



## Key Initiatives

## 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.

### Our Basic Approach and Strategy

Unicharm constantly provides products and services that aim to improve the safety, security, and satisfaction of consumers. To that end, it is essential that we take sustainability into account when procuring raw materials and developing products. At Unicharm, we share our philosophy with regard to safety, quality, and the environment with our suppliers and build a cooperative relationship with them through close-knit collaboration via two-way communication. In so doing, we aim to resolve social issues and contribute to sustainability throughout the entire value chain.

### 2022 Results

The pursuit of “innovations to achieve ‘NOLA & DOLA’,” one of our key initiatives for safeguarding the well-being of society, means creating products and services that free people from various burdens and enable finding enjoyment in life. We believe that creating such added value is about providing value to society and helping resolve its various issues.

As an example of our efforts in this area, in 2022 we improved our *Unicharm Face Visible Mask* to make it more comfortable to wear, helping enhance communication in today's world where it is common to wear a mask. As for our other key initiatives, from the perspective of practicing sustainable lifestyles, we continued with the operation of the SDGs Theme Guideline to continue to enhance the quality of our products and services. The guideline consists of three indicators: reducing input, increasing output, and contributing to the achievement of the SDGs. From the viewpoint of constructing value chains that take account of sustainability, we increased our line of factories with chain of custody (CoC) certification from the Programme for the Endorsement of Forest Certification Schemes (PEFC),\* an international forest certification scheme, as a means to procure forest resources and produce products that reflect our commitment to sustainability. With respect to improving customer satisfaction, we took measures to increase the ratio of products and services that have won the support of consumers or, in other words, acquired a leading market share. As for the provision of safe, reliable products, we acquired OEKO-TEX® STANDARD 100 certification, thereby further ensuring the safety and reliability of our products.

\* A forest certification scheme introduced in 1999. PEFC certification has been obtained by factories in over 50 countries and regions.

## Innovations to Achieve “NOLA & DOLA”

### Background of Initiatives

Our mission is to realize a cohesive society, where 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.

In the COVID-19 era, it is common to wear a mask to prevent the spread of viruses, making it difficult to engage in face-to-face communication. There have been issues in terms of the challenges posed by masks when it comes to communicating with others, particularly for people who are hard of hearing, many of whom communicate by reading the mouth movements of others. To address these challenges, Unicharm developed a mask that facilitates the reading of mouth movements and facial expressions while ensuring that users do not come into contact with droplets, working to continue to fulfill its responsibilities to society as a supplier of masks.

### Key Initiatives / Case Studies

#### Unicharm Face Visible Mask (Japan)

Aiming to create a mask that protects the user from droplets and provides clear visibility of the user's face, we released *Unicharm Face Visible Mask* in 2021. In addition to those who are hard of hearing, this mask is used to enhance communication in nursery schools, kindergartens, cram schools, and other educational settings, as well as nursing homes, the hospitality industry, and media organizations, where there is a need for language education and expressing one's emotions. The wide transparent film used on *Unicharm Face Visible Mask* allows 70%\* of the user's face to be seen. These masks are also designed to fit perfectly, minimizing any gaps between the mask and the face and protecting the user from coming into direct contact with droplets.

They also feature wide ear loops that reduce strain on the ears and can be washed and reused, ensuring high levels of comfort and hygiene for all users.

In October 2022, this product was revised to further reduce fogging and by adding a cloth to prevent the transparent film from coming into direct contact with the cheeks, ensuring greater comfort.

\* Degree of visibility of the facial area below the eyes



#### Honored at the 7th Consumer-Oriented Activities Awards, Hosted by the Association of Consumer Affairs Professionals (ACAP)

In February 2022, Unicharm was honored at the ACAP's 7th Consumer-Oriented Activities Awards in recognition of its *Unicharm Face Visible Mask*, which was developed and released to the market after learning about the difficulties faced by people who are hard of hearing and have speech impediments.

## Practicing Sustainable Lifestyles

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### Background of Initiatives

By way of its activities along the series of value chains that include development, procurement, production, distribution, and sales, Unicharm is firmly determined to realize its purpose of “contributing to the achievement of the SDGs.” Every Unicharm employee must be committed to the standards that are deemed essential to realizing this purpose and, with this in mind, in 2021 we commenced operation of the SDGs Theme Guideline, an internal guideline for contributing to sustainability.

Our top priority is to create a theme for developing new products that deeply connects to the backbone of our products and services. Based on this mindset and by means of the SDGs Theme Guideline, Unicharm will stay true to its commitment of practicing sustainable lifestyles.

### Key Initiatives / Case Studies

#### The SDGs Theme Guideline, an Internal Guideline for Contributing to Sustainability (Worldwide)

The SDGs Theme Guideline was established and is operated to constantly improve the quality of our products and services. To further clarify this commitment, we formulated the following indicators: reducing input, increasing output, and contributing to the achievement of the SDGs through our products and services.

#### (1) Reducing input

Contribute to reductions in environmental impact through less use of raw materials

#### (2) Increasing output

Ensure greater customer satisfaction by providing even more value through our products and services than in the past

#### (3) Contributing to the achievement of the SDGs

Play a key role in resolving environmental and social issues toward the achievement of the SDGs, while attaining indicators (1) and (2)

We have set forth as indicators reducing input by 10%, increasing output by 10%, contributing to the SDGs, for which we will adopt key themes for contributing to the achievement of the SDGs.

#### Examples of Key Themes for Contributing to the Achievement of the SDGs

- Expand our use of raw materials that can be procured in their country and region of production
- Promote the use of renewable raw materials and materials reproduced through the recycling of used products
- Embrace the challenge of realizing a plastic-free society
- Propose new recycling and reusing practices

Because the SDGs Theme Guideline began operating in January 2021, our disclosure of fiscal 2021 results was limited to simply the number of products that conformed to this guideline. In fiscal 2022, the second year of its operation, due to the increasing number of products conforming to the guideline, we disclosed the ratio of such products, which was 10.5%. Examples of products conforming to the guideline include *Lifree Feel-at-Ease Pad for Use with Daily Underwear*, which is roughly twice\* as effective at absorption as pants-type disposable diapers while ensuring that users are equally reassured despite its pad configuration, and *Gran-Deli Precious*, a brand of dog food containing freeze-dried chicken breast strips and vegetables and underscores the importance of deliciousness, quality, and health.

With a number of new projects in the works throughout the Group, we will continue to develop products and services that are conducive to practicing sustainable lifestyles in the years ahead.

\* Based on a per unit area comparison with Unicharm's leading pants-type disposable diapers



## Construction of Value Chains That Take Account of Sustainability

### Background of Initiatives

The products and services Unicharm provides are closely connected to environmental matters, such as resource use and waste generation. When it comes to pulp, paper, and other forest-derived raw materials, which are widely used in our products, it is particularly important that we use sustainably sourced raw materials. For that reason, we established the Basic Policy of Procurement and the Unicharm Group Sustainable Procurement Guidelines to form strong partnerships with the suppliers of our raw materials. In addition, we have further clarified our approach to protecting biodiversity in our Forest-Derived Raw Materials Procurement Guidelines. By operating these guidelines effectively, Unicharm will work to build a value chain that takes account of sustainability.

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### Key Initiatives / Case Studies

#### Forest Certification-Related Initiatives (Worldwide)

At Unicharm, we strive for sustainable procurement and production when utilizing forest resources. For materials made from wood such as pulp and paper, we procure forest-certified materials and materials from well-managed forests, while also investigating the place of origin of our materials. In 2020, we acquired chain of custody (CoC) certification (management certification for fabricating and distribution processes) from the international forest certification system PEFC in Indonesia, Thailand, Japan, South Korea, Malaysia, and the U.S. Furthermore, in 2022 our Mie Factory in Japan became the latest factory to acquire CoC certification. Accordingly, as of December 31, 2022, 56.0% (14 out of 25) of our certification-eligible factories were CoC-certified and the ratio of PEFC-certified pulp was 72.3%.

To promote and expand awareness of our efforts to consumers, we have included PEFC-certified labels on the product packaging of disposable diapers for babies, such as *Moony Natural* and *Moonyman Natural* in Japan, *MamyPoko* in South Korea, and *MamyPoko Pants* and *PETPET Pants* in Malaysia, products produced at our CoC-certified factories.

In November 2022, we held the Forest Certification Joint Promotion Ceremony with the Sustainable Green Ecosystem Council (SGEC) and PEFC Japan and concluded a memorandum of understanding (MoU) for the joint promotion of sustainable forest use and protection.



Exchanging the MoU at the Forest Certification Joint Promotion Ceremony

#### ▶ Examples of product packaging featuring the PEFC-certified label *Moony Natural* and *Moonyman Natural* (Japan)



#### *MamyPoko* (South Korea)



#### *MamyPoko Pants* and *PETPET Pants* (Malaysia)



P.057 Expanding the Use of Certified Pulp (PEFC- and CoC-Certified)

## Improvement of Customer Satisfaction

### Background of Initiatives

The Unicharm Ideals declare that “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 at home in Japan and abroad.” Meanwhile, as stated in the Beliefs & Pledges and Corporate Code of Conduct, “We pledge to earn the full support of customers by always doing everything we can.” Through the products and services it provides, Unicharm is constantly working to improve customer satisfaction and increase its leading market share.

### Key Initiatives / Case Studies

#### Increasing Our Leading Market Share by Improving Customer Satisfaction (Worldwide)

The vast array of products and services we offer are attracting greater demand in all regions of the world as an integral part of realizing clean and healthy lifestyles. Unicharm currently operates in roughly 80 countries and regions and boasts a market share of 23.6%.

Going forward, we will work to continue to win the support of customers by achieving higher levels of customer satisfaction through the products and services we provide.

#### Japan

##### Products with Leading Market Share

###### Personal Care Business

**Adult incontinence care products**  
**Masks**  
**Sanitary pads**  
**Disposable baby diapers**  
**Baby wipes**  
**Personal cleansing wipes**  
**Cosmetic cotton**

###### Partner Animal (Pet) Care Business

**Toilet-related products for dogs**  
**Toilet-related products for cats**

#### Asia

##### Products with Leading Market Share

###### Personal Care Business

**Adult incontinence care products**  
 –Taiwan–Greater China, Thailand, Indonesia, and Vietnam  
**Sanitary pads**  
 –Taiwan–Greater China, Thailand, Indonesia, and Vietnam  
**Disposable baby diapers**  
 –Thailand, Indonesia, Singapore, and Vietnam

#### Other (Regions)

##### Products with Leading Market Share

###### Personal Care Business

**Disposable baby diapers**  
 –Saudi Arabia

###### Partner Animal (Pet) Care Business

**Animal healthcare products**  
 –United States

Note: Based on research by Unicharm

## Provision of Safe, Reliable Products

### Background of Initiatives

In light of many of Unicharm's products coming into direct contact with the skin, we strive to provide products that customers can use with peace of mind. To provide safe and reliable products and services, we have established internal quality standards and are taking measures to ensure safety throughout the entire product life cycle, from the procurement of materials to product development, customer use, and disposal. At the product development stage, we conduct risk assessments that take account of various product uses and disposal methods as well as usage tests on products made of materials that are verified to be safe.

### Key Initiatives / Case Studies

#### Acquisition of OEKO-TEX® STANDARD 100 Certification (Worldwide)

At Unicharm, we are working to expand our line of products that have been accredited with the OEKO-TEX® STANDARD 100 certification, which attests to world-class levels of textile safety.

OEKO-TEX® STANDARD 100 is an international safety certification for textile products given only to products that clear strict standards after analysis and testing for more than 350 types of harmful substances by authorized testing institutes that belong to the international consortium called OEKO-TEX®. To use the STANDARD 100 label, which assures high standards of safety, all of the raw materials used in the product must clear the specified safety criteria.

In Japan, our STANDARD 100-certified products include *Moony Natural*, *Moonyman Natural*, and *Moony* (tape-type) disposable baby diapers and *Silcot Premium Cotton* cosmetic cotton. In addition, our STANDARD 100-certified *Moony Natural Unbleached* (tape-type)\* disposable baby diapers were released for a limited time in August 2022. These products are sold in Taiwan–Greater China, Russia, and Australia and are a prime example of our efforts to continue to expand our line of safe and reliable products across the Group.

\* Sheet inside the diaper contains unbleached pulp

P.078 Quality Assurance

