

Sustainability Management

Message from the Head of the ESG Division

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



We will redouble our efforts to address environmental and social issues and ensure appropriate governance in order to sustainably enhance our corporate value.

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In keeping with its purpose (reason for existence) of contributing to the achievement of the Sustainable Development Goals (SDGs), Unicharm works to resolve environmental and social issues through its business activities. I will discuss some of these initiatives in this section.

In conjunction with our Kyo-sei Life Vision 2030 medium- to long-term ESG goals, in Environmental Targets 2030 focused on the natural environment, we have defined three key issues and medium- to long-term ESG goals responding to the problem of plastic waste, responding to climate change, and helping prevent deforestation (response to procurement-related issues). Our approach to these issues is strongly linked to our business continuity, and I believe that the achievement of these goals will have a significant impact on our business results.

In responding to the problem of plastic waste, we are reducing materials costs and plastic use by using thinner packaging materials and switching to paper for in-store promotional materials. In responding to climate change, we are introducing solar power generation systems through a power purchase agreement (PPA) to increase the use of renewable electricity and thereby reduce GHG emissions, and minimize the increased costs from rising energy prices. In helping prevent deforestation (response

to procurement-related issues), we are engaging in a Groupwide effort to expand the procurement of certified pulp, one of the main raw materials for disposable diapers and sanitary pads.

By virtue of these efforts, in fiscal 2024 we were selected for the CDP's A List, the highest rating, in all three categories of climate, forests, and water.

Next, regarding resolving social issues, I would like to talk about Project Jagriti,*¹ an initiative implemented in India. In cooperation with non-government agencies (NGOs), this project develops female entrepreneurs who sell sanitary pads and other products in rural areas of India and contributes to the advancement of women in society by promoting financial independence and widespread access to sanitary products. Meanwhile, in Japan, where the birthrate continues to decline, we sell *Sofy Ninkatsu Orimono Sheet* in support of those trying to conceive,*² in addition to providing *Sofy Be*, a menstruation and physical condition management app that helps users understand the relationship between hormones and physical condition. Through such product sales and service offerings, we remain committed to helping resolve social issues through our business activities.

Finally, with respect to governance, we work to ensure compliance and strengthen risk management based on fair, transparent, prompt, and decisive management. The countries and regions in which we operate continue to increase and therefore, we are working to establish a management system that not only ensures compliance with the laws and regulations of each country and region but also can recognize and respond to risks in a timely manner.

Unicharm will continue to step up efforts in addressing environmental and social issues and maintaining appropriate governance, keeping in mind that these are essential for sustained improvement of corporate value. In addition, we will strengthen information disclosure in accordance with international standards and aim to become a company that is trusted by all stakeholders, including consumers, shareholders, business partners, employees and their families, and local communities.

*1 A Hindi word that means "awakening"

*2 Refers to acquiring knowledge, discussing with family members, monitoring one's physical condition, and receiving fertility treatment, among other activities people often engage in when trying to conceive a child