Practitioner's Limited Assurance Report

To President and CEO of Unicharm Corporation

Conclusion

We have performed a limited assurance engagement on whether selected environmental performance indicators (the "subject matter information" or the "SMI") presented in Unicharm Corporation's (the "Company") Sustainability Report 2025 (the "Report") as of and for the period from January 1, 2024 to December 31, 2024 have been prepared in accordance with the criteria (the "Criteria"), which are established by the Company and are explained in the Report. The SMI subject to the assurance engagement is indicated in the Report with the symbol "✓".

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's SMI as of and for the period from January 1, 2024 to December 31, 2024 is not prepared, in all material respects, in accordance with the Criteria.

Basis for Conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI (hereafter referred to as "other information"). We have read the other information but have not performed any procedures with respect to the other information.

Other matter

The SMI for the period from January 1, 2022 to December 31, 2022 and the period from January 1, 2023 to December 31, 2023 was not subject to our limited assurance engagement and, accordingly, we do not express a conclusion, or provide any assurance on such information.

Our conclusion is not modified with respect to this matter.

Responsibilities for the SMI

Management of the Company are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

Inherent limitations in preparing the SMI

As described in Note 5 to the environmental data in the Report, GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the President & CEO.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- assessing the suitability of the criteria applied to prepare the SMI;
- conducting interviews with the relevant personnel of the Company to obtain an understanding of the key processes, relevant systems and controls in place over the preparation of the SMI;
- performing analytical procedures including trend analysis;
- identifying and assessing the risks of material misstatements;
- evaluating whether the Company's process for developing estimates as well as its use of data, selection of the methods and assumptions were appropriate;
- performing site visits at 3 of the Company's sites which were determined through our risk assessment procedures;
- performing, on a sample basis, recalculation of amounts presented as part of the SMI;
- performing other evidence gathering procedures for selected samples; and
- evaluating whether the SMI was presented in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

/s/ Takeru Yamada

Takeru Yamada , Engagement Partner
KPMG AZSA Sustainability Co., Ltd.
Tokyo Office, Japan
June 27, 2025

Notes to the Reader of Assurance Report: This is a copy of the Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.