

Message from the Head of the ESG Division

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



We aim to be a company trusted by all stakeholders by contributing to the achievement of the SDGs through our business activities.

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At Unicharm, we view our role in contributing to the achievement of the Sustainable Development Goals (SDGs) as our purpose. We also believe that our business activities are the very essence of how we contribute to the achievement of the SDGs. Accordingly, “contributing to the achievement of the SDGs through our business activities” is what our view of sustainability is all about. To further clarify this vision, in October 2020 the Unicharm Group released its medium- to long-term environmental, social, and governance (ESG) goals, Kyo-sei Life Vision 2030. In Kyo-sei Life Vision 2030, a total of 20 key initiatives, indicators, and targets were established, five in each of the four areas of safeguarding the well-being of individuals, safeguarding the well-being of society, safeguarding the well-being of our planet, and the Unicharm Principles. These 20 themes, which cover environmental issues such as global warming and marine plastic pollution, declining birthrate and aging population in mature economies including Japan, poverty and other social issues in emerging countries, and living with partner animals (pets), were formulated to play a key role in the achievement of the 17 goals and 169 targets of the SDGs.

Moreover, in Environmental Targets 2030, which was announced in May 2020 prior to Kyo-sei Life Vision 2030, we established three key themes (responding to the problem of plastic waste, responding to climate change, and helping prevent deforestation (response to procurement-related issues)) and declared specific

targets for each theme. To steadily proceed with Kyo-sei Life Vision 2030 and Environmental Targets 2030, measures are being taken across the Group, including by the ESG Committee, which discusses issues and reports the status of progress under the direction of the president & CEO.

Now, please allow me to touch on a few initiatives undertaken in 2022. To accelerate our response to the issue of climate change, in May 2022, we formulated our GHG Emissions Visualization Project. Under this project, we are working to visualize and reduce GHG emissions generated not only directly from our business but also throughout the value chain. For this project, we must identify specific reduction plans for each process along the value chain, including material procurement, product design, material selection, and manufacturing. There is also the need to obtain up-to-date and highly precise primary information on each material and formulate rules to accurately calculate GHG emissions from the entire value chain. For these reasons, we have obtained the support of Deloitte Tohmatsu Consulting LLC, a company with extensive knowledge and experience in providing comprehensive support for carbon neutrality.

By virtue of this project, in 2022 we formulated rules for calculating GHG emissions in accordance with the GHG Protocol, an international standard for calculating GHG emissions, and completed the development of a system that calculates the carbon footprint of products (CFP)*¹ for each product, in addition to

calculations of each company. Also, through the cooperation of suppliers, we were able to obtain primary GHG emissions data*² for each material, which is necessary for calculating CFP values, for approximately 80% (on a purchase amount basis) of materials procured mainly in Japan.

In 2023, we will work together with experts and various external organizations, such as those engaged in decarbonization initiatives, to verify consistency with international standards and strengthen our approach to GHG emissions calculation and disclosure. We will also undergo test runs of the calculation system, which we will work to reinforce along with calculation rules. Through these measures, we plan to provide specific CFP values to stakeholders for some of our products in 2024. The Unicharm Group will continue to steadily advance with Kyo-sei Life Vision 2030 and Environmental Targets 2030, resolve the issues of society and the environment through its business activities, and contribute to the betterment of local communities. In addition, through the appropriate disclosure of ESG information, we aim to become a company trusted by all stakeholders, including customers, shareholders and investors, suppliers, employees and their families, and local communities.

*1 A system displaying GHG emissions from the entire life cycle of products and services, from the procurement of raw materials to disposal and recycling, by converting them into CO₂ emissions

*2 Data collected and measured by companies that engage in calculations at their own responsibility (i.e., amount of electricity used to manufacture their own products) or through interviews with external stakeholders (i.e., directly assess the GHG emissions of suppliers)