



Key Initiatives

Unicharm Principles

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

Our Basic Approach and Strategy

Unicharm will strive for appropriate collaboration with its stakeholders and aim to be a fair and highly transparent company that is well regarded and trusted by society. We believe that doing so in an effort to achieve sustainable growth and the creation of corporate value over the medium to long term will enable us to “pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfillment of our social responsibilities” as stated in our corporate ideals. In addition, we aim to create an environment in which the growth and happiness of each employee can be made a reality through the promotion of diversity management and human resource development.

2022 Results

With respect to management practices that take sustainability into account (one of our key initiatives for the Unicharm Principles), we use the Sedex^{*1} platform to assess and monitor human rights risks along the value chain. In the case of one violation that was deemed a “serious human rights violation in the value chain,” we discussed the matter with the supplier and rectified the issue. As for the practice of appropriate corporate governance, we held compliance-related workshops, distributed email newsletters, posted information on the Company intranet, and took other measures to enhance compliance awareness throughout the Group. In regard to the promotion of diversity management, we expanded the scope of our Room L+ mentorship system, an initiative that helps female employees build networks, as well as introduced our Empower Mentor System as a way to provide individual support to female candidates of department head and director positions. These systems have strengthened our measures to promote more active roles for women. In terms of fostering the development of competent human resources, we monitored employee awareness by conducting surveys and implemented the online learning platform LinkedIn Learning as a way to reskill our employees. Regarding the construction of healthier workplaces and workplace safety systems, we took a range of actions to ensure and improve the health of employees, while providing training programs on ways to maintain mental health and well-being and monitoring them through stress checks. Through these and other measures, we continue to create a workplace environment where employees can work with peace of mind while maintaining their mental and physical well-being.

Management Practices That Take Sustainability into Account

412-1

Background of Initiatives

Unicharm established the Basic Policy of Procurement and the Unicharm Group Sustainable Procurement Guidelines to prevent human rights, labor, and environmental problems throughout the supply chain. This policy and these guidelines were created for the purpose of fair and impartial business activities with all business partners that conduct business with the Unicharm Group around the world, as well as the fulfillment of our social responsibility.

Key Initiatives / Case Studies**Utilizing the Sedex Platform to Promote Respect for Human Rights and Establish Better Working Environments (Worldwide)**

As an AB (buyer/supplier) member, Unicharm is utilizing the Sedex platform in two core areas: (1) Unicharm Group companies and (2) material suppliers and contract manufacturers, with emphasis on the former.

**(1) Unicharm Group companies**

In 2022, 40 out of 41 business sites responded to the Sedex Self-Assessment Questionnaire (SAQ). In regard to some unclear responses given, the Group's executives, such as the president and the factory manager of each facility, were urged to seek measures toward improvement. In addition, Sedex Members Ethical Trade Audit (SMETA) audits^{*2} were held at six business sites and the issues identified as a result were confirmed as rectified.

(2) Material suppliers and contract manufacturers

Unicharm has requested all material suppliers and contract manufacturers to become a member of Sedex and cooperate in the use of its platform, enabling mutual access to information disclosed on the platform. As of December 31, 2022, we have received cooperation from 76% of all material suppliers and contract manufacturers. Meanwhile, in October 2022 we held our medium- to long-term briefing session, at which we requested the understanding and cooperation of suppliers on the use of the Sedex platform.

^{*1} A global membership organization, leading in responsible sourcing practices. Sedex provides companies with technology and insights to build a responsible business and supply chain, including the world's largest platform for sharing supply chain data on labor standards, health and safety, the environment, and business ethics. Over 74,000 business members in 170 countries and regions use Sedex solutions to manage supply chain risk, meet compliance requirements, and demonstrate measurable impact.

^{*2} A social auditing methodology developed by Sedex. It enables businesses to assess their sites and suppliers to understand working conditions in their supply chain across the areas of labor standards, health and safety, the environment, and business ethics.

Practice of Appropriate Corporate Governance

410-1

Background of Initiatives

Unicharm believes that working toward sustainable growth, creating medium- to long-term corporate value through efforts to cooperate appropriately with stakeholders, and becoming a company supported and trusted by society lead to the practice of “proper corporate management principles” stated in the Unicharm Ideals. Accordingly, the basic policy toward corporate governance is to achieve highly transparent, fair, prompt, and bold management through frank and proactive engagement that will gain the support of various stakeholders, create initiatives in response to ESG issues, and carry out the preservation and further development of an environment that enables appropriate decision-making by management without missing any opportunities.

Key Initiatives / Case Studies

Initiatives to Raise Compliance Awareness (Worldwide)

To raise the awareness of executives and employees toward compliance with laws and regulations and prevent the occurrence of compliance problems, we hold workshops for directors and employees and offer compliance-related training curriculums for new employees. In addition, through the distribution of email newsletters and the posting of information on the Company intranet, we strive to enhance compliance awareness across the Group by continuing to widely share information on revised laws and compliance related to our business.

As a part of our initiatives to raise compliance awareness overseas, Unicharm’s local subsidiary in India conducted harassment training for roughly 700 employees in the sales department in 2021 and for around 940 employees in the staffing and production departments in 2022, with the intent of preventing workplace harassment. Meanwhile, in Japan, in conjunction with the enforcement of the amended Whistleblower Protection Act, we revised our whistleblowing system while enhancing its effectiveness by training employees and ensuring their awareness of workplace harassment.



Harassment training for production department employees in India

P.126 Compliance Education and Training

Promotion of Diversity Management

405-1

Background of Initiatives

Unicharm aims to be a company where employees from diverse backgrounds can demonstrate their individualities and abilities to the fullest by recognizing and respecting each other’s differences in nationality, race, religion, gender, sexual orientation, age, ancestry, and disability. To achieve this goal, we are working to create a workplace environment and a human resource system that allows employees to continue to play an active role at any stage of their lives, regardless of gender.

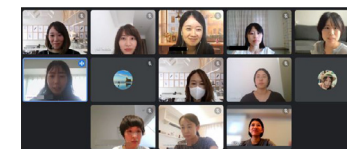
Key Initiatives / Case Studies

Number of Women in Management Positions (Worldwide)

At Unicharm, we are working to increase the ratio of women in management and executive-level positions by providing various opportunities for female employees.

In Japan, we launched our Room L+ mentorship system in 2021 to help female employees build networks and overcome and resolve their career-related and personal concerns through mentorship programs and discussions. In 2022, we provided new venues for sharing information with the additions of the Maternity Leave Room L+ system for employees returning to work from maternity and childcare leave and the Development Room L+ system tailored to specific positions. Moreover, we also introduced the Empower Mentor System, which provides individual support to female candidates of department head and director positions as well as training for director candidates through one-on-one mentoring with executive officers and information exchange meetings.

As a result of these measures, 23.2% (14.4% in Japan, 29.2% overseas) of management positions were held by women as of December 31, 2022. We will continue to provide a number of opportunities to our female employees to increase the ratio of female managers across the Group to 30% by 2030 over the course of Kyo-sei Life Vision 2030.



Maternity Leave Room L+

Selection in the 2023 Bloomberg Gender-Equality Index

For the third consecutive year, Unicharm has been selected for the Bloomberg Gender-Equality Index, which recognizes companies that excel at disclosing gender-related information and gender-equality initiatives.



P.092 Diversity and Inclusion

Fostering the Development of Competent Human Resources

404-2

Background of Initiatives

To continue to ensure that our people are the driving force behind corporate value as stated in the Unicharm Group Global Human Resources Philosophy, we must nurture the employees who will shape the future of our company. To this end, we are enhancing our human resource policies to enable each employee to pursue their own dreams and aspirations while respecting their independence by allowing them to receive training anywhere and anytime and strengthening our training programs by drawing on the use of digital technology. In the process, we will develop employees into individuals who have the ability to help resolve the issues of society and the environment.

Key Initiatives / Case Studies

Employee Surveys and Human Resource Development (Worldwide)

At Unicharm, we conduct employee surveys once a year at all Group companies to verify employee awareness and satisfaction toward work. The survey is translated into eight languages so we can receive responses from employees at our overseas subsidiaries and is conducted on an ongoing basis. It is used not only to motivate employees and facilitate organizational reform but also as a reference when considering various human resource and management policies. We aim to create a virtuous cycle in which employees develop through their work, which, in turn, leads to the growth of our business. For that reason, Unicharm has been monitoring the ratio of positive responses to the “Growth through Work” section of the employee survey, which was 89.2% in 2022.

To provide employees with a stepping stone for further growth, we also implemented LinkedIn Learning, an online learning platform that allows employees to study at their own pace and without being bound by time or location, at our business sites in Japan and 12 subsidiaries overseas. In 2022, a total of 16,463 courses were held, which were utilized by around 3,400 employees, who spent an average of 1.9 hours on their studies in the year. We will continue to provide information in such ways to help employees maintain their desire to continue learning and acquire new skills.

In Japan, the Scrum* Leader On-the-Job Training (OJT) Workshop was established and held for the first time in 2022, which was attended by 245 scrum leaders. The workshop is an opportunity for scrum leaders to learn about how behavioral changes can lead to the simultaneous achievement of strategy execution and human resource development. Through daily OJT, we aim to have scrum members and leaders grow together and, going forward, this workshop will be expanded across the Group as mandatory training for new leaders.

* The Company's smallest organizational unit referring to a group or section.

Construction of Healthier Workplaces and Workplace Safety Systems

403-10

Background of Initiatives

To fulfill our goal of realizing a cohesive society, it is essential that our employees are able to work in a vibrant and healthy manner. To this end, we are promoting a variety of health management initiatives, including employee health checks, balanced work-styles, and mental health awareness in order to create a workplace environment where employees can fully demonstrate their abilities while ensuring their physical and mental well-being.

Key Initiatives / Case Studies

Creating a Workplace Environment Conducive to the Health and Well-Being of Employees (Japan)

We are working to maintain and help promote the health of our employees through a variety of measures, including health checks, physical fitness tests, and one-on-one stretching programs. Each month, Unicharm issues its Healthy Lab Newsletter, which covers seasonal health-related themes, offers advice and information on ways to maintain good health and mental well-being, and recommends moderate exercises to prevent a lack of physical activity. We will continue to promote such activities to enhance the health literacy of our employees so that they are able to maintain and improve their health on their own.

To advance one step further from managing employee health to preventing mental disorders and illnesses, Unicharm provides training programs on ways to maintain mental health and well-being as well as stress checks once a year. Whenever employees are identified as having high stress levels, they are strongly encouraged to consult with an industrial physician or a public health nurse immediately. In these ways, we strive to create a workplace environment where employees can work reassuringly while maintaining their mental and physical well-being.



Physical fitness test in session

Recognized for the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category)

Unicharm was recognized by the Ministry of Economy, Trade and Industry (METI) in Japan for the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise category). This certification program is an initiative promoted by the METI to achieve a healthy and sustainable society and it recognizes companies that regard the management of employee health as a managerial responsibility and strategically take measures to maintain and promote the health of its employees.

