Governance

Independent

Assurance Report

## **Sustainability Management**

## Message from the Head of the ESG Division

- 2-9,2-12,2-13,2-14,2-17,2-22



## We aim to be a company trusted by all stakeholders in our unwavering commitment to resolve environmental and social issues through our business activities.

Kenji Ueda Senior Executive Or

Senior Executive Officer, General Manager of ESG Division Unicharm Corporation

At the Unicharm Group, our purpose (reason for existence) is contributing to the achievement of SDGs. Accordingly, realizing this purpose through our business activities is our vision of sustainability.

To further embody this vision, in October 2020 the Group announced its medium- to long-term ESG goals, Kyo-sei Life Vision 2030. It consists of 20 key themes, indicators, and targets spanning the four themes of safeguarding the well-being of individuals, safeguarding the well-being of society, safeguarding the well-being of our planet, and the Unicharm Principles. These 20 key themes were established to contribute to the achievement of the 17 goals and 169 targets of the SDGs, and cover environmental issues such as climate change and marine plastic pollution, and social issues such as declining birthrates and aging populations in East Asia and other mature economies and poverty in emerging countries.

Moreover, under Environmental Targets 2030 announced in May 2020, we set specific targets for the three issues of responding to the problem of plastic waste, responding to climate change, and helping prevent deforestation (response to procurement-related issues) based on our vision of where we want to be as a corporate group in 2050.

We are engaged in a Companywide effort to steadily move forward with Kyo-sei Life Vision 2030 and Environ-mental Targets 2030 progress and discussing issues through the ESG Committee which operates under the direction of the president & CEO.

Now, allow me to touch on a few initiatives undertaken in fiscal 2023.

To accelerate our response to climate change issues, under the Greenhouse Gas (GHG) Emissions Visualization Project introduced in fiscal 2022, we established a system to swiftly calculate the carbon footprint of products (CFP)\* for all products in the Personal Care Business produced in-house at our factories in Japan. We also cooperated with various external organizations, such as those engaged in decarbonization, to ensure consistency with international standards and formulate reliable GHG emission calculation rules, and were certified under the Internal-PCR approval program of the Sustainable Management Promotion Organization (SuMPO). In fiscal 2024, we plan to expand these activities to our Pet Care Business and overseas subsidiaries and disclose specific numerical data for the CFP of certain products.

Regarding progress in achieving 100% use of renewable electricity for all electricity used in our business operations by 2030, as set forth in Kyo-sei Life Vision 2030, we have increased our use of renewable electricity to 22.8% as of the end of fiscal 2023. To accelerate progress in this area, we became a member of the Renewable Energy 100% (RE100) global initiative in November 2023. We will continue to consider and steadily implement the most appropriate procurement methods according to the circumstances of each company with a view to achieving 100% renewable electricity use.

In these ways, Unicharm remains committed to reducing CO<sub>2</sub> emissions across its wide range of business activities. We will continue to actively call on those involved in the supply chain to do their part in reducing CO<sub>2</sub> emissions throughout the product life cycle.

We have positioned Kyo-sei Life Vision 2030 and Environmental Targets 2030 as our key ESG related objectives, which are reflected in the goals of each department and also linked to individual targets and weekly action plans. As a part of these detailed efforts, ESG targets were incorporated into employee assessments in fiscal 2023.

We will continue to steadily promote these key ESG objectives in Groupwide efforts to resolve environmental and social issues through our business activities and contribute to the betterment of local communities. Furthermore, through the appropriate disclosure of ESG information, we aim to be a company trusted by all stakeholders, including customers, shareholders and investors, business partners, employees and their families, and local communities.

\* A system displaying GHG emissions for the entire life cycle of products and services, from the procurement of raw materials to disposal and recycling, by converting them into CO<sub>2</sub> emissions