

Human Rights

Respect for Human Rights

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Our Basic Approach and Strategy

Since its founding, Unicharm has taken appropriate measures to promote respect for human rights based on its “spirit of respecting humanity and dignity” as stated in its management policy.

However, as a company that operates across the globe, where a variety of human rights issues exist, we must comply with and respect international human rights standards. In fiscal 2017, we established the Unicharm Group Policy on Human Rights, which aligns with the aims of the Universal Declaration of Human Rights (adopted in 1948 by the United Nations General Assembly), declaring our commitment to respect human rights through all our business activities. This human rights policy has also been incorporated into the Unicharm Group Charter of Actions, a statement of corporate ideals that are instilled in all Group employees.

Furthermore, to contribute to the economic growth of the countries and regions in which we operate, our local subsidiaries are given full control of business operations, actively creating employment in product manufacturing and sales and procuring raw materials from local suppliers based on the principle of local production for local consumption. In view of this, the Unicharm Group CSR Procurement Guidelines, which were upgraded to the Basic Purchasing Policy in fiscal 2017, and the Unicharm Group Sustainable Procurement Guidelines were formulated and implemented in fiscal 2009 and fiscal 2017, respectively, for the purpose of maintaining fair and impartial relationships with all our suppliers.

The Basic Purchasing Policy applies to all executives and employees of the Unicharm Group. We also encourage our business partners and suppliers to uphold and comply with this policy and to work together to promote human rights initiatives. Through these and other measures, we not only eliminate forced and child labor and ensure respect for children’s rights, but also

prohibit discrimination on the basis of nationality, race, religion, gender, sexual preference, age, family background, disability, or any other factors. We also ensure that Unicharm employees have

the right to freedom of association, collective bargaining, minimum wage, and that they are not subjected to excessive working hours.

► Unicharm Group Policy on Human Rights

2-23

The corporate philosophy “NOLA & DOLA” of the Unicharm Group (the Group) contains our hope that “Unicharm aims to provide all people, from newborns to the elderly, with products and services that provide mental and physical support through gentle care so that they may be free of their burdens and can fulfill their dreams.” In accordance with this philosophy, the Group supports the realization of a society where human rights are respected as a fundamental right granted to all people. Based on this assumption, the Group will make efforts to fulfill its responsibility to respect human rights.

1. Background

The Group established the Unicharm Group Policy on Human Rights (the Policy) by which it will promote efforts to respect the human rights of all stakeholders including employees based on the following international human rights principles: the International Bill of Human Rights (the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights), the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, the Ten Principles of the UN Global Compact, and the UN Guiding Principles on Business and Human Rights. The Policy complements the corporate philosophy and Unicharm Group Charter of Actions (The Unicharm Way), clarifying how the Group will address matters concerning human rights in the Charter of Actions.

2. Scope of Application

The Policy will apply to all executives and employees who work at the Group. The Group will also require its business partners and suppliers to uphold and comply with the Policy and work together with them to promote efforts to respect human rights.

3. Responsibility to Respect Human Rights

The Group will fulfill its responsibility of respecting human rights by ensuring that its business activities do not result in human rights violations and by responding appropriately to correct any adverse human rights impacts it may have caused. Furthermore, the Group will require its business partners and suppliers to respond appropriately to correct any adverse human rights impact they may have caused even if the Group does not directly contribute to those impacts.

Compliance with Applicable Laws and Regulations

The Group will comply with the laws and regulations of each country and

region where it conducts its business activities. Where there is a conflict between national or regional laws/regulations and international human rights standards, it will seek the ways to honor international human rights standards.

Human Rights Due Diligence

The Group will establish a system of human rights due diligence in accordance with procedures based on the UN Guiding Principles on Business and Human Rights under which it will make efforts to prevent or mitigate adverse human rights impacts.

Remedy

In the event the Group’s business activities directly or indirectly result in adverse human rights impacts, it will provide a remedy through appropriate dialogue and procedures.

Education

The Group will provide appropriate education to ensure effective implementation of the Policy by which it will be instilled inside and outside the Company.

Dialogue and Consultation

The Group will engage sincerely in meaningful consultation with people whom its business activities may have impacted as a part of its efforts under the Policy.

Reports

The Group reports on its efforts related to human rights through its website, etc.

Date of Establishment: October 25, 2017

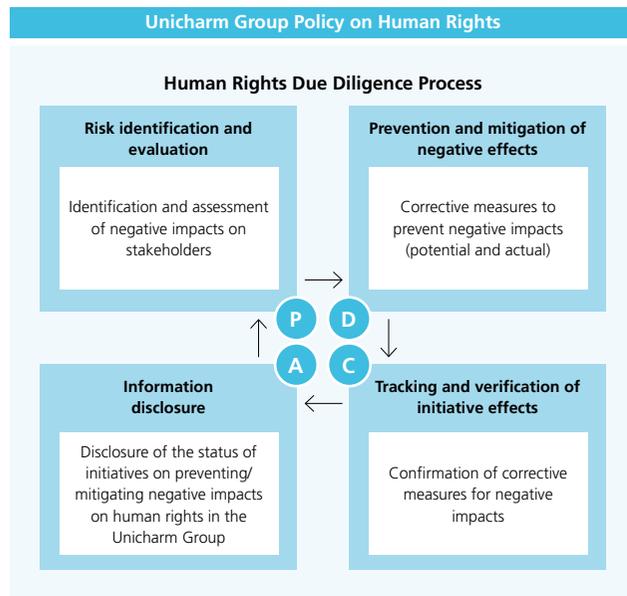
Revised: February 10, 2021

Takahisa Takahara

President & CEO

Unicharm Corporation

► Human Rights Due Diligence Process



- Core evaluation items for managing labor issues**
- Prohibition of child labor
 - Prohibition of forced labor
 - Mechanisms for employee representatives to be involved in Company management
 - Reduction of excessive working hours
 - Support for living wages

Respect for Children's Rights

The Unicharm Group Charter of Actions stipulates that the Group does not tolerate any form of child labor. Meanwhile, with respect to our suppliers, the Unicharm Group Sustainable Procurement Guidelines specify that the Group forbids the employment of children under the minimum employment age, as a part of the measures it takes to prohibit child labor throughout the supply chain. By virtue of our products and services, we work to help improve childcare, create an environment that is conducive to balancing work and childcare, and share information that will prove beneficial to the children who will help lead the next generation.

In December 2021, Unicharm also participated in Children's Smile Movement, an initiative held by the Tokyo Metropolitan Government to foster a spirit of caring for children throughout society.

- P.104** Unicharm Group Sustainable Procurement Guidelines
- P.102** Prohibition of Child and Forced Labor
- P.074** Hands-Free Commute: A Subscription-Based Model for Disposable Diapers

Participation in the Kodomo-Mannaka Child Support Program

In July 2023, Unicharm endorsed the aims of the Kodomo-Mannaka ("child-centered") Declaration, which aims to realize a society in which children can grow in a healthy and happy environment by constantly considering what is best for them. The Kodomo-Mannaka Support program is an initiative that encourages people to share their own child-centered activities using social media.

Participation in the My Declaration of Human Rights Program

In fiscal 2021, Unicharm became a signatory to My Declaration of Human Rights, a program endorsed by the Human Rights Bureau of the Ministry of Justice in Japan. This initiative aims to realize a society in which human rights are respected by everyone through declarations by companies, organizations, and individuals to act on behalf of human rights. Guided by our commitment to "the spirit of respecting humanity and dignity" as stated in our management policy since our founding, we will continue to strive to realize an environment where employees from diverse backgrounds are able to demonstrate their leadership and creativity.

The Unicharm Group's Declaration of Human Rights

In keeping with the Unicharm Group Policy on Human Rights, we will help realize a cohesive society (social inclusion).

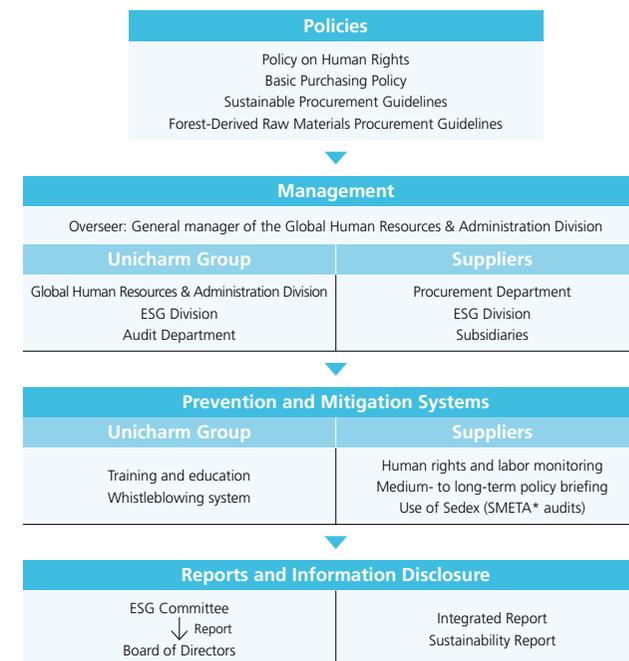
The Unicharm Group stands behind the realization of a society where human rights are respected as a fundamental right granted to all people. We will work to help realize a cohesive society in which everyone can continue to lead their lives in the way they so wish by being independent and supporting each other.

Management Structure

Since it is necessary to have a variety of departments involved in human rights, the Global Human Resources & Administration Division and the ESG Division take the lead, under the direction of the general manager of the Global Human Resources & Administration Division who is the executive-level officer assigned responsibility for human rights, in collaborating with the relevant departments and Group companies inside and outside Japan that handle purchasing and auditing and in reporting through the ESG Committee. In terms of our human rights initiatives for suppliers, which are led by the Procurement Department, the Basic Purchasing Policy and the Unicharm Group Sustainable Procurement Guidelines are distributed to our suppliers in an effort to ensure compliance.

- P.009** Sustainability Promotion System
- P.105** Supply Chain Management > Management Structure

► Overview of Human Rights Initiatives



* Sedex Members Ethical Trade Audit

Indicators and Targets

► Kyo-sei Life Vision 2030: Unicharm Principles

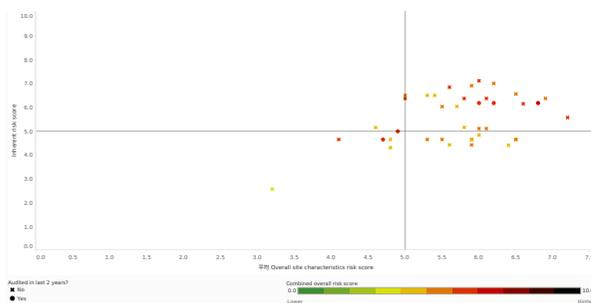
Indicator	Fiscal 2021 Result	Fiscal 2022 Result	Fiscal 2023 Result	Annual Target
No. of serious human rights violations in the value chain	Zero	1 (revised)	1 (revised)	Zero

Initiatives and Results

Human Rights Risk Assessment at Unicharm Group Factories

In fiscal 2023, the Sedex*1 Self-Assessment Questionnaire (SAQ) was conducted and these results were used along with Sedex's risk assessment tool to calculate a risk score. The risk score is determined by calculating an inherent risk score based on each factory's country and region of operation and line of business and a site characteristic risk score based on the SAQ results. These scores are used as a reference to conduct an even more in-depth analysis of high-risk factories and formulate other risk mitigation measures.

► Risk Score of Unicharm Group Factories



Note: Simple averages of risk scores on labor standards and on health and safety have been plotted above.

*1 Sedex is a global membership organization, leading in responsible sourcing practices. Sedex provides companies with technology and insight for building 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 85,000 business members in 180 countries and regions use Sedex solutions to manage supply chain risk, meet compliance requirements, and demonstrate measurable impact.

Human Rights Risk Assessments of Supplier Factories

P.105 Human Rights Risk Assessments of Supplier Factories

Audits of Unicharm Group Factories

A social compliance audit is carried out periodically at Unicharm factories through an external auditing firm to assess the effects of risk elimination and mitigation measures and make improvements on any issues identified. Specifically, we utilize the Sedex Members Ethical Trade Audit (SMETA)*2 to identify such issues, which are compiled and shared internally by the ESG Department. These issues are confirmed and then inspected and reviewed at each factory, preventing the occurrence of human rights issues in the process.

*2 A social auditing methodology developed by Sedex that 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

► Supplier Audits: Number of Audits and Evaluations

Year	No. of Audits	No. of Issues Identified				
		Business Critical	Critical	Major	Minor	Total
2021	1	0	0	0	1	1
2022	6	0	13	86	36	135
2023	4	0	10	19	14	43

Audits of Supplier Factories

P.106 Supplier Monitoring

Establishing KPIs and Collecting Relevant Data

In 2021, Unicharm established a system that enables the ESG Division to use self-evaluation surveys to collect data for key performance indicators (KPIs) such as employee absentee rates and employee turnover rates at each factory, as well as to monitor progress made. In fiscal 2023, we began verifying the effects of using such data.

Human Rights Education for Unicharm Group Employees

Employees are provided with education and training so that each person will acquire proper knowledge on human rights and the prevention of human rights risks. Upon the establishment of the Unicharm Group Policy on Human Rights, we held e-learning sessions for all employees on three separate occasions in fiscal 2018, in order to promote awareness of the importance of respecting human rights around the world. The Unicharm Group Charter of Actions was amended and recited by all of our employees in fiscal 2021.

In addition, we continue to educate employees and enhance awareness of our human rights policy through our new employee, role-based, and new leader training sessions. Role-based training consists of a curriculum through which employees learn about harassment and other issues that are likely to occur in the workplace and the appropriate measures to take in the event of a human rights issue.

In fiscal 2023, all Unicharm Corporation employees were trained to gain a better understanding of unconscious bias by means of scrum meetings on how to respond in certain situations that are likely to occur in the actual workplace.

P.092 Diversity and Inclusion

P.130 Harassment Prevention

Consultation and Whistleblower Hotline for Human Rights Issues

At Unicharm, the Compliance Hotline is in place to serve as a point of contact for consultations on, and the reporting of, violations of laws, regulations, and internal rules, acts of bribery and other forms of corruption, and serious violations of corporate ethics. Meanwhile, the Ring-Ring Employee Hotline was established to act as a contact point for consultations on, and the reporting of, human rights issues in the workplace, including harassment and employee relations. These hotlines, in principle, are accessible to all directors and employees*1 of Unicharm Corporation and its subsidiaries and affiliate companies, and users are able to maintain anonymity when receiving consultation and reporting on matters. In fiscal 2023, there were no cases of serious human rights violations reported to these hotlines.

*1 Includes contract, part-time, temporary, and dispatched employees, and former employees who resigned within a year

P.129 Whistleblowing System

Human Rights Education for Suppliers

In October 2023, the Unicharm Medium- to Long-Term Policy Briefing Session was held to ensure suppliers' awareness of and compliance with the Unicharm Group Policy on Human Rights and the Unicharm Group Sustainable Procurement Guidelines. In addition, we shared the progress of our use of the Sedex platform with suppliers, encouraged them to become members of Sedex and conclude relationships for the use of this platform, and requested their cooperation on the SAQ.

Moreover, as a measure to deepen understanding of human rights throughout the supply chain, Unicharm's local subsidiary in Australia conducts training and educational programs on the risks of and measures against modern human slavery,*2 particularly for material suppliers and distributors and retailers along the downstream portion of the supply chain. These programs were held for five suppliers in fiscal 2023.

*2 Forms or acts of bonded labor, forced labor, human trafficking, etc., in which people are forced into slavery and servitude

P.024 Medium- to Long-Term Policy Briefing Session for Suppliers

Modern Slavery Statement 2022 (Australia)

In July 2023, Unicharm Australasia Pty Ltd. (UcA), a Group subsidiary in Australia, released Modern Slavery Statement 2022, which details the structural, operational, and monitoring frameworks for identifying risks concerning modern slavery within the supply chain network. Unicharm works as a Group implementing new policies and actions to mitigate modern slavery and positively impact human rights. In fiscal 2022, UcA continued to provide human rights training and education to primary, secondary, and tertiary suppliers, further demonstrating leadership in promoting respect for human rights in the regions in which it operates. UcA also solicited constructive feedback on Modern Slavery Statement 2022 from industry leaders around the world, and their meaningful advice on improvements to modern slavery measures have been reflected in the fiscal 2023 report and action plan.



web Unicharm Australasia Pty Ltd.
Modern Slavery Statement 2022

<https://modernslaveryregister.gov.au/statements/13860/>

Stakeholder Engagement for Human Rights

Since human rights issues can affect a wide range of stakeholders, Unicharm approaches its engagement in various ways.

	Initiatives	Results
2020	<ul style="list-style-type: none"> Joined Sedex as an AB member to expand the building of a sustainable supply chain Participated in the Global Conference on Business and Human Rights in Tokyo, administered by CRT Japan, involving overseas experts on business and human rights as well as businesses and specialists in Japan 	<ul style="list-style-type: none"> Used the Sedex platform for respecting human rights and improving the work environment Gained an understanding of global trends and urgent issues related to business and human rights Obtained information on preventing/countering human rights abuses from the examples of practical efforts implemented by other companies
2021	<ul style="list-style-type: none"> Participated in the Global Conference on Business and Human Rights in Tokyo, organized by CRT Japan and the Institute for Human Rights and Business (IHRB) Participated in Sedex's JANZ (Japan, Australia, and New Zealand) Conference 2021 Participated regularly in Sedex's various community events (on the use of SAQ, audits, and gender-specific data, approaches to indirect suppliers for materials and services, and other topics) 	<ul style="list-style-type: none"> Gained diverse viewpoints and information from companies in various sectors, government authorities, NPOs, international organizations, attorneys, and providers of services related to human rights due diligence, which were used to determine the themes and specific approaches we must undertake on a priority basis
2022	<ul style="list-style-type: none"> Participated in forums on business and human rights and human rights due diligence held by the United Nations Development Programme (UNDP) Participated in subcommittee activities of Global Compact Network Japan Held discussions on human rights risk assessment through the ESG Committee 	<ul style="list-style-type: none"> Compiled information on recent developments in Japan and the rest of the world and on initiatives carried out by other companies; conducted risk analysis internally and incorporated the results into management decisions of the ESG Committee
2023	<ul style="list-style-type: none"> Participated in seminar on business and human rights and dialogue on human rights due diligence held by the United Nations Development Programme Participated in subcommittee activities of Global Compact Network Japan Participated in Japanese Cosmetics & Personal Care Products Industry Buyer Members Sedex Working Team Explained the Company's human rights policy to 143 supplier companies at the Unicharm Medium- to Long-Term Policy Briefing Session 	<ul style="list-style-type: none"> Compiled examples of best practices in other industries and expert opinions and information to determine direction of the Company's human rights initiatives