

Human Rights

Respect for Human Rights

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Our Basic Approach and Strategy

Since its establishment in 1961, 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. With the expansion of business into countries and regions outside of Japan, we determined that we must promote activities based on 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). This human rights policy states that we strive to practice respect for human rights in all of our business activities and has been incorporated into the Unicharm Group Charter of Actions to instill this belief in all Group employees.

Furthermore, to contribute to the economic growth of the countries and regions in which we operate, we actively create employment in various fields and procure 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 Policy of Procurement 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 Policy of Procurement 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 brand essence of “Love Your Possibilities” at the Unicharm Group (the Group) incorporates 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 commitment, 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

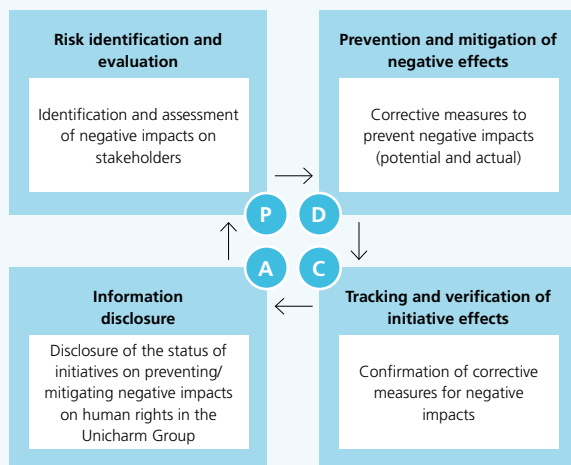
President & CEO

Unicharm Corporation

► Human Rights Due Diligence Process

Unicharm Group Policy on Human Rights

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.99 Unicharm Group Sustainable Procurement Guidelines

P.97 Prohibition of Child and Forced Labor

P.66 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 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 My Declaration of Human Rights

In keeping with the Unicharm Group Policy on Human Rights, we will 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.



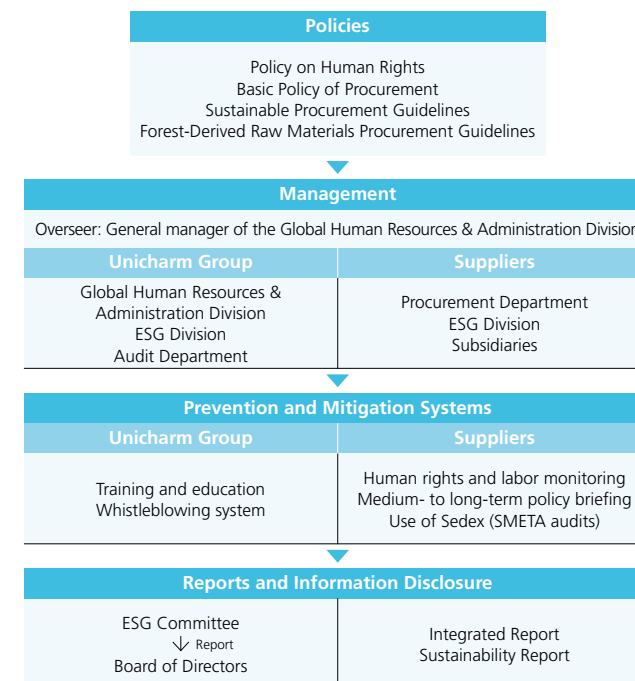
Management Structure

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 that handle purchasing and auditing and Group companies inside and outside Japan 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 Policy of Procurement and the Unicharm Group Sustainable Procurement Guidelines are distributed to our suppliers in an effort to promote compliance.

P.8 Sustainability Promotion System

P.100 Supply Chain Management > Management Structure

► Overview of Human Rights Initiatives



Indicators and Targets

▶ Kyo-sei Life Vision 2030: Unicharm Principles

Indicator	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Annual Target
No. of serious human rights violations in the value chain	1 (revised)	1 (revised)	Zero	Zero

Initiatives and Results

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 workplace issues, 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 2024, 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.123 Whistleblowing System

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, amended in fiscal 2021, is recited regularly at morning assemblies and other gatherings. 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 2024, a workshop was held for all managers to enhance awareness of harassment prevention. By increasing awareness of those who should lead by example and fostering them to be able to respond appropriately to harassment complaints, we are committed to creating an environment where all employees can work with peace of mind. We also held a workshop on unconscious bias (practical level) for all Unicharm Corporation employees. As in fiscal 2023, employees were trained to gain a better understanding of unconscious bias by means of scrum meetings in sections and groups on how to respond in certain situations that are likely to occur in the actual workplace. In addition, a workshop titled Business and Human Rights was held by a law firm for departments where human rights issues may be more difficult to assess, such as in procurement. By using other companies' initiatives as a reference, the workshop enabled participants to learn about the ways in which they can increase their knowledge and awareness of business and human rights.

P.86 Diversity and Inclusion

P.124 Harassment Prevention

Human Rights Awareness of Suppliers

In October 2024, we held the 15th Unicharm Medium- to Long-Term Policy Briefing Session and explained the Unicharm Group Policy on Human Rights and the Unicharm Group Sustainable Procurement Guidelines to 133 suppliers, from whom we requested their support and compliance. 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 Self-Assessment Questionnaire (SAQ).

P.101 Medium- to Long-Term Policy Briefing Session for Suppliers

Human Rights Initiatives in Australia

To promote human rights awareness throughout the supply chain, Unicharm Australasia Pty Ltd (UcA), Unicharm's local subsidiary in Australia, conducts a curriculum and training on the risks of and measures against modern slavery,*² particularly for materials suppliers and retailers composing the downstream supply chain. In fiscal 2024, these programs were held for nine such suppliers and retailers. An example is a training program we conducted for a supplier that commissioned the production of t-shirts for promotional purposes. We believe this is a step in the right direction to addressing the apparel industry's high risk for violations of the Modern Slavery Act (MSA).*³

In March 2024, UcA held a seminar sponsored by Sedex for 12 Sedex member companies to share best practices on human rights. In July 2024, UcA also released Modern Slavery Statement 2023, which details the structural, operational, and monitoring frameworks for identifying risks concerning modern slavery within the supply chain network, in accordance with the MSA. In October 2024, UcA gave a keynote lecture to members of the Australian Catholic Anti-Slavery Network (ACAN) modern slavery working group on best practices in response to the MSA.

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

*³ Modern Slavery Act 2018 was enacted to prevent forced labor, child labor, and other human rights violations in the supply chain by promoting voluntary compliance by companies through the mandatory disclosure of corporate activities



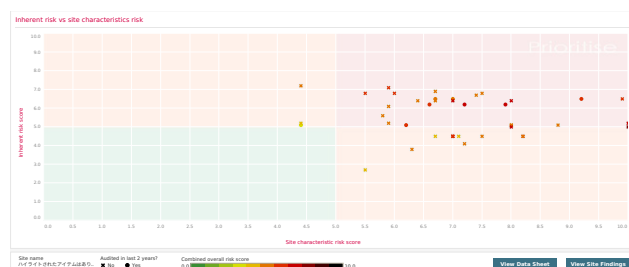
web Unicharm Australasia Pty Ltd
Modern Slavery Statement 2023

<https://modernslaveryregister.gov.au/statements/18871/>

Human Rights Risk Assessment at Unicharm Group Factories

In fiscal 2024, the Sedex*¹ 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 A global membership organization leading in responsible sourcing practices, Sedex provides companies with technology and insight to build 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.100 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.

Audits of Unicharm Group Factories: Number of Audits and Evaluations

		Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result
No. of audits		6	4	9
No. of issues identified	Business Critical	0	0	0
	Critical	13	10	23
	Major	86	19	30
	Minor	36	14	19
Total		135	43	72

Audits of Supplier Factories

P.101 Supplier Monitoring

Establishing KPIs and Collecting Relevant Data

In 2021, Unicharm established a system that enables the ESG Division to use SAQ 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 2024, we provided the results of these analyses to all factories and verified the effects of using such data. We also requested the planning of SMETA audits for fiscal 2025 and beyond.

Stakeholder Engagement for Human Rights

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

Fiscal Year	Initiatives	Results
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 held discussions on how management decisions should be made within 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 UNDP 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 14th 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
2024	<ul style="list-style-type: none"> Participated in seminar on business and human rights held by the UNDP Participated in Japanese Cosmetics & Personal Care Products Industry Buyer Members Sedex Working Team Participated in the Australian Food & Grocery Council Sustainability Summit Explained the Company's human rights policy to 283 representatives of 133 supplier companies at the 15th Unicharm Medium- to Long-Term Policy Briefing Session Cooperated with ASEAN-Australia Counter Trafficking to support human rights education of ASEAN countries Held workshop on business and human rights through a law firm 	<ul style="list-style-type: none"> Discussed measures to enhance awareness and literacy of human rights in the Company by collecting latest information and details of other companies' efforts and in Australia expanded activities to support human rights education externally