

Compliance

Fair Business Practices

2-25,2-26,2-27,205-1,205-2,205-3,410-1

Our Basic Approach and Strategy

In line with the Unicharm Ideals, “we strive to pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfillment of our social responsibilities,” which serve as the foundation of our business activities. We have established the Unicharm Group Charter of Actions, which sets forth more specific standards of conduct to ensure that directors and employees maintain the highest ethical standards, and comply with laws and regulations and the Articles of Incorporation.

The Unicharm Group Charter of Actions prohibits bribery and the provision and acceptance of excessive entertainment and gifts. Similarly, the charter also prohibits improper political contributions, donations to organizations, insider trading, money laundering, and other actions that could lead to fraud or corruption, and we strive to prevent all Group employees from engaging in such actions. Furthermore, to ensure that workplace culture is not conducive to fraud or corruption, we thoroughly manage our working conditions and hours in compliance with various laws and regulations.

The Unicharm Group Charter of Actions is recited at morning assemblies and other gatherings at our various business sites to instill awareness in all employees. We believe it is essential for directors, executive officers, and other members of management to lead by example so that the Unicharm Group Charter of Actions are not mere formality. By continuously conveying such words and actions to employees, we instill a sense of ethics and enhance their awareness of the charter.

► Unicharm Group Charter of Actions / Action Guidelines for Practicing Our “Beliefs & Pledges” and Corporate Code of Conduct (Excerpt)

Practicing Our Pledge to Society

Compliance with Laws and Regulations, Industry Standards, and Internal Rules

1. Unicharm complies with laws and regulations, industry standards, and internal standards and rules and ensures compliance with the laws and regulations pertaining to our business activities.
2. We refrain from the use of terms or expressions that may be construed as forms of slander or social discrimination against other companies or individuals.

Respect for Rules and Cultures of International Society

1. In conducting global business activities as a multinational enterprise, Unicharm respects local cultures and practices and acts in accordance with international rules.
2. Unicharm strives to establish good relationships with local communities and win their trust.

Political Contributions, Donations, and Gifts and Entertainment to Public Servants

1. Unicharm ensures that political contributions and donations to various organizations are made in a transparent manner by means of an internal approval process.
2. Unicharm does not provide gifts or entertainment to public servants or persons in equivalent positions nor makes facilitating payments to facilitate official procedures.

Preparation for Disasters, Infectious Diseases, Anti-Social Forces, Cyberattacks, and Other Risks

1. Unicharm takes appropriate actions in the event of disasters, infectious diseases, terrorism, and other crisis based on the crisis management manual.
2. Unicharm does not engage in relationships with anti-social forces or respond to any requests from them by taking a resolute stance in cooperation with the local police.
3. Unicharm strives to establish the most advanced cybersecurity management system.

Management Structure

The ESG Committee, chaired by the president & CEO, monitors and supervises all activities related to social responsibility centered around a framework of quality, safety, and the environment. Specifically, the ESG Committee ensures the legality, fairness, and soundness of business activities and reports regularly to the Board of Directors.

Moreover, the Compliance Hotline has been established as a consultation and whistleblowing contact point for violations of laws and regulations, internal regulations, and major corporate ethics while the Ring-Ring Employee Hotline has been established for problems in the workplace, such as internal harassment acts and interpersonal issues, as part of efforts to develop and enhance the compliance structure. The Corporate Ethics Office has been established within the ESG Division as the contact point for the management of these bodies. In the event of a serious problem, the executive officer in charge of the Corporate Ethics Office takes the helm to resolve the issue by convening the Corporate Ethics Committee, which consists of all members of the Audit & Supervisory Committee. The Corporate Ethics Committee reports on the actions it has taken to the Board of Directors so that the effectiveness of the committee can be verified on a regular basis.

In addition, in order to conduct audits on whether business execution in each division is being conducted appropriately in accordance with laws and regulations, and to provide advice as necessary, the Internal Audit Department has been established to serve as an internal auditing section that is independent from each business execution division and is directly supervised by the president & CEO and to conduct internal audits on all Group companies.

► Compliance Promotion Structure



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 compliance violations	Zero	Zero	Zero	Zero

Initiatives and Results

Prohibition of Insider Trading

To prevent directors, executive officers, and employees from engaging in insider trading, Unicharm established the Insider Trading Prevention Regulations. The executive officer in charge of ESG, who is appointed by the president & CEO, is designated as the person responsible for managing insider information in order to prevent illegal acts. In addition to ensuring internal awareness of our zero-tolerance stance on insider trading, we require the submission of a trade notice for Unicharm's shares whenever they are traded and set specific limits on the trading of such shares based on the circumstances of the positions, roles, and departments of directors, executive officers, and employees.

Anti-Corruption Measures

The Board of Directors has established policies to prevent all forms of corruption including bribery and such efforts are also being conducted in conjunction with the related departments. In addition, the Unicharm Group Sustainable Procurement Guidelines, which aim to maintain fair relationships with suppliers and prevent acts of corruption in transactions, clearly indicate the necessity of compliance with laws, regulations, and social norms and fair trade, as well as the prohibition of bribery and kickbacks, and promote the comprehensive prevention of corruption in transactions.

Regular Reviews of the Effectiveness of the Standard of Conduct

The Company confirms the effectiveness of its standard of conduct through monitoring using the employee survey and internal audits conducted annually and revises this standard as necessary. The Company renamed the Unicharm Group Action Guidelines to the Unicharm Group Charter of Actions on February 10, 2021.

Fines, Surcharges, Settlements, and Dismissals Resulting from Acts of Corruption

In fiscal 2024, there were no fines, surcharges, or settlements resulting from acts of bribery or other forms of corruption, including facilitation payments. In addition, there were no disciplinary actions imposed on employees for such acts.

	Fiscal 2022	Fiscal 2023	Fiscal 2024	Coverage
No. of fines, surcharges, and settlements resulting from serious legal violations related to corruption and bribery	0	0	0	Unicharm Corporation
Amount of fines, surcharges, and settlements resulting from serious legal violations related to corruption and bribery (yen)	0	0	0	
No. of employees subject to disciplinary action due to acts of corruption or bribery	0	1	0	

Whistleblowing System

The Compliance Hotline has been established for Group employees, both within and outside Japan, as a consultation and whistleblowing contact point for the violation of laws and regulations, violation of internal regulations and acts of corruption such as the taking and receiving of bribes, or major corporate ethics violations. The Ring-Ring Employee Hotline has been established for employees to report or receive consultation on their concerns over human rights issues, acts of harassment, and workplace interpersonal issues. In principle, the system is available to all executives and employees*¹ of the Company and its subsidiaries and affiliates, who can then remain anonymous when reporting or receiving consultation.

These matters are handled in accordance with the Consultation and Whistleblowing Management Regulations of the Corporate Ethics Office and whistleblowers and employees receiving consultation are notified of the results, with the exception of those who requested anonymity. The privacy of those who use this system is respected and every effort possible is made to ensure that they do not suffer any disadvantage from receiving consultation or reporting violations. In addition, if it becomes necessary to involve a third party, the whistleblower's consent to this will be sought. Along with the Compliance Hotline and the Ring-Ring Employee Hotline, Unicharm has also

put in place a system that makes it easy for employees and their families to consult with external organizations.

Overseas, similar hotlines have been established and are being operated at our subsidiaries in China, Taiwan—Greater China, Thailand, Indonesia, Malaysia, Singapore, India, Brazil, South Korea, the United States, Vietnam, Saudi Arabia, Egypt, and Australia.

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

▶ Number of Consultations and Reports via the Whistleblowing System

	Fiscal 2022	Fiscal 2023	Fiscal 2024
No. of consultation/whistleblowing cases (Japan)	100	165	210
No. of consultation/whistleblowing cases (overseas)* ²	42	48	56
Of which, are in violation of compliance	0	0	0

*2 Unicharm's local subsidiaries in China, Taiwan—Greater China, Thailand, Indonesia, Malaysia, Singapore, India, Brazil, South Korea, the United States, Vietnam, Saudi Arabia, Egypt, and Australia

Response to Serious Compliance Violations

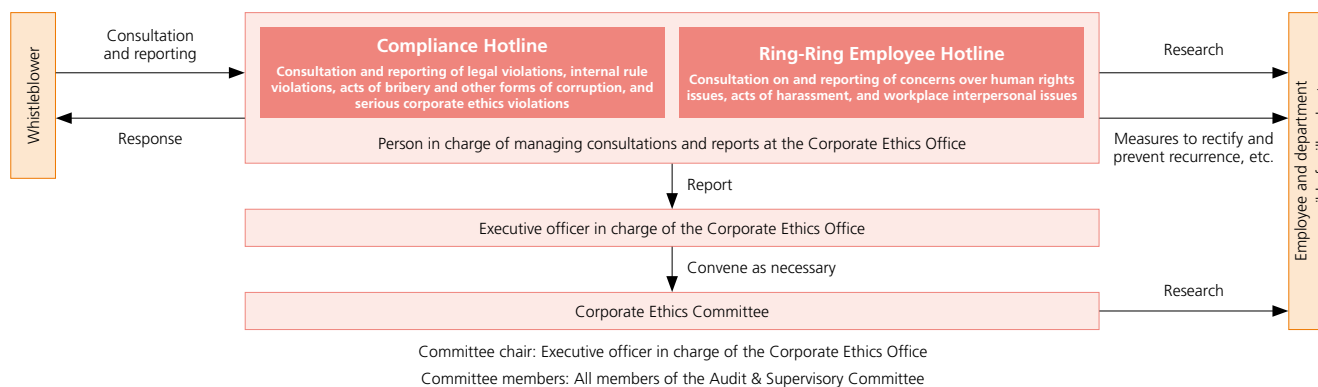
At Unicharm, we define a “serious compliance violation” as one that impairs our corporate value, has an adverse impact on our business operations, and requires external information disclosure. Aiming to achieve our target of zero compliance violations as declared in Kyo-sei Life Vision 2030, we are taking appropriate measures to enhance compliance awareness. In fiscal 2024, there were no cases of serious compliance violations.

Initiatives to Raise Compliance Awareness

The Unicharm Group Charter of Actions, which all Group employees are required to comply with at all times, states the behaviors that should be kept in mind in order to achieve our pledge to each stakeholder and, through the recital of this charter, we are working to improve awareness of compliance in relation to issues such as corruption prevention. In addition, compliance-related questions have been added to the employee survey, which is conducted across the Group each year, to prevent acts of fraud, enhance awareness of legal compliance, and monitor compliance awareness.

P.82 Employee Survey

▶ Whistleblowing System Response Process



Compliance Education and Training

Aiming to raise awareness of compliance with laws and regulations and prevent problems from occurring, Unicharm holds workshops, distributes email newsletters, and posts information on the Company intranet to constantly share details of revised laws and compliance information related to its business as a means to enhance compliance awareness throughout the Group. In addition, we held a workshop on the whistleblowing system for department heads and scrum leaders in conjunction with the amendments to the Whistleblower Protection Act in June 2022.

► Measures to Raise Compliance Awareness

Target	Details	Fiscal 2024 Results	
		No. of Times	No. of Attendees
All employees	All areas of compliance (distribution through email newsletters and posting on Company intranet)	6	All employees
New employees	Compliance and basis of contracts	1	60
Employees to be posted overseas (pre-posting training)	Prohibition of bribery, protection of confidential information, contract compliance, etc.	2	24
Divisional basis	Setting of themes according to business activity and holding of workshops	2	39

Harassment Prevention

Unicharm has established the Harassment Prevention Regulations with the goal of establishing a comfortable workplace environment. According to these regulations, any act in the workplace that causes disadvantage or loss to others, damages their dignity, or infringes on their human rights is defined as "harassment" regardless of the intentions of the person responsible and is completely forbidden by the Company. Moreover, a curriculum on harassment prevention is covered in our training according to levels and roles, training for new leaders, and diversity and inclusion training.

	Fiscal 2022	Fiscal 2023	Fiscal 2024	Coverage
No. of participants in harassment prevention manager training	26	21	495	Unicharm Corporation
No. of participants in new leader training	26	21	46	

■ India: Prevention of Workplace Harassment

To ensure compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act established in 2013, Unicharm's local subsidiary in India conducts training on sexual harassment in the workplace, the possible consequences of such behavior, and the procedures for filing complaints. In fiscal 2024, 139 employees in the company's staff and manufacturing divisions participated in this training.