

# Environmental Management

## Basic Environmental Policy

2-12, 2-13, 2-23, 2-24

### Our Basic Approach and Strategy

The products and services that Unicharm provides are consumables essential to a clean and healthy lifestyle. However, at the same time, they are closely connected to the global environment in terms of resource use and waste emissions. Accordingly, as we expand operations in Asia and across all global regions, our role and responsibility in reducing environmental impact continues to increase year after year.

As a manufacturer of consumer goods, we recognize the importance of our responsibility for protecting the global environment, and we will contribute to the achievement of the Sustainable Development Goals (SDGs), the Paris Agreement, and other goals through our business, in accordance with the Unicharm Group Basic Environmental Policy. We will also promote environmentally friendly manufacturing in all our business activities and provide products and services that bring comfort, excitement, and joy to people all over the world, thereby contributing to the realization of a sustainable society that protects the global environment and brings economic prosperity.

Under Environmental Targets 2030, formulated in May 2020, we set targets for 2030 based on our 2050 Vision in response to three environmental issues: plastic waste, climate change, and deforestation. Meanwhile, in Kyo-sei Life Vision 2030, our medium- to long-term environmental goals announced in October 2020, we established initiatives under the theme of safeguarding the well-being of our planet and are taking the measures necessary to achieve these targets.

**P.019** Environmental Targets 2030 (Medium- to Long-Term ESG Goals)

**P.011** Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

### ► Unicharm Group Basic Environmental Policy

In order to pass on a beautiful Earth to future generations, we recognize that we must play a significant role as a manufacturer of disposable products. We are committed to providing goods and services that bring comfort, excitement, and joy to people all over the world, thereby contributing to the realization of a sustainable society that protects the global environment and brings economic prosperity.

#### Basic Environmental Policy

- 1. Development of Environmentally Friendly Products and Services**  
We design and provide consumers with products and services that reduce environmental impact (energy and resource conservation and waste reduction) at each stage of the supply chain, including concept planning, raw materials procurement, manufacturing and processing, distribution and sales, product use, and disposal and recycling.
- 2. Response to Climate Change**  
With the aim of realizing a zero-carbon society, we work to prevent global warming by visualizing, accurately assessing, and reducing the amount of greenhouse gases along the value chain.
- 3. Reduction of Waste and Use of Energy and Resources**  
In order to protect the global environment, we strive to develop technologies that are conducive to reducing waste and the use of energy and resources at the product development and design stages. We also make every effort to use resources and energy efficiently, reduce waste and emissions, and recycle in all of our activities along the value chain.
- 4. Commitment to Local Communities and to Protecting the Natural Environment**  
When using forest and water resources in our activities along the value chain, we pay due consideration to biodiversity, strive to protect local communities and ecosystems, actively work to prevent wastewater and other forms of pollution, and act responsibly to ensure that we do not adversely impact these communities and the natural environment. If we find that our business activities are having a negative impact on the environment, we will take corrective measures right away with the utmost priority.
- 5. Compliance with Laws and Regulations**  
We will comply with relevant laws, regulations, and ordinances at all stages of the product life cycle, from the procurement of raw materials to the disposal of used products, while establishing voluntary standards of conduct and striving to protect the global environment.
- 6. Strengthening of Communication with Society**  
We will contribute to the realization of a sustainable society by continuing to develop partnerships with suppliers and our various stakeholders and becoming a company trusted by society.

#### Guidelines

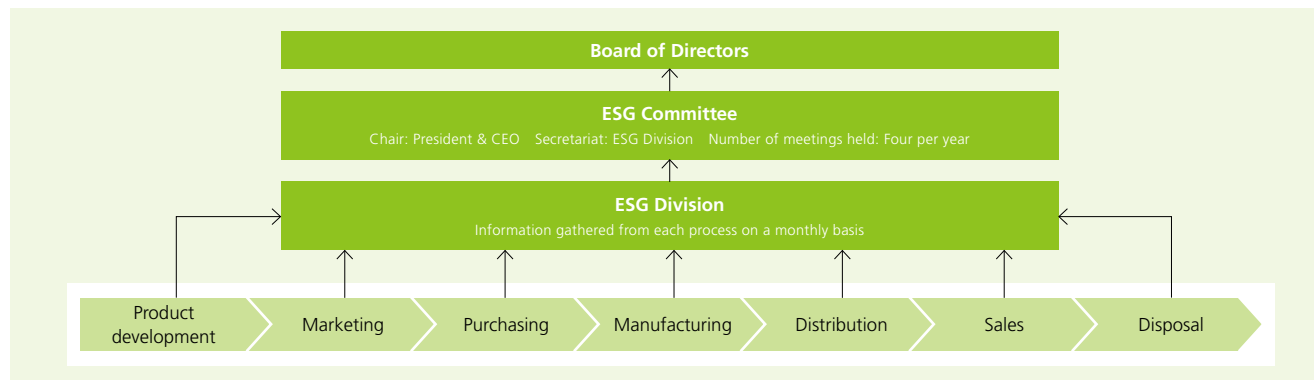
- 1. Development of Environmentally Friendly Products and Services**
  - We strive to procure and use raw materials that are attuned to local production for local consumption.
  - We will reduce the use of petroleum-derived plastic in our raw materials.
  - We will establish recycling systems for used products and introduce this system in an increasing number of countries and regions.
- 2. Response to Climate Change**
  - We will accurately assess the amount of greenhouse gas emissions along the value chain, develop a plan to reduce them, and steadily put this plan into action.
  - We will make active use of renewable electricity.
- 3. Reduction of Waste and Use of Energy and Resources**
  - We will make effective use of energy and raw materials.
  - We will strive to use fewer resources in our products (including packaging) and promote recycling.
  - We will reduce waste from all activities along the value chain.
- 4. Commitment to Local Communities and to Protecting the Natural Environment**
  - We strive to protect biodiversity and promote the development, use, and dissemination of technologies that contribute to sustainable use.
  - We contribute to the protection and sustainable use of biodiversity at all stages of the value chain.
  - We strive to use certified lumber and establish traceability to ensure that we do not contribute to forest destruction.
  - We strive to monitor water risk and take appropriate measures when carrying out business activities in countries and regions with high water risk.
  - We address water-related issues by making efficient use of water and preventing wastewater pollution.
- 5. Compliance with Laws and Regulations**
  - We comply with environmental laws, regulations, and ordinances that pertain to the Company.
  - We establish and comply with voluntary standards as necessary.
  - We assess compliance with laws, regulations, ordinances, and voluntary standards regularly and take corrective action in the event that compliance is inadequate.
- 6. Strengthening of Communication with Society**
  - We will promote activities to protect the Earth's ecosystem together with suppliers, customers, local communities, external organizations, specialists, and all other stakeholders by engaging in sincere dialogue.

## Management Structure

Our environmental activities are collectively managed and overseen by the ESG Committee, which is chaired by the president & CEO and operated under the Board of Directors. The implementation of ISO 14001, which closely relates to our day-to-day operations, is pursued independently by each of our business locations and involves a Plan-Do-Check-Act (PDCA) cycle and gate control based on preset control points and key performance indicators (KPIs). The ESG Division is responsible for tasks such as understanding the environmental situation and it reports to the ESG Committee, which meets four times a year. Information and discussion points arising in the ESG Committee are also reported to the Board of Directors.

The key themes established for safeguarding the well-being of our planet under Environmental Targets 2030 and Kyo-sei Life Vision 2030, which we have set as key environmental targets, are translated into targets for each individual division and involve finely tuned activities such as individual targets and weekly action plans linked to each division. The key themes in Kyo-sei Life Vision 2030 center on the achievement of certain targets by 2030 while Environmental Targets 2030 focuses on ensuring results year after year.

### ► Environmental Management Structure



P.009 Sustainability Promotion System

## Director Remuneration System Incorporating ESG Assessments

To ensure that directors and executive officers take the lead in implementing ESG strategies and achieving ESG goals, in fiscal 2020, ESG goals were incorporated into the evaluation criteria for directors (excluding those who are Audit & Supervisory Committee members) and executive officers. ESG goals were also incorporated into the evaluation criteria for all employees in fiscal 2023.

P.124 Evaluation Criteria for and Basic Policy on Executive Remuneration and Fiscal 2023 Remuneration Targets and Results

## Environmental Management System Based on ISO 14001 Certification

Unicharm has acquired ISO 14001 certification, the international standard for environmental management, at all of its business sites in Japan and overseas and continues to promote environmental conservation activities by implementing and operating an environmental management system (EMS) based on this standard.

As of January 31, 2024, 74.2% (76.9% in Japan, 72.2% overseas) of our business sites have acquired ISO 14001 certification.

P.060 Environmental Data > The Unicharm Group's ISO Certifications

## Environmental Audits for Preventing Environmental Risk and Enhancing Performance

Unicharm conducts three types of environmental audits in order to eliminate environmental risks and enhance environmental performance, including target-focused audits such as: (1) regular audits in conformance with ISO 14001; (2) on-site confirmations at industrial waste processing partners; and (3) verification of compliance with laws and regulations.

## Results of Environmental Regulatory Audits 2-27

It has been confirmed that surveys, data, and documentation for submission to governments as required by environmental laws and regulations were submitted correctly in fiscal 2023. No fines have been incurred for violations of environmental laws or regulations. There are no environmental matters pending.

## Indicators and Targets

Under Environmental Targets 2030 and Kyo-sei Life Vision 2030, Unicharm has formulated key themes for safeguarding the well-being of our planet, and promotes efforts aimed at achieving these targets.

P.019 Environmental Targets 2030 (Medium- to Long-Term ESG Goals)

P.017 Kyo-sei Life Vision 2030 > Safeguarding the Well-Being of Our Planet

## Initiatives and Results

### Partnership with Stakeholders

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Climate change and other environmental issues cannot be resolved through the efforts of Unicharm alone. For that reason, we promote and actively take part in various measures and initiatives undertaken by companies, organizations, and governments.

Climate Change	<ul style="list-style-type: none"> <li>Task Force on Climate-related Financial Disclosures (TCFD)</li> <li>Science Based Targets initiative (SBTi)</li> <li>Japan Climate Initiative (JCI)</li> <li>RE100</li> <li>Japan Climate Leader Partnership (JCLP)</li> <li>GX League</li> <li>Green x Digital Consortium</li> <li>Actions by the Business Community on Long-term Global Warming Countermeasures up to 2050 (Keidanren)</li> <li>Keidanren Carbon Neutrality Action Plan</li> </ul>
Plastic Issues	<ul style="list-style-type: none"> <li>Plastic Circular Challenge 2025</li> <li>Plastic Smart</li> <li>Business Coalition for a Global Plastics Treaty (Japan)</li> <li>Japan Clean Ocean Material Alliance (CLOMA)</li> </ul>
Biodiversity	<ul style="list-style-type: none"> <li>Japan Partnership for Circular Economy (J4CE)</li> <li>Voluntary Action Plan for the Formation of a Recycling-Oriented Society (Keidanren)</li> <li>Keidanren Declaration of Biodiversity and Action Policy</li> <li>Re-Style partner company</li> <li>Sustainable Green Ecosystem Council (SGEC)/PEFC National Governing Body in Japan</li> </ul>

### Medium- to Long-Term Policy Briefing Session for Suppliers

In October 2023, we held the 14th Unicharm Medium- to Long-Term Policy Briefing Session for Suppliers with the aim of stabilizing material quality and disseminating our procurement policies and guidelines. The 2023 event, which was also streamed online, was attended by 371 participants from 143 companies, including material suppliers for personal care products, as well as material suppliers for pet care products and external production contractors. The session included an overview of the 12th Medium-Term Management Plan and the division and transfer of production and logistics functions in the pet care business. Data was provided to aid understanding of our policies and guidelines

for building a sustainable supply chain and using Sedex. Data was also provided on the GHG Emissions Visualization Project, aimed at achieving Kyo-sei Life Vision 2030 and Environmental Targets 2030, and we requested supplier cooperation in quality control and other efforts aimed at improving customer satisfaction through the supply of safe products.

P.036 GHG Emissions Visualization Project

### Environmental Education for Employees

To enhance the environmental awareness of employees, we provide environmental education through new employee training and other training programs, the Company intranet, and the sharing of information via email. Unicharm also holds workshops on a regular basis for employees to acquire the specific skills that are necessary for their respective duties.

#### Zero Carbon Challenge Cup 2024 Sponsorship

The Zero Carbon Challenge Cup, a program that Unicharm has sponsored for nine consecutive years, commends the daily work of various organizations (including schools, corporations, local governments, and NPOs) toward preventing global warming and building a zero-carbon society for the next generation. In our role as a cosponsor of this program, we have established the Gentle Care for Life Award of Excellence.

In the final round of Zero Carbon Challenge Cup 2024, a total of 50 groups from the Student, Junior and Kids, Corporate and Municipal, and Citizens divisions made presentations, among which the Yokohama City Nishimae Elementary School's "Collect Waste Cooking Oil to Make Airplanes Fly!" (Junior and Kids Division) was selected as the winner of the Gentle Care for Life Award of Excellence.



### CDP

In an effort to actively disclose information to its various stakeholders around the world, Unicharm participates in and responds to questionnaires for CDP, an international non-profit organization that conducts environmental surveys globally and discloses such information toward the realization of a sustainable society.



#### CDP Rating

	Fiscal 2021	Fiscal 2022	Fiscal 2023
Climate Change	A-	A-	A-
Forests	B	B	A
Water Security	B	B	A

web CDP 2023 Questionnaire: Climate Change

[https://www.unicharm.co.jp/content/dam/sites/www\\_unicharm\\_co\\_jp/pdf/csr-eco/report/CDP\\_ClimateChange2023.pdf](https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/report/CDP_ClimateChange2023.pdf)

web CDP 2023 Questionnaire: Forests

[https://www.unicharm.co.jp/content/dam/sites/www\\_unicharm\\_co\\_jp/pdf/csr-eco/report/CDP\\_Forests2023.pdf](https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/report/CDP_Forests2023.pdf)

web CDP 2023 Questionnaire: Water Security

[https://www.unicharm.co.jp/content/dam/sites/www\\_unicharm\\_co\\_jp/pdf/csr-eco/report/CDP\\_WaterSecurity2023.pdf](https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/report/CDP_WaterSecurity2023.pdf)

#### Selected for Inclusion in "Environment Sustainable" Category of 5th ESG Finance Awards Japan

Unicharm selected for inclusion in the "Environment Sustainable" category at the 5th ESG Finance Awards Japan in recognition of our unwavering promotion of horizontal recycling of used disposable diapers, climate change responses, transition to renewable electricity, reduction of plastic usage, and biodiversity conservation throughout the Company, as well as our disclosure of the status of these efforts.

