

## Fiscal Year Ended December 31, 2020 (From January 1, 2020 to December 31, 2020) Unicharm Presentation Materials for Investor Meeting

February 15, 2021 Takahisa Takahara President and CEO Unicharm Corporation

Projections stated in these materials include those based on the Company's currently obtained assumptions, forecasts and plans regarding the future. Therefore, actual results may differ significantly from projections due to risks and uncertainties associated with market competition, foreign exchange rates, etc.



## Financial Performance Summary: Fiscal Year Ended December 31, 2020 (January 1, 2020 to December 31, 2020)

### Notations

- WC: Wellness Care Business
- FC: Feminine Care Business
- **BC: Baby Care Business**
- PC: Pet Care Business

# Fiscal Year ending Dec 31, 2021: Financial Results - Summary



#### • <u>Consolidated results</u>

- Sales of 727.5 billion JPY (1.9% increase), core operating income 114.7 billion JPY (27.8% Increase).
   Both record highs.
- ➤ Core operating income margin 12.6% ➡ 15.8%
- Japan (6.8% sales increase, 32.6% core operating income increase)
  - In spite of weak market recovery for BC and FC etc. due to COVID-19, higher sales and profits due to the increased demand for PC and sanitary products, including face masks
- Overseas outside Japan (1.2% sales decrease, 22.9% core operating income increase)
  - ➡ when excluding exchange rate fluctuations, 1.8% sales increase and 25.4% core operating profit increase
    - Main factors of sales decrease in Asia (sales increase in reality) were <u>caused by the lockdown in</u> <u>some areas in India, Indonesia, Thailand, etc. and supply shortage due to the fire at the India factory</u>
    - Continued good sales in China FC, double-digit growth in Asia WC, Middle East and North America PC etc. drove core operating income increase.

#### • <u>Shareholders return</u>

- > 1 Dividend per share: increasing by 4 yen as planned, yearly dividend 32 yen
- > Purchase of own shares 7.2 billion JPY, 1,790,000 shares acquired

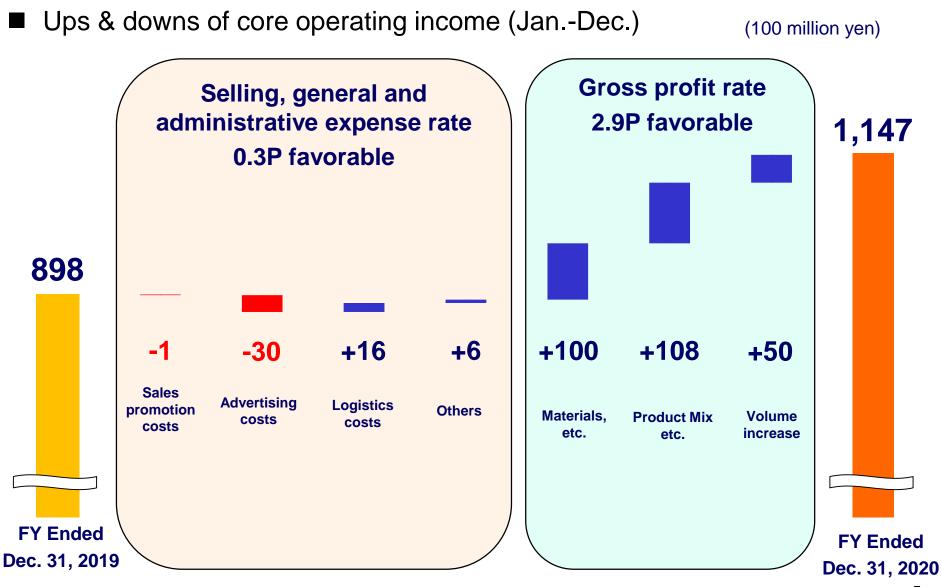
Achieved new record highs for 4th consecutive years Core operating income exceeded 100 billion yen first time



Consolidated financial res	sults highl	lights (fro	m Jan. 1	to Dec.)	) (100 Mil	llion yen)
	'FY Ended Dec. 31. 2019	FY Ended Dec. 31. 2020	gap(yen)	gap(%)	(Forecast)	Achievement (%)
Net sales	7,142	7,275	+132	+1.9%	7,600	95.7%
Core operating income (margin-%)	898 (12.6%)	1,147 (15.8%)	+250	+27.8% (+3.2P)	1,000 (13.2%)	114.7%
Profit before tax (margin-%)	695 (9.7%)	958 (13.2%)	+263	+37.8% (+3.5P)	980 (12.9%)	97.8%
Profit attributable to owners of parent company (margin-%)	461 (6.5%)	523 (7.2%)	+62	+13.5% (+0.7P)	630 (8.3%)	83.1%
EBITDA (profit before tax + depreciation/ amortization + fire accident loss)	1,279	1,481	+205	+15.7%	1,36	5 108.4%
Basic earnings per share (JPY)	77.53	87.60	+10.07	+13.0%	105.6	6 82.9%
USD Rate (JPY)	109.05	106.82	- 2.23	- 2.0%	109.0	00 —
<b>CNY Rate (JPY)</b> Copyright (c) Unicharm Corporation. All rights reserved.	15.78	15.48	- 0.30	- 1.9%	15.5	50 <u> </u>

Expansion of high-margin products, WC and FC, and cost improvement caused 24.9 billion JPY increase in core operating income





Demand of PC and sanitary products including masks grew in Japan due to COVID-19, while in overseas, China and PC in N. America drove sales growth, however, market contraction in some regions and supply issue in India because of factory fire took place



Geographical segment information (from Jan. to Dec.)

(100 million yen)

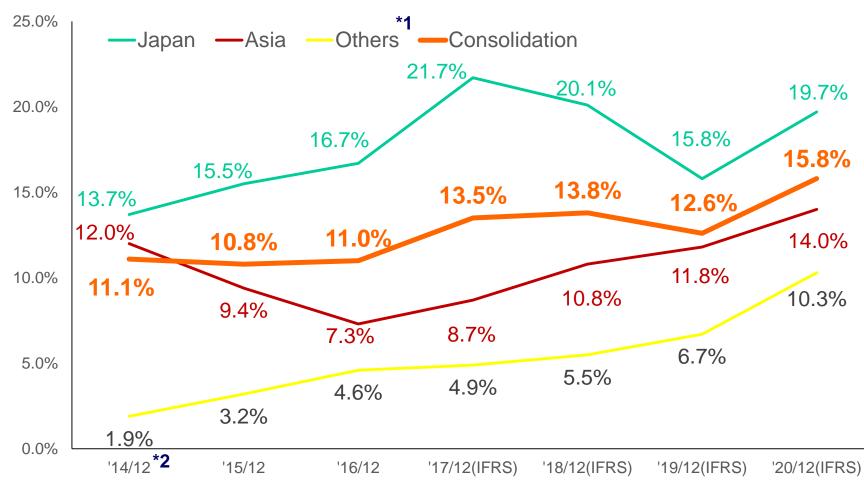
		FY Ended Dec. 31, 2019	FY Ended Dec. 31, 2020	gap (yen)	gap (%)	(Ref.) Actual *1 gap rate
Japan	Net sales Core operating income (margin)	2,738 434 (15.8%)	2,924 575 (19.7%)	+186 +141	+6.8% +32.6% (+3.9P)	
Asia	Net sales Core operating income (margin)	3,299 388 (11.8%)	3,231 452 (14.0%)	- <mark>68</mark> +64	- <mark>2.1%</mark> +16.4% (+2.2P)	+0.7% +18.7%
*2 Others	Net sales Core operating income (margin)	1,105 74 (6.7%)	1,119 116 (10.3%)	+14 +42	+1.3% +57.0% (+3.6P)	+5.2% +60.9%
Consolidation	Net sales Core operating income (margin)	7,142 898 (12.6%)	7,275 1,147 (15.8%)	+132 +250	+1.9% +27.8% (+3.2P)	+3.7% +29.1%

\*1: Actual gap rate excluding foreign exchange effects

\*2: Others: Main regions are U.S.A., Saudi Arabia, Brazil and the Netherlands Copyright (c) Unicharm Corporation. All rights reserved. Improvement of income in WC and PC in Japan due to growth of demand for sanitary products, FC improved in Asia, and in others, Middle East and PC in N. America showed increase, Brazil became profitable



Core operating income margin by geographical segment (from Jan. to Dec.)



#### \*1: Others: Main regions are U.S.A., Saudi Arabia, Brazil and the Netherlands \*2: Irregular fiscal year due to change in accounting period

In Personal Care, WC drove its growth while, in Pet Care, key products sustained the continuous high-growth in North America. It was also the case in Japan.



### Business Segment Information (from Jan. to Dec.)

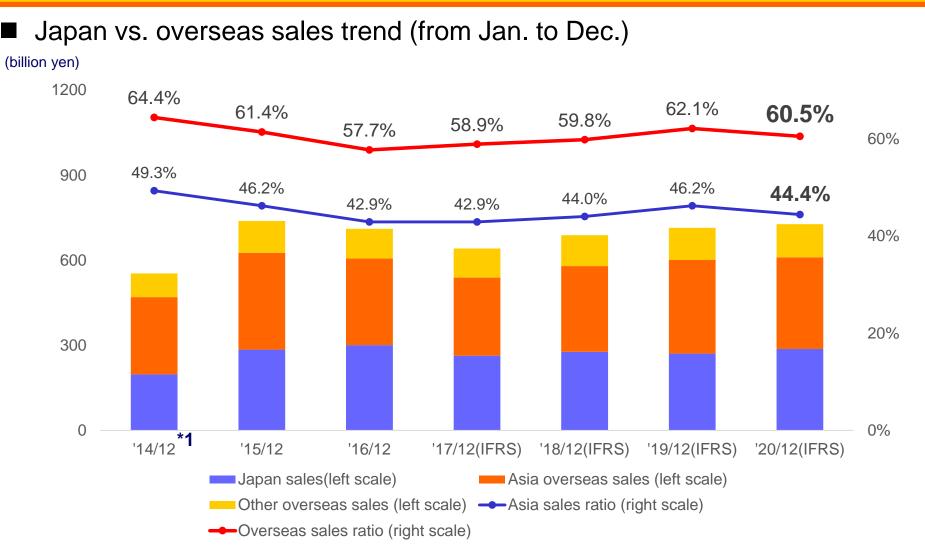
(100 million yen)

	FY Ended Dec. 31, 2019	FY Ended Dec. 31, 2020	gap (yen)	gap (%)
Personal Care (margin	(12 7%)	6,248 1,000 (16.0%)	+40 +211	+0.6% +26.8% (+3.3P)
Pet Care Core operating income (margin	107 107 (12 3%)	957 142 (14.8%)	+87 +35	+10.0% +32.9% (+2.5P)
*1 Core operating income (margin	(3 4%)	70 6 (8.0%)	+5 +3	+7.8% +157.6% (+4.6P)
Net sales       Consolidation     Core operating       income     (margin	898 (12.6%)	7,275 1,147 (15.8%)	+132 +250	+1.9% +27.8% (+3.2P)

\*1: Other products refer to those related to industrial materials, etc. and child-care video streaming service.

Sales ratio of overseas markets outside Japan dropped by 1.6p or to 60.5%, primarily due to high-growth in Japan (61.2% when excluding the impacts of foreign exchange)





\*1: Irregular fiscal year due to change in accounting period.

## Impacts of foreign exchange fluctuations: Approx. 13.4 billion JPY decrease in sales and approx. 1.2 billion JPY decrease in core operating income



## Rate fluctuations by currency (Jan. to Dec. average rate)

Currency	Exchange rate for 2019	Exchange rate for 2020	Rate change
China(CNY)	15.78	15.48	-1.9%
Indonesia(IDR)	0.0077	0.0074	-3.9%
Saudi Arabia(SAR)	29.12	28.51	-2.1%
India(INR)	1.56	1.45	-7.1%
Thailand(THB)	3.52	3.42	-2.8%
Vietnam(VND)	0.0047	0.0046	-2.1%
USA(USD)	109.05	106.82	-2.0%
Taiwan(TWD)	3.53	3.63	+2.8%
South Korea(KRW)	0.0938	0.0907	-3.3%
Australia(AUD)	75.83	73.67	-2.8%
Malaysia(MYR)	26.33	25.43	-3.4%
Brazil(BRL)	27.69	20.92	-24.4%
Netherland(EUR)	122.07	121.81	-0.2%
Egypt(EGP)	6.48	6.73	+3.9%

Further expand the businesses through proactive investments for the sustainable improvement of corporate value by maximizing the free cash flow on a continuous basis



e cash flow (from Jan. to Dec.)			(100 millio
	FY Ended Dec. 31,2019	FY Ended Dec. 31,2020	gap
Cash flow from sales activities	849	1,503	+653
of which investment-related items (depreciation/amortization + fire-accident loss)	583	521	-62
Cash flow from investment activities	-692	-417	+275
of which investment-related items (acquisition of tangible and intangible assets)	-440	-355	+85
Free cash flow *	157	1,086	+929
to be use	ed for		
Investment for sustainable growth	Sha	areholder ret	urn

\*: Free cash flow = Cash flow from sales activities + Cash flow from investment activities Copyright (c) Unicharm Corporation. All rights reserved.



# Summary of Performance Forecast FY Ending Dec.31, 2021

## Approach in FY 2021/Summary of Consolidated Results Forecast



- <u>Consolidated account (Sales of 770 billion JPY (5.8% increase), core operating income 119 billion</u> JPY (3.7% increase)
  - > "Purpose" is to contribute to SDGs, investment is continued for sustainable growth
  - > Utilize DX to promote products that match the new normal and innovation of sales, production, and R&D
  - > Profit decrease of 2.5 billion JPY per year is expected from the effects of raw material price changes
  - Capital investment of 50 billion JPY (India factory etc.). Depreciation of 40 billion JPY are planned
- Japan (1-5% sales increase, Profitability slightly worse)
  - Increase production to cope with the high demand for sanitary products such as masks, gradual recovery of BC and FC
- Asia (5-10% sales increase, improved profitability)
  - Sales growth in principle countries (local currency base)
     <u>China: + 10% over, India: + 30% over, Indonesia: + 10% over, Vietnam: + 5-10%, Thailand: + 1-5%,</u>
- Shareholder Return (total return ratio 50%)
  - Annual dividend per share increased by 4 yen to 36 yen. Dividend payout ratio about 29%. On track for
     20 consecutive periods of increased dividend
  - Resolution for acquisition of own shares (upper limit amount:16 billion yen, upper limit number of shares: 4 million)

## New record high for net sales in all profit items in FY 2021

Consolidated (from Jan. to Dec.) 

(100 million yen)

	FY Ended Dec. 31,2020	FY Ending Dec. 31, 2021	gap	gap (%)	(Ref.) Actual gap rate
Net sales	7,275	7,700	+425	+5.8%	+6.7%
Core operating income (margin-%)	1,147 (15.8%)	· · · · · · · · · · · · · · · · · · ·	+43	+3.7% (-0.3P)	+4.0%
Profit before tax (margin-%)	958 (13.2%)	· · · · · · · · · · · · · · · · · · ·	+212	+22.1% (+2.0P)	-
Profit attributable to owners of parent company (margin-%)	523 (7.2%)		+227	+43.3% (+2.5P)	-
Basic earnings per share (JPY)	87.60	125.19	+37.59	+42.9%	-
USD Rate (JPY)	106.82	103.50	-3.32	-3.1%	
CNY Rate (JPY)	15.48	15.80	+0.32	+2.1%	

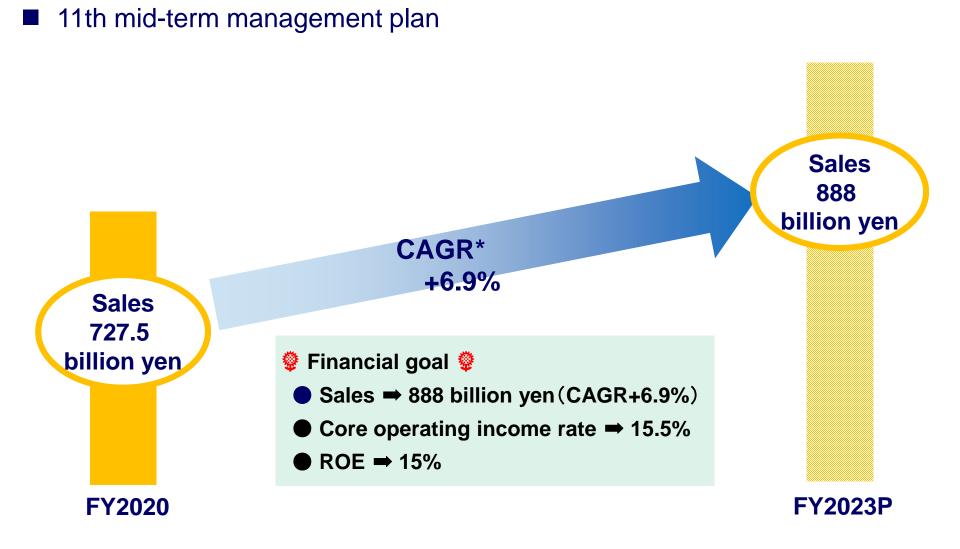




# 11th Mid-term Management Plan (2021-2023) Financial Goal

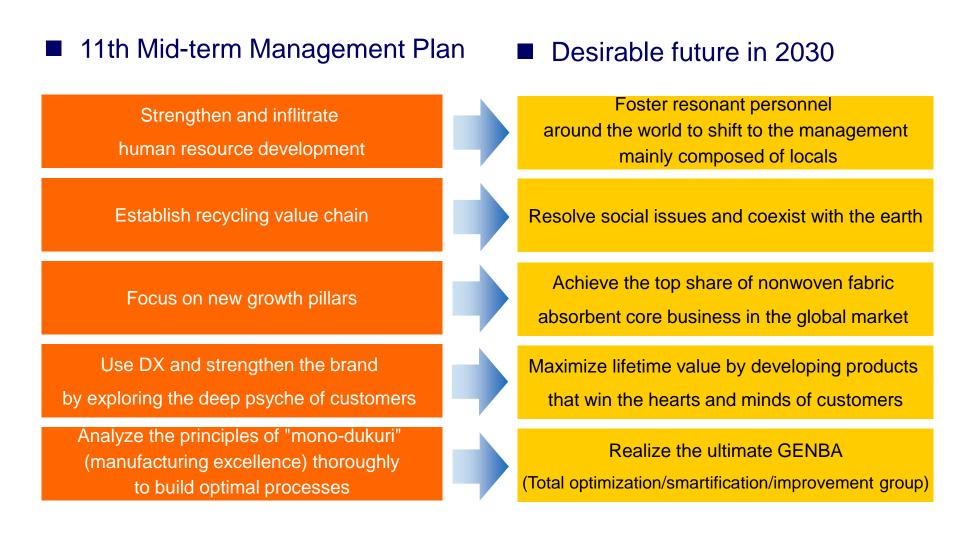
Plans in FY 2023 are 888 billion yen sales, 15.5% core operating income, and 15% ROE





\* Impact of fluctuations in exchange rate is excluded from CAGR (compound average growth rate) Copyright (c) Unicharm Corporation. All rights reserved.





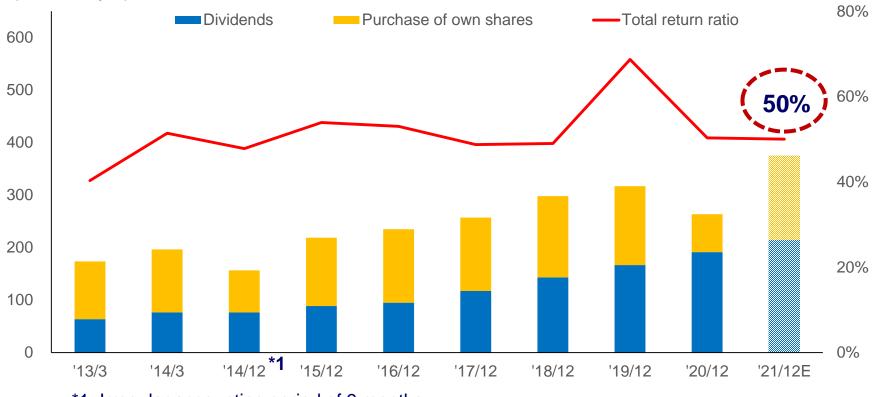


# **Shareholders Return Policy**

## Through the payment of dividend linking to the business performance and buy-back of our own shares, we are aiming for total return ratio of 50% in 2021



Shareholders return policy

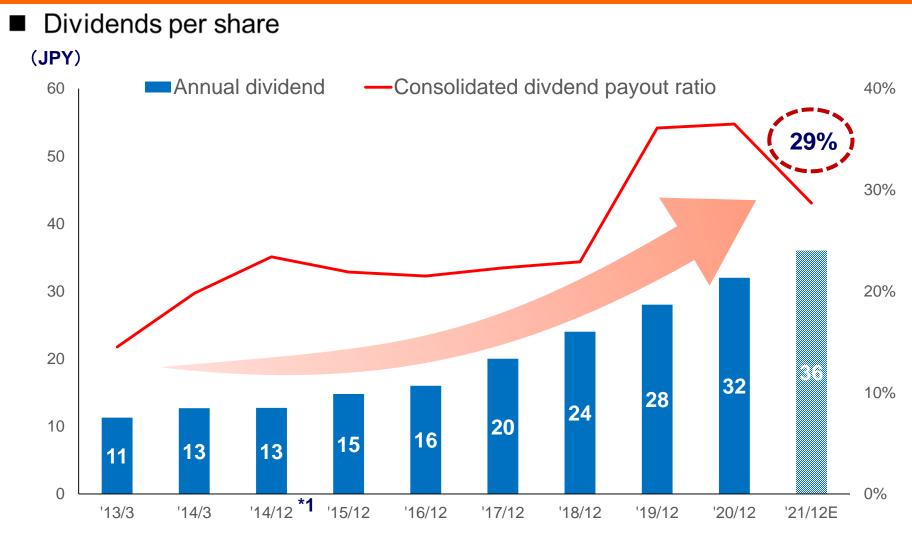


\*1: Irregular accounting period of 9 months.

We are aiming at returning profits to our shareholders with a goal of total return ratio of 50% by paying dividends on a consistent and continuous basis and buying back our own shares, upon necessity, on a flexible manner based on the growth of med-to-long term consolidated earnings while focusing on the business investment for achieving the uninterrupted growth.

# Plan to increase dividends on a consistent and continuous basis for 20th consecutive periods

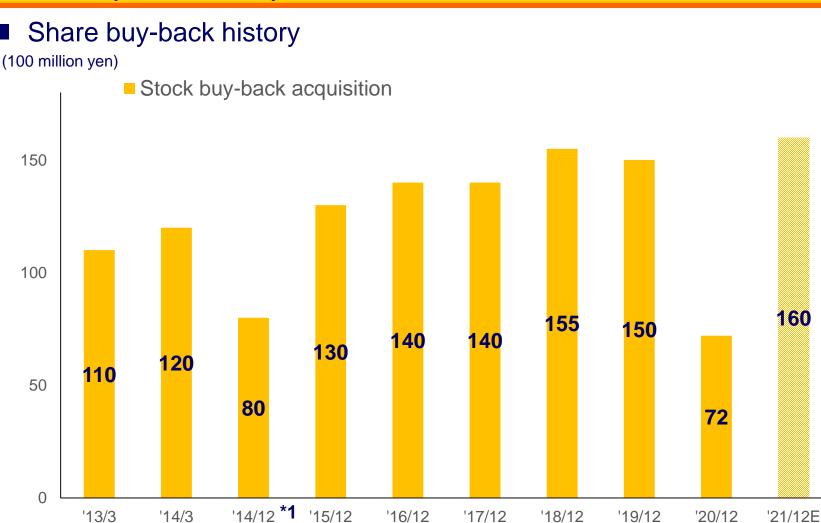




#### \*1: Irregular accounting period of 9 months

Buying back our own shares on a flexible manner based on the cash-flow status. Plan to buy back approx. 16.0 billion JPY(4.0M shares), at the maximum, in FY2021.





#### \*1: Irregular accounting period of 9 months.



# Approach to realize a "Cohesive Society (Social Inclusion)"

## Formulating Med-to-Long Term ESG Objectives "Kyo-sei Life Vision 2030"



#### ◆ 20 key themes with the goal in 2030

Safeguarding the well-being of individuals

#### Our goal

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.

#### **Key initiatives**

- Extension of healthy life expectancy and improvement of QOL
- Support for a society where gender and sexual orientation do not restrict people's activities
- Coexistence with partner animals (pets)
- Improvement of childcare
- Improvement of public hygiene

#### Our goal

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.

#### **Key initiatives**

Safeguarding the well-being of society

- Innovations to achieve "NOLA & DOLA"
- Practicing sustainable lifestyles
- Construction of value chains that take account of sustainability
- Improvement of customer satisfaction
- Provision of safe, reliable products

#### Realizing a Cohesive Society

#### (Creating a Diverse, Inclusive, and Sustainable World)



#### Our goal

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

#### **Key initiatives**

- Development of eco-friendly products
- Addressing climate change
- Expanding our line of recycled models
- Promotion of product recycling
- Reduction of the amount of plastic materials used

#### Our goal

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

#### Key initiatives

- Management practices that take sustainability into account
- Practice of appropriate corporate governance
- Promotion of diversity management
- Fostering the development of competent human resources
- Construction of healthier workplaces and workplace safety systems

#### **Unicharm Principles**



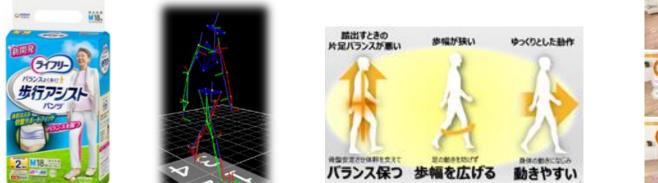
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#### ◆20 key themes of initiatives to realize "Cohesive Society (Social Inclusion)"

Safeguarding the well-being of individuals	<ul> <li>Extension of healthy life expectancy and improvement of QOL</li> <li>Support for a society where gender and sexual orientation do not restrict people's activities</li> <li>Coexistence with partner animals (pets)</li> <li>Improvement of childcare</li> <li>Improvement of public hygiene</li> </ul>
Safeguarding the well-being of society	<ul> <li>Innovations to achieve "NOLA&amp;DOLA"</li> <li>Practicing sustainable lifestyles</li> <li>Construction of value chains that take account of sustainability</li> <li>Improvement of customer satisfaction</li> <li>Provision of safe, reliable products</li> </ul>
Safeguarding the well-being of our planet	<ul> <li>Development of eco-friendly products</li> <li>Addressing climate change</li> <li>Expanding our line of recycled models</li> <li>Promotion of product recycling</li> <li>Reduction of the amount of plastic materials used</li> </ul>
Unicharm Principles	<ul> <li>Management practices that take sustainability into account</li> <li>Practice of appropriate corporate governance</li> <li>Promotion of diversity management</li> <li>Fostering the development of competent human resources</li> <li>Construction of healthier workplaces and workplace safety systems</li> </ul>

#### (Safeguarding the well-being of each individual) Support lack of physical activity due to COVID-19 pandemic Output

Maintain the level of ADL(Activities of Daily Living) by means of "At-Home Exercise" and "Lifree Walking-Assist Pant" that holds the torso and scientifically pursues self-reliant walking





Get partner dog active by "Oyatsu exerc INU(dog)", a new style of communication with [Gran-Deli] snack series



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### (Safeguarding the well-being of each individual) The world's first\* baby diaper that keeps mosquitoes away from diaper and prevents the spread of dengue fever



# Launched "MamyPoko Extra Dry Protect" in Malaysia and Singapore featuring the world's first<sup>\*</sup> AntiMos Capsule for keeping dengue virus-transmitting mosquitoes away from diaper

\*The structure in which microcapsule containing natural active ingredient is applied to the tape part that holds diaper. Survey targets are disposable baby diapers with major global brands. (by Unicharm in Feb. 2020)





Held panel discussion with medical specialists on the dangers and preventive measures of dengue fever and sent out "Declaration to protect children from dengue fever" through "MamyPoko" video

https://www.youtube.com/watch?v=X34Zu0jQhs4





Napkin with peony and yomogi mugwort blended at heating area [Sofy Hot "Dan" °C]





Front

Front of the napkin is heating area and lengthened to contain peony and yomogi mugwort (Safeguarding the well-being of each individual) Top<sup>\*</sup> customer satisfaction feedback among "Sofy" brands

Easy, comfortable, and convenient feminine napkin to be used with regular pad Sofy Synchro Fit



## \* Period : Jan-Aug, 2020. The product received the highest customer satisfaction feedback among Sofy brands at Customer Communication Center

(Safeguarding the well-being of society) Reducing burden on parental guardians and childcare staff and infection risk of COVID-19 through new lifestyles

Tebura Toen 1<sup>\*1</sup>, a subscription service for baby diapers for nursery schools, received the "1st Japan Parenting Support Award <sup>\*2</sup>" and Grand Prix at "2020 Japan Subscription Business Award" <sup>\*3</sup>



\*1 Flat-rate service of baby paper diapers for nurseries launched to reduce the burden of parents preparing diapers and carrying bulky bags to nurseries.

\*2 This award is for the parents and grandparents raising children, to greatly appreciate the "useful" stuff and things.

\*3 Award organized by Japan Subscription Business Association to promote subscription services and create opportunities for initiating new subscription services.





Extra 20% increase in production from 24-hour production started as of January 2020 New product will be released to realize social inclusion.



Double the production volume of the top seller \*1 [Silcot Wet tissue] from 2019



\*1 Intage SRI survey: brand ranking of cumulative sum of sales of wet wipe market for general consumer between Jan 2009-Oct 2020

\*2 Survey by Unicharm

#### (Safeguarding the well-being of society) Evolve product features to achieve customer happiness



\* "Natural Moony" won Chairman's Award of the Kids Design Association Award\*1When diaper gets wet with urine, the words "Thank you" and "I love you" appear on diaper.



\*1 An NPO where various companies and organizations gather across the industries to create the social environment that will lead to the sound growth and development of children who will lead the next generation.

### "Wave Floor Wiper" won Good Design Award \*2

New design makes it possible to clean daily and easily very narrow spaces where consumers have

#### given up cleaning





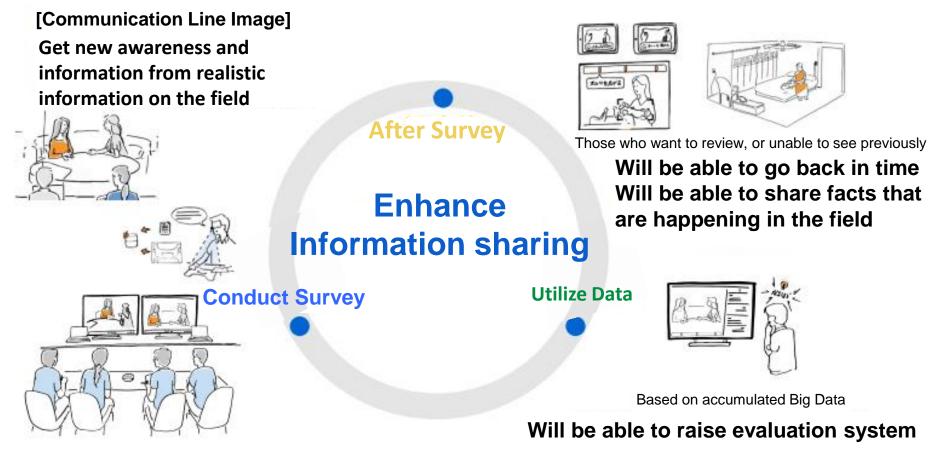
\*2 Comprehensive platform for design evaluation and advocacy, originated in "Good Design Selection System" instituted in 1957. Today, numerous companies and organizations in Japan and overseas participate in this global design award.

(Safeguarding the well-being of society) New development method utilizing DX under COVID-19 pandemic



#### Remotely observe real life situations and habit of clients and partner animals (pets)

Enhance product development method



Will find new rules and values

### (Safeguarding the well-being of society) Continuous supports for disaster-affected areas and support under COVID-19 pandemic



#### Activities for disaster-affected area

- Continuing the Matching Fund\* from 2011 which combines disasteraffected area support and energy-saving initiatives. A cumulative total of 20,971 people participated in Super Cool Biz / Warm Biz activities.
- Emergency supplies to disaster area affected by "July 2020 Heavy Rain"



\* Original polo-shirts and others were sold to employees in aiming at "Supporting Disaster-Affected Areas" and "Promoting Energy Conservation". With this system, the company contributes the equivalent amount of money collected from the employees and donate them to the charity.

## Support under COVID-19 pandemic

- In China, donations of masks to Beijing, Shenzhen, Chengdu, etc. to prevent the spread of infection
- Donating products including masks to Japanese returnees from Wuhan, China, and passengers on the cruise ship Diamond Princess
- · Mask supply to Hokkaido area where a state of emergency was declared
- Mask supply to hospitals in Japan as well
- In Indonesia, donations of disposable adult diapers and sanitary goods
- to a number of hospitals in Jakarta and Karawang
- In South Korea, donations of masks, etc. to Gumi area to prevent the spread of infection





## ♦ 「"0" waste plastic, "0" CO2 emission, "0" natural forest destruction」

Environmental issues	Implementation items	Baseline year	2030 targets	2050 vision	
Responding to the problem of plastic	Reducing usage in relation to packaging materials	2019*	Per unit of sales –30%	Realizing a new society with "zero"	
waste	Sale of products that contain no petroleum- derived plastic	-	10 stock-keeping units (SKU) or more sold	plastic waste	
	Raising awareness about proper disposal of used products	-	Rolled out at all local management units (LMU)		
	Eliminating the use of plastic in sales promotional items	-	In principle, reduced to zero at all local management units (LMU)		
Responding to climate change	Reducing CO2 emissions associated with raw materials procurement	2016	Per unit of sales –17%	Realizing a society with "zero" CO2 emissions	
	Reducing CO2 emissions in manufacturing	2016	Per unit of sales –34%		
	Reducing CO2 emissions associated with disposal of used products	2016	Per unit of sales –26%		
Not contributing to forest destruction (response to	Ensuring traceability to pulp and palm oil production locations (country/region)	-	Completed	Realizing a society with "zero" forest destruction related to	
procurement-related issues)	Expanding the use of certified pulp (PEFC and CoC certified)	-	100%	the purchasing of timber	
	Expanding the use of certified palm oil (RSPO certified)	-	100%		
	Promoting the recycling of disposable diapers	_	Rolled out in at least 10 municipalities		

\*Initially, the baseline year for "Reducing usage in relation to packaging materials" was set to "2016", but it was reexamined in 2020 and changed to "2019".



Unicharm acquired PEFC<sup>\*2</sup> Forest Stewardship, an international forest stewardship council<sup>\*3</sup> compatible "CoC Certification"<sup>\*4</sup> at its 5 local plants, first in Japan<sup>\*1</sup>.



- \*1 Unicharm is the first supplier of disposable diaper and feminine napkin in Japan who acquired PEFC and CoC Certification
- \*2 A program aiming at utilizing and protecting the sustainable forests by inscribing the certification mark on the wood materials and others sourced from the properly administered forests
- \*3 International forest certification scheme
- \*4 A scheme that certifies the proper management and processing of forest products sourced from the Forest Management certified forests. Applicable to all business entities that have ownership in the product from FM certified forest to the final product.



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(Safeguarding the well-being of our planet)

(Safeguarding the well-being of our planet) Creation of prototype products by recycling the used disposable diaper; contributing to reduce disposal cost and environmental impact

## Creating prototype; disposable diaper, disaster stockpile, toilet tissue, note-pad, paper file, etc.



**Recycle pulp** 



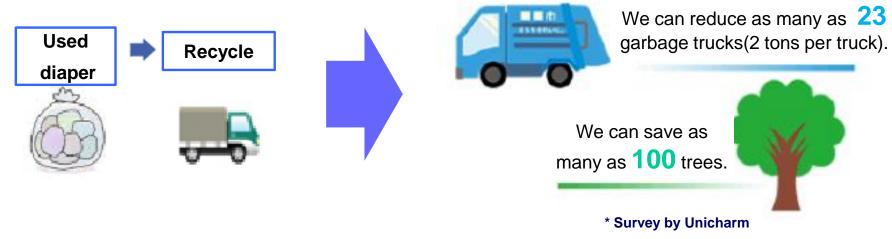
Disposable diaper, disaster stockpile, toilet tissue, etc.





**Recycle SAP** 

### Expected effect when adult diapers from 100 users are recycled for a year



(Safeguarding the well-being of our planet) Started a demo-project of collection and transportation methods in Tokyo metropolitan area to promote the recycling of used disposable diaper



Started demo-trial for separation and collection of used disposable diaper in association with the collection companies and others at nursing home for elderly and child day care

#### center.





n Area

[Nursing home for elderly and child day care center]



Sorting used disposable diaper

[Collection]

Collection of used disposable diaper (used disposable diaper only)



#### ((image) Recycling Plant]



Bringing in used diapers (used disposable diaper only)

(Above pictures are images and may be different from actual demo-project)

Through this demo-project, we will build a recycling-oriented model based on which the used disposable diaper recycling business can be rolled out in Japan and overseas and take measures while identifying the new issues.

### (Safeguarding the well-being of our planet) Switch all electric power used at factories to green electric power<sup>\*1</sup> aiming to reduce CO<sub>2</sub> emission



### Kyushu Factory aims to reduce 5,000 tons –CO<sub>2</sub> / year<sup>\*2</sup>.

Kyushu Factory will switch all of its annual electric power consumption (9.8 million kWh)



\*1 It refers to electricity generated by natural or renewable energy such as wind power, solar power, biomass, small-scale hydropower, etc.

\*2 Equivalent to the amount of CO2 emitted by 1,400 households in one year.

### Thai Factory aims to reduce 4,300 tons –CO<sub>2</sub> / year<sup>\*3</sup>.

Thai Factory will switch 11% of its annual electric power consumption (9 million kWh)

\*3 Equivalent to the amount of CO2 emitted by 4,400 Thai households in one year.

#### •Vietnam Factory aims to reduce 3,600 tons $-CO_2$ / year<sup>\*4</sup>.

Vietnam Factory will switch 22% of its annual electric power consumption (10.2 million kWh)

\*4 Equivalent to the amount of CO2 emitted by 5,100 Vietnamese households in one year.

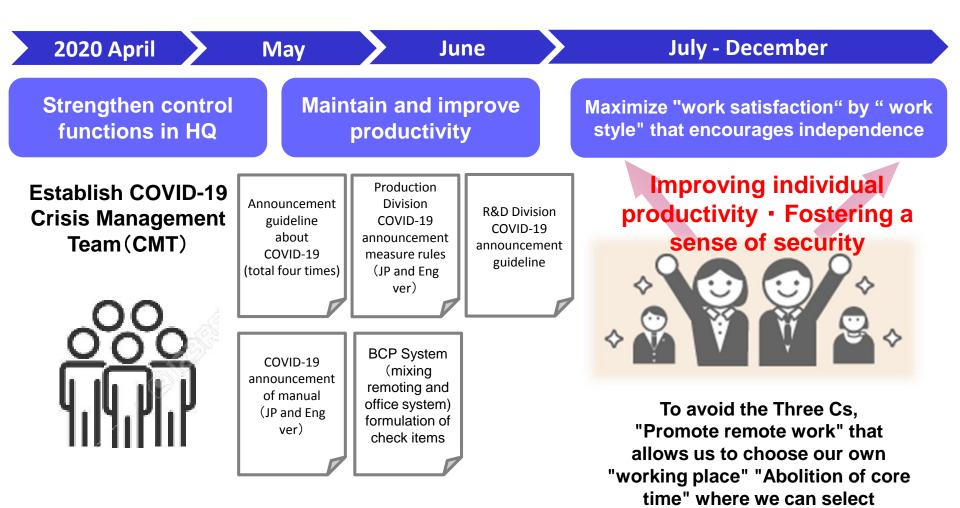




### (Unicharm Principles) Strengthen the crisis management function and roll it out on global basis



Formulation of BCP(Business continuity plan) to adapted to COVID-19 crisis



"working time"



#### Endorsed Women's Empowerment Principles (WEPs) \*1 and signed the statement

#### to act in accordance with the principles.

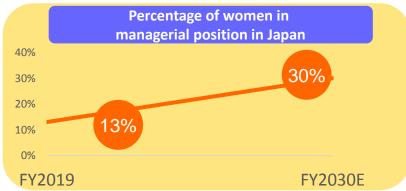
In support of

#### WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

#### Joined "30% Club Japan"<sup>\*2</sup> that

#### aims at women's empowerment



\*2 "30% Club Japan": "30% Club" is an international group of companies which aims at raising the weight of female management in the key decision-making panels including board of directors meeting of each company to 30% or higher. It was founded in the UK in 2010 and is rolling out in 14 countries as of December 2020. "30% Club Japan" is its unit in Japan. Copyright (c) 2012 Unicharm Corporation. All rights reserved.

\*1 Women's Empowerment Principles (WEPs) is founded by UN Global Compact in partner with UN Women, and consists of the following 7 principles.

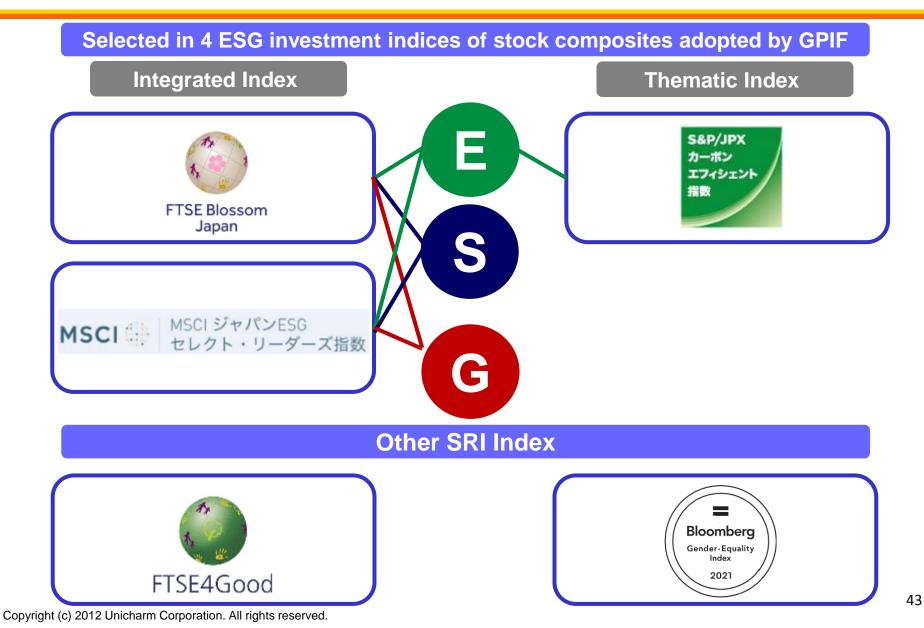
- 1. Establish high-level corporate leadership for gender equality
- 2. Equality of opportunity, inclusion, nondiscrimination
- 3. Health, safety, elimination of violence
- 4. Education and training
- 5. Business development, supply chain, marketing practices
- 6. Community initiative and advocacy
- 7. Transparency, measure and report progress

Support "100% Male childcare leave"
 to create the work place where all employees are
 able to shine and having work that is rewarding



# Evaluation by external organizations and coordination with them





# Evaluation by external organizations and coordination with them



#### Science Based Target

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- ✓ In June 2018, the company was certified as the 17<sup>th</sup> target-setting company in Japan.
- ✓ Set the target for CO2 overall reduction amount.

#### ■ JCI (Japan Climate Initiative)



 Rolled out the best practices for advanced group as a startup member

# FSC (Forest stewardship council)



The mark of responsible forestry FSC\* N002492

- Preferential use of the pulp which cleared the strictest certification standards in forest certification.
- Cosponsoring the FSC Japan promotional campaign for 3 consecutive years

**TCFD** 

#### RSPO

(Task Force on Climate-related Financial Disclosures)







CDP Japan 500

ars SOMPO

#### Sustainability Index



Sompo Sustainability Index

 ✓ Efforts related to ESG were highly valued and we were selected in stock composites of "SOMPO Sustainability Index" for 9 consecutive years.

- ✓ Endorsed "TCFD Recommendations
- ✓ Participated in TCFD consortium
- ✓ Started using certified palm oil (Mass Balance) in 2018 with the aim of procuring responsible palm oil
- Received B-rating as a result of PDCA cycle for forest resource management being well functioned at high level.

# Evaluation by external organizations and coordination with them



#### Sedex



#### White 500



- ✓ Registered 19 factories in Japan, major countries in Asia, Saudi Arabia, etc. to Sedex.
- Completed registration of UC group's factories in Japan and overseas

#### Ecorailmark



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 Initiatives for maintaining and improving health and efforts in work-style reform were valued and we were continuously acknowledged in 2020 as well.

#### Jointly won METI Minister's Award at Green Logistics Partnership Conference



At commendation ceremony for Green Logistics Partnership Conference METI Minister Akaba (left) and Executive Officer Ukai (right)

#### DX Stock2020



 ✓ Such efforts as "Consumer Insight System Operation at China Digital Innovation Center (DIC)" and "Smart Factory in Kyushu" were valued and we were selected in DX Stock 2020.

Sofy 「#NoBagForMe Project」 won Nikkei Women's Empowerment Advertisement Award #NoBagForMe

話そう、知ろう。生理のこと。







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We support the Sustainable Development Goals (SDGs)

