

Health and Safety

■ Our basic approach and strategy

As an occupational health and safety initiative, Unicharm strives to ensure health and safety management in the workplace through the Unicharm Group's "Beliefs and Pledges" and Corporate Code of Conduct*" in order to realize our "Pledge to Associates" to prevent workplace accidents and to ensure that our employees can work safely and securely.

* We pledge to sincerely conduct our business activities in order to be a trusted partner to our customers, shareholders, business partners, employees and society and have established the code of conduct.

Basic Policy for Health Management

1. Employees give priority to primary prevention and strive to improve lifestyle habits based on the idea of "protecting our health on our own."
2. The company provides a safe and comfortable environment so that employees can enjoy a fulfilling workplace and fully exercise their abilities.
3. The Human Resources Division properly uses and manages personal information such as medical examination results and promotes health management with collaborators inside and outside the company.

Being thorough with Workplace Safety and Industrial Health Management

To prevent workplace accident and ensure that employees can work safely and comfortably, we strictly implement safety and health management in the workplace toward a goal of zero accident. At the same time, we give top priority to ensuring safety at all times, not force employees into excessive labor or overtime and improve a work environment primarily by safety and health managers. Supervisors also

confirm the mental and physical health of their subordinates and promptly respond when they find an issue.

■ Management structure

"The Iki-Iki Health Promotion Office" was opened in 2017 to assist employees with physical and mental health management. We have also implemented Occupational Safety & Health Management System (OSHMS) focused on manufacturing in order to continuously maintain and improve our health and safety activities and have specified PDCA (Plan, Do, Check, Act) process to promote ongoing health and safety management on an autonomous basis that assists in preventing workplace accidents, promotes worker health, creates a comfortable work environment and improves our activities for enhancing safety and health standards. OSHMS aims to ensure the health and safety of all members in the Group (executives, employees, contingent staff and part-timers) and at associate companies (contractors and outsourced companies working on our premises).

OSHMS operations ensure that all employees at manufacturing plants have set objectives for health and safety activities with clear roles and responsibilities. Along with regular checks by the plant manager who is responsible for overall health and safety management at the plant, this system allows the identification of latent risks for occupational injuries and diseases and revision of health and safety activities.

In Japan, the Ministry of Health, Labour and Welfare sets out OSHMS guidelines.

The International Labour Organization (ILO) has also sets out OSHMS guidelines as international standards. Japan's guidelines conform to the ILO standards.

We also have third-party organizations monitor our manufacturing sites in and outside of Japan. This monitoring serves to identify issues with long working hours, occupational safety, wages and building safety so we can make improvements.

The manager responsible for overall health and safety is an executive officer appointed by the representative director who designates safety and industrial health manager at each location who then appoints safety manager, industrial health manager and fire prevention manager and sets up Health and Safety Committee in order to build a management system.

In order to create a safe and comfortable workplace, the Health and Safety Committee consisting of selected employees, labor union representatives and occupational physicians meets once per month on matters such as activities to improve the workplace environment, prevention of workplace accidents and elimination of vehicle accidents. Important actions from a PDCA perspective are reported to the directors through the Health and Safety Committee office. Actions related to safety that have been approved by the directors are implemented as activities in each department. Progress is reported to the directors in the Health and Safety Committee and periodic reports with their decisions on actions and instructions for improvements being issued to implement the PDCA cycle for safety activities.

Objectives

We are aiming for zero workplace accident and five percent year-on-year increase in the rate of paid annual leave taken. With the aim of zero workplace accident, production managers including plant managers visit their sites and take necessary measures to promote PDCA for occupational health and safety. In 2020, both the workplace accident frequency rate and severity rate were below the industry average.

Various systems at Unicharm such as remote-work and working interval program, monthly no-overtime day, premium Friday across the entire company and the elimination of core time are increasing the choice of work locations and hours to realize the creation of well-balanced ways to work. Each employee also formulates and thoroughly manages their own weekly plan to efficiently use their time based on the clear priorities. These activities help promote the reduction of working hours and create a rewarding work environment.

Issues and initiatives going forward

As “health and safety” is recognized to be the most important theme for the company, we will thoroughly improve the work environment and take the basic safety actions by strengthening safety measures through the equipment safety inspections and others in aiming at creating the safe and comfortable workplace environment. In addition, we will promote timely and appropriate safety measures such as assessment-based risk reductions and external evaluations by companies specialized in safety crisis management. Furthermore, we will promote the education for managers and employees to improve their knowledge of health management and encourage them to take more paid leaves by recommending the use of “anniversary leave” and improvement of work environment based on the results of stress checks.

 See P.097 “Human Resources Data”

Health and safety risk assessment

As a global corporation with a business presence in various countries around the world, Unicharm maintains a “Risk Management Information Website” on our in-house Intranet which is focused on potential risks to the lives of Unicharm employees working within and outside Japan. The site specifies clear guidelines and criteria for responding to natural disasters, pandemics, occupational accidents, large-scale equipment accidents (all defined as safety risks), kidnapping, intrusion into and damaging of company facilities, terrorist attacks, riots, coups d’état and civil war. Information provided by Ministry of Foreign Affairs of Japan and a risk management company contracted to provide its services is updated daily to provide information, alerts, business trip restrictions and measures for dealing with serious injuries and illnesses. We carry out risk assessment, education and dissemination and labor environment monitoring through these efforts.

In 2020, we carried out a risk assessment regarding novel coronavirus infections (COVID-19) to formulate our “Guidelines for dealing with COVID-19” so that each employee can take appropriate actions. We also implemented infectious disease prevention measures and domestic and international business trip restrictions. In terms of manufacturing facilities, we conducted the risk assessment using safety diagnoses through a third-party organization. In terms of promoting the new and ongoing businesses and projects, as appropriate, we also carry out risk assessments and monitoring covering the local laws, local physical environment, infrastructure, facilities and the like. In order to further protect against disasters, we will also systematically move forward with risk assessment, revise work methods and improve facilities to eliminate risk and thoroughly educate and train employees.

Monitoring and managing health and safety performance

	Targets	2017 results	2018 results	2019 results	2020 results	2021 targets
Percentage of paid annual leave taken (%)	Increase of 5% over the previous year	59.0	58.0	62.46	56.74	Increase of 5% over the previous year
Workplace accident frequency rate *1	Manufacturing industry average (2019)	0.33	0.23	0.24	0.45	Below the industry average
	1.2					
Workplace accident severity rate *2	Manufacturing industry average (2019)	0	0	0	0	Below the industry average
	0.1					

*1 Workplace accident frequency rate = Number of workplace accident occurrences / Total number of working hours × 1 million hours

*2 Workplace accident severity rate = Number of lost working days / Total working hours × 1,000 hours

■ Initiatives for global health issues

The in-house Intranet is used to post health promotion information called “Health Lab.” For employees posted overseas or on international business trips, “Overseas Support Information” provides information on safety/security and health issues (e.g., HIV, AIDS, tuberculosis, malaria, COVID-19). Providing such information supports employees in maintaining, improving and ensuring their health and safety.

Acknowledging the spread of COVID-19 in 2020 as a global health issue, we provided masks to the hospitals in various countries and regions such as China, Indonesia, Korea, etc. In Japan, at the request of Ministry of Health, Labour and Welfare, we sent relief supplies for Japanese returnees from Wuhan repatriated to Japan on government-chartered flights and for passengers of the Diamond Princess cruise ship docked in Yokohama through Japan Hygiene Products Industry Association.

To respond to the shortage problem of mask at retailers, we worked on the emergency measures such as shifting manufacturing to round-the-clock operations at an early stage.

In September 2020, we also introduced the world’s first anti-mosquito disposable diaper*, “MamyPoko Extra Dry Protect,” featuring Anti-Mos Capsule which keeps mosquito carrying dengue virus away from babies in Singapore and Malaysia where there has been heightened concern about dengue fever due to increased precipitation in recent years. In this way, our business activities help address global health issues.

*A structure in which microcapsules both crushed and non-crushed containing fragrance are coated on the tape section. For disposable baby diapers offered by major global brands (based on February 2020 study conducted by Unicharm)

■ Company-wide safety conference

We hold a company-wide safety conference as part of our efforts to ensure employee safety. As one example, Unicharm Products Co., Ltd., which manufactures products in Japan, held its 18th company-wide safety conference on April 14, 2020 at the Central Works, Shikoku Plant. Shinobu Seki, President & CEO, reaffirmed the company’s commitment to safety noting that “we will not have a single accident, nor a single injury.” Toward this end, he strongly declared that senior executives would take the initiative to create a “safe and comfortable workplace” based on a philosophy of “safety as an asset” and “safety taking precedence overall.”



The 18th Company-wide Safety Conference
Unicharm Products Co., Ltd.

■ Health and Safety Committee

The manager responsible for overall health and safety is an executive officer appointed by the representative director who designates safety and industrial health manager at each location who then nominates safety manager, industrial health manager and fire prevention manager and sets up Health and Safety Committee for organizing the management structure. “Health and Safety Committee” consists of industrial doctors and elected commissioners from the company and labor union. The Committee implements various activities once a month including activities related to improving the working environment and preventing work-related accidents, holding campaigns to eliminate vehicle accidents and sharing priority activities including monthly topics. We have also implemented workplace improvement activities and a promotional campaign for taking the paid “anniversary leave,” remote-work and working interval programs, monthly no-overtime day and premium Friday and eliminated core time requirements to increase the choice of places and hours of work with the aim of creating a well-balanced way to work. We have also clarified priorities, with employees thoroughly managing their actions by creating their own weekly plans for effective use of work time in order to promote reductions in working hours and the creation of a worthwhile working environment.



Health and Safety Committee

■ Promoting employee health

In order to make it possible for employees to be healthy both in body and mind and highly productive, we have implemented ongoing health and safety activities and improved facilities so that in 2020, there were no fatal workplace accident. Active promotion of annual health checkups also resulted in a 100 percent uptake rate at Unicharm in 2020, the twelfth consecutive year since 2009 that the uptake rate was 100 percent. In addition to paying the full cost of health check-ups for employees age 35 and older, all female employees of Unicharm, regardless of age, are required to have a breast and gynecological checkup, the costs of which are fully paid by the company, as an early prevention measure for breast and cervical cancer. With October designated as Pink Ribbon Month, pink ribbon badges are worn to provide employees, their families and people close to them with the opportunity to think about breast cancer.

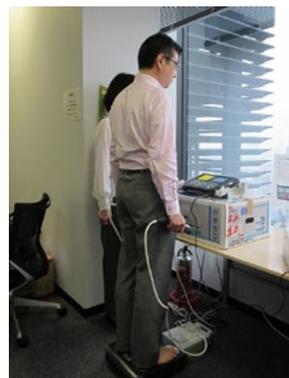
 For information about Pink Ribbon activities, see P.098 "Social Contributions through Business Activities"



Health discussion roundtable

To shift health management practices from treatment to prevention, we began administering a stress check and group analysis in 2016 and promptly directing those with high stress for health consultations with industrial physicians and health nurses. Health nurses also publish the monthly Healthy Lab Newsletter as a health awareness-raising activity and hold body composition measurement and health-themed discussion events to provide advice for improving the everyday life of employees. Additional initiatives include introducing the company's internal consultation desk to new employees, providing health management training sessions for employees in their 30s, offering lifestyle modification training, carrying out in-house influenza vaccinations and providing information on COVID-19 infection countermeasures. With options such as an onsite public health nurse available five days a week health consultations who can be consulted at any time, these efforts are aimed at conveying the importance of improving lifestyle habits from an early stage and being more health-conscious.

Furthermore, since January 1, 2016, Unicharm "bans



Body Composition Measurement Event



In-house influenza vaccination

smoking in the workplace" and has "full-time no-smoking policy from start to the end of working hours for all employees including visitors." These efforts promote a reduction in smoking through the gradual removal of smoking areas in the buildings and on company premises.

We also provide personalized support for employees following medical treatment to ensure a successful return to work. Ongoing follow-up is done in person through regular interview by an industrial physician, etc. based on the "Back-to-Work Support Program." We have introduced an employee support program by which our employees and their families can consult with external counselors about their worries and troubles, in order to facilitate their realization of fulfilling and healthy lives without worries. In 2019, we introduced an app "Urine Check" in Mita-area for making lifestyle improvements based on changes in urine pH. We also conduct various kinds of training and education such as lifesaving training for emergencies.

Human Resources Data

Please see Human Resources Data (p.97) for health and safety performance.