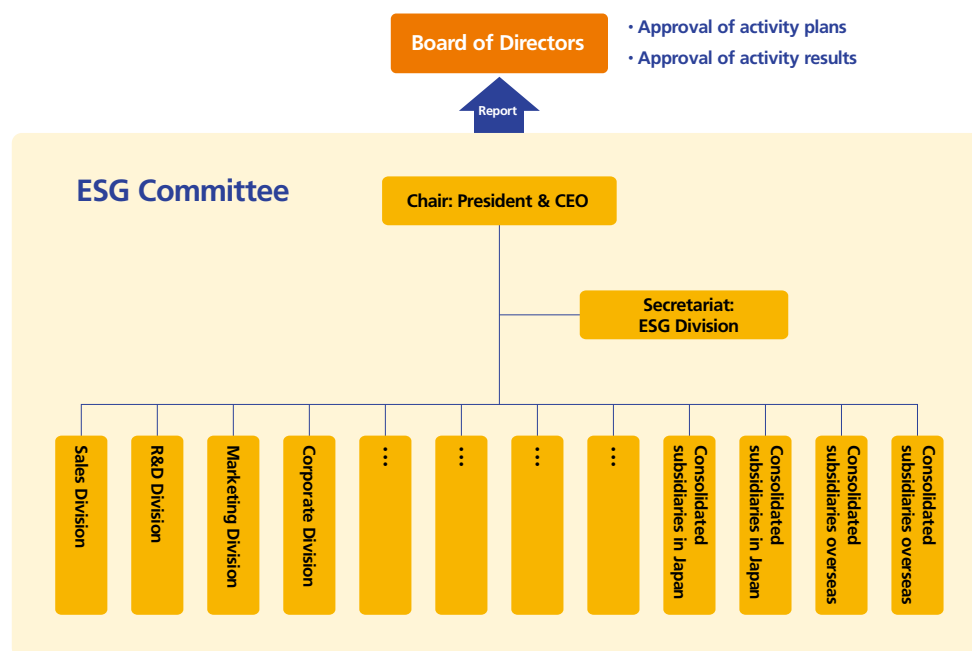


Management Structure

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

ESG Promotion Structure

Unicharm has a structure in place to seamlessly implement and promote ESG activities that fulfill the expectations of its stakeholders. Our ESG Committee is a cross-organizational structure chaired by the president & CEO for promoting ESG activities. The committee meets four times a year to discuss and share the status of ESG activities, which, in turn, is utilized in the Company's management.



Functions of the ESG Committee

- ① Discuss and determine the progress of Kyo-sei Life Vision 2030 medium- to long-term ESG goals and the medium-term management plan
- ② Discuss and determine the process for identifying, addressing, and disclosing information on the risks, opportunities, and important issues pertaining to the Group's sustainability and ESG activities
- ③ Report on the details of discussions and decisions concerning ESG-related matters to the Board of Directors

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

- Climate change: Greenhouse gases, energy use management, and climate change-related risks
- Water resources: Water use and its reduction
- Pollution and resources: Waste disposal, resource usage, and recycling
- Supply chain: Supplier policy, environmental issues, and sustainable procurement of forest resources and palm oil
- Biodiversity
- 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
- Safety and health
- 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, safety and health, due diligence, and capacity building
- Product quality and safety

G: Core Themes

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

The ESG Committee convened a total of four times in 2022 and held discussions on the following themes:

Main Themes of Discussion (2022)

Progress of Kyo-sei Life Vision 2030 medium- to long-term ESG goals, Environmental Targets 2030, and the medium-term management plan

- Use of renewable electricity
- Decarbonization initiatives
- Operation of the SDGs Theme Guideline, an internal guideline for contributing to sustainability
- Use of the Sedex platform and human rights initiatives
- Policy and progress on the production of the integrated and sustainability reports