

# CSR Report 2008

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Digest Version



# Expanding CSR to Provide Social Value Unique to Unicharm



## CSR from Our Perspective as a Consumer Goods Manufacturer

We recognize that corporate social responsibility (CSR) and global environmental conservation are not short-term objectives, but efforts that must continue as we evolve. Since Unicharm's establishment, we have consistently pursued the best for our customers and for society, taking to heart our corporate motto of "Providing the care. Supporting you with care." We use this motto as our guide to satisfying customers as a consumer goods manufacturer. We recognize that quality control means more than simply improving quality. Rather, it is a commitment to improvements that set customer satisfaction as a standard. We pride ourselves on enhancing the quality of life of our customers through products made according to this philosophy.

We also believe that we must engage in proactive, vigorous communication as we pursue CSR activities that contribute to robust relationships with all of our stakeholders.

President and CEO  
Unicharm Corporation  
Takahisa Takahara



## Promoting CSR Management with a Sense of Balance

I maintain a balanced perspective when promoting CSR, as CSR and environmental conservation occasionally are contradictory. For example, although our disposable products, such as diapers, raise the quality of life for parents and caregivers by improving hygiene, they also impact the global environment.

We believe that Unicharm's duty is to promote this sense of balance through CSR, reducing our usage of raw materials and curtailing our CO<sub>2</sub> emissions as we provide joy to our customers by enhancing the performance of our products.

As a manufacturer, the Company considers environmental concerns particularly important. We are committed to reducing our environmental impact in such ways as halving product thickness and reducing CO<sub>2</sub> emissions by approximately 35% through our development of *Moonyman Slim Pants* and through carbon offset initiatives.

## To Expand CSR as Only Unicharm Can

In recent years, as we emphasized materiality in CSR and ascertained the effects of CSR activities on our business activities and financial affairs, we have aimed to make unique contributions.

In 2006, Unicharm began full-scale global expansion of its CSR efforts from the perspective of broadening CSR awareness inside and outside Japan to a standard level. In particular, after recognizing the importance of stronger CSR functions as we began to strengthen compliance in China, in 2006 we formed a CSR school with companies in China and held a CSR study session in November 2007.

Unicharm employs SAPS Management<sup>1</sup> to fostering a CSR orientation through better communications and faster data transmission, while building relationships based on mutual trust and enhancing our corporate culture.

Among Unicharm's three types of DNA<sup>2</sup> is Variable Value Theory. We believe we must remain steadfast in our aim of responding to the changes demanded by various stakeholders. Therefore, we will continue to bring value to all our stakeholders, expanding CSR activities to provide societal value that only Unicharm can provide, and maintaining the fulfillment of our duties as a truly global business as our topmost priority.

1. Schedule-Action-Performance-Schedule (SAPS) Management aims to enhance the performance of all Company employees via repetition and thorough scheduling. This Unicharm management technique puts people first.
2. Three types of DNA: Spare No Effort to Continue to Be No. 1, Variable Value Theory, and Self-Origination Theory.



**Feature:** Raising Quality of Life through Global Expansion

# Childcare Products that Support a Worldwide Balance between Work and Family Life

Of all the CSR activities involved in its global expansion, Unicharm is particularly committed to raising quality of life by changing discomfort to comfort.

As we began to expand overseas with the aim of moving from Asia to the rest of the world, we have steadily introduced marketing activities such as door-to-door visits by employees to local households. Such efforts enable us to take into consideration local culture, standards of living and values and incorporate such input into the creation of products that will make people happy in every country.

We introduced brand-development activities in Indonesia involving *Mamy Poko Pants Standar* in cooperation with local and overseas corporations in response to the desire of Indonesian mothers to give good things to their children.

## INDONESIA

### ■PT Uni-Charm Indonesia

Location: Jakarta  
 Established: 1997  
 Employees: 380  
 Main Products: Baby and child care products,  
 feminine care products

# In Asian Market

## The Impetus: Recommendations by Our Local Employees

The impetus for developing the Indonesian *Mamy Poko Pants Standar* brand rather than simply distributing *Mamy Poko* with the same quality as we offer in Japan came from the realization that many of our local employees were using cheaper disposable diapers from other companies for their children.

When we asked our local employees about this, we learned that *Mamy Poko* was a high-end brand beyond the price range of common people and that required five times the average Indonesian annual salary to purchase regularly.

If our local Unicharm employees familiar with the quality of our product considered it to be something they could not buy even if they wanted to, we were not fulfilling our mission to improve Indonesians' quality of life. Love for one's children is surely the same the world over, regardless of nationality or economic circumstances. Accordingly, we began a project to introduce *Mamy Poko Pants Standar* as a reasonably-priced brand for all Indonesians who want to give good things to their children.



← Daily lives of people living in the suburbs



↑ A typical Indonesian store

## Marketing through Extensive Door-to-Door Research

To produce products suitable for the Indonesian market, our R&D staff first conducted thorough door-to-door research to understand the circumstances of life and consumption patterns in Indonesia.

For these surveys, our staff visited a number of average Indonesian households, gaining a feeling for the products actually in such households and asking the residents specific questions about these products.

Thanks to these surveys, we were able to learn the differences and commonalities in childcare between Japan and Indonesia—the consumption-related preferences of typical Indonesian households, concerns about infant nursing, and facts about mothers working while raising infants. In doing so, we became confident that by providing *Mamy Poko Pants Standar*, we would be raising the quality nurturing children, reducing the burdens on mothers, and contributing to the ability of working mothers to balance work and family.



Mamy Poko Pants Standar ↑



Marketing activities by Company employees ↑

### Indonesia's Diaper Situation

Using several types of cloth diapers depending on a baby's stage of growth is typical by Indonesian customs. The number of people using cloth diapers every day and disposable diapers when going out is steadily increasing.

Although *Mamy Poko* and other Japanese brands are on the shelves of department stores in major cities, cheap disposable diapers from local manufacturers also line many of the shelves at shops and markets.

It is Unicharm's wish that, even though many Indonesian people still consider disposable diapers upper-class items, everyone will be able to use *Mamy Poko Pants Standar* from both a price and a hygienic perspective.

## Giving Good Things to Children



## Aiming to Deliver High-Quality Products at Reasonable Prices

As the people of Indonesia come to understand the convenience of disposable diapers, price is the key determinant of regular purchases. So that anyone could easily purchase this product, Unicharm decided to proceed with local manufacturing in Indonesia, expanding floor space as well as dispatching local engineers to Japan for training in manufacturing techniques and quality control.

The quality of a Unicharm product could not be allowed to fall below that of other brands. Therefore, we pursued a thoroughly low-cost operation to achieve a price that matched Indonesia's domestic economy while maintaining our global quality standards. As a result of various initiatives, preparations for production proceeded, with capital investment completed in November 2007. In December, we began shipping *Mamy Poko Pants Standar* to storefronts throughout Indonesia.

← Ceremony to commemorate *Mamy Poko Pants Standar* shipping launch



↑ *Mamy Poko Pants Standar* on sale at a typical store

### Message from Uni-Charm Indonesia

Thanks to techniques learned from Japan, we were able to turn the locally manufactured *Mamy Poko Pants Standar* into a reality.

Because many people in Indonesia could not buy disposable diapers of satisfactory quality even if they wanted to due to price concerns, Unicharm Indonesia learned operation techniques and line quality control by training in Japan for *Mamy Poko Pants Standar*, the first Indonesian disposable diaper ever produced.

At first glance, we were overwhelmed by how extraordinarily finely tuned Unicharm's disposable diaper production lines were in Japan, as well as by the scale of the equipment. We made plans to introduce a line in our factory to perform all necessary work with one-fifth of the equipment we had previously been using. By applying Unicharm's accumulated breakthroughs in product development and technological capability, we are pleased with the means by which we pursued a simple, low-cost operation that did not sacrifice product quality.

With the support and cooperation we received from many people, we learned Japan's high-tech operations and quality control approaches, bringing them back to Unicharm Indonesia with us.

As a result of the cooperation we received from so many colleagues, we were able to begin successful production here at Unicharm Indonesia, with current domestic sales exceeding volume expectations. However, more than creating a No. 1 product that satisfies our customers, we are pleased to provide a happy, prosperous lifestyle.



PT Uni-Charm Indonesia  
Rusdiyanto  
(second from right)

## Indonesia Local Information

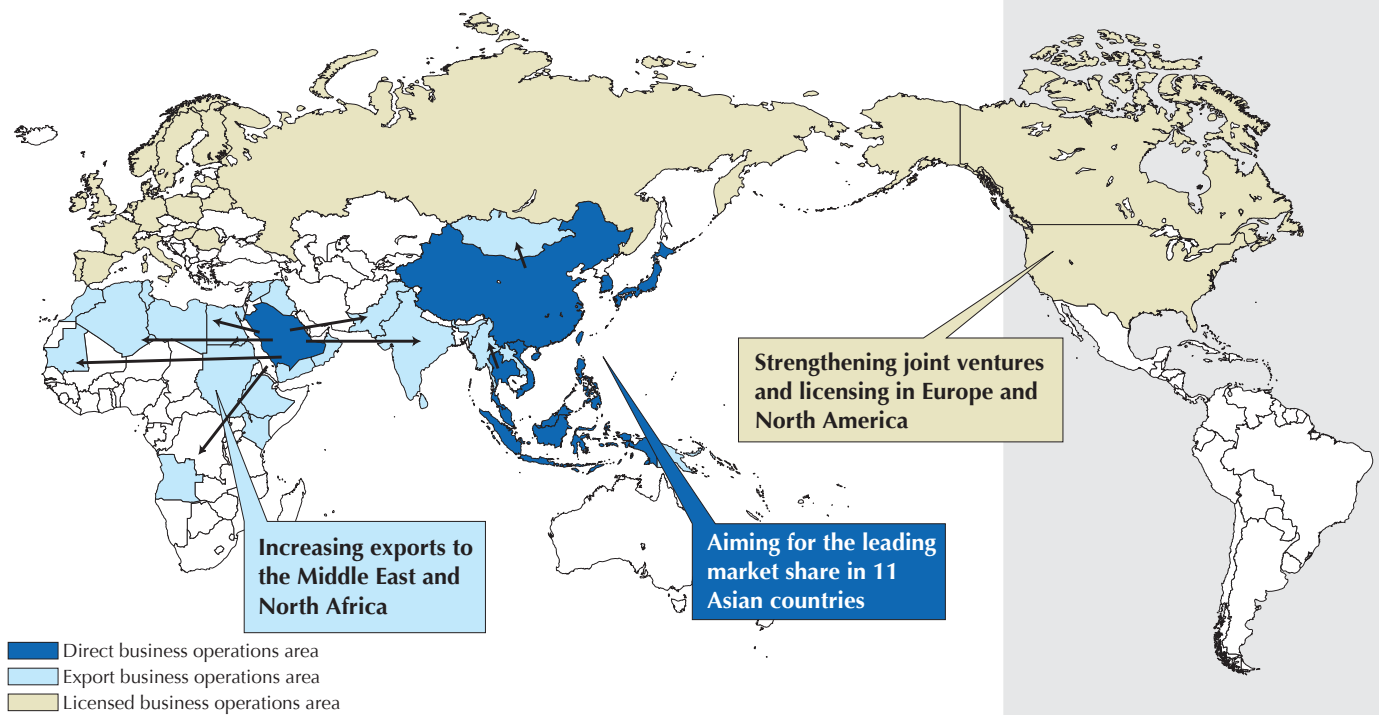
Country name:	Republic of Indonesia
Area:	Approx. 1.89 million km <sup>2</sup> (roughly five times larger than Japan)
Population:	Approx. 222 million people (2006 government estimate)
Capital:	Jakarta
Currency:	Rupiah (1 rupiah = ¥0.01, as of June 2008)
Climate:	Equatorial, tropical climate with dry (May to October) and rainy (November to April) seasons
Time difference:	Jakarta is two hours behind Japan

## Providing Quality Products to People Unable to Buy Disposable Diapers

## Toward Realizing Our Global 10 Vision

In FY2007, Unicharm adopted its new medium-term business plan, Global 10. The Company has grown into a business encompassing 78 countries, and overseas sales now account for 36% of the total. Under Global 10, we aim to raise our share of the global market from the current 6% to 10% as we provide comfort, excitement and joy to customers around the world. Our employees worldwide will contribute their knowledge for this purpose.

We will continue to treasure lifestyles all across the world as we contribute to raising quality of life with products that turn discomfort into comfort.



### ● Main Overseas Expansion (as of March 2008)

Country or Region	Baby and Child Care Business	Feminine Care Business	Health Care Business	Clean & Fresh Business	Production	Sales
China	●	●			●	●
Taiwan	●	●	●	●	●	●
Korea	●	●			●	●
Thailand	●	●	●		●	●
Indonesia	●	●			●	●
Malaysia	●	●				●
Singapore	●	●				●
Vietnam		●			●	●
Philippines	●	●				●
Saudi Arabia	●	●			●	●
Netherlands	●		●		●	

Through a technical tie-up in the Netherlands, we produce baby and adult diapers.

## Contributing to Quality of Life Worldwide

# Corporate Philosophy and the Orientation of Our CSR

Unicharm promises stakeholders that its employees will work to put into practice proper corporate management as the Company follows its corporate policy of expanding its provision of first-rate commodities and services throughout the world.

## Global Expansion of Future CSR Penetration Activities from Japan to Overseas



**Masakatsu Takai**  
Executive Director & Chief of the CSR Bureau  
of Unicharm Corporation and President of  
Unicharm Product Co., Ltd.

In 2003, we established the CSR Bureau to promote initiatives that stress quality assurance and promotion of the environment and corporate ethics, which are important issues in the manufacturing business. When the CSR Bureau was established, most employees did not know the meaning of CSR. We spread the CSR concept companywide through promotional activities and training such as CSR info sheet reading sessions and CSR study sessions. As our business expands globally, overseas employee CSR education is a concern. In light of this concern, we held a CSR study session for corporations in China in FY2007 to exchange thoughts about future CSR activities with local corporations. Although environments and cultures differ by country, our goal of realizing our corporate goal of contributing to a bountiful existence for mankind by providing the first-class commodities and services we create to our markets and clients remains unchanged. In line with the worldwide expansion of its businesses, Unicharm has elected to participate in the Ten Principles of the United Nations Global Compact. This participation underscores our awareness of corporate social responsibility and our CSR role from a global perspective. I believe that each of our employees around the world wants to promote CSR and maintain a focus on stakeholders while accomplishing their own duties in a trustworthy manner.

### Expansion of CSR Initiatives

As we work toward realizing our Global 10 vision, we are promoting Group and global initiatives stressing economic, environmental and societal priorities.



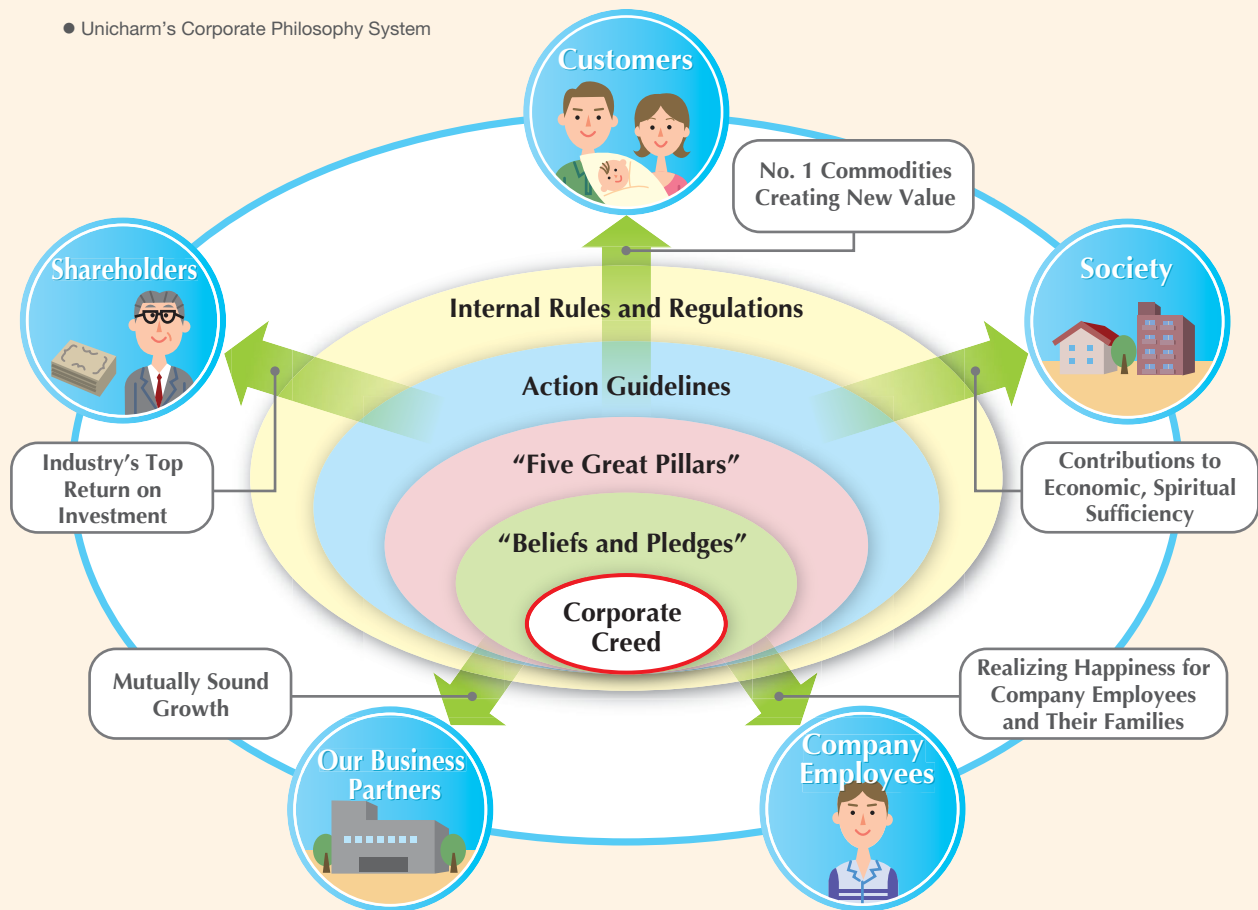


## Unicharm Ideals

- We contribute to creating a better life for humankind by offering only the finest products and services to the customer, both at home and abroad.
- We strive to pursue correct corporate management principles that bring together corporate growth, well-being among associates and fulfill 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.

(Enacted in 1974)

● Unicharm's Corporate Philosophy System



## The Global Compact's ten principles

### Human Rights

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and  
**Principle 2:** make sure that they are not complicit in human rights abuses.

### Labour Standards

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;  
**Principle 4:** the elimination of all forms of forced and compulsory labour;  
**Principle 5:** the effective abolition of child labour; and  
**Principle 6:** the elimination of discrimination in respect of employment and occupation.

### Environment

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;  
**Principle 8:** undertake initiatives to promote greater environmental responsibility; and  
**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

# CSR Promotion Structure

## ● CSR Activities That Support Corporate Governance

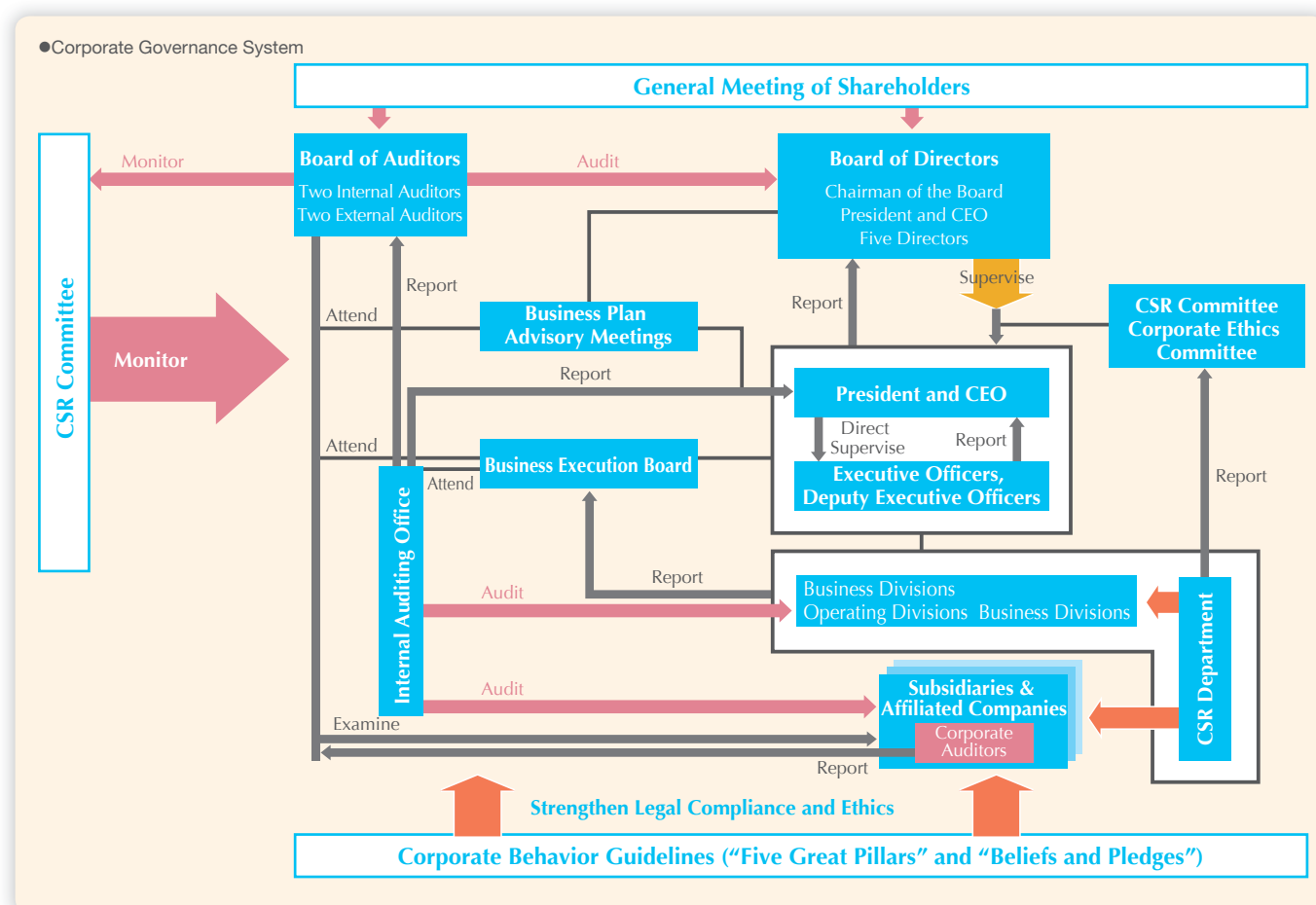
The corporate officer system introduced by the Board of Directors in June 1999 aims to strengthen management decision-making and supervisory capabilities, as well as to enhance executive directors' ability to execute business. In addition, we reduced the number of Board members and limited terms to one year to enhance management's maneuverability and flexibility. To resolve issues, a Business Plan Enquiry Conference where all directors, auditors and corporate officers determine the business plan for all corporate departments is held at the mid-point of every fiscal year. A Business Affairs Meeting chaired by the President and CEO concerning the vital concerns affecting the business and affairs of the corporation is held monthly.

Also, management transparency are further heightened by

two of the four auditors being outside auditors. Each auditor follows the audit policy and implementation policy determined by the Board of Auditors, carrying out audit activity as well as attending major management decision-making conferences as standing members, as part of our corporate governance.

Auditors also request reports on the corporate circumstances related to the business affairs of subsidiaries, investigating as the circumstances of subsidiaries dictate.

Although internal audits are done by a full-time organization reporting directly to the President and CEO, we are fully committed to verifying the effectiveness of, and following corrective recommendations to improve, internal controls in our corporate departments.



## ●Approach toward Compliance

The Unicharm Group is fully committed to compliance, not only to the letter of the law, but also with the promotion of honest corporate management based upon our corporate ethics and corporate philosophy. We are taking concrete actions to turn the "Beliefs and Pledges" for our stakeholders (See p. 8) action guidelines we created in FY2004 into reality. We are raising consciousness through policies such as our Information Security Policy and Crisis Communication Manuals and by having all company employees carry "The Unicharm Way" manuals with them.

We also carry out compliance training to raise compliance consciousness. Since FY2005, we have continued to carry out education through e-learning, but in FY2007 we carried out training related to "Personal Information Protection and Management" to deepen understanding Act on the Protection of Personal Information as well as reconfirming every person's conduct through the use of case studies of familiar problems. We also carried out "Where Management-Related Laws are concerned" e-learning targeted at management headquarters.

### ● Initiatives to Raise Compliance Consciousness

We publish "OX Legal Affairs" with OX format quizzes to increase knowledge and "4-Panel Legal Affairs" to explain legal matters related to our action guidelines. Once a year

every year since FY2005, we carry out an employee survey to examine awareness of compliance.

### ● Easy-to-Use Rin-rin Hotline Employee Helpdesk

To protect against compliance problems, it is crucial that employees become aware of such problems. In FY2004, we established the *Rin-rin Hotline* employee helpdesk that can offer guidance when employees become aware of a legal or ethical violation, or hold suspicions that one has taken place. The desk also offers counseling related to sexual harassment.

In FY2007, counseling was provided for an average of four cases per month.

When providing counseling, the name and personal information of the person receiving counseling is thoroughly

protected in line with counseling desk operating guidelines. *Rin-rin Hotline* cards are distributed to all employees, with explanations about the counseling provided during training sessions to raise awareness.



Rin-rin Hotline card

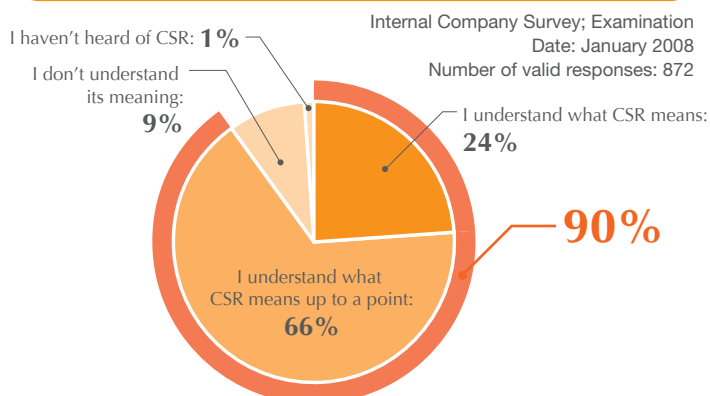
### ● Implementation Activities and Results for Putting CSR into Practice

We carry out CSR training so that each employee will implement CSR. In FY2007 we held CSR lectures for new employee training and stratified training. We also reconfirmed the importance of CSR based upon the latest social trends through the enactment of CSR study sessions targeted at department heads. In addition, we conducted an e-Learning session called The Unicharm Group's CSR Activities targeted at all Unicharm Group employees to share the contents of our CSR report.

When we conducted our employee survey, over 90% of our employees answered "I can understand the meaning of CSR." We gathered the opinions of our employees through this survey so that they may be reflected in our action plan for future initiatives in this area. We will continue to increase opportunities for education and the transmission of information about CSR to our employees for further penetration of CSR consciousness.

#### ● CSR Diffusion Activities for Company Employees

#### Q. Do you understand the meaning of CSR?



CSR study session targeted at department heads



New employee training



# Stakeholder Meeting

## CSR Study Session Held in China with Local Corporations



Unicharm plans for global expansion of CSR activities to bring the Group to a uniform standard of CSR activities, including overseas businesses. In particular, we established the CSR Bureau in China in FY2006 and carried out a study session to better root CSR into our corporate culture.

(Shanghai, November 20, 2007)

### Participants/ Panelists

Customer Hotline Office Head: Yao Mun (or Man) Lai  
Partial Market Manager: Yoshio Tatsuta  
Operational Headquarters Inspector General: Yu Deming (De-Ming or De Ming)  
R&D Department Manager: Kazuaki Onishi  
3-Company Liaison Group Head: Hu Jia  
Quality Control Department Chairman: Tao OuYang (or Ouyang)  
Facilitator, Japan CSR Bureau: Masako Koyama

The members attending the study meeting are available on the website.

During the first half of the study meeting, Kennosuke Nakano, chief general accountant, and Shigeki Maruyama, an auditor, presented a lecture related to CSR, while Sachiko Nakamura of the Japan CSR Bureau and Hideyuki Tominaga of the China CSR Bureau delivered a report on initiatives to raise understanding of CSR.

#### Nakano

I think the orientation of CSR that the Unicharm Group aims for is “Build gentleness. Support with gentleness.” It is also about how we want to fulfill all of our social responsibilities. In concrete terms, this means making products that attract the public because of quality, concern for the environment, safety and peace of mind. An ethical viewpoint as a corporation and compliance with the laws and regulations of our country and those of other countries, in accordance with our principles, are very important.

#### Maruyama

In society, no one can live alone. This is the same for corporations. Accordingly, we have stakeholders who serve as impartial observers as to whether our corporate conduct is correct. Our most important stakeholders are our customers, and at Unicharm our employees are highly regarded as well. After all, our employees are the observers who know Unicharm best. ➡

#### Nakamura

Maybe some people think “CSR activities are things the Company does” or “the CSR Bureau does,” but I think we want everyone to absorb the idea that CSR is about fulfilling the responsibility all of us bear for our stakeholders in the future.

#### Tominaga

Shanghai Unicharm is aiming to move beyond being a “safety-oriented” corporation to a “peace of mind” corporation as a consumer goods manufacturer, and I think this is more important than anything else. Since our products are applied directly to the skin, scrupulously paying heed to safety and providing our customers with quality that meets their expectations and trust is our Company’s most crucial CSR proposition. In 2006, the Unicharm Group constructed the Shanghai UhiCharm CSR Bureau, its first overseas quality assurance entity.

In the second half, the six panelists participated in a panel discussion to deliberate the resolutions put forward during the first-half lectures.

#### Koyama

While our Company’s CSR is partially about raising our value to society, centered on providing safety and peace of mind, what I want to talk about is how to carry this out. For example, what would be best from a CSR point when we detect contamination by a foreign substance in unshipped products caused by some production mishap, but which has no effect on product performance? Also, if you felt that the product information for a new ➡

product was so minimal that it was insufficient to clearly convey product safety warnings, what would you do?

#### Tao

From a production standpoint, I would classify stock as good or bad and examine why contamination by a foreign substance occurred. I would proceed to investigate the cause, be it from raw materials or as a result of plant management. Our factory is fully committed to safe five-star raw materials but, if that is still ➡

insufficient, I would like to use what I am learning here today, I think.

#### Tatsuta

If space was limited because of extraordinarily small packaging, I think that means making the warnings easier to read, such as changing the color or the text or enlarging the size of the characters.

#### Koyama

When you receive product claims, what is important in responding?

#### Yao

At the customer support hotline, changing “discomfort” to “comfort” is very important. Thinking from the consumer’s perspective is also very important. There are issues related to instructing consumers on how to use a product, but for quality issues we derive answers that customers will be satisfied with by working with the developers.

#### Koyama

We are very grateful for customers who point out defects. When one works in good faith, any risk is linked to an opportunity. I think they would be happy if they heard everyone’s viewpoints and would hope their suggestions are put into practice in our CSR.

Everyone, what is the attitude you usually hold in your commitment to CSR?

#### Tao

Packaging is a good example. I would use outer wrapping based on Japanese standards. I think we can do better from the consumer’s point of view.

#### Onishi

In 2007, *Mamy Poko* was overhauled with product weight reduced 9%. I anticipate that through thinning while maintaining basic functionality will be effective in reducing raw material consumption, distribution costs, etc.

#### Koyama

Thinning makes things more convenient for customers so it’s a very good idea.

In Japan, promoting women’s activities for a balance between work and family is also becoming an issue. What do you think we should do to support working mothers?

#### Hu

Because the advancement of Chinese women is already fairly progressive, I think we can help working mothers by encouraging the purchase of our easy-to-use, hygienic disposable diapers.



#### Yu

I want to contribute to raising the hygiene level of ordinary people by providing excellent products to help women perform tasks related to childcare. I also want to do this to support women’s societal advancement. Observance of laws and regulations is important, but shouldn’t we also promote corporate activity in line with the principles of honest and fair dealings?

#### Onishi

Easy to understand explanations are also vital for safety and peace of mind. Yes, you can say that there is safety information attached to all products, but you still need to build two-way communication. In specific terms, I think we need to examine issues in closer contact with our customers.

#### Yu

I think I’d like to mention that having many people use our products everyday is linked to how our customer hotline deals with claims.

#### Koyama

I’d like to think that from tomorrow onward, we will march forward, one step at a time.

Well, quality. How do you perceive CSR as being related to ISO9001? And environmental concerns are very important as well. What concrete actions would you take to reduce waste?

#### Maruyama

Now, allow me to summarize the three points conveyed in this study session.

First, always return to the starting point. Return to our corporate creed when it is necessary to make judgments about issues of quality, the environment. Our corporate creed was ahead of its time and is still relevant today. When quality issues arise, I think what we want is a standard of judgment linked to providing first-class products and services.

Second, make standards clear. There are three things to heed when deciding standards: 1) know your stakeholders well, 2) know ever-rising levels of laws and regulations in a changing 21st century world, and 3) have healthy discussions with employees about how to go about creating societal value.

Finally, follow what is decided without fail. As you know, this is extraordinarily difficult. Each ethical viewpoint is important for putting corporate ethics into practice. That is how we will move beyond speaking merely of compliance and governance to how far we will improve society.

Based on today’s discussion, I think we absolutely want Shanghai to serve as a beacon for improving the Unicharm Group.

# Putting CSR into Practice

## Product Manufacturing That Incorporates Customer Input



It is important to act on the CSR viewpoints of all employees taking part in the manufacturing of our products.

The value of quality is determined by every customer. We interact with our customers via all of our products. Our quality is supported by the work of each employee. It is therefore important to act on the CSR viewpoints of all employees. Quality is raised through steady, continuous improvement activities conducted by local managers. Also, to respond in faster, more precise ways to the opinions of our customers, we inaugurated the Complaint Response Liaison Group to foster a higher level of awareness in all related departments. We are raising our problem resolution level through initiatives across all the Group.

## For an Active Workplace



Not stopping at fine-tuning controls, but promoting a corporate climate easily applied to actual conditions.

The Company has made a “Pledge to the Associates,” a statement that “We pledge to provide each of our employees with the confidence and pride to make happiness a reality for them and their families.” We have two initiatives to provide environmental consolidation and education and training for our employees.

In 2007, we emphasized following up on the mental front. In particular, we adjusted our allowance and bonus system for taking long vacations for peace of mind to make people feel more welcome upon their return, and eliminating concerns about one’s livelihood to produce a lower stress work environment. In the previous fiscal year, we were certified as a “Corporation Supporting Childcare” under the “Law for the Promotion of Measures to Support the Raising of the Next Generation.” Also, as a corporation that supports a balance between work and family, we are facilitating a climate of systemic acceptance of taking maternity leave without hesitation. We have proceeded to create the “Birth & Childcare Related Organization Corner” on the Internet and similar ways to provide information.

As part of our global expansion, we are taking into account overseas circumstances while lecturing on necessary measures such as Development of Human Rights, Education and Training, and Appointing Non-Japanese National Alumni to Managerial Positions.

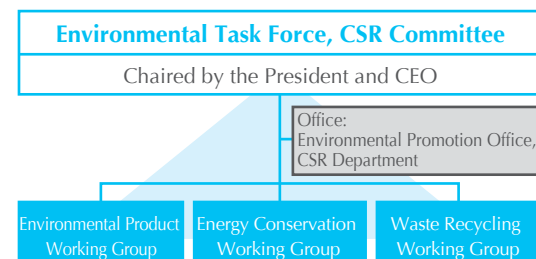


# Environmental Management

## ● Top-Down Structure for Promoting Environmental Activities

Unicharm has positioned environmental activities as a priority CSR issue. The Company has established its Environmental Task Force under the CSR Committee in charge of groupwide CSR initiatives and implements activities through a top-down approach. In line with its action plans, Unicharm implements those environmental activities. For critical issues such as product environment, energy conservation, and waste recycling, theme-specific working groups have been established.

### ● Environmental Management Structure



## ● Risk Management Based on ISO14001

Unicharm's workplaces employ an ISO14001-approved Environmental Management System. By 2005, most of our domestic operations had successfully acquired certification. Even our overseas operations began acquiring certification, starting with our Thai factory in 2003 and steadily expanding outward. By FY2007, our factory in Shanghai, China, a critical operation for CSR and environmental purposes, finished obtaining its certification.



Shanghai factory members

### ● Facilities Accredited with ISO 14001 Certification

Facility	Initial Certification	Certified by	Facility		Initial Certification	Certified by
Kakegawa Business Facility	Oct. 17, 1997	JQA	Development District Facility		Mar. 12, 2004	JQA
Shikoku Central District Facility	May 2, 2000	JQA	Head Office District Facility		Apr. 9, 2004	JQA
Fukushima Factory	Mar. 9, 2001	JQA	Unicharm PetCare Corporation	Mie Factory	Sep. 3, 2004	JQA
Unicharm Material Co., Ltd.	Feb. 15, 2002	JQA		Itami Facility	Mar. 4, 2005	JQA
Onohara Factory	May 10, 2002	JQA	Kokko Paper Mfg. Co., Ltd.		May 20, 2005	JQA
Kinsei Factory	May 16, 2003	JQA	UniCare Co., Ltd.		Jun. 3, 2005	JQA
Thailand Factory	Nov. 14, 2003	JQA	Shanghai	Factory #2	Jan. 29, 2008	ZDHY
Taiwan Factory	Dec. 1, 2003	SGS		Factory #1	Mar. 7, 2008	ZDHY
Toyohama Factory	Mar. 5, 2004	JQA				

# Efforts to Offset CO<sub>2</sub> Emissions

## Carbon Offset Initiative

"Carbon offsetting" refers to cooperating in activities to curtail CO<sub>2</sub> emitted in everyday life.

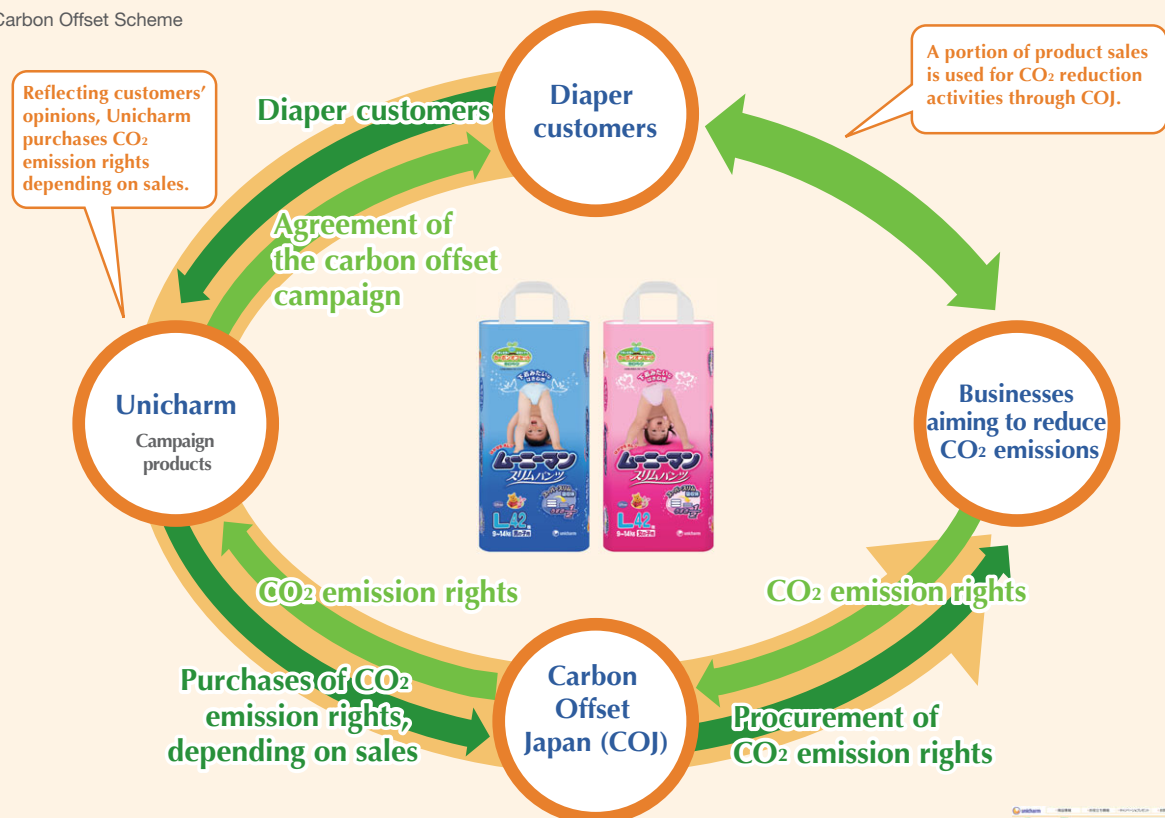
In 2008, Unicharm developed the *Moonyman* Carbon Offset Campaign With *Moonyman Slim Pants* and *Moony Man Ase Sukkiri* diapers, using absorbent materials that are half as thick as those used in conventional products to reduce CO<sub>2</sub> emissions. However, because disposable diapers are incinerated after use, reducing CO<sub>2</sub> emissions to zero has yet to be realized. However, Unicharm uses a portion of the

proceeds from sales of *Moonyman* products goes to purchase CO<sub>2</sub> emission rights from COJ\*.

Particularly in 2008, when the commitment period provided by the Kyoto Protocol begins, Unicharm will thoroughly promote initiatives to reduce CO<sub>2</sub>, even by small amounts, such as the Global Environmental Summit for leaders of developed countries in Toyako, Hokkaido, in July, and efforts to heighten Japan's environmental awareness.

\* COJ is a non-profit environmental organization that abides by the principles of the Kyoto Protocol.

### ● Carbon Offset Scheme



Campaign on the Unicharm website from June 5, 2008 to July 10, 2008