

UNICHARM AUSTRALASIA
Modern Slavery Statement 2025

**Love Your
Possibilities**



unicharm
Love Your Possibilities

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About the Cover



In February 2024, to coincide with the announcement of its latest medium-term management plan, the 12th Medium-Term Management Plan, Unicharm unveiled its new corporate brand essence, "Love Your Possibilities." This brand essence expresses Unicharm's commitment to realising a cohesive society in which all people are united and support one another, believing in their unlimited untapped potential and demonstrating this potential with a spirit of compassion and altruism. Inspired by this commitment, "Love Your Possibilities" symbolises the absolute value that only Unicharm can create. Specifically, this involves value that helps people to experience pleasure and the joy of living and to fulfil their dreams by dispelling negativity, such as discomfort, inconvenience, and unsanitary conditions.

The growth of our Unicharm Tree represents our 10-year commitment (2020-2030) towards safeguarding the well-being of individuals, society, and our planet.

01 Introduction

Unicharm Australasia Pty Ltd (UcA) is committed to respecting and promoting human rights and eradicating modern slavery in all its forms. This statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) and outlines the actions taken by UcA during the 2025 reporting period to assess and address modern slavery risks in our operations and supply networks. As a wholly owned subsidiary of Unicharm Corporation, headquartered in Japan, UcA benefits from global policies and initiatives while implementing locally relevant actions.

What would the future look like in the cohesive society envisioned by Unicharm? In what kind of value creation will Unicharm engage to realise that future? This section outlines the Company's values, including "Love Your Possibilities," its corporate brand essence.



Billboard design revamped to coincide with the unveiling of "Love Your Possibilities"

Corporate Brand Essence

Love Your Possibilities

We will realise a cohesive society that enables everyone to
embrace their potential at all times and
support one another with a spirit of altruism.

We want to accept and appreciate people for who they are, at all times.

And we want to be appreciated.

For everyone—women, men, newborns, and the elderly—to be true to themselves.

Because there is no limit to the "Possibilities" we can achieve.

We want to believe in them, embrace them, and follow them closely.

And we want you to follow them closely.

This is the asking in "Love."

We will surely realise a **cohesive society** when "Love" is conveyed to you with
a spirit of altruism and spread throughout the world.

This is the ambition in "Your."

Acknowledgment of Country

In the spirit of reconciliation, Unicharm Australasia acknowledges the Traditional Custodians of country throughout Australia and recognises their continuing connection to land, water, and communities. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples. As an organisation committed to respecting human rights, we recognise the importance of listening to and learning from First Nations peoples as part of building a more inclusive and equitable society.



The Unicharm Way

Unicharm has defined its purpose (reason for existence) as contributing to the realisation of the Sustainable Development Goals (SDGs). To realise this purpose by means of each employee thinking and acting on their own, we have identified the three key components of mission (what we want to achieve), vision (how we want to achieve), and value (what we must focus on in order to achieve), and are working to bring these to fruition.

■ Purpose: Our Reason for Existence

The realisation of the SDGs

■ Mission: What We Want to Achieve

To Realise a Cohesive Society (Social Inclusion)

At Unicharm, we believe in a cohesive society (social inclusion) that ensures each person is independent while supporting others in a way that allows just the right sense of distance, enabling everyone to spend their lives in the way they so wish regardless of their situation, including vulnerable members of society and those who are at a disadvantage either temporarily or for an extended period due to aging, illness, childbirth, menstruation, or other factors.

■ Vision: How We Want to Achieve

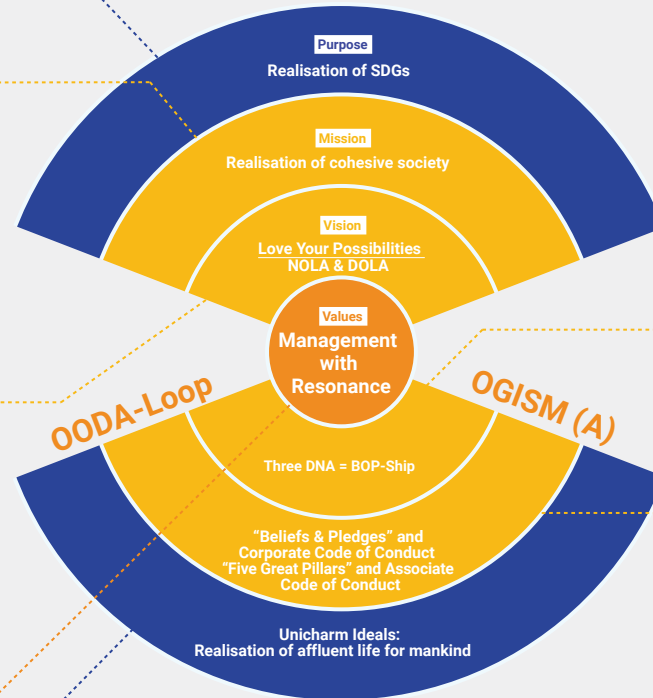
Realising "Love Your Possibilities" and "NOLA & DOLA"

"Love Your Possibilities" is our corporate brand essence, which incorporates our hope of providing 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 fulfil their dreams, as depicted in "NOLA & DOLA" (Necessity of Life with Activities & Dreams of Life with Activities), which has been our vision up to now.

■ Value: What We Must Focus on in Order to Achieve

Promoting Management with Resonance

Management with resonance is a unified management model promoted by all of Unicharm's employees. It serves as a framework for senior management and frontline employees to work as one toward a shared goal. All Unicharm employees aim to realise the shared goal of creating a cohesive society by aligning their direction while constantly thinking and acting on their own initiative.



■ Unicharm Ideals

- We contribute to creating a better quality of life for everyone by offering only the finest products and services to markets and customers, both in Japan and abroad.
- We strive to pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfilment of our social responsibilities.
- We bring forth the fruits of cooperation based on integrity and harmony, by respecting the independence of the individual and striving to promote the Five Great Pillars.*

* The Five Great Pillars: (1) Founder's spirit, (2) Enterprising spirit, (3) Spirit of simplicity and fortitude, (4) Spirit of collaboration, and (5) Spirit of respecting people

(Established: 1974)

■ Three Aspects of Our DNA = Best Practiceship, Ownership, and Partnership

The Three Aspects of Our DNA, a corporate culture and spirit that has been seamlessly passed down since our founding, represents the mindset and behavioural traits of Unicharm Group employees. It was revised as Best Practiceship, Ownership, and Partnership (BOP-Ship) to encourage better understanding of our diverse employees around the world.

Three Aspects of Our DNA

Create value through personal transformation
Changing yourself and achieving personal growth to create new value

Find reason within ourselves
Growing through learning from failures

Maintain our No. 1 position through continued and dedicated services
Always providing our customers with the highest satisfaction

BOP-Ship

Best Practiceship

Accumulating best practices, abandoning past resolutions, constantly making updates, and incorporating best practices with an emphasis on speed

Ownership

Recognising everything as "our own matter" and thinking and acting on our own initiative to overcome difficulties

Partnership

Always respecting collaboration with peers with a spirit of altruism

■ Beliefs & Pledges and Corporate Code of Conduct

◆ Pledge to our customers

We pledge to earn the full support of customers by always doing everything we can.

◆ Pledge to our shareholders

We pledge to distribute industry-leading returns to shareholders.

◆ Pledge to business partners

We pledge to achieve mutual growth by maintaining fair and equitable relationships.

◆ Pledge to employees

We pledge to enable the happiness of employees and their family members by filling each of them with confidence and pride.

◆ Pledge to society

We pledge to contribute to the economic and emotional fulfilment of all people and all of society through our corporate activities.

(Established: 1999)

■ Five Great Pillars and Associate Code of Conduct

◆ Creativity and innovation

We will respect the creation of new social value and maintain a spirit that always seeks out innovation.

◆ Ownership

We will follow in the footsteps of our founder and strive to identify and solve issues from a Company-wide perspective to achieve our management targets.

◆ Challenge

We will continue to transform our abilities without fear of failure and maintain a positive attitude based on our belief in the capacity of challenge to tap into unlimited potential.

◆ Leadership

We will become leaders who are capable of motivating people with our own determination by clearly showing the way for the organisation to move forward.

◆ Fair business practice

We will carry out fair corporate activities that combine the spirit of respecting humanity and dignity with high ethical standards.

(Established: 1999)

01 Editorial Policy

This document has been prepared as Unicharm Australasia's 2025 Modern Slavery Statement (MSS)

Editorial Policy

Modern Slavery Statement 2025 provides readers with information on Unicharm's Ethical Sourcing & Governance activities. At Unicharm, ESG is about embodying "Love Your Possibilities," our corporate philosophy, that is embraced by all of us in the course of our daily business activities. This year, in addition to reporting in line with the four areas established in our medium- to long-term ESG goals, Kyo-sei Life Vision 2030, we worked to further improve the contents of the report from the viewpoint of strengthening disclosure of ESG-related information.

Period and Scope of Coverage

Period of coverage: Fiscal year 2025 (1 January 2025 to 31 December 2025); however, the report also covers information on activities held prior to and after this period, in addition to future targets.

Scope of coverage: Primarily Unicharm Group companies (Unicharm Corporation and consolidated subsidiaries in Japan and overseas); however, the report also covers information on certain non-consolidated subsidiaries and affiliated companies. Moreover, in this report, "Unicharm" and "the Company" refer to the Unicharm Group.

Caution Regarding Forward-Looking Statements

In addition to factual information on our past and present performance and business activities, Unicharm Australasia's Modern Slavery Statement 2025 also includes forward-looking statements on Unicharm's strategies, plans, results, etc. These statements have been prepared based on information available as of the time of writing. Therefore, due to a variety of factors, our actual business performance and activity results may differ from the information contained in this report.

Areas Covered

In the report, "Unicharm" and "the Company" refers to "Unicharm Group" and "UcA" refers to "Unicharm Australasia." Company names are listed individually when there is a need to specify the scope. In addition, all data are shown on a consolidated basis of Unicharm Group companies. Details of companies mentioned can be found on the Unicharm website.

Intended Audience

All Unicharm stakeholders inclusive of customers, shareholders, investors, business partners, employees, and society in general.

Period

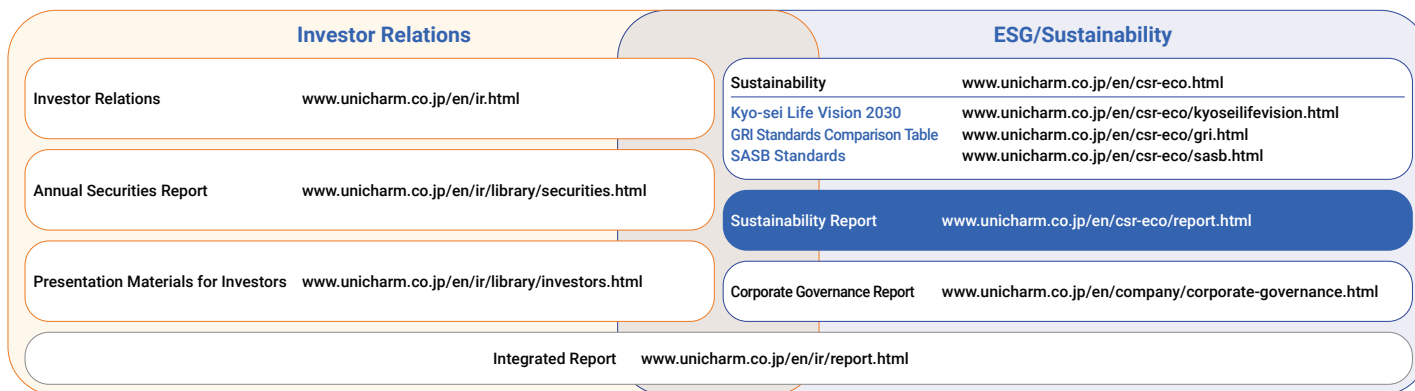
1 January to 31 December 2025 (The report focuses on results from 2025 and includes some of the latest information from 2026.)

Date of Issue

July 2026 (The next edition is scheduled for publication in July 2027.)

Unicharm Information Disclosure System

We disclose our financial and non-financial data through the following channels:



01 Overview of the Unicharm Group

Company Profile

As of 31 December 2025

Corporate Name	Unicharm Corporation
Date of Establishment	10 February, 1961
Capital	¥15,993 million
No. of Shares Issued	1,862,502,957
Head Office	Sumitomo Fudosan Tokyo Mita Garden Tower, 3-5-19, Mita, Minato-ku, Tokyo, Japan
Registered Company Office	182 Shimobun, Kinsei-cho, Shikokuchuo City, Ehime, Japan
No. of Employees	16,542
No. of Production Bases	41 factories (Japan: 17, Asia (excluding Japan): 20, Others: 4)
Listed Exchange	Prime Market of the Tokyo Stock Exchange
Major Business Operations	Pet care products Wellness care products Feminine care products Baby and child care products Commercial-use food packaging
URL	www.unicharm.co.jp/en/

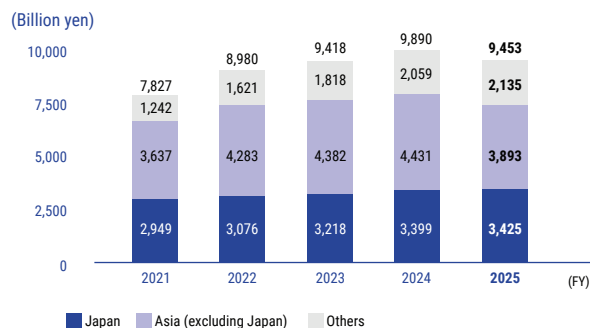
Primary Consolidated Subsidiaries and Affiliates

As of 31 December 2025

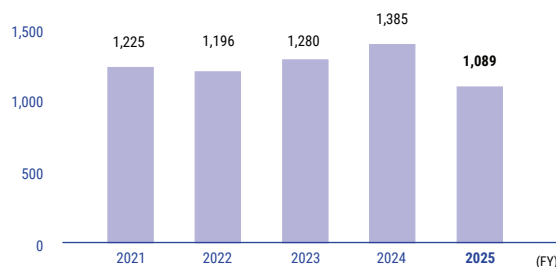
Japan	Unicharm Products Co., Ltd. Unicharm Kokko Nonwoven Co., Ltd. Cosmotec Corporation Unicare Corporation Unicharm Mölnlycke K.K. Peparlet Co., Ltd.
Asia (Excluding Japan)	United Charm Co., Ltd. Uni.Charm (Thailand) Co., Ltd. LG-Unicharm Co., Ltd. Unicharm Consumer Products (China) Co., Ltd. PT. UNI-CHARM INDONESIA Tbk Unicharm India Private Limited Diana Unicharm Joint Stock Company DSG International (Thailand) Public Company Ltd. Unicharm Australasia Pty Ltd
Others	Unicharm Gulf Hygienic Industries Ltd. Unicharm Middle East & North Africa Hygienic Industries S.A.E. UNICHARM DO BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS DE HIGIENE LTDA. The Hartz Mountain Corporation
Total	50 subsidiaries and affiliates

Primary Management Indicators

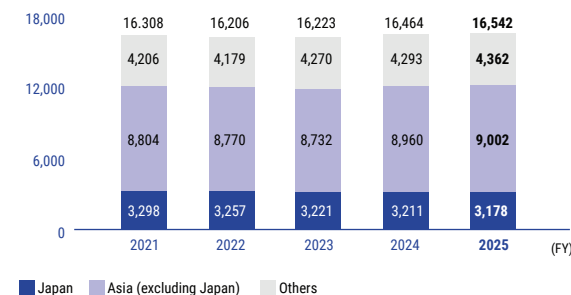
Consolidated Net Sales



Consolidated Core Operating Income



Number of Group Employees



01 Letter from CEO - Unicharm Australasia



Bridget Spark

CEO Unicharm Australasia

As CEO of Unicharm Australasia (UcA), I take responsibility for ensuring that our business is conducted ethically and with respect for human rights, including the prevention of modern slavery in our operations and supply chains.

Modern slavery risks are complex, often hidden, and rarely confined neatly within contractual boundaries. Like many global supply networks, ours spans geographies, cultures and regulatory environments. This reality requires vigilance, humility, and a commitment to continuous improvement rather than complacency.

During the reporting period, no instances of modern slavery risk were identified within or outside UcA's supply network. This outcome reflects the continued strengthening of our risk identification and management frameworks. However, it also reinforces an important truth: modern slavery risks are not always visible or confined to defined organisational boundaries. What matters most is not only where risks are found, but that robust systems are in place to identify, assess and respond to them decisively and responsibly when they arise.

As part of our ongoing risk management approach, UcA continued to strengthen its due diligence and monitoring processes across the supply network. This included enhancing Supplier Assessment Questionnaire (SAQ) requirements, conducting site audits, and implementing SMETA audits where appropriate. These actions ensure that expectations are clearly defined, controls remain robust, and accountability is embedded across all relevant parties. Importantly, continuous improvement from these efforts is applied to further strengthen our broader risk management framework, rather than relying on incident driven responses.

Alongside these actions, UcA continued to invest in capability building across the organisation. A second round of global Modern Slavery Act training was aligned and agreed with our global headquarters prior to commencement, ensuring consistency of expectations and messaging. This training commenced in 2025 and will continue to roll through 2026, reinforcing awareness, practical risk identification, and escalation pathways across relevant teams. We see modern slavery governance not as a compliance exercise, but as a living system one that must be tested, challenged, and improved over time. Like a safety net, its strength is proven not when nothing happens, but when it holds under pressure.

While no system can eliminate risk entirely, UcA is committed to transparency, learning, and continuous improvement. We will continue to strengthen our due diligence processes, build internal capability, and work collaboratively with suppliers and partners to uphold human rights standards across our value chain.

I am satisfied that this statement accurately reflects UcA's actions and approach during the reporting period and demonstrates our ongoing commitment to addressing modern slavery risks responsibly and transparently.

Bridget Spark

This statement was approved by the Board of Directors of Unicharm Australasia on 29 June 2026

02 Value Creation

Since its founding, Unicharm has anticipated various changes in the business environment, capitalising on them as opportunities to expand its businesses through innovation. From building materials to feminine care, and baby and child care and wellness care to pet care, Unicharm has offered highly unique value centred on nonwoven fabric and absorbent material processing and moulding technologies. The following section traces the way the Company's value creation has taken shape.



02 Value Creation Model

Purpose: **The Realisation of the SDGs**

Source of Unicharm's Value Creation

Individual capabilities
(Human capital)

Ability to safeguard the well-being of our planet
(Natural capital)

Networking capabilities
(Social and relationship capital)

Monozukuri capabilities
(Manufactured capital)

Organisational capabilities
(Intellectual capital)

Cash-generating capabilities
(Financial capital)

Business Activities

NOLA & DOLA

Enhancing individual employees' implementation capabilities—which are the source of all our strengths—as well as increasing our organisation's effectiveness in utilising individual capabilities to promote Groupwide resonance

Management with Resonance

Financial Policy

Medium-Term Management Plan
Strategies to translate absolute value into profits

Kyo-sei Life Vision 2030 Corporate governance

Responsibility as a company engaged in business activities

Developing and producing high-value-added products using our unique nonwoven fabric and absorbent material processing and molding technologies

Research and Development

Intellectual Property

Production

Digital Transformation (DX)

Sales

Providing products and services designed to meet the needs of all people

Marketing

Allocating generated funds

Outcomes of Our Business Activities

Love Your Possibilities

Wellness care products

Contribution to the realisation of societies where everyone can live their lives with a sense of independence

Pet care products

Contribution to the realisation of societies where pets are welcomed by family members and community residents

Feminine care products

Contribution both to the realisation of societies where women are unrestricted by their menstrual periods and other gynecological issues and to hygienic lifestyles

Baby and child care products

Contribution to the realisation of societies where infants and their families can live healthily and happily

Consumption of resources
Generation of waste

Contribution to the realisation of a circular economy

Vision of the Future

Realising a cohesive society

02 Strengthening the Source of Unicharm's Value Creation

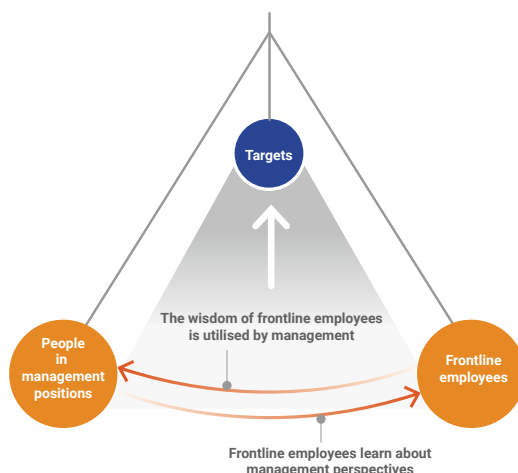
Management with Resonance

Unicharm has developed a unique management method in which the industriousness of each and every employee becomes the epicentre of change, increasing the resonance of individuals who work together to effect change across the entire Company and allowing each employee to realise their vision. We call this business practice and creation of such corporate culture "management with resonance." Through the practice of management with resonance, management can get firsthand information from the front lines in an honest, timely, and frequent manner while, through dialogue with management, employees can learn management perspectives, viewpoints, and time frames to develop mutual understanding. In this way, employees and management firmly work toward a shared goal, fostering a sense of unity that offers both challenges and comfort. The resonance we envision is like a pendulum, one in which daily ingenuity and know-how swing back and forth between employees and management.

As key measures, we develop resonant personnel and have established unique tools and methods used by Group employees globally, such as The Unicharm Way and the Observe–Orient–Decide–Act Loop (OODA Loop) methodology, to create an organisational climate that facilitates active communication. At the same time, we undertake a range of other efforts to encourage deeper communication and enhance employee engagement.

These include The Unicharm Awards to recognise resonant personnel, the Global OODA Caravan, which sees President & CEO Takahara visit the front lines to engage in dialogue with employees, sessions for employees to read our integrated report, and the Strategy Secretary to CEO program, whereby younger employees leave their posts to shadow President & CEO Takahara as his secretary.

Management with Resonance



Developing Resonant Personnel and Invigorating Internal Communication

Unicharm-Style Human Capital Management Implemented Around the World

The Unicharm Way

The Unicharm Way, a compilation of the values, action guidelines, and important statements from management to be shared throughout the Group, is embraced by all of our employees worldwide. We promote management with resonance by ensuring that The Unicharm Way is practiced by employees in their day-to-day business activities. Previously available only in booklet form, since fiscal 2021, this statement of corporate ideals has been accessible through a Company smartphone app offered in nine languages, including English and Japanese, enabling all employees to immerse themselves in The Unicharm Way at any place and time.



Incorporating Individual and Organisational Growth into the Process for Achieving Goals

OODA Loop Methodology

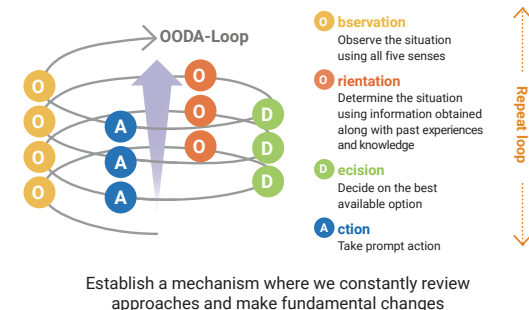
Since fiscal 2003, Unicharm has operated the Schedule–Action–Performance–Schedule (SAPS) management model through which each employee thinks and acts on their own initiative to achieve goals by

actively operating a PDCA cycle, enhancing the strengths of both employees and the organisation. However, it became necessary to establish a model that adapts to today's ever-changing business environment more flexibly than ever. Recognising this need, we replaced the SAPS management model with the Observe–Orient–Decide–Act (OODA) Loop methodology in fiscal 2019.

With the OODA Loop methodology, we quickly grasp unexpected changes by observing current business conditions and appropriately orient ourselves to the situation and reach a decision, and then quickly take action. This cycle is repeated while constantly reviewing approaches and continuously making fundamental changes.

By rotating the OODA Loop methodology, we nurture employees who can autonomously take action based on quick situational judgment and decision-making in response to changes in the business environment.

Philosophy of the OODA Loop Methodology



02 Strengthening the Source of Unicharm's Value Creation

The OGISM (A) Table

While the OODA-Loop methodology emphasises responding flexibly to changes in the operating environment without being constrained by initial plans, it by no means disregards such plans. In 1994, Unicharm introduced the OGISM (A) table, which standardises the process for formulating plans, to make it easier for employees to refine their ability to develop plans and communicate them more efficiently.

The OGISM (A) table streamlines and consolidates the essential elements of a plan into objectives (targets to be achieved within a certain period), goals (numerical targets), issues, strategies, measures (determination criteria), and action plans.

Accelerating Human Resource Development by Implementing the OODA-Loop Methodology in "Scrum" Units

Unicharm works to utilise the OODA-Loop methodology on a Groupwide basis. The most important aspect of its efforts is the implementation of the OODA-Loop methodology through "scrum" meetings in small organisational units, such as sections or groups.

First, section heads or managers, who serve as scrum leaders, create an OODA-Loop form that incorporates the strategies outlined in the OGISM (A) table into weekly action plans.

The content of these forms is then discussed at weekly scrum strategy meetings. Informed by these discussions, the scrum members consolidate their expertise to apply the OODA-Loop effectively.

Repeating this process every week enables scrums to achieve their goals more quickly and accelerates the growth of their members.

Weekly Scrum Meeting Flow

Advance Preparations

Using the OGISM (A) table, each scrum puts together strategies and an action plan to achieve its goals while members engage in active dialogue with each other to ensure that they share the same overall vision. The contents of the OGISM (A) table are reviewed on a half-yearly or quarterly basis.



Guided by the action plan in the OGISM (A) table, scrum leaders use the OODA-Loop Form to identify priority issues for the following week and create specific action plans.



Fridays

Leaders share the completed OODA-Loop Form with scrum members, who refer to it to put together an action plan in 30-minute increments for the following week using the weekly action plan form.



Leaders




Members

Share the OODA-Loop Form



Daily Routine (Mondays to Fridays)

Members work based on their scrum's weekly action plan form, recording in it their accomplishments, unfinished matters, and other pertinent information at the end of the working day. Leaders keep track of the status of the work of members and offer appropriate advice while using the OODA-Loop Form to identify priority issues for the following week.

Mondays

At weekly scrum strategy meetings, members share the weekly action plan forms that each has formulated in response to their leader's explanation of the content of the scrum's OODA-Loop Forms. Thereafter, all participants discuss priority issues and revise the action plan as necessary.



Weekly Action Plan Form

02 Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals) For a Diverse, Inclusive, and Sustainable World

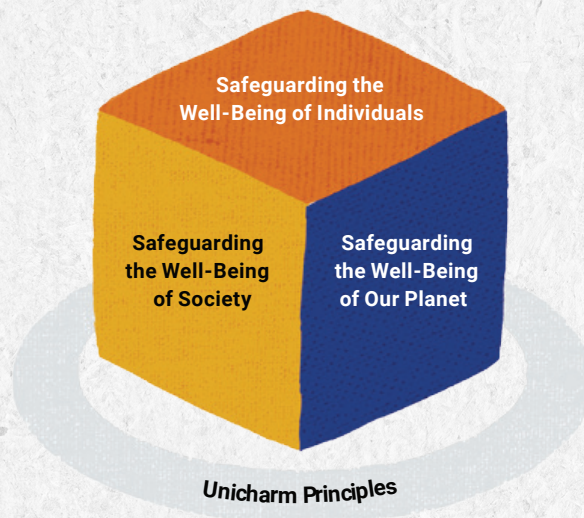


Positioning of Kyo-sei Life Vision 2030 Medium- to Long-Term ESG Goals in Unicharm's Value Creation

Unicharm has continued to achieve sustainable growth by creating unique value through its commitment to resolve social issues through its business activities and help realise a cohesive society. In October 2020, we announced our medium- to long-term ESG goals, Kyo-sei Life Vision 2030— For a Diverse, Inclusive, and Sustainable World— (hereinafter, Kyo-sei Life Vision 2030), for strengthening our value creation model to resolve the concerns of society and create a better future while further encouraging our diverse employees across the globe to think and act on their own.

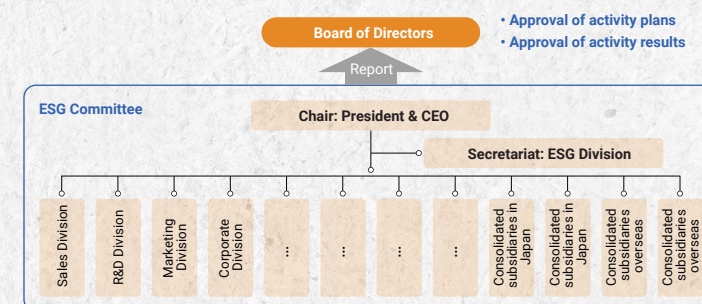
Kyo-sei Life Vision 2030 is a set of indicators and targets that was established in pursuit of absolute value, an essential part of our value creation. It was designed so that we would play a key role in the lives of consumers and the growth of local communities by resolving environmental and social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

Realising a Cohesive Society (For a Diverse, Inclusive, and Sustainable World)



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.



Realising a Cohesive Society in 2050

Possible Trends in 2050	Acceleration of aging society	Normalisation of women's social advancement	Expansion of diversity
	Evolution of the IoT and AI	Destabilisation 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	[Society]		[Unicharm]
	A cohesive society where the well-being of individuals, society, and our planet is maintained in a balanced state		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 Realising the Desirable Future of 2030	Expansion throughout the world	Evolution of products and services	Personalisation
			Circular economy

Key Themes Based on Our Approach to Realising a Cohesive Society

In formulating Kyo-sei Life Vision 2030, we assumed the realisation 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, organised 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. (Refer to pages 30 and 31).

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



Formulation of Kyo-sei Life Vision 2030

Phase 1

Identify Material Issues

- 1 **Extraction of issues**
We extracted 513 social issues related to our value creation from a number of published sources and categorised 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 organisations 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 organisations.

- 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.

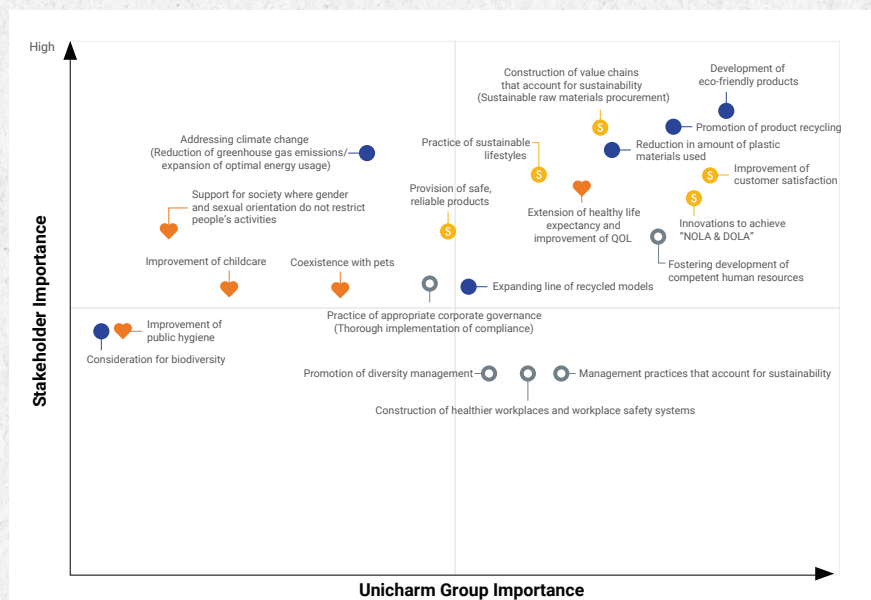
Phase 2

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 **Finalisation of indicators and target values**
- 7 **Approval by ESG Committee**

Material Issue Matrix Diagram

- ♥ Safeguarding the Well-Being of Individuals
- 💰 Safeguarding the Well-Being of Society
- 🌱 Safeguarding the Well-Being of Our Planet
- 🔄 Unicharm Principles

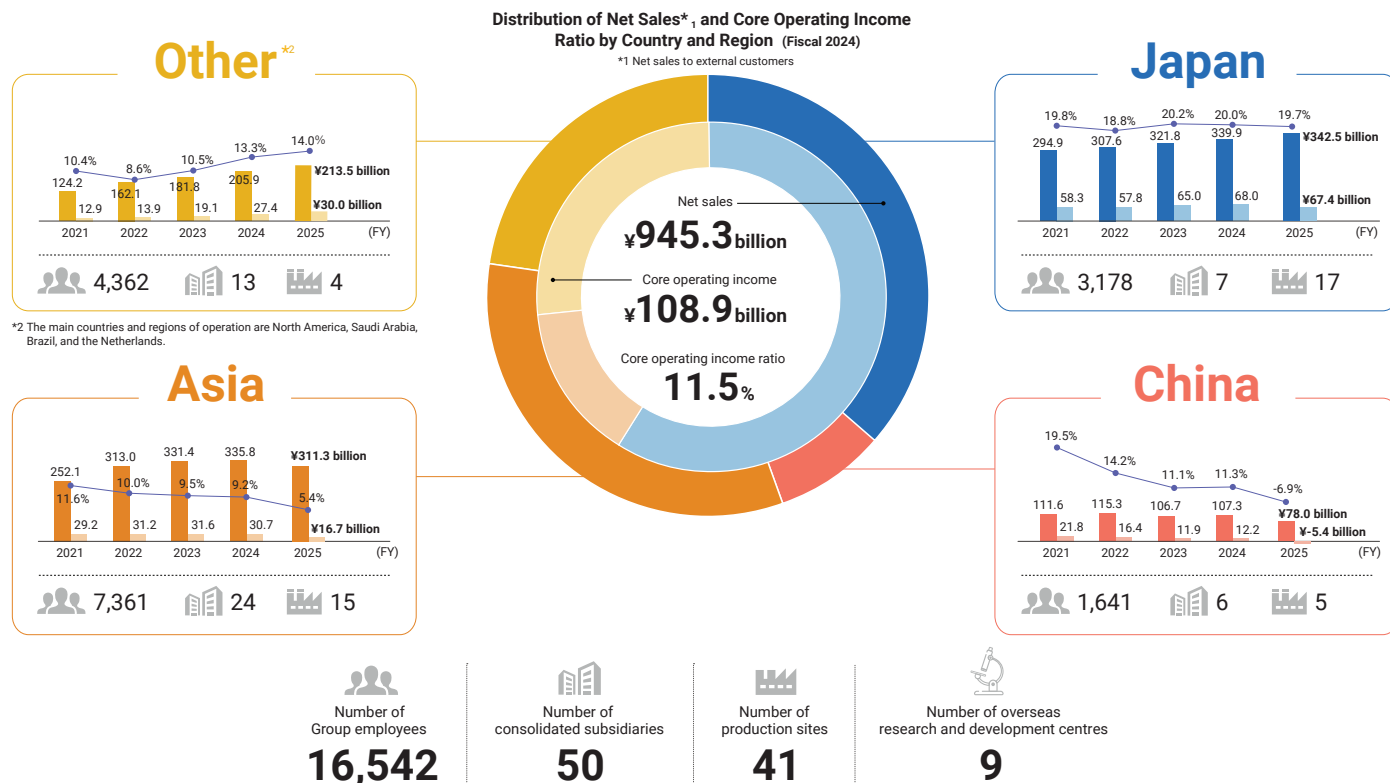


03 Structure Operations & Supply Network

UcA operates as part of the Unicharm Group, distributing pet care and hygiene products across Australia and New Zealand. Our supply chain includes Tier 1 direct suppliers of finished goods and raw materials, Tier 2 indirect suppliers, and service providers such as logistics and warehousing.

Overseas Expansion

Unicharm began proactively globalising its business in the 1980s in response to changing demographics. Beginning with the establishment of a joint venture company in Taiwan–Greater China in 1984, the Company now operates businesses in approximately 80 countries and regions globally. The various products and services it offers are seeing increasing demand in regions throughout the world, as they are indispensable for leading hygienic and healthy lives.



03 Our Structure, Offices & Supply Networks

Sustainability Promotion System

Unicharm has established a system to seamlessly promote sustainability management that meets the expectations of its stakeholders. Specifically, the ESG Committee, a cross-organisational structure chaired by the President & CEO, meets four times a year to deliberate and decide on all sustainability matters and governance-related policies and activities, and monitors their progress. The ESG Committee is attended not only by directors, executive officers, and other members of management, but also by those in charge of the Sales Division, R&D Division, Marketing Division, Corporate Division, and consolidated subsidiaries in Japan and overseas, and has a system in place to quickly carry out the various sustainability-related activities that are decided by its members. Matters deliberated and decided on by the ESG Committee are reported to the Board of Directors at least once a year.

Roles of the ESG Committee

- Deliberate and decide on the progress of Kyo-sei Life Vision 2030 medium- to long-term ESG goals and the medium-term management plan.
- Identify and address risks, opportunities, and key issues related to sustainability across the Group and deliberate and decide on information disclosure.
- Report matters deliberated and decided on by the ESG Committee to the Board of Directors at least once a year.

Core Themes and Categories of ESG Committee Initiatives

ISO 26000 Core Subjects

Organisational governance, human rights, labour practices, the environment, fair business practices, consumer issues, and community involvement and development

E CORE THEMES	• Climate change: Greenhouse gases, energy use management, and climate-change-related risks • Water resources: Water use and its reduction • Pollution and resources: Waste disposal, resource usage, and recycling • Supply Network: Supplier policy, environmental issues, and sustainable palm oil procurement • Biodiversity • Development of environmentally friendly products
S CORE THEMES	• Responsibilities to customers: Responsible advertising and marketing and customer satisfaction • Supply Network: Forbiddance of child and forced labour, prohibition of discrimination, freedom of association, collective bargaining rights, minimum wage, health and safety, due diligence, and capacity building • Product quality and safety
G CORE THEMES	• Corruption prevention: Bribery prevention, insider trading, whistleblower hotline, education, and risk assessment • Corporate governance • Company-wide risk management: Environment, society, corporate governance • Compliance • Tax transparency

Fiscal 2025 Results

Responding to the problem of plastic waste

- Reducing usage of plastic in packaging materials: We reduced the amount of plastic used in packaging materials by 26.5% (per unit of sales) compared with 2019 standards by minimising the flap of packaging and using paper packaging instead.
- Raising awareness about proper disposal of used products: Unicharm's product packaging in 10 countries and regions contains information on the proper disposal of used products. We also conduct classes on waste separation and recycling.

- Eliminating the use of plastic in sales promotional items: In addition to Japan and China, we are also promoting initiatives in Vietnam and India such as switching to paper materials and reducing the use of plastic promotional materials.

Responding to climate change

Reducing CO₂ emissions associated with raw materials procurement: Despite promoting the development of lighter, slimmer products and thinner packaging, CO₂ emissions increased 4.1% (per unit of sales) compared with fiscal 2016 standards.

- Reducing CO₂ emissions in manufacturing: We achieved our 2030 targets ahead of schedule by reducing CO₂ emissions by 59.8% (per unit of sales) compared with fiscal 2016 standards by procuring renewable power sources.
- Reducing CO₂ emissions associated with disposal of used products: We reduced the amount of CO₂ emissions from the disposal of used products by 38.0% (per unit of sales) compared with 2016 standards by promoting the development of lighter, slimmer products and thinner packaging, in the same manner as our raw materials procurement activities.

Helping prevent deforestation (Response to procurement-related issues)

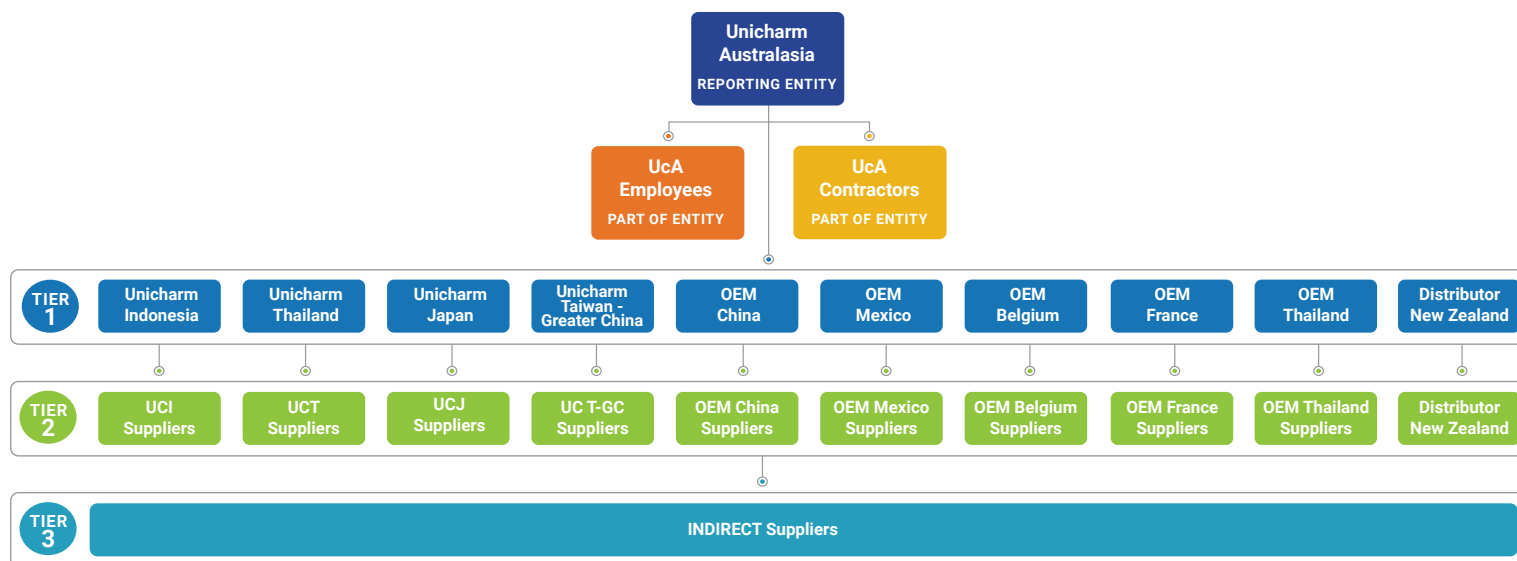
- Ensuring traceability to pulp and palm oil production locations (country/region), expanding the use of certified pulp (PEFC and CoC-certified), and expanding the use of certified palm oil (RSPO-certified): We expect to achieve our 2030 targets for pulp by acquiring PEFC certification at our factories and strengthening initiatives with suppliers. The percentage of certified palm oil procured in Japan increased to 99.4% due to our ability to further procure oil in small units from fiscal 2024.
- Promoting the recycling of used disposable diapers: We operate recycling facilities in the two municipalities of Shibushi City and Osaki Town in Kagoshima Prefecture.

03 Our Structure, Offices & Supply Networks

UcA's Reporting Structure



UcA's Organisation



Unicharm Australasia brings global technology across all categories for the comfort and satisfaction of Australian and New Zealand customers. We use vast consumer and market experience to design and tailor products specifically for our region, not only to the highest quality standards but also factoring in the highest standards possible for ethically sourced production and sustainable operations.



03 Our Governance Structure, Policies, and Strategy for Modern Slavery

Unicharm Australasia's team is at the core of our business where customers, team members, suppliers, and every member of our global supply network are dedicated to sincerely conducting our business activities. All members hold the key to bettering tomorrow by working globally towards upholding human rights in our local communities through education to create trust and transparency.

UcA Current Policies

	POLICY		POLICY
Recruitment	- Recruitment - Induction	Health and Well-being	- Healthy Days - Employee Assistance Program - Wellness Room - COVID-19
Leave	- Annual Leave - Personal Leave - Compassionate Leave - Parental Leave - Long Service Leave - Family & Domestic Violence Leave	Use of IT	Information Communication Technology
General Employment	- Remuneration - Drugs and Alcohol - Dress Code - Motor Vehicle - Flexible Working - Working from Home - Service Awards - Smoke Free - Site Access - Time in Lieu - HR Privacy - Leaving the Company - Whistleblower - Corporate Volunteer Policy (new)	Performance Standards	- Dealing with Suppliers and Customers - Grievance - Counselling and Discipline - Harassment, Discrimination, and Bullying - Performance Management
		Training and Development	Professional Development
		WHS System	Work Health and Safety Management
		Responsible Sourcing	Responsible Sourcing Guidelines

UcA Potential Policies

- Consumer communication principles
- Company group security: objectives, operational and organisational requirements (internal document)
- Supplier code
- Commitment on water stewardship
- Global sourcing principles
- Chain of Responsibility (commenced)
- Use of artificial intelligence (AI) (completed, newly included into "Information Communication Technology")

The Unicharm Group will make efforts to fulfil its corporate social responsibility and implement its fair and equitable corporate activities.

Compliance with laws and regulations and social norms

- Comply with related laws and regulations and social norms in purchasing activities.
- Provide business partners with fair and equitable opportunities for competition in purchasing activities regardless of nationality, size, or track record.
- Require business partners to implement appropriate management of information obtained in purchasing activities.

Giving due consideration to human rights and labour

- Engage in purchasing activities with corporations that place importance on respect for human rights.
- Engage in purchasing activities with corporations that give due consideration to the appropriateness of labour practices.
- Respect the importance of engaging in purchasing activities with corporations that promote appropriate employment practices.

Environmental responsibility

- Value corporations that understand the importance of, and promote, environmental conservation in purchasing activities.
- Emphasise environmentally friendly raw materials in purchasing activities in an effort to achieve a recycling-oriented society.

Procurement of safe and secure products and materials that provide peace of mind

- Choose products and materials for which safety has been confirmed in purchasing activities.
- Choose economical and high-quality materials and products in purchasing activities.
- Emphasise the ability to manufacture and supply products that meet requirements in purchasing activities.

Development of relationships of mutual trust

- Cultivate relationships and trust with business partners within the scope of social norms.
- Strive to enhance business performance mutually through exchange of essential information with business partners.

04 Risks Management

UcA recognises risks in manufacturing, raw material sourcing, and logistics, particularly in regions with weak labour protections, where vulnerable groups include migrant workers, women, and agency staff.

Our Basic Approach & Strategy

The Unicharm Ideals state that “we contribute to creating a better quality of life for everyone by offering only the finest products and services to the market and customers, both at home in Japan and abroad.” And we always strive to create new value and set the fulfilment of our social responsibilities through our business as the basis of our corporate activities. To ensure we realise and embody these ideals, we identify all potential risks associated with our business activities and eliminate the possibility of adverse impacts on the Company. At the same time, in the unlikely event that adverse impacts do occur, we have established a series of responses positioned as important management priorities that include taking prompt corrective action to minimise damage and implementing permanent measures to prevent their recurrence. In view of this, the Company has established a Groupwide risk management system, defining risk as “uncertainties (events) that could affect corporate value” and classifying and managing risk into three categories: strategic risks, significant operational risks, and operational risks.

The ultimate decision-making and oversight responsibility for risk management lies with the Board of Directors. While overseeing the code of conduct and code of ethics, the Board of Directors analyses and evaluates risks that are reported by each department, and if necessary, leads the formulation of improvement proposals, which are

then deliberated and decided upon. The Audit & Supervisory Committee, comprising a majority of outside directors, fulfils its role by implementing various audits as required by laws and regulations. Additionally, in the event that risks occur requiring an urgent response, including those not classified as “business and other risks,” the ESG Committee, chaired by the President & CEO and comprised of inside directors and executive officers, will quickly meet to discuss and respond to the identified risks. Furthermore, in the event of a serious crisis, a Crisis Management Team (CMT) will be established in accordance with the Crisis Communication Manual (CCM, revised 1 January 2025), which stipulates crisis management protocols, in an effort to respond rapidly and appropriately and resume operations as quickly as possible.

“Business and other risks” are significant risks that could impair the Company’s financial standing and management results. As we have implemented various business and other risk countermeasures, these risks are not likely to have a serious impact on our business operations at the present time. In addition, the timing and extent to which these risks could emerge in the future are unknown. Business and other risks that could impact business operations in the future are not restricted to those listed below.

Classification	Definition	Management Method
Strategic risks	Risks that may affect the decision or execution of management strategies, business plans, and other important strategies and matters decided by the Board of Directors of Unicharm Corporation	The Board of Directors takes these risks into consideration when making decisions on important strategies and matters. The Board of Directors will monitor the situation after decisions are made on the basis of regular reports to the Board of Directors or through discussions by all Directors.
Significant operational risks	Risks that, if materialised, could significantly impede the execution of the Group’s business or damage its reputation	The ESG Division will compile a list of the severity (impact × likelihood of occurrence) of these risks and the level of response readiness. The results of Control Self-Assessments (CSA) and business audits conducted by the Internal Audit Department are taken into consideration in determining the level of response readiness. The reports are made to the Board of Directors at least once a year following periodic review from the standpoint of changes in severity and whether there are any issues with the response readiness policy, and the Board of Directors monitors the situation.
Operational risks	Risks that can be prevented or mitigated to an acceptable extent through compliance with policies, rules, guidelines, and operation processes established for daily business activities	The executive officer in charge shall be responsible for risk management and allocate management resources and execute management decisions based on these risks.

04 Business and Other Risks

Strategic risks and significant operational risks are reviewed at least once a year and reported to the Board of Directors. Strategic risks and significant operational risks identified during the fiscal year under review and the measures taken to address these risks are as follows.

① Strategic Risks

Strategic objectives	Drive growth in existing markets, expand market share, and secure revenue in existing markets	Enter new markets (new countries/regions and new business fields) and expand sales	Strengthen corporate brand
Risk events and impacts	Market contraction and loss of market share may impact sales and profit.	Failure to provide products suitable for specific countries/regions may result in the loss of sales opportunities.	Products, services, and operations that fail to resonate with stakeholders (e.g., low quality, high environmental impact) may impact our brand value.
Factors	Competitive market environment (e.g., lower-pricing tactics by competitors)	- Dominance of existing competitors in new markets - Lack of expertise and necessary management resources (tangible and intangible) in new markets - Compliance with existing R&D and manufacturing standards	- Lack of consideration for stakeholders - Inappropriate marketing communication (e.g., greenwashing, etc.)
Risk appetite	We will avoid price competition that could lead to market contraction. We will promote a strategy of product and brand differentiation, even in cases where success or failure is uncertain, unless there is a risk of damage to our brand value.	We will carefully consider matters that may damage our brand value by taking into consideration the importance of our objectives and the impact on brand value. Our risk appetite for financial success upon entry into new markets is moderate.	We will carefully consider matters that may damage our brand value by taking into consideration the importance of our objectives and the impact on brand value. We will proactively allocate management resources to products, services, and operations that enhance our brand value, even if the financial outcome is uncertain.
Measures	- Differentiation of products and services - Improvement of cost efficiency	- Careful scrutiny of target regions and entry categories - Development of unique products and improvement of development speed - Establishment of design and quality standards for customers in new markets	- Provision of products with women in mind - Expansion of our line of recycled models - Effective marketing communication

Strategic objectives	Maximise lifetime value (customer lifetime value)	Leverage digital technology and data	Ensure speed advantage
Risk events and impacts	Inadequate cross-category and cross-brand marketing may impact customer retention, loyalty, and lifetime value.	Inferior utilisation of digital technology and data may lead to competitive disadvantages.	Delays in decision-making and speed of execution may lead to competitive disadvantages.
Factors	- Gaps in product lineup - Lack of a business model that allows for the establishment of long-term relationships with customers	- Lack of a business model that allows for data collection - Delay in the development of data infrastructure to analyse data owned and leverage it in decision making	- Lack of capability to discover individual insights - Lack of organisational capacity for expeditious execution
Risk appetite	We will carefully consider matters that may damage our brand value by taking into consideration the importance of our objectives and the impact on brand value. We will proactively allocate management resources to increasing customer retention, loyalty, and lifetime value, even in cases where the financial outcome is uncertain when viewed in isolation.	We will work to minimise information security risks and risks related to leakage of personal information, etc. We will proactively allocate management resources to developing our data infrastructure, even if the financial outcome is uncertain.	We will take proactive action to gain a speed advantage over competitors.
Measures	- Provision of new customer experience value through Sofy Be, a menstrual management app - R&D in new domains and creation of new segments - Development of marketing plans across categories and brands	Establishment and improvement of data infrastructure	- Human resource system that promotes diversity of experience - OODA Loop methodology - Upgrading of risk management framework

04 Business and Other Risks

② Significant operational risks

As indicated below, significant operational risks are evaluated in terms of impact, likelihood of occurrence, and the level of response readiness, and are prioritised and addressed according to the status of residual risk.

- **Impact:** Evaluated on a 3-point scale (3: serious impact, 2: certain level of impact, and 1: minor impact), in consideration of factors that include the impact on human resources, impact on tangible and intangible assets, financial impact, and impact on reputation
- **Likelihood of occurrence:** Evaluated on a 3-point scale (3: materialised, 2: may materialise within three years, and 1: likelihood of materialising is low)
- **Residual risk:** Evaluated on a 3-point scale, in consideration of the impact, likelihood of occurrence, and level of response readiness (the development of measures is inadequate, measures have been partially developed, and measures have been generally developed)

Item	Cyber security					Protection of personal information						
Description	There is a risk that data leaks and system shutdowns or malfunctions due to cyberattacks may result in compensation claims, restoration and response costs, lost profits due to disruption or suspension of operations, and loss of trust over the medium to long term.					There is a risk that personal information leaks to the outside may result in compensation claims and loss of trust over the medium to long term.						
Evaluation	Impact	3	Likelihood of occurrence	3	Residual risk	3	Impact	3	Likelihood of occurrence	3	Residual risk	3
	Cyber security risk management is becoming increasingly important due to the worldwide increase in cyberattacks and the Company's strategy to proactively leverage data.					The risk of personal information leaks to the outside is growing due to the worldwide increase in cyberattacks and the Company's strategy to proactively leverage data.						
Risk appetite	We will aim to minimise risk in accordance with the Unicharm Group Charter of Actions, which stipulates "We will proactively work to build an advanced security management system for cyberspace."					We will aim to minimise risk in accordance with the Unicharm Group Charter of Actions, "We will appropriately acquire, utilise, manage, and dispose of our customers' personal information in a manner that does not infringe on their privacy."						
Measures	We revised the Information Security Rules in January 2024 to clarify the standards that all Group companies in Japan and overseas are required to meet. We also established a new Information Security Department in July 2024. Throughout 2024, we updated our risk assessments for the Group as a whole and promoted measures that should be given top priority, such as security measures for web servers and the development of incident response manuals. In 2025, we continued to promote measures such as strengthening the management of IT assets and configurations, enhancing early detection of problems, and reinforcing the risk management and incident response systems of Group companies. With regard to the management of these efforts, the Information Security Committee, which meets quarterly, will share security incidents, discuss the priority levels of measures and response policies, and report issues and the status of efforts to the Board of Directors at least once a year.					There are various factors that may result in personal information leaks to the outside, including carelessness, unauthorised transfer of personal information, and leakage attributable to contractors. In view of these, we have revised the Personal Information Handling Rules within the Group, investigated the status of handling of personal information at each Group company, and rectified issues as necessary, and are strengthening individual measures at each Group company based on relevant factors.						

Item	Climate change					Exchange rate fluctuations						
Description	There is a risk that the introduction of a carbon tax, as well as higher tax rates and significant fluctuations in energy prices, may result in higher operating costs and higher procurement costs due to soaring raw materials prices. In addition, there is a risk that product development that fails to take into consideration the reduction of greenhouse gas emissions may result in loss of trust over the medium to long term.					Depending on the regulations, economic environment, and situation for both society and politics in certain countries and regions, there is a risk that the markets may change significantly and the Company's business activity and values of assets held may be affected. The financial statements of overseas consolidated subsidiaries denominated in the currency of each country or region are translated into Japanese yen in the consolidated financial statements; as such, there is a risk that the financial standing and business performance of the Company may be negatively affected at the time of a stronger yen.						
Evaluation	Impact	2	Likelihood of occurrence	2	Residual risk	2	Impact	2	Likelihood of occurrence	2	Residual risk	2
	The frequency of extreme weather events is increasing worldwide due to global warming, and climate change risk management is becoming increasingly important from the standpoint of sustainable corporate growth.					As overseas sales account for over 60% of our total sales, the impact of exchange rate fluctuations will affect the performance of the Group as a whole.						
Risk appetite	We will aim to minimise risk in accordance with the Unicharm Group Charter of Actions, "We will visualise and correctly identify greenhouse gases in the value chain in order to mitigate global warming and work to reduce emissions with the aim of achieving net zero emissions."					We will aim to minimise risk in accordance with the Unicharm Group Charter of Actions, "We will act with wisdom to improve profitability and meet the expectations of shareholders."						
Measures	We utilise primary GHG emissions data by material and promote product development that balances the efficient use of materials and reduction of GHG emissions. We will also continue to develop and market products that conform to the SDGs Theme Guideline, an internal guideline for contributing to sustainability. We will promote the reduction of energy consumption through the introduction of energy-saving equipment and efficient operation of such equipment, and continue to manage all Group company sites and plans for switching to renewable electricity with the aim of achieving a 100% ratio of renewable electricity to all electricity used for business development.					We will strive to minimise risk by hedging foreign currency transactions, including raw materials purchases, and by comprehensively taking into account the receivables and payables we hold. In addition, in order to contribute to the stable return of profits to shareholders and the internal circulation of funds, we will control the negative impact of the appreciation of the yen on overseas assets by proactively paying dividends from overseas consolidated subsidiaries that hold funds in excess of their planned investments.						

Item	Prevention of misconduct and corruption						Product reliability					
Description	Risks such as embezzlement, bribery, and fraudulent purchases may lead to a deterioration of corporate culture, decline in corporate value, and loss of trust over the medium to long term.						The risks of product defects and poor design may result in brand damage and loss of sales. In addition, the risks of misrepresentation and false advertising may result in compensation claims, criminal penalties, brand damage, and loss of sales.					
Evaluation	Impact	2	Likelihood of occurrence	2	Residual risk	2	Impact	2	Likelihood of occurrence	2	Residual risk	1
	As overseas sales account for over 60% of our total sales, human and financial losses due to misconduct at overseas subsidiaries could be expected to impact the Group as a whole.						In recent years, it has become more important than ever for companies to maintain product reliability as the speed of information transmission grows with the proliferation of social media and acceleration of digitalisation, and as anyone can obtain information anywhere.					
Risk appetite	We will aim to minimise risk in accordance with the Unicharm Group Charter of Actions, “We will carry out fair corporate activities that combine the spirit of respecting human life and dignity with high ethical standards.”						We will aim to minimise risk in accordance with the Unicharm Group Charter of Actions, “We will always pursue a high level of safety and provide products and services that customers can use with peace of mind. We will comply with laws and regulations, industry’s self-regulatory standards, and internal self-regulatory standards, and will not provide any information that is false or misleading.”					
Measures	We will strive to reduce the chance of misconduct by strengthening checks and balances through reviewing the systems and mechanisms for preventing misconduct at each subsidiary and by reinforcing the monitoring system at the head office. We will continuously improve the operation of our whistleblowing system to ensure that it functions effectively, and conduct periodic compliance surveys within the Group to determine the status of compliance.						In order to provide customers with products that comply with the laws and regulations of each country and region, we work closely with subsidiaries to establish stringent internal standards that address the laws and regulations of the respective countries and regions and ensure quality and product safety, while ensuring that all Group companies comply with these standards. In order to convey correct information, we have established a system of gate meetings and labelling reviews and conduct strict checks to ensure compliance with relevant laws and regulations as well as evidence-based and appropriate advertising and labelling. The Company has set up a framework to promptly investigate the cause of complaints regarding its products and address the problems, if any, regardless of their impact, to ensure reliability of its products is not affected.					

Item	Infrastructure for responding to disasters, accidents, etc.						Patents, trademarks, and other intellectual property rights					
Description	In the event of a large-scale natural disaster or accident, there is a risk of significant impact on operations due to human and physical damage.						Regarding intellectual property rights in the Company’s possession, in the event of infringement by a third party, there is a risk that it may lose expected income. In addition, there is also the possibility that the Company may unknowingly infringe upon the intellectual property rights of a third party, which may lead to large compensation claims or limitations imposed on the Company’s business.					
Evaluation	Impact	2	Likelihood of occurrence	2	Residual risk	1	Impact	2	Likelihood of occurrence	1	Residual risk	1
	Extreme weather events are increasing worldwide due to climate change, and it has become increasingly important to be prepared to ensure uninterrupted manufacturing, secure raw materials, and ensure a stable supply of products in the event of a disaster or accident that is worse than expected.						As globalisation and digitalisation gain traction, competition among companies is intensifying and technological innovation is accelerating. In such an environment, intellectual property rights such as patents and trademarks have become increasingly important.					
Risk appetite	We will aim to minimise risk in accordance with the Unicharm Group Charter of Actions, “We will take appropriate action in accordance with the established crisis management manuals in the event of risks such as disasters, infectious diseases, and terrorism.”						We will aim to minimise risk in accordance with the Unicharm Group Charter of Actions, “We will respect the intellectual property rights (patents, design rights, trademarks, copyrights, etc.) of other parties.”					
Measures	We will establish a response system for natural disasters and accidents, educate and raise awareness among employees, and conduct periodic drills. We will promote stronger BCPs not only at our business sites in Japan but also overseas. With regard to facilities, we have established fire prevention standards globally and conduct checks while continuously improving the status of compliance with these standards at each of our business sites globally.						We conduct investigations to prevent infringement during phases of product development and communication development to ensure that we do not infringe on intellectual property rights such as patents, design rights, and trademarks of third parties, and that our advertising materials do not violate labelling laws. We also conduct internal compliance training such as on-the-job training and workshops for our development and marketing departments on patents, designs, trademarks, labelling laws, etc. We take a firm stance against the infringement of our intellectual property rights by third parties and the unfair exercise of rights against the Company, including lawsuits.					

Within risk management, the Company has determined that quality and the natural environment also fall under "important business and other risks" that occur in the manufacturing industry. In order to respond to these issues in an organised and appropriate manner, we have established various measures using COSO (an internal control framework proposed by the Committee of Sponsoring Organisations of the Treadway Commission in the United States) and ISO as reference frameworks, as described below. Also, business continuity risks that arise in the event of a disaster are managed individually through separately established business continuity plans (BCPs).

04 Response to Occurrence of a Crisis

Response to the Occurrence of a Crisis

In the event of a serious crisis, a Crisis Management Team (CMT) will be established in accordance with the Crisis Communication Manual (CCM), which stipulates crisis management protocols, in an effort to respond rapidly and appropriately and resume operations as quickly as possible.

Specifically, we position the 12 major risks shown on the right as being particularly serious, and have assigned departments responsible for each risk.

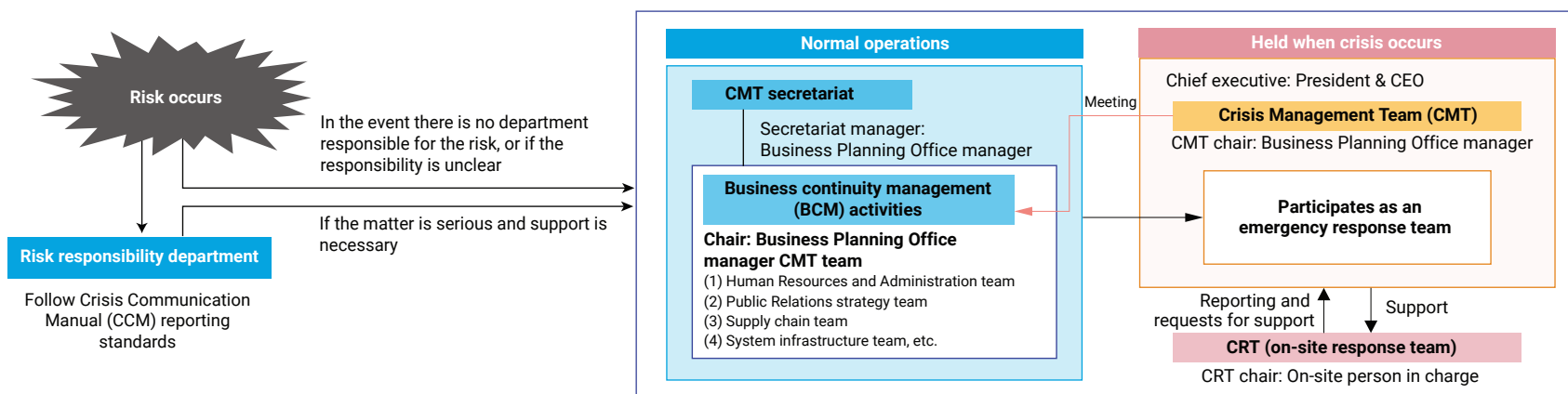
The risk manager is the executive officer in charge of the responsible department, and when a risk turns into a crisis and the CMT is launched, the risk manager selects the members and the CMT chair convenes the meeting.

When a crisis does occur, Unicharm fulfills its social responsibility by assessing the situation in accordance with the CCM, working to prevent further damage and communicating appropriately with stakeholders.

Major Risks

	Major Risks	Specific Cases
1	Quality	Product defects, foreign matter contamination, health hazards, etc.
2	Representation	Mislabelling in violations of laws and regulations, packaging errors, etc.
3	Disasters	1) Man-made disasters and accidents (fires, explosions, etc.) 2) Natural disasters (earthquakes, typhoons, floods, lightning strikes, etc.)
4	Supplier- and vendor-related	Supply disruptions, supplier recalls, vendors illegally dumping our company products, etc.
5	Information accidents	Personal information and corporate secret leaks, industrial espionage, cyberattacks, business email fraud, impersonation of top management, etc.
6	Reputational damage	Spread of slander through SNS, video sites, and other media, etc.
7	Pandemics	COVID-19, novel influenza, viral infectious diseases, etc.
8	Occupational safety	Accidents during work hours, excessive overtime hours, abductions, etc.
9	Human rights	Modern slavery, sexual harassment, workplace harassment (power harassment), etc.
10	Environment	Illegal dumping of Unicharm products, neglect of undisposed products, soil contamination, etc.
11	Senior management- or executive-related	1) Accidents resulting in injury or death, abductions and kidnapping 2) Slander of executives and senior management 3) Corruption of executives
12	Disputes or political changes	Military coups d'état, wars, riots, terrorism, etc.

Framework in Response to the Occurrence of a Crisis



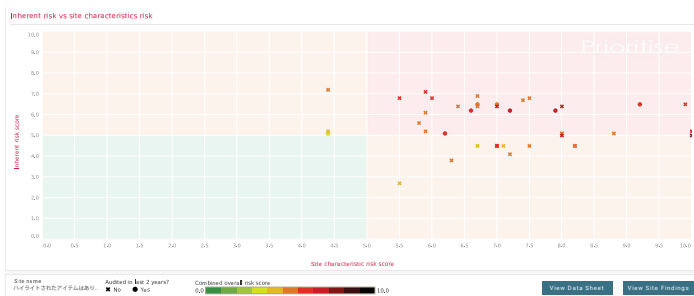
04 Initiatives & Results

Human Rights Risk Assessment at Unicharm Group Factories

In fiscal 2025, 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 labour standards and on health and safety have been plotted above.

^{*1} A global membership organisation 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 labour 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 Assessment Results in Fiscal 2025

Unicharm conducts risk assessments of supplier factories using Sedex's risk assessment tool, and in fiscal 2025 began assessing risks related to the suppliers of materials used in its pet care products.

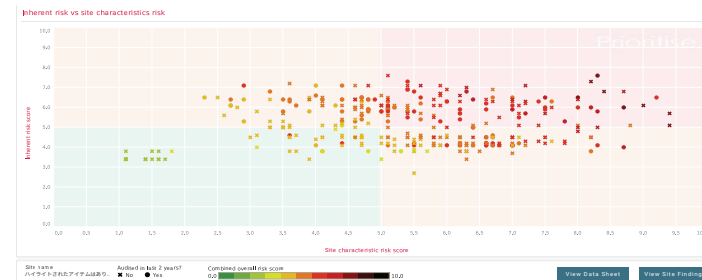
As of December 31, 2025, we have established relationships on the Sedex platform with 69.9% of material suppliers and 80.0% of contract manufacturers for personal products, enabling access to risk-related information.

Of these factories, 45.7% have consented to sharing their inherent risk score while 45.3% have consented to sharing their site characteristic risk score. Using these scores as a reference point, we will continue to consider our approach to suppliers.

▲ Human Rights Risk Assessment Results in Fiscal 2025

		Percentage of relationships established (%)	Percentage of Suppliers Sharing Inherent Risk Score (%)	Percentage of Suppliers Sharing Site Characteristic Risk Score (%)
Personal care products	Material suppliers	69.9	54.2	54.2
	Contract manufacturers	80.0	58.0	56.8
Pet care products	Material suppliers	26.8	23.7	22.8
	Contract manufacturers	64.7	58.3	58.3
Total		51.6	45.7	45.3

▲ Risk Score of Supplier Factories



Note: Simple averages of risk scores on labour standards and on health and safety have been plotted above

Medium- to Long-Term Policy Briefing Session for Suppliers

In November 2025, we held the 16th Unicharm Medium- to Long-Term Policy Briefing Session for Suppliers with the aim of stabilising material quality and disseminating our procurement policies and guidelines. The 2025 event, which was also streamed online, was attended by 353 participants from 120 companies, including material suppliers for personal care products, as well as material suppliers for pet care products and external production contractors.

This briefing session aimed to enhance awareness of our various policies, including: (a) the Unicharm Group Basic Environmental Policy, (b) the Unicharm Group Policy on Human Rights, and (c) the Basic Policy of Procurement. It also aimed to request supplier cooperation by reporting, explaining, and ensuring understanding of: (a) our policies and guidelines for building a sustainable supply chain and using Sedex, (b) progress in our various activities aimed at achieving newly established Kyo-sei Life Vision 2035 and (c) quality control and other efforts aimed at improving customer satisfaction through the supply of safe products.

04 Risk Management

Throughout the reporting period Uca continued its global communication to educate our total supply network towards understanding potential risk areas and Uca's clear expectations in regards to human rights.

Inherent Human Rights Risks Assessment Across Uca's Supply Network

Collect and share supply network data

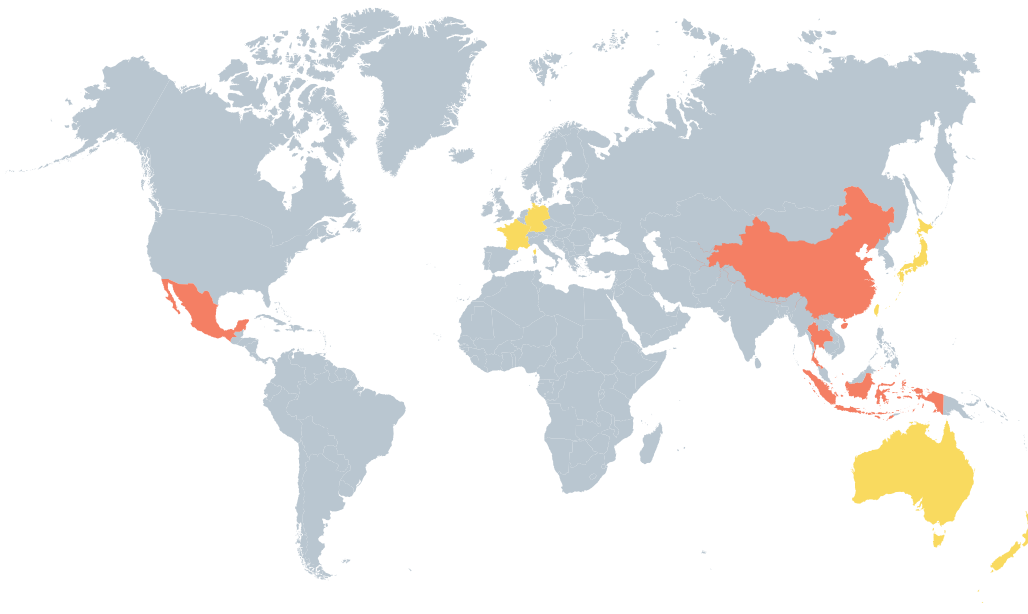
Store all data in one place

Reduce duplication and save time and resources

Drive responsible sourcing improvements globally

Implement measures to protect people, the environment, and business

Make better informed business decisions



Region (Sector - Textile Manufacturing)	Overall inherent risk score	Overall inherent risk category
Australia	4.6/10	Medium risk
Belgium	4.7/10	Medium risk
The People's Republic of China	6.2/10	High risk
Germany	4.1/10	Medium risk
France	4.5/10	Medium risk
Indonesia	6.5/10	High risk
Japan	4.6/10	Medium risk
Mexico	6.0/10	High risk
New Zealand	4.5/10	Medium risk
Thailand	6.2/10	High risk
Taiwan	5.1/10	Medium risk

Pillar	Australia	Belgium	The People's Republic of China	Germany	France	Indonesia	Japan	Mexico	New Zealand	Thailand	Taiwan
Labour Standards	4.2	4.2	6.4	3.9	4.3	6.3	4.4	5.7	4.3	6.2	5.1
Environment	5.9	5.9	6.3	5.0	5.2	6.9	5.2	6.5	5.5	6.3	5.6
Health & Safety	4.6	4.8	5.9	4.4	4.9	7.0	5.4	6.4	4.8	6.6	6.0
Business Ethics	2.6	3.1	4.9	2.6	3.1	5.8	3.1	6.7	2.6	5.8	3.1

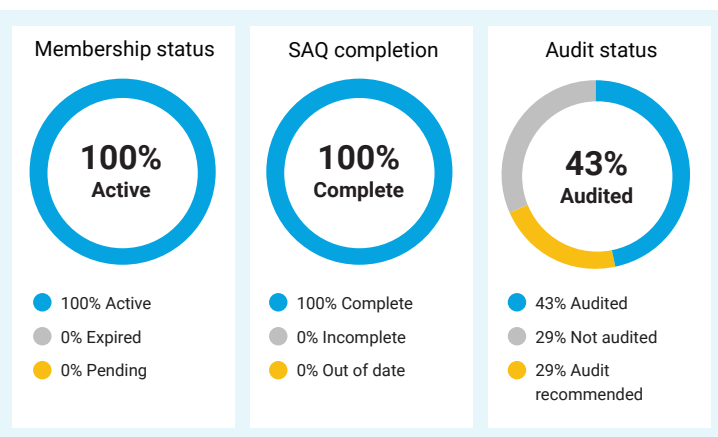
Source: ©Sedex 2025.

04 Risk Management

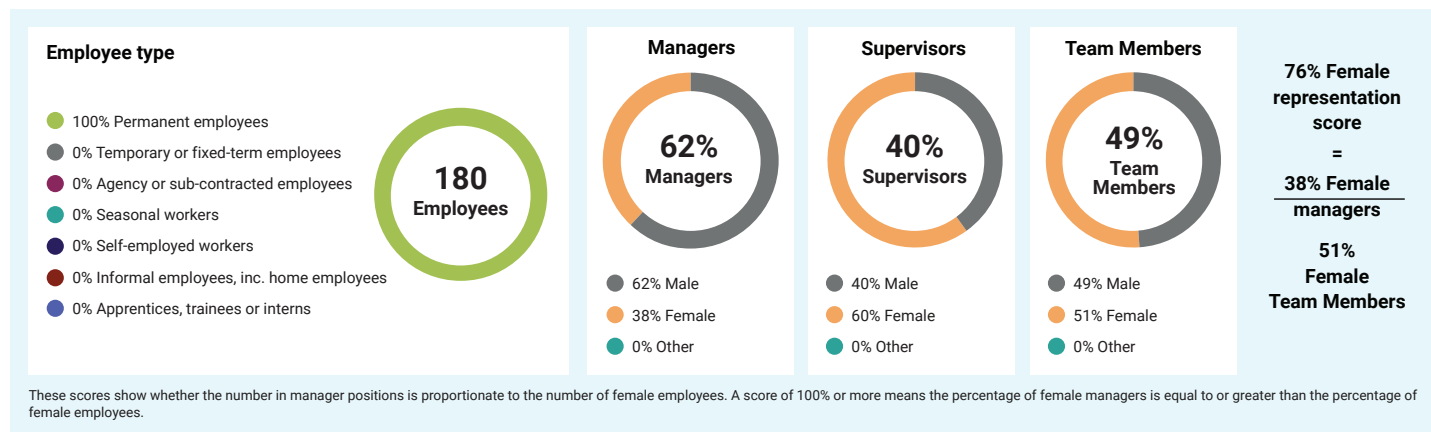
2025 UcA updated its Supply Network Risk Tracking Including Revised Portals

Within the 2025 reporting period, UcA updated its Supply Network risk tracking with KPIs covering membership status within ethical sourcing portals, Self Assessment Questionnaire (SAQ) completion (ensuring our suppliers maintain the skills and sense of ownership to continue benchmark practices between audits), and also audit status in order to overlay all data towards continued training and education. Our achievements below show a 100% active membership status as well as 100% SAQ completion from our efforts over the medium-term management plan and we continue to support third-party audits as another element towards education and risk understanding. In the case study below, UcA monitors understanding by worker type, using ratios of permanent workers, temporary, agency, seasonal, self-employed, informal, and trainee workers. We also track the women's representation score across different levels of the business.

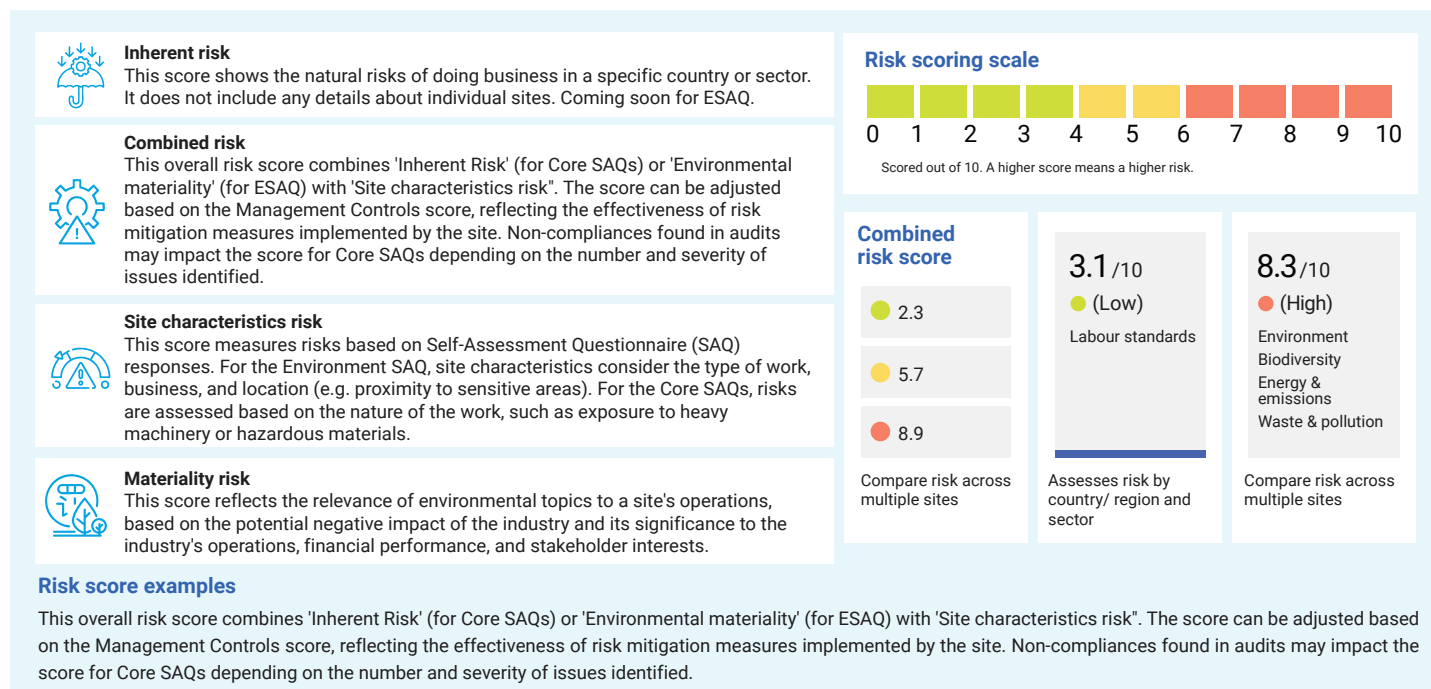
KPI Overview



Case Study within UcA supply network



Risks



05 Actions

UcA's Local Actions:

- Supplier Code of Conduct aligned with Unicharm Group Sustainable Procurement Guidelines
- Sedex risk assessments and SMETA audits
- Training for suppliers on modern slavery and ethical sourcing
- Human rights clauses in all new contracts

Alignment with Unicharm Corporation's Global Initiatives:

- Group Policy on Human Rights aligned with UN and ILO standards
- Sustainable Procurement Guidelines for all suppliers
- Global Sedex SAQ and SMETA audit programs
- Participation in UN Global Compact and RSPO
- Social initiatives such as Project Jagriti (India) and menstrual health education
- Grievance mechanisms via Compliance Hotline and Ring-Ring Employee Hotline

Global Key Actions

Our Basic Approach & Strategy

Since its founding, 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.

However, as a company that operates across the globe, where a variety of human rights issues exist, we must comply with and respect 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), declaring our commitment to respect human rights through all our business activities.

This human rights policy has also been incorporated into the Unicharm Group Charter of Actions, a statement of corporate ideals that are instilled in all Group employees.

Furthermore, to contribute to the economic growth of the countries and regions in which we operate, our local subsidiaries are given full control of business operations, actively creating employment in product manufacturing and sales and procuring 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 Purchasing Policy 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 Purchasing Policy 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 labour and ensure respect for children's rights, but also prohibit discrimination on the basis of nationality, race, religion, gender, sexual orientation, age, family background, disability, or any other factors.

We also ensure that Unicharm employees have the right to freedom of association, collective bargaining, a minimum wage, and that they are not subjected to excessive working hours.



05 Unicharm Group Sustainable Procurement Guidelines

Globally, Unicharm has established the “The Basic Policy of Procurement” to prevent human rights and labour problems throughout the supply network. At the same time, the “Unicharm Group Sustainable Procurement Guidelines” were established as a subdivision of “Basic Policy of Procurement” to express our intentions towards the prevention of child and forced labour, prohibition of discrimination, the right to the freedom of association, the right to collective bargaining, reductions in excessive working hours, minimum wages, health and safety standards, and the prevention of corruption. The policy and guidelines were created to facilitate fair and impartial business activities with all business partners that conduct business with the Unicharm Group around the world as well as the fulfilment of our social responsibility.

Company Key Actions

1. Compliance with Laws, Regulations, and Social Norms

(1) Legal compliance

- Comply with laws and regulations (antitrust laws, personal information protection laws, subcontracting laws, etc.) as well as social imperatives related to individual countries and regions.

(2) Fairness in transactions and prohibition of bribery

- Comply with laws related to fair trading, fair competition, and antitrust.
- Prohibit all stakeholders from offering or accepting bribes (monetary or nonmonetary benefits) and from abusing a superior bargaining position.

(3) Management and protection of information

- Comprehensively manage and protect confidential information and build a structure that prevents information leakage.
- Use suppliers' intellectual property rights only after concluding appropriate contracts and do not use them illegally.
- Properly handle personal information

2. Due Consideration to Human Rights & Labour (Refer to the Unicharm Group Policy on Human Rights)

(1) Respecting the International Bill of Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work

- Respect 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) and the ILO Declaration on Fundamental Principles and Rights at Work.

(2) Respecting human rights

Prohibition of child labour

- Do not employ children who do not meet the minimum age requirement. (A child is defined as any person younger than 16 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling in which case the higher age requirement applies.)

Prohibition of forced labour

- Do not employ any form of forced or inhumane labour, hold a person in slavery or servitude, or engage in human trafficking.
- Employ only people who voluntarily wish to be employed and do not restrict their rights to freely leave their jobs.

Prohibition of discrimination

- In recruitment and employment, do not discriminate on the basis of race, national origin, ethnicity, gender, religion, or physical impairment, etc.

(3) Prohibition of inhumane treatment

- Respect the human rights of employees and do not subject them to inhumane treatment such as physical abuse, physical punishment, harassment, physical oppression, or sexual abuse.

(4) Fair employment

Working hours

- Comply with the working hours set by the local laws and regulations of the individual country and region (excluding crisis and emergency situations).
- Pay employees in compliance with local compensation-related laws and regulations on minimum wage, overtime work, and piecework pay, etc.
- For overtime work, pay a wage premium in accordance with the local laws and regulations of the individual country and region.

05 Unicharm Group Sustainable Procurement Guidelines

2. Due Consideration to Human Rights & Labour (cont.)

(4) Fair employment (cont.)

Ensuring health and safety

- Clearly identify potentially dangerous locations related to work and take preventive actions and implement workplace safety measures.
- To prepare for emergencies, take steps such as confirming the reporting requirements in the event of an emergency, establishing rules for notifying employees, and installing fire detectors.

Respecting freedom of unionisation and the right to collective bargaining

- Do not, in any way, obstruct employees' right to form a labour union using legal and peaceful means.

3. Environmental Responsibility

(1) Environmental conservation

Legal compliance

- Comply with the environment-related laws and regulations of the individual country and region.
- In accordance with local laws and regulations, submit the required administrative reports when necessary and retain records.

Control of substances that are harmful to the environment

- Control discharge of harmful substances that can cause air pollution and water quality degradation, etc.
- Control discharge of harmful substances that can cause soil contamination.
- Control discharge of waste generated during manufacturing, product usage, and end-of-life disposal.

Promotion of resource conservation and recycling

- Strive to conserve resources, manage waste, and promote recycling.
- Improve usage efficiency of energy (such as electricity and fuel).
- Strive to consume sustainable resources such as alternative energy sources.

Promotion of global warming countermeasures

- Identify substances that contribute to global warming, assess their emissions, and retain records.
- Control discharge of substances that contribute to global warming.

(2) Promotion of procurement of sustainable raw materials (refer to the Forest-Derived Raw Materials Procurement Guidelines)

- Prohibit use of illegally logged lumber.
- Do not consume natural-resource-derived raw materials such as lumber and water excessively but utilise resources in step with the cycling speed at which nature recovers.

4. Procurement of Safe and Secure Products and Materials

(Refer to the Unicharm Group Materials Safety Guidelines)

(1) Supply of safe materials

- Report component composition, including the content of chemical substances deemed harmful by the Unicharm group.

(2) Supply of materials that are high in quality and for which the supplier has a large supply capacity

- Submit safety data sheets (SDSs) for materials.

05 Indicators, Results, and Target Values of Key Themes and Relevant SDGs

Safeguarding the Well-Being of Individuals

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

Key Themes	Indicators	Results				Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Target Value	Target Year	
Extension of healthy life expectancy and improvement of QOL	Percentage of products and services that contribute to the realisation of a society where everyone can have a sense of individuality	100%	100%	100%	100%	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%	100%	100%	2030	
Coexistence with pets	Percentage of products and services that contribute to the realisation of a society where pets are welcomed by family members and community residents	100%	100%	100%	100%	100%	2030	
Improvement of childcare	Percentage of products and services that contribute to the realisation of a society where infants and their families can live healthily and happily	100%	100%	100%	100%	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%	100%	100%	2030	

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.

Key Themes	Indicators	Results				Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	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%	100%	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%	15.6%	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	Development ongoing	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%	22.0%	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%	100%	100%	2030	

05 Indicators, Results, and Target Values of Key Themes and Relevant SDGs

Safeguarding the Well-Being of our Planet

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 Themes	Indicators	Results				Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	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	5	10 or more	2030	      
Expanding line of recycled models	No. of disposable paper diaper recycling facilities introduced	1	1	1	1	10 or more	2030	       
Addressing climate change	Percentage of renewable energy used for business operations in total	11.0%	22.8%	25.8%	30.6%	100%	2030	      
Promotion of product recycling	Material recycling of nonwoven products using recycling resources	Development ongoing	Development ongoing	Development ongoing	Development ongoing	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	Development ongoing	Reduced by half (compared with 2020)	2030	     

Unicharm Principles

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

Key Themes	Indicators	Results				Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Target Value	Target Year	
Management practices that account for sustainability	Maintain and improve ratings by external evaluation agencies	—	—	—	—	Highest level	Every year from 2026	         
	No. of serious human rights violations in the value chain	1 (rectified)	1 (rectified)	Zero	Zero	Zero	Every year	     
Practice of appropriate corporate governance	No. of serious compliance violations	Zero	Zero	Zero	1	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%	27.8%	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%	89.8%	80% or more	2030	     
Construction of healthier workplaces and workplace safety systems	Reduction in the number 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)	19 employees (Japan)	Reduced by half (compared with 2020)	2030	    

05 Key Initiatives

Our aim to develop products and services that contribute to the realisation of a society where each individual can have a sense of individuality and enjoy their daily lives represents an internal standard to which everyone at Unicharm must strictly conform. At the product development phase, we establish a range of stage-gates at which rigorous tests are performed to confirm whether the products can be forwarded to the next stage of development.

Only those products that fulfil these stage-gate criteria are put on the market. It is important that, by continuing to take advantage of this system, we remain fully committed to providing products and services that contribute to safeguarding the well-being of individuals in the years ahead.

In terms of our key initiatives for safeguarding the well-being of individuals, in 2022 we introduced our new Lifree Easy-to-Walk-in Slim Diapers, which offer additional convenience and comfort for day-to-day walking, as a part of our efforts to extend healthy life expectancy and improve quality of life (QOL). As for our other key initiatives, as a means to provide support for a society where gender and sexual orientation do not restrict people's activities, we continued to offer corporate training programs and education on menarche and menstruation with a view to realising a society where women can live their lives in the way they so wish.

In terms of coexistence with partner animals (pets), we launched the GO WITH YOUR DOG Project, aiming to realise a society where partner animals (pets) and their owners can enjoy outings together as comfortably as possible. With respect to improvement of childcare, we introduced new mosquito-repellent products, helping to ensure healthy lifestyles for babies and the rest of their family.

To improve public hygiene, we released new masks and wet wipes that reflect their diverse uses and needs, as a way of contributing to clean and comfortable environments.

Background of Initiatives

Our Basic Approach and Strategy



As the percentage of the population aged 65 and over continues to increase year by year across the globe, Japan has become the world's largest super-aging society. Improvements in medicine have enabled people to live longer lives on average while spurring greater interest in "healthy life expectancy" – the length of time for which people are able to live on their own without limitations due to health issues. Regardless of age, everyone wants to be able to lead an enriched social life in the way they so wish.

Unicharm offers products and services that provide care and support for various aging-related issues. By ensuring that people can lead active lives, no matter their age, through the appropriate use of such products, we will remain committed to extending healthy life expectancy.

Modern slavery includes the most serious forms of worker exploitation.



MODERN SLAVERY

- Coercion (like manipulation, control or violence), threats or lies to force a person to work
- A person has no choice when and where they work
- Working extremely long hours with no time off
- Not paid or paid very little
- Cannot leave the workplace
- Passport or other identity documents taken away

DANGEROUS OR POOR WORK CONDITIONS

- Workplace is unsafe
- A worker is not paid fairly or does not receive all their benefits (such as leave or superannuation)
- Working extremely long hours
- A person feels pressure not to stop or refuse excessive or unsafe work

DECENT WORK

- A person is paid fairly (at least the minimum wage) and receives all their benefits
- Worker rights are respected
- Safe workplace
- A person feels free to change jobs

<https://www.modernslavery.gov.au/about-modern-slavery/what-modern-slavery>

05 Sedex Platform & Supplier Risk Data (FY2025)

Utilisation of Global Platforms

Our company utilises the Sedex^{*1} platform to manage social and environmental issues within the supply chain. We request that raw material suppliers and external production partners join Sedex and approve their relationship with our company. We then leverage the information obtained through the Sedex platform for decision-making and progress management.

^{*1} Sedex is a global membership organisation that promotes responsible sourcing. It is one of the world's largest platforms for sharing supply chain data related to labour standards, health and safety, the environment, and business ethics. Sedex provides technologies and expertise to help companies build responsible business practices and supply chains. Over 95,000 companies across 180 countries and regions use Sedex solutions for supply chain risk management, regulatory compliance, impact measurement, and disclosure.

Implementation of "Mid- to Long-Term Policy Briefing

Our company held the "16th Unicharm Mid- to Long-Term Policy Briefing Session" for suppliers in November 2025 to ensure the dissemination of policies and guidelines related to the stabilisation of material quality and procurement. A total of 353 participants from 120 companies attended, including raw material suppliers for personal care products, suppliers for pet care products, and external manufacturing partners, with both in-person and online participation.

During the briefing session, we worked to ensure a thorough understanding of various policies, including environmental, human rights, and procurement policies. We also reported on and explained the specific targets and initiatives under the newly established "Kyo-sei Life Vision 2035," as well as quality management activities aimed at improving customer satisfaction by supplying safe and reliable products, and requested continued cooperation.

SMETA Supplier Audit Results (FY2025)

Rating	FY2023	FY2024	FY2025
No. of Audits	26	79	97
Business Critical	1	0	0
Critical	32	44	52
Major	111	127	185
Minor	44	50	65
Total Issues	188	221	302



Supplier Monitoring

We conduct supplier monitoring using SMETA (Sedex Members Ethical Trade Audit) results obtained through the Sedex platform. From the audits conducted in FY2025, we identified 302 cases of non-compliance across 97 audits.

Non-compliances identified through audits are classified into four levels—Business Critical, Critical, Major, and Minor—in accordance with Sedex's SMETA Non-Compliance Guidance.

For non-compliances classified as Business Critical or Critical, if corrective actions cannot be confirmed on the Sedex platform within 3 months of the audit date, we communicate with the relevant suppliers to confirm the status of the corrective actions and their remediation plans.

In FY2025, among the 52 Critical cases, we confirmed with suppliers and reviewed corrective action plans for 18 cases (6 companies) in which remediation could not be verified within three months.

^{*SMETA} is a social audit methodology developed by Sedex that evaluates business sites and suppliers, enabling visibility into labour conditions across the supply chain from the perspectives of labour standards, health and safety, environment, and business ethics.

05 Customer Satisfaction

Our Basic Approach and Strategy

At Unicharm, it is a top priority of our corporate activities to continuously provide products and services that provide customer satisfaction. As a part of this policy, the Customer Communication Center (CCC), which serves as the point of contact for customer inquiries, is committed to enhancing customer satisfaction through effective communication, responding in a swift, fair, and impartial manner to customer inquiries and opinions in accordance with the Customer Communication Center Vision and the Complaint Correspondence Policy. Also, in fiscal 2017 Unicharm issued its Self-Declaration of Consumer Orientation to declare its ongoing commitment to enhancing customer satisfaction.

Self-Declaration of Consumer Orientation

Philosophy

We contribute to creating a better quality of life for everyone by offering only the finest products and services to the market and customers both in Japan and abroad.

Policy on Basic Initiatives—Commitment of Top Management

Unicharm hereby declares that it will always respond to customer complaints and inquiries in an honest, swift, and fair manner.

- I. All feedback received from customers is put together at the Customer Communication Center (CCC) and addressed fairly and impartially by the CCC based on the quality management system (QMS) (ISO 9001) complaint correspondence process manual and ISO 10002 complaint response process documents. Information concerning problems with products or services is swiftly reported to top management and necessary steps are taken to improve the situation.
- II. If the situation must be remedied, all relevant departments work together following the QMS (ISO 9001) procedures on rectification and prevention measures to swiftly remedy the problem and prevent future recurrences.
- III. Customer feedback is seriously reviewed and efforts are made toward improvements involving all relevant departments so as to ensure customer satisfaction going forward. We strive to ensure that precious customer feedback can be properly reflected in our improvement activities for products and services.

Specific Initiatives

- I. **Ensurance of corporate governance: A system for reporting customer feedback to top management without fail or delay.** We will carry out transparent corporate management and actively disclose information while working to fulfil the Company's growth and development, employees' happiness, and our social responsibilities. A time slot is set aside at executive meetings for reports from the CCC for discussing and disseminating a correspondence policy based on a serious review of feedback received from customers.
- II. **Proactive initiatives involving all employees: Fostering of a corporate culture and employee mindset that are customer-oriented.** In order to improve customer satisfaction, once every year, an occasion is set where all Unicharm Group employees, including those from outside Japan, come together to present on products and services as well as proposals for pleasing customers in an effort to learn about best practices. This will enable all Unicharm Group employees to share a customer-oriented mindset and strive for further improvement.
- III. **Swift response through systematic collaboration between relevant departments: Initiatives for swift and honest responses.** All feedback received from customers is put together at the CCC and addressed fairly and impartially by the CCC based on the QMS (ISO 9001) complaint correspondence process manual and ISO 10002 complaint response process documents. Information concerning problems with our products or services are reported promptly to senior management for immediate improvement. When corrective measures are necessary, the relevant departments will work together to resolve the issue promptly and prevent future recurrences.

- IV. **Enhanced information provision to consumers and two-way exchanges of information: Dissemination of information for safe use** Frequently asked questions about product safety will be published on the Company's website in an effort to widely disclose this information. We will provide information to customers by various means so that they can use our products safely and effectively. These means include product packaging, user manuals, and advertisements to educate customers about the correct way to use products, as well as through our corporate website, news releases, and disseminations from the CCC.
- V. **Improvement and development based on consumer and social needs: Product creation making customer-oriented approaches and social responsibilities a reality** The entire Company will work on improvement activities linking the needs of customers with commercialisation of products after carefully reviewing their feedback.

We will set rigorous environmental standards for our products and carefully select product designs and raw materials to meet the challenge of reducing waste in the production process to the extent possible. The entire Company will also work as one solid team toward mitigating environmental impacts, including reducing waste throughout our business activities.

05 Key Initiatives

Customer Communication Center Vision

We aim to have our customers shift their minds from saying "I'm glad that I inquired and consulted with the Customer Communication Center" to "I'll purchase Unicharm products because they are trustworthy and I know I can contact the Customer Communication Center whenever I need to." To achieve this goal, we are committed to making sure that "listening compassionately to the true voice of customers and conveying our thoughtful message to them" becomes second nature, treating others' matters as our own and solving their immediate problems together while providing them with greater inspiration for childcare and nursing care, thereby sharing our joy and excitement and encouraging them to purchase Unicharm products again. By doing so, we would like to deepen our bonds with customers in Asia and around the world.

Complaint Correspondence Policy

1. Customer feedback will be centrally managed by the Customer Communication Center and addressed in a fair and impartial manner in accordance with the QMS (ISO 9001) complaint correspondence process manual and ISO 10002 complaint response process documentation. Information concerning problems with our products or services will be reported to the President & CEO and steps will be taken immediately to remedy them.
2. If our products or services must be revised based on customer feedback, all relevant departments will work together to immediately rectify the situation and prevent future recurrences in accordance with the QMS (ISO 9001) corrective and preventive measures procedure manual.
3. We will strive to reflect the valuable feedback from customers in our products and services. We will take customer feedback seriously and exert our best efforts so that each department works together to ensure that customers will be satisfied.

Second Consecutive Award for Good Practices of Consumer-Oriented Management

At the 32nd Global Environment Awards, sponsored by the Fuji Sankei Group, Unicharm received the Japan Business Federation Chairman's Award for its contributions to resource recycling through years of technological development and the establishment of a demonstration model. Established in 1992, the Global Environment Awards aims to foster industrial development in harmony with the global environment by developing new technologies and products that help prevent global warming and realise a recycling-oriented society, promoting environmental conservation activities and businesses, pursuing sustainable social systems, and enhancing awareness of global environmental conservation.



Management Structure

With the Chief Quality Officer (CQO) in charge of quality control, Unicharm strives to improve quality and safety through customer opinions, which are collected by the CCC and relevant departments, and develop products that are tailored to customer needs. Moreover, as an independent department that reports directly to the President & CEO, the CCC consults with the President & CEO and the CQO on the customer response policy once every six months. In addition, at meetings held by the CQO roughly once a month, we have developed and are operating a system to check the progress of targets and discuss and confirm the appropriate promotion of consumer oriented management.

ISO 10002 Complaint Response Management System

We are building a response system that is compliant with the ISO 10002 complaint response management system (MS), an international standard for complaint response management. In addition to Japan, Unicharm issued its declaration of self-conformity with the ISO 10002 complaint response MS at the CCCs of its overseas bases in China, Taiwan–Greater China, Thailand, Indonesia, Australia, and other countries, and aims to do so in India and Vietnam going forward. Upon declaration, we verify that the system is being operated properly through regular audits and information exchanges by our CCC in Japan.

Indicators and Targets

	Target	Fiscal 2024 Result	Fiscal 2025 Result
Customer satisfaction level	Over 85.0%	89.8%	91.7%

Initiatives and Results

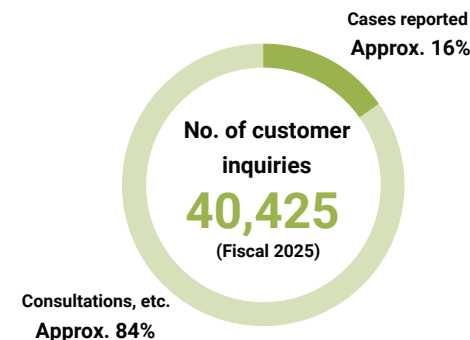
Reflecting Customer Feedback in Our Products

In fiscal 2025, the number of customer inquiries decreased to 40,425, 93.1% vs the previous year (from 43,414 in fiscal 2024) and of these, the number of cases reported were 6,494 (from 6,707 in fiscal 2024).

Customer feedback is shared in realtime through the "FAIN" customer information management system and compiled into monthly reports for dissemination to relevant departments.

Furthermore, members of the Customer Communication Center (CCC) actively participate in reporting sessions with the R&D and the Marketing divisions, as well as in product packaging review meetings (Consumer Communication Assurance meetings), thereby ensuring that customer insights are reflected in the development and enhancement of products and services.

Breakdown of Customer Inquiries



05 Zero Carbon Society

Our Basic Approach and Strategy

Unicharm recognises that climate change is an issue that must be addressed as a matter of urgency. Therefore, in order to contribute to achieving the 2°C target*¹ indicated in the Paris Agreement at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21), we received certification in June 2018 under the Science Based Targets initiative (SBTi) for our CO₂ reduction plans up to 2045.

Following the adoption of a more stringent 1.5°C target*² at COP26 in 2021, we resubmitted our 1.5°C target to the SBTi for certification, which we received in October 2024. We also endorsed the Task Force on Climate-related Financial Disclosures (TCFD) in May 2019 and continue to report in accordance with its framework. Furthermore, in November 2023, we became a member of RE100 to achieve the goal of switching to 100% use of renewable energy in our business activities by 2030 as set forth in Kyo-sei Life Vision 2030, announced in October 2020.

Our 2050 vision of Environmental Targets 2030, announced in April 2020, calls for the realisation of a society with net zero CO₂ emissions. We will strive to reduce CO₂ emissions from our various business activities in cooperation with the Japan Climate Initiative (JCI), the Japan Climate Leaders' Partnership (JCLP), the GX League, and RE100. At the same time, we will continue to actively encourage all parties involved in our supply chains to reduce their emissions throughout the product life cycle.

JAPAN
CLIMATE
INITIATIVE



CLIMATE GROUP
RE100

Indicators and Targets

Responding to Climate Change Under Environmental Targets 2030

Implementation Items		Base Year	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	2030 Targets	2050 Vision
Reducing CO ₂ emissions associated with raw materials procurement Scope 3, Category 1	Per unit Sales	2016	-12.6% (Japan)	+5.9% * ¹ (Japan)	+4.1% * ¹	+2.6% * ¹	-17.0%	Realising a society with net zero CO ₂ emissions
Reducing CO ₂ emissions in manufacturing Scope 1 and Scope 2		2016	-35.2%	-55.4% * ¹	-59.8% * ¹	-63.6% * ¹	-34.0%	
Reducing CO ₂ emissions associated with disposal of used products Scope 3, Category 12		2016	-11.6% (Japan)	-35.8% * ¹	-38.0% * ¹	-45.4% * ¹	-26.0%	

*¹ - Calculated based on Unicharm's Environment Management Policy

Kyo-sei Life Vision 2030: Safeguarding the Well-Being of Our Planet

Indicators	Fiscal 2022 Result	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	2030 Target
Percentage of renewable energy used for business operations in total	11.0%	22.8%	25.8%	30.6%	100%

*¹ Aims to limit the increase in global average temperature to under 2°C above preindustrial levels in accordance with the Paris Agreement reached at COP21 in 2015

*² COP26 in 2021 incorporated the pursuit of efforts to limit the temperature to within 1.5°C instead of the 2°C stipulated in the Paris Agreement.

Initiatives and Results

CO₂ Emissions Throughout the Supply Network (Overall Picture of Scopes 1 to 3)

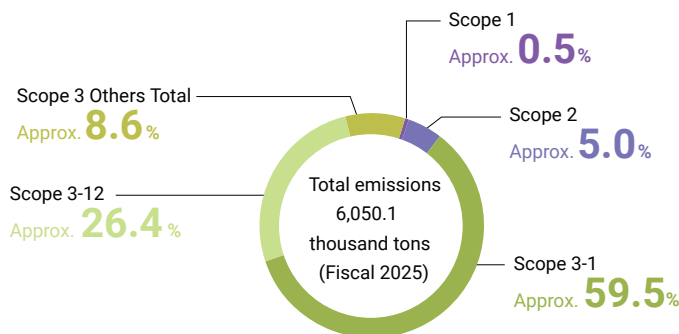
Unicharm calculates its CO₂ emissions according to the Greenhouse Gas Protocol,^{*1} the standard for calculating greenhouse gas (GHG) emissions most widely used in the world today. In fiscal 2025, life cycle CO₂ emissions were estimated to be approximately 59.5% for Scope 3 purchased materials, 26.4% for end-of-life treatment of sold products, 8.6% for others, and 5.5% for Scope 1 and Scope 2 manufacturing. Based on these estimates, we are working to reduce CO₂ emissions at all stages of the life cycle, from raw materials procurement to end-of-life treatment of sold products.

CO₂ Emissions by Scope and Category

(Thousand tons)

Scope	Category	Fiscal 2023	Fiscal 2024	Fiscal 2025	Remarks
Scope 1	Direct emissions	29.2	30.1	29.9	
Scope 2	Indirect emissions from energy sources	376.9	354.6	303.1	
Scope 3*	1 Purchased goods and services	3,756.1	3,936.5	3,597.7	
	2 Capital goods	99.0	121.2	85.8	
	3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	51.1	49.5	45.2	
	4 Upstream transportation and distribution	225.5	252.1	264.4	* 3
	5 Waste generated in operations	28.7	26.2	25.7	
	6 Business travel	2.0	2.1	2.1	
	7 Employee commuting	12.8	13.2	11.8	
	8 Upstream leased assets	0.0	0.0	0.0	* 4
	9 Downstream transportation and distribution	81.0	77.8	68.5	* 3
	10 Processing of sold products	0.0	0.0	0.0	* 4
	11 Use of sold products	0.0	0.0	0.0	* 4
	12 End-of-life treatment of sold products	1,875.7	1,756.5	1,597.7	
	13 Downstream leased assets	0.0	0.0	0.0	* 4
	14 Franchises	0.0	0.0	0.0	* 4
	15 Investments	34.7	21.3	18.3	
Total for Scope 3		6,166.5	6,256.4	5,717.1	
Total		6,572.6	6,641.1	6,050.1	

CO₂ Emissions by Scope



Life Cycle CO₂ Emissions Ratio



Note: As a general rule, figures are rounded off to the nearest unit. Accordingly, the total amount may be different from the sum of its components.

*1 In 1998, the Greenhouse Gas Protocol was established to develop standards for calculating and reporting GHG emissions, led primarily by the World Resources Institute (WRI), an environmental NGO based in the United States, and the World Business Council for Sustainable Development (WBCSD), which comprises over 200 multinational corporations. In 2001, the first edition of the GHG Protocol Corporate Standard was established and, since then, this approach to calculating GHG emissions has become a global standard.

*2 Scope 3 was calculated using values from LCI database AIST-IDEA Ver. 3.4 Research Laboratory for IDEA, RISS, AIST, IPCC2021 with LULUCF AR6. Moreover, Scope 3 emissions up to fiscal 2023 were recalculated using the same database, in addition to revising the calculation method for activity volume.

*3 The overseas portion of 3-1, 3-2, 3-3, 3-5, 3-6, 3-7, 3-12, and 3-15 are calculated based on activity level, while other categories are estimated based on sales weight.

*4 Does not apply to any work process

CO₂ Emissions Associated with Raw Materials Procurement

With regard to Scope 3, including CO₂ emissions associated with raw materials procurement, we have received certification from the SBTi for our targeted reduction in CO₂ emissions of 27.5% by 2031 compared to the base year of fiscal 2021. In fiscal 2025, we promoted the development of lighter, slimmer products and thinner packaging, and the transition to biomass and recycled materials.

Communicating the Importance of Climate Change Measures to Suppliers

As CO₂ emissions from purchased goods and services (Scope 3, Category 1) and end-of-life treatment of sold products (Scope 3, Category 12) account for approximately 59.5% and 26.4% of the overall product life cycle, respectively, it is essential that we promote measures together with suppliers.

We are promoting the reduction of CO₂ emissions by actively requesting suppliers to switch to renewable electricity, use plant-derived biomass materials and recycled materials, and thinner and lighter materials. These efforts significantly contribute to low carbon emissions, not only in procurement but also in disposal.

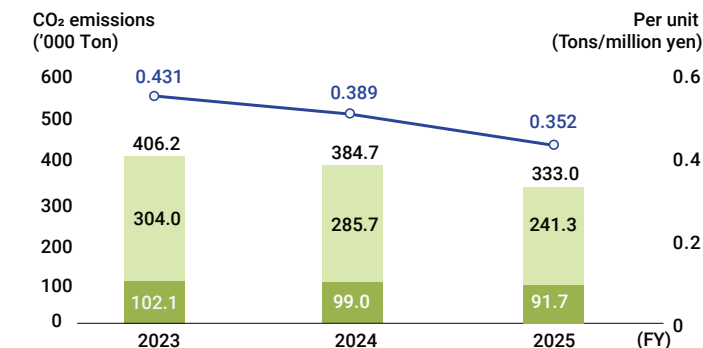
CO₂ Emissions During Manufacturing, Sales, and Distribution

Initiatives at Factories

Regarding Scope 1 and Scope 2, we have set the goal of transitioning to 100% renewable electricity by 2030, and the entire Group is working to reduce CO₂ emissions. Meetings on energy conservation and renewable energy are held four times a year with promoters of environmental activities at each site to promote their respective energy conservation activities and procurement of renewable energy by formulating annual plans, confirming progress, and sharing best practices for reducing electricity consumption and switching to renewable energy. In fiscal 2025, CO₂ emitted during manufacturing amounted to 0.352 tons/Million Yen, a 63.6% reduction (per unit of sales) from the fiscal 2016 base year.

Initiatives and Results

Progress on CO₂ Emissions (Scope 1 and Scope 2)



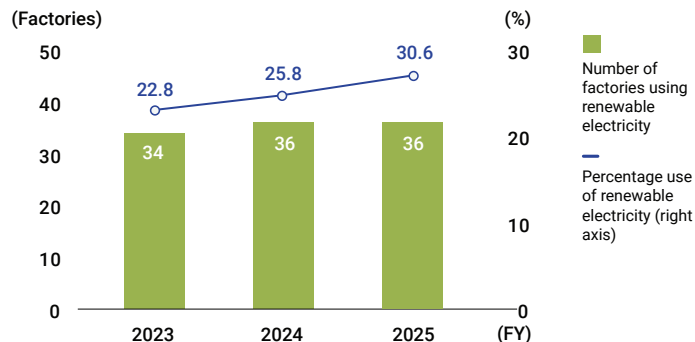
■ Japan ■ Overseas — Per unit (right axis)

Note: Consolidated net sales is used as the denominator to calculate "Per unit (tons/million yen)."

Switching to Renewable Electricity

In fiscal 2025, the number of sites introducing renewable energy reached a total of 36, including one new site and site consolidation efforts. As a result, the group's overall renewable energy ratio increased by 4.8 percentage points to 30.6%, reducing CO₂ emissions by approximately 130,000 tons annually.

Number of Factories Using Renewable Electricity and Percentage Use of Renewable Electricity



Indonesia:	Reduced compressor set pressure by approximately 20%. Installed insulation jackets and thermal insulation materials on piping for centralised equipment to suppress heat dissipation, thereby reducing electricity consumption for air conditioning.
India:	Reduced power consumption by lowering rotational speed through changing the pulley diameter used in fan motors of production equipment.
Egypt:	Reduced power consumption by 10–20% by adjusting and optimising the motor rotational speed of suction fans.
South Korea:	Improved compressor operating efficiency and reviewed temperature settings for hot melt adhesives, resulting in an approximate reduction of 388 tons of CO ₂ emissions in fiscal 2025.
China:	Promoted proactive energy-saving initiatives across five plants, including replacing outdoor units with high-efficiency vacuum motors, switching powder processing machines to low-output motors, and adding automatic control to electric heaters. These efforts are expected to reduce CO ₂ emissions by approximately 392 tons in FY2025.
Thailand:	Participated in an energy consulting program with the Electricity Generating Authority of Thailand (EGAT), reducing energy consumption within the organisation and obtaining energy efficiency certification.

Factories Using 100% Renewable Electricity

Commencement of Operations	Factory Name
January 2017	Jaguariuna Factory (Brazil)
September 2020	Kyushu Factory (Japan)
February 2021	Itami Factory (Japan)
April 2021	Toyohama Works, Shikoku Factory (Japan)
December 2021	Hartz Pleasant Plain Factory (United States)
March 2022	Saitama Factory (Japan)
April 2022	Mie Factory (Japan)
April 2022	Peparlet's three factories (Japan)
April 2023	Unicharm Kokko Nonwoven (3 manufacturing sites) (Japan)
April 2023	Cosmotec (Japan)
April 2023	Kinsei Products (Japan)
March 2024	Peparlet's Shimada Factory (Japan)

Installing Energy-Saving and Efficiently Operated Equipment

Energy-saving measures are being implemented at each factory, including the introduction of high-efficiency motors and other energy-saving equipment, efficient equipment operations such as motor speed adjustments and the use of inverters, measures to prevent air leaks from compressors, and the use of LED lighting. Meetings on energy conservation and renewable energy are held four times a year to share best practices and expand energy conservation and renewable energy measures throughout the Group. For example, Unicharm's local subsidiary in Vietnam has been conducting tests to check for air leaks from compressors in all production lines since November 2024. The aim is to reduce compressor electricity consumption from air loss by 3% to 5%. In addition, Unicharm's local subsidiary in South Korea upgraded its fan inverter control and cooling systems and adjusted the heating time of hot melt (adhesive), reducing CO₂ emissions by approximately 746 tons in fiscal 2024. Our local subsidiary in China converted to energy-efficient motors for all of its production lines, which has reduced electricity use by approximately 40% on each line.

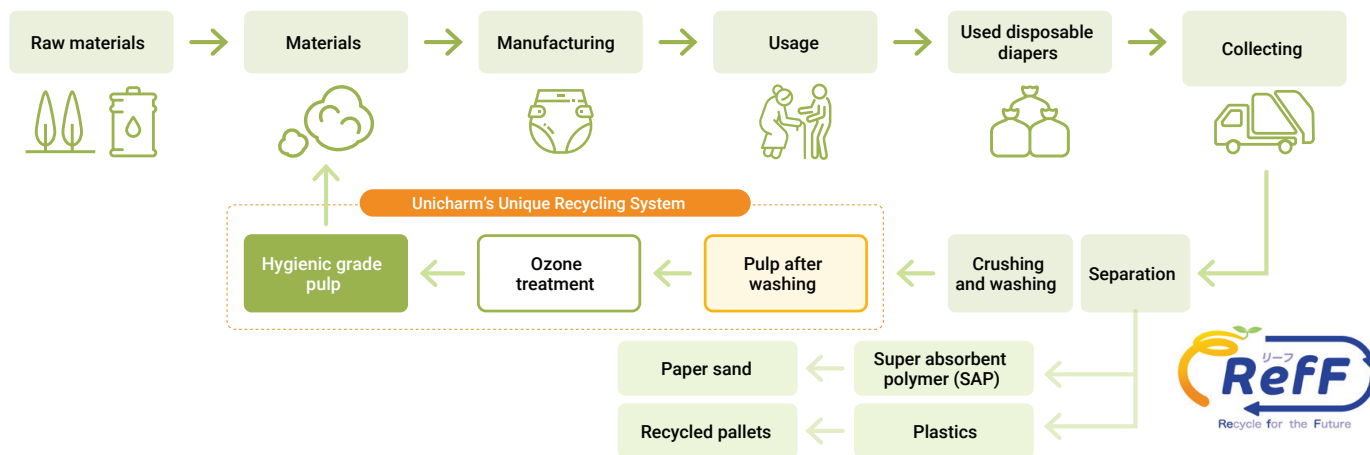
05 RefF Project Targeting the Realisation of a Recycling-Based Society

Issues Facing Society and Background of Recycling Technology Developments

In Japan, most used disposable diapers are incinerated, which impacts the environment due to the emission of CO₂ during this process. Further, as disposable diapers contain high moisture content, they are difficult to burn, which requires more energy for incineration and additional costs to maintain and build new incinerators. The production of new disposable diapers also requires many natural resources, including wood. To remain the preferred brand by customers and to continue to grow, it is important that Unicharm establishes a sustainable system in which the life cycle of our disposable diapers does not burden the natural environment, and that we instill the sustainable value of this system in our customers. Based on our belief that new technologies were needed to achieve this goal, in 2015 we launched a project to recycle used disposable diapers.

Recycling of Used Disposable Diapers

Disposable diaper recycling model



Circular Recycling of Used Disposable Diapers

Unicharm's recycling system is designed to achieve hygiene and quality equivalent to that of non-recycled raw materials through a process that includes cleaning and separating collected disposable diapers and applying our proprietary ozone treatment to sterilise the extracted pulp. After launching this project in 2015, in fiscal 2016 we began demonstration trials in Shibushi City, Kagoshima Prefecture, to recycle used disposable diapers at So Recycle Center LLC, which handles the recycling of waste in Shibushi City. Subsequently, in fiscal 2018, Osaki Town located in So County, Kagoshima Prefecture, joined the demonstration trials. In June 2022, nursing care facilities in Kagoshima Prefecture began using disposable diapers incorporating recycled materials as part of their absorbent materials, realising the horizontal recycling of used disposable diapers. Based on this world-first*¹ horizontal recycling technology for disposable diapers, the Recycle for the Future (RefF) Project was born, as we aim to create a future in which hygiene products are not discarded after use.

In April 2023, Shibushi City began collecting used disposable diapers at five childcare facilities through the Hands-Free Commute*² program. In August 2024, the city began providing MamyPoko Pants RefF, disposable baby diapers for childcare facilities using raw materials recycled from used baby diapers, thereby forming the cycle of use, collection, and recycling and realising a circular economy in Shibushi City.

*1 Horizontal recycling of used disposable diapers to new disposable diapers using ozone treatment technology (based on Unicharm research, December 2020)

*2 Flat-rate service providing disposable baby diapers and baby wipes to childcare facilities

Promotion Structure

Unicharm's disposable diaper recycling business is promoted by a cross-organisational team led by the Chief RefF Officer (CRO) and comprising members in charge of marketing, technical development, and public relations. In collaboration with the Ministry of the Environment, we work with various municipalities and organisations, including Shibushi City and Osaki Town in Kagoshima Prefecture, as well as So Recycle Center LLC.

Unicharm Receives Japan Business Federation Chairman's Award at 32nd Global Environment Awards

At the 32nd Global Environment Awards, sponsored by the Fuji Sankei Group, Unicharm received the Japan Business Federation Chairman's Award for its contributions to resource recycling through years of technological development and the establishment of a demonstration model. Established in 1992, the Global Environment Awards aims to foster industrial development in harmony with the global environment by developing new technologies and products that help prevent global warming and realise a recycling-oriented society, promoting environmental conservation activities and businesses, pursuing sustainable social systems, and enhancing awareness of global environmental conservation.

05 GHG Emissions Visualisation Project

In May 2022, we launched the GHG Emissions Visualisation Project to further enhance the promotion of initiatives responding to climate change in Environmental Targets 2030 and Kyo-sei Life Vision 2030. This project aims to quantitatively visualise the Carbon Footprint of Products (CFP)^{*1} and identify and implement specific reduction measures for each of our products. For this project, we have teamed with Wastebox, Inc. and obtained the support of Deloitte Tohmatsu Consulting LLC, a company with a wealth of knowledge and experience related to comprehensive support for carbon neutrality.

Phase 1: Visible (Visualisation of GHG Emissions)

In fiscal 2022, we established a calculation system in accordance with Greenhouse Gas Protocol international standards and developed a system that enables CFP values to be calculated by company and product. We also obtained information on primary GHG emissions data^{*2} for each material covering approximately 80% (on a purchase amount basis) of personal care product materials procured mainly in Japan. These measures allow us to not only calculate GHG emissions in accordance with global standards, but also reflects supplier efforts to mitigate climate change and improve productivity, including more accurate visualisation of GHG emissions for each material.

Phase 2: Measurable (Scenario Analysis)

In fiscal 2023, the CFP value calculation system constructed in Phase 1 commenced operation, and the accuracy of the values for each product was verified. We recognise that decarbonisation is an issue for which it is difficult to achieve significant results on our own, and we believe it is important to expand our efforts beyond daily necessities to encompass the entire industry. To this end, we also held three information exchange meetings on the theme of visualising GHG emissions in May, August, and November, inviting relevant government ministries and agencies, other businesses in our industry, and environment-related companies. In addition to complying with international calculation rules, we exchanged opinions extensively on how ultimately labelling should be easy to understand and familiar to consumers when they select products and services.

Phase 3: Manageable (Implementation of Measures)

In fiscal 2024, our calculation rules were certified under the Internal-PCR approval program^{*3} of the Sustainable Management Promotion Organisation (SuMPO). In addition, we conducted a demonstration test to develop primary data distribution infrastructure to enable primary data for each material collected from and used in Phase 1 and Phase 2 to be effectively used by industry peers and material manufacturers. We also held information exchange meetings on visualisation of GHG emissions with industry peers in March and October 2024 and exchanged views with Keidanren (Japan Business Federation) and the Japan Hygiene Products Industry Association. Furthermore, we conducted hot spot analysis and gap analysis to determine specific reduction measures and expanded these initiatives into the pet care field and began deploying them at our overseas subsidiaries in Thailand and Indonesia.

Phase 1: Visible (Visualisation of GHG Emissions)

Phase 2: Measurable (Scenario Analysis)

Phase 3: Manageable (Implementation of Measures)

OODA and PDCA Cycles (Continuous Measurement and Improvement of Effectiveness)

Fiscal 2022 Results

- Established rules for calculating GHG emissions in accordance with Greenhouse Gas Protocol, and completed the construction of a system for calculating CFP values by company and product
- Obtained information on primary GHG emissions data for each material covering approximately 80% (on a purchase amount basis) of personal care product materials procured mainly in Japan

Fiscal 2023 Results

- Commenced operation of the system constructed in Phase 1, fine-tuned CFP values by product
- Conducted three meetings in May, August, and November to exchange opinions with government ministries and agencies, other businesses in our industry, and environment-related companies regarding the visualisation of GHG emissions to discuss the ideal format of easy-to-understand and friendly labelling when consumers select products and services

Fiscal 2024 Results

- Received certification for our internal CFP calculation rules under the Internal-PCR approval program; promoted the calculation of CFP values in society and the industry as a whole
- Obtained primary data on materials for pet care products and began implementation at overseas subsidiaries
- Commenced joint demonstration tests on primary data distribution infrastructure in September 2024
- Held information exchange meetings on visualisation of GHG emissions with relevant government ministries and agencies, industry peers, and environment-related companies in March 2024 and October 2024

Fiscal 2025 Onward

- Formulate approaches that contribute to the enhancement of corporate value
- Adapt and expand approaches, including expansion into other lines of manufacturing and compliance with regulations in various countries and regions
- Improve the accuracy of value chain hotspots identified through LCA analysis, in cooperation with academia

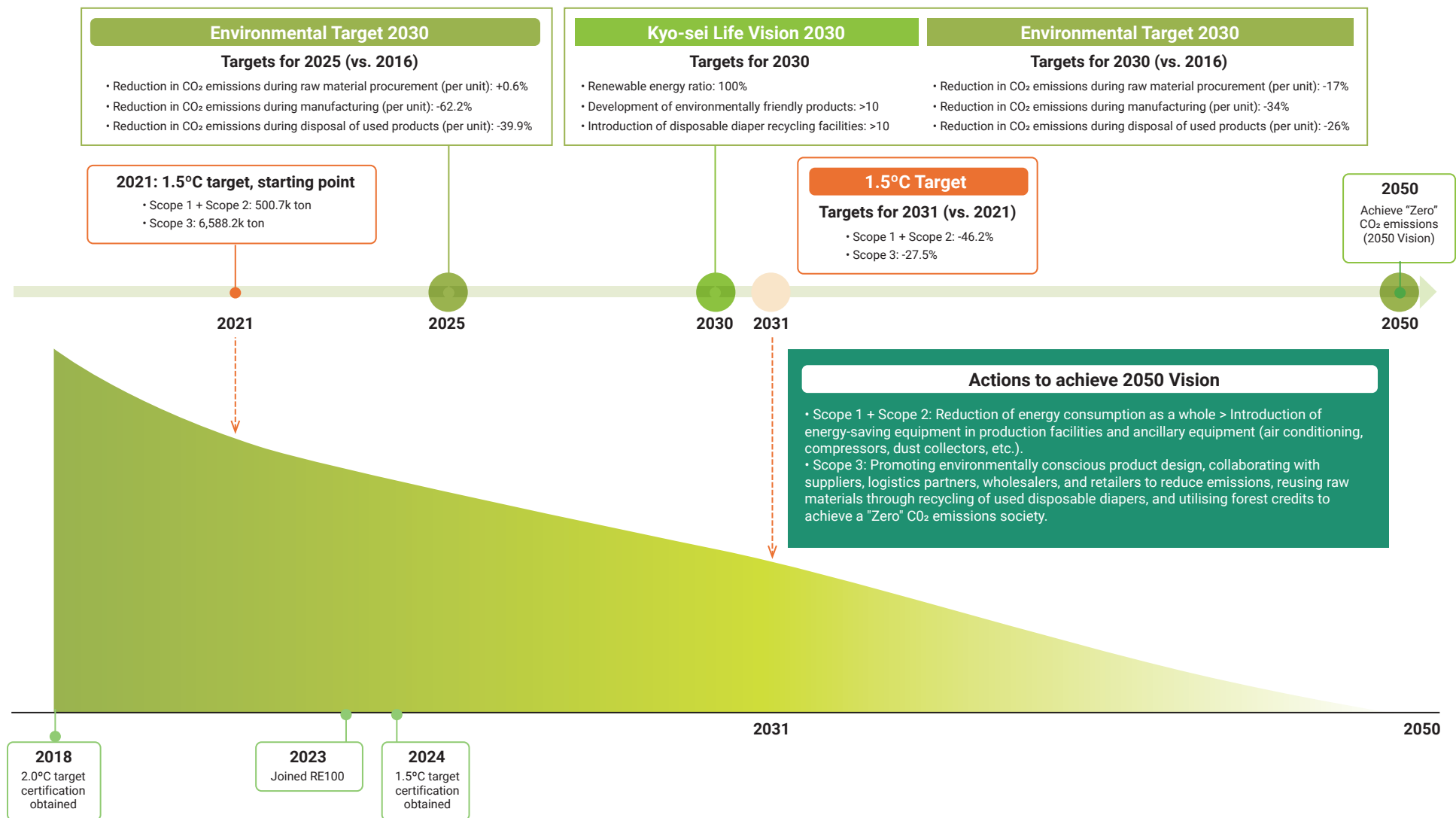
^{*1} System indicating GHG emissions throughout the entire life cycle of products and services, from the procurement of raw materials, to disposal and recycling, converted to CO₂

^{*2} Data collected and measured by the business responsible for calculations (e.g., electricity consumed in the manufacture of its products), and interviews with external stakeholders (e.g., direct understanding of company-related emissions by business partners)

^{*3} By constructing and operating a highly reliable and suitable Internal-PCR system, we aim to visualise the environmental information of our products in an effort to achieve carbon neutrality and promote internal and external communication using environmental information such as the CFP.

05 Decarbonised Society

Our Roadmap to Achieve "Zero" CO₂ Emissions



*Plastic recycled from waste (packaging, etc.) after consumption

05 Communities

Plastic Waste Reduction Measures

Our Basic Approach and Strategy

Although plastics are easy to process, durable, and essential to our hygienic lives, they must be properly disposed of and recycled after use. As a manufacturer that uses plastic in its products and packaging materials, Unicharm recognises that it has a responsibility in this regard. Aiming to address the global problem of plastic, Unicharm Australasia is a signatory to the SPSA (Soft Plastic Stewardship Association). In response to the problem of plastic waste, which was put forth as an issue to be addressed under Environmental Targets 2030 announced in May 2020, we declared “realising a new society with zero plastic waste” as part of our 2050 Vision and laid out our 2030 targets. In fiscal 2022, we participated in the World Wide Fund for Nature (WWF) Japan’s Plastic Circular Challenge 2025 to express our commitment to resolving plastic pollution issues and set targets for 2025. Since fiscal 2023, Unicharm has also participated in the Business Coalition for a Global Plastics Treaty, for which the Japan coalition serves as secretariat, to strengthen efforts to resolve plastic issues throughout the Group.



Risks and Opportunities

Risks

The sanitary pads and disposable diapers produced by Unicharm utilise plastic materials moulded into sheets and films to create product and packaging materials. Accordingly, there is a risk that production costs will rise due to tighter regulations and enforcement of taxes on petroleum-derived plastics, as well as an imbalance between the supply and demand of raw materials due to the mandatory use of recycled plastics. Further, there is a risk that consumers will refrain from purchasing if nothing is done to address the use of petroleum-derived plastic materials.

Opportunities

Ongoing efforts to reduce the total amount of plastic used throughout our business activities will enable Unicharm to comply with stricter regulations on the use of petroleum-derived plastic materials and contain production cost increases due to rising material prices. Further, there is an opportunity to increase sales with products that use less plastic, as they are more likely to be supported by consumers who wish to purchase and use environmentally friendly products.

In November 2024, UcA adopted LLDPE (linear low-density polyethylene) of approximately 15% PCR* plastic for the packaging of Sizes 1 and 2 baby diapers, complimenting the previous achievement of approximately 5% PIR plastic.



We’re making efforts to reduce the amount of virgin plastic produced.

*This soft plastic polybag contains 15% PCR (post-consumer recycled material) and 5% PIR (post-industrial recycled material).

Post-consumer recycled materials (PCR)

Reclaimed material from homes and businesses

PCR enables the collection of used materials creating jobs and helping the planet with reduced waste and virgin materials



Post-industrial recycled materials (PIR) pre-consumer

Imperfect products, scraps, and leftovers recovered from factories

A great way to make sure the extra bits don’t go to waste



Virgin (new) plastic

No recycled content

Making new plastic uses the most energy and extracts resources from the earth



05 Diversity and Inclusion

Female Leader Development Program (Indonesia, India)

Unicharm's local subsidiary in Indonesia held the Female Leadership Forum, a program aimed at fostering the motivation of female employees to develop into leaders. The program consisted of a session in which female executives discussed their own experiences as well as a lecture by an external instructor on balancing work and family life, stress management, and self-care.

Meanwhile, Unicharm's local subsidiary in India conducts a female leader development program called Break the Glass Ceiling and Power Through. It aims to foster a growth mindset by addressing the real-life challenges that women encounter, discussing ways to overcome them, and breaking down the barriers they face. A total of 47 female employees from various departments participated in this program in fiscal 2024, which was conducted both on-site and online.

In support of the aims of the Women's Empowerment Principles, Unicharm has signed a statement to act in accordance and is strengthening efforts to promote the advancement of women across the Group, such as becoming a member of 30% Club Japan to promote diversity initiatives and increase the percentage of women on corporate boards. In October 2024, as part of an exchange meeting for companies participating in 30% Club Japan, a dialogue was held between the president of Unicharm Corporation and female executive candidates from participating companies.

In support of

**WOMEN'S
EMPOWERMENT
PRINCIPLES**

Established by UN Women and the
UN Global Compact Office



Certified as Himeboss Declaration Business by Ehime Prefecture

Unicharm has been certified as a Himeboss Declaration Business by Ehime Prefecture, a program in which Ehime Prefecture certifies businesses that are dedicated to promoting women's advancement and the balance of work and family life. This certification was in recognition of our commitment to increase the ratio of women in management positions and promote the participation of male employees in childcare.

Hiring Employees of Diverse Nationalities and Promoting Them to Management Positions

At our Group subsidiaries around the world, executive and management positions are primarily held by those hired locally in their respective countries and regions. Meanwhile, in Japan we also hire and promote employees to managerial roles regardless of nationality or race. In these ways, we strive to create a system and foster a corporate culture in which all employees across the Group can engage and flourish.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	2030 Target	Coverage
Percentage of locally hired employees in management positions (general manager and above) at overseas subsidiaries (%)	52.3	58.7	56.1	80	Unicharm Group's overseas subsidiaries

Hiring Experienced Personnel and Promoting Them to Management Positions

We actively recruit individuals who are experts in their field with a wealth of experience and skills. Employees who join the Company as experienced professionals are actively promoted to management positions upon determining their respective abilities and aptitude. We also promote the rehiring of employees who have left the Company for family or other reasons.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
No. of mid-career hires	43	65	46	Full-time employees of Unicharm Corporation
Percentage of mid-career hires in management positions (%)	33.5	38.1	38.8	

Creating a Workplace for People of All Life Stages

We have introduced the Re-Create System, in which employees in their 50s can apply for transfer to other departments by reflecting on their career to date and identifying what they would like to do, what they can do, and what they must do going forward.

Moreover, Unicharm has developed an environment where employees who have reached retirement age can make full use of their abilities in order to pass on their skills and expertise to the next generation. Those who wish to continue working can remain employed as "professional staff." Compensation is determined in accordance with the roles and responsibilities of their position, in which they can draw on their past experiences and existing skills and knowledge while making the most of newly acquired skills and knowledge, ensuring that their compensation appropriately reflects the nature of their position. When determining the compensation of professional staff, we also refer to market assessments of their potential abilities. Also, the hiring of retirement-age personnel does not have any impact on our recruitment of young employees.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
Rehiring rate of retired employees (%)	86.2	88.4	76.1	Unicharm Corporation
Hiring rate of Corporation retired employees seeking reemployment (%)	100	100	100	

05 Diversity and Inclusion

Expanding Our Recruitment of People with Disabilities

Unicharm actively employs highly motivated individuals regardless of disability and aims to create a workplace where they can demonstrate their abilities and achieve continuous growth. Specifically, we have set appropriate goals in accordance with the respective abilities and desires of employees while establishing a corporate cultural environment that emphasises team accomplishments by helping one another succeed through the provision of appropriate guidance and advice on a weekly basis. In fiscal 2023, a nationally certified ANMA massage therapist with a visual impairment was hired for our new massage room at Unicharm headquarters. In fiscal 2024, we introduced Room C, an internal network that provides a community for employees with disabilities to establish contacts across departments and an environment in which members can freely exchange information and interact during lunch breaks.

We strive to provide an appropriate workplace environment where each individual can demonstrate their talents in accordance with the characteristics of their disability, such as by installing elevator and handrails, enabling free and safe mobility by removing obstacles, and giving due regard to providing work instructions by means of email or chat. Moreover, at Unicharm's satellite office in Mito City, Ibaraki Prefecture, employees with disabilities are engaged in scanning, invoice processing, and other duties.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
Average annual employment rate of people with disabilities (%)	2.2	2.4	2.6	Unicharm Corporation

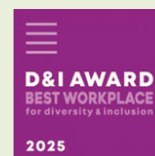
Expansion of Regional Employment Through Respect for Different Cultures and Religions

Unicharm helps expand employment in the various countries and regions in which it operates through its business activities. By providing employment opportunities and respecting the characteristics and cultures of these countries and regions, we uncover promising individuals. In Saudi Arabia, women are prohibited from mixed-gender interactions outside of their families due to cultural and religious reasons, which limits their employment opportunities. In light of such circumstances and out of respect for the local culture, in 2012 Unicharm established a factory that allows women to work in a same-gender environment. Today, due in part to the easing of various restrictions, a number of women are taking on significant roles not only at the factory but also as members of the promotion and product development departments.



Best Workplace Recognition at D&I AWARD 2025

Following its honour in 2023 and 2024, Unicharm was recognised once again by JobRainbow Co., Ltd. as a "Best Workplace" at D&I AWARD 2025, Japan's largest award for companies that excel in diversity and inclusion initiatives. This year's award was in recognition of its high level of commitment to diversity and inclusion (D&I) in both Japan and overseas, the efforts of each employee to actively promote D&I and foster a corporate culture of D&I, and the fact that our D&I philosophy is reflected in all aspects of our business activities and organisation and that this impact has been noticed outside the Company.



Respect for Sexual Orientation

At Unicharm, we respect all sexual orientations and gender identities, and strive to provide a workplace environment where employees can work to their potential. In fiscal 2022, we reviewed our Harassment Prevention Regulations and added a provision on sexual orientation and gender identity to these regulations. In addition, we conduct e-learning and level-specific training to promote awareness and deepen understanding of sexual minorities.

As part of diversity and inclusion training, in November 2023, we held a workshop for all Unicharm employees to promote awareness of unconscious bias. Participants learned about unconscious bias and how to manage it effectively in the workplace by doing case studies, watching videos, and engaging in group discussions. In fiscal 2024, an advanced version of this workshop was held to further deepen understanding of unconscious bias and enable participants to put their knowledge into practice. Both workshops in fiscal 2023 and fiscal 2024 were attended by all Unicharm employees. Furthermore, we introduced a same-sex partnership system to enable sexual minorities to receive the same benefits as opposite-sex couples.

By continuing to educate and raise awareness through such initiatives, Unicharm is working to foster a workplace culture in which individuals respect one another and can take pride in their diversity.

In December 2022, Unicharm was registered as a Tokyo Metropolitan Government Barrier-Free Support Company for its efforts to foster awareness among employees and society about the importance of equal participation and being free from preconceptions.



05 Diversity and Inclusion

System for Determining Fair Compensation

Unicharm has a system in place to determine employee compensation in a fair manner, ensuring that the compensation of employees with the same qualifications and duties does not differ based on gender. The average wage of female employees is lower than that of male employees due to a couple of factors: the ratio of women in management positions and the difference in years of service. To resolve these issues, we are taking measures to support women's career development and promote more women to leadership positions. We will continuously strive to achieve gender equality by setting concrete goals and disclosing our progress regularly.

Wages of Female Employees as a Ratio of Male Employees*

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Coverage
Starting base salaries (%)	100	100	100	Full-time employees of Unicharm Corporation
Base salaries (%)	77.5	80.6	82.6	
Total remuneration amount (%)	73.1	74.9	76.6	

* Calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015)

Support for Balancing Work and Childcare

Unicharm offers a variety of support programs (Moony Childcare Support System) to provide a workplace environment that is conducive to balancing work and childcare.

● Moony Maternity Leave

Employees may take up to six weeks of paid leave before childbirth (14 weeks for multiple pregnancy) and up to eight weeks of paid leave after childbirth.

● Moony Childcare Leave

Employees may take childcare leave until the arrival of their child's second birthday. Those with paid vacation days remaining at the start of this leave may use up to 15 of those days as part of this leave. While employees do not receive salary during the period of the leave, they are provided childcare benefits from unemployment insurance. Male employees may take this leave from their partner's pregnancy.

● Moony Childcare Involvement Leave

Male employees may take up to five days of this special paid leave within eight weeks of the birth of their child.

● Postpartum Paternity Leave

Male employees may take up to four weeks of this childcare leave within eight weeks of the birth of their child.

● Moony Shortened Work Hours for Childcare

Employees with children up to the age of third-year elementary school who have returned to work from childcare leave may reduce their work hours to as few as five hours per day.

● Covering the Cost of Hands-Free Commute

The Company covers the cost of this disposable diaper subscription service for childcare facilities when used by employees.

Moony Childcare Support System

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Coverage
No. of employees taking Moony Childcare Leave	140	139	132	Unicharm Corporation and Unicharm Products Co., Ltd.
Percentage of employees taking Moony Childcare Leave (%)	96.1	100.0	101.0*	
Percentage of male employees taking Moony Childcare Leave (%)	100.0	100.0	101.5*	
Percentage of employees taking Moony Childcare Involvement Leave (%)	83.7	88.0	94.6	Unicharm Corporation

*The rate could exceed 100% as male employees whose partners gave birth in the previous year may take childcare leave in the current year.

Unicharm Corporation endorses the declaration made by Work-Life Balance Co., Ltd. to have all eligible male employees take paternity leave.



05 Diversity and Inclusion

Programs to Support Diverse Work-Styles: Case Study from Unicharm Corporation

System	Target	Summary
Moony Maternity Leave	Employees expecting the birth of their child	Can take up to six weeks of paid leave before childbirth (14 weeks for multiple pregnancy) and up to eight weeks of paid leave after childbirth
Moony Childcare Leave	Employees with children under two years old	Can take up to two years of leave until the day before their child's second birthday
Moony Childcare Involvement Leave	Male employees of Unicharm Corporation who have children up to eight weeks old	Can take up to five days of leave within eight weeks of the birth of their child
Postpartum Paternity Leave	Male employees of Unicharm Corporation with children under eight weeks old	Can take up to four weeks of leave within eight weeks of the birth of their child
Moony Shortened Work Hours for Childcare	Employees who have children up to the third-year of elementary school	Can shorten work hours to five hours a day
Covering the Cost of Hands-Free Commute	Employees using childcare facilities	The Company fully covers the cost of <i>Hands-Free Commute</i> (disposable diaper subscription service for childcare facilities) when used by employees
Moony Birth Support Leave Program	Employees who undergo fertility treatment	Can take up to one year of leave for advanced fertility treatment
Egg Freezing and Storage Service	Employees and family members who wish to enrol (up to second degree of kinship)	Can use benefit coupon codes for discounts on the use of frozen egg storage services at medical institutions that are affiliated with external regenerative medicine-related businesses
Lifree Nursing Care Leave	Employees who have family members in need of continuous nursing care for more than two weeks as a result of injury, sickness, or physical or mental disorder	Can take, upon application, up to five days of leave per year for each family member requiring nursing care
Lifree Flexible Work Program	Employees with family members in need of long-term nursing care for more than one month as a result of injury, sickness, or physical or mental disorder, or on the Committee for the Inquest of Prosecution	Can apply for the option to work completely from home without the need to come to the workplace or to work fewer days (three or four days per week) to care for family members in need of nursing care
Sofy Leave	All female employees	Can take days off during menstruation when working may be difficult; bearing our brand name, we are working to promote awareness of this system within the organisation and foster a culture that encourages employees to take such leave
Remembering Our Beloved Pets Leave	Employees with a pet (dog or cat) at home	Can take one day of special leave upon the passing of a pet (dog or cat)
Anniversary Leave	All employees	Can take paid leave for anniversaries and other planned holidays (four days per six months/eight days per year)
Civic Duties Leave System	Those selected to serve as a citizen judge or on the Committee for the Inquest of Prosecution	Can take, upon application, the required number of days of leave to appear in court as a citizen judge
Bone Marrow Donor System	Employees who wish to donate bone marrow	Can take, upon application, up to seven business days of leave per donation of bone marrow for procedures required to donate to a patient in Japan (excluding donor registrations)
Flextime System	All employees (with the exception of certain positions)	Can use a flextime system without core hours that enables employees to work efficiently while maintaining the right balance between their work and personal lives by deciding their own work hours, including start and finish times
Remote Work Program	All employees (excludes positions for which remote work is not feasible)	Can work from home or any other environment where employees can easily concentrate on work up to twice a week, in principle
Second Job System	All employees	Can work a side job toward the advancement of skills or personal development, provided that the roles will not impede their primary work (applicable only to off-business hours and holidays)
Career Recovery System	Employees who were full-time at the time of retirement	Can be reemployed within a five-year period from the time of their resignation, dependent on mutual agreement between the former employee and the Company

05 Overview of the Unicharm Group

Overview of the 12th Medium-Term Management Plan

Today, rising income levels, primarily in Asia, are prompting an expansion of the middle class and an increase in disposable incomes among women. As the advancement of women in society progresses, Unicharm expects similar circumstances to proliferate in the Middle East and Africa, as well as Asia, realising a global future of consumer trends driven by women.

In light of these changes, the Company's latest medium-term management plan, the 12th Medium-Term Management Plan, Project-L, which got underway in fiscal 2024, will build a foundation for Unicharm to grow to become the world's best company, symbolising the advancement of women, by capturing megatrends in relation to women, who have a natural affinity with its business activities. The L in Project-L incorporates the three concepts of Lady, Life, and Love.



Lady	Focus on the entirety of women's lives to offer products and services maximising lifetime value
Life	Enable all people and pets to achieve fulfilment through the accomplishment of various tasks, thereby achieving "NOLA & DOLA"
Love	Aim to realise a cohesive society through a spirit of altruism that values people, pets, and the planet, always helping people to love their possibilities

Supplier Risk Assessment

New Suppliers

For new suppliers, we ask that they understand the "Unicharm Group Policy on Human Rights" and "Unicharm Group Sustainable Procurement Guidelines" and conduct a risk assessment for them using our independently developed comprehensive anti-corruption risk assessment table. In high-risk regions, we also carry out advance monitoring of the labour environment together with the risk assessment.

Existing Suppliers

For existing suppliers, we conduct a regular supplier assessment in accordance with the annual plan. Based on the results, we commend outstanding suppliers through our Unicharm Supplier Award. Explaining the assessment items and standards at the awards ceremony also boosts the awareness of improvements among all suppliers.

Setting KPIs and Collecting Information

In fiscal 2021, we established a system to collect and monitor KPI-related data—such as absenteeism and turnover rates at each factory—by having them submit this information to the ESG Division when responding to the SAQ (Self-Assessment Questionnaire).

In fiscal 2024, we provided feedback to all factories on the analysis results of their responses and proceeded with effectiveness verification.

Additionally, we requested that they begin planning for SMETA audits from fiscal 2025 onward.

Risk Assessment of Associate Companies (Contractors, etc.) on Our Factory Premises

Associate companies (contractors, etc.) are given corruption prevention briefing sessions and are monitored.

Global Communication with Suppliers

The "Sustainable Procurement Guidelines" are distributed to suppliers and their intent is explained in an aim to achieve a sustainable society throughout the supply chain. Since 2016, we have held briefing sessions on procurement at distribution warehouses and the factories of suppliers at 53 locations in seven countries to disseminate our "Sustainable Procurement Guidelines" and share information on health and safety in the workplace.

Education for Internal Personnel

In order to promote sustainable procurement, we believe it is essential that everyone involved understands our basic procurement policy and guidelines. We therefore hold briefing sessions for persons in charge at our factories to educate them about the necessity of sustainable procurement initiatives and the importance of building a sustainable supply network.

05 Company Key Actions

Encouragement to Join Sedex – Suppliers of Unicharm Group



So far, we have established relationships with 51.6% of materials and OEM suppliers in personal care and OEM partners in pet care.

We will continue working on expanding these initiatives to include material suppliers in pet care.

		Relationship	Inherent Risk Score Obtained	Site Characteristic Risk Score Obtained
Personal Care	Raw material suppliers	69.9%	54.2%	54.2%
	OEM Partners	80.0%	58.0%	56.8%
Pet Care	Raw material suppliers	26.8%	23.7%	22.8%
	OEM Partners	64.7%	58.3%	58.3%
	TOTAL	51.6%	45.7%	45.3%



UcA's 2024 Statement details were shared.



Online training continued alongside face-to-face training.

UcA Global MSA Implementation Plan

This year, UcA maintained its training approach to strengthen collaboration across our global supply network. Since the risks we identified have not changed significantly, we continued building on the work started in 2023, supporting all levels of our supply chain—Tier 1, Tier 2, and Tier 3—throughout 2025.

Key Training Topics

- Face-to-face training with clear objectives
- Understanding the estimated global impact of modern slavery
- What modern slavery is
- UcA's organisation and structure and how each supplier fits within our supply network tiers
- What the Modern Slavery Act is in Australia, outlining the Act, purposes, and reporting
- UcA's Ethical Sourcing Policy
- Ethical audits and certifications
- Risk indicators of modern slavery
- How to identify risks
- How UcA and suppliers are working together
- How to respond to a case of modern slavery
- UcA's MSA direction for 2026 and beyond
- Modern Slavery conference attendance

Types of Modern Slavery

Human trafficking

Using coercion such as manipulation, control or violence, threats or lies to move someone across or within borders so they can be exploited.



Slavery

Treating someone like property that can be used, bought, sold or traded.



Forced labour

Using coercion such as manipulation, control or violence, threats or lies to make someone feel they cannot stop working or leave their place of work.



Forced marriage

Making someone get married without their free and full consent. This means they did not agree to the marriage by their own choice. No child under 16 years of age can legally agree to a marriage.



Servitude

Using coercion such as manipulation, control or violence, threats or lies so that a person feels they cannot stop working or leave their place of work. It also involves denying other personal freedoms.



Debt bondage

When someone is forced to work to repay an excessive debt that they might never be able to pay off. The debt may be real or not.

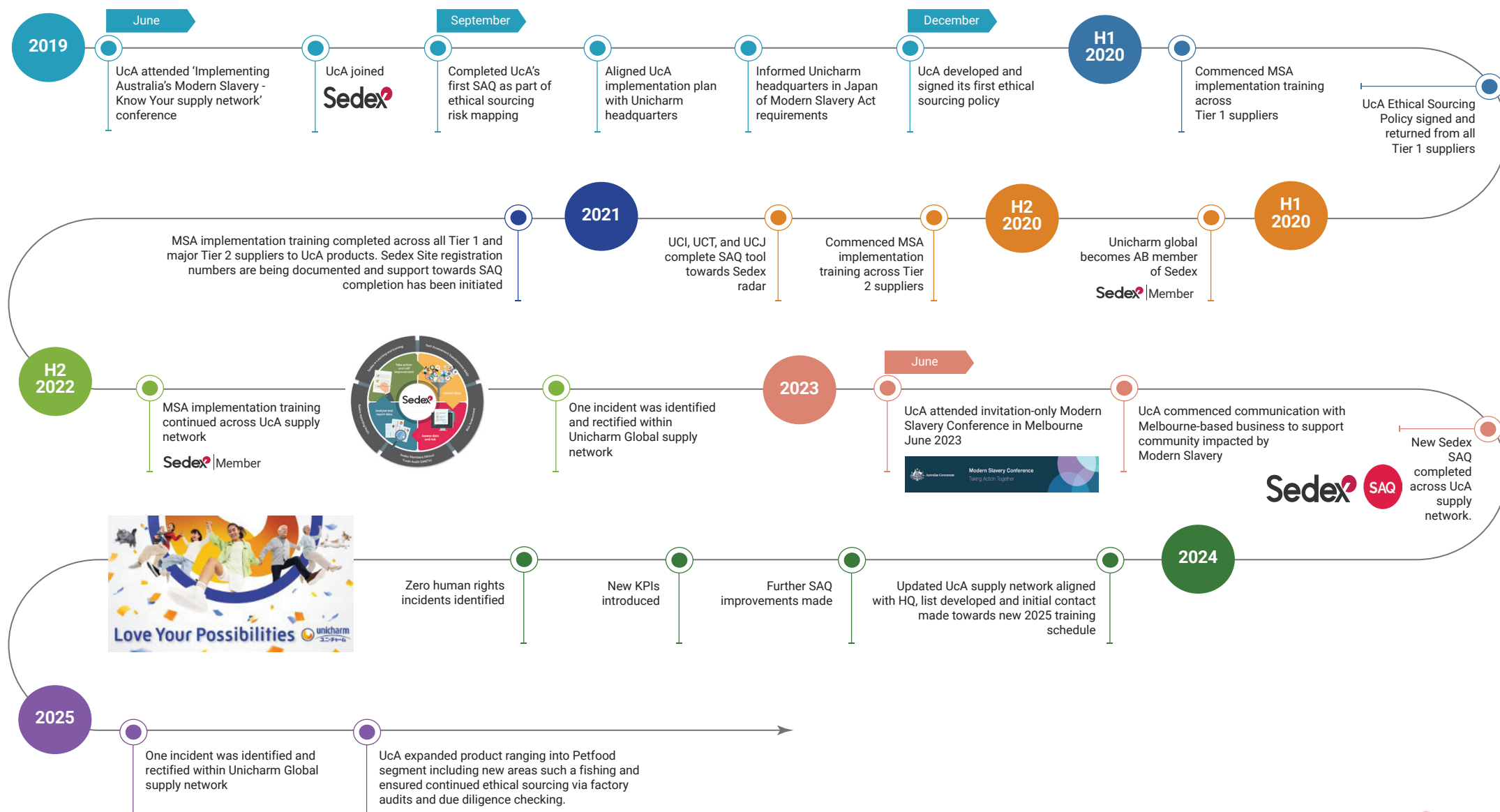


Deceptive recruiting

Using tricks or lies to recruit someone for a job involving exploitation.



05 UcA Key Actions



06

Effectiveness

UcA measures effectiveness through Sedex membership, SAQ completion, audit outcomes, corrective actions, and incident reporting. No modern slavery incidents were identified in 2025.

Unicharm Group Policy on Human Rights

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 fulfil their dreams.” In accordance with this commitment, the Group supports the realisation 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 fulfil 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 fulfil 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.

4. 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 honour international human rights standards.

5. 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.

6. 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.

7. 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.

8. 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.

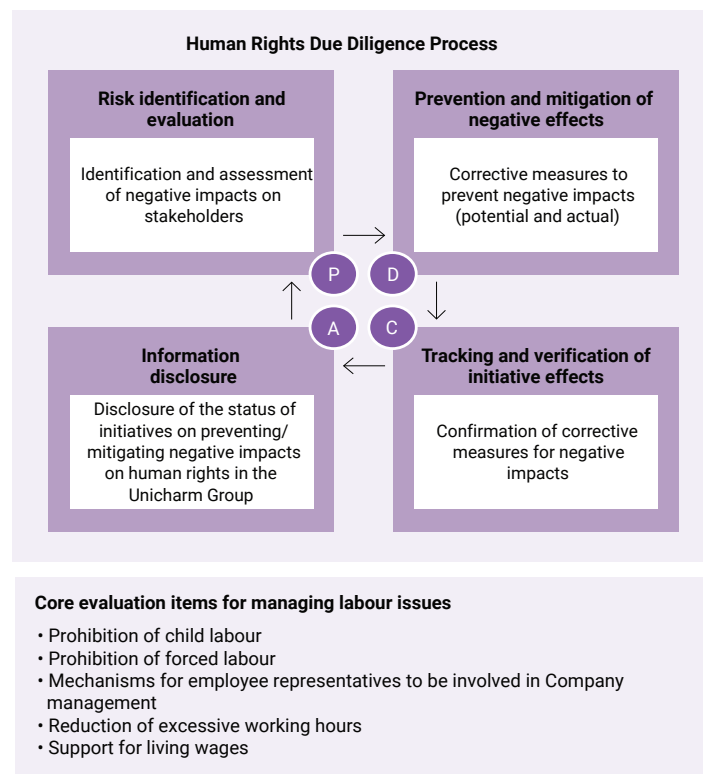
9. Reports

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

06 Human Rights Due Diligence Process

Unicharm Group Policy on Human Rights



Respect for Children's Rights

The Unicharm Group Charter of Actions stipulates that the Group does not tolerate any form of child labour. 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 labour throughout the supply network. 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 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.

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 realise 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 childcentered 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 realise a society in which human rights are respected by everyone through declarations by companies, organisations, 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 realise an environment where employees from diverse backgrounds are able to demonstrate their leadership and creativity.

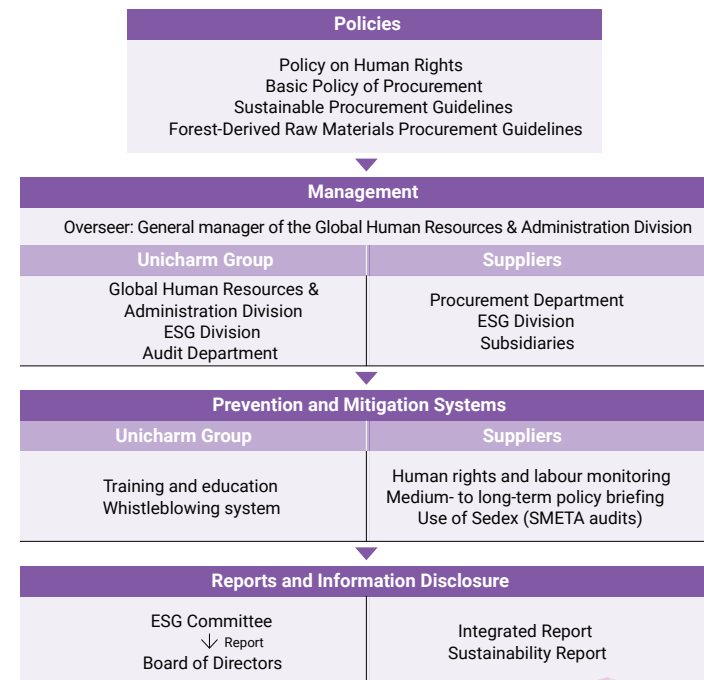
The Unicharm Group's My Declaration of Human Rights

In keeping with the Unicharm Group Policy on Human Rights, we will realise a cohesive society (social inclusion). The Unicharm Group stands behind the realisation of a society where human rights are respected as fundamental human rights.

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.

Moony Childcare Support System



06 Human Rights Due Diligence Process

Indicators and Targets

Kyo-sei Life Vision 2030: Unicharm Principles

Indicator	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Annual Target
No. of serious human rights violations in the value chain	1 (rectified)	Zero	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 2025, 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

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.

Human Rights Awareness of Suppliers

In November 2025, we held the 16th 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 120 suppliers, from whom we requested 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).

Establishing KPIs and Collecting Relevant Data

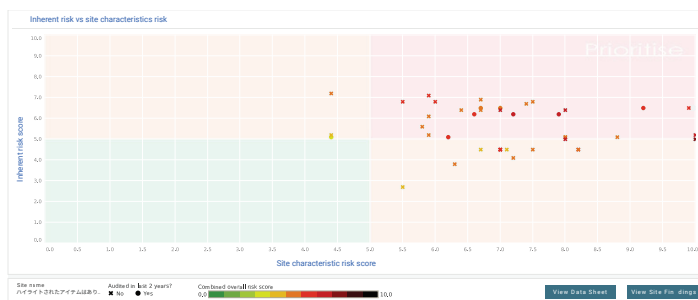
In 2021, Unicharm established a system that enables the ESG Division to use SAQ to collect data for key performance indicators (KPIs) such as employee absentee rates and employee turnover rates at each factory, as well as to monitor progress made. In fiscal 2024, we provided the results of these analyses to all factories and verified the effects of using such data. We also requested the planning of SMETA audits for fiscal 2025 and beyond.

06 Human Rights Due Diligence Process

Human Rights Risk Assessment at Unicharm Group Factories

In fiscal 2025, 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 labour standards and on health and safety have been plotted above.

*¹ A global membership organisation 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 labour 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

Unicharm conducts risk assessments of supplier factories using Sedex's risk assessment tool, and in fiscal 2024 began assessing risks related to the suppliers of materials used in its pet care products. As of December 31, 2025, we have reached an agreement with approximately 51.6% of material suppliers of personal care and pet care products and contract manufacturers of personal care and pet care products for use of the Sedex platform, enabling access to risk-related information. Of these factories, 45.7% have consented to sharing their inherent risk score while 45.3% have consented to sharing their site characteristic risk score. Using these scores as a reference point, we will continue to consider our approach to suppliers.

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 utilise 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.

Audits of Unicharm Group Factories: Number of Audits and Evaluations

		Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result
No. of audits		4	9	7
No. of issues identified	Business Critical	0	0	0
	Critical	10	23	13
	Major	19	30	29
	Minor	14	19	15
	Total	43	72	57

Audits of Supplier Factories

We monitor the activities of suppliers using the results of SMETA audits*² by means of the Sedex platform. In 2025, a SMETA audit was carried out in 97 suppliers, serving as a source of information on 302 cases of violations. The detected violations are classified according to the four ratings of Business Critical, Critical, Major, and Minor, and are subject to Sedex's SMETA Non-Compliance Guidance. For violations classified as either Business Critical or Critical that have yet to be amended three months after the date of audit, we contact the supplier to verify the status and course of action toward improvement. In fiscal 2025, of the 52 cases classified as Critical, 18 violations (6 suppliers) that were not yet confirmed as amended within three months were discussed with suppliers to confirm the corrective action plan.

Supplier Audits: Number of Audits and Evaluations

		Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result
No. of audits		26	79	97
No. of issues identified	Business Critical	1	0	0
	Critical	32	44	52
	Major	111	127	185
	Minor	44	50	65
	Total	188	221	302

*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 labour standards, health and safety, the environment, and business ethics.

06 Human Rights Due Diligence Process

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
2022	- 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	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 the ESG Committee
2023	- 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	Compiled examples of best practices in other industries and expert opinions and information to determine direction of the Company's human rights initiatives
2024	- 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 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 - Held workshop on business and human rights through a law firm	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
2025	- Participated in the 4th Human Rights DD Dialogue and the Human Rights DD Basic Training hosted by UNDP's Business and Human Rights Academy - Participated in the "Climate Change Initiative and Human Rights Seminar" co-hosted with the Japan Climate Initiative (JCI) - Participated in the Sedex Working Group for Buyer Members in the Cosmetics & Daily Necessities Industry - Conducted the 16th Unicharm Mid- to Long-Term Policy Briefing Session, explaining the human rights policy to 353 participants from 120 supplier companies	Collected latest information on human rights and case studies from other companies re-shared the human rights policy with suppliers and requested thorough compliance

06 Human Rights Due Diligence Process

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 organisations. 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

Whistleblowing System Response Process



Number of Consultations and Reports via the Whistleblowing System

	Fiscal 2023	Fiscal 2024	Fiscal 2025
No. of consultation/whistleblowing cases (Japan)	165	210	208
No. of consultation/whistleblowing cases (overseas)* ²	48	56	109
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 2025, there was 1 case 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 behaviours 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.

06 Human Rights Due Diligence Process

Employee Survey

Aiming to establish a virtuous cycle in which employees develop through their work, in turn leading to the growth of our business, we conduct an employee survey once a year at all Group companies to verify employee satisfaction, fulfilment, and attitudes toward work.

The evaluation criteria are translated into eight languages to enable employees in countries and regions outside of Japan to respond. By conducting it on a yearly basis, the survey not only serves to invigorate employees and organisational reforms, but is also used as a reference when considering various personnel and management initiatives. As an example, in fiscal 2025 the percentage of positive responses for the “Growth Through Work” section of the employee survey was 89.8%.

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Coverage
Percentage of employees who responded to employee survey (%)	100	100	100	Unicharm Group
Percentage of positive answers received for “Growth Through Work” section of the employee awareness survey (%)	88.7	90.1	89.8	
Average score on a five-point scale on the level of satisfaction section of the employee survey	4.42	4.40	4.44	

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 2025 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	61
Employees to be posted overseas (pre-posting training)	Prohibition of bribery, protection of confidential information, contract compliance, etc.	2	27
Divisional basis	Setting of themes according to business activity and holding of workshops	2	396

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 2023	Fiscal 2024	Fiscal 2025	Coverage
No. of participants in harassment prevention manager training	21	495	407	Unicharm Corporation
No. of participants in new leader	21	46	43	

Human Rights Education for Employees

Unicharm Corporation conducted a “Harassment Prevention Awareness Workshop” for all employees in FY2025. After completing individual e-learning modules, employees participated in discussions in small units, such as sections or groups, about potential workplace scenarios and countermeasures. Through these discussions, awareness was raised, and the effectiveness of prevention efforts was enhanced. In addition, the company continues to implement human rights education programs on topics such as preventing maternity and paternity harassment and addressing unconscious bias.

Through these initiatives, Unicharm promotes appropriate behaviour among its employees and fosters a workplace environment in which everyone can work with peace of mind. Furthermore, at its U.S. subsidiary, the company maintains a policy of providing equal employment opportunities to all applicants and employees, without discrimination based on race, skin colour, religion, sex, age, nationality, sexual orientation, gender identity, disability, protected veteran status, or any other legally protected characteristic.

The company actively promotes equal employment opportunity principles. To support this, all members of the recruitment team have completed specialised training to conduct interviews in accordance with established rules and to ensure the selection of suitable talent.

06 Human Resources

Employee Health

Our Basic Approach and Strategy

At Unicharm, we believe that maintaining the physical and mental well-being of our employees is essential to enabling them to work with passion and make the most of their abilities. Accordingly, we established the Health Management Declaration in April 2007, and promote health management across the Group to enhance the health literacy of all employees based on the principle of “protecting our health on our own.” Unicharm has also been a member of the Health Management Alliance since fiscal 2023 in pursuit of a healthy society. By promoting collaborative health* between companies and health insurance associations, we make every effort to ensure that employees are healthy and able to perform at their very best, spurring the growth of both employees and the Company. Furthermore, the Health Management Declaration is revised as appropriate.

*In which insurers, such as health insurance associations, and businesses actively work together, clarifying their respective roles and creating a positive working environment, to effectively and efficiently protect and promote the health of insured parties (employees and their families)

Basic Policy

1. Employees give priority to primary prevention and strive to improve lifestyle habits based on the principle of “protecting our health on our own.”
2. The Company provides a safe and comfortable environment so that employees can enjoy a fulfilling workplace and fully exercise their abilities.
3. The Human Resources Division properly uses and manages personal information such as medical examination results and promotes health management with collaborators inside and outside the Company.

Health Management Declaration

Unicharm is committed to resolving environmental and social issues in the aim to realise a cohesive society. Resolving such issues entails diverse and vibrant employees who can demonstrate their potential to the fullest and therefore, the health of each employee is of utmost importance.

In addition, Unicharm’s three aspects of wealth (aspirational wealth, economic wealth, and wealth of mind and body) are positioned as a common goal for all employees. We believe that fulfilling one’s professional and personal dreams is only possible by maintaining good mental and physical health, that this fulfilment will lead to the happiness of employees, enabling the Company to maintain and improve productivity, and that employees and the Company can share in the health of one another.

Unicharm is strengthening existing measures to maintain and improve health and promoting health management as part of its human resource strategy to enable employees to work vigorously and in good health while creating added value. We vow to strategically maintain and promote the mental and physical health of employees with the conviction that their health is our most important management resource in realising a society where individuality is respected and everyone supports one another.

Takahisa Takahara
President & CEO
Unicharm Corporation

Health Management Action Policy

1. Improve the health literacy of employees and contribute to the creation of healthy workplaces as a group of professionals who support the health of employees.
2. Enhance individual performance by bringing smiles to the faces of employees and increasing the number of employees who are physically and mentally healthy.
3. Raise health awareness by supporting self-care activities casually but rigorously based on the principle of “protecting our health on our own”.

Management Structure

Under the direction of the President & CEO, the Iki-Iki Health Promotion Office, established within the Global Human Resources & Administration Division, takes the lead in reporting on matters related to employee health promotion regularly to management and planning and implementing measures upon approval. We also work with industrial physicians, public health nurses, and other experts to constantly ensure the physical and mental well-being of employees.

Indicators and Targets

Mental Health Measures

Unicharm Corporation promotes the importance of stress checks and how to effectively use the results, encouraging as many employees as possible to undergo these checks to prevent mental health issues. In addition, the company provides mental health training to all employees and has achieved a 100% participation rate every year.

Indicator	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Coverage
Stress Check Participation Rate (%)	99.5	100	100	Unicharm Corporation
Number of Employees Attending Mental Health Training	1,944	2,126	2,238	
Number of Employees Taking Mental Health Leave	9	13	19	

Support for Returning to Work and Balancing Treatment with Work

Unicharm Corporation provides continuous, individualised support from occupational physicians and public health nurses in accordance with its Return-to-Work Support Program, enabling employees on long-term leave due to illness to return to work smoothly. The company has also established a support system that allows employees to consult with external counsellors. Furthermore, it has developed frameworks to help employees balance medical treatment and their work responsibilities.

06 Human Resources

Employee Health Initiatives and Results

Creating Vibrant and Healthy Working Environments

Aiming to reduce the working hours of employees while improving their productivity, we at Unicharm are promoting workstyle reform by adjusting the mindsets and the tasks of each employee. Specifically, the Company has introduced a remote work system that allows employees to work from home and a flextime system (without set core work hours) that allows them to choose when to work so that they can flexibly adjust their workstyle according to life events. We are also striving to improve working environments by considering ways of taking time off from work, allowing employees to refresh their mind and body by delineating work and non-work times, such as by prohibiting phone calls and emails between supervisors, colleagues, and subordinates on days off.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
Percentage of employees utilising the remote work system (%)	52.0	48.0	47.0	Unicharm Corporation

Encouraging the Taking of Paid Leave

At Unicharm Corporation, we encourage employees to take at least five days of paid leave per year, including four days every six months as anniversary leave in which planned paid leave can be taken for anniversaries, etc.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
Percentage of paid leave taken (%)	71.2	70.0	73.7	Unicharm Corporation

Appropriate Management of Working Hours

Unicharm Corporation monitors working hours through log records on employee computers. We ensure employees are able to rest between workdays through initiatives such as the Work Interval Program, which requires employees to take at least 12 hours in principle and 10 hours at minimum between the end of a workday and the start of the next workday. We have also introduced monthly no-overtime days and premium Fridays to encourage employees to leave the office on time.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
Total working hours per employee	1,966.6	1,957.4	1,938.7	Unicharm Corporation

Annual Health Checkups

To help maintain the physical and mental well-being of its employees, Unicharm Corporation conducts regular health checkups for required examination items, as well as offering cancer screenings, pulmonary function tests, abdominal ultra-sounds, and fundus and intraocular pressure tests for examination items recommended by the Japanese government. We have maintained a 100% uptake rate since fiscal 2009. Employees required to undergo further examination as a result of the health checkup receive guidance from an industrial physician to detect and treat conditions as early as possible. Moreover, since fiscal 2020 we have digitised the results of health checkups and analyse them to provide educational activities and health management support that cater to the specific needs of each employee.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
Percentage of employees receiving health checkups (%)	100	100	100	Unicharm Corporation

Women's Health

As an early prevention measure for breast and cervical cancer, Unicharm Corporation offers breast and gynaecological exams to all female employees, regardless of age, which is paid for by the Company. In addition, our menstrual leave system "Sofy Leave" bears the brand name of our sanitary pads, to promote internal awareness and foster a culture that encourages employees to take such leave.

Continuing from 2023, in conjunction with World Menopause Day on October 18, Unicharm again provided educational programs on menopause. The curriculum also focuses on male menopause, providing a checklist to participants to facilitate early detection and diagnosis. By having all employees regardless of age or gender gain some basic knowledge on menopause, Unicharm aims to create an even more understanding and respectful workplace.

Moreover, to promote diverse career and life paths, in fiscal 2024 we began subsidising the cost of egg freezing and storage services, an option for women to continue working with peace of mind. We also conduct webinars to facilitate proper understanding of both mind and body, expanding the range of career and life choices for all genders and enabling them to continuously enhance their performance with peace of mind and without regrets.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
No. of participants in menopause program	2,150	2,142	1,555	Unicharm Corporation

06 Human Resources

Pink Ribbon Activities (Health)

Pink Ribbon activities are a global awareness campaign aimed at promoting proper knowledge of breast cancer and awareness about the importance of early detection and appropriate treatment. Unicharm is a strong supporter of this campaign in the countries and regions in which it operates.

In Japan, where the Company has supported Pink Ribbon activities for the past 17 years since 2008, the dedicated website Sofy Pink Ribbon was established in fiscal 2024 to provide information and enable visitors to acquire basic knowledge on breast cancer and conduct self-checks for early detection. At the same time, Unicharm released limited edition versions of the product Sofy Body Fit in specially designed Pink Ribbon packaging and donated a portion of the proceeds.

In addition, as an early prevention measure for breast cancer, Unicharm covers the cost of breast cancer screenings for all female employees. Also, we designate October of each year "Pink Ribbon Month," during which employees wear Pink Ribbon badges and pink ID cardholders and may raise awareness of breast cancer among their families, coworkers, and others who are close to them.



Since 2021, our local subsidiary in Indonesia has continued to promote awareness of breast cancer and contribute to increased breast cancer screenings. Together with the Indonesian Breast Cancer Foundation (YKPI), we held an information session in October 2024 on the slogan "Ayo SADARI Setelah Menstruasi (Let's Self-Check After Menstruation)" to promote early detection of breast cancer, inviting around 450 female students from several junior high schools in Jakarta. The information session provided students with an opportunity to learn about breast cancer through a seminar by a medical specialist, who responded to students' questions and concerns as well as inquiries regarding the self-check.

In Thailand, our local subsidiary conducted Pink Ribbon activities to raise awareness of breast cancer screening in cooperation with the Queen Sirikit Centre for Breast Cancer, the most prestigious breast cancer research institute in Thailand.

Unicharm Receives Women's Health Management Award

Unicharm Corporation received the Promotion Award at the Women's Health Management Awards 2024, organised by the Women's Healthcare Awareness & Menopause Network Society. We were recognised for the uniqueness and effectiveness of our e-learning seminars on menopause education for all employees as well as our continuous support for employees who responded in a questionnaire that they were experiencing menopausal symptoms.

■ Women's Health Awareness Talk (Malaysia)

In conjunction with World Health Day on April 7, Unicharm's local subsidiary in Malaysia partnered with the Lions Club of Kuala Lumpur Bukit Kiara to host Women's Health Awareness Talk, which was attended by 130 women from Unicharm Malaysia, including employees from factories and sales divisions. A renowned naturopathic physician delivered a lecture titled "The Women's Womb: Why do women get reproductive ill-health," in which she discussed the importance of maintaining a healthy womb from the perspective of naturopathic medicine.

Ensuring the Well-Being of Older Employees

Unicharm Corporation holds training sessions on themes specific to older employees upon reentry to the workforce, such as fall prevention (exercise and nutrition to maintain muscle strength), sleep, mental health, and early cancer detection, with the aim to ensure that employees continue to lead long and healthy lives after retirement. We also encourage all employees to undergo physical fitness tests and body composition measurement tests.

Promotion of a Smoke-Free Environment

Unicharm Corporation gradually began implementing a smoking ban in fiscal 2013 and has completely banned smoking at all of its business sites since fiscal 2016. During work hours, employees are prohibited from smoking even outside of Company premises, such as during sales activities and remote work. In introducing this smoke-free policy, we posted relevant information on popup displays of our Company intranet to enhance awareness. Also, each year, we provide information on smoking cessation in honour of World No Tobacco Day through our monthly internal newsletter to promote health awareness and our in-house digital signage. We have also introduced a support program provided by the health insurance association as part of our ongoing efforts to ban smoking.

Promotion of Exercise

Unicharm holds radio calisthenics each weekday morning at 8 a.m. to enable employees to continuously exercise in a relaxing and fun environment. Employees working from home or other remote location also participate in these exercises online.

We also strongly encourage employees to use the stairs when moving from floor to floor within the office to maintain their physical strength and prevent deterioration in their physical fitness.

To help refresh the minds and bodies of employees during break times at work, enhance productivity, and improve health awareness, Unicharm Corporation offers massages by ANMA therapists and one-on-one stretching programs by outside trainers at its head office. In addition, body composition measurement tests and physical fitness tests are provided to measure health and fitness levels. In recognition of these and other efforts, Unicharm Corporation was selected as a White 500 company under the Certified Health & Productivity Management Outstanding Organisations Recognition Program for the second consecutive year.

06 Human Resources

	Fiscal 2023 Results	Fiscal 2024 Results	Fiscal 2025 Results	Coverage
No. of participants in body composition measurement tests	235	306	380	Unicharm Corporation
No. of massage room users	253	782	857	
No. of participants in one-on-one stretching program	338	342	289	

Unicharm Corporation is a supporter of the Sport in Life Project, which aims to make sports a part of daily life, and is a member of the Sport in Life Consortium. We were also recognised as a Sports Yell Company 2025+ by the Japan Sports Agency and as a Tokyo Sports Promotion Company by the Tokyo Metropolitan Government in 2024 for our efforts to actively support and promote sports activities to improve the health of employees.



■ Walkathon (Taiwan–Greater China)

Since fiscal 2022, Unicharm's local subsidiary in Taiwan–Greater China has been conducting a walkathon biannually to promote employee health. In this program, participants are awarded one point for walking at least 8,000 steps per day. Employees use an exclusive app to set targets and manage the results of their step counts. Those who earn 72 or more points during the program or reach one million steps in total are awarded prizes as a way to encourage employees to exercise regularly. A total of 125 employees took part in the 4th Walkathon held from April to June 2024.

Unicharm's local subsidiary in Taiwan–Greater China held a walking activity from April to June 2024 in which 125 employees participated. In this event, saplings were donated to Kaohsiung Province, a habitat for endangered bird species, according to the number of steps taken and distance walked by participants. Eight saplings were donated as a result of 100 million steps taken in total by the participants.

■ SOCSO Activ@Work Challenge 2024 (Malaysia)

Unicharm's local subsidiary in Malaysia held the SOCSO Activ@ Work Challenge 2024, an internal challenge aimed at developing healthy lifestyles. For the three-month period from July to September, 120 participants competed to achieve the highest number of steps. The challenge is divided into two categories: individual and divisional.

In the individual category, the employee with the highest number of steps is determined the winner, while in the divisional category, this acknowledgment goes to the division with the highest average number of steps among all its employees. Recognising the importance of maintaining an active lifestyle for their health and well-being, the employees who participated have remained committed to walking even after the event.

■ Walk & Run Event (Thailand)(Malaysia)

With the aim of promoting employee health, in November 2024 Unicharm's local subsidiary in Thailand held a Walk & Run event in which 109 employees participated for a combined total distance of 4,092 kilometres.

Measures Against Infectious Diseases

To ensure the safety of employees, their families, and business partners, Unicharm Corporation has established the Unicharm Infectious Disease Guidelines, based on which it is taking measures to prevent infectious diseases.

To enable as many employees as possible to receive flu vaccinations, Unicharm partially covers the cost of and holds in-house clinics for vaccination. For employees assigned or traveling to overseas bases, we provide information on infectious diseases such as COVID-19, HIV/AIDS, tuberculosis, malaria, and hepatitis through the overseas support information on our Company intranet.

Meanwhile, in Malaysia, Singapore, Thailand, and Vietnam where the spread of dengue fever is a concern, we introduced MamyPoko ANTIMOS Pants, an anti-mosquito disposable diaper, and offer an educational program through this product's website. In Brazil and Vietnam, we sell wet sheet-type insect repellent wipes that are designed to repel mosquitoes.

■ Participation in Conference for Tuberculosis Prevention in the Workplace (Indonesia)(Malaysia)

In November 2022, Unicharm's local subsidiary in Indonesia took part in a conference hosted by the Ministry of Health of the Republic of Indonesia aimed at preventing tuberculosis in the workplace. The conference aims to promote early detection of tuberculosis in order to achieve the Indonesian government's goal of eliminating tuberculosis by 2030.

To help achieve this goal, in July 2022 our Indonesian subsidiary launched a program to eliminate tuberculosis in the workplace through the support of the country's Ministry of Health and Otsuka Pharmaceutical Co., Ltd. In fiscal 2024, the program continued to provide online consultation, medication, and other forms of support to those infected with tuberculosis.

In May 2024, we were recognised for our efforts to tackle tuberculosis in the workplace at an event organised by Indonesia's Ministry of Health to commemorate World Tuberculosis Day (March 24).

06 Human Resources

Back-to-Work Support Program

To ensure a seamless return to work even after a long-term leave due to illness, Unicharm Corporation provides individual support through consultations with an industrial physician or a public health nurse based on its Back-to-Work Support Program. We also have a support program in place for employees to receive consultations from external counsellors.

Presenteeism and Absenteeism

Presenteeism is a state in which one's performance declines due to headache, backache, anxiety, hay fever, or other conditions, despite being able to continue with one's work. Unicharm Corporation regularly measures the degree and causes of presenteeism using the Single-Item Presenteeism Question (SPQ) developed by the University of Tokyo.

Meanwhile, absenteeism is when one is absent from work due to health issues. The number of sick days due to employee illness or injury is calculated using a formula ($\text{Total number of sick leave days including weekends and holidays} \div (\text{Number of employees} \times 365) \times 100$) and monitored over time, along with the causes of these absences.

This and other relevant information is used to formulate health measures and promote the health of employees.

	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Coverage
Presenteeism (%)	15.2	14.0	14.3	Unicharm Corporation
Absenteeism (%)	0.733	0.782	1.085	

Occupational Safety and Health

Our Basic Approach and Strategy

In accordance with the Unicharm Group Policy on Human Rights and the Unicharm Group Charter of Actions, we at Unicharm work to eliminate all forms of child and forced labour as well as prevent overwork.

With the intent of preventing disasters and accidents, we have established basic policies for managing occupational safety and health and will create a workplace environment that places the highest priority on ensuring safety and maintaining and improving the health of our employees at all times.

Unicharm's policies on occupational safety and health are translated into various languages so that they are understood by all of our employees.

Ensuring Thorough Safety and Occupational Health Management

The Company prioritises employee safety at all times by having all employees work together to improve the work environment, with safety and health managers taking the lead, and aims to achieve zero accidents by implementing thorough safety and health management.

Managers also observe the mental and physical health of their subordinates and respond promptly when they find an issue.

Management Structure

Unicharm has established the Safety and Health Management Regulations* in accordance with the Industrial Safety and Health Act with a view to ensure safety and maintain and improve the health of its employees while preventing accidents and disasters.

To develop and manage the company-wide safety and health management system, the executive officer in charge of promoting safety and health throughout the Company, appointed by the President & CEO, coordinates the general safety and health managers of each business site, who are the highest-level authority for these sites. At each site, the general safety and health manager appoints a safety manager, industrial health manager, and fire prevention manager, in addition to formulating a Safety and Health Committee to develop a management system.

The Safety and Health Committee, comprising members selected from the Company and labour union as well as industrial physicians, meets each month to discuss matters such as activities to improve the workplace environment, prevention of workplace accidents, elimination of vehicle accidents, and promotion of employee health. Moreover, workplace inspections are conducted by committee members once every two months.

Important actions are reported by the Safety and Health Committee secretariat to the person in charge of promoting company-wide safety and health for approval. Actions related to safety approved by the person in charge are carried out as activities in each department. A PDCA cycle is implemented in which the progress of each activity is reported periodically to the Safety and Health Committee, improvement measures are determined based on their effectiveness, and further actions are taken.

* Applies to full-time employees, contract employees, part-time employees, and employees on assignment from relevant subsidiaries and external organisations

06 Fair Business Practices

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 fulfilment 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, which we strive to prevent along with improper political contributions, insider trading, money laundering, and corruption that would lead to other forms of misconduct, by ensuring that each employee complies with the Unicharm Group Charter of 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 instil 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 is not a mere formality. By continuously conveying such words and actions to employees, we instil 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, Voluntary Industry Standards, and Internal Regulations

1. We comply with not only the laws and regulations of the countries and regions in which we operate but also voluntary industry standards as well as the voluntary standards and rules and regulations of the Company. Therefore, we consistently ensure awareness of all 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. We conduct business activities at a global level by complying with international rules and respecting the cultures and customs of each country and region.
2. We work to foster sound relationships with local communities and gain their trust.

Political Contributions, Donations, and Exchange of Entertainment and Gifts with Government Officials

1. We ensure that political contributions and donations to organisations are made in a transparent manner upon in-house approval.
2. We prohibit the exchange of entertainment and gifts with government officials or those equivalent thereto. We also forbid the use of facilitating payments for the purpose of expediting administrative processes.

Preparation for Disasters, Infectious Diseases, Antisocial Forces, Cyberattacks, and Other Risks

1. We respond appropriately in accordance with the designated Risk Management Manual in the event of disasters, infectious diseases, terrorism, or other risks.
2. We do not engage in relationships with antisocial forces or respond to unreasonable demands thereof in any way whatsoever. Moreover, we will cooperate with the police and various organisations and take a resolute stance toward antisocial forces.

06 Fair Business Practices

Management Structure

The ESG Committee monitors and supervises all activities related to social responsibility centred 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

Indicator	Fiscal 2023 Result	Fiscal 2024 Result	Fiscal 2025 Result	Annual Target
No. of serious compliance violations	Zero	Zero	1	Zero

Initiatives and Results

Prohibition of Insider Trading

To prevent executives 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 and departments of executives 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 10 February, 2021.

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

In fiscal 2025, there were no fines, penalties, or settlement payments related to corrupt practices such as bribery, including facilitating payments. Additionally, no employees were subject to disciplinary action due to bribery or other corrupt practices.

	Fiscal 2023	Fiscal 2024	Fiscal 2025	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	1	0	0	

07 Consultation

UcA engages with suppliers, industry groups, and Unicharm Corporation to align on global standards and share best practices. We also support local charities and participate in group-led social responsibility campaigns.

Responsibly Sourced

Places of origin are assessed against our responsible sourcing requirements to understand compliance and action plans developed towards the implementation of equivalent standards.

Traceable

Products we buy are identified back to their places of origin such as raw material suppliers and plantations.



07 Consultation & Continuous Improvement

Unicharm's approach to Modern Slavery continued throughout 2025 with direct support and education across our supply network to establish the relationships and understanding of supporting team members. This is in conjunction with the Sedex SAQ such that we have continued to work with the network to help companies assess and understand their potential risks and opportunities. In 2025 Uca continued to maintain a 100% completion rate of the new SAQ in our supply network, continuing to empower our supplying companies to evaluate any risks. Our third continued measure has been the SMETA auditing, providing third-party detailed assessment and guidance to all teams.

What is the Self-Assessment Questionnaire (SAQ)?*

The Self-Assessment Questionnaire (SAQ) is a set of questions for businesses to complete about their business practices, management systems and policies, and information about workers. Suppliers can share this information with multiple buyers, and buyers can use this information to understand whether their suppliers are meeting international labour standards.

What Improvements can Suppliers Expect from the New SAQ?

• Easier to complete SAQ -

We are significantly cutting the number of questions and reducing the number of questions that require data that's difficult to collect. Suppliers will also receive better guidance and instructions on how to complete the SAQ.

• Improved design and faster performance -

Suppliers will be able to complete the SAQ on the new platform, which has a better user interface and improved page loading times.

• A clearer understanding of why each question is being asked -

There will be an explanation next to each question that clarifies why the question is being asked and how this information is useful for customers.

• See the progress your company is making over time -

Suppliers will be able to track their progress each time they complete an SAQ, helping them to demonstrate the business value of taking positive action.

• Better reporting output and SMETA audit preparation -

Once completed, suppliers will be able to see their assessment results with practical action that can be taken to prevent labour exploitation, helping to better prepare for a SMETA audit.

• Easier for multi-site suppliers to complete -

Companies that have several production sites can complete 75% of questions at the central level and apply these across multiple sites.

What changes can buyers expect from the new SAQs?

• Faster SAQ completion -

We are cutting the maximum number of questions and limiting the number of questions that require data that is difficult to collect so buyers will notice SAQs are completed in a shorter timeframe. Suppliers will also receive better guidance and instructions on how to complete the SAQ, which will improve the completion rate.

• Better visibility around recruitment and housing of migrant workers -

To enhance the risk assessment results that come from the SAQ, we will be asking more questions about how migrant workers are recruited, and the standard of their housing.

• Improved alignment with SMETA -

The SAQ will be structured to have the same sections of the SMETA audit report, helping suppliers and auditors to better prepare for a SMETA audit. We will be able to highlight when any audit non-compliance is inconsistent with answers provided in the SAQ.

Once we have launched the new SAQ, we will be working on bringing in other benefits such as:

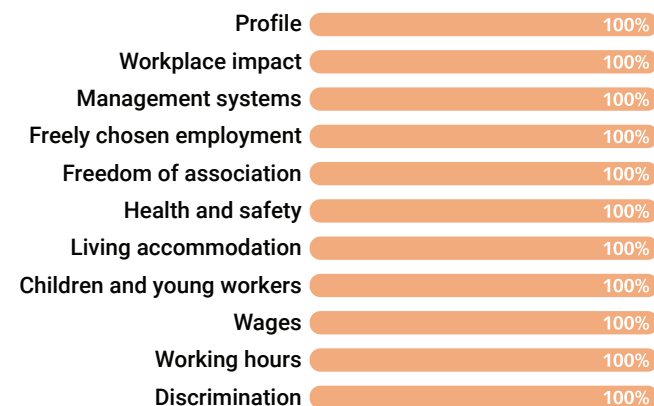
• Improved reporting to track supplier progress -

We are developing a new KPI dashboard that helps set supply chain targets and supports improvement. Members will be able to see previous versions of the SAQ to monitor improvements made over time.

• Increased trust in the data -

By aligning the SAQ with SMETA, we will also be able to automatically prepopulate a SMETA report and highlight any inconsistencies found during an audit, increasing trust in the SAQ data.

SAQ Areas of Focus



* source: <https://www.sedex.com/knowledge-hub/news/changes-coming-to-the-self-assessment-questionnaire>

07 Responsible Sourcing Benchmarks

Ethical Auditing Across Our Supply Network



Business Ethics

UcA supports its supply network by helping them understand its policies that prohibit bribery, corruption, and fraud. It also ensures that partners are familiar with the company's standards for business integrity and ethics. These policies are clearly communicated and taught to employees and team members so that everyone understands their responsibilities and the importance of accountability when it comes to ethical business practices.



Work, Health & Safety

UcA collaborates with our supply network to understand the safety and welfare of team members.

This covers facilities, procedures, guarding, training, systems - and responsibilities to confirm our accountability for all members.



Profile

UcA completes both on-site visits and ethical audits across its supply network, including relevant certificates from each of our manufacturing sites.

Audit outcomes are also reviewed with continuous improvement established in current practices.



Environment

UcA maintains a strong direction towards environmental standards with all factories achieving third-party certification such as ISO 14001.

UcA also has clear environmental footprint reduction targets as well as closed-loop recycling partnerships.



Labour

UcA incorporates international principles, national laws, and customer requirements in our workplace practices.

Through the implementation of human resource policies and procedures, we ensure safe, fair, and humane working conditions across our supply network.

07 Looking Forward

Course of Action – FY 2025 and Beyond

In 2026 and beyond, UcA will strengthen supplier training, expand audits to Tier 2 suppliers, enhance grievance mechanisms, and increase transparency in reporting.

Results 2025

- ✓ Incorporate Human Rights into all UC Contracts/Agreements
 - Continuing
- ✓ Submitted 5th Modern Slavery Statement including our commitment to local Industry within this segment
 - Completed
- ✓ MSA Tier 1 & 2 updated training
 - Continuing
- ✓ Successfully onboarded new business segment
 - Completed

Target 2026

- ✓ Incorporate Human Rights into all UC contracts/agreements
- ✓ Submit 5th Modern Slavery Statement including our commitment to local Industry within this segment
- ✓ Continue MSA Tier 1, 2 and beyond second round of global training

Target 2030

- ✓ Maintain Human Rights into all UC contracts/agreements
- ✓ 10th Modern Statement submitted with complete transparency of our commitment & disclosure
- ✓ World's best practice for human rights

Our Targets Beyond 2026

Compliance Assessment

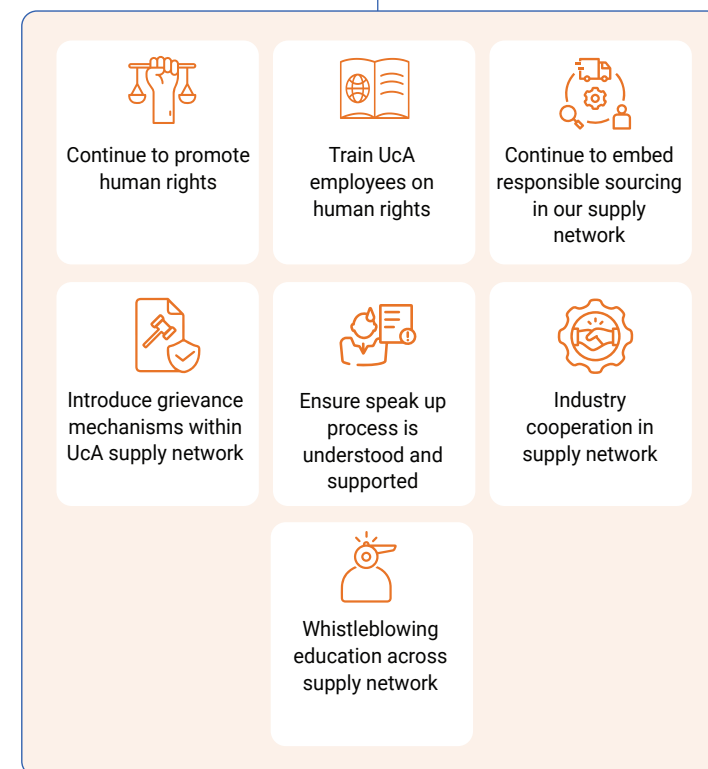
- KPI Overview
 - Sedex membership status
 - SAQ completion
 - Audit status
- Inherent (country) risk
- Legal and organisational frameworks

Impact/Risk

- Management controls scores
- SAQ scores & risk score summary
- Stakeholder engagement
- Community relations projects impact assessment

Outcomes

- Impact (low/medium/high)
- Risk (low/medium/high)
- Recommendations: Human Rights Management



08 Other Information



2025 performance and progress
on UCA's Modern Slavery goals
and commitments

[Click here to find the report on Modern
Slavery Statement Register:](#)



2025 performance and progress
on Unicharm Group's global sustainability goals
and commitments

[Click here to find the report on our website:](#)



2025 results of Unicharm Group's
uncompromising efforts towards transparency of
financial and non-financial information

[Click here to find the report on our website:](#)



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