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Responsibility to Our Customers

Communicating with Customers

Our basic approach and strategy

In keeping with Unicharm's corporate philosophical framework ("Beliefs and Pledges" and Corporate Code of Conduct), we have always regarded customer satisfaction as a top priority and are committed to providing products and services that transform "discomfort" to "comfort."

As part of these efforts, the Customer Communication Center (CCC) strives to sincerely respond in a prompt, fair and impartial manner to the valuable opinions we receive from our customers and have formulated the "Customer Communication Center Vision" based on the core idea of striving to enhance customer satisfaction. We have also established the "Complaint Correspondence Policy" that guides our efforts in communicating with customers as a basic principle.

Customer Communication Center Vision

We aim to have our customers shift their mind from saying "I'm glad that I inquired and consulted with the Customer Communication Center" to "I'll purchase the Unicharm product because it's trustworthy and I know I can contact the Customer Communication Center anytime I wish and need." 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 our second nature, drawing in matters of others to that of our own, solving their immediate problems together and sharing the deep impression with customers by giving them the "power of trying hard" for their child-raising and nursing care so that they will say they want 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 (ISO9001) complaint correspondence process manual and ISO10002 complaint response process documentation. Information concerning the problems with our products or services will be reported to the President & CEO and steps will be taken immediately to remedy them.
- 2 In case our products or services must be redressed based on the customer feedback, all relevant departments will work together to immediately rectify the situation and prevent future reoccurrences in accordance with the QMS (ISO9001) redress and preventive measure procedure manual.
- 3 We will strive to reflect the valuable feedback from customers to the 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.

Management structure

Customer Communication Center led by the Chief Quality Officer (CQO) works in coordination with the relevant departments to gather customer opinions, enhance quality and safety and develop products tailored to our customers' needs.

We have compiled the specific initiatives for customer response for the entire company and, together with our "Self-Declaration of Consumer-oriented Company." are building a response system that is compliant with the ISO10002 complaint response MS.

With regard to the overseas operations, since Unicharm made its declaration of self-conformity with the ISO10002 complaint response MS in 2006, it has been laterally extending Customer Communication Center in China, Taiwan-Greater China, Thailand, Indonesia, Australia, India, Vietnam and other countries; together with the regular auditing of overseas Customer Communication Centers and information-sharing, we are implementing efforts that will boost customer satisfaction.





Date of Establishment: January 16, 2017

Revised: January 1, 2021

Takahisa Takahara

President & CEO **Unicharm Corporation**

Report



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[Philosophy]

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Self-Declaration of Consumer-oriented Company

Self-Declaration of Consumer-oriented Company

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 feedbacks received from customers are put together at Customer Communication Center (CCC) and addressed fairly and impartially by CCC based on QMS (ISO9001) complaint correspondence process manual and ISO10002 complaint correspondence process documents.
- Information concerning the 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 procedures on QMS (ISO9001) 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 so that precious customer feedback can be properly reflected in our improvement activities for products and services.

[Specific Initiatives]

I. Ensuring corporate governance — System for reporting customer feedback to top management without fail and 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 the social responsibilities.

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

II. Proactive initiatives involving all employees — Fostering 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 the relevant departments - Initiatives for swift and honest responses -

All feedbacks received from customers are put together at CCC and addressed fairly and impartially by CCC based on QMS (ISO9001) complaint correspondence process manual and ISO10002 complaint correspondence process documents.

Information concerning problems with products or services is swiftly reported to top management and necessary steps are taken to improve the situation. If the situation must be remedied, the relevant departments work together to swiftly remedy the problem and prevent future recurrences.

IV. Enhanced information provision to consumers and two-way exchanges of information — Disseminating 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 in various means so that they can use our products safely and effectively. These means include product packaging, user manuals and advertisements to educate customer about the correct ways to use products, as well as through our corporate website, news releases and disseminations from 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 the improvement activities for linking the needs from customers with commercialization of products after carefully reviewing their feedbacks.

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 every extent possible.

The entire company will also work as one solid team toward mitigating environmental impacts including reducing waste in the entire business activities.



For information about ensuring corporate governance, also see P.112 I. "Governance > Corporate Governance"



For information about prompt responses through organic cooperation between related departments, also see P.082 III. "Quality > Management structure"



For information about enhancing the provision of information to consumers and the two-way exchange of information, see P.083 IV. "Quality > Safety initiatives"



For improvements and developments based on the needs of consumers and society, see P.023 V. "Key Topics > Safeguarding the Well-being of Individuals"



For information about improvements and developments based on consumer and social needs, also see P.039 V. "Environment > Climate Change"

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■ Initiatives of the Customer Communication Center

In 2020, the center received approximately 63,000 calls. The feedbacks we received were in turn shared widely with the relevant departments within the company and used to help improve our products and services.



Training sessions for factory workers by CCC staff using "feedback from customers"

We conduct employee training at the CCC to reinforce quality and customer-oriented approaches. In 2020, CCC staff carried out remote training for new employees, R&D and marketing staff in which they played recordings of customer firsthand "feedback" as part of a training session for listening skills. We will continue to enhance our customer-oriented approach on a company-wide level and supply products that truly satisfy our customers.

Activities of overseas Customer Communication Centers

CCCs in China, Taiwan-Greater China, Thailand, Indonesia, Australia, India and Vietnam made a self-declaration of conformity for the ISO10002 Complaint Correspondence MS. Since this declaration, the CCC in Japan has been confirming whether these overseas CCCs are working with customers to address their complaints via regular audits and information exchanges.

Main Initiatives of the CCC

Main initiatives	Contents
1. Responder training	For staff who deal firsthand with inquiries from customers by phone, etc., we organize training programs to enhance our specialist knowledge, including sessions led by external instructors and other informative workshops, in order to improve the "quality of response."
2. Reflection in products	We share customer feedbacks with the relevant departments in a timely manner through weekly and monthly reports. This feedback is used to improve existing products and develop new products, in order to provide customers with products that are safe and comfortable.
3. Information dissemination	Customer feedbacks are shared internally on real-time using our "FAIN," centralized customer information management system, or the SMILE system. Report meetings with business departments and product package confirmation meetings (Communication Assurance Meetings) are also held to ensure feedback is utilized to improve products from a customer standpoint.
4. Training by the CCC	The CCC organizes training sessions for the R&D, marketing and other relevant departments, new employees and others who wish to participate in order to reinforce their focus on the customer-oriented mind and quality. In FY2020, 92 employees took part in these training sessions.
5. Strengthen collaboration with overseas CCCs	The initiatives of our CCCs located around the world are being shared to help improve customer satisfaction across the entire Unicharm Group, including its overseas subsidiaries. This information is also being used to improve our response skills based on ISO10002 complaint response MS and to step up interoffice collaboration.
6. Commitment	The CCC is an independent department reporting directly to the President & CEO. At the annual Board of Directors meeting, it presents and answers questions about the customer response policy for the following fiscal year. We have built and operated a system in which all executives can monitor the progress towards goals and discuss and give approval on whether consumer-oriented management is being promoted.

Examples of customer feedback that have been reflected in products

Voice for "SOFY Hadaomoi (friendly-to-skin) Organic Cotton"

In response to the voice of a consumer that "Unicharm should extend the type of organic cotton sanitary napkin such as for night use," we launched "SOFY Hadaomoi (friendly-to-skin) Organic Cotton Night-Use for Heavy Menstrual Flow with Wings (29 cm) and for Extra-Heavy Menstrual Flow with Wings (36 cm)."



Voice for extending the size-range of adult incontinence pant

In response to the voice of a consumer who has a solid physique that "Unicharm should add LL size," we launched the "Lifree Long-Hours Feel-at-Ease Pant without Urinary Absorption Pad S & LL Size" for consumers to choose best-fit size depending on their body shape.



Expressions of thanks from consumers

A happy message on "Natural Moony" diaper

"My baby cries a lot in night time. I was moved one night when I was changing diaper and noticed the word 'arigato' (thank you) had appeared on its surface. It was almost as if my baby had thanked



"Ultra-3D Mask for Kids"

"My child must wear a mask at elementary school but hated wearing it. Then I came across the 'Ultra-3D Mask for Kids'. My child now uses this mask without complaining since it's easier to breathe because of the extra space between mask and mouth."



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Communication with customers using various media

Unicharm works to provide information that contributes to solving social issues through our business to "realize a cohesive society" in which multiple generations can live in an enriched manner.

In Japan, Unicharm provides information for incontinence care, first menstruation education, child-rearing and partner animals (pets). Outside of Japan, local subsidiaries have also set up corporate websites in the local language. As you can see, we are working to strengthen web communication both in Japan and overseas markets.

Providing information on First Menstruation Education

"First Body Navi" offers young girls and their parents information on how the female body works and how to deal with menstruation as well as how to choose feminine napkin to help foster a positive first experience with menstruation. For school teachers, we have made available a downloadable PDF with information about first menstruation which can also be used as an educational resource at schools.

We also began offering a Sofy official app, "Sofy Girl," which helps young women having their first period manage their cycle and also lets mothers know when their daughters are menstruating so they can provide appropriate support.



Sofy First Body Navi





Sofy Girl official app

Launched "Navi for Adult Diapers" providing 24-hour support service

Quality

As Japan transforms into a super-aging society, we are receiving an increasing number of inquiries each year about how to do elder-care and how to properly carry out incontinence care. In 2017, Unicharm became the first business in the adult diaper industry to introduce an Alassisted chatbot* called "Navi for Adult Diapers" which can respond to inquiries around the clock and all through the year. In 2019, the availability of this chatbot was extended into the LINE app.

* "Chatbots" are programs (or the entire systems with such programs) that conduct conversations for an inquiry in place of a human operator.





こんにちは、マキです。 ライフリーの排泄ケア商品のご紹介、使い方のご説明、商品 選択のアドバイスを行っています。 排泄ケアで何かお困りなことがありましたら、お聞かせくだ



Lifree Navi for Adult Diapers "Maki-san | Lifree" Unicharm (LINE) * Search "Maki-san Lifree" (in Japanese) on LINE.



Childrearing support

"Baby Town" was created in collaboration with childrearingrelated companies in support of parents and their babies by offering a community platform for searching information, consulting with others or discussing worries regarding pregnancy, child delivery and child care in accordance with their child's stage of development. Our "Moony-chan and Toilet Training" app backing the toilet training and the official "Moony Instagram" provide useful child-rearing information.





Moony on Facebook

Baby Town



Moony on Instagram



Moony-chan and Toilet Training



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A web magazine for living happily with partner animals (pets)

"Along with my pet, always and forever & ever!" provides useful information for owners and their Partner animals (pets) to live a long, healthy and happy life together. Available as a website or on Instagram or Facebook.



Along with my pet, always and forever & ever!



Introducing "Snack Exercine," pet snack x indoor exercise

Unicharm has developed a new style of communication between pet dogs and their owners that can be practiced when it's not possible to go outside due to the effects of COVID-19 pandemic. "Snack Exercine," indoor exercise using the "Grand Deli" snack series, was introduced as an incentive providing both exercise and a change of pace for canine companions.

"My Style Bosai," a hygienic information site for disaster preparation

Quality

Many natural disasters have occurred in Japan in recent years. In addition to the damage from the 2011 Great East Japan Earthquake and tsunami, there have also been torrential rains, severe snowstorms, tornadoes and other catastrophes. The "My Style Bosai" microsite was launched in February 2019 with the aim of helping people reduce the hygiene risks that they, their family members and their partner animals (pets) are exposed to in such disasters. Through narratives of people's actual experiences, the site examines "various issues that arise during a disaster" based on the needs of different kinds of households.



My Style Bosai

Release of "With Corona Health, Hygiene & Security Information"

In December 2020, we opened "With Corona Health, Hygiene & Security Information useful for new lifestyle" as a portal of useful information for daily life within our Japanese website. Previously, each division had posted its own information in the various different areas of Unicharm site, but all these information are now available in one spot with the start of "With Corona" subdivided into the categories of "Living with Babies," "Comfortable Living for Women," "Living with Family," "Living with Partner animals (pets)," and "Living in Society." By making it easier and convenient for users to have an access to the information needed for their lifestyle "in the way they so wish," Unicharm will help support healthy, hygienic and safe living under the current situation with Corona and also into the future.



With Corona' Health, Hygiene and Safety Information Useful for New Lifestyle

Enhancing information provision to overseas customers

As Unicharm's popularity also grows in international markets, we are striving to enhance our customer service through the websites of our local subsidiaries by strengthening the delivery of information about our products and company. Please click on "Worldwide sites" on the Unicharm website for links to localized Unicharm sites.



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Research & Development

Creating unprecedented "new value"

The Unicharm Group R&D activities are primarily carried out at our technical and engineering centers in Kanonji City, Kagawa Prefecture under a philosophy of "maintaining our number one position through continued and dedicated services." Major overseas subsidiaries also have a "satellite office" with R&D capabilities which aims to meet the needs of each country/region and there is regular coordination with Japan and other satellite offices.

The R&D Division continuously develops and improves on research and processing technologies related to non-woven fabrics, special polymer absorbers and paper and pulp which are the strengths of Unicharm for its product development in order to be the number one choice of consumers in each product category. The division is also working to improve the efficiency by shortening the lead time from development to product launch.

The basic development policy is to "continue creating new value through technology innovation." Providing products and services such as diapers, sanitary napkins and partner animal (pet) food is by no means a flashy business. However, they are an indispensable part of everyday life for people of all ages from infants to the elderly and their partner animals (pets) worldwide which is why we believe it is necessary to create new "habits" and "common sense" and always provide more than what consumers expect. To this end, it is important that we thoroughly observe the actual conditions and consumption in consumers' lives, determine the "true needs" that drive them and, not remaining content with the status quo or fearing failure, continue to take on new challenges in a swift way.

As a company that rolls out its business on a global scale, it is very important that we promote the product development based on the characteristics of each country and region. Taking disposable diaper as an example, there are countries such as Japan where diapers are widely used, while in other countries, they are still an upscale product or simply not commonly used. Unicharm aims to create unprecedented new value by developing products tailored to each specific country and region while also achieving both quality and price that all consumers will want to reach out for.





Product development (discovering customer needs and shaping ideas)



R&D that contributes to a sustainable society

In 2019, Unicharm conducted baby diaper research for an improved fitness using "origami (paper craft) engineering" in collaboration with Ichiro Hagiwara, professor emeritus at Meiii University. This research resulted in the development of an absorbent material that molds to the body shape of babies.

Unicharm also worked in collaboration with Akihito Sano, a professor at Nagoya Institute of Technology, to develop diapers that are not only soft against baby skin but are also pleasant to the touch for adults.

At the April 2020 "Society for Affective Science Conference," we gave a poster presentation entitled "The effects of mother-child interactions during diaper changes on postpartum depression and daily emotions" which noted that a mother's use of a diaper-changing song during diaper changes created positive feelings that possibly leads to improve postpartum depression. At the "25th Congress of the European Sleep Research Society" held remotely in September 2020, we presented our findings as "Sleep solutions for infants based on sleep-wake rhythms using a smartphone application" which suggested it is important to reduce variance in the timing of sleep for infants in their first two months of life, as they have yet to establish a circadian sleep-wake rhythm.

Based on the results of these R&D activities, we are launching a series of new products and, at the same time, improving and updating the current products.

In overseas markets as well, we are working to improve both quality and functionality, expand product lines and develop the products matched to the needs of each market for its revitalization. In 2020, we developed the world's first antimosquito diaper for infants*1 in Malaysia and Singapore where spread of dengue fever was a concern. The diaper tapes are embedded with "Anti-Mos Microcapsules" that help keep mosquitoes away from babies.



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Approximately fifty percent of women in China suffer from menstrual cramps. Of these, some 20 percent of young women in the 15 to 22 age bracket warm their bodies to help relieve menstrual cramps.*2 We therefore launched the "Sofy Hot Dan °C," a sanitary napkin with a lengthened front and warming function that soundly covers the lower abdomen where menstrual pain most likely occurs.

^{*1} A structure in which microcapsules containing fragrance are coated on the tape section, both crushed and non-crushed. Covering all disposable baby diapers offered by major global brands (Based on a February 2020 survey conducted by Unicharm) *2 Based on Unicharm survey results.





"SOFY Hot Dan °C"

Unicharm also engages in business activities that balance global environment protection and economic growth with the aim of contributing to a sustainable society. As part of these efforts, in 2015, we began a research project to recycle used disposable diapers. We constructed a system to separate pulp from used diapers then sterilize it by using a unique ozone treatment technology. The pulp is hygienic and can be reused for sanitary goods and, in fact, we used it successfully to manufacture prototypes such as diapers. In 2019, we established the "Recycling Business Preparatory Office" within the CSR Division (currently the ESG Division) and are strengthening the R&D activities with the aim of commercializing this project.

Additionally, we are working to develop partner animal (pet) care products according to the characteristics of each animal such as age and physique in line with our basic philosophy of "supporting the healthy and happy lives of partner animals (pets) throughout their lives." In 2020, we developed and launched the "Deo-Toilet Home Urine Check Kit" for cats, a home urine check device that allows owners to easily manage the physical condition of a cat susceptible to urinary diseases.



"Deo-Toilet Home Urine Check Kit" for cats



See P.024 "Key Topic: Safeguarding the Well-being of Individuals > For coexistence with partner animals (pets)



See P.028 "Key Topic: Safeguarding the Well-being of Our Planet > Initiatives aimed at promoting the recycling of disposable diapers"