

CSR Activity Report 2016

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Paralym Art

We are a supporter of art created by people with disabilities.

Paralym Art aims to help artists with disabilities become financially independent by supporting their business activities.

Cover: "Sea, Sand and Flowers" by Tetsuya Koja

Tetsuya Koja was diagnosed with schizophrenia in senior high school. After being treated in hospital he returned to his studies. His illness prompted him to start going to church and he became a Christian. After leaving senior high school, he changed jobs frequently, working as a construction worker for seven months, a carpenter for one year, a horticultural worker (ornamental plant cultivation company) for six years, a linen laundry worker for three and a half years, and an employee at a chain of dry cleaning shops for five years and nine months. He then attended a vocational support center for about two years.

Overview of Unicharm Group

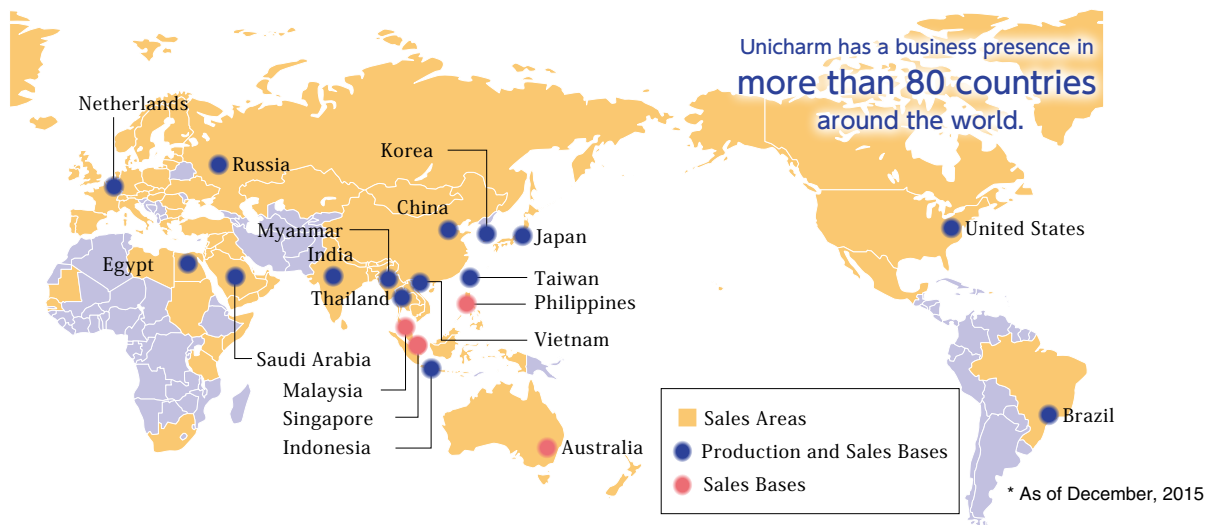
Company profile

Corporate Name	Unicharm Corporation
Date of Establishment	February 10, 1961
Capital	15,992 million yen (as of December 31, 2015)
Number of Shares Issued	620,834,319 (as of December 31, 2015)
Head Office	Sumitomo Fudosan Mita Twin Bldg. West Wing, 3-5-27 Mita, Minato-ku, Tokyo, Japan
Registered Company Office	182 Shimobun, Kinsei-cho, Shikokuchuo-City, Ehime, Japan
Number of employees	15,498 (on a consolidated basis as of December 31, 2015)
Listed Exchange	First Section of the Tokyo Stock Exchange
Business Lines	Manufacture and sales of: Baby and child care products Feminine care products Health care products Clean & fresh products Pet care products
URL	http://www.unicharm.co.jp/ http://www.unicharm.co.jp/english/

Primary Consolidated Subsidiaries and Affiliate

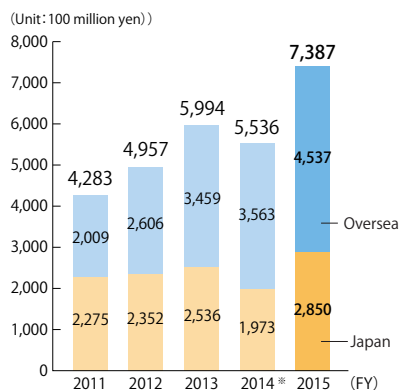
Japan	Unicharm Product Co., Ltd. Unicharm Kokko Nonwoven Co., Ltd. Cosmotec Corporation Unicharm Mölnlycke K.K.
Overseas	United Charm Co., Ltd. (Taiwan) Uni-Charm (Thailand) Co., Ltd. LG Unicharm Co., Ltd. (Korea) PT Uni-Charm Indonesia (Indonesia) Uni.Charm Mölnlycke B.V. (Netherlands) Unicharm Consumer Products (China) Co., Ltd. Unicharm Consumer Products (Tianjin) Co., Ltd. Unicharm Gulf Hygienic Industries Ltd. (Saudi Arabia) Unicharm India Private Ltd. (India) Unicharm Australasia Pty Ltd. (Australia) Diana Unicharm Joint Stock Company Vietnam The Hartz Mountain Corporation (United States)
Other	31 companies (as of December 31, 2015)

Production and Sales Areas

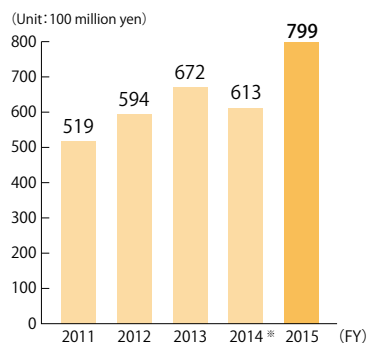


Main Business Indicators

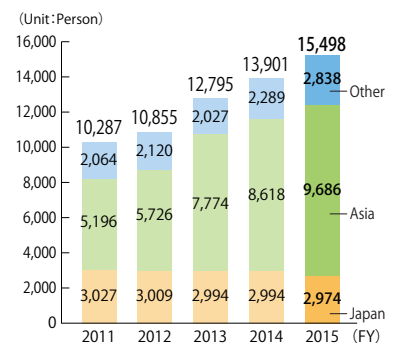
Consolidated net sales



Consolidated operating income



Number of group employees



* FY2014 was an irregular nine-month period due to a change in the company's fiscal year

Editorial Policy / Contents

Unicharm has made available a digest version of this report in PDF format, which primarily discusses material matters, while Unicharm's website contains every item reported on.

Editorial Policy

In preparation for the “CSR Activity Report 2016”

This document has been prepared as Unicharm Group's Corporate Social Responsibility (CSR) report. This report reaffirms that our CSR is the fulfillment of our corporate philosophy “NOLA & DOLA”*, and presents how we practice CSR through our business activities. This year, we stipulated key CSR themes for Unicharm and reorganized our promotional structure.

Furthermore, as for our global report, we refer to the UN Global Compact, ISO26000 and GRI Guidelines throughout the whole report.

We will continue to accommodate the requests of our stakeholders to the greatest extent possible. Therefore, we ask that you go through our “Integrated Report 2016” as well as the newly published update summary, and provide whatever any frank opinions and comments you may have.

* NOLA&DOLA: “Necessity of Life with Activities & Dreams of Life with Activities”. From newborn infants to the elderly, Unicharm aims to provide people with products that provide physical and psychological support through gentle care so that they may be free of their burdens to fulfill their dreams.

Contents

■ Areas Covered

Business operations, CSR vision, activity goals, organizational structure, business performance, accounting data, etc. This report presents details of results for FY2015 as well as the latest information for the early part of FY2016.

■ Organizations

Unicharm Group companies are shown on a consolidated basis. Details of companies mentioned in the environmental activity report can be found on the Unicharm website.

■ Intended Audience

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

■ Period

January 1, 2015 to December 31, 2015 (including some activities prior to and after the above period, as well as future targets)

■ Reference Guidelines

- GRI Sustainability Reporting Guidelines Version 4
- 2012 Environmental Reporting Guidelines of the Ministry of the Environment
- ISO26000

■ Date of issue

May, 2016. Next date of issue: May 2017

■ Available at

- CSR on the Unicharm website

■ Role of this activity report

This activity report focuses on topics of concern that the company would like to particularly share with its readers and stakeholders in this year's edition.

Please refer to our website for the full report.



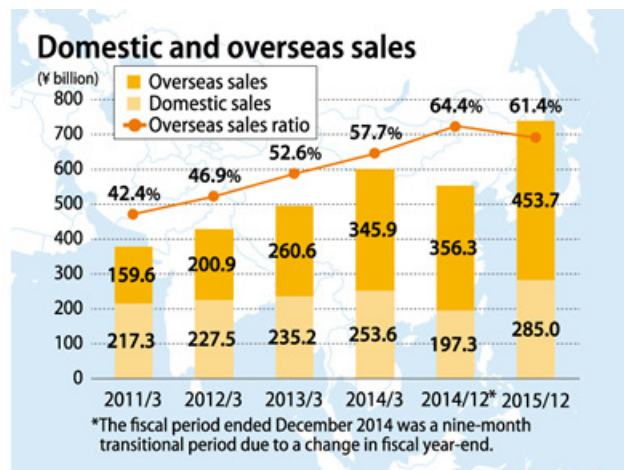
Message from the President

Record net sales and operating income in real terms

In fiscal 2015, ended December 31, 2015, Unicharm reported net sales of ¥738.7 billion and operating income of ¥79.9 billion, marking the 14th straight year of record sales and the ninth successive year of record operating income in real terms. We also continued to grow our nonwoven fabric and absorbent material products business, with our global share reaching 10% in fiscal 2015 on the back of efforts to capture over one third of the market in Asia. However, profitability deteriorated due to a range of factors. In Indonesia, Thailand, Brazil and other emerging markets, we faced worsening macroeconomic conditions and weakening local currencies, which led to foreign currency translation losses and higher costs for imported raw materials. We also increased spending on marketing to address rapid changes in sales channels and rising demand for Japanese-made products in China. For fiscal 2016, ending December 31, 2016, we will push ahead with initiatives to improve profitability and do our part to raise living standards by rolling out products tailored to local markets, particularly in Asian emerging economies with good prospects for growth. Our goal is to achieve consolidated net sales of ¥1 trillion in fiscal 2018.



Takahisa Takahara
President and CEO



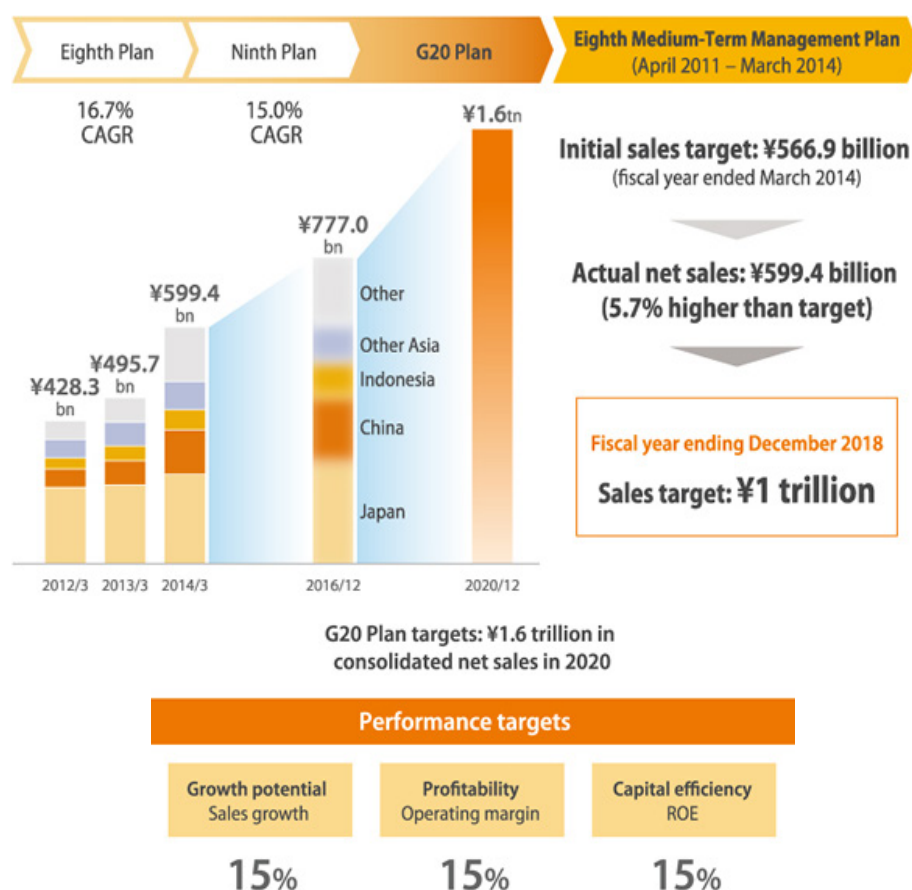
Progress toward goals in our ninth Medium-Term Management Plan and G20 Plan

We see the potential for continued strong growth in target business fields worldwide in both advanced and emerging markets. Supported by these conditions, we aim to accelerate the globalization of our business to drive rapid growth. This objective is incorporated into our ninth Medium-Term Management Plan and our long-term vision, the G20 Plan, both released in April 2014.

Under the G20 Plan, we are targeting consolidated net sales of ¥1.6 trillion, average annual sales growth of 15%, an operating margin of 15% and ROE of 15% by fiscal 2020. We plan to achieve those targets by extending our sales areas and developing new product categories in emerging markets, while also expanding our high-margin businesses, strengthening Unicharm brands to reduce our dependence on pricing, and growing e-commerce operations. We also aim to lift margins by improving productivity, mainly in manufacturing processes, and increase asset efficiency by adjusting inventory levels and automating and standardizing production processes.

As a stepping stone toward our targets in the G20 Plan, we are aiming for record consolidated net sales of ¥777 billion and record operating income of ¥87 billion in fiscal 2016.

We will continue to strengthen strategy implementation in our core business areas and regions in order to attain these management targets.



Building a stronger more global business structure

We are striving to make our business more global by giving overseas subsidiaries more power. To support this approach, we need people who understand Unicharm's DNA and corporate culture and who can develop and implement new strategies. We are actively sending our best people, who often have over 20 years of experience working for Unicharm, to overseas business sites to ensure our corporate DNA takes root.

We are also reinforcing corporate governance to meet the expectations of all our stakeholders in Japan and overseas from a global perspective. We have already made progress in this area, such as introducing an executive officer system to separate management oversight and executive functions, and we adopted a "company with audit and supervisory committee" governance structure on May 1, 2015 following revisions to the Companies Act. Moreover, we have built a committee-based system to select candidates for senior management positions and determine pay levels (nomination committee and remuneration committee). More than half of the members that sit on these committees are outside directors. This has strengthened oversight of the executive functions of the Board of Directors and brought outside directors into the management process to increase transparency and efficiency.

Committed to stable returns for shareholders

At Unicharm, one of our top priorities is to return an appropriate level of profits to shareholders, which is also important from the standpoint of capital efficiency. We are committed to paying stable returns while at the same time strengthening the Company to boost earnings and actively investing in our business to drive growth.

For fiscal 2015, ended December 31, 2015, we paid a year-end dividend of ¥7.40 per share, the same amount as our initial dividend forecast.

In fiscal 2016, in accordance with our shareholder return policy, we will put priority on business investment to deliver sustained growth, while continuing to pay a stable and sustained dividend in line with medium- to long-term growth in consolidated earnings. Where necessary, we also intend to increase the total shareholder return ratio by conducting share buybacks on a flexible basis. We plan to pay a full-year dividend of ¥16.00 per share for fiscal 2016.

Building a symbiotic relationship with society

People aged 65 and older now account for a quarter of Japan's population. This aging of Japanese society is projected to continue. To support each other in our rapidly aging world, we need to build close-knit societies based on multi-generational communities that were common in the past, where people of all ages can live with humanity and mutual respect. We believe this will become increasingly important as societies age.

To make this vision a reality, we have to create new value and constantly evolve in order to offer new products and services that contribute to the creation of a symbiotic society. Specifically, we will help people free themselves from social restraints so that they can take on new challenges in their lives, create products that enhance daily freedoms, protect time and lifestyles that contribute to our humanity, and empower people of all generations to realize their hopes and dreams and experience more fulfilling lives.

In Asia, where societies are projected to age at an even faster pace than in Japan, we plan to extend our Japanese care model across the region, leveraging our experience in the world's most rapidly aging society to create symbiotic societies worldwide.

At Unicharm, our vision is to help people worldwide lead richer lives by offering a wide range of products for babies through to the elderly that make life easier by supporting the mind and the body. This is an integral part of our corporate philosophy, NOLA & DOLA (Necessity of Life with Activities & Dreams of Life with Activities), and is embodied by our current product range: baby care products such as disposable diapers, feminine care products such as sanitary napkins and tampons, adult incontinence products for nursing care, cleaning products such as disposable mop wipes, wet wipes, contoured face masks, and pet care products. All the products we supply play a vital role in making everyday life cleaner and more hygienic. Our mission is to provide these products to people worldwide to help enhance their quality of life. As part of efforts to develop our business globally, we declared our support for the United Nations Global Compact in 2006 and have been adhering to its principles ever since.

At Unicharm, we are committed to more than just supporting customers through our business activities. We are striving to realize sustained growth in corporate value by promoting sound business management that delivers value to all the stakeholders who support us: our shareholders, business partners, employees and society as a whole.

March 2016

Takahisa Takahara

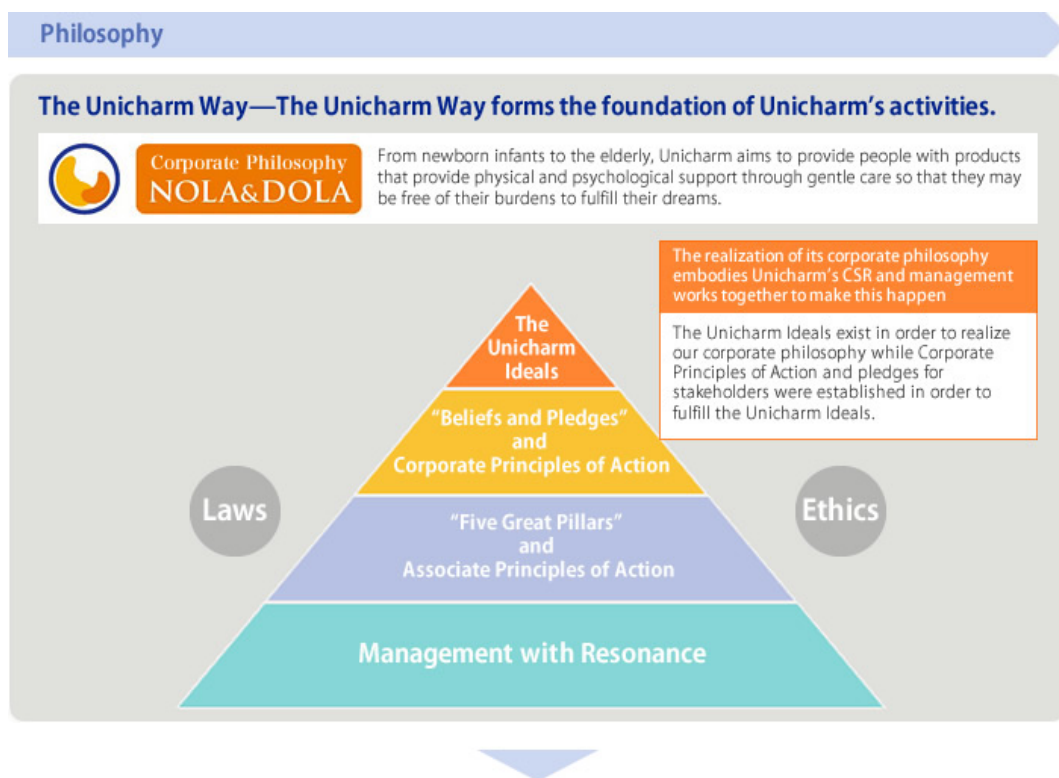


Unicharm Group's CSR






Integrating CSR with our businesses

Unicharm's corporate philosophy is "NOLA & DOLA." Our concept of NOLA & DOLA: Necessities of Life with Activities & Dreams of Life with Activities, contains our hope that "from newborn infants to the elderly, Unicharm aims to provide people with products that provide physical and psychological support through gentle care so that they may be free of their burdens to fulfill their dreams." Our CSR is embodied by our commitment to achieve this aspiration through our business activities and to help resolve social issues in the process. In order to make this aspiration even more effective, Unicharm has established Primary CSR Themes and Major Indicators (KPI).

■ Unicharm Group's Value Creation Process

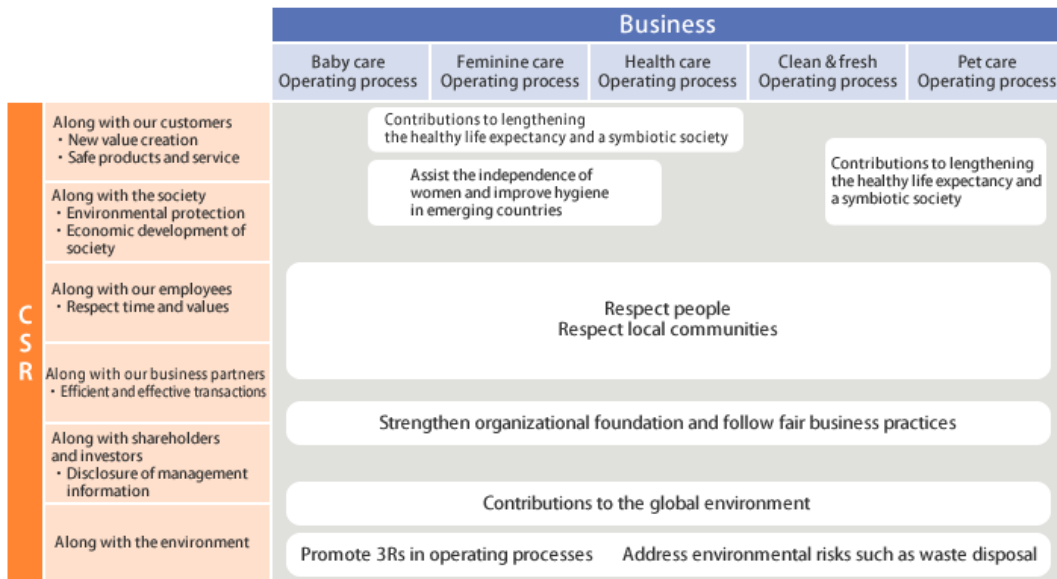


Management policy aware of the external environment

	Advanced markets	Emerging markets	Global environment
Global megatrends	Aging societies with a declining birth rate	Economic growth	Resource depletion / global warming
Impact on Unicharm	Increase in spending per child Increase in seniors seeking pets for companionship and healthy lifestyle for themselves	Growth in the number of middle-class consumers seeking more hygienic lifestyles	Growing interest in environmental protection
Demands from society	Products that are highly functional as well as safe and secure Contributions to healthy life expectancy and pets and people living together	Solutions for poverty, hygiene and employment Supply chain Human rights issues	Demands for biodiversity Solutions for waste treatment
Actions	Sales of high value-added products Strengthen health care and pet care businesses in Japan and expand overseas	Expand reach of baby care and feminine care businesses Transfer authority to key demand markets	Launch of environmentally friendly products Increase recycling rate
	Contributions to lengthening the healthy life expectancy and a symbiotic society	Respect people Respect local communities	Assist the independence of women and improve hygiene in emerging countries
	Strengthen organizational foundation and follow fair business practices		
Medium-Term Management Plan	 Shift out focus from creating products to creating value  Develop a "Unicharm-style winning pattern" in the personal care business	Five Key Strategies  Build a pet care business with "distinctive differentiation" that stands out in Japan, the U.S., China and Taiwan  Focus channel resources on priority countries and regions	 Convert all group subsidiaries to local management units and nurture resonant personnel



Important themes in terms of both business and CSR



Important CSR themes

1. Contributions to lengthening the healthy life expectancy and a symbiotic society
2. Assist the independence of women and improve hygiene in emerging countries
3. Respect people and local communities
4. Contributions to the global environment
5. Strengthen organizational foundation and follow fair business practices

Unicharm is working hard to create top-of-the-line products and services by further refining its own processing and molding technologies for non-woven and absorbing materials in an effort to contribute to the resolution of social issues and creation of value for society through our business activities.

Our business activities give back to society through the realization of more sanitary lifestyles in developing countries through our products and the creation of employment opportunities for women in the community. Additionally, in Japan which is transforming into a super aging society, we actively supply mild incontinence pads for men to live as they like and products that encourage independent bathroom use for healthy life expectancy. In this capacity, we serve an important role in helping to deliver solutions to the many issues facing society.

In terms of the Environment, delivering solutions through our core businesses embodies Unicharm's CSR. We are expanding our lineup of environmentally friendly products to reduce greenhouse gases as well as contributing to a sustainable society as a responsible manufacturer of disposable diapers by establishing a recycling system for used disposable diapers.

Going forward, we will continue to promote corporate activities supported by all stakeholders that balance growth with discipline.



Eiji Ishikawa

General Manager,
CSR and Global R&D Divisions
Director, Managing Executive
Officer
Unicharm Corporation
Representative Director and
President
Unicharm Products Co., Ltd.

CSR promotional structure

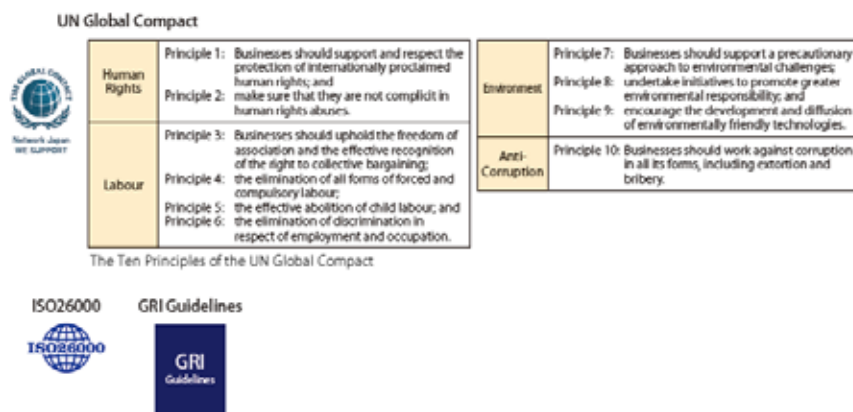
Established cross-organizational CSR structure

Unicharm has established a structure to implement and promote smooth CSR activities in order to meet our stakeholders' expectations. Our "CSR Committee" is a cross-organizational structure for the support of CSR, chaired by our president. The committee meets four times a year to discuss and share information about CSR-related activities, which in turn is utilized in management.



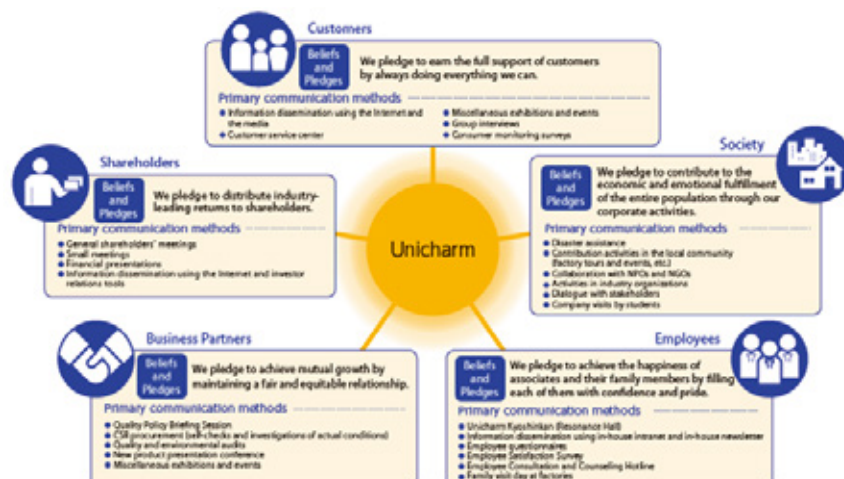
Reference framework for Unicharm's CSR strategy

At Unicharm, we operate our global business activities in awareness of the voices of our stakeholders and by referring to various international guidelines. We support the ten principles of the "UN Global Compact," and have participated in the compact since May 2006.



Relationship with stakeholders

Unicharm pledges to undertake honest and trustworthy corporate activities toward its customers, shareholders, business partners and society under its "Beliefs and Pledges" and Corporate Principles of Action, and encourages two-way communication with its stakeholders by providing a wide range of dialogue opportunities.



Feature Topic 1 : Making Life Better for People Living in Asia by Reducing the Burdens of Daily Life

As a manufacturer of sanitary pads, Unicharm has tirelessly pursued turning women's experience of “discomfort” into “comfort.” Utilizing the know-how developed in our business in Japan, we are now deploying products and services in the emerging markets in Asia through actively supporting women who live in the region. We aim to make a contribution unique to Unicharm for helping women shine and extending their areas of influence.

Background

Improving women's lives and increasing social participation

Issues surrounding Asian women such as education and work

In the Middle East, North Africa and South Asia, there are regions where women's opportunities to receive an education and to work are greatly limited due to cultural factors. There are also some countries and regions where woman's activities during her menstruation are limited because of superstitious beliefs. It is vital that we tackle these issues one by one to improve women's lives and to encourage participation in social life.

Unicharm has been manufacturing and selling menstruation pads and disposable diapers in Asian countries since the 1990s. In the process, we educate them on correct knowledge of menstruation and actively employ women from the local region or country. Through this and other efforts we make, we contribute to the advancement of women in society.



Contributing to solutions for international social issues

Women's independence and ability to actively participate in society are important not only from the perspective of achieving gender equality, but also to counter poverty and advance economic conditions. Increasing women's awareness of hygiene also has the added effect of improving the living environment and health of families and encouraging better child-rearing practices.

Unicharm's efforts which include menstrual education and job assistance are activities that contribute to resolving international issues such as health, welfare, economics, poverty and humane work which we will continue promoting.

Our activities

Progress of “first menstruation education” in India

The program has spread across many areas over three years

Since 2013 in India, Unicharm has been promoting an educational program on the mechanism and appropriate care of the menstrual cycle called “Managing Menstruation: My Pride.” This program aims to help schoolgirls feel comfortable while staying sanitary during their menstrual cycle and stay active and confident. Word of the program has spread from school to school across the region and by 2015, we had deployed this program in Delhi and Mumbai. We educated over 40,000 schoolgirls in this three-year period.



Responses from the schools

We improve the program by receiving feedback from the schools after implementing it. The schoolgirls who participated provided us with positive feedbacks such as “I learned why periods are important and how I can stay sanitary during my menstruation” and “I was happy to learn how to use a sanitary pad.” The teachers praised us highly by saying, “The student's superstitious beliefs and misunderstandings were corrected and they learned actual facts about menstruation” and “This was a very meaningful workshop that fulfilled an important social need.”



Encouraging understandings about the menstrual cycle through “Sofy Partner”

In India, to spread understanding on the menstrual cycle, we are carrying out the project entitled, “Sofy Sahyogi(partner) Project” referring to the brand name of our feminine product. Through this, we teach women about the menstrual cycle and its appropriate self-care in their daily lives. This project also contributes to creating an environment where women can purchase sanitary pads when they need them.

This project, which originally sprung out of a northern Indian village, has already contributed to the improvement of many women's lives and is scheduled to expand into surrounding regions.



Deepening the activities through collaboration with local government and organizations

Local NGOs, NPOs, and businesses have praised Unicharm's efforts in India. Our efforts have also been introduced through the media and in events related to CSR. By actively engaging media outlets about our activities and collaborating with local organizations, we aim for further and deeper integration into the region.



First menstruation education expanding into Indonesia and Myanmar

Unicharm is involved in first menstruation education in Indonesia as well. In the curriculum, we incorporate videos and games that promote correct understandings of menstruation and resolve the schoolgirls' questions and concerns.

The first menses is an important experience for girls entering adolescence, marking the changes they are going through in both their minds and bodies. Though offering knowledge and information that can help them out through this time of drastic transition, Unicharm continues to offer support to young women growing into adulthood throughout the world.



First menstruation education in Indonesia

● Voices of schoolgirls and teachers who participated (Indonesia)

A schoolgirl

I was interested to learn so much about menstruation. I came to understand what is good to do and what was not.

A teacher

Students need to learn about the change in their own minds and bodies and about general sexuality. Having acquired correct knowledge of the menstrual cycle, they should now be able to manage their menstrual cycles more comfortably. This was an important lesson for women.



Textbooks on first menstruation education

In July 2015, with assistance from the Japan International Cooperation Agency (JICA) and Japanese Organization for International Cooperation in Family Planning (JOICFP), we began planning for a roll-out of education about first menstruation in Myanmar. We have begun preparations to begin educating schoolgirls in Myanmar beginning in 2016 by developing teaching materials for the program and running special seminars for leaders on how to effectively utilize these educational materials in collaboration with the Myanmar Health Ministry. In collaboration with the local government and stakeholders of the NGO, we will promote a society where women can shine.



Workshop for developing teaching materials



Developed materials

Efforts to promote using disposable diapers in India

For plenty of sleep that is indispensable for babies

Sound sleep is indispensable for the baby's healthy development. Unicharm has begun promoting using disposable diapers at night time, "Namaste Poko Chan Event" in India where disposable diapers are still uncommon. At the events, we clearly explain the importance of creating an environment where the baby can sleep well. We also explain the importance of preparing a sanitary environment for child-rearing and show how to use a disposable diaper.

Through these efforts, we contribute to improving the domestic environment of homes with babies.

Event participants said encouraging words such as, "I normally only use disposables during trips, but now, I am going to start using them more often."



Job assistance through a woman's - only factory in Saudi Arabia

In Saudi Arabia, cultural beliefs disallow women to spend time in a room with a man who is not a family member or to talk to them. Women are not prohibited from working, but employment that allows women to work without any contact with men is extremely limited. In 2012, Unicharm built a women's only factory and created an operation where women could work without any contact with men, offering Saudi Arabian women to work.

Various progress was seen in the production sites in 2015, the year that marked the third year from the beginning of factory operations. We expanded the operation lines in response to a growing number of employees. In addition, astute plant management was conducted by the female leaders, which significantly improved the per person productivity as a result of improved work efficiency.

We also strive to foster this new female workforce in Saudi Arabia by conducting a two-week special seminar for new hires on the topics of safety, quality and productivity.



● Voices from families of the employees at the women-only factory plant

Shaha Al-Shammari's Family

We were able to concentrate on our studies because our mother worked at Unicharm's women-only factory and supported us. We are grateful to Unicharm and we also hope that we are soon able to support our mother through our hard work.



Nora Al-Enazi's Family

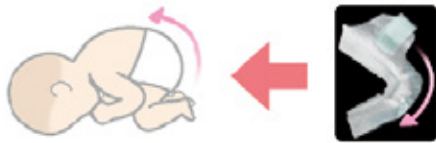


Our daughter has been able to economically support us through her job at Unicharm. We feel reassured because the plant is mindful of her safety. We are now able to live without insecurities.

Gently supporting underweight babies

Protection of small babies is the mission of Unicharm

The birth rate of underweight babies (2500 grams and under) has been increasing in recent years. In accordance with the idea of on-site clinical practice that it is important to keep the stress level of underweight infants to a minimum in order to support their growth and development, Unicharm developed a new technology that allows carers to change the baby's diapers without changing the baby's position. The result was "Moony Airfit[®]," the diaper for underweight infants released for sale in November 2014 for Japanese hospitals and birth centers. A year after its release, the diaper has been garnering positive reviews for its unique product design that has considered the reality of the medical contexts. Most notable praises are: "You can change the diaper while maintaining the Positioning Posture (which is a bent position similar to the fetal position)" (87%*) and "there are perforations" (93%*) that make diaper changes in this bent position possible. We are currently spreading our reach in information offering activities in the medical field through participating in various academic conferences and cosponsoring seminars within conferences.



The diaper fits three-dimensionally following the Positioning Posture



Perforations make it possible to change the diaper while maintaining the Positioning Posture



Photos of conference participations



Mamy Poko—Diapers released in Taiwan for underweight babies

Diapers made especially for underweight babies are being rolled out outside Japan as well. In Taiwan, it gently supported an extremely immature infant boy born the lightest ever known. This boy was born at 339 grams after only 24 weeks of pregnancy, but was happily discharged after growing into a healthy 2,200 grams boy thanks to the latest medical technology and his own strong life force after a six-month stay in the ICU. The director of the hospital said, "The disposable diaper especially designed for underweight infants protected the baby well and made it easier to care for him. I was moved. It is the mother's right hand." Going forward, we will continue to support the healthy growth of babies who were born small in the world.

*From: Questionnaire to Midwives Using Moony Airfit[®], The 60th Academic Conference on Japan's Newborn Developmental Medical Board, October 2015

Feature Topic 2 : Responding to a Super-Aging Society

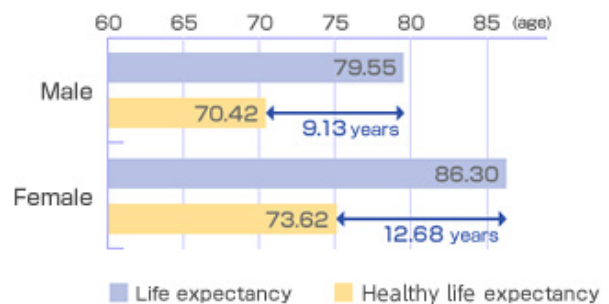
Unicharm's never-changing goal is to realize “normalization”- a society in which everyone can live their own life in their own way, for as long as possible. We want to help elderly people to live independently and have a rich social life in this ever-increasing super-aging society. This is what motivates us every day to engage in making products and creating proposals for better continence care.

Background

Lengthening the healthy life expectancy is indispensable to a super-aging society

Interest in “healthy life expectancy” keeps growing in Japan, the world's most aged society and nation with the highest average life expectancy. However, the expected years remaining to live without restrictions caused by health-related problems called “healthy life expectancy” is nine years shorter for men and thirteen years shorter for women compared to the life expectancy of the average Japanese person. Having entered the super-aging society, it is vital to find out how people can extend their healthy life expectancy for enjoying a fulfilling life longer.

■ Gap between “life expectancy” and “healthy life expectancy” (2010)



Data from Annual Health, Labour and Welfare Report 2013-2014

Continence care is the key to lengthening the healthy life expectancy

It is crucial to intervene early to various symptoms of aging (geriatric syndrome) to lengthen the healthy life expectancy. Along with declines in physical and mental functioning, continence-related issues can be seen as one of the representative geriatric syndromes. Many people with continence issues tend to have experience bad sleep quality and avoidance of going out or eating and drinking. This is a situation where the three basic principles of health, “sleep,” “exercise,” and “food” are threatened, while also largely impacting the mental side by feeling, “I am not confident of my own health.” How to manage continence care is a key part of lengthening the healthy life expectancy.

■ Troubles caused by issues related to continence (multiple answers allowed)

I wake up in the middle of the night to go to the bathroom / I can't sleep well	45.3	Effects on the quality of sleep
I go to the bathroom frequently	38.1	
Problems when going out (Looking for a bathroom is burdensome, Can't enjoy travelling or short outings)	24.3	Effects on short outings
I do not want my friends or acquaintances to become aware of it	10.1	
I started drinking less beverages (both alcoholic and non-alcoholic)	8.1	Effects on eating and drinking
I do not want my family to notice	6.6	

Research by Unicharm (March 2015)

● Opinions from external experts

Early intervention through self-care is important as soon as you notice symptoms

Geriatric symptoms such as incontinence that occur with age can happen to anyone. If you notice yourself losing control over your bladder, it is important that you start addressing that immediately instead of seeing it as an exceptional condition. Addressing the issue early increases the possibility that you can push off the worsening of the condition for another three to five years. It is extremely important that you make a habit of securing “good sleep,” “physical activity,” and “eating well” as well as “appropriate continence care” to live each day actively and full of energy.



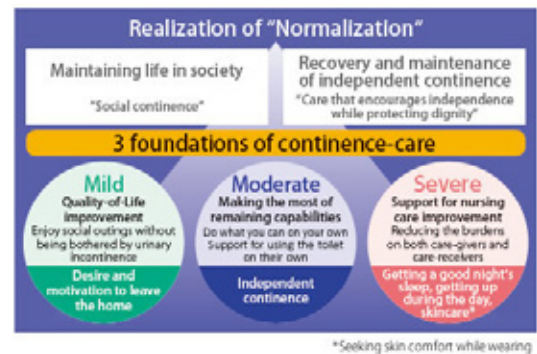
Institute for Gerontology, J. F. Oberlin University
(Graduate School Professor)
Dr. Takao Suzuki

Our activities

Proposing “continence care” through “Lifree”

Deploying “continence care” with three concepts

Unicharm has offered products and services that encourage independence in bathroom behavior through the Lifree brand because we want you to be able to live as you want for as long as you can. To spread early self-care, we left the past framework of “care diapers” in 2015. We now offer the concept of “continence care” to a wide range of population starting with lighter degree issues including urine leakage. We now deploy products dividing into the three foundations of mild, moderate, and severe, depending on the bodily condition and lifestyle.



To address “continence care” without reservations

While early intervention is extremely important with continence care, about half of the people do not use care products, viewing it as “not yet for me.” We addressed this issue and have made it easier for those who have felt resistant to using “care diapers” by proposing a more positive image of a healthy lifestyle by rephrasing care products, “continence care.”

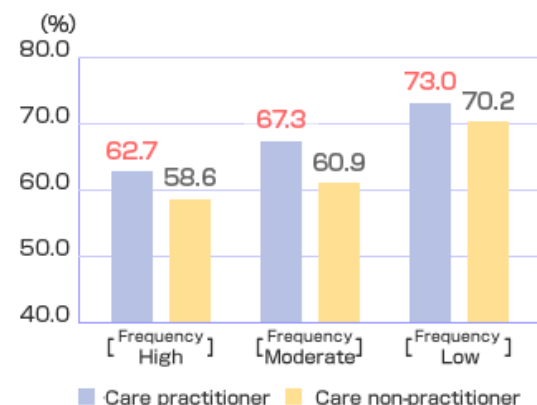
Studies have shown that those who have practiced appropriate continence care tend to be more affirmative about their social life and have a higher rate of daily life satisfaction regardless of their continence trouble frequency. We look forward to continue to lengthening the healthy life expectancy and contributing to increase the QOL of elderly people through educating about continence care.

Robust information transmission through the website

At Lifree's website, we publish various contents for appropriate continence care under the slogan, “Supporting the healthy life expectancy.” As a website traversing the Lifree brand from mild to severe, we offer care products suiting each condition as well as rich information including testimonials from users and advice from experts to lengthen healthy life expectancy.



■ Satisfaction toward daily life





Lifree official website
<http://www.unicharm.co.jp/lifree/>

Proposing “continence self-management” alongside experts

Today, 1 in 4 people of 50 years old or older have experienced trouble with continence*. We propose “continence self-management” alongside experts to actively support a more comfortable life for more people.

With “continence self-management”, we introduce specific steps to implement when you actually experience inconvenience around continence such as: (1) know and assess your condition; (2) train your pelvic floor muscles; (3) care for yourself appropriately and consult a doctor as needed.

* From a survey of the current living conditions of people troubled by continence issues conducted by Unicharm (April 17, 2015 News release)

Confirm the category of continence trouble with the “continence self-check sheet” and “continence recording”

You can check the category of continence trouble you are experiencing with the “continence self-check sheet.” We recommend understanding the reasons and conditions that differ by category to aid in the first step of appropriate care. “Continence recording” where you can record the time and quantity of your urination and bowel movement is also effective in managing your troubles with continence. We recommend these alongside experts as tools to reference when consulting with your doctor.

After knowing your type, introduce appropriate strengthening exercises and methods

We also have introduced online* appropriate strengthening exercises and methods of care such as “pelvic floor training” that you can easily do at home, under the supervision of experts after knowing your type. You can expect to prevent or improve continence-related troubles such as urine leakage and anal incontinence by strengthening your pelvic floor muscles with daily exercising.

*<http://www.unicharm.co.jp/charmap/training/training/index.html>

Spreading information with “continence care navi” by Continence Care Research Center

At Unicharm's Continence Care Research Center, certified professionals including care workers, registered nurses, and health workers have continued to research over a long time how to better address continence care through verifying care products and researching the current conditions at facilities and hospitals around Japan. We share fruits of this research and information on how to encourage getting out of bed or independent egestion with elderly



Continence Care Navi:
<http://www.carenavi.jp/>

people and caretakers through the website “continence care navi.”

At “continence care navi”, we introduce actual efforts made at caretaking facilities and are making an effort to educate people about continence care that emphasizes the reduction in number of diaper changes and rehabilitation.

■ Specific efforts made at caretaking facilities

“Obtain good quality sleep for the users by reducing the number of diaper changes and improving skin care”

Shin-ai Houonkai assisted living facility for the elderly: Shin'ai no sono (located at Kiyose City, Tokyo)

<http://www.carenavi.jp/researchdata/vol6.html>

“Strengthening at-home elderly health through engaging with care focused on rehabilitation within everyday life”

Koujukai assisted living facility for the elderly: Ichii no mori (located at Akishima City, Tokyo)







<http://www.carenavi.jp/researchdata/vol5.html>

Seminar on “Caring for urine leakage and continence” at the local level

To respond to the wishes of elderly people to stay as they are even in their old age, Unicharm continues working on preading correct knowledge on continence care and caring in general to lengthen healthy life expectancy.

By collaborating on a regional level, we set the theme by target audience and aim to educate the importance of caretaking prevention through relaying deeper knowledge of urine leakage prevention and how to use diapers.

■ Seminar on “Caring for urine leakage and continence” by Continence Care Research Center

Target audience:	General elderly population	For at-home care specialists and family caretakers	For caretaking and nursing students (of vocational schools)
Theme:	Caretaking prevention (preventing urine leakage)	continence care	continence care
Number of presentations	41	22	13
Educational content	<p>We introduce prevention and improvement, and finally, how to best live with urine leakage under the theme, “Preventing and self-care of urine leakage,” which is important to care prevention.</p>  <p>Scenes from the day</p>  <p>Teaching material</p>	<p>We introduce how to lessen the burden of continence care which is a large issue in at-home assisted care through introducing appropriate ways of choosing and using (or putting on) diapers.</p>  <p>Scenes from the day</p>  <p>Teaching material</p>	<p>We teach from the basics of the role and knowledge of the experts in the context of elderly continence care for the future experts of medicine and elderly care who will become caretakers for the elderly.</p>  <p>Scenes from the day</p>  <p>Introductory booklet for onsite lectures</p>

● “Caretaking Seminar” held in Fukuroi City, Shizuoka

Lecturers from our Continence Care Research Center held a caretaking seminar for the “Fukuroi City Caretakers' Hohoemi-kai” composed of a coalition of at-home caretakers and groups within Fukuroi City. The theme was “How to choose disposable diapers and how to use them.” We described the structure of disposable diapers and the mechanism of leakage to explain how to use them correctly, leading to making outings possible and to live a positive life. Participants appreciated it as evidenced by voices such as, “I didn't think the placement of diapers would make such a difference” and “I didn't know there were so many different types of diapers.”



Voice of participants



Participant:
Ms. Mitsuko Takahashi

I learned important tricks for using the pads properly

I have been caring for my husband for two years now. He is 81 years old and is certified as level 1 of needing long-term care. If I give him rehabilitation underpants and urinary pads, he uses them on his own, but perhaps because the pad is not on exactly right, urine seems to leak a bit. I learned some important tricks in using the pads correctly in today's seminar. I also didn't realize how many kinds of pads there were. I am looking forward to relaying all of this to my husband as soon as I get home today.

From the contact person of Fukuroi City Council of Social Welfare



People who supported the operation
Ms. Yoko Mishina,
Fukuroi City Council of Social Welfare

It was great to have been able to hold this seminar.

The study session on caretaking technique held today began when I consulted Unicharm about holding the “Caretaking Seminar” they had held at near-by Kakegawa City. I learned about this when reading Unicharm's CSR report. I often am consulted about local welfare related issues as a representative of the City Council of Social Welfare. There are many people who are troubled in isolation concerning caretaking so I make sure to organize bus trips and occasions for socializing to provide some relief in collaboration with the local caretakers' groups. We also hold study sessions about techniques on caretaking. There are many things about how to choose and put on diapers that people feel they know, but actually do not know well so I am glad we were able to hold this seminar. The lecture's words, “Like glasses, you can enjoy life if you choose the right ones and use them correctly” left an impression.

Voice of the contact person

The manufacturer's responsibility is to communicate the correct usage

At Unicharm, we set themes for each target audience and hold caretaking seminars. This time at Fukuroi City, we held a caretaking seminar on the two themes of how to put on disposal diapers and caring for urine leakage. In the past, people would come to seminars like this after beginning caretaking, but it seems that these days people come participate before running into issues, perhaps because of a heightened awareness towards health. Whenever I hear from participants who are already engaged in at-home caretaking that they learned to put on the diapers correctly for the first time or that they didn't know there were so many different kind of disposable diapers after the caretaking seminar, I strongly feel responsible to work harder to disseminate correct usage as the manufacturer. You can go out and live positively if you correctly use disposable diapers and urine care goods. The ideal is to not use diapers, but to use only underwear and urine care goods on a normal basis and rely on disposable diapers only on special occasions. I would like to continue strengthening support for people in regional communities by holding more seminars across Japan.



Speaker: Hiromi Hayashi
Certified Caretaker, Con-
tinence Care Research
Center
Unicharm Co., Ltd.

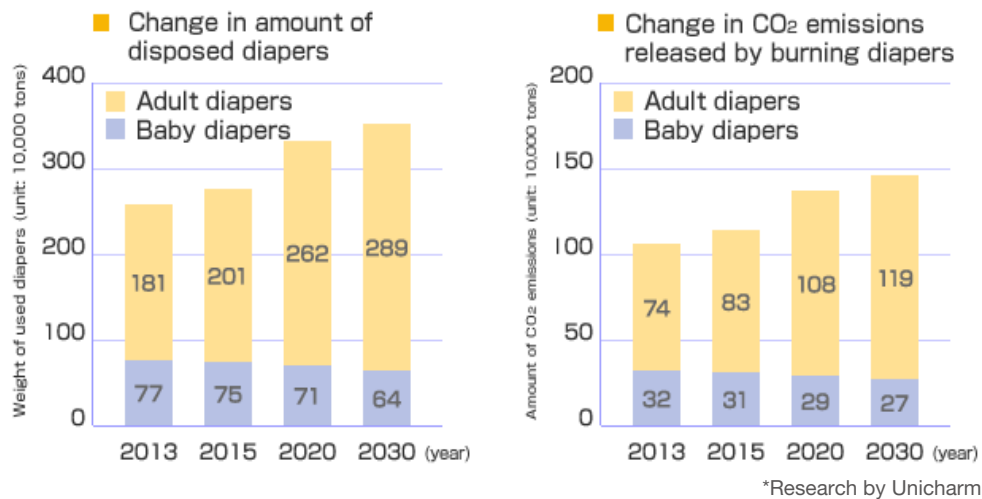
Feature Topic 3 : Environmentally Friendly Manufacturing

As a manufacturer of consumable products, we aim to contribute to a sustainable society through business activities that balance environmental conservation and economic growth by deepening our understanding of the environmental issues surrounding our society. As a part of this, we developed the first technology to extract high-grade recyclable pulp from used disposable diapers. We aim to build a recycling-oriented model that is environmentally friendly while maintaining the safety vital to sanitation products.

Background to engaging with recyclable pulp

Increase in the amount of production and disposition of diapers

There are two kinds of disposable diapers: for babies and for adults, including those used for the elderly. In recent years, the amount of disposed adult diaper has increased as a direct function of the growing population of the elderly and, by extension, their production. Further, the cost to dispose of these used diapers and the CO₂ emissions released by burning them have also increased.

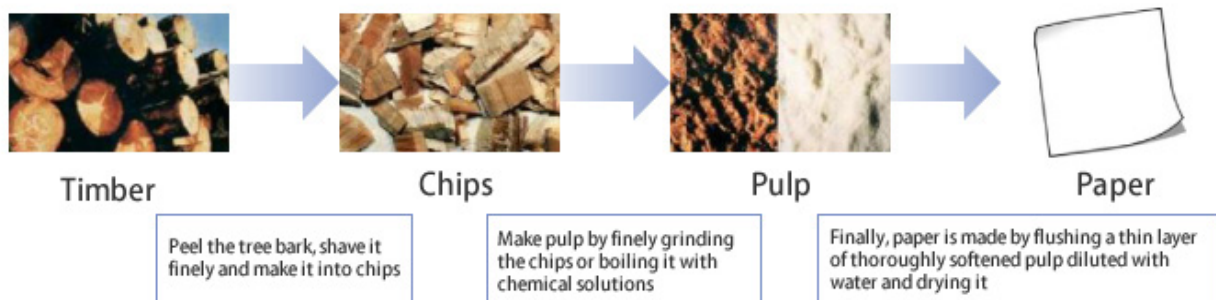


Forest and water resources to be used effectively

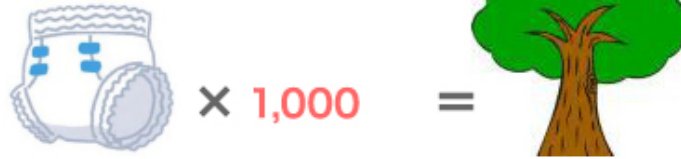
The high-quality pulp which becomes disposable diapers comes from trees. Increased pulp use requires using more of the resources, making it likely we will run out of it in the near future.

We also use much water in the process of manufacturing pulp, which comes from making wood chips out of cut wood. We need to reduce our use of water at a time like this when water shortage has become a world-wide concern.

Making paper from wood



Approximately **1,000 diapers** are produced out of one tree, and **6,704,000 trees** are used in producing diapers in a year.



Our activities

About the recycling system we developed

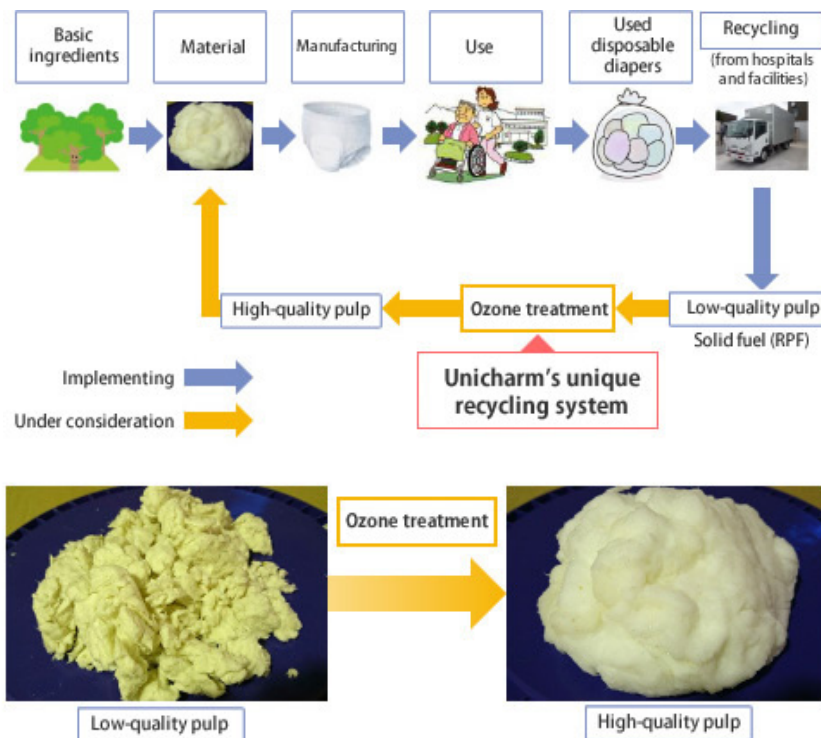
Solving the problem of quality of recycled pulp

Most used diapers are disposed of by burning. Plastic and low-quality pulp are taken out of some of used diapers and recycled. The plastic has been reused as RPF (refuse-derived fuel), but when reusing low-quality pulp as a part of disposable diapers, we were always faced with the danger of contamination from the fungi contained in the waste. We also continued to face the issue of how to treat absorptive polymer (SAP) included in diapers that always caused clogging in the recycling facilities.

Extracting sanitary high-grade pulp through our unique ozone treatment process

In the new recycling system we developed, we treat the low-quality pulp with our unique ozone process after extracting it from used disposable diapers. This has made it possible to break down SAP into water and carbon dioxide by oxidization and recycling it as high-grade pulp that is as sanitary and safe as virgin pulp.

■ A cyclic model for disposable diapers: The ideal recycling system

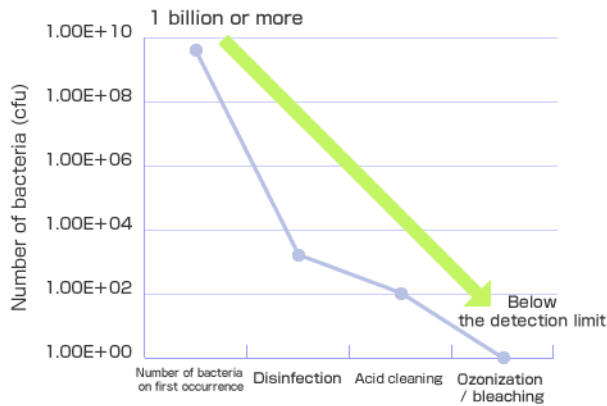


Proving sanitary safety and environmental friendliness

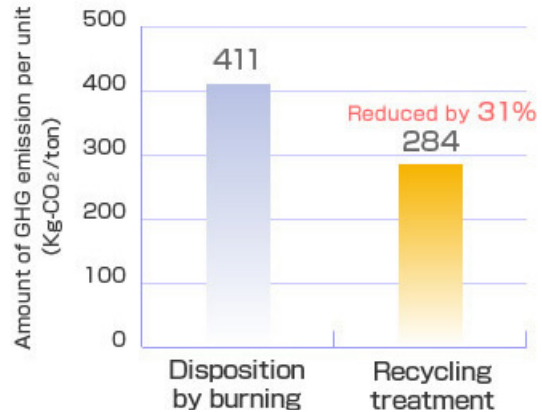
A sanitation and safety assessment showed no fecal bacteria (mainly coliform) in pulp treated with ozone. It also showed below detection level amounts of protein concentration, which is used as an indicator of waste derived from humans.

An environmental load assessment confirmed that the new life cycle reduced the effects of greenhouse gases by 31% compared to disposable by burning.

Assessing the sanitation safety of recycling diapers



Number of bacteria on first occurrence



Towards establishing a new recycling system

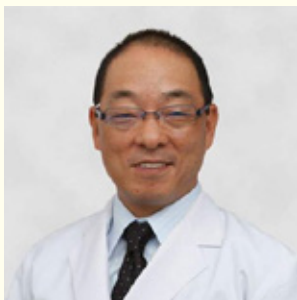
Recycling used disposable diapers is a bigger challenge that allows a diaper manufacturer like us to contribute to improving the global environment by reducing waste and CO₂ emissions and encouraging cyclic use of natural resources. At the present, we are in negotiations with local government units and trash collection providers on how to collect used diapers to establish this recycling system.

It is also crucial to have consumers understand what we are doing in order for recycled diapers to be used widely in society. We are in the midst of establishing the system through educational activities by, for instance, exhibiting at Eco-Products 2015 in December and introducing the recycling system of used diapers.

Opinions from external specialists

Professor Norihiro Itsubo, Tokyo City University

Unicharm's proposed diaper recycling system encourages the cyclical use of disposable diapers—which will only increase in need—as a high value-added material instead of relying on disposing of it through burning them. Through a series of assessments, we have learned that this system allows us to reduce CO₂ emissions level as well as enable us to use plastic—a source of high energy—as a source of heat after collecting high-quality pulp as ingredients for paper. Unicharm's proposal of a new business model that aids in resolving issues of waste and climate change which will only worsen in the near future, amidst the increasing aging society is highly commendable.



Hideaki Hanaki, Ph.D., Professor and Director of Research Center for Infection Control, Kitasato University

Recycling used disposable diapers will become a large issue for all local governments in the near future while infections caused by incomplete sanitation processes are implicated in such an endeavor. However, our research has shown that this danger could be avoided. Refining this technology to actualize recycling will help in further improving our environment from the local to the national level then to the global scale. We look forward to a development that strengthens ties between the industry, government, and academic institutions.

● From the developers

We feel we are able to contribute to improving the global environment as a manufacturer of consumable goods through establishing a recycling system of used disposable diapers. At the same time, we have come to see a good possibility for the effective use of natural resources and reduction of CO₂ emissions. We feel a great sense of worthwhileness to contribute to a very real social issue amidst the projection that disposable diaper use will further increase both domestically and internationally. We will continue to promote the used diapers recycling system with all of our stakeholders, seeing it as a social contribution unique to Unicharm that fulfills both social and economic values.



Takayoshi Konishi,
Product Development
Department
Global R&D Devision
Unicharm, Co., Ltd.



Mitsuhiro Wada,
CSR Division
Unicharm, Co., Ltd.

Continuing to Provide Reconstruction Support to the Disaster-affected Areas from the Great East Japan Earthquake

Unicharm once again extends its heartfelt sympathies to those affected by the earthquake and tsunami that struck Japan on March 11, 2011. We sincerely hope for a speedy recovery from this unprecedented disaster. Since immediately after the earthquake, Unicharm has delivered supplies and continually used the Matching Fund, set up to receive charitable donations from employees, to provide relief support. Through these activities, we will continue to deepen our interaction with local residents and make contributions to local communities.

Continuing with our Matching Fund combing disaster relief support with electricity conservation

Our Matching Fund established to provide disaster relief assistance and our Super Cool Biz and Warm Biz employee dress codes to promote electricity conservation are now in their sixth year. The Matching Fund provides a matching donation for the price of our original polo shirt, badge and jacket bought by employees, with the proceeds having so far been used to purchase a total of 143 urine-suction robots called “Humany” for hospitals and healthcare facilities in the disaster-stricken area. These robots are being used on the front lines of nursing care to help improve the quality of life (QOL) of users. In October 2015, Unicharm received a letter of thanks at a social welfare conference held in Aizu-Wakamatsu City for its donations of Humany.

In FY2015, in addition to our original polo shirts and pullovers, salmon leather ID card cases crafted by residents of Wakatake Gakuen, a facility assisting people with disabilities in Miyako City, Iwate Prefecture, which also received donations of Humany, were made eligible for the Matching Fund.

An employee of Wakatake Gakuen had the following to say about Unicharm. “We create salmon leather crafts using salmon caught locally right here in Miyako. The drop in the salmon catch caused by the earthquake and tsunami has been of great concern to us. For this reason, Unicharm’s decision to continue purchasing our products has helped to increase the motivation to work among facility users and demonstrates its unwavering commitment to helping the affected areas. This is something I am very thankful for.”

Going forward, we stand fully committed to continuing our support for the disaster-stricken areas and carrying out electricity conservation efforts together with our employees.



Salmon leather goods made at Wakatake Gakuen



Work taking place



Urine-suction robots called “Humany”

Number of Humany units donated
(accumulated total)
143 units

Number of facilities benefited
(accumulated total)
101 facilities

(As of March 31, 2016)

● Comments from facility staff member who used Humany

More active daily life thanks to improved sleep at night

We used the donated Humany for a female resident in her 70s with serious mental impairments.

Before this, we would assist the women to go to the bathroom during the day and at night she would wear disposable adult diapers. However, her frequent urination necessitated that her adult diaper be changed three times in one night, once before bed, once during the night, and once in the morning. Therefore, she had a difficult time getting a good night sleep and she would often doze off during the day as a result.

Once we started using Humany, we no longer had to change her adult diaper during the night or wake her up during out nightly rounds to check on her adult diaper. Now she is able to get enough sleep and no longer dozes off during the day. I feel she is much more active and attentive during the day as a result. Humany has also helped to reduce the workload of staff providing nursing care here, which is a great help. Next, we plan on using Humany for a male resident in his 70s with serious disabilities. If we are able to use it tactfully, I'm sure that he, too, will be able to get a better nights rest. I feel that giving an added option for excretion care is a very helpful and beneficial to people with disabilities.



Senshinkai
Daini Takamatsuen (Kesennuma City,
Miyagi Prefecture)

Main initiatives following the earthquake and tsunami

2011	2012
<p>March 11</p> <ul style="list-style-type: none"> ● The Great East Japan Earthquake strikes ● Crisis Management Team (CMT) established. ● Whereabouts and safety of all employees confirmed, including those at the Fukushima Factory and North Japan Branch. <p>March 12</p> <ul style="list-style-type: none"> ● Disaster response framework established ● Assistance efforts launched in collaboration with administrative agencies, other companies in the industry, and municipalities ● First convoy of vehicles loaded with relief supplies departs for the disaster zone <p>March 13</p> <ul style="list-style-type: none"> ● Five trucks loaded with relief supplies arrive in the Tohoku region. First relief supplies delivered to the disaster zone <p>March 18</p> <ul style="list-style-type: none"> ● Establishment of "Matching Fund" for charitable donations <p>March 25</p> <ul style="list-style-type: none"> ● Product specifications of MamyPoko Pants partially modified (temporary changes made because of damage suffered by raw materials manufacturer) <p>March 26</p> <ul style="list-style-type: none"> ● Production partially restarted at the damaged Fukushima Factory <p>May 2</p> <ul style="list-style-type: none"> ● "Summer Time" work schedule introduced as means to conserve electricity during the summer <p>May 9</p> <ul style="list-style-type: none"> ● Fukushima Factory becomes fully operational again ● A portion of disposable diapers for adults were temporarily imported from overseas affiliates <p>June 30</p> <ul style="list-style-type: none"> ● Donated a total of 2,540 "Chorittai Ultra 3D Shape Mask for Kids" to Tanagura Town, located in Fukushima Prefecture's Higashishirakawa County <p>July 1</p> <ul style="list-style-type: none"> ● "Matching Fund" established combining "disaster relief assistance" with "Super Cool Biz" employee dress code (proceeds used to purchase and donate Humany for those areas in need) <p>August 31</p> <ul style="list-style-type: none"> ● Launched new "Two-pack Version of Chorittai Ultra 3D Shape Mask," with 1% of sales donated to disaster-affected areas <p>September 1</p> <ul style="list-style-type: none"> ● Donated 2.68 million "Chorittai Ultra 3D Shape Mask" to children attending day care, kindergartens, elementary, junior high, and high schools 	<p>January 16</p> <ul style="list-style-type: none"> ● Held campaign in support of the earthquake and tsunami reconstruction effort together with Tsuruha Holdings in which Unicharm purchased domestic emissions credits generated from Tsuruha using part of the proceeds from the campaign (ran until March 16) <p>March 6</p> <ul style="list-style-type: none"> ● Donated 5 million "Chorittai Ultra 3D Shape Masks" to children attending day care, kindergarten, elementary, junior high, and high schools in Iwaki City, Fukushima Prefecture <p>April 24</p> <ul style="list-style-type: none"> ● Donated pet foods "Aiken (Dog) Genki," "Neko (Cat) Genki" and "Deo-Sheet" (pet mats) as relief supplies through the Japan Pet Food Association. <p>May 7</p> <ul style="list-style-type: none"> ● "Matching Fund" established combining "disaster relief assistance" with "Super Cool Biz" employee dress code (proceeds used to purchase Humany for those areas in need) <p>August 31</p> <ul style="list-style-type: none"> ● Held charity Rakugo performance at the Unicharm head office to benefit relief assistance (sponsored by the Unicharm Union) <p>November 15</p> <ul style="list-style-type: none"> ● A total of 1.36 million "Chorittai Ultra 3D Shape Masks" donated to children attending daycare, kindergarten, elementary school or junior high school in municipalities located in the Hamadori district of Fukushima Prefecture <p>December 18</p> <ul style="list-style-type: none"> ● A total of 1.5 million "Chorittai Ultra 3D Shape Masks" donated to every household of Tanagura Town in Higashi Shirakawa County of Fukushima Prefecture as well as evacuees living in the town

2013

- January 16 ● Held campaign in support of the earthquake and tsunami reconstruction effort together with Tsuruha Holdings in which Unicharm purchased domestic emissions credits generated from Tsuruha using part of the proceeds from the campaign
- January 18 ● "Matching Fund" established for "Warm Biz" employee dress code (proceeds used to purchase and donate Humany for those areas in need)
- April 1 ● Began the "Matching Fund" campaign for "Super Cool Biz" employee dress code (proceeds used to purchase and donate Humany for those areas in need)
- August 30 ● Held charity Rakugo performance at the Unicharm Shikoku Technical Center to benefit relief assistance (sponsored by the Unicharm Union)
- November 18 ● "Matching Fund" begun combining "disaster relief assistance" with "Warm Biz" employee dress code (proceeds used to purchase and donate Humany for those areas in need)
- December 13 ● Held charity Rakugo performance at the Unicharm head office to benefit relief assistance (sponsored by the Unicharm Union)
- December 19 ● Organized nursing care seminar on continence care for the elderly and adult diapers in Tanagura Town, Higashi Shirakawa County, Fukushima Prefecture

2014

- March 14 ● Held charity Rakugo performance at Unicharm Nagoya to benefit relief assistance (sponsored by the Unicharm Union)
- April 1 ● Held the "Matching Fund" campaign combining disaster relief support with "Super Cool Biz" employee dress code (proceeds used to purchase and donate Humany for those areas in need)
- September 25 ● Held "a family nursing care lecture class" in Tanagura Town, located in Fukushima Prefecture's Higashishirakawa County, on basic knowledge about elderly incontinence and the correct way to choose an adult diaper
- November 1 ● Began the "Warm Biz" employee dress code; and Established a "Matching Fund" combining disaster relief support with "Warm Biz" employee dress code
- December 19 ● Held charity Rakugo performance at the Unicharm head office to benefit relief assistance (sponsored by the Unicharm Union)

2015

- April 1 ● Began the "Matching Fund" campaign combining disaster relief support with "Super Cool Biz" employee dress code (proceeds used to purchase and donate Humany for those areas in need)
- November 1 ● Began the "Matching Fund" campaign combining disaster relief support with "Warm Biz" employee dress code (proceeds used to purchase and donate Humany for those areas in need)

Along with Our Customers

Communicating with Customers

Initiatives of the Customer Service Center

At the Customer Service Center, our fundamental goal is to improve customer satisfaction by responding to the valuable feedback we receive from our customers in a prompt, fair and sincere manner.

In FY2015, the Customer Service Center received approximately 47,000 calls. The feedback we received was in turn shared widely with related departments inside the company and used to help improve our products and services.

In July 2006, Unicharm made a declaration of self-conformity with ISO 10002 international standard Customer Complaints Correspondence Management System, and is extending it to our customer service centers in China, Taiwan, Thailand, Indonesia, Australia, India and other countries.

Following Unicharm China and Taiwan, Unicharm Thailand and Indonesia declared their self-conformity with ISO 10002 in October 2013 and March 2014, respectively, as part of our efforts to improve customer satisfaction across the Unicharm Group.

customer satisfaction **89.3%**

Initiatives of the Customer Service Center

We conduct employee training at the Customer Service Center to reinforce quality and strengthen customer oriented approaches. In FY2015, we held a training session for each plant in Japan in which actual recordings of interactions with customers was used as a learning tool. We will continue to enhance our customer oriented approach on a company-wide level and supply products that truly satisfy our customers.



Training for plant employees organized by the Customer Service Center

Main initiatives of the Customer Service Center

Main initiatives	Contents
1. Responder training	We organize training programs to enhance our specialist knowledge, including sessions led by external instructors and other informative workshops, in order to improve the quality of our response.
2. Reflection in products	We share customer feedback with related departments in a timely manner through weekly and monthly report. This feedback is used to improve existing products and develop new products, in order to provide customers with products that are safe and convenient.
3. Information dissemination	Customer feedback is shared internally in real-time using our centralized customer information management system, or the SMILE system. Report meetings with business departments and product package confirmation meetings (Communication Guarantee Meeting) are also held to ensure feedback is utilized to improve products from a customer standpoint.
4. Customer Service Center training	The R&D and Manufacturing departments organize training sessions for new employees and others who wish to participate in order to reinforce their focus on the customer and quality. In FY2015, 972 employees took part in these training sessions.
5. Strengthen collaboration with overseas customer service centers	The initiatives of our customer service centers located around the world are being shared to help improve customer satisfaction across the entire Unicharm Group, including its overseas subsidiaries. This information is also being used to improve our response skills based on ISO10002 complaint response MS and to step up interoffice collaboration.

■ Unicharm Complaint Response Policy

- (1) Customer feedback will be centrally managed by the Company's customer service centers and addressed in a fair and impartial manner in accordance with the QMS (ISO9001) complaint response process manual and ISO10002 complaint response process documentation. Information concerning defects in a product or service will be reported to the President & CEO and steps will be taken immediately to remedy the problem.
- (2) In the case customer feedback must be redressed, related departments will work together to immediately rectify the situation and prevent future reoccurrences in accordance with the QMS (ISO9001) redress and preventive measure procedure manual.
- (3) We will strive to reflect the valuable feedback of customers in future products and services. We will take customer feedback seriously and exert our best efforts so that each department works together to ensure that customers are satisfied.

● Examples of customer feedback reflected in our products

Feedback about a request to use slip prevention tape on the urine absorption pad used for “Lifree Zurezunianshin (Slip-free Easy-feeling) for Disposable Pant-type Diapers Urine Absorbing Pad Nighttime Super”

We received customer feedback about adding slip prevention tape on the urine absorption pad used for “Lifree Zurezunianshin (Slip-free Easy-feeling) for Disposable Pant-type Diapers Urine Absorbing Pad Nighttime Super” In response, we launched a new product called “Lifree Zurezunianshin (Slip-free Easy-feeling) for Disposable Pant-type Diapers Urine Absorbing Pad Nighttime Super” in April 2015 that features slip prevention tape.



Feedback about a request for the release of Sofy Hadaomoi Ultra Thin Slim Nighttime 360

We received customer feedback urging the launch of Sofy Hadaomoi Ultra Thin Slim Nighttime 360 because 330 was too short and 400 was too long. In response, we launched the new 360 version in October 2015.

■ Activities of overseas customer service centers

Thailand Customer Service Center declared its self conformity to the standards of ISO 10002 for complaint correspondence management systems in October 2013. After this declaration, Unicharm's customer service center in Japan audited the customer service center in Thailand to check its system operations and verified that it handles complaints in a manner closely in tune with customers.

In addition, in advance of the new launch of tampons in Vietnam, the CSR Division worked with the Quality Control Dept. of Unicharm Products and the Customer Service Center to hold a workshop for production, marketing and customer service departments in order to share knowledge about the products and how to respond to customer inquiries.



Audit of Thailand Customer Service Center



Workshop for production in Vietnam

Letters of thanks from customers

Lifree Ultra Thin Underwear-like Pant-Type Diaper

This thin underwear-like pull-up type pants are really great because they feel more like underwear and aren't overly hot during hot days like recently, and their thin design really helps out since I have a physical disability and my hipline stands out when wearing pants.



Moony Air Fit Newborn

I wrote Unicharm about offering a small disposable diaper for newborns at a more affordable price, and I was really happy to learn that my feedback had become a reality. These diapers work great and they are priced right.

Communication with customers using various media

As a specialized manufacturer, Unicharm provides information on continence care, first menstruation, and parenting to customers within Japan. In March 2012, a Facebook page for Moony was established to provide a platform for new moms to communicate with one another. In conjunction with “Baby Town,” which boasts approximately 700,000 members, this social media page disseminates parenting information to customers. In April 2013, we revamped our educational website for first menstruation called “First Body Navi” and added additional content. In addition, we have developed corporate websites for overseas locations aimed at strengthening online communication with customers both in Japan and abroad.

Provision of information on continence care for the elderly

Mild Incontinence Navi provides information for females experiencing urinary issues such as due to pregnancy and delivery or increased frequency of urination or incontinence caused by age. Information including self care methods and consultation with specialists are provided in collaboration with specialists of female urology, as well as obstetrics and gynecology.

Continence Care Navi provides expert advice, research reports, information on cases and treatment options for troubles related to urination and defecation for the elderly, as well as resources and tips on nursing care, with the hope of improving the quality of nursing care for both the elderly population and their caregivers. In addition, the site offers an encyclopedia on adult diapers and tips on how to choose and use adult diapers.

First menstruation education

First Body Navi offers young girls and their guardians information on how the female body works and how to deal with menstruation as well as how to choose female hygiene products to help foster a positive first experience with menstruation. Information on the site can be downloaded in a PDF version, enabling use as teaching material at school.

Supporting childrearing mothers

Baby Town and Pre-Mama Town are created in collaboration with childrearing related companies in support of childrearing mothers and their babies through offering a platform for searching, asking for, and exchanging information related to pregnancy, child delivery, and child care in accordance with their child's stage of development. Moreover, some 80,000 people have “liked” the interactive communication with mothers posted on the Moony Facebook page.

Strengthening information provision to customers overseas

As Unicharm's popularity grows in international markets, we strive to enhance our customer service for our worldwide customers through improving information sharing on our products and company using the Internet.



First Body Navi



Pre-Mama Town



Baby Town



Moony on Facebook



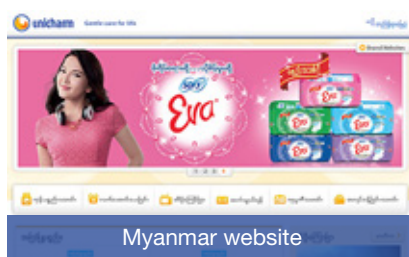
Mild Incontinence Care Navi



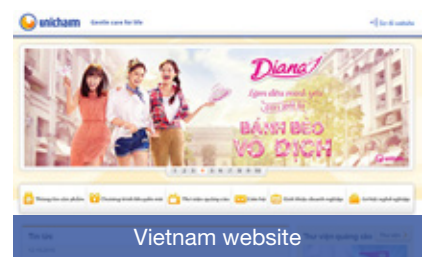
Continence Care Navi



Unicharm Human Care



Myanmar website



Vietnam website

Insight Research, R&D, and Marketing

Three-pronged approach involving insight research, R&D, and marketing

We practice a model of manufacturing that closely reflects customer needs by adhering to the motto “Maintain our No.1 position through continued and dedicated service” ingrained in our DNA. We thoroughly observe the lifestyle and consumption style of consumers and pursue the true needs that exist in their subconscious. We are committed to developing products that exceed customer expectations by leveraging our customer-oriented creativity. In order to promote a more extensive global reach, we are developing products localized to meet the needs of each region and market. While Unicharm products are considered daily necessities, there are some countries where paper diapers are regarded as a luxury or consumers are not accustomed to using paper diapers throughout the day. Taking each country's customs and needs into consideration, we are creating unprecedented new value in our products that balances function with cost, making these products more accessible to all.

We aim to continue developing products that suit the local needs of each region by combining the forces of insight research, research and development, and marketing.



Monitoring survey

Cooperation between R&D and engineering

Using an organizational structure consisting of research, development, and engineering (R&D&E), Unicharm promotes research and development in an interdepartmental approach that encompasses five businesses. These departments engage in various types of basic research on an ongoing basis while the new technologies and materials they develop continuously provide improvements for existing products and create completely new ones as well. In addition, we have set up research centers in key geographic areas, creating an infrastructure capable of developing products that truly meet local needs.



Product testing

Quality Management

Unicharm's view of quality assurance and framework

To promote quality management at Unicharm, we have aligned our quality policy with our Medium-Term Management Plan and undertake internal and external audits to confirm the conformity and effectiveness of our systems. We continually strive to improve these by putting in place corrective and preventative measures. All of our business offices in Japan and overseas have acquired ISO 9001. Based on this standard, we have implemented a quality management system (QMS) throughout our supply chain. In 2014, following changes in regulations, Indonesia and Thailand obtained ISO 13485 certification for medical device quality management systems, in addition to ISO 9001.

Product safety efforts

Unicharm implements measures against chemical substances that can affect people's health and ecosystems. For products that come into direct contact with the skin, we carry out checks according to our Basic Quality Management Regulations throughout all processes, from product development to facilities development, materials purchasing and product sales, to ensure that customers can use these products with peace of mind. For materials procurement, we have established guidelines for preventing the use of chemical substances that can harm people's health or ecosystems, and a dedicated department has been assigned to conduct testing with regards to the hazardous of these substances and compliance with laws and regulations. The Safety Assessment Committee operates as a gate check, conducting risk assessments that take into account various usage formats and disposal methods.

In addition, we use materials that are confirmed as safe and conduct product testing based on actual usage conditions.

Currently, we do not conduct animal testing for safety verification purposes. This also includes instances where we outsource such work to other outside parties. We do not plan on using animal testing in the future, either. However, this promise excludes rare cases where we must fulfill our accountability in terms of safety to society or when required to do so by the government of third countries.

Global safety activities

We have had a safety-check framework in place in each country since April 2007, which is being implemented by our local subsidiaries primarily in China, Korea, Taiwan, Thailand and Indonesia. Once every year we hold a conference for all persons in charge of safety and once every quarter we hold a similar teleconference for all employees to share the latest information on safety. Individual meetings are also held on safety on an irregular basis. In addition, we visit our suppliers, testing partners and government institutions in each country to step up communication in order to deliver safe and reliable products to our customers through a joint effort. It was jointly determined with suppliers and other relevant parties from each country that the explosion that occurred in Tianjin in FY2015 did not have any effect on materials or products procured.

Initiative at Unicharm products

As an initiative for quality assurance, Unicharm Products is implementing improvements based on information from consumers relevant to defective products or poor services, and for factory-wide improvements using UTMSS.* This system is used for goals such as visual control and standardization and for continual improvement in productivity and quality so that we can continue to provide consumers with products of consistent and high quality. We are also disseminating our framework to overseas subsidiaries and assisting with the implementation of best practices by way of a mother plant system between factories in Japan and those overseas.

At overseas plants, Japan ASEAN UTMSS instructors developed local instructors who in 2015 taught about UTMSS improvement methodology locally, completing work in Thailand and Indonesia. In particular, in Indonesia where there are a large number of female workers on the production floor, female instructors who were trained in FY2014 focused on developing female improvement team members. As a result, advancements were made in UTMSS improvement activities and the team received an excellence award at the company-wide UTMSS conference, held semiannually.

*UTMSS: Unicharm Total Management Strategic System

Indonesia

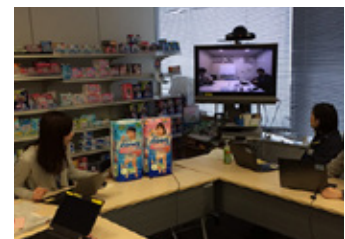


ASEAN UTMSS improvement study group



Initiative for appropriate product labeling

Unicharm has continued to maintain its track record of zero product labeling issues since 2010. Product packaging and advertisements are also checked to make sure they comply with related laws such as the Pharmaceutical and Medical Device Act, Act against Unjustifiable Premiums and Misleading Representations, Act on the Promotion of Sorted Garbage Collection and Recycling of Containers and Packaging, as well as industry standards laid out by the Japan Hygiene Products Industry Association and other groups and our own proprietary in-house standards. Checks are also carried out to ensure that customers are not misled or caused to misuse products. We also set up a Communication Guarantee Meeting which effectively functions to verify and evaluate the scientific basis for product labeling during the product design stage as well as to collaborate across the Group to achieve the most adequate and precise labeling possible.



Communication Guarantee Meeting

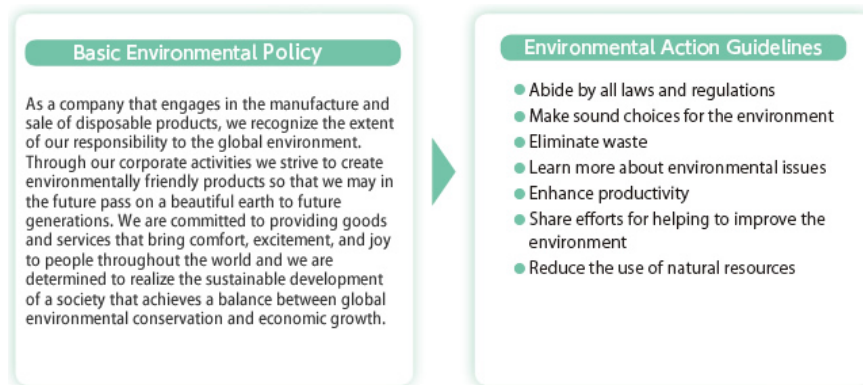
Along with the Global Environment

Promotion Framework for Environmental Activities

Our attitude toward the environment

Most of Unicharm's products are consumables essential to a clean and healthy lifestyle, which closely relates to the global environment through our use of resources and emission of waste. As we have expanded our operations globally centered on Asia in order to provide better products to consumers around the world, our role and responsibility for reducing our environmental impact has also increased with each passing year.

All of our employees are committed to environmental activities following the Basic Environmental Policy and the Environmental Action Guidelines developed based on our corporate philosophical framework (Unicharm Ideals, "Beliefs and Pledges" and Corporate Principles of Action). We carefully monitor the impact our business activities have on the environment, and we are promoting initiatives to reduce our environmental impacts and improve our economic efficiency aimed at achieving a sustainable society.



Promotion framework for environmental activities

The Unicharm Group's environmental activities are considered to be an important part of its quality assurance program as we deal largely with consumer products. The Group's environmental activities have been implemented primarily by the Global Quality Assurance Department under the responsibility of the CQO* led by the CSR Committee chaired by the Group's President. In FY 2015 we established our Corporate Social Responsibility (CSR) Division by merging our Global Quality Assurance and CSR Departments, in order to further promote environmental activities.

While aiming to integrate ISO14001 and ISO9001, each Group company seeks further improvement by employing the PDCA cycle in carrying out gate control and KPI management as a part of day-to-day business processes.

*CQO : Chief Quality Officer

Environmental Management Structure



Environmental management in conformance with ISO 14001

In order to improve our environmental performance, Unicharm has introduced ISO 14001.

We have been promoting continuous improvement in accordance with EMS (Environmental Management System) activities in FY2015.

■ ISO14001 Certification at the Unicharm Group

Business site	Initial Certification Date	Certificated by
Unicharm and Unicharm Products	October 17, 1997	JQA
Unicharm Kokko Nonwoven	February 15, 2002	JQA
Thailand Factory	November 14, 2003	JQA
Taiwan Factory	December 1, 2003	SGS
Mie Factory, Unicharm Pet Care Company	September 3, 2004	JQA
Itami Office, Unicharm Pet Care Company	March 4, 2005	JQA
Uni Care	June 3, 2005	JQA
Shanghai Factory	January 29, 2008	ZDHY
Indonesia No.1 and No.2 Plants	April 19, 2011	URS
LG Unicharm and Factory	July 11, 2011	KSA
Tianjin Factory	May 7, 2015	ZDHY
Jiangsu Factory	December 15, 2015	ZDHY

Environmental audits for risk management and enhancing performance

Unicharm conducts three types of environmental audits in order to eliminate environmental risks and enhance environmental performance.

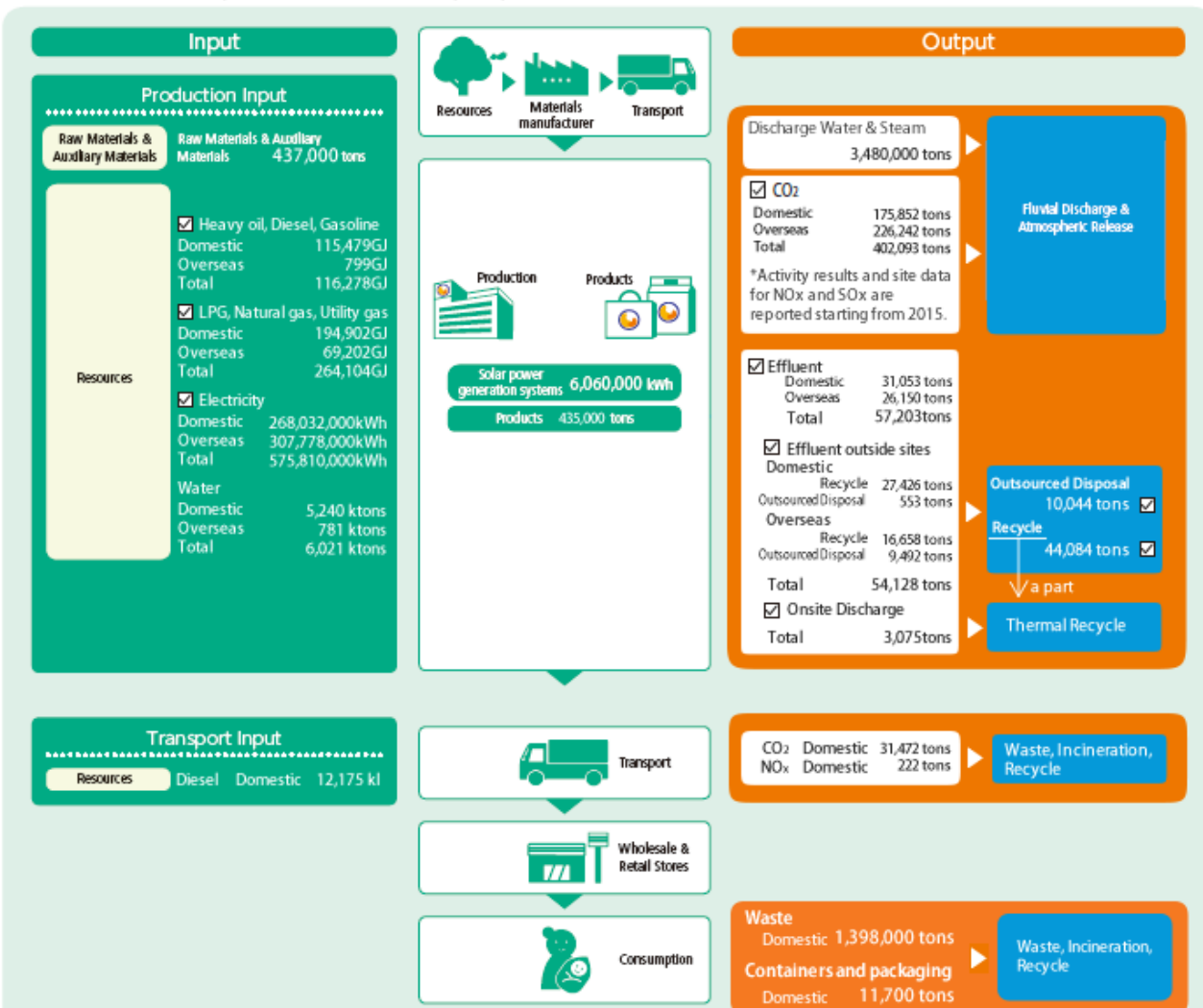
These include target-focused audits such as: (1) periodic audits in conformance with ISO 14001-compliant environmental management systems; (2) onsite confirmations at industrial waste processing partners; and (3) confirmation of compliance with laws and regulations. In addition, operational audits performed by the Management Auditing Department confirm the status of waste treatment at sales offices that are not covered by an environmental management system.

Environmental Impact and Environmental Goals

Monitoring the environmental impact of products during the entire lifecycle

As a manufacturer of consumer products, Unicharm uses resources in various aspects of its business activities. As a responsible manufacturer that utilizes resources, we engage in efforts to improve the environment at every stage of the supply chain through all of our business activities, from the procurement of materials to manufacturing, transport, and disposal of products after use.

● Environmental Impact from a lifecycle perspective



☑ Third party guarantee mark is shown where applicable.

Company Policies and Standards on Aggregation

Aggregation period: January 1, 2015 to December 31, 2015 **Scope:** Unicharm Group companies as stated below (**Japan: all business sites**) Unicharm Corporation (electricity and CO₂ only for headquarters and sales offices / Unicharm Products Co., Ltd. (Fukushima Factory, Shizuoka Factory, Shikoku Factory) / Unicharm Kokko Nonwoven Co., Ltd. (Factory No. 1, Factory No. 2, Factory No. 3, Kokko Plant) / Uni Care / Cosmotec Corporation / Peparlet Co., Ltd. / Kinsei Products Co., Ltd. **Overseas (factories only)** Uni-Charm (Thailand) Co., Ltd. / Unicharm Consumer Products (China) Co., Ltd. (Shanghai Factory / Tianjin Factory / Jiangsu Factory) / Unicharm Nonwoven Tianjin Co., Ltd. / Unicharm Packaging Materials (Tianjin) Co., Ltd. / PT Uni-Charm Indonesia (Karawang Factory / Surabaya Factory) / PT Uni-Charm Nonwoven Indonesia

Policies and standards: Aggregation based on company rules concerning the management of environmental information in accordance with relevant environmental laws and regulations including the Act on the Rational Use of Energy, the Act on Promotion of Global Warming Countermeasures, and the Waste Management and Public Cleansing Act.

Notes: 1. The CO₂ emission coefficient is determined in accordance with the Act on Promotion of Global Warming Countermeasures. However, the officially published figure of 0.556kg-CO₂/kWh by the Federation of Electric Power Companies of Japan (FY2013 results/before reflecting the 2010 Kyoto Mechanisms Credit) is used for electricity. For Thailand and Indonesia, the published figure of 0.500kg-CO₂/kWh (2012 results) from the IEA CO₂ Emissions from Fuel Combustion Highlights is used, and for China the figure of 0.788kg-CO₂/kWh comes from the energy usage reporting system in Shanghai City 2. Discharge includes industrial waste, general waste from offices, and recyclables. 3. Figures estimated from incinerator operations at the Fukushima Factory are used for the volume of incinerated waste materials.

Environmental Activity Themes and Goals

● FY2015 results and FY2016 goals

Theme of the Activity	Indicator	Base Year	FY2015 Goal	FY2015 Result	Assessment	FY2016 Goal
Reducing CO ₂ emissions	Energy use (GJ) / base unit per net sales (millions of yen)	—	10.6	10.3	○	10.5
Reducing waste	Total emissions at the 3 main factories	2000	-14%	-4%	×	-14%
Recycling resources	Recycling ratio at the three main facilities	—	Over 99%	Over 99%	○	Over 99%
Development of environmentally friendly products	Ratio of environmentally friendly products	—	70%	72%	○	75%

[Assessment] ○: Achieved target △: Rate of achievement: 70% - under 100% ×: Rate of achievement: Less than 70%

Environmental Initiatives through Our Products

Unicharm has set a target ratio for environmentally friendly products as part of its measures to promote the development of environmentally friendly products. Products with improved environmental performance are defined as environmentally friendly products based on an evaluation of whether environmental impacts are successfully reduced within the life cycle from the baseline figures of FY2005. For FY2015, we set a goal of 70% environmentally friendly products* and achieved this goal by reaching 72%. In FY2016, we will work to further increase this percentage. Starting in FY2013, we began regularly confirming the eco-friendliness of products under development during each stage of the process, beginning with the design.

Additionally, Eco Charming products are a further evolved version of environmentally friendly products defined as top tier products that help contribute to the realization of a sustainable society. As of today, a total of 58 items fulfill this definition and have come to bear this label.

*Percentage within personal care products sold in Japan excluding OEM items

Ratio of environmentally friendly products **72%**

Example - Sanitary Product

Sofy Ultra-Sound-Sleep Best-Fit Slim, a newly released product from the Sofy Ultra-Sound-Sleep brand of nighttime sanitary napkins, features two-thirds the thickness of the ordinary Sofy Ultra-Sound-Sleep Guard. This means the product weighs 84.0% of conventional products and as a result CO₂ emissions from manufacturing and distribution processes are 82.4% of usual.

System for environmentally friendly products



An example of Eco Charming products



Sofy Ultra-Sound-Sleep Best-Fit Slim

Initiatives to Prevent Global Warming

Energy conservation activities at our production sites

Unicharm's production sites hold 6 energy conservation meetings each year, in order to achieve our energy conservation goal of a 1% reduction in CO₂ emissions from the previous year. Personnel in charge of energy conservation at each production site join the meeting to consider various measures through a number of discussions and case studies. We, as a group, strive to achieve our energy conservation goal by employing the PDCA cycle, such as sharing information at meetings, implementing measures at each production site, and reporting the performance outcomes.

Initiatives to lower CO₂ emissions through the supply chain

The Unicharm Group (in Japan) estimated its CO₂ emissions according to the Greenhouse Gas Protocol*, the standard for calculating greenhouse gases (GHG) most widely used in the world today.

The GHG Protocol includes the 15 items of indirect CO₂ emissions in the newly released scope 3, in addition to scope 1 (direct emissions from owned or controlled sources) and scope 2 (indirect emissions from the generation of purchased energy).

The results of calculations following this standard indicate that 40% of Unicharm's emissions are from materials procurement and 29% from the disposal of products after use.

Going forward, based on these results, we will continue to work toward reducing CO₂ emissions of purchased materials through the greater use of environmentally friendly products and reducing CO₂ emissions at the time of disposal after product use.

* In 1998, the GHG Protocol Initiative was established as a meeting for developing standards of calculating and reporting GHG primarily by the World Resources Institute (WRI), an environmental NGO based in the United States, and the World Business Council for Sustainable Development, comprising 200 multinational corporations.

In 2001, version one of the GHG Protocol was established and since then this approach to GHG calculation has become a worldwide standard.

■ CO₂ emission trends by scope

Scope	Category		Emissions (thousand t-CO ₂)
Scope1			32
Scope2			135
Scope3	1	Purchased goods and services	523
	2	Capital goods	178
	3	Fuel- and energy-related activities	3
	4	Upstream transportation and distribution	33
	5	Waste generated in operations	1
	6	Business travel	(not calculated)
	7	Employee commuting	1
	8	Upstream leased assets	2
	9	Downstream transportation and distribution	(not applicable)
	10	Post-processing of sold products	(not applicable)
	11	Use of sold products	(not applicable)
	12	End-of-life treatment of sold products	376
	13	Downstream leased assets	(not applicable)
	14	Franchises	(not applicable)
	15	Investments	(not applicable)
	Scope 3 Total		1,118
Scope 1, 2 and 3 total:			1,285

Evaluated by CDP Japan 500 for disclosure of climate change information

Unicharm cooperates with a survey of 500 companies selected for their inclusion in the FTSE Japan Index as part of its efforts to address CDP* climate change. In FY2015, Unicharm received a disclosure score (disclosure level) of 96 out of 100 and a performance class (activity level) of B. This indicates that the PDCA cycle for climate change is functioning at a high level to address the Unicharm Group's overall efforts.

Unicharm was also recognized for moving forward with information disclosures to shareholders. Going forward, Unicharm will continue to carry out activities that are even more mindful of climate change.



* Carbon Disclosure Project: An international NGO that works to realize a sustainable society by conducting global surveys on the environment and by disclosing information.

Commendation of initiatives aimed at establishing a low-carbon society

The Low-Carbon Cup is a program for commending activities of various organizations for preventing global warming in an attempt to build a low-carbon society for the next generation. The program shares know-how and information about excellent initiatives taking place across Japan and fosters cooperation and motivation for further activities. The year 2015 marked the sixth year of the program.

As a partner that advocates for the initiatives of the Low-Carbon Cup, Unicharm established the Unicharm Eco Charming Award for Excellence to be presented to companies or organizations.

There were 38 organization finalists for the Low-Carbon Cup 2016. Based on the results of screenings of their presentations, the Chiba University Environmental ISO Student Council was awarded the Unicharm Eco Charming Award for Excellence for its activities to operate an environmental management system for the university led by students.



[China] Participating in the Shanghai Emissions Trading System to help prevent global warming

A trial emissions trading system was launched in Shanghai under China's environmental protection plan aimed at realizing a low-carbon society. Uni-Charm Consumer Products (China) Co., Ltd. (UCCP), our local subsidiary in China, participated in the trial carbon trading scheme along with 191 other companies as a member of society working toward the goal of a low-carbon society.

UCCP, as a participating company of the trial emissions trading exchange, actively rolled out related efforts in response to the government's call for unification. Specifically, the company proactively took part in training on reducing CO₂ emissions, cooperated with carbon emission inspections carried out by the government and is further enhancing its activity level.

In FY2015, CO₂ emissions were reduced by 31,000 tons and sold.



[Thailand] Initiatives to reduce waste at production site

Unicharm Thailand, an overseas subsidiary of Unicharm Corporation, installed facilities to crush and separate irregular products from the production process, with more than 90% of the waste generated at the site being recycled for use in absorbent materials for pets, etc.

[Japan] Hosted booth at the Eco-Products 2015

Eco-Products is Japan's largest environmental exhibition held at Tokyo Big Site in December 2015 for which Unicharm hosted a booth for 10 consecutive years. In 2015, the Unicharm booth focused on our recycling system for used disposable diapers*. We welcomed a large number of event goers, including officials from local governments and many other stakeholders and we are proud to be able to have them deepen their understanding about Unicharm's initiatives for the environment.

* Please see Feature Topic 3 for additional details about our recycling system for used disposable diapers.



Initiatives to Reduce Environmental Impacts

Unicharm's management of chemical substances

Unicharm has established measures to control its use of chemical substances that are harmful not only to people, but ecosystems as well.

We have established guidelines for preventing the use of chemical substances that are harmful to people or ecosystems in the materials procurement stage and a dedicated department investigates the chemicals we use in terms of hazards and legal compliance.

We have established a gate function during the development stage and conduct risk assessments that take into account the various usage conditions and disposable methods not only in Japan, but overseas as well.

Initiatives for Biodiversity

Initiatives for Biodiversity

Given the rising risk of climate change in recent years, Unicharm is working to mitigate its environmental impacts and conserve the environment aimed at the establishment of a sustainable society. At the same time, Unicharm is implementing efforts to manage its supply chain with an eye on biodiversity. Unicharm is working toward the goal of purchasing only sustainable raw materials or recycled paper for the paper and pulp used in its absorption products by the year 2020.

In 2015, Unicharm formulated and began implementation of the Forest-derived Raw Materials Procurement Guidelines. We also completed the changeover in raw materials for pulp and tissue used in absorption products for the Japan market to certified materials, such as 100% FSC®/PEFC or materials for which the origin is certified.



The mark of
responsible forestry
FSC® N002492

Forest-derived Raw Materials Procurement Guidelines

Introduction

Recognizing the seriousness of the environmental issues that have emerged in recent years, including the impact of global warming and loss of biodiversity, etc., Unicharm Corporation aims to realize procurement of sustainable raw materials. Being fully aware that our business operations are dependent on natural resources, we support procurement models that do not involve destruction of forests.

Strategy

With climate change related risk having risen significantly in recent years, besides striving to reduce the burden placed on the environment, and to safeguard the environment, Unicharm is also making a serious effort to promote supply chain management that takes biodiversity into account, in line with the goal of building a sustainable society.

To this end, Unicharm is working to safeguard natural resources through the company's Basic Environmental Policy^{*1} and CSR procurement guidelines^{*2}, and is seeking to protect biodiversity through the formulation of the company's Forest-derived Raw Materials Procurement Guidelines.

^{*1} Basic Environmental Policy:

As a company that engages in the manufacture and sale of disposable products, we recognize the extent of our responsibility to the environment. Through our corporate activities we strive to create environmentally friendly products so that we may in the future pass on a beautiful earth to future generations. We are committed to providing goods and services that bring comfort, excitement, and joy to people throughout the world and we are determined to realize the sustainable development of a society that achieves a balance between environmental conservation and economic growth.

^{*2} CSR procurement guidelines (extracts relating specifically to environmental matters):

- (1) Value corporations who understand the importance of, and promote environmental conservation in purchasing activities.
- (2) Emphasize environmentally friendly raw materials in purchasing activities in an effort to achieve a recycling-oriented society.

Objectives

By 2020, Unicharm aims to be using raw materials that take the needs of sustainability into account, and recycled materials, for the paper and pulp used in the company's absorbent products.

When using virgin pulp (as opposed to waste paper or recycled pulp), Unicharm will collaborate with suppliers to fully verify that no damage is caused to forest resources. More specifically, Unicharm will check that all virgin pulp purchased is certified by reputable third parties such as the Forest Stewardship Council® (FSC) or the Programme for the Endorsement of Forest Certification Schemes (PEFC), or else has a certificate of origin confirming that it does not derive from High Conservation Value Forests (HCVF).

Japan Business Initiative for Biodiversity (JBIB) activities, and is striving to promote the utilization of sustainable forest resources.

Action Guideline

1. Giving priority to the use of waste paper, recycled pulp, and mill broke (paper trimmings and scrap generated during the paper manufacturing process).
2. Prioritizing the use of forest resources certified by reputable third parties such as the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification Schemes (PEFC).
3. In the case of forest resources for which third-party certification is not available, certificates of origin, tags etc. are used to verify that the resources in question are not logged from High Conservation Value Forests (HCVF); Unicharm strives to promote the creation of supply chains which ensure that: (In regard to environmental issues): There is a guarantee that no damage is caused to forests; (In regard to social issues): The human rights of workers and indigenous residents are protected; (In regard to compliance): Local laws and regulations are respected and complied with.

Terms

FSC Forest Stewardship Council

<https://jp.fsc.org/jp-jp>

PEFC Programme for the Endorsement of Forest Certification Schemes

<http://www.pefcasia.org/japan/>

HCVF High Conservation Value Forests

<http://www.wwf.or.jp/activities/2009/09/701514.htm>

JBIB Japan Business Initiative for Biodiversity

<http://jbib.org/>

<http://www.wwf.or.jp/activities/2009/09/701514.htm>

Initiatives of the Japan Business Initiative for Biodiversity (JBIB)

Unicharm is an advocate of the approach taken by the Japan Business Initiative for Biodiversity (JBIB)*, chaired by Mitsui Sumitomo Insurance Co., Ltd. and has participated as a network member since 2009. Starting in FY2015, Unicharm has participated in the JBIB's various research bodies as an official member in an effort to engage and collaborate with stakeholders in the field of biodiversity conservation.

* <http://jbib.org/>



Along with Our Employees

View Concerning Human Resources and Respect for Human Rights

Human Resource Philosophy

At Unicharm we value the autonomy of each and every individual, based on Unicharm's "Beliefs and Pledges" and Corporate Principles of Action. We endeavor to provide fair opportunities for our employees to find fulfillment in their work and to create a corporate culture that fosters the development of confidence and pride.

● Unicharm HR Philosophy Chart

"Human beings" as the foundation of our company values

In order to support our "company management to serve the common good" into the future, we will continue to be a group of experts who create and disseminate dynamic staffing systems that actualize and motivate our employees, trusted by our employees all over the world.



Unicharm Group's Human Resource Philosophy

1. Human perspective

- ◆ We recognize that our employees are autonomous individuals, and we respect individual initiative based on freedom and individual responsibility.
- ◆ We believe that each employee is aware of her/his respective missions and roles, and that we are all independent, active beings who think and act on our own.

2. The organization and the individual

- ◆ We, people with common interests and aspirations, will work together in harmony, and together we will create a vision of the future and share the joy of our growth as a whole.
- ◆ With market principles as one of our fundamental principles, we will pursue the integration of organizational and individual development, and the realization of "the three aspects of wealth."

3. Growth and creation

- ◆ By improving the ways in which we learn from each other and the diverse values we all hold, we will continue to pursue the creation of new values.
- ◆ We will provide our employees with opportunities for growth and will continue to create opportunities for the demonstration of such growth.

Human resources data

(① : Total group, ② : Group companies in Japan, ⑪ - ⑬ employees on the payroll of Unicharm or Unicharm Products, Others: employees on the payroll of Unicharm)

Index			Unit	FY2013	FY2014	FY2015	
Employment	①	Number of employees (consolidated)	Persons	12,795	13,901	15,498	
	②	Number of employees (Japan)	Persons	2,994	2,994	2,974	
		Asia(excluding Japan)	Persons	7,774	8,618	9,686	
		Other	Persons	2,027	2,289	2,838	
	③	Average age of employees	Age	40.7	40.6	40.9	
	④	Employees turnover rate (Excluding retirement at the mandatory age, promotion to board member, and transfer within the group)	%	1.7	1.2	2.1	
Diversity, Equal Opportunity and Occupational Safety and Health	⑤	Percentage of female employees	%	16.7	17.2	17.4	
	⑥	Percentage of female management staff	%	4.9	4.8	4.7	
	⑦	Employment rate of persons with disabilities (annual average)	%	1.8	2.1	1.9	
	⑧	Rehiring rate of retired employees	%	79	83	76	
	⑨	Health check-up rate	%	100	100	100	
	⑩	Employee turnover rate for pregnancy or childcare	%	0	0	0	
	⑪	Use of childcare leave system	Total number of men and women	Persons	55	55	61
	⑫	Use of family-care leave system	Total number of men and women	Persons	3	0	1
	⑬	Use of shortened work hours system for childcare	Total number of men and women	Persons	46	39	39
	⑭	Use of flextime system for personal lifestyle support	Total number of men and women	Persons	58	57	68

*1 As of March 31, FY2013; as of December 31, FY2014 and subsequent years *2 ⑪ - ⑬ ; permanent and contract employees. Others permanent employees. *3; ④ Employee turnover rate = Number of terminated employees (except for retirement at mandatory retirement age, promotion to board members or transfer within the group) / Number of employees at the end of each fiscal year (March 31 or December 31) *4 ⑥ Percentage of female management staff = Number of female management staff / Total number of management staff *5 ⑧ Rehiring rate of retired employees = Number of rehired employees / Number of retired employees (at mandatory retirement age)

Our view of human rights

As the “Unicharm Group Action Guidelines” clearly state, in order to achieve our “Pledge to Associates” we will never discriminate against people based on race, religion, gender, family background, disability, or any other factors; that we will not tolerate child labor or forced labor; that we will never engage in acts of sexual harassment or power harassment; and that we will undertake comprehensive safety and health management in the workplace.

SAPS methodology: Emphasis on respect for people and a sense of accomplishment

The purpose of the SAPS methodology, which has been in operation at Unicharm since 2004, is to make our employees utilize their precious time more effectively and spend their life with happiness by focusing their time and activities on high-priority (value-added) issues. In order to make that happen, we get together as a company-wide group to work on and implement the 6 key essentials of the SAPS methodology based on which we aim at respecting the independence of individuals having diverse values and bringing out each other's capability so that we can share the joy of growth of the organization as a whole. Through SAPS methodology, we proceed toward the realization of "wealth in three aspects": "aspiration," "economy," and "mind and body."

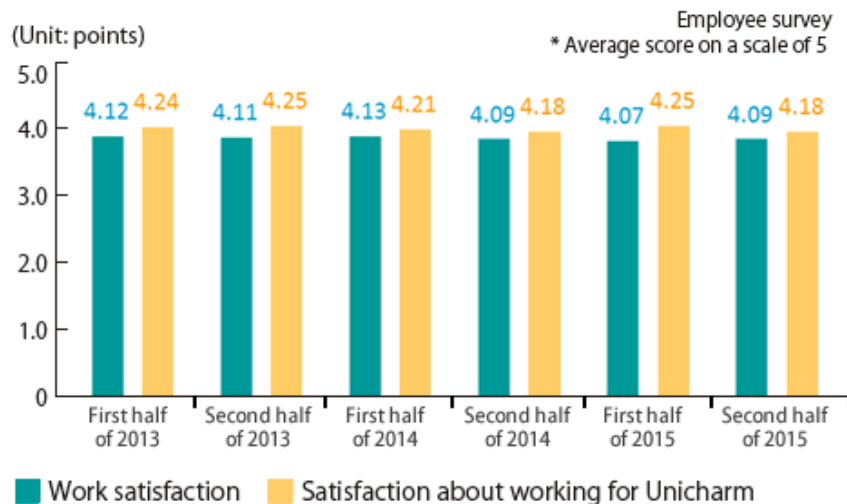
■ Six essentials of SAPS methodology

- 1 Respect for people
- 2 Emphasis on a sense of accomplishment
- 3 Emphasis on time competitiveness (Time-based management)
- 4 Knowledge management
- 5 Emphasis on curiosity and entrepreneurship
- 6 Mentality change

Employee survey

We conducted "employee surveys" twice a year at all group companies in Japan and overseas, in order to verify employees' satisfaction/fulfillment and sense of accomplishment. This sequential surveying enables us to implement various measures in management and human resources, and also encourages employees and organizational operations to be more proactive.

● Employee satisfaction index (all full-time employees)



Global expansion of management with resonance - The President's Award

Unicharm established the “President’s Award” which may be awarded to any employee, both Japan and overseas to recognize any individual or team that has achieved outstanding results through promoting SAPS methodology based on our philosophy of management with resonance. In a presentation that is broadcasted to about 60 locations worldwide via video-conference, honorees share their successful result for the year with more than 2,000 employees. The “President’s Award” is more than an employee awards program and works systemically and broadly to promote leadership development through providing opportunities to simulate good practices and encourage both presenters and participants to learn from each other.

In 2015, two teams received the Gold Prize for the Group Award. In addition, an employee was also presented with a Gold Prize for the Individual Award, too, for the very first time.

● The President's Award 2015, Winner of “Gold Prize for the Group Award and the Individuals Award”



Institutional Development Dept.
Sales Division
United Charm Co., Ltd. (Taiwan)

Taiwan

I'm very happy to have been recognized with the Gold Prize. However, I'm never satisfied with “now,” so I'll be working to boost my performance still further in the future. I plan on working closely with my team members in an effort to differentiate Unicharm from others players and overcome even greater hurdles that stand in front of us.

Shao-yi Yang



Rajasthan / Haryana
Traditional Trade Team
Unicharm India Sales Division

India

I'm very thankful to my colleagues in India. Without them, I would not have been able to receive this Gold Prize, which is one level up from the Silver I won the previous time. I look forward to clearing all of UC India's targets and contributing to the realization of the ninth Medium-Term Management Plan.

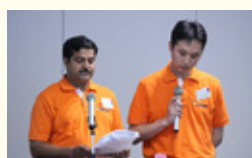
Ishwar Mehra



Yijiun Kuo
Marketing Strategy Dept.
Marketing Division
United Charm Co., Ltd.(Taiwan)

Taiwan

I'm really happy, but also very surprised, to be recognized with the Gold Prize for Individuals. I'm very thankful to my colleagues who were there to guide and support me. I plan to devote myself further in the future toward achieving even greater results.



Personnel Utilization and Training

Expansion of education and training programs

We have a skills-enhancing program that consists of understanding our SAPS methodology and practical skills improvement.

Our distinctive training programs (excerpt)

Title	Summary
Training for new employees	(1) Transitioning from student life to working life (rewiring) (2) Deepening employees understanding of the “3 DNAs” of Unicharm (3) First-hand experience and understanding of the three aspects of actual work sites (manufacture, purchase and use) and recognizing and persisting in developing a “consumer-oriented mindset.” (4) Understanding the SAPS methodology (5) Experiencing the importance of working as an organization (team selling), and understanding Unicharm's persistent emphasis on “target oriented” and “target achievement” approaches (6) Creating your own “10-year career vision and plan”
Training at all levels, ages and roles	Training is carried out for people in keeping with their respective levels, ages and roles. All training is based on understanding our SAPS methodology and improving practical skills, providing opportunities and places to enhance the ability to think and take action.
SAPS Trainer's CAMP	An upskilling program of knowledge and technology for “leaders/educators” in order to practice and spread “SAPS methodology” for “management with resonance.”
Unicharm Spirits Masters	A workshop program for veteran employees in their early fifties to develop action plans by utilizing their accumulated insights and skills in order to demonstrate their powers of execution and foster younger employees.
Overseas Business Trip Accompanying Program	By accompanying senior members on overseas business trips, participants have the opportunity to observe and learn about the thoughts and actions of senior management members.
Ten-year career vision and plan	Provides employees with the tools and a system for designing and developing individualized 10-year career plans, and for completing their own action plans. The tools can also be used for communication with management, in order to support each employee in achieving her/his own goals.
Workplace Exchange Workshop	A cooperative training program established by several companies for the purpose of allowing participants to enhance their own skills and improve their own issues & weaknesses. Interaction with participants from other companies is expected to provide all participants with inspiration and insights that may not be available within a single workplace.
Training program for employees posted overseas	This training program helps employees prepare for their post-overseas transfer and develop their mindset so they can rapidly assume their duties in the new environment and achieve results.

Respect for Diversity

Various support systems

We are committed to always improving our work environment so that each and every employee can work to the best of their abilities.

■ Various support systems to respect diversity

System	Eligible people	Summary
Birth Support Leave Program	Employees who undergoing fertility treatment	Leave for advanced fertility treatment (up to 1 year)
Shortened work hours system for childcare	For employees who have a child/children up to the third year of elementary school	Working hours can be shortened to 5 hours a day
Nursing-care leave	For employees who have family member(s) in need of continuous nursing care for more than 2 weeks as a result of injury, sicknesses, or physical or mental disorders.	By application, up to 5 days leave/year is available for one family member, up to 10 days leave/year for 2 or more family members who require nursing-care.
Career Recovery System	Former Unicharm employees who worked for more than 3 years and resigned from employment for various reasons such as marriage, pregnancy, childbirth, childrearing, nursing-care, or accompanying spouses on business transfers.	They are eligible for re-employment within a five-year period (from time of resignation), provided that both the former employee and the company reach a certain agreement.
Civic duties leave	Employees who are selected as citizen-judges	The required number of days leave to appear in court as a citizen-judge is available by application.
Bone marrow donors leave	Employees who wish to donate their bone marrow	Up to 7 business days leave per 1 donation of bone marrow available by application, for the procedures required for donation to a patient in the working country (except for donor registration).

Employment of people with disabilities

We aim to proactively employ personnel with disabilities who are well motivated and provide them with a workplace where they are also able to fully exercise their abilities and promote their desire to grow. More than anything else, we expect proper outcomes from employees with disabilities by setting appropriate goals in accordance with their respective abilities and desires and promote a corporate cultural environment free of barriers in all respects for enjoying the feeling of accomplishment as a team.

Initiatives for balancing work and childcare

Aiming to create an environment that supports both childcare and work, our childcare leave program allows employees to take up to two years of childcare leave. Childcare leave taken before and after pregnancy is treated as paid vacation, while employees with accumulated paid vacation days at the start of their childcare leave can use up to 15 of these days to receive their normal pay and help reduce their burden from birth and childcare. Additionally, we also brief male employees whose wife has had a baby and their supervisors on our childcare leave programs and structure to encourage them to take leave, with the results of these efforts monitored. In 2015, we earned the right to use the Platinum Kurumin logo mark as a company with excellent child care support practices. With this certification as further motivation, we will continue to take further steps toward creating a secure workplace for employees free of worry.



Hiring of pregnant women

Unicharm newly implemented the Fresh-Mom Recruitment program for hiring new female graduates from FY2015. Women who have expressed an interest in working for Unicharm but are hesitant to accept because they are pregnant or unsure can take part in the Fresh-Mom Recruitment program to delay joining the company up until the age of 30.

Unicharm Family Plant Visit Days

Unicharm holds Family Visit Days at all of our plants both in Japan and overseas, to welcome the families of employees for a tour of the plant. We received comments from participants, such as “I was impressed by how quickly production of the various products was completed,” as well as from employees, such as “I was happy to show my family my working site.”



Shikoku Factory



Shizuoka Factory



Fukushima Factory

Charming Voice (Suggestion System)

The Charming Voice suggestion system is a mechanism that allows any employee to have their voice heard by management at any time. Since its start in FY2011, Charming Voice has been one way for us to realize “management with resonance” by utilizing the wisdom, enthusiasm and hopes of front-line people. It serves as an opportunity to promote communication with top management through suggestions to improve quality, service, efficiency and cost-trimming, and leads to the development of self-reliant employees.

Dialogue between labor and management

We place a great deal of value on mutual trust between labor and management, and hold regular monthly discussions between the company and labor union. Depending on the details of these discussions, we also hold irregular meetings in addition to monthly meetings. In FY2015, we held talks about reducing overtime work, employee benefit programs, and health management measures, among other issues, and continued with efforts to foster workplaces that are employee-friendly and provide motivation to employees.

Industrial Health and Safety

Company-wide safety conventions

We hold company-wide safety conventions as part of our efforts to ensure employee safety. The 13th convention was held in 2015 at the Central Plant, Shikoku factory, Unicharm Products Co., Ltd. Mr. Ishikawa, president of Unicharm Products Co., Ltd., presented the company's wish for the safety of all employees is embodied in the "Sazareishi monument" to all the factories.



The 13th company-wide safety convention, Unicharm Products, Co., Ltd.

Health and Safety Committee

Unicharm's "Health and Safety Committee" consists of industrial doctors and elected commissioners from the company and the labor union. The Committee implements various activities once a month, including activities related to improving the working environment and preventing work related accidents. As ways of well-modulated working, we also promote no-overtime days that are held monthly in order to reduce overtime work by 10% compared to last year and reduced working hours that are achieved by creating and monitoring weekly work plans with priority ranking of assignments.

Promoting employee health

To ensure a high level of productivity both physically and mentally, we proactively carried out health checkups for employees and 100% of employees had received one which resulted in FY2015. To shift health management practices from treatment to prevention oriented, we initiated a health management training session for employees in their 30s to convey the importance of changing lifestyle habits from an early stage and being more health conscious.

Furthermore, on January 1, 2016, we completely banned smoking across the entire company.

We also introduced an employee support program by which our employees and their families can consult with external counselors about their worries and troubles, in order to facilitate their realization of fulfilling and healthy lives without worries.



A seminar of the lifestyle modification program

Along with the Society

Our Attitude toward Social Contributions

Our attitude toward social contributions

Unicharm believes that its business activities have a highly positive impact on society. We feel a strong sense of pride and joy in providing comfort, emotion and pleasure to people not only in Japan, but also in Asia and other parts of the world. Through our involvement in a variety of social contribution activities directly related to our business, we are working to become a company that makes contributions to the countries in which we operate and one that is welcomed and trusted by people in these locales.

● Unicharm's stance toward social contributions



Making Contributions to Society through Our Core Business

Continuous participation on Pink Ribbon activities in Japan and overseas

Pink Ribbon activities help to raise awareness around the world about the early detection, early diagnosis and early treatment of breast cancer. Unicharm assists with these activities in Japan, China and Taiwan.

Employees of United Charm Co., Ltd. (Taiwan) and their families, representing 80 individuals, have participated every year in the annual Pink Ribbon Walk held in Taipei for four consecutive years. Every participant takes great pride in the fact that the company is a sponsor of Pink Ribbon activities in support of breast cancer prevention.

In Japan, Unicharm is now in its eighth year of supporting Pink Ribbon activities. A total of 52 employees took part in the Pink Ribbon Smile Walk Tokyo Event held in October 2015. Participants agreed that walking from Roppongi to the Omotesando and Harajuku area allowed them to have people from various age groups learn about the event. Also, Unicharm organized the Sofy Pink Ribbon Quiz Fund once again in 2015. The quiz was created for participants to learn about the importance of regular screenings for preventing breast cancer, with donations made to relevant organizations based on the number of people taking the quiz.

■ Pink Ribbon activities in Asia

Japan



Pink Ribbon Smile Walk Tokyo



Pink Ribbon limited edition product Sofy Body Fit



Sofy Pink Ribbon Quiz Fund

Taiwan



Pink Ribbon Walk

Community-based Social Contribution Activities (Japan)

Shizuoka Factory participated in spring time nationwide traffic safety campaign

The Shizuoka Factory participated in a traffic safety campaign along the road near the premises where elementary school students walk to school in order to foster understanding of proper traffic rules and etiquette among elementary school students as part of a spring time nationwide traffic safety campaign.

This year the campaign focused on the theme of preventing traffic accidents involving children and seniors, providing instructions to children to ensure they follow traffic rules and walk to school safely. We have taken part in this initiative since 2004 as part of our contribution activities for local communities.



Sponsored project to provide paper diapers to the City of Shikokuchuo

Shikokuchuo City is considered to be one of Japan's largest paper producing areas. Unicharm is helping to sponsor local initiatives to assist children here as part of a public-private partnership initiated by the city government. Through this initiative, families in the city raising a child below the age of one receive a childcare support voucher they can use to redeem for MamyPoko and Moony products free of charge. Unicharm actively supports the city's efforts to promote the local production and local consumption of paper products as a means to easing the burden placed on families and encouraging the healthy development of children.



Childcare support voucher

Participated Childcare Festa 2015 in Shikokuchuo City

Unicharm Products and Unicharm Kokko Nonwoven participated in "Childcare Festa", a child raising festival held by the city of Shikokuchuo in October 2015. In keeping with the festival's slogan, "The Best Place to Raise a Child in Shikoku," this event provides an opportunity for parents and children to interact with one another and to promote a good childcare environment. Two companies operated a miniature steam locomotive and distributed pamphlets about the Pink Ribbon Campaign and breast cancer awareness.



Community-based Social Contribution Activities (Overseas)

[South Korea] Donated MamyPoko disposable diapers for low birth-weight infants

In October 2015, we donated MamyPoko disposable diapers for low birth-weight infants to hospitals through a partnership with Areumdaun Foundation, South Korea's first civic-led public interest foundation. The foundation setup the Low Birth-Weight Infant Support Secretariat, which works on providing aid to defray treatment costs for babies born with a low birth weight. The disposable diapers were given to four hospitals in Seoul where they are being used by the intensive care units for newborn babies. Head of the foundation, Park, said, "This was the foundation's first-ever donation of disposable diapers. I believe these diapers for low birth-weight infants benefited the babies and mothers alike."



[Vietnam] Provided products to communities hit by torrential rains

Unicharm worked with the local people's committee to donate sanitary napkins, disposable diapers and other Unicharm products to people living in Cam Pha City, which was seriously damaged by persistent torrential rains from the beginning of August 2015. A woman whose home was flooded during the rains said, "We lost everything and had to rebuild our home. I am very grateful for receiving assistance in the form of daily essentials."



[Indonesia] Visit to a foster home

Our orphanage visits in Indonesia are now in their twelfth year. These visits were initiated in order to interact with babies and children who require social assistance. In conjunction with the anniversary of our local subsidiary in Indonesia, 70 employees visited two separate orphanages in August 2015 where they met with 150 children. The employees presented monetary donations and Unicharm products.



[Taiwan] Carried out social contribution activities in commemoration of the company's 30th anniversary in Taiwan

In commemoration of Unicharm's 30th anniversary in Taiwan, the final Friday in November has been designated "Public Interest Day" in an effort to get the entire company in Taiwan involved in social contribution activities. On the first Public Welfare Day, employees paid a visit to seven facilities providing care and assistance to seniors or people with disabilities. Employees took part in volunteer activities that included helping prepare meals, clean around the facility, as well as accompanying residents on walks and shopping.



[China] Ongoing continence-support presentation for students

We have held lectures and practical hands-on learning sessions at the Old Age Service Management Department of Shaanxi Labor College every year since 2012. Senior Researcher Funatsu from the Unicharm Continence Care Research Center served as the instructor for the lecture and practical learning session on continence care. During these opportunities, Funatsu talked about what is needed by caregivers in order to improve the quality of life of patients and their families as well as how to care and assess the individual issues of incontinence, constipation, skincare and independent continence support.

During the hands-on learning session, Funatsu showed students how to select and use disposable adult diapers. The theme of the presentation focused on rehabilitation aimed at independence and how to utilize disposable diapers as part of a support regimen for independent continence.



Along with Our Business Partners

Approach to Materials Procurement

Approach to Materials Procurement

We strive to foster fair and equitable partnerships with all business partners and share Unicharm's philosophy, specific activities, and requests for cooperation regarding safety and the environment through close-knit collaboration.

At our overseas locations, we are working to roll out best practices from Japan given more rigorous changes in awareness and regulations on safety and the environment. We are also gathering information through our business activities closely rooted in the local market and promoting materials procurement closely in tune with the local market as well. Our goal is business relationships that fulfill the quality, functionality, safety, environmental and service requirements of product lines in overseas markets.

In addition to promoting procurement activities with a particular emphasis on crisis management, going forward, we aim to establish a sound understanding and dissemination of Unicharm's stance toward procurement and view on compliance with laws and social imperatives and extending due consideration to human rights and labor when we commence trading with new overseas partners. We also call for the cooperation of existing partners in environmental and ethical areas.

Promoting CSR Procurement

Promoting CSR Procurement

We established CSR procurement guidelines and implemented them in 2009. The guidelines incorporate provisions relating to applicable laws, human rights, industrial relations, environment, and product safety, such as “the abolition of child labor,” “the elimination of discrimination,” and “the promotion of measures against global warming,” as stated in the U.N. Global Compact. Up until now we have carried out briefings in China, Thailand, Indonesia, Taiwan and South Korea in an effort to share our CSR Procurement Guidelines with all business partners in these countries as well as in Japan. In 2015, we newly established and implemented guidelines on the procurement of forest-derived materials as part of our commitment to reinforce initiatives for realizing a more sustainable society. Through the Quality Briefing Session and other venues, we share the importance of CSR procurement, issues and detailed initiatives while continually asking for cooperation to ensure CSR is practiced across the entire supply chain.

CSR procurement guidelines

- 1. Compliance with laws and social imperatives**
 - (1) Comply with related laws and social imperatives in purchasing activities.
 - (2) Provide fair and equitable competitive opportunities in purchasing activities, regardless of nationality, size, or track record.
 - (3) Strive for the appropriate management of information obtained in purchasing activities.
- 2. Procure safe products and materials that provide a peace of mind**
 - (1) Choose products and materials in purchasing activities for which safety has been confirmed.
 - (2) Choose economical and high quality materials and products in purchasing activities.
 - (3) Emphasize the ability to manufacture and supply products that meet requirements in purchasing activities.
- 3. Give due consideration to human rights and labor**
 - (1) Engage in purchasing activities with corporations who place importance on respect for human rights.
 - (2) Engage in purchasing activities with corporations who give due consideration to inhumane labor practice.
 - (3) Emphasize engaging in purchasing activities with corporations who promote appropriate employment practices.
- 4. Responsibility to the environment**
 - (1) Value corporations who understand the importance of, and promote environmental conservation in purchasing activities.
 - (2) Emphasize environmentally friendly raw materials in purchasing activities in an effort to achieve a recycling-oriented society.
- 5. Development of relationships of mutual trust**
 - (1) Cultivate a relationship and trust with business partners within the scope of social norms.
 - (2) Strive to enhance business performance mutually through exchange of essential information with business partners.

Initiatives to Improve Quality

Initiatives to Improve Quality

In November 2014, the 11th Quality Policy Briefing Session was held for suppliers of Unicharm Products in Japan in order to explain Unicharm's efforts to improve materials quality, including management policies, business results, the most recent status of materials quality, and important initiatives and issues as well as direction of quality improvement inclusive of safety and reduction of environmental impacts. In 2015, we initiated activities to share our approach to quality with individual business partners and activities to exchange views on quality improvement initiatives in close coordination. In 2015, we visited around 30% of our business partners. Over the next three years we will carry out similar activities at the remaining 70% of our business partners in order to promote further efforts to improve quality.

Additionally, the 3rd Quality Policy Briefing Session was held in China in September 2014. As with our efforts in Japan, we are working on quality improvements together with our local suppliers.



Quality Policy Briefing Session in Japan



Quality Policy Briefing Session in China

Along with Shareholders and Investors

Our basic policy on profit returns to our shareholders

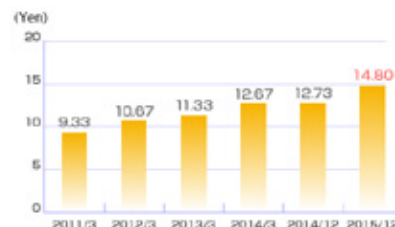
The “Beliefs and Pledges” and Corporate Principles of Action outlined in the Unicharm Group’s Action Guidelines constitute our pledge to our shareholders. Our Corporate Principles of Action clearly state that, “We will strive to manage the company in a way that will maintain a level of growth corresponding to our shareholders’ confidence, and that will enable us to distribute industry-leading returns to shareholders.” Based on our Corporate Principles of Action, we ensure stable and continuous return on investment, as well as improvement of our business performance.

Our basic guidelines for return on investment are to implement stable and continuous returns while also investing in our own mid- and long-term business expansion. We distributed 7.4 yen per share (after the share split) in the fiscal year ending in December 2015 and have achieved dividend increase for 14 consecutive fiscal years.

Additionally, we have bought back some 5.48 million shares worth approximately 13 billion yen in an effort to enhance the total return of shareholders.

We will continuously view shareholder return as an important management agenda and will strive to realize the distribution of industry-leading returns with continuous improvement of our business performance.

Dividend payout amounts



Information disclosure for our investors

We opened investor relations pages on our websites to post disclosure information including brief notes on the settlement of accounts and financial statements. At the same time, we post English translations of important information on our English site to disclose information for overseas investors.

Starting in FY2015, Unicharm's integrated report was published on this website in order to introduce useful information about the company to investors in a concise and easy-to-understand manner.

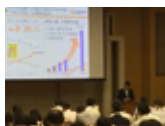
This initiative was highly recognized by the Universal Design Communication Association with an award for ease of understanding at the UCDA Awards 2015.

We also position result briefings and overseas IR tours as important venues for dialogue among company executives and our investors, and strive to improve the disclosure of information in order to help investors to better understand our business activities. Takahisa Takahara, the president of the company, visited the corporate investors in North America on this year’s overseas IR tour, where he made an appeal for our future growth by directly referencing the security of our stable profits in domestic business in Japan and detailing Unicharm’s mid-to long-term global growth potential.

Furthermore, we continue to organize individual meetings for institutional investors and securities analysts to foster greater communication.



Information for investors
on our website



Results briefing



Overseas IR tours

Listed in the SRI Index

Unicharm is included in the major international SRI (Socially Responsible Investment) indexes “FTSE4Good Index Series” and “Morningstar Socially Responsible Investment Index (MS-SRI)”. (as of December 31, 2015)



Morningstar Socially Responsible Investment Index (MS-SRI)

Management

Corporate Governance

Unicharm strives to pursue proper corporate management through the Unicharm Ideals. We aim to secure the support and trust of society by delivering sustainable growth and long-term corporate value through business activities based on close cooperation between management and executive divisions, and by working closely and appropriately with all our stakeholders.

In 1999, we introduced an executive officer system to separate management oversight and executive functions, and in May 2015 we moved to a “company with audit and supervisory committee” governance structure to meet the expectations of all our stakeholders in Japan and overseas from a global perspective. This new system has strengthened oversight of the executive functions of the Board of Directors and brought outside directors into the management process to increase transparency and efficiency.

Under this structure, members of the independent Audit and Supervisory Committee have voting rights on the Board of Directors and the committee actively uses the Company's internal control system to carry out audit. This has strengthened audit and oversight of management by external people, helping to create a corporate culture and climate spirit based on compliance, appropriate collaborative relationships with stakeholders and sound business ethics. All this underpins our fundamental stance on corporate governance as a global company: conduct business activities balanced between growth and discipline.

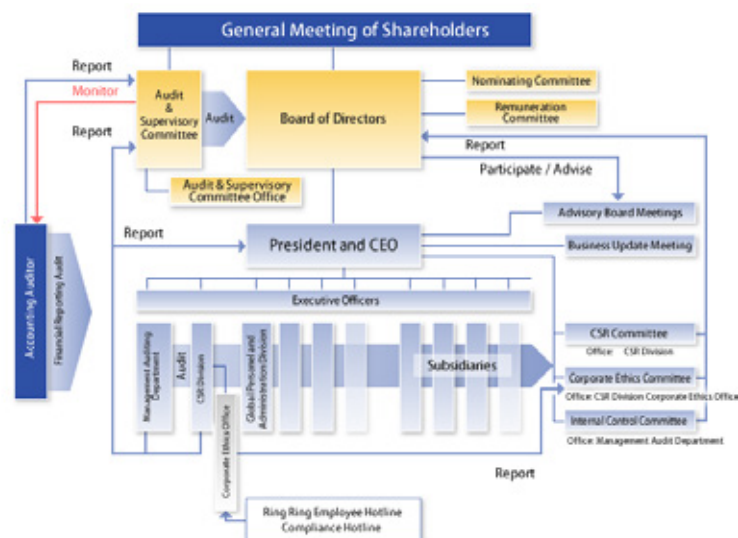
Our internal control system

The Unicharm Group formulated its Basic Policy for Establishing an Internal Control System in accordance with the Companies Act and established an Internal Control Committee to respond to the Internal Control and Reporting System (JSOX) of the Financial Instruments and Exchange Act.

The Internal Control Committee conducts an annual reassessment of risks for each company in the Unicharm Group, reviews target countries for J-SOX assessment and revises the scope of business processes requiring evaluation. At the same time, the committee works to improve the reliability of financial reporting by promoting the establishment and operation of an internal control system and effective assessments.

We are making ongoing improvements to this internal control system from a global perspective by taking into account regulatory developments in countries overseas where the Group operates.

■ **Corporate Governance System (as of March 31, 2016)**



Compliance

Our attitude towards compliance

Our management policy is expressed in the Unicharm Ideals, which state: “we strive to pursue proper corporate management principles which combine corporate growth, associate well-being and the fulfillment of our social responsibilities.”

Initiatives to raise compliance awareness

Unicharm has created a booklet called The Unicharm Way, which includes the Group's Code of Conduct and other important compliance documents. The booklet forms the basis of our compliance system and is designed to remind all directors and employees to hold themselves to the highest ethical standards and comply with all rules and regulations. We also run regular training programs to raise awareness of compliance among directors and employees and educate them about specific laws and regulations relevant to their respective work duties. As part of these efforts, we make sure our personnel understand that bribing public officials and making facilitating payments are banned and emphasize the importance of upholding antitrust laws. In Japan, Group employees can consult on compliance issues by phoning our Ring Ring Employee Hotline. In fiscal 2015, we received 16 requests for advice. We also operate similar hotlines in China and Thailand. In addition to the Ring Ring Employee Hotline, an internal whistle-blowing hotline called the Compliance Hotline has been available to employees since April 2014 to support compliance management.

Risk Management

Rigorous information security

To ensure rigorous information security, the Unicharm Group has set out information security principles and procedures, such as the Information Security Policy and the Information Management Security Rules. We also have Personal Information Protection Rules in place to safeguard personal information provided by our customers, and we strictly manage this information and take precautions to prevent information leaks. To ensure these rules are strictly observed and to prevent information leaks, Unicharm has established an Information Security Committee, which develops Groupwide information management security initiatives and carries out employee education and ongoing monitoring. In fiscal 2015, we ran five courses about information security through our e-learning portal. Through the courses, participants confirmed security procedures that they are required to follow. One day every month is also earmarked as an information management day, when we highlight a different security topic each month to remind employees about the risk of specific information leaks.

Protecting intellectual property

In 2015, we reorganized the Legal & Intellectual Property Group and renamed it the Intellectual Property Division to strengthen the Group's intellectual property functions. This is part of our wider goal of building a powerful competitive advantage in differentiating ourselves from others over the medium and long term.

The Intellectual Property Division centralizes the management of the Group's intellectual property assets and formulates and executes intellectual property strategies linked to Unicharm's business and development strategies. Based on our patent application strategy, we have been protecting and using our business and product development results as intellectual property. Strengthening international patent applications as part of our global expansion also puts Unicharm into 111th place for international patent applications in 2014, a high ranking in global terms (based on WIPO data). In order to raise the quality of our patent applications, we use the Japan Patent Office's Collective

Examination for IP Portfolio Supporting Business Strategy and we have signed up as the first user worldwide of the ASEAN Patent Examination Cooperation (ASPEC) program. By actively applying for patents at an early stage in Japan and overseas, we are enhancing our ability to build a portfolio of intellectual property such as patents, utility models, designs and trademarks.

Unicharm has applied for and secured trademarks that protect the Group's brands in more than 160 countries around the world, and we are also protecting our rights to proprietary packaging. In 2015, we also secured the rights to the “unicharm” and “Moony” moving trademarks under the Japan Patent Office's system for new types of trademarks.

Unicharm was the first company in the disposal diaper sector to apply for trademarks under this new system.

Unicharm also takes a firm stance on protecting its intellectual property, including filing lawsuits against infringements or unauthorized use. Our business and product development divisions cooperate closely with overseas subsidiaries and work with local governments to eliminate unauthorized and counterfeit products in Japan and overseas such as Asia, ASEAN, the Middle East and Africa. Unicharm is committed to cultivating a corporate culture that promotes the respect and protection of intellectual property rights of Unicharm and other companies, as articulated in the Unicharm Action Guidelines, by conducting employee training through a combination of on-the-job training, off-the-job training and e-learning to ensure that employees in Japan and overseas are fully aware of how to handle intellectual property rights. As part of our public activities, we seek to provide advice on and influence international policy with respect to intellectual property by actively exchanging opinions with patent offices in Japan, Asia and the ASEAN area.

Business Continuity Plan (BCP*)

Unicharm has been strengthening risk management since fiscal 2005. Our BCP Manual describes steps to ensure the safety of our employees and their families, deliver Unicharm products that are necessities for daily living to people in disasteraffected areas, as well as to those people who require them as soon as possible, and recover important corporate operations of Unicharm, particularly head office functions.

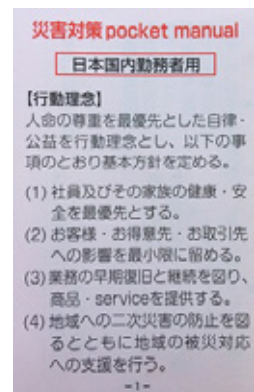
We are working to further enhance workplace safety through various initiatives. Specifically, we conduct e-learning sessions for all employees to raise awareness and encourage proactive responses, and we require all employees to carry a disaster response pocket manual for immediate reference during an emergency. We have also put systems in place that allow us to contact employees using smartphones, which they must carry at all times. This helps us to confirm their safety and maintain business continuity during emergencies.

In addition, we conduct disaster training drills at each business site, hold basic survival courses and provide training that is tailored to the function of each division. We also hold a BCP training exercise called 3/11 Comprehensive Company-Wide Drill to help us prepare for a major earthquake directly underneath Tokyo or a large-scale interconnected earthquake involving the Tokai, Tonankai and Nankai plates. We carry out first response drills with an emphasis on confirming employee safety and the capabilities of disaster response headquarters, including checking the safety of all Unicharm employees in Japan.

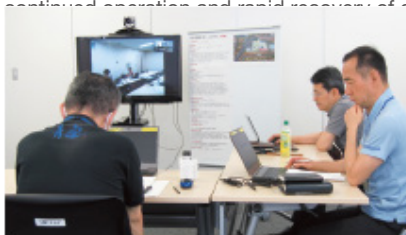
Collectively, these ongoing education and training initiatives are designed to reinforce our ability to respond to earthquakes, new strains of influenza and other emergencies. Since fiscal 2014, we have conducted crisis communication activities for different situations depending on the type of emergency, based on the premise of disclosing information to minimize damage. This includes conducting training with each internal division based on different pre-selected crisis situations, allowing us to confirm the effectiveness of our crisis response manuals on an ongoing basis.

Going forward, we will strengthen our global risk management capabilities to prepare for civil unrest, terrorism and other incidents to ensure we are prepared to handle any unforeseen events.

*BCP: Plan for the continued operation and rapid recovery of core business activities after an emergency.



Crisis response pocket manual



Crisis response training



Training exercise at the Shizuoka Factory

Third Party Assurance Report

We obtained third party assurance of Unicharm's CSR Activity Report 2016. The details are found below.



This English language report is a translation of the original Independent Practitioner's Limited Assurance Report in Japanese for reader's convenience.

Independent Practitioner's Limited Assurance Report on Unicharm Group's CSR Activity Report

March 25, 2016

To: Mr. Takahisa Takahara, President and CEO
Unicharm Corporation

PricewaterhouseCoopers Sustainability LLC
Sumitomo Fudosan Shiodome Hamarikyu Bldg.
8-21-1 Ginza, Chuo-ku, Tokyo 104-0061, Japan

We have undertaken a limited assurance engagement of the information marked (㊟) (hereafter the "Selected Information") in the Unicharm Group's CSR Activity Report (hereafter the "Report") for the year ended December 31, 2015.

We have not performed any procedures with respect to other information in the Report and, therefore, no conclusion is expressed on such information.

Management's responsibilities

Unicharm Corporation (hereafter the "Company") is responsible for the preparation of the Selected Information in accordance with the Company's policies and standards (hereafter "Reporting Criteria"), which is applied as explained in the footnotes of the Report. The Company's responsibility includes the design, implementation and maintenance of internal control, relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

In accordance with the International Standard on Quality Control, we maintain a comprehensive system of quality control including documented policies and procedures with respect to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Understanding reporting and measurement methodologies

The absence of a significant body of established practice on which to base the evaluation and measurement of non-financial information allows for different, but acceptable, measurement techniques. The nature of non-financial information, and the techniques and precision used to determine and evaluate it, can result in materially different measurements. This may affect comparability between different entities and periods of time. The Selected Information, therefore, should be read and understood together with the Reporting Criteria¹. The Reporting Criteria used is applicable as at December 31, 2015.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Selected Information based on the procedures we have performed and the evidence we have obtained. Depending on the type of information, we conducted our limited assurance engagement in accordance with:

- International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410") for CO2 emission information.
- International Standard on Assurance Engagements 3000, Assurance Engagements other than Audits and Reviews of Historical Financial Information ("ISAE 3000" revised December 2003) for other information in the Selected Information.

These standards require that we plan and perform this engagement to obtain limited assurance about whether the Selected Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

We assessed the risk of material misstatement in the Selected Information due to fraud or error, and performed the following procedures:

- inquiry with relevant the Company's management;
- evaluating the suitability of the Reporting Criteria as the basis for preparing the Selected Information;
- responding to the assessed risks as necessary in the circumstances;
- evaluating the overall presentation of the Selected Information;
- evaluating the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information. This included visiting the three manufacturing sites and corporate offices selected on the basis of their inherent risk and materiality to the group, to understand the key processes and controls for reporting site performance data and to obtain supporting information; and
- performing limited substantive testing on a selective basis of the Selected Information at the corporate offices and in relation to eleven manufacturing sites to check that data had been appropriately measured, recorded, collated and reported.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling information with underlying records.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Selected Information has been prepared, in all material respects, in accordance with the Reporting Criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information in this report for the year ended December 31, 2015 is not prepared, in all material respects, in accordance with the Reporting Criteria.

¹ The maintenance and integrity of the Company's website is the responsibility of the Company's management. Our engagement did not consider matters relating to the maintenance and integrity of the Company's website. Accordingly, we accept no responsibility for any errors or changes to Selected Information or Reporting Criteria when presented on the website.

List of contents

Chapter Title	Topic	Web version	PDF version
Overview of the Unicharm Group	Company Profile		●
	Primary Consolidated Subsidiaries and Affiliates		●
	Production and Sales Areas		●
	Main Business Indicators		●
Editorial Policy / Contents	Editorial Policy	●	●
	Contents	●	●
Message from the President		●	●
Unicharm Group's CSR	Integrating CSR with our businesses	●	●
	CSR promotional structure	●	●
	Reference framework for Unicharm's CSR strategy	●	●
	Relationship with stakeholders	●	●
Feature Topic	1. Making Life Better for People Living in Asia by Reducing the Burden of Daily Life	●	●
	2. Responding to a Super-Aging Society	●	●
	3. Environmentally Friendly Manufacturing	●	●
Continuing to Provide Reconstruction Support to the Disaster-affected Areas from the Great East Japan Earthquake		●	●
Along with Our Customers	Communication with Customers	●	●
	Insight Research, R&D, and Marketing	●	●
	Quality Management	●	●
Along with the Global Environment	Promotion Framework for Environmental Activities	●	●
	Environmental Impact and Environmental Goals	●	●
	Environmental Initiatives through Our Products	●	●
	Initiatives to Prevent Global Warming	●	●
	Initiative to Reduce Environmental Impacts	●	●
	Initiative for Biodiversity	●	●
	Activity Results for FY2015	●	
	Site Data	●	
Along with Our Employees	View Concerning Human Resources and Respect for Human Rights	●	●
	Personnel Utilization and Training	●	●
	Respect for Diversity	●	●
	Industrial Health and Safety	●	●
Along with the Society	Our Attitude toward Social Contributions	●	●
	Making Contributions to Society through Our Core Business	●	●
	Community-based Social Contribution Activities (Japan)	●	●
Along with Our Business Partners	Community-based Social Contribution Activities (Overseas)	●	●
	Approach to Materials Procurement	●	●
	Promoting CSR Procurement	●	●
Along with Shareholders and Investors	Initiatives to Improve Quality	●	●
	Our basic policy on profit returns to our shareholders	●	●
	Information disclosure for our investors	●	●
Management	Listed in the SRI Index	●	●
	Corporate Governance	●	●
	Compliance	●	●
Third Party Assurance Report	Risk Management	●	●
		●	●
List of Awards and Commendations Received in Fiscal 2015		●	●

List of Awards and Commendations Received in Fiscal 2015

List of recognition from third parties we received in 2015 are listed below.

Month and year	Name and description	Implementing organization	Recipient
February 2015	Japan's Best Global Brands 2015 brand value rankings: 23rd	Interbrand	Unicharm Corporation
February 2015	Toyo Keizai 9th CSR Rankings 2015: 95th	Toyo Keizai Inc.	Unicharm Corporation
March 2015	Company newsletter Hirobar received the Comprehensive Award in the Magazine/Newspaper Division of the FY2014 Japan Business Federation Recommended Company Newsletters	Japan Business Federation	Unicharm Corporation
July 2015	Unicharm Products was recognized as business with excellent safe driving habits	Kannon-ji Police Station	Unicharm Products Co., Ltd
July 2015	15th Environmental Brand Survey Environmental Brand Index Rankings: 89th CSR Evaluation Rankings: 60th	Nikkei Business Publications, Inc.	Unicharm Corporation
March 2015	Company newsletter Hirobar received the Comprehensive Award in the Magazine/Newspaper Division of the FY2014 Japan Business Federation Recommended Company Newsletters	Ministry of Health, Labour and Welfare Tokyo Labour Bureau	Unicharm Corporation
September 2015	2015 Most Innovative Companies in Asia Rankings: 10th	Forbes	Unicharm Corporation
October 2015	Unicharm's 2015 integrated report received the Ease of Understanding Award at the UCDA Awards 2015	Universal Communication Design Association	Unicharm Corporation
October 2015	Received the FY2015 Good Design Award for the Air Fit® disposable baby diaper	Japan Institute of Design Promotion	Unicharm Corporation
November 2015	2015 NICES Corporate Ranking: 40th	Nihon Keizai Shimbun	Unicharm Corporation
December 2015	Received the 7th Mothers Selection Award for the Moony Series	Nippon Mothers Association	Unicharm Corporation

G4 Sustainability Reporting Guidelines

This cross-referencing table shows how the content of the 2016 CSR Report corresponds to the GRI Sustainability Reporting Guidelines, and also shows where individual items are located within the company's website.

GRI Items	GRI Index	Page to Refer
GENERAL STANDARD DISCLOSURES		
Strategy and Analysis		
G4-1	Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	Message from the President
G4-2	Description of key impacts, risks, and opportunities	Unicharm Group's CSR > Integrating CSR with our businesses Feature Topic 1 Feature Topic 2 Feature Topic 3 【Securities Report】Risks associated with businesses
Organizational Profile		
G4-3	Name of the organization	【PDF】Overview of the Unicharm Group > Company Profile
G4-4	Primary brands, products, and services	【Integrated Report】Strategy and Progress
G4-5	Location of the organization's headquarters	【PDF】Overview of the Unicharm Group > Company Profile
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	【PDF】Overview of the Unicharm Group > Production and Sales Areas
G4-7	Nature of ownership and legal form	【PDF】Overview of the Unicharm Group > Company Profile
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	【PDF】Overview of the Unicharm Group > Production and Sales Areas 【Integrated Report】Strategy and Progress
G4-9	• Scale of the organization	【PDF】Overview of the Unicharm Group > Main business indicators
G4-10	• Total number of employees by employment contract and gender • Total number of permanent employees by employment type and gender • Total workforce by employees and supervised workers and by gender • Total workforce by region and gender • Whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors • Any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)	【PDF】Overview of the Unicharm Group > Main business indicators Along with Our Employees > View concerning human resources and respect for human rights > Human resources data
COMMITMENTS TO EXTERNAL INITIATIVES		
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	Management > Risk Management > Business Continuity Plan (BCP*) 【Securities Report】Current status of the internal control system > Risk management rules, and other related systems
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Unicharm Group's CSR > Reference framework for Unicharm's CSR strategy
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic	Along with the Global Environment > Initiatives for biodiversity
Identified Material Aspects and Boundaries		
G4-17	• All entities included in the organization's consolidated financial statements or equivalent documents • Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	Editorial Policy/Contents > Contents > Organizations 【Securities Report】Description of business, Status of affiliate companies
G4-19	All the material Aspects identified in the process for defining report content	Unicharm Group's CSR > Integrating CSR with our businesses
Stakeholder Engagement		
G4-24	List of stakeholder groups engaged by the organization	Unicharm Group's CSR > Relationship with stakeholders
G4-25	Basis for identification and selection of stakeholders with whom to engage	Unicharm Group's CSR > Relationship with stakeholders
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Unicharm Group's CSR > Relationship with stakeholders
Report Profile		
G4-28	Reporting period (such as fiscal or calendar year) for information provided	Editorial Policy/Contents > Contents > Period
G4-29	Date of most recent previous report (if any)	Editorial Policy/Contents > Contents > Date of issue
G4-30	Reporting cycle (such as annual, biennial)	Editorial Policy/Contents > Contents > Next date of issue
G4-31	Contact point for questions regarding the report or its contents	Download reports > For more information about our CSR activities, please contact:
GRI CONTENT INDEX		
G4-32	• 'In accordance' option the organization has chosen • GRI Content Index for the chosen option • Reference to the External Assurance Report, if the report has been externally assured	Editorial Policy/Contents > Contents > Reference guidelines

GRI Items	GRI Index	Page to Refer
ASSURANCE		
G4-33	<ul style="list-style-type: none"> Organization's policy and current practice with regard to seeking external assurance for the report If not included in the assurance report accompanying the sustainability report, scope and basis of any external assurance provided Relationship between the organization and the assurance providers Whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report 	Third Party Assurance Report
Governance		
GOVERNANCE STRUCTURE AND COMPOSITION		
G4-34	Governance structure of the organization, including committees of the highest governance body	Management > Corporate Governance 【Integrated Report】Corporate Governance 【Securities Report】Corporate Governance
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Unicharm Group's CSR > CSR promotional structure
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Unicharm Group's CSR > CSR promotional structure
G4-38	Composition of the highest governance body and its committees	Management > Corporate Governance 【Integrated Report】Corporate Governance 【Securities Report】Corporate Governance
G4-39	Whether the Chair of the highest governance body is also an executive officer	Management > Corporate Governance
HIGHEST GOVERNANCE BODY'S ROLE IN SETTING PURPOSE, VALUES, AND STRATEGY		
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	Unicharm Group's CSR > Integrating CSR with our businesses, CSR promotional structure Management > Corporate Governance
HIGHEST GOVERNANCE BODY'S COMPETENCIES AND PERFORMANCE EVALUATION		
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	Unicharm Group's CSR > CSR promotional structure
HIGHEST GOVERNANCE BODY'S ROLE IN RISK MANAGEMENT		
G4-45	<ul style="list-style-type: none"> Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities 	Unicharm Group's CSR > CSR promotional structure
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	Unicharm Group's CSR > CSR promotional structure
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	Unicharm Group's CSR > CSR promotional structure
HIGHEST GOVERNANCE BODY'S ROLE IN SUSTAINABILITY REPORTING		
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	Unicharm Group's CSR > CSR promotional structure
HIGHEST GOVERNANCE BODY'S ROLE IN EVALUATING ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE		
G4-49	Process for communicating critical concerns to the highest governance body	Unicharm Group's CSR > CSR promotional structure
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	Unicharm Group's CSR > CSR promotional structure
REMUNERATION AND INCENTIVES		
G4-51	Remuneration policies for the highest governance body and senior executives	【Securities Report】Current status of the internal control system > Directors' remuneration, etc.
G4-52	Process for determining remuneration	【Securities Report】Policy regarding the amount of Directors' remuneration and the method of calculation used to determine said remuneration
Ethics and Integrity		
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Unicharm Group's CSR > Integrating CSR with our businesses > Unicharm Group's value creation process Management > Compliance > Our attitude towards compliance
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	Management > Compliance > Initiatives for increasing compliance awareness
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Management > Compliance > Initiatives to raise compliance awareness

GRI Items	GRI Index	Page to Refer
SPECIFIC STANDARD DISCLOSURES		
GENERIC DISCLOSURES ON MANAGEMENT APPROACH		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including: ·The mechanism for evaluating the effectiveness of the management approach ·The results of the evaluation of the management approach ·Any related adjustments to the management approach	Unicharm Group's CSR > Integrating CSR with our businesses > Unicharm Group's value creation process Unicharm Group's CSR > Relationship with stakeholders
CATEGORY: ECONOMIC		
Aspect: Economic Performance		
G4-EC1	Direct economic value generated and distributed	【Integrated Report】Financial statements 【Securities Report】Financial conditions
G4-EC3	Coverage of the organization's defined benefit plan obligations	【Securities Report】Retirement benefits related
CATEGORY: ENVIRONMENTAL		
Aspect: Materials		
G4-EN1	Materials used by weight or volume	Along with the Global Environment > Environmental impact and environmental goals > Monitoring the environmental impact of products during the entire lifecycle
Aspect: Energy		
G4-EN3	Energy consumption within the organization	Along with the Global Environment > Environmental impact and environmental goals > Monitoring the environmental impact of products during the entire lifecycle Along with the Global Environment > Activity results for FY2015 > Addressing global warming and energy saving measures
G4-EN5	Energy intensity	Along with the Global Environment > Activity results for FY2015 > Addressing global warming and energy saving measures
G4-EN6	Reduction of energy consumption	Along with the Global Environment > Activity results for FY2015 > Addressing global warming and energy saving measures
G4-EN7	Reductions in energy requirements of products and services	Along with the Global Environment > Environmental initiatives through our products
Aspect: Water		
G4-EN8	Total water withdrawal by source	Along with the Global Environment > Activity results for FY2015 > Reducing water usage
Aspect: Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Along with the Global Environment > Initiative to prevent global warming
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Along with the Global Environment > Initiative to prevent global warming
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Along with the Global Environment > Initiative to prevent global warming
G4-EN18	Greenhouse gas (GHG) emissions intensity	Along with the Global Environment > Activity results for FY2015 > Addressing global warming and energy saving measures
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Along with the Global Environment > Activity results for FY2015 > Addressing global warming and energy saving measures
G4-EN20	Emissions of ozone-depleting substances (ODS)	Along with the Global Environment > Activity results for FY2015 > Initiatives to reduce the use of hazardous chemicals
G4-EN21	NOx, SOx, and other significant air emissions	Along with the Global Environment > Activity results for FY2015 > Initiatives to reduce the use of hazardous chemicals
Aspect: Effluents and Waste		
G4-EN22	Total water discharge by quality and destination	Along with the Global Environment > Activity results for FY2015 > Initiatives to reduce the use of hazardous chemicals
G4-EN23	Total weight of waste by type and disposal method	Along with the Global Environment > Environmental impact and environmental goals > Monitoring the environmental impact of products during the entire lifecycle
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	Along with the Global Environment > Activity results for FY2015 > Initiatives to reduce the use of hazardous chemicals
Aspect: Products and Services		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Along with the Global Environment > Environmental initiatives through our products
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Along with the Global Environment > Environmental initiatives through our products
Aspect: Transport		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Along with the Global Environment > Environmental impact and environmental goals > Monitoring the environmental impact of products during the entire lifecycle

GRI Items	GRI Index	Page to Refer
CATEGORY: SOCIAL		
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK		
Aspect: Employment		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Along with Our Employees > View concerning human resources and respect for human rights > Human resources data
G4-LA3	Return to work and retention rates after parental leave, by gender	Along with Our Employees > View concerning human resources and respect for human rights > Human resources data
Aspect: Occupational Health and Safety		
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Along with Our Employees > View concerning human resources and respect for human rights > Human resources data > Health & safety of employees
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Along with Our Employees > View concerning human resources and respect for human rights > Human resources data
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Along with Our Employees > Respect for Diversity > Dialogue between labor and management
Aspect: Training and Education		
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Along with Our Employees > Personnel utilization and training > Our distinctive training programs (excerpt)
Aspect: Diversity and Equal Opportunity		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	<p>[PDF] Overview of the Unicharm Group > Main business indicators</p> <p>Along with Our Employees > View concerning human resources and respect for human rights > Human resources data</p>
SUB-CATEGORY: HUMAN RIGHTS		
Aspect: Freedom of Association and Collective Bargaining		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Along with Our Employees > Respect for Diversity > Dialogue between labor and management
Aspect: Child Labor		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Along with Our Employees > View concerning human resources and respect for human rights > Our view of human rights
Aspect: Forced or Compulsory Labor		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Along with Our Employees > View concerning human resources and respect for human rights > Our view of human rights
Aspect: Supplier Human Rights Assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Along with Our Business Partners > CSR procurement guidelines
SUB-CATEGORY: SOCIETY		
Aspect: Supplier Assessment for Impacts on Society		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Along with Our Business Partners > CSR procurement guidelines
SUB-CATEGORY: PRODUCT RESPONSIBILITY		
Aspect: Customer Health and Safety		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	<p>Along with Our Customers > Quality Management</p> <p>Along with the Global Environment > Initiatives to reduce environmental impacts > Unicharm's management of chemical substances</p>
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	<p>Along with Our Customers > Quality Management</p> <p>Along with the Global Environment > Initiatives to reduce environmental impacts > Unicharm's management of chemical substances</p>
Aspect: Product and Service Labeling		
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Along with the Global Environment > Environmental initiatives through our products
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Along with Our Customers > Quality Management > Initiative for appropriate product labeling
G4-PR5	Results of surveys measuring customer satisfaction	Along with Our Customers > Communicating with customers
Aspect: Marketing Communications		
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Along with Our Customers > Communicating with customers > Communication with customers using various media
Aspect: Customer Privacy		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Company Top > Privacy policy