

# Water Resources

## Water Recycling-Oriented Society

303-1

### Our Basic Approach and Strategy

Because most of the raw materials used in the products we provide are procured from suppliers, we use limited amounts of water during manufacturing. Regardless, water is an integral component of suppliers' pulp and paper manufacturing processes, and, therefore, we must effectively use the limited amounts of water resources available. To conserve water to the extent possible, we conduct water risk assessments on all of our business activities and take measures accordingly, reduce water intake at production sites, and recycle and purify water, in accordance with the Unicharm Group Basic Environmental Policy. In addition, we promote measures with the aim of reducing water intake by 1% each year.

### Risks and Opportunities Related to Water Resources

We perceive a risk of decline in operating uptime due to a destabilization in the supply of forest-derived raw materials (paper, pulp, etc.) resulting from the depletion of water resources. We conducted a medium- to long-term water risk assessment using the Water Risk Atlas (Aqeduct), a World Resources Institute (WRI) tool. We requested that our suppliers operating in particularly high-risk river basins carefully manage water resources and work to alleviate risk.

On the other hand, we view it as an opportunity for the Company that our products do not use water at the time of use or disposal. The strengths of our products are demonstrated in areas with droughts and disaster areas where lifeline services have not been established. We will implement activities to promote purchases by actively engaging in such settings.

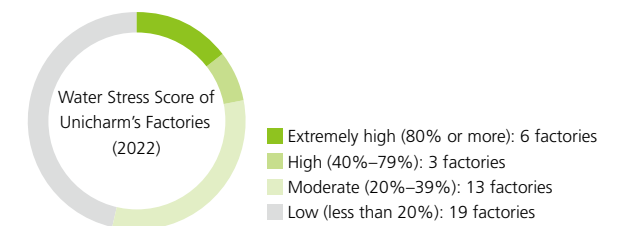
### Management Structure

At the quarterly ESG Committee meetings chaired by the president & CEO, plans and progress on important matters related to water resources are shared and, upon approval from the Board of Directors, a PDCA cycle is implemented toward the achievement of targets.

P.010 ESG Promotion Structure  
P.036 Management Structure

### Identifying and Responding to Water Risks Using Aqeduct

Currently, our water stress is rated as being "extremely high" or "high" at nine of our 41 factories across the Group based on Aqeduct. Meanwhile, based on climate change and other future scenarios, 16 factories are projected to have "extremely high" or "high" water stress in 2040, which has led us to recognize the importance of addressing water risk in the years ahead. An example of such approach is being demonstrated by the nonwoven fabric manufacturing factory in Indonesia (which has a high water risk), where a water circulation with approximately 90% water reuse has been achieved and water discharge volume and quality (tested value) are regularly reported to the local government. In addition, we plant trees to protect water resources, conduct cleanup activities along rivers, such as underbrush clearing, and promote awareness of the proper methods for disposing of products after use.



## Initiatives and Results

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### Reducing Water Usage

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We are working to reduce water use with the goal of achieving at least a 1% reduction each year. Our water intake in 2022 was 4,881,000 m<sup>3</sup>, a 1.8% reduction in water use from the previous year.

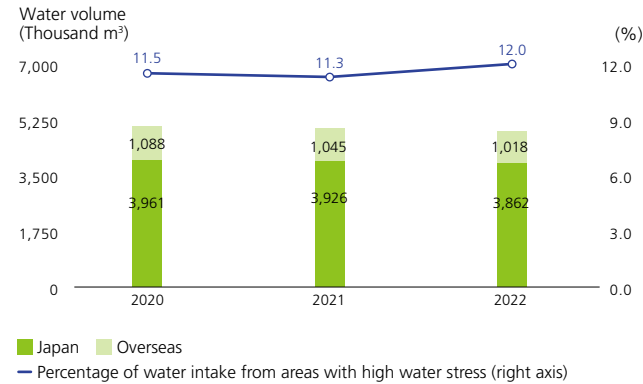
Note: Actual values have been reflected in place of the estimated values used for certain factories.

#### Water Use

2022 Results  
Vs. 2021

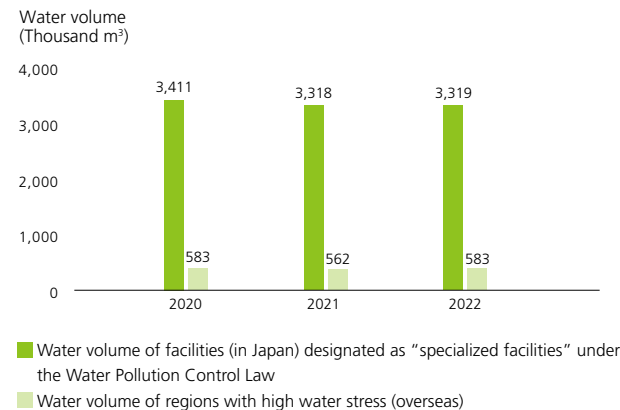
1.8%  
reduction

#### Water Intake



P.067 Water Use (Water Intake)

#### Water Volume of Facilities (in Japan) Designated as "Specialized Facilities" under the Water Pollution Control Law and of Regions with High Water Stress (Overseas)



P.067 Water Use by Source (Water Intake) (Japan) /  
Water Use by Source (Water Intake) (Overseas)

### Promoting Water Recycling

To make effective use of the limited water resources available, we are reducing water intake by recycling the water used at our factories. At our nonwoven fabric and paper manufacturing factories, we recycle the water used in manufacturing processes. Moreover, we have recycled roughly 90% of the water used at our nonwoven fabric manufacturing factory in Indonesia.

### Measures to Reduce Water Use and Eliminate Wastewater Emissions

At Unicharm's Kyushu Factory in Japan, the air conditioning system was changed from a water-cooling system to an air-cooling system, thereby reducing water use and eliminating wastewater emissions. We will promote this conversion to an air-cooling system at other factories, coordinating with the timing of upgrades to their air conditioning systems.

### Water Consumption and Wastewater Discharge Emissions

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At Unicharm, the volume of wastewater is measured at certain sites and, therefore, the following formula is used for the overall report: water intake = wastewater volume + water consumption volume (factory consumption + product consumption). Water consumption volume consists of factory consumption from the *Paper-sand*<sup>®</sup> manufacturing process and evaporation of cooling water at factories and product consumption, generated from the manufacturing processes of wet wipes and partner animal (pet) food.

Wastewater, which is generated mainly from the manufacturing processes of water-absorbent paper and partner animal (pet) foods, amounted to 4,189,000 m<sup>3</sup> in 2022. Wastewater is discharged upon undergoing treatment to meet government-stipulated wastewater treatment standards.

Wastewater quality is evaluated regularly for conformity to Unicharm's proprietary standards and the provisions of relevant laws and regulations for which there were no violations in 2022. In addition, applicable factories provided legally required reports to the government as appropriate. Moreover, there were no accidents associated with soil contamination or offensive odors.

P.060 Preventing Water Pollution, Soil Contamination, and Offensive Odors (Japan)

P.067 Wastewater and Steam