

Kyo-sei Life Vision 2030

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Kyo-sei Life Vision 2030

For a Diverse, Inclusive, and Sustainable World

At Unicharm, we are committed to helping resolve environmental and social issues as we work together to realize a cohesive society.

With that in mind, the Unicharm Group's medium- to long-term environmental, social, and governance (ESG) goals, Kyo-sei Life Vision 2030—For a Diverse, Inclusive, and Sustainable World—(hereafter referred to as Kyo-sei Life Vision 2030), were announced in October 2020. In formulating Kyo-sei Life Vision 2030, we first defined our vision of the desirable future in 2030, based on which we set specific key initiatives and targets.

Through the implementation of Kyo-sei Life Vision 2030, we are confident that we can satisfy the needs of consumers and communities, while continuing to grow our business.

Positioning of Kyo-sei Life Vision 2030

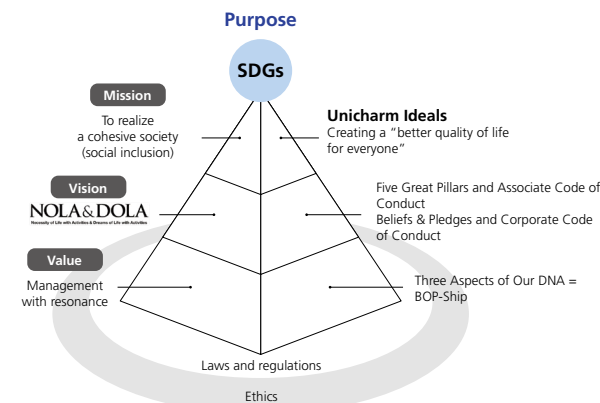
At Unicharm, we believe that our fundamental raison d'être, that is, our purpose, is to help achieve the United Nations' Sustainable Development Goals (SDGs). To better delineate the substance of this purpose and to further its accomplishment, we have broken it down into three key components: mission, vision, and value.

"Mission" clarifies what we want to accomplish. More specifically, our mission is to realize a cohesive society, a society that must inherently be diverse, inclusive, and sustainable. In this society, personal freedom will harmonize with social altruism, enabling people to be true to themselves and live lives of their own choosing, while at the same time helping others to achieve a better life. Where purpose is the goal, vision is the means. "Vision" elucidates how we can realize a cohesive society. In practical terms, it is the application of our corporate philosophy, which we like to call "NOLA & DOLA" (Necessity of Life with Activities & Dreams of Life with Activities). Through "NOLA," we hope to provide powerful, yet discreet and unobtrusive support for the minds and bodies of our customers, freeing them of some of their burdens and enabling them to better focus their efforts on fulfilling their dreams. "Value" is the ambition and sense of duty that underlies our mission and vision, bringing it all together to serve a common purpose. All Unicharm employees around the world are now pushing forward our standardized management model: management with resonance.

To understand and promote our purpose, which constitutes our mission, vision, and value, and to clarify how they work together to push forward that purpose, this report explains in detail the world we have envisioned for 2030 and describes how we hope to get there, highlighting the key initiatives and targets that we believe will make Kyo-sei Life Vision 2030 a reality.

We are committed to helping resolve environmental and social issues, while providing new value to consumers and communities and assuring steady business growth.

Formulation of The Unicharm Way



Cohesive society = Social inclusion
A society in which each person is independent while supporting others in a way that allows everyone to have just the right sense of distance so that, in addition to vulnerable members of society, those who are at a disadvantage either temporarily or for an extended period due to aging, illness, childbirth, menstruation, or other factors can spend their lives in the way they so wish regardless of their situation.

Kyo-sei Life Vision 2030

For a Diverse, Inclusive, and Sustainable World

In order to realize the world we envision, Unicharm upholds the following three commitments based on our corporate principles of fair and transparent management.

Safeguarding the well-being of individuals

Our goal

Our aim is to provide products and services that contribute to the realization of a society where all people can have a sense of individuality and enjoy their daily lives.

Key initiatives

- Extension of healthy life expectancy and improvement of QOL
- Support for a society where gender and sexual orientation do not restrict people's activities
- Coexistence with partner animals (pets)
- Improvement of childcare
- Improvement of public hygiene

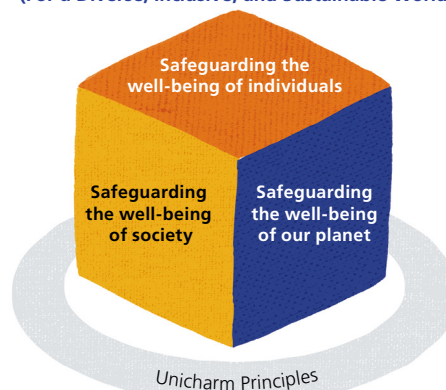
Our goal

Our aim is to provide products and services that not only improve the safety, security, and satisfaction of our customers but also contribute to solving social issues and promoting sustainability.

Key initiatives

- Innovations to achieve "NOLA & DOLA"
- Practicing sustainable lifestyles
- Construction of value chains that take account of sustainability
- Improvement of customer satisfaction
- Provision of safe, reliable products

Realizing a Cohesive Society (For a Diverse, Inclusive, and Sustainable World)



Our goal

Our aim is to provide products and services that are sanitary and convenient, as well as contribute to activities that improve our planet's environment.

Key initiatives

- Development of eco-friendly products
- Addressing climate change
- Expanding our line of recycled models
- Promotion of product recycling
- Reduction of the amount of plastic materials used

Our goal

Our aim is to pursue fairness and transparency in order to establish and retain stakeholder trust.

Key initiatives

- Management practices that take sustainability into account
- Practice of appropriate corporate governance
- Promotion of diversity management
- Fostering the development of competent human resources
- Construction of healthier workplaces and workplace safety systems

Unicharm Principles

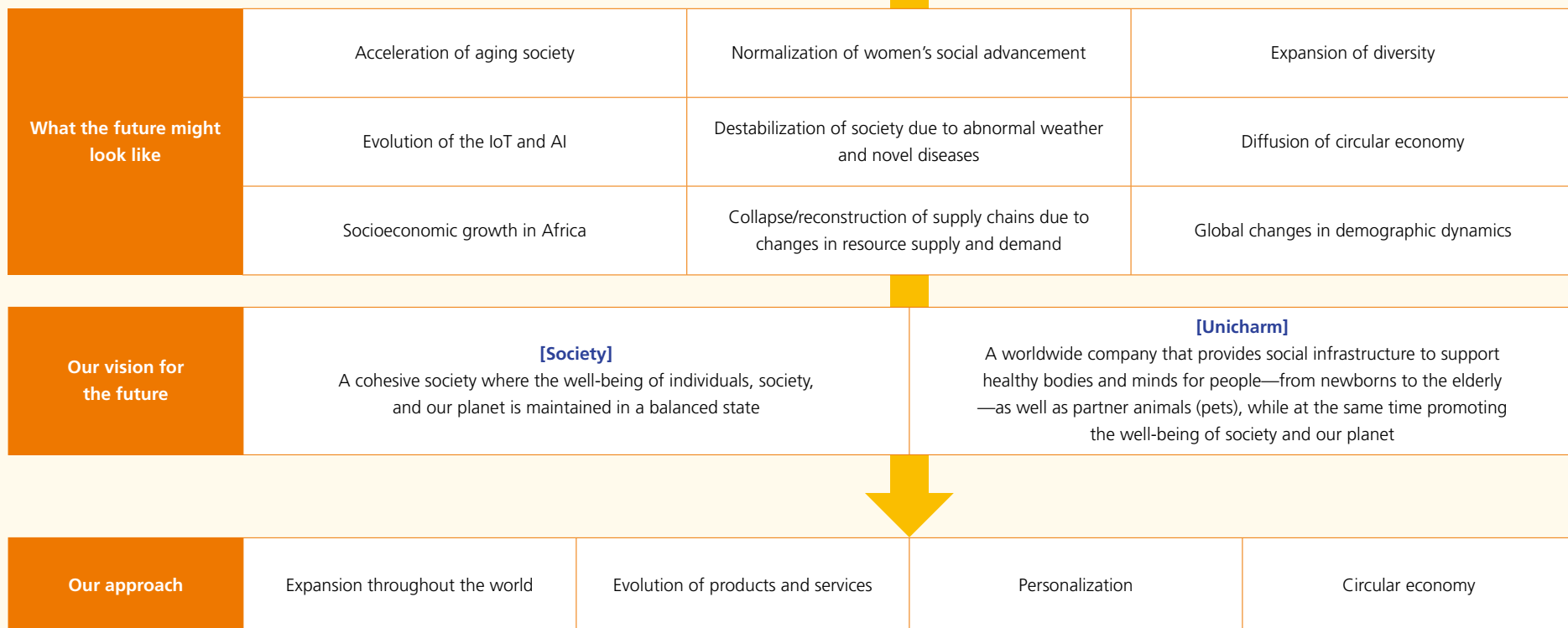
Safeguarding the well-being of society

Safeguarding the well-being of our planet

Our Approach to Realizing a Cohesive Society by 2050

As described under “Positioning of Kyo-sei Life Vision 2030,” our mission is to realize a cohesive society. With the year 2050 set as the target date for bringing such a society into being, we will strive to realize our vision of the company we aspire to be and have conceived carefully focused approaches to draw closer to that vision from where we are today.

Realizing a Cohesive Society



Formulation of Kyo-sei Life Vision 2030

Phase 1

Defining our material issues

To define our material issues, we implemented the following steps. These steps helped us extract material issues and draw a matrix diagram.

1 Extraction of relevant issues

We extracted 513 relevant social issues from many literature sources. We categorized them into 44 groups (ISO 26000, GRI Standards, the SDGs, FTSE, MSCI, DJSI, etc.) based on four points of view.

2 Internal assessment

We surveyed about 900 people associated with Unicharm, including members of the Board of Directors, executive officers, general managers, subsidiary presidents, and managers.

3 External assessment

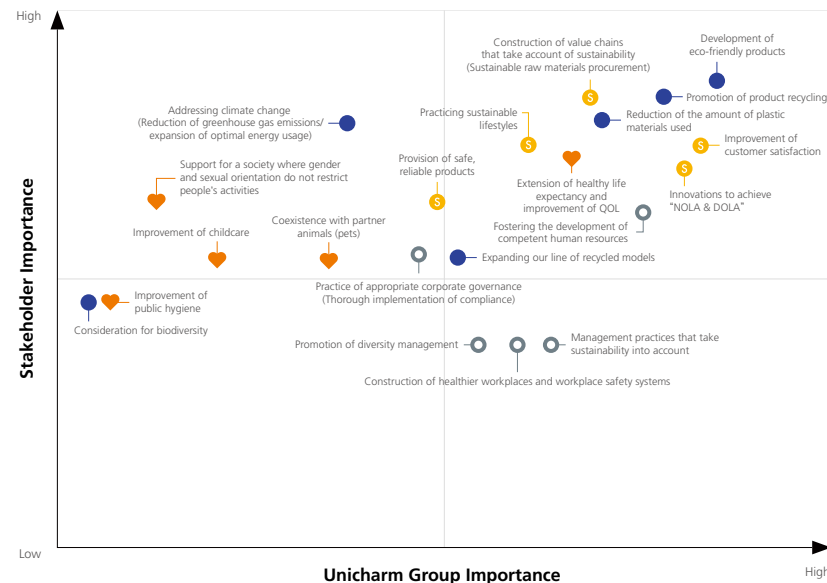
We asked 56 organizations to participate in surveys to assess the degree of importance assigned to various issues from an external viewpoint (stakeholders' viewpoint) and received responses from 32 organizations.

4 Workshops with executive officers

We held workshops on the Sustainable Development Goals (SDGs) and other themes, at which executives offered their opinions about what society might look like in 2050 as well as possible directions the Company should take.

5 Defining of our material issues

We listed the main themes underlying where we wanted the Company to be in 2050 and the various approaches that we would have to take in order to achieve those goals; then we specified material issues. The results of these deliberations were subsequently approved by the ESG Committee.



Material Issue Matrix Diagram

- ♥ Safeguarding the well-being of individuals
- 💰 Safeguarding the well-being of society
- 🌐 Safeguarding the well-being of our planet
- ⦿ Unicharm Principles

Phase 2

Formulating indicators linked to the material issues and target values

We examined various indicators and targets pertaining to the material issues as outlined below.

1 Implementation of research into ESG assessment institutions and competitors' benchmarks

2 Comparison between branding strategies of our products

3 Exchange of opinions with general managers and senior managers

4 Creation of indicators and initial proposals for targets

5 Discussions with the Marketing Division and the R&D Division

6 Finalization of indicators and target values

We formulated indicators linked to the material issues and target values. These were subsequently approved by the ESG Committee.

ESG Promotion Structure

Kyo-sei Life Vision 2030 will be carried out with the following promotion structure, which is a cross-enterprise organizational system.

P.010 ESG Promotion Structure

Key Initiatives, Indicators, Target Values, and Results

Key initiatives	Indicators	Results		Medium- to long-term goals	
		2021	2022	Target value	Target year
Safeguarding the well-being of individuals Our aim is to provide products and services that contribute to the realization of a society where all people can have a sense of individuality and enjoy their daily lives.					
Extension of healthy life expectancy and improvement of QOL	Percentage of products and services that contribute to the realization of a society where everyone can have a sense of individuality	100%	100%	100%	2030
Support for a society where gender and sexual orientation do not restrict people's activities	Percentage of products and services that contribute to a society where people around the world are free from discrimination by gender or sexual orientation (including products and services that contribute to the elimination of sexual discrimination still present in certain countries and regions)	100%	100%	100%	2030
Coexistence with partner animals (pets)	Percentage of products and services that contribute to the realization of a society where partner animals (pets) are welcomed by family members and community residents	100%	100%	100%	2030
Improvement of childcare	Percentage of products and services that contribute to the realization of a society where infants and their families can live healthily and happily	100%	100%	100%	2030
Improvement of public hygiene	Percentage of products and services that contribute to activities that can reduce the spread of preventable infectious diseases (contact transmission or droplet transmission)	100%	100%	100%	2030
Safeguarding the well-being of society Our aim is to provide products and services that not only improve the safety, security, and satisfaction of our customers but also contribute to solving social issues and promoting sustainability.					
Innovations to achieve "NOLA & DOLA"	Percentage of products and services that contribute to freedom from various burdens and finding enjoyment in life	100%	100%	100%	2030
Practicing sustainable lifestyles	Percentage of products and services suitable for the SDGs Theme Guideline, an internal guideline for contributing to sustainability	100%*	10.5%	50%	2030
Construction of value chains that take account of sustainability	Percentage of products and services that use raw materials procured from local production for local consumption, thereby contributing to local economies based on the perspectives of the environment, society, and human rights	Development ongoing	Development ongoing	Double (Compared with 2020)	2030
Improvement of customer satisfaction	Percentage of products and services supported by consumers (No. 1 market share)	23.4%	23.6%	50%	2030
Provision of safe, reliable products	Percentage of products to which a new internal guideline for safety and quality has been set and certification has been granted	100%	100%	100%	2030
Safeguarding the well-being of our planet Our aim is to provide products and services that are sanitary and convenient, as well as contribute to activities that improve our planet's environment.					
Development of eco-friendly products	Number of products and services that implement "3Rs + 2Rs" based on Unicharm's unique approach	Development ongoing	2	10 or more	2030
Addressing climate change	Percentage of renewable energy used for business operations in total	7.3%	11.0%	100%	2030
Expanding our line of recycled models	Number of disposable paper diaper recycling facilities introduced	Development ongoing	1	10 or more	2030
Promotion of product recycling	Material recycling of nonwoven products using recycling resources	Development ongoing	Development ongoing	Start of commercial usage	2030
Reduction of the amount of plastic materials used	Percentage of virgin plastics to total plastics	Development ongoing	Development ongoing	Reduced by half (Compared with 2020)	2030
Unicharm Principles Our aim is to pursue fairness and transparency in order to establish and retain stakeholder trust.					
Management practices that take sustainability into account	Maintain and improve ratings by external evaluation agencies	—	—	Highest level	Every year starting from 2026
	Number of serious human rights violations in the value chain	Zero	1 (revised)	Zero	Every year
Practice of appropriate corporate governance	Number of serious compliance violations	Zero	Zero	Zero	Every year
Promotion of diversity management	Percentage of female managers driven by the provision of various opportunities for women	22.5%	23.2%	30% or more	2030
Fostering the development of competent human resources	Percentage of positive answers received for the "Growth through Work" section of the employee awareness survey	81.4% (Japan)	89.2%	80% or more	2030
Construction of healthier workplaces and workplace safety systems	Reduction in the percentage of employees on leave for mental or physical health reasons by improving the workplace environment so that employees can work with peace of mind and maintain mental and physical health	6 employees (Japan)	4 employees (Japan)	Reduced by half (Compared with 2020)	2030

* The 2021 result for "practicing sustainable lifestyles" was changed from number of cases (products and services) to percentage of products and services conforming to the SDGs Theme Guideline.

Our Contributions to the SDGs

Key initiatives	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Safeguarding the well-being of individuals																	
Extension of healthy life expectancy and improvement of QOL			●	●				●			●	●	●		●		
Support for a society where gender and sexual orientation do not restrict people's activities	●		●	●	●			●		●	●	●	●		●		
Coexistence with partner animals (pets)			●	●				●			●	●	●	●	●		●
Improvement of childcare			●	●	●			●			●	●	●		●		
Improvement of public hygiene			●	●		●		●			●	●	●		●		
Safeguarding the well-being of society																	
Innovations to achieve "NOLA & DOLA"	●		●						●				●	●	●		
Practicing sustainable lifestyles				●		●	●	●				●	●	●	●		
Construction of value chains that take account of sustainability	●			●		●	●	●	●	●	●	●	●	●	●		
Improvement of customer satisfaction			●	●								●					
Provision of safe, reliable products			●						●			●					
Safeguarding the well-being of our planet																	
Development of eco-friendly products						●	●		●			●	●	●	●		
Addressing climate change						●	●		●			●	●	●	●		
Expanding our line of recycled models						●	●		●			●	●	●	●		●
Promotion of product recycling						●	●		●			●	●	●	●		
Reduction of the amount of plastic materials used							●		●			●	●	●	●		
Unicharm Principles																	
Management practices that take sustainability into account	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Practice of appropriate corporate governance								●				●				●	
Promotion of diversity management	●			●	●			●		●							
Fostering the development of competent human resources	●		●	●	●			●		●							
Construction of healthier workplaces and workplace safety systems			●	●	●			●		●							