

Waste and Resource Utilization

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

Plastic Waste Reduction Measures

Our Basic Approach and Strategy

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 waste in the oceans, Unicharm supports the Plastics Smart campaign organized by the Ministry of the Environment. While plastic is an economical and durable material that is essential to realizing healthy lifestyles, it must be used, disposed of, and recycled in the proper manner. At Unicharm, we are committed to appropriately managing the entire value chain, from the raw materials procurement stage to the disposal of the product, reducing plastic use, promoting awareness of the proper method of product disposal after use, and recycling waste. 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 our 2050 vision and laid out our 2030 targets.

In May 2022, we participated in the World Wide Fund for Nature (WWF) Japan's Plastic Circular Challenge 2025 and expressed our commitment to accelerating our response to the issue of plastic waste and setting targets, and we are working to achieve them by 2025.

Our Commitment to Reducing Plastic Use through Participation in Plastic Circular Challenge 2025

Under Plastic Circular Challenge 2025, Unicharm has set out to achieve its target of reducing plastic use in sales promotional items at retail stores by 50% (compared with 2019 standards), and will reduce it to zero for the entire Group by 2030. We have also set and are working toward the achievement of new 2025 targets for reducing the use of plastic in packaging materials and promoting the sale of products that avoid the use of petroleum-derived plastic.



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). Four times a year, the ESG Committee, chaired by the president & CEO, shares plans and progress on material issues related to our measures to overcome the problem of plastic waste and, upon approval from the Board of Directors, implements a PDCA cycle toward the achievement of targets.

P010 ESG Promotion Structure

P036 Management Structure

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

Implementation Items		Base Year	2021 Results	2022 Targets	2022 Results	2023 Targets	2030 Targets	2050 Vision
Reducing usage of plastic in packaging materials	Per unit of sales	2019*	-0.2%	-6.0%	-12.3%	-14.0%	-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	10 or more stock-keeping units (SKU) sold	
Raising awareness about proper disposal of used products	—	—	38% (6 countries and regions)	45%	50% (8 countries and regions)	56%	Rolled out at all Group companies	
Eliminating the use of plastic in sales promotional items	—	2019	-8.9% (Japan)	-20.0%	-81.8% (Japan)	-30.0%	In principle, reduced to zero at all Group companies	

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

Initiatives and Results

Reducing Usage of Plastic in Packaging Materials

We are working to reduce the amount of plastic used in packaging materials throughout the Group. We reduced plastic use in packaging materials by 12.3% (per unit of sales) compared with 2019 standards by promoting measures such as minimizing the laminated areas of packaging and adopting paper packaging.

► Environmental Targets 2030: Reducing usage of plastic in packaging materials

2022 Results
Base year: 2019
(per unit of sales)
12.3%
reduction

Use of Paper Packaging for MamyPoko Royal Soft Organic Cotton (Indonesia)

In August 2022, Unicharm's subsidiary in Indonesia released for a limited time, *MamyPoko Royal Soft Organic Cotton* disposable baby diapers, which come in paper packaging.



Use of Paper Packaging for Sofy Unbleached Sanitary Pads (South Korea)

In March 2022, Unicharm's subsidiary in South Korea released *Sofy Unbleached Sanitary Pads*, which come in paper packaging, at retail stores throughout the country and certain online stores. The use of paper packaging has reduced plastic use by over 80% compared with conventional packaging.



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%.



Use of Less Plastic in Packaging of Wave Products (Japan)

In March 2022, Unicharm released for a limited time, *Wave Handy Wiper with Case* (approximately 70% less plastic) and *Wave Handy Wiper Extra Long* (approximately 80% less plastic) in packaging that uses less plastic than conventional packaging.



Use of Paper Packaging for Trial Pack Diapers (Japan)

We use paper packaging for our *Moony Natural Newborn* (tape-type trial pack), which is available in baby stores.



Reducing Plastic Use by Removing Handles from Online Products (Japan)

In October 2022, Unicharm released *Moony* and *Moonyman* products that were specifically designed for online purchase. As these products are only available online and therefore are delivered directly to customers' homes, we removed the handles on the packaging, contributing to an approximate 13% reduction in plastic use compared with products sold in retail stores. Moreover, because the products' specifications can be viewed online, we kept the product descriptions to a minimum, reducing the amount of ink used for printing. In addition, the packaging is perforated at the center to be able to split open into two halves, making it easier for customers to know how many diapers are remaining and to store it as is.



Reducing Plastic Use by Resizing Cat Food Packaging (Japan)

In September 2022, Unicharm contracted the size of packaging for its *Silver Spoon* cat food, while keeping the content's volume the same, reducing plastic use in packaging by roughly 6%.



Recycling Plastic Waste from Our Factories (Japan)

301-3

As a measure to reduce plastic use, Unicharm succeeded in reusing the scraps that remain from cutting fabric into diaper shapes as a raw material for packaging.

Promoting Sales of Products That Avoid the Use of Petroleum-Derived Plastic

To promote sales of products that do not make use of petroleum-derived plastic, Unicharm is working to expand its lineup of products using plant-derived plastic.

In 2020, we released for a limited time, *Wave Handy Wiper Extra Long Type with Storage Case*, which comes with a storage case made of bioplastic derived from inedible agricultural by-products (rice husks), which are normally discarded as waste.

In 2021, we released limited quantities of *Silcot Alcohol-Free Disinfectant Wet Wipes*,*¹ for which the bottom lid of the container is composed of approximately 38% plant-derived plastic, and *Deo-Toilet*—a plastic molded litter box for adult cats weighing up to five kilograms, which uses 10% plant-derived plastic. In June 2022, Unicharm's subsidiary in Indonesia released for a limited time, *CHARM Herbal Ansept+ Bio*, a sanitary product that uses biomaterials*² made of sugarcane pomace, which was previously discarded, for the top sheet, which touches the skin, the back sheet, which contacts the underwear, and the individual wrapping and packaging.

*¹ Wet wipes do not completely eliminate bacteria.

*² Materials for which a portion of the plastic component was replaced with biomass plastic

P.028 Reduction of the Amount of Plastic Materials Used

► Environmental Targets 2030: Selling products that do not contain petroleum-derived plastic

2022 Results
Development
ongoing

Raising Awareness about Proper Disposal of Used Products

As a manufacturer of consumer products essential to realizing healthy lifestyles, it is important that we ensure awareness of the proper way to dispose of products after use and promote recycling activities. In 2022, we promoted awareness of the proper method for disposing of products after use, such as by printing instructions on product packaging, in eight of the 16 countries and regions in which we operate.



► Environmental Targets 2030: Raising awareness about proper disposal of used products

2022 Results

50 %
(8 countries
and regions)

Lectures on Waste Separation at Elementary Schools (Indonesia)

Since 2019, Unicharm's subsidiary in Indonesia has been helping raise awareness of proper waste disposal by conducting cleanup activities along rivers nearby its factories and installing trash cans, in addition to carrying out experiments on reducing the amount of landfill waste created by used disposable diapers through the use of black soldier fly larvae. In light of the increasing volume of waste resulting from economic growth and with the aim of promoting awareness of waste separation and recycling, we banded together with the Ministry of Education, Culture, Research and Technology in Indonesia to conduct lectures on the theme of waste separation at elementary schools in the Special Capital Region of Jakarta in September 2022 and nearby our Karawang Factory in December 2022.



Family-Oriented Seminar on Diaper Recycling (Japan)

In July 2022, Unicharm held a seminar on the importance of recycling disposable diapers at the Children's Trust Seminar held by Commons Asset Management Inc., which was attended by 17 children, ranging from the third grade of elementary school to the second grade of junior high school, and guardians.



Special Classes at Shibushi Elementary School (Japan)

In November 2022, Unicharm collaborated with the Shibushi City Board of Education to conduct classes on the theme of promoting the horizontal recycling of disposable diapers at Shibushi Elementary School in Shibushi City, Kagoshima Prefecture.



P.027 Development of Eco-Friendly Products / Expanding Our Line of Recycled Models

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 <https://www.unicharm.co.jp/en/csr-eco/education.html>

Reducing Plastic Use in Sales Promotional Items

Unicharm has set the goal of eliminating the use of plastic in sales promotional items throughout the Group by 2030 and is striving to reduce plastic use in sales promotional items for retail product displays. 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, with priority placed on our business in Japan. As a result, in 2022 plastic use in sales promotional items in Japan amounted to 5.6 tons, an 81.8% decrease from 2019.

► Environmental Targets 2030: Eliminating the use of plastic in sales promotional items



► Plastic Use (Tons) in Sales Promotional Items (Japan)

	2019	2022
Display hooks	6.2	1.4
Fixtures	0.9	0.2
Racks	6.9	0.6
Others (including packaging materials)	17.1	3.4
Total	31.1	5.6

P.028 Reduction of the Amount of Plastic Materials Used



Sales promotional items made from paper

Declaration on Reducing the Use of Plastic in Sales Promotional Items (Japan)

Unicharm has declared its commitment to reduce plastic use through a united effort with Shiseido Japan Co., Ltd., FineToday Co., Ltd., and Lion Corporation to gradually replace the plastic used in parts for sales promotional items at retail stores and on sales floors with paper materials. Through the commitment of each company to reduce plastic use in not only their products but also sales promotional items, we will leverage their strengths as leaders of the consumer products and cosmetics categories toward the realization of an environmentally friendly society and the development of the industry as a whole.