

## Climate Transition Plan

### 【Introduction】

At the Unicharm Group, our purpose (reason for existence) is contributing to the achievement of the Sustainable Development Goals (SDGs). Accordingly, realizing this purpose through our business activities is our vision of sustainability. To further embody this vision, in October 2020 the Group announced its medium- to long-term ESG goals, Kyo-sei Life Vision 2030. It consists of 20 key themes, indicators, and targets 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. These 20 key themes were established to contribute to the achievement of the 17 goals and 169 targets of the SDGs. In Kyo-sei Life Vision 2030, we set a goal of switching 100% of electricity used for business operations to renewable electricity by 2030 in relation to responding climate change.

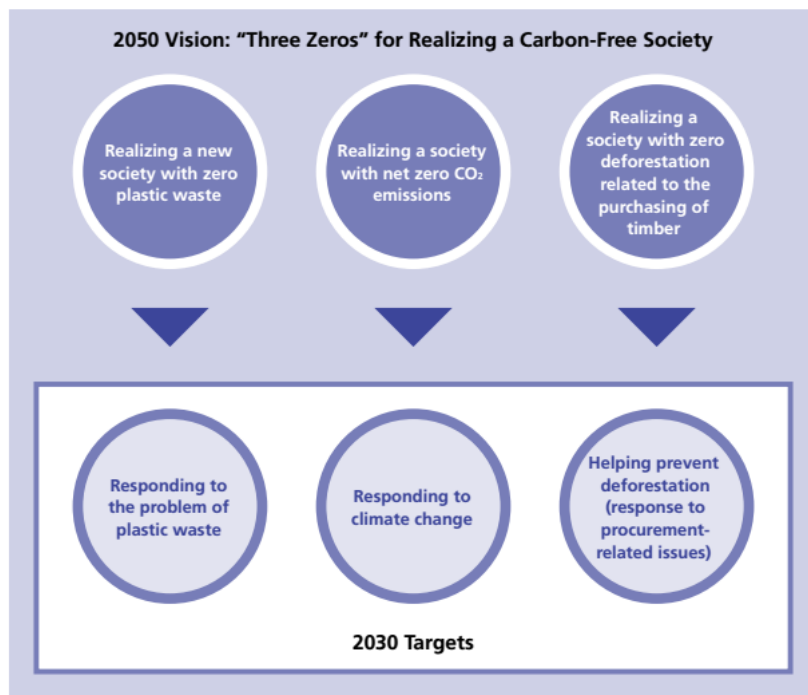
Moreover, under Environmental Targets 2030 announced in May 2020, we set specific targets for the three issues of responding to the problem of plastic waste, responding to climate change, and helping prevent deforestation (response to procurement-related issues) based on our vision of where we want to be as a corporate group in 2050. Furthermore, in June 2018, we received approval from SBTi for our reduction plan by 2045. And following the adoption of a more stringent 1.5°C target at COP26 in 2021, we have resubmitted our 1.5°C target to SBTi for certification.

The “Roadmap for a Climate Transition Plan” to be formulated and put into operation this time will accelerate these efforts.

### 【2050 Vision: Roadmap for Realizing a Zero-Carbon Society】

To realize a society with net zero CO<sub>2</sub> emissions set forth in our 2050 Vision of the Environmental Goals 2030, we will strive to reduce the amount of CO<sub>2</sub> emitted directly from our various business activities, in cooperation with the Japan Climate Initiative (JCI), the Japan Climate Leaders Partnership (JCLP), the GX League, RE100, and other initiatives. At the same time, we will continue to actively encourage all parties involved in our supply chains to reduce their CO<sub>2</sub> emissions throughout the entire product life cycle.

▶ **Environmental Targets 2030: 2050 Vision and 2030 Targets**



These strategies are based on scenario analysis. See page 41 of our *Sustainability Report 2024* for details on scenario analysis.

[https://www.unicharm.co.jp/content/dam/sites/www\\_unicharm\\_co\\_jp/pdf/csr-eco/report/en-ucsus2024.pdf#page=42](https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/report/en-ucsus2024.pdf#page=42)

### 【Measures to Realize the 2050 Vision】

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<sub>2</sub> emissions.

For Scope3, we are promoting the development of raw materials and technologies to reduce the use of raw materials, such as thin film and weight reduction, in addition to efforts to use biomass derived from plants and recycled materials as raw materials.

#### ●Approach to Suppliers

In October 2023, we held the 14th 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 2023 event, which was also streamed online, was attended by 371 participants from 143 companies, including material suppliers for personal care products, as well as material suppliers for pet care products and external production contractors. At the session, we explained the outline of the 12th Mid-Term Management Plan etc. and asked for their cooperation in understanding our policies for building a sustainable supply chain and also in providing data for the “GHG Emissions Visualization Project” to achieve the Kyo-sei Life Vision 2030 and Environmental Target 2030.

## ● Approach to Industry Organizations

Unicharm recognizes that decarbonization is an issue for which it is difficult to achieve significant results on our own, and we believe that it is important to expand our efforts to include 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 2023, inviting relevant government ministries and agencies, other business 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.

## ● Policy Engagement

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## 【Indicators and Targets】

### ▶ Progress of Environmental Targets 2030

Implementation Items	Per unit of sales	Base Year	Fiscal 2021 Results	Fiscal 2022 Results	Fiscal 2023 Targets	Fiscal 2023 Results	Fiscal 2024 Targets	2030 Targets	
									2019**
Responding to the problem of plastic waste	Reducing usage of plastic in packaging materials	—	-0.2%	-12.3%	-14.0%	-18.4%	-21.1%	-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	—	38% (6 countries and regions)	50% (8 countries and regions)	56% (9 countries and regions)	56% (9 countries and regions)	63% (10 countries and regions)	Rolled out at all Group companies	
	Eliminating the use of plastic in sales promotional items	—	2019	-8.9% (Japan)	-81.8% (Japan)	-30.0%	-86.9% (Japan) -76.5% (China)	-88.8% (Japan) -79.9% (China)	In principle, reduced to zero at all Group companies
Responding to climate change	Reducing CO <sub>2</sub> emissions associated with raw materials procurement	Per unit of sales	2016	9.7% (Japan)	-12.6% (Japan)	-14.3% (Japan)	-4.1%	-5.9%	-17%
	Reducing CO <sub>2</sub> emissions in manufacturing	Per unit of sales	2016	-26.9%	-35.2%	-38.6%	-55.4%	-57.8%	-34%
Helping prevent deforestation (response to procurement-related issues)	Reducing CO <sub>2</sub> emissions associated with disposal of used products	Per unit of sales	2016	23.7% (Japan)	-11.6% (Japan)	-14.2% (Japan)	-35.1%	-37.0%	-26%
	Ensuring traceability to pulp and palm oil production locations (country/region)	Forest-derived raw materials**	—	97.0%	97.1%	98.0%	99.2%	100%	Completed
		Palm oil	—	77.2%	72.2%	80.0%	68.0%	95%	
	Expanding the use of certified pulp (PEFC- and CoC-certified)	Percentage of certified factories**	—	52.0%	56.0%	64.0%	64.0%	72%	100%
		Percentage of certified materials procured**	—	76.0%	72.3%	75.0%	72.6%	73%	
	Expanding the use of certified palm oil (RSPO-certified)**	—	—	77.2%	72.2%	80.0%	68.0%	95%	100%
Promoting the recycling of used disposable diapers	—	—	Development ongoing	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 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

\*3 Percentage of Unicharm factories that have acquired chain of custody (CoC) \*4 In fiscal 2023, the calculation method was changed from a shipping weight basis to a purchase weight basis using the formula "purchase weight of 100% PEFC-certified pulp ÷ overall pulp purchase weight"

\*5 RSPO-certified palm oil based on the mass balance system

\*6 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 in fiscal 2020 and Machida City in fiscal 2021).

Our resubmitted CO<sub>2</sub> emission reduction target by 2031 (base year 2021) is under the validation by SBTi.

➤ 46.2% reduction in Scope1 and Scope 2

➤ 27.5% reduction in Scope3

See page 35 of *Sustainability Report 2024* for CO<sub>2</sub> emissions by Scope and category.

[https://www.unicharm.co.jp/content/dam/sites/www\\_unicharm\\_co\\_jp/pdf/csr-eco/report/en-ucsus2024.pdf#page=36](https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/report/en-ucsus2024.pdf#page=36)

## 【Governance】

Unicharm has established a system to seamlessly promote sustainability management that meets the expectations of its stakeholders. Specifically, the ESG Committee, a cross-organizational structure 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

