

[Message from the President & CEO](#)
[Unicharm Group's COVID-19 Initiatives](#)
[Kyo-sei Life Vision 2030](#)
[Unicharm Group Sustainability](#)
[Key Topics](#)
[Environment](#)
[Human Rights](#)
[Responsibility to Our Customers](#)
[Quality](#)
[Labor Standards](#)
[Health and Safety](#)
[Human Resources Data](#)
[Local Community](#)
[Supply Chain \(Society\)](#)
[Shareholders and Investors](#)
[Governance](#)
[Third Party Assurance Report](#)
[List of Awards and Commendations Received in Fiscal 2020](#)

## Tax Compliance

### Basic approach and policy

The Unicharm Group recognizes the appropriate payment of taxes in compliance with the tax laws of each country and region around the world as its basic policy. Based on this policy, the Group has established the “Unicharm Group Tax Regulations” which aims to establish a balanced, group-wide tax management system as well as maintain and enhance tax compliance with the following initiatives in place.

### Compliance with tax laws

The Unicharm Group complies with applicable laws, files tax returns and pays taxes appropriately in the countries and regions where we conduct business. To ensure the appropriateness of subsequent tax management, decisions on important transactions inside and outside of Japan are made based on approval after consultation with the director in charge of accounting and finance following confirmation of treatment in tax law. Moreover, the Group has established, developed and appropriately implemented an internal control system that can ensure appropriate accounting treatment and financial reports. The effectiveness of this system is evaluated through audits by the accounting auditor and Audit and Supervisory Committee.

In addition, we use expert third-party tax advisors effectively and efficiently to maintain tax compliance. As well, regular employee training on taxation matters is conducted with the aim to raise awareness of tax compliance within the Company. During tax inquiries, the director in charge of accounting reports progress and results to President & CEO along with Audit & Supervisory Committee as needed, in an effort to enhance the entire Group’s tax compliance.

### Relationships with tax authorities

Tax information, etc. is provided in an appropriate and timely manner to tax authorities and efforts are made to improve transparency through advance queries on tax processing as necessary, create sincere and positive trust relationships with tax authorities and reduce tax risk. We also aim to provide top priority cooperation when it comes to tax inquiries through open and honest correspondence with inspectors in facilitating the process.

### Support for the BEPS project

Recognizing the purpose of the Base Erosion and Profit Shifting (BEPS) Project by the Organization for Economic Cooperation and Development (OECD), the Unicharm Group pays special attention to ensure transactions are conducted for legitimate business purpose and real business activities and that appropriate taxes are paid in the appropriate region in order to prevent the transfer of tax sources to so-called tax havens(countries or regions with no or lower taxes) for the purpose of excess tax savings.

In addition, “transfer pricing regulations” have been established for the Unicharm Group in order to comply with the tax laws of each country and OECD Guidelines on transactions between the Group companies and, based on Arm’s Length Principle, we work to achieve an appropriate allocation of global income in accordance with the contribution of each Group company while taking into consideration arm’s length prices. Moreover, we apply, as necessary, for qualification for bilateral Advance Pricing Agreements in order to prevent dual taxation as a result of the transfer pricing regulation.