

# Environmental Management

## Basic Environmental Policy

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### 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 across the globe, 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 the key themes for safeguarding the well-being of our planet and are taking the measures necessary to achieve these targets.

**P.16** Environmental Targets 2030 (Medium- to Long-Term ESG Goals)

**P.10** Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

### ► Unicharm Group Basic Environmental Policy

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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 managed by the ESG Committee, which is chaired by the president & CEO and operates under the supervision of 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. The details of its discussions are also reported to the Board of Directors.

Environmental Targets 2030 and the key themes established for safeguarding the well-being of our planet under Kyo-sei Life Vision 2030, which we have set as key environmental targets, are translated into targets for each individual division and involve detailed 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.8 Sustainability Promotion System

## Evaluation and Remuneration System Incorporating ESG Assessments

To ensure that directors and executive officers take the lead in steadily implementing ESG strategies, 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 from fiscal 2023.

P.118 Evaluation Criteria for and Basic Policy on Executive Remuneration and Fiscal 2024 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 each business site 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 December 31, 2024, 77.4% (76.9% in Japan, 77.8% overseas) of our business sites have acquired ISO 14001 certification.

P.143 Social 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 of activities and controls:

- (1) regular audits in conformance with ISO 14001;
- (2) on-site audits at industrial waste processing partners to confirm appropriate practices; and
- (3) audits for specific purposes, including confirmation of legal compliance.

## 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 2024. No fines have been incurred for violations of environmental laws or regulations. There are no environmental matters pending.

## Indicators and Targets

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

P.16 Environmental Targets 2030 (Medium- to Long-Term ESG Goals)

P.14 Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals) > 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 2024, we held the 15th 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 2024 event, which was also streamed online, was attended by 283 participants from 133 companies, including material suppliers for personal care products, as well as material suppliers for pet care products and external production contractors. The aim of this briefing session was to enhance awareness of our various policies, including the Unicharm Group Basic Environmental Policy, the Unicharm Group Policy on Human Rights, and the Basic Policy of Procurement, as well as to request supplier cooperation by reporting, explaining, and ensuring understanding of our policies and guidelines for building a sustainable supply chain and using Sedex, progress in our various activities aimed at achieving Kyo-sei Life Vision 2030 and Environmental Targets 2030, data provision for the GHG Emissions Visualization Project, and quality control and other efforts aimed at improving customer satisfaction through the supply of safe products.

**P.43** 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.

### Environmental Education (Brazil)

UNICHARM DO BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS DE HIGIENE LTDA. (UCB), Unicharm's local subsidiary in Brazil, held a lecture on the environmental activities of the Unicharm Group and UCB, in which attended by approximately 300 people attended including UCB employees. The lecture covered topics such as the Unicharm Group's environmental goals and achievements and UCB's environmental initiatives over the past two years.



### Environmental Activities in Honor of World Environment Day (Malaysia)

Under the theme "Our Land, Our Future. We are Generation Restoration," Unicharm's local subsidiary in Malaysia conducted the following three environmental activities in honor of World Environment Day on June 5.

1. Donations of wastepaper, aluminum cans, and used clothes by employees to nonprofit organization Dual Blessing Bhd. for use as recycled material
2. Seminar on e-waste recycling by a visiting instructor from the Department of Environment (Ministry of Natural Resources and Environment) of Malaysia
3. 3R campaign with experts from the Solid Waste Management and Public Cleansing Corporation under the Ministry of Housing and Local Government of Malaysia

### Environmental Education (United States)

The Hartz Mountain Corporation, Unicharm's local subsidiary in the United States, prepared a document to summarize the key achievements of its sustainability commitment, 2050 vision, and 2030 sustainability targets and communicate them to the employees of its sales division. Customers of Hartz Mountain expect its suppliers to be environmentally conscious as well, and we believe incorporating the company's sustainability commitment and goals into its sales activities will expand its sales channels.

## Launch of “Choose. Use. Circulate.” Website

At Unicharm, we engage in various activities aimed at realizing a sustainable society based on Environmental Targets 2030 and Kyo-sei Life Vision 2030. In Japan, we have introduced the Recycle for the Future (ReFF) Project, an initiative to recycle used disposable diapers, on Unicharm's social media account “Notes for reflecting on the future of disposable diapers,” in addition to implementing a variety of initiatives from which we have seen positive results. Overseas, we actively carry out activities in accordance with the characteristics and circumstances of each country and region.

According to a survey conducted in May 2024 on consumer awareness of sustainable daily necessities, many people are keen to make more sustainable decisions when it comes to sanitary pads and hygiene products for pets, childcare, and nursing care, but are unsure about how to make those decisions. Based on the results of this survey, we launched our “Choose. Use. Circulate.” website in acknowledgment of World Environment Day on June 5, 2024, to widely communicate our environmental initiatives to stakeholders and work together on environmental measures. The website introduces our 2050 Vision and includes a roadmap, examples of activities in various countries and regions, and other content describing Unicharm's commitment to achieve net zero CO<sub>2</sub> emissions.



**web** Notes for reflecting on the future of Unicharm's disposable diapers (in Japanese only)

[https://note.com/unicharm\\_ref](https://note.com/unicharm_ref)

**web** Results of awareness survey on sustainable daily necessities (in Japanese only)

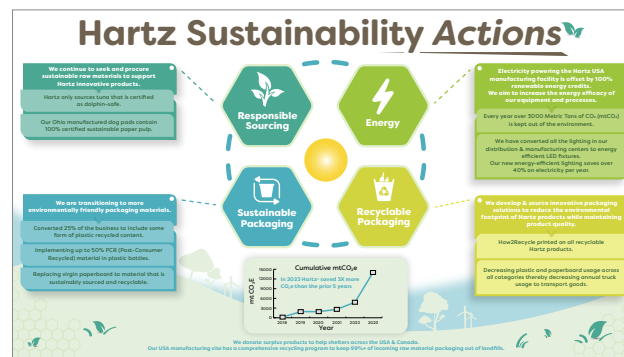
<https://www.unicharm.co.jp/ja/company/news/2024/0604-01.html>

**web** Launch of “Choose. Use. Circulate.” website

<https://www.unicharm.co.jp/en/csr-eco/ghg.html>

## Sustainability Website Update (United States)

The Hartz Mountain Corporation updated the contents of its Sustainability Actions & Commitment website to include short- and long-term sustainability targets as part of its “Our Commitment,” “Our Vision,” and “Our Goals” sections. The website also discloses results of the company's four sustainability actions: energy, responsible sourcing, sustainable packaging, and recyclable packaging.



**web** Hartz Sustainability Actions & Commitment

<https://www.hartz.com/sustainabilityactions-commitment/>

## Zero Carbon Challenge Cup 2025 Sponsorship

The Zero Carbon Challenge Cup, a program that Unicharm has sponsored for 10 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 Love Your Possibilities Award.

In the final round of Zero Carbon Challenge Cup 2025, a total of 53 groups from the Student, Junior and Kids, Corporate and Municipal, and Citizens divisions made presentations, among which Ehime Prefectural Ozu Agricultural High School's “Reducing CO<sub>2</sub> with Basho (Japanese banana)—Realizing a Decarbonized Society” (Student division) was selected as the winner of the Love Your Possibilities Award.



## 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.

In fiscal 2024, Unicharm was selected for the A List, the highest CDP rating, in the categories of climate change, forests, and water security.



### CDP Rating

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Climate Change	A-	A-	A
Forests	B	A	A
Water Security	B	A	A

## Selected for Inclusion in “Environment Sustainable” Category of 6th ESG Finance Awards Japan

Unicharm selected for inclusion in the “Environment Sustainable” category at the 6th 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.

