

# Quality

## Quality Assurance

416-1

### Our Basic Approach and Strategy

At Unicharm, 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. In keeping with this belief, which is set forth in the Unicharm Ideals, we are committed to continuously improving the quality of our products by always thinking from our customers' point of view.

Since many of our products used by customers come into direct contact with their skin, we must not only continuously strive for improvements in quality and safety but also provide labels that convey information appropriately so that customers can use our products with peace of mind.

### Policy on Management of Chemical Substances

To provide safe and reliable products and services to customers while reducing their impact on the global environment, Unicharm is committed to ensuring the high standards of safety it sets for itself throughout the entire product life cycle, from material procurement to product development, manufacturing, customer use, and disposal. In addition, we conduct comprehensive product risk assessments, including chemical analyses, as we believe it is our corporate social responsibility to be accountable to customers for the safety of our products. The Unicharm Group uses its Material Safety Guidelines to minimize the impact of chemical substances in our products on the human body and the global environment, and applies a policy for managing chemical substances that ultimately eliminates all harmful impacts found in the raw materials we use.

In defining harmful substances, we broadly gather information from a global perspective, such as from the databases of the Globally Harmonized System of Classification and Labelling of

Chemicals (GHS) and the European Chemicals Agency (ECHA), and identify approximately 4,000 chemical substances from potentially harmful substances classified as a substance of very high concern (SVHC), as well as toxic pigments, preservatives, modifiers, and surfactants, and create a list of target substances for reduction. While the target reduction substances are being determined, the information we receive from material suppliers on the substances found in their materials is used to conduct product risk assessments to measure the toxicity of chemical substances.

**web** List of Example Target Reduction Substances

[https://www.unicharm.co.jp/content/dam/sites/www\\_unicharm\\_co\\_jp/pdf/csr-eco/quality/quality\\_material\\_list.pdf](https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/quality/quality_material_list.pdf)

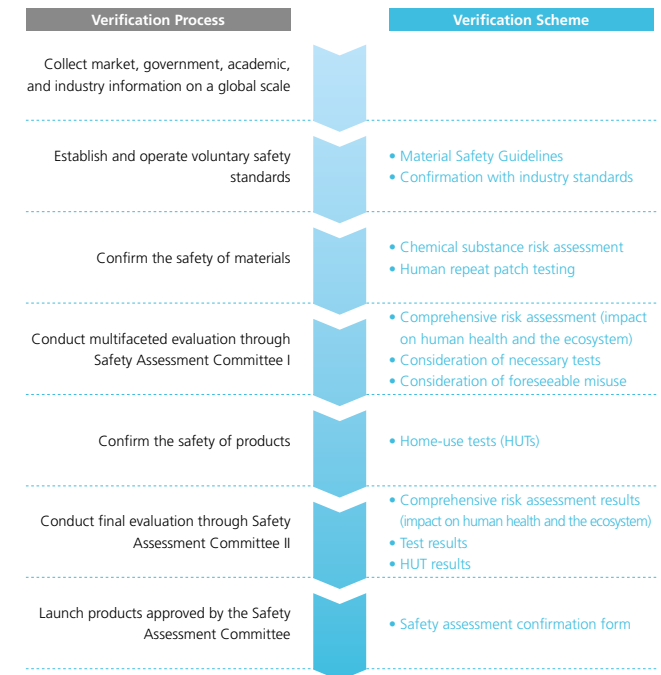
**web** Example of Toxicity Risk Evaluation (in Japanese only)

[https://www.unicharm.co.jp/content/dam/sites/www\\_unicharm\\_co\\_jp/pdf/csr-eco/quality/quality\\_toxicity\\_risk.pdf](https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/quality/quality_toxicity_risk.pdf)

### Policy on Animal Testing

From an animal welfare perspective, Unicharm is eliminating animal testing as a means to verify and prove the impact of chemical substances on health and the global environment. We no longer conduct experiments on animals, including outsourced testing, to check the safety of our products, nor do we plan to in the future. This is in exception of cases where Unicharm was held accountable toward society on safety issues or met with demands from local administrations in certain countries and regions. Whenever animal testing is unavoidable, we will minimize its use based on the 3R Principle for animal experiments established by the Central Institute for Experimental Animals (CIEA): the "replacement" of animals with alternative testing methods, the "reduction" of the number of animals used, and the "refinement" of animal experiments to alleviate the pain and distress of animals.

### Safety Confirmation Workflow



### Reference Information Examples

- GHS (Globally Harmonized System of Classification and Labelling of Chemicals)
- ECHA (European Chemicals Agency)
- SVHC (Substances of Very High Concern)
- RoHS (Restriction of Hazardous Substances) Directive
- REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals)
- OEKO-TEX® STANDARD 100
- Commission Regulation (EU) 2015/1221
- DIRECTIVE 2009/48/EC
- POPs (Persistent Organic Pollutants)
- Dioxin Regulation Act
- Montreal Protocol

## Management Structure

At Unicharm, our quality management system is verified for compliance and effectiveness to ensure the highest levels of quality and, to that end, is audited internally and externally, primarily by the Global Quality Assurance Department under the direction of the chief quality officer (CQO). While taking corrective and preventive measures, the Global Quality Assurance Department, Unicharm Products Co., Ltd.'s Quality Control Department, and the Customer Communication Center jointly conduct management reviews on a regular basis and report the results to the CQO, which are reflected in our ongoing efforts to enhance quality on a Companywide basis.

### ISO 9001 Quality Management System

Certain business sites in Japan and overseas have obtained ISO 9001 certification, the international standard for quality management systems, and operate a quality management system based on this standard. Relevant business sites in Japan and overseas have acquired ISO 13485 certification, the international standard for quality management systems specific to medical devices. As of January 31, 2024, 90.3% (84.6% in Japan, 94.4% overseas) of Unicharm's business sites were ISO 9001-certified while 100% of its relevant business sites were ISO 13485-certified.

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

## Indicators and Targets

### ▶ Kyo-sei Life Vision 2030: Safeguarding the Well-Being of Society

Indicator	Fiscal 2021 Result	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2030 Target
Percentage of products to which a new internal guideline for safety and quality has been set and certification has been granted	100%	100%	100%	100%

## Initiatives and Results

### Safety Initiatives

To ensure that our products that come into direct contact with the skin can be used by our customers with peace of mind, Unicharm conducts quality gate checks at each stage of the product life cycle, from material procurement to product development, manufacturing, customer use, and disposal, in accordance with the Unicharm Management System Basic Regulations. At the product development stage, a gate function is established by the Safety Assessment Committee to assess the risks associated with products based on their various uses and methods of disposal. For products confirmed as safe for customer use, a safety assessment confirmation form is issued. In addition, those products using materials that have been confirmed as safe are then tested for actual use.

### Global Safety Initiatives

Safety initiatives are essential in all countries and regions where we operate. For that reason, we have been operating a Groupwide safety confirmation system, led by our local subsidiaries in China, South Korea, Taiwan–Greater China, Thailand, Indonesia, Vietnam, and Malaysia. Meetings attended by the representatives of each country and region, as well as periodic one-on-one meetings, are held to share insights and information on safety initiatives.

In addition, we visit suppliers, testing partners, and government institutions around the world as a means to strengthen communication.

### Operation of Chemical Substance Management System

In fiscal 2017, Unicharm introduced a system that keeps track of information on the chemical substances contained in its products, enabling the Company to strengthen its relationships with material suppliers and manage chemical substances more efficiently. As of December 31, 2023, this chemical substance management system is operated in six countries and regions, including Japan. We will continue to gradually expand our network for this system and develop a framework that enables the

local representatives who are in charge of the increasing volume of imports and exports to comply with the regulations of the countries and regions in which our products are sold and swiftly conduct inspections on chemical substances in our products, thereby providing customers with even greater levels of safety and peace of mind.

### Pet Food Safety Initiatives

Only those ingredients that have been confirmed as safe in accordance with standards and specifications for pet food ingredients set by the Ministry of Agriculture, Forestry and Fisheries (MAFF) and a questionnaire on ingredients complying with Company regulations are used in our pet food. Standards and specifications established by the MAFF are used to verify the progress of measures taken against foreign substances, pesticide residues, and microbial contamination during the raw materials production stage. We also regularly visit manufacturers of these raw materials to confirm the status of quality control. Moreover, to ensure that they comply with the standards and thresholds stipulated in the Pet Food Safety Act established by the MAFF, our products are regularly inspected for safety by an external agency and assessed by means of analytical and feeding tests based on the standards for general nutrition food set by the Pet Food Fair Trade Association.

Furthermore, we develop formulation and production methods that are tailored to specific dog and cat breeds and characteristics and intended use of food, conduct shelf-life tests to ensure that quality is preserved up to best-before dates, and take measures to maintain the deliciousness of dog and cat food, such as through the use of oxygen absorbers and barrier films and aluminum metalized films.

Product packaging labels, meanwhile, are checked from the vantage point of our customers by multiple departments to verify that the information on product labels is based on scientific evidence and to ensure that they meet relevant laws and regulations, including the Pet Food Safety Act, the Pet Food Fair Competition Code, the Act Against Unjustifiable Premiums and Misleading Representations, and the Containers and Packaging Recycling Law.

## Providing Chemical Substance Information 417-1

Based on our chemical substance management policies and standards, it has been confirmed that there are no safety issues concerning the chemical substances in our products. In addition, these chemical substances are disclosed on product packaging in accordance with laws and industry standards, enabling customers to confirm such information firsthand and use our products with peace of mind.



Example of product information on packaging

## Quality Management Initiatives in Manufacturing

Unicharm's quality management initiatives standardize factory manufacturing conditions and manual processes, minimizing variations in equipment and manual processes by maintaining and monitoring them to ensure the consistency of product quality. In addition, the Company provides information it receives from customers on defects to its production sites and improves quality, primarily through the Unicharm Total Manufacturing Strategic System (UTMSS). Using this system, phenomena at production sites are viewed in terms of the three "gen" principles—*genba* (actual place), *genbutsu* (actual item or product), and *genjiten* (actual time)—and actions are taken to eliminate the true causes of product defects.

Under the UTMSS improvement activities, a presentation ceremony is held at least once a month. At the ceremony, the team that achieved the highest results in their improvement activities is recognized as the year's most outstanding team at the Global Production Award, which is attended by representatives of all Group factories worldwide. Through these initiatives, we continue to take measures toward improvements, instill best practices throughout the Group, and share frameworks with our factories overseas.

In addition to the UTMSS improvement activities, Unicharm's production sites are forging ahead with digital transformation to realize a workplace that is free of product defects. For instance, cameras, electronic measurement devices, and other digital devices are now being used in product inspections that were formerly conducted manually, which has led to improvements in the frequency and accuracy of inspections.

By strengthening our production management system in this way, we are further improving the consistency of our product quality and the efficiency of our production activities and reducing product defects, thereby maximizing customer satisfaction.

## Measures to Ensure Appropriate Product Labeling 417-1

In its marketing communications (product packaging, website announcements, and advertising materials), Unicharm has created its own voluntary standards based on the Pharmaceutical & Medical Devices Act, the Premiums and Representations Act, the Containers and Packaging Recycling Law, and the industry standards set by the Japan Hygiene Products Industry Association, in order to provide correct information to its customers. In addition to confirming compliance with these standards, we are working on a Groupwide basis to realize the most optimal and accurate labeling possible, by verifying whether the information we provide will lead to misunderstanding or misuse on the part of customers. Our voluntary standards in response to changes in our internal and external business environment, including the diversification of advertising media and changes in consumer awareness due to market changes, are then shared with the relevant departments through training and other means.

Additionally, a communication assurance council is established at the product design and packaging design stages to serve as a specialized screening function for product labeling. At the product design stage, we verify that the information on product labels is based on scientific evidence, while at the packaging design stage, we confirm whether the labeling is appropriate from the viewpoint of our customers through the participation of members from our Customer Communication Center.

## Acquisition of OEKO-TEX® STANDARD 100 Certification

Unicharm is working to expand its line of products accredited with 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 bear the STANDARD 100 label, which assures high standards of safety, all raw materials used in the product must clear the specified safety criteria.

In Japan, our STANDARD 100-certified products include *Moony Natural* and *Moonyman Natural* disposable baby diapers, *Silcot Premium Cotton* cosmetic cotton, and *Silcot Facial Towel Suhada Omoi* disposable facial wipes. These products are sold in Taiwan–Greater China, Russia, and Australia and are a prime example of our commitment to continuously expand our line of safe and reliable products across the Group.



## Unicharm Receives Dermatest®'s Highest Rating on Dermatological Skin Test

Dermatest® is an internationally renowned dermatological laboratory established in Germany in 1978 that specializes in clinical trials using human subjects, cosmetics testing, and dermatology by adhering to strict testing standards.

*BabyJoy Olive* disposable baby diapers and *Sofy Olive* sanitary pads and panty liners, which are coated with olive oil and sold in Saudi Arabia, were certified as "excellent" by Dermatest®, receiving the highest rating of five stars in its dermatological skin test. This certification mark is printed on packaging to assure customers that these products are safe to use on the skin. Having already been certified with Dermatest®'s highest rating, *Lifree* disposable adult diapers will also feature this certification mark on packaging from fiscal 2024, and will be printed in Arabic to ensure even greater awareness of the safety of our products in Saudi Arabia.

Furthermore, a portion of Unicharm's sanitary pads sold in Taiwan–Greater China and South Korea have also been certified as "excellent" by Dermatest®, receiving the highest rating in its dermatological skin test.



BabyJoy Olive  
(sold in Saudi Arabia)



Sofy Natural Cotton  
(sold in Taiwan–Greater China)



Sofy Organic Cotton Slim  
(sold in South Korea)