

# Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

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## Positioning of Kyo-sei Life Vision 2030 Medium- to Long-Term ESG Goals in Unicharm's Value Creation

Unicharm has continued to achieve sustainable growth through its commitment to resolve social issues through its business activities and help realize a cohesive society. With our commitment to resolve the concerns of society as the centerpiece of our value creation model, in October 2020, we announced our medium- to long-term ESG goals, Kyo-sei Life Vision 2030—For a Diverse, Inclusive, and Sustainable World—(hereafter, Kyo-sei Life Vision 2030) to encourage our diverse employees across the globe to think and act on their own.

Kyo-sei Life Vision 2030 is a set of indicators and targets that was established in pursuit of absolute value, an essential part of our value creation. It was designed so that we would play a key role in the lives of consumers and the growth of local communities by resolving environmental and social issues through our business activities.



## Sustainability Promotion System

The ESG Committee, on which the president & CEO serves as chair and the ESG Division serves as secretariat, manages and oversees all of the Company's sustainability-related activities. The committee convenes four times a year and is attended by members of management, including directors and executive officers, and persons in charge of each division and consolidated subsidiary. It deliberates and decides on policies and activities related to sustainability as a whole and monitors progress. Matters deliberated and decided on by the committee are reported to the Board of Directors at least once a year and the formulation and promotion of Kyo-sei Life Vision 2030 are also carried out under this system.

P.8 Sustainability Promotion System

## Key Themes Based on Our Approach to Realizing a Cohesive Society

In formulating Kyo-sei Life Vision 2030, we assumed the realization of a cohesive society in 2050 and backcasted to identify the approach we should take to draw us closer to that goal.

In order to evolve into a company that provides social infrastructure through which all people from newborns to the elderly and their pets can enjoy a healthy lifestyle, society, and planet by 2030, major changes must be made, such as developing marketing tactics that cater to specific needs as well as revamping and bolstering our line of products and services to expand our business globally. Moreover, to continue to protect the global environment while sustaining economic growth, we must accelerate the creation of a sustainable economy.

Through this approach, we identified 20 key themes that need to be proactively addressed, organized into four relevant areas. For each of the four areas and 20 key themes, we established indicators and targets from the perspective of pursuing absolute value.

Realizing a Cohesive Society in 2050				
Possible Trends in 2050	Acceleration of aging society	Normalization of women's social advancement	Advancement of diversity and expansion of its concept	
	Evolution of the IoT and AI	Destabilization of society due to abnormal weather and novel diseases	Diffusion of circular economy	
	Socioeconomic growth in Africa	Collapse/reconstruction of supply chains due to changes in resource supply and demand	Global changes in demographic dynamics	
Desirable Future in 2030 Based on Our Vision	<b>[Society]</b> A cohesive society where the well-being of individuals, society, and our planet is maintained in a balanced state		<b>[Unicharm]</b> A worldwide company that provides social infrastructure to support healthy bodies and minds for all people as well as pets, while at the same time promoting the well-being of society and our planet	
Our Approach to Realizing the Desirable Future of 2030	Expansion throughout the world	Evolution of products and services	Personalization	Circular economy

# Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

## Formulation of Kyo-sei Life Vision 2030

Phase  
1

### Identify Material Issues

#### 1 Extra issues

We extracted 513 social issues related to our value creation from a number of published sources and categorized them into 44 groups (ISO 26000, GRI Standards, SDGs, FTSE, MSCI, DJSI, etc.) based on four viewpoints.\*

#### 2 Internal assessment

We surveyed approximately 900 people associated with Unicharm, including members of the Board of Directors, executive officers, general managers, subsidiary presidents, and managers.

#### 3 External assessment

We petitioned 56 organizations to participate in surveys and assess the degree of importance assigned to various issues from the external viewpoint of stakeholders, and received responses from 32 organizations.

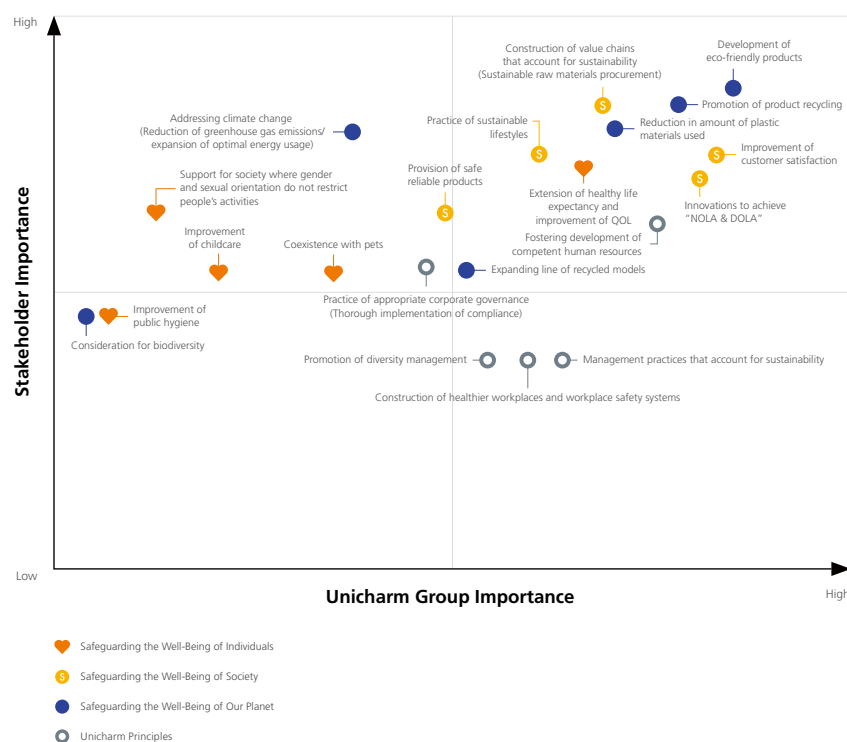
#### 4 Workshops with executive officers

We held workshops on the Sustainable Development Goals (SDGs) and other themes, at which executives offered their opinions about what society might look like in 2050 as well as possible directions the Company should take.

#### 5 Identify material issues

We listed the main themes underlying where we want the company to be in 2030 and various necessary approaches to achieve those goals, then we identified our material issues. The results of deliberations were subsequently approved by the ESG Committee.

Material Issue Matrix Diagram



Phase  
2

### Establish Targets for Material Issues

#### 1 Implementation of research into ESG assessment institutions and competitor benchmarks

#### 2 Comparison between branding strategies of our products

#### 3 Exchange of opinions with general managers and senior managers

#### 4 Creation of indicators and initial proposals for targets

#### 5 Discussions with Marketing Division and R&D Division

#### 6 Finalization of indicators and target values

#### 7 Approval by ESG Committee

\* (1) Unicharm's vision of the company it aims to be, (2) Unicharm's current situation, (3) social trends in Japan and overseas, and (4) trends of other companies

# Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

## Key Theme

## Safeguarding the Well-Being of Individuals



































Our aim is to provide products and services that contribute to the realization of a society where all people can have a sense of individuality and enjoy their daily lives.



## Our Basic Approach and Strategy

Based on its corporate brand essence “Love Your Possibilities,” Unicharm strives to provide products and services that help realize a society in which people all over the world can continue to live in their own way. We set internal standards at each stage of development, including for safety and quality and from various perspectives such as increasing added value and reducing environmental impact. Our products do not advance to the next stage of development without meeting these standards. All Unicharm products currently on the market comply with these internal standards.

It is essential as we remain committed to this approach that we continue to safeguard the well-being of individuals through all of the products and services we provide.

Key Themes	Indicators	Results			Key Themes in Fiscal 2024	Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024		Target Value	Target Year	
Extension of healthy life expectancy and improvement of QOL	Percentage of products and services that contribute to the realization of a society where everyone can have a sense of individuality	100%	100%	100%	<p><b>P.63</b> Lifree Anti Bocor Disposable Diapers Made of Breathable Materials (Indonesia)</p> <p><b>P.63</b> Lifree Peace-of-Mind Pants Absorbs (Japan)</p> <p><b>P.72</b> Providing Useful Information and Services to Customers</p>	100%	2030	       
Support for society where gender and sexual orientation do not restrict people's activities	Percentage of products and services that contribute to a society where people around the world are free from discrimination by gender or sexual orientation (including products and services that contribute to the elimination of sexual discrimination still present in certain countries and regions)	100%	100%	100%	<p><b>P.104</b> #NoBagForMe Project (Health)</p> <p><b>P.105</b> Education on Menarche and Menstruation (Health)</p> <p><b>P.106</b> Supporting the Financial Independence of Women (Regional Contributions)</p>	100%	2030	         
Coexistence with pets	Percentage of products and services that contribute to the realization of a society where pets are welcomed by family members and community residents	100%	100%	100%	<p><b>P.63</b> Deo-Toilet Deodorizing Fan+ Cat Toilet (Japan)</p> <p><b>P.63</b> Deo Sheet Deodorizing Lab Toilet System (Japan)</p> <p><b>P.63</b> Deo Sheet Kirei Pad (Japan)</p>	100%	2030	        
Improvement of childcare	Percentage of products and services that contribute to the realization of a society where infants and their families can live healthily and happily	100%	100%	100%	<p><b>P.62</b> MamyPoko Sweat-Free Comfy Night Pants (South Korea)</p> <p><b>P.62</b> MamyPoko Pants Skin Comfort All in 1 Skin Care (Indonesia)</p>	100%	2030	       
Improvement of public hygiene	Percentage of products and services that contribute to activities that can reduce the spread of preventable infectious diseases (contact transmission or droplet transmission)	100%	100%	100%	<p><b>P.62</b> Bobby ANTIMOS Wipes (Vietnam)</p>	100%	2030	       

# Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

## Key Theme

























## Safeguarding the Well-Being of Society

Our aim is to provide products and services that not only improve the safety, security, and satisfaction of our customers but also contribute to solving social issues and promoting sustainability.



## Our Basic Approach and Strategy

At Unicharm, we believe the sustainable growth of our business entails the sustainability of the societies in which we do business. For this reason, we place the highest priority on our coexistence with all stakeholders, and value the importance of promoting mutual understanding and cooperation through detailed communication. We share with all stakeholders our philosophy and action plans for the high standards of quality, safety, and environmental protection that they expect, and we strive to achieve, and aim to develop a framework that enables us to work closely together to resolve social issues through our business activities as swiftly as possible.

Key Themes	Indicators	Results			Key Themes in Fiscal 2024	Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024		Target Value	Target Year	
Innovations to achieve "NOLA & DOLA"	Percentage of products and services that contribute to freedom from various burdens and finding enjoyment in life	100%	100%	100%	<b>P.64</b> Providing Apps and Content That Cater to the Needs of Women	100%	2030	     
Practice of sustainable lifestyles	Percentage of products and services suitable for the SDGs Theme Guideline, an internal guideline for contributing to sustainability	10.5%	5.9%	15.4%	<b>P.61</b> SDGs Theme Guideline: Internal Guideline for Contributing to Sustainability	50%	2030	     
Construction of value chains that account for sustainability	Percentage of products and services that use raw materials procured from local production for local consumption, thereby contributing to local economies based on the perspectives of the environment, society, and human rights	Development ongoing	Development ongoing	Development ongoing	<b>P.47</b> Expanding the Use of Certified Pulp (PEFC- and CoC-Certified) <b>P.48</b> Use of Hardwood Pulp	Double (compared with 2020)	2030	     
Improvement of customer satisfaction	Percentage of products and services supported by consumers (No. 1 market share)	24.0%	23.6%	23.1%	<b>P.70</b> Responsibility to Our Customers (Consumers)	50%	2030	  
Provision of safe, reliable products	Percentage of products to which a new internal guideline for safety and quality has been set and certification has been granted	100%	100%	100%	<b>P.73</b> Quality Assurance	100%	2030	  

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## Key Theme










































## Safeguarding the Well-Being of Our Planet

Our aim is to provide products and services that are sanitary and convenient, as well as to contribute to activities that improve our planet's environment.



## Our Basic Approach and Strategy

At Unicharm, we believe sustainable growth entails all our businesses taking responsibility for the sustainability of the global environment, which serves as the foundation for our continuous growth. Accordingly, we have established environmental targets for Kyo-sei Life Vision 2030 and Environmental Targets 2030, and are making steady progress toward these targets across the Group. Moreover, in the field of nonwoven fabric and absorbent material processing and molding technologies, Unicharm boasts a world-class research and development system and actively promotes the development of products that align with research themes, such as reducing environmental impact. Through these and other measures, we are driving innovation in our existing business domains.

Key Themes	Indicators	Results			Key Themes in Fiscal 2024	Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024		Target Value	Target Year	
Development of eco-friendly products	No. of products and services that implement the "3Rs + 2Rs" based on Unicharm's unique approach	2	2	5	<b>P.23</b> RefF Project Targeting the Realization of a Recycling-Based Society	10 or more	2030	       
Expanding line of recycled models	No. of disposable paper diaper recycling facilities introduced	1	1	1	<b>P.23</b> RefF Project Targeting the Realization of a Recycling-Based Society	10 or more	2030	        
Addressing climate change	Percentage of renewable energy used for business operations in total	11.0%	22.8%	25.8%	<b>P.39</b> Switching to Renewable Electricity	100%	2030	       
Promotion of product recycling	Material recycling of nonwoven products using recycling resources	Development ongoing	Development ongoing	Development ongoing	<b>P.53</b> Secondary Use of Product Waste: Paper sand (Japan) <b>P.53</b> Secondary Use of Product Waste (Brazil) <b>P.53</b> Reuse of Waste from Nonwoven Fabric (Japan)	Start of commercial usage	2030	       
Reduction in amount of plastic materials used	Percentage of virgin plastics to total plastics	Development ongoing	Development ongoing	Development ongoing	<b>P.26</b> Reducing Usage of Plastic in Packaging Materials <b>P.28</b> Product Initiatives	Reduced by half (compared with 2020)	2030	       

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## Key Theme





























### Unicharm Principles

Our aim is to pursue fairness and transparency in order to establish and retain stakeholder trust.



## Our Basic Approach and Strategy

At Unicharm, we believe that fair and transparent management is essential to ensuring and enhancing our relationship of trust with stakeholders. The Unicharm Ideals state that “we strive to pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfillment of our social responsibilities.” Viewing this as our highest priority, we have established and operate various internal rules and systems. In order to adapt to the ever-changing business environment, we must develop and utilize human resources with an even greater emphasis on diversity. We will create work-environments that facilitate the personal growth of each employee and bring them happiness and accelerate our business growth in the process.

Key Themes	Indicators	Results			Key Themes in Fiscal 2024	Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024		Target Value	Target Year	
Management practices that account for sustainability	Maintain and improve ratings by external evaluation agencies	—	—	—	<b>P.153</b> External Evaluations	Highest level	Every year from 2026	             
	No. of serious human rights violations in the value chain	1 (revised)	1 (revised)	Zero	<b>P.79</b> Human Rights Risk Assessment at Unicharm Group Factories <b>P.100</b> Human Rights Risk Assessments of Supplier Factories	Zero	Every year	
Practice of appropriate corporate governance	No. of serious compliance violations	Zero	Zero	Zero	<b>P.123</b> Response to Serious Compliance Violations	Zero	Every year	  
Promotion of diversity management	Percentage of female managers driven by the provision of various opportunities for women	23.2%	24.7%	25.5%	<b>P.86</b> Promotion of Women's Empowerment	30% or more	2030	    
Fostering development of competent human resources	Percentage of positive answers received for the “Growth Through Work” section of the employee awareness survey	89.2%	88.7%	90.1%	<b>P.82</b> Employee Survey	80% or more	2030	     
Construction of healthier workplaces and workplace safety systems	Reduction in the percentage of employees on leave for mental or physical health reasons by improving the workplace environment so that employees can work with peace of mind and maintain mental and physical health	7 employees (Japan)	9 employees (Japan)	13 employees (Japan)	<b>P.94</b> Mental Health Measures	Reduced by half (compared with 2020)	2030	