

CSR Activity Report 2017

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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 Title *Our Dreams*

Risa Matsuda

Risa is an eight year old from Fukushima Prefecture. She created this work of art by using her hands to tear up pieces of paper she painted with her feet and then applying these pieces as a collage. She portrays both yellow and red colors on this collage.

Our dreams are waiting before the time when we are walking.

This moment in time that I am creating now will color my future.

Risa created this work of art with a positive outlook on life, while also enjoying the moment.

Overview of Unicharm Group

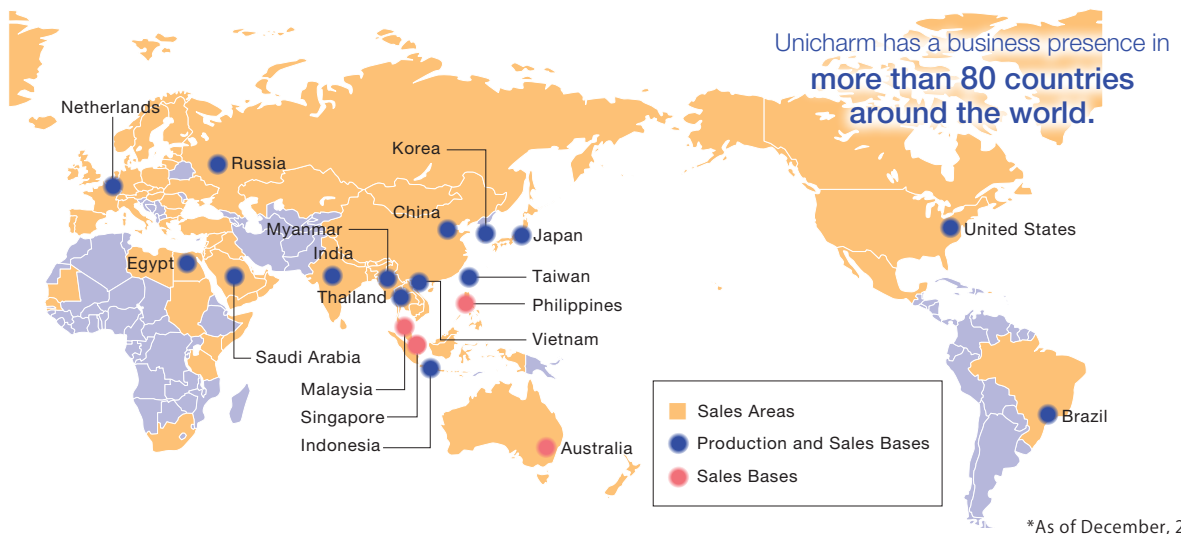
Company profile

Corporate Name	Unicharm Corporation
Date of Establishment	February 10, 1961
Capital	15,992 million yen (as of December 31, 2016)
Number of Shares Issued	620,834,319 (as of December 31, 2016)
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	15,843 (on a consolidated basis as of December 31, 2016)
Listed Exchange Business Lines	First Section of the Tokyo Stock Exchange 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/index.html

Primary Consolidated Subsidiaries and Affiliates

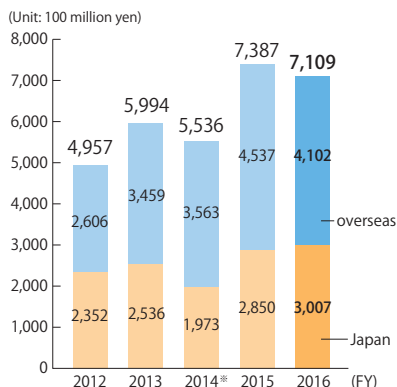
Japan	Unicharm Product Co., Ltd. Unicharm Kokko Nonwoven Co., Ltd. Cosmotec Corporation Unicharm Mölnlycke K.K.
Overseas	United Charm Co., Ltd. (Taiwan) Uni-Charm (Thailand) Co., Ltd. LG Unicharm Co., Ltd. (Korea) PT Uni-Charm Indonesia (Indonesia) Uni.Charm Mölnlycke B.V. (Netherlands) Unicharm Consumer 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	30 companies (as of December 31, 2016)

Production and Sales Areas

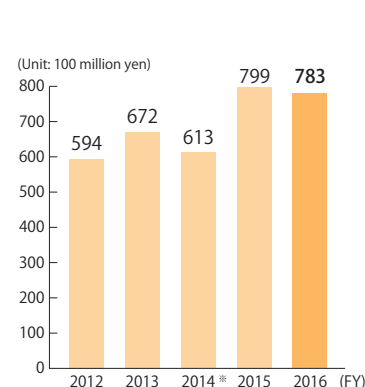


Main Business Indicators

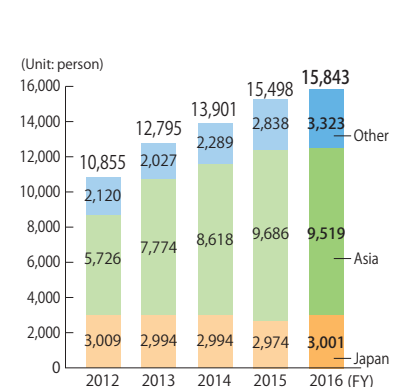
Consolidated net sales



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

Editorial Policy

In preparation for the “CSR Activity Report 2017”

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 medium-term environmental targets for Unicharm and will actively be involved in dialogue with stakeholders.

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 2017” 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 FY2016 as well as the latest information for the early part of FY2017.

■ 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, 2016 to December 31, 2016 (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
- Sustainable Development Goals (SDGs)

■ Date of issue

April, 2017. Next date of issue: April 2018

■ Available at

CSR on the Unicharm website

Message from the President

Unicharm's CSR is embodied by its corporate philosophy of NOLA & DOLA



Takahisa Takahara
President and CEO

The evolution of IT and globalization has brought about various changes around the world that have far exceeded our imagination. This means that the new normal of today is characterized by constant change.

On the other hand, the world faces a diverse array of social issues as indicated in the Sustainable Development Goals (SDGs) and COP21, including aging populations and declining birthrates in Japan and other developed countries, worldwide environmental issues, and poverty and health issues in emerging countries.

Helping to resolve these issues through our core business is the same as fulfilling our corporate philosophy of NOLA & DOLA (Necessity of Life with Activities & Dreams of Life with Activities), which represents our approach to CSR. NOLA & DOLA embodies our vision 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. Our mission is to “continually support people's lives and dignity,” and for this reason one of the most important topics facing Unicharm is finding ways to achieve this mission.

Aiming to realize cohesive societies

Forecasts indicate that 30% of Japan's population will be 65 years or older by the year 2020. Looking forward, we must realize cohesive societies where all generations live alongside one another, providing support and assistance. I believe it will be important to create societies where all people can live naturally by mutually respecting their humanity and uniqueness; instead of supporting one another out of mutual obligation or burden.

Since entering the business for disposable adult diapers in 1987, Unicharm has continually proposed novel approaches to nursing care. Today, we are working to popularize and raise awareness about our specialized incontinence care products that encourage greater involvement in society through enhancing motivation of going out, including our Lifree Thin & Light Pant that supports independence, aimed at lengthening healthy life expectancy. In 2016, we came up with a new dementia prevention program called Social Walking® that promotes interaction with society as part of our efforts to achieve longer and healthier life expectancy for seniors. In the field of baby care, we have continually undertaken various forms of research to promote the healthier growth of babies. This year, we jointly established a technology with Nagasaki University for measuring brain activities from mother-child interaction through the sense of touch, marking the first of its kind in the world. This project showed that soft disposable diapers generate similar brain activities as when the skin is touched, showing that babies feel good when wearing them. Based on these results, we developed and released a product called Natural Moony, a disposable diaper that is as soft as a mother's touch because it features a surface sheet infused with organic cotton. Additionally, research has shown that living with a pet can effectively improve mental and physical health, create joy, and for seniors make life healthier and longer. Unicharm entered the pet care market in 1986 and in 2001 we released a disposable diaper for pets with the goal of realizing a society where families and their pets can live happier and healthier lives together. Additionally, we are also working to achieve cohesive societies of people and pets by proposing the DeoToilet, which makes more hygienic indoor potty training possible and manner wear that alleviates concerns when outside the house.

Tackling issues facing societies around the world

Unicharm's overseas expansion began in 1984 with the establishment of a subsidiary in Taiwan, and today we now sell disposable diapers and feminine care products in roughly 80 countries and regions around the world. We are now quickly expanding our business internationally tailored to the lifestyles and business customs of each country and region, based on our product development capabilities and marketing abilities honed in Japan. In 2007, we launched Mamy Poko Pants Standard, realizing more affordable disposable diaper by narrowing down the product functions to deliver more hygienic and safer living to countless families. Within this context, in 2006 Unicharm announced its support for the United Nations Global Compact and since then we have been actively creating sales and manufacturing jobs locally in the countries and regions where we operate. We also plan on opening a new factory in Fukuoka Prefecture, Japan, to address rising demand from around the world for Japanese made products. The entire company is now working toward the start of operations at this new smart factory that will be environmentally conscious, energy efficient, and promote visualization on the production floor through the introduction of automation and proprietary equipment made possible through our own technologies and know-how added to cutting edge technologies like AI, IoT and robotics.

Furthermore, we have established Eco Plan 2020 as a medium-term guideline for our environmental initiatives, which require responsible action. Our initiatives to recycle disposable diapers for contributing to a sustainable society and building a recycling-oriented society are close to becoming a functional business as they have reached the demonstration trial stage that is being implemented jointly with the City of Shibushi in Kagoshima Prefecture.

Aspiring to be a sustainable corporation

In May 2015, Unicharm transitioned to a company with an Audit & Supervisory Committee in order to reinforce supervision of the Board of Directors' duties and to meet the expectations of stakeholders from a global perspective by improving transparency and efficiency of processes through the greater involvement in management of outside directors. We will continue to further reinforce corporate governance, while heightening the transparency of decision-making criteria used by the Nomination Committee and Remuneration Committee.

The Unicharm Group is also working to develop and improve its workplace environment. The Work-style Reform Promotion Office newly established in October 2016 is helping to push reform efforts forward with a focus on improving productivity and encouraging the greater involvement of women in the workplace. In January 2017, Unicharm declared its commitment to work-style reform, introducing a telework system that enables diverse work-styles and developing an environment where employees are encouraged to be more independent and autonomous to achieve greater productivity and ingenuity. At the same time, we introduced the interval system so as to eliminate health issues arising from work. Our goal at Unicharm is to be a company where each and every employee can thrive professionally in a healthy and motivating environment.

Looking to the future, every employee will help to open the door to sudden, unprecedented changes or "mutation, which includes expanding into new business domains that transform discomfort into comfort by blending digital technologies and non-woven fiber technologies, all in an effort for Unicharm to realize the goal of creating cohesive societies.

April 2017

Takahisa Takahara

President & CEO

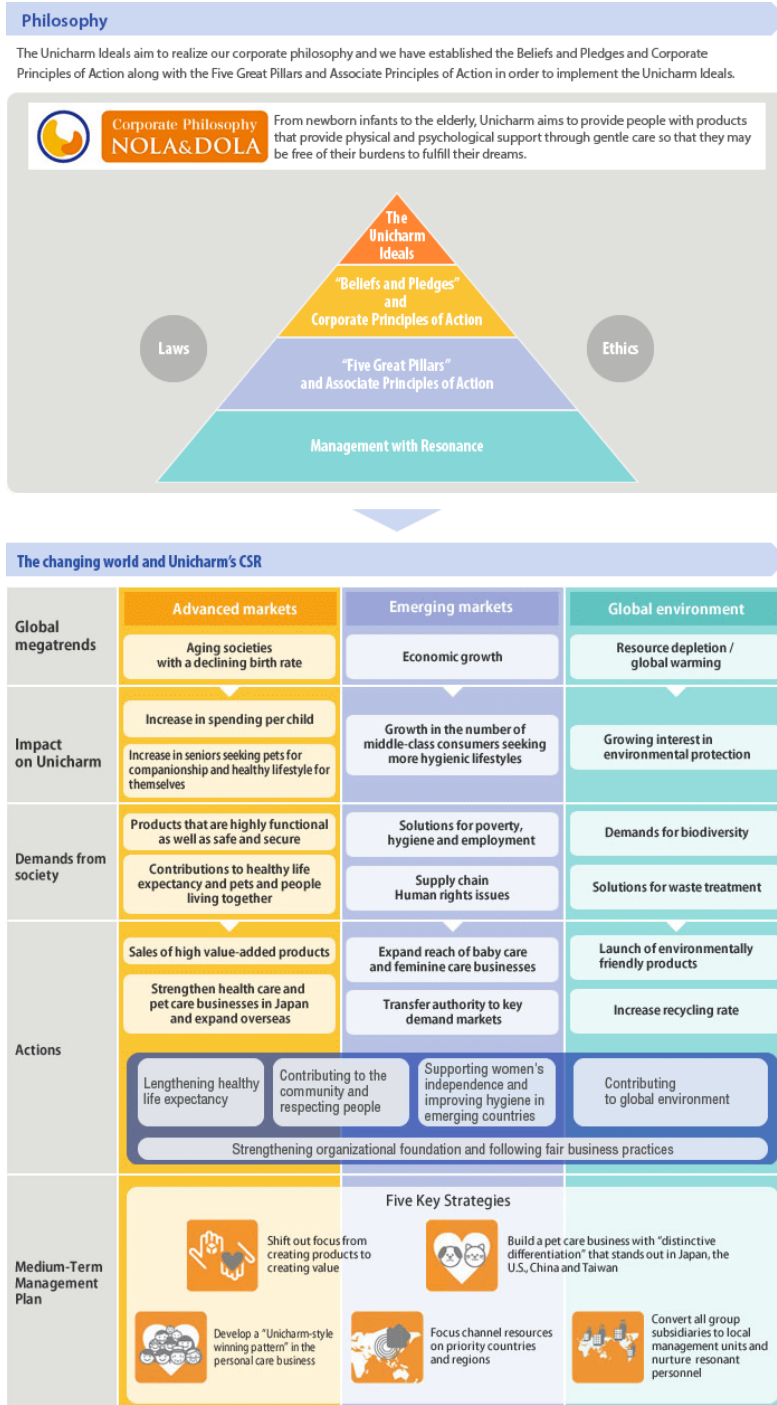


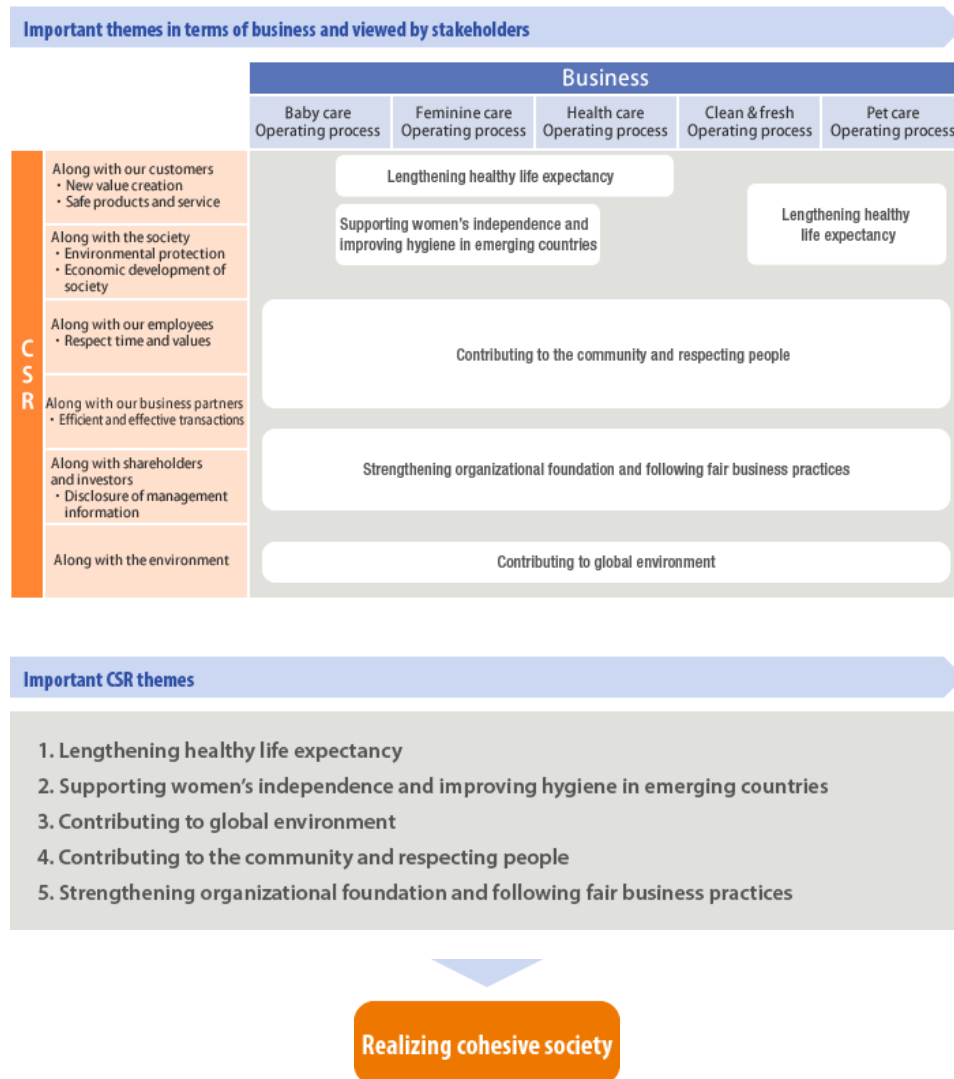
Unicharm Group's CSR

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





● Message from Management

Under the corporate philosophy “NOLA & DOLA” (Necessity of Life with Activities & Dreams of Life with Activities), Unicharm aims to help resolve social issues through its core business in an effort to realize a cohesive society where different generations can live side by side comfortably, helping one another as needed. For this reason, we are now working to create better products and services by honing our proprietary technologies for processing and forming non-woven fabrics and absorber solutions. In Japan, Unicharm has worked on making new proposals that help to extend healthy life expectancy, given the rate at which Japan is headed toward becoming a super aged society. Internationally, Unicharm supplies products that enable women to play a more integral role in society, while our offices and factories are creating jobs for women locally.

Complementing these initiatives, in 2016 we established Eco Plan 2020 as a guideline for our medium-term environmental efforts to promote fewer environmental impacts aimed at a sustainable society. We are committed to doing our part to contribute to a sustainable society. This includes building a system around the three pillars of waste reduction, sustainable procurement, and measures to address climate change, recycling programs for disposable diapers, procurement with cognizant of biodiversity, measures to address global warming following COP21, and an increase in environmentally-friendly products.



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

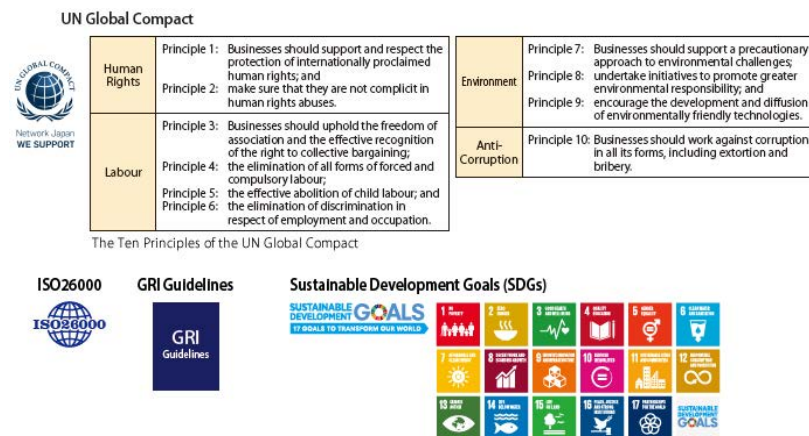
Unicharm has established a structure to implement and promote smooth CSR activities in order to meet our stakeholders' expectations. Our "CSR Committee" is a cross-organizational structure for the support of CSR, chaired by our president. The committee meets four times a year to discuss and share information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

◆ Cross-organizational structure to support and promote Unicharm's CSR



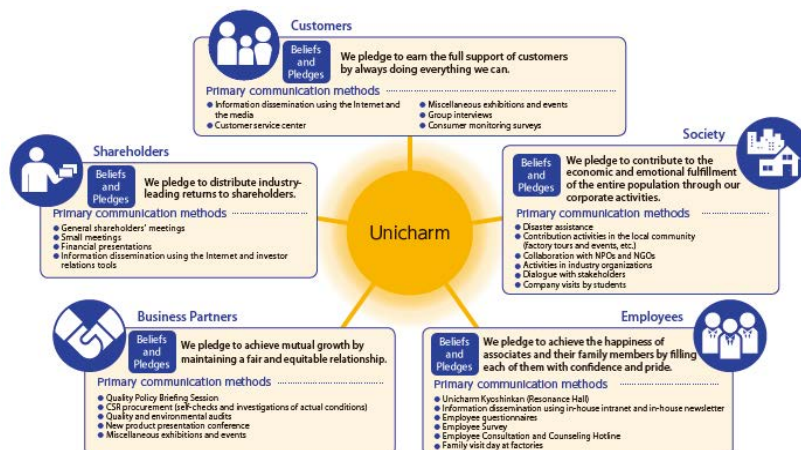
Reference framework for Unicharm's CSR strategy

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.



Unicharm's Approach to Resolving Social Issues

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.



01



Lengthening Healthy Life Expectancy

We contribute to realizing a cohesive society through manufacturing and proposing products aiming for better continence care so that we can support many people who hope “to live independently and have a rich social life even after getting old.”



02



Supporting Women's Independence and Improving Hygiene in Emerging Countries

Unicharm has pursued manufacturing and selling of sanitary products and disposable diapers in the emerging markets in fast-growing Asia since the 1990s. Our never-changing hope is that we continue to deliver products and services to more women in the world that change their “discomfort” into “comfort.”



03



Contributing to Global Environment

Unicharm is building a recycling-oriented model for disposable diapers that extends across the entire product life cycle. We contribute to realizing a sustainable society through balancing environmental conservation and economic growth.



04



Contributing to the Community

Since immediately after the Great East Japan Earthquake, Unicharm has delivered supplies and continually provided relief support, even today. Through these activities, we will continue to deepen our interaction with local residents and make contributions to local communities.

CSR Key Topic 1: Lengthening Healthy Life Expectancy

Our aims

Now that we are entering a super-aging society, Unicharm's mission is to support elderly people to live in the way they wish to. We contribute to realizing a cohesive society through manufacturing and proposing products aiming for better continence care so that we can support many people who hope “to live independently and have a rich social life even after getting old.”



Background

Appropriate continence care is the key to enjoying life forever

In Japan, the gap between “healthy life expectancy,” which is defined as an expected remaining period of life in which one is able to spend independently without the need for daily care, and “average life expectancy” is approximately 9 years for men and 11 years for women, both shorter than the former. All the more because Japan is called the nation with the highest average life expectancy, lengthening healthy life expectancy is crucial for people to enjoy a fulfilling life longer.

This brings us to the focus on intervening early for various symptoms of aging (geriatric syndrome). Continence issues is one of the typical geriatric syndromes and adversely influences sleep, exercise, and diet, leading to affecting the mental aspect such as losing confidence over their own health.

We are working towards devising appropriate continence care, which we view as a key part of lengthening healthy life expectancy.

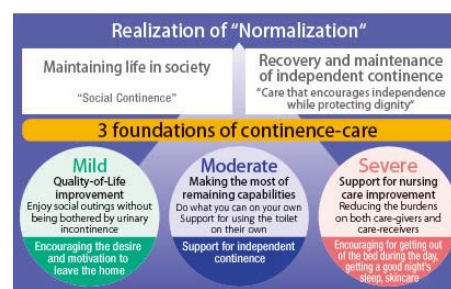
Our activities

Our challenge to support healthy life expectancy with “Lifree”

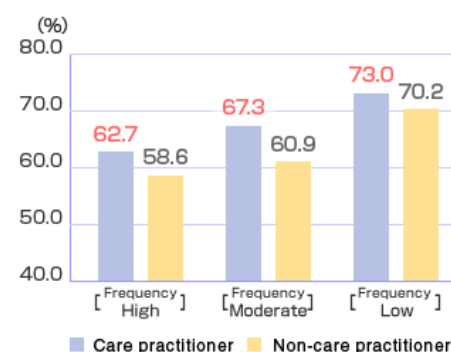
Improving Quality-of-Life by suggesting a new “continence care”

Unicharm has been offering products and services that encourage independence in bathroom behavior through the “Lifree” brand. To spread early self-care for those who notice symptoms, we left the past framework of “care diapers” in 2015. We offer the concept of “continence care” from each degree of mild, moderate, and severe, to a wide range of population experiencing continence trouble. In particular, we are presenting continence care products to people in the mild category who have been thinking “this is not yet for me” so that we can support their increased opportunity for social participation by easing their worries about going out. For those in the moderate category, we have improved the pants so that they can feel at ease using the diapers without worry of them leaking, and support a life where they can use the toilet themselves. Those who are provided appropriate continence care tend to have a higher rate of satisfaction towards daily life compared to those who are not. We contribute to improving Quality-of-Life for the elderly through suggesting “continence care.”

We are also disseminating information on better continence care at the website “Continence Care Navigation” based on research at facilities and hospitals around Japan.



■ Satisfaction toward current daily life

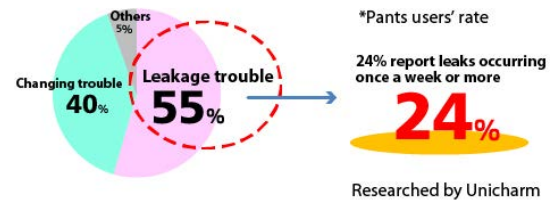


Don't let them be bed-ridden! The technical revolution of pants that support independent continence

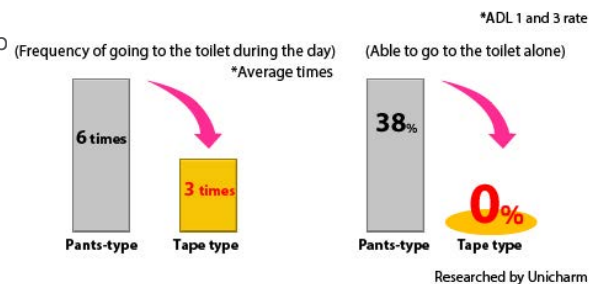
“Worry about leaking” is the reason to move to disposal diapers

The research Unicharm conducted made it clear that many people who are able to go to the toilet and urinate have moved to disposal tape-type diapers. Leaks mainly occur from the gap where the leg meets the torso. We think that one of the reasons leaks happen is because the legs become thinner from the decrease of muscle tone and exercise with aging. When one starts using disposable tape-type diapers, the level of independence decreases as shown in the frequency of going to the toilet dropping dramatically or that one loses the ability to go to the toilet alone during the day time even when their bodily condition remains the same. As a result, it invites becoming bed-ridden. It is particularly important to keep living a life where one uses the toilet in order to maintain daily mobility and enthusiasm.

Reasons to move to disposable tape-type diapers



Urination environment at the toilet after changing to disposable tape-type diapers



Reduced the rate of leaks to a quarter compared to conventional products with patented technology

In order to have our customers continue independent urination using pant-type disposable diapers, Unicharm has applied the patented technology “Perfect-Fit Gap-Free Gathers” which reduces leakage from the gap where the leg meets the torso.” By increasing the contact against the skin by having the diaper securely lie flat, we have decreased the rate of leakage to a quarter. We have also improved the diaper by widening the space between the shirring to make them higher in order that the pads used by 70% of the people who use the pants-type diaper can be easily put in and taken without discomfort. Through providing security of no leakage and the easy exchange of pads, we support continued toilet usage in order to hold off as long as possible transitioning to disposable tape-type diapers.



“Perfect-Fit Gap-Free Gathers” which is gentle on the skin and fits flatly on the body



Thin-type Comfort Pant



Long-hours Thin-type Feel-At-Ease Pant



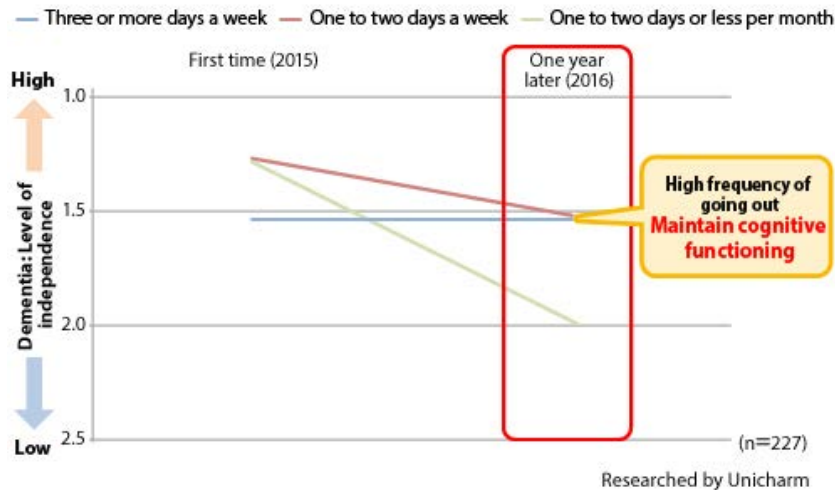
Rehabilitation Pant

“Lifree Pant” The ‘Surutto Hakete Pittatto Fit (Easy-to- Wear & Perfect-Fit Gap-Free)’ series

Contribute to lengthening healthy life expectancy with Lifree's "Social Walking®" *

It is predicted that 1 in 5 adults 65 or older will have dementia by 2025. Recent studies have shown that moderate aerobic exercise is effective in preventing dementia. The most accessible method of conducting aerobic exercise is walking. It is important to create a habit of going out and not staying shut in the house.

We offer products and services for various age groups from babies to the elderly as a corporation that supports each and every person's healthy mind and body going through daily life. We have supported healthy life expectancy from the perspective of continence care. We are newly contributing to lengthening healthy life expectancy through Lifree "Social Walking®" which is about walking with an "aim" while interacting with "society." This contributes to improving social problems such as "shut-in" and "dementia" which is a part of our aging society.



*What is "Social Walking®"?

It has been proven that it is effective to approach dementia prevention from two aspects, the "physiological" and "cognitive" approaches. The "physiological approach" maintains one's brain health in good condition through moderate exercise and a well-balanced diet and the "cognitive approach" stimulates the brain through contact with society including art, hobbies, and volunteering activities. "Social Walking®" is a dementia prevention program that combines walking, the representative easiest "physiological approach" activity, with "cognitive approach" that creates interaction with "society" and an "aim." We invented it under the guidance of the Tokyo Metropolitan Institute of Gerontology. It is a neologism that combines the words "social participation" and "walking" and is a walking program aimed at preventing dementia that makes it easy for anyone to engage in walking in an enjoyable way.

Participating in society

Role
Work, regional activities
Interacting
Walking the dog, going
around famous sites
Going out
Greeting people, shopping



Walking for health

**Walking for daily life such
as doing house chores**

+
Purposeful walking
15-30 minutes a day

● Experience “Social participation + walking”

In October 2016, we held a Lifree “Social Walking®” experiential expo at Hibiya Park (Tokyo) and Osaka Castle Park (Osaka). We were lucky to experience at a beautiful autumn weather in both Tokyo and Osaka and had a total of 110 participants.

On the day of the event, we held a lecture concerning dementia prevention by Dr. Fujiwara of the Tokyo Metropolitan Institute of Gerontology who supervised Lifree's “Social Walking®.” We also had Instructor Shibata from Japan Nordic Walk League walk who showed us through training our pelvic floor muscles which are effective for walking and urine leakage, and introduced the must-see sites in the walking course introduced by the guide of each facility. After that, we had the participants actually go out and try the Nordic Walk using poles. More than 90% of the participants responded positively with words such as “I was satisfied” and “My desire to go out in the future has increased.”



Voice from a participant



Ms. Tomomi Asao

I did not know about walking with poles, but having tried it today, I felt how it was contributing to exercising my upper body even though I was walking. I have not really thought about dementia until today so today's experiential expo has given me the opportunity to think about it. I also heard that it is important that I stay involved in society by creating small tasks to complete around my social life taking walks, shopping, and participating in volunteering activities for preventing dementia. I do think that the risk for dementia increases the longer you live and I want to tell my mother who will be 78 about “Social Walking®.”

Voice from an expert

Our research team conducts research that elucidates how social participation of the elderly such as working and volunteering influences health. When Unicharm came to me saying they wanted to contribute to lengthening the healthy life expectancy from a different approach, I told them about the significance of “walking” and “social participation” and then I collaborated in developing “Social Walking®” combines doing both at the same time. In terms of elderly care, the nation is also shifting towards lengthening and expansion of at-home life under the guise of Regional Comprehensive Care System. The significance of further extending healthy life will continue to increase not only for the elderly him or herself, but also for the family and the regional society. I hope that Unicharm fully utilizes its speediness and flexibility unique to privately owned corporations and to participate in creating the national vision of the super-aging society for a social win-win.



Mr. Yoshinori Fujiwara,
Research Director
Tokyo Metropolitan Institute of
Gerontology

Voice of the person in charge

Masaki Ishibashi
Global Marketing Division
Unicharm Corporation

Lifree has been suggesting aiming for zero people bed-ridden by launching rehabilitation pant for “caring for the bed-ridden” which became social problem in 1995. Now dementia has become a social problem that cannot be bypassed towards lengthening life expectancy. Lifree wants to contribute to society through promoting “Social Walking®” a tool for dementia prevention that allows for people to interact with society and go out without becoming in shut-in for fear of having to use the toilet.

● Topics

80% improved with self-care! The men's “sensitive bladder situation” you wouldn't want to miss

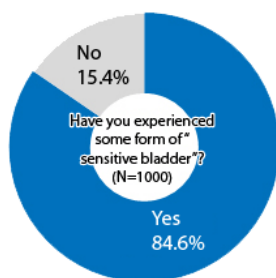
According to our field survey, “Bathroom Facts: Sensitive Bladder”, 84.6% of the men in their 20s-50s report that they have experienced “sensitive bladder” regardless of age group. It has become clear that a high percentage of people become anxious working about being found out or not being able to concentrate on their work due to these leaks in addition to worrying about sanitation.

The 70-80% of the people who take measures against “sensitive bladder” with specialty urinary care products have experienced reduced anxiety and improved conditions. They indicated the importance of properly taking care of the problem by showing an increased level of satisfaction for daily life as expressed in their responses such as “I enjoy every-day life” and “work is fulfilling.”

For more information, please see the informational site for those suffering from urinary leaks, “Men's Sensitive Bladder Navi by Lifree Sawayaka (Fresh) Pad.”

We will continue to explore the actual conditions of urinary leakage many find difficult to consult with others and provide our support to create an environment more congenial to discuss these matters frankly and improve their comfortableness through offering products and information.

▼Have you experienced some form of “sensitive bladder”?



CSR Key Topic 2: Supporting Women's Independence and Improving Hygiene in Emerging Countries

Our aims

Unicharm has pursued manufacturing and selling of sanitary products and disposable diapers in the emerging markets in fast-growing Asia since the 1990s. Our never-changing hope is that we continue to deliver products and services to more women in the world that change their “discomfort” into “comfort.” We aim to make a contribution unique to Unicharm through helping women living in all regions to shine even more.



Background

Aiming for a society where women can be independent and have social influence

In Asian countries, there are various issues influenced by cultural and social factors surrounding women's lives. In South Asia, the Middle East and North African regions, the reality is that women's opportunities to receive an education and to work are greatly limited. There are also some countries and regions where women's activities during their menstruation are limited because of certain customs.

Overcoming these issues so that women can achieve independence and the ability to actively participate in society are important not only from the perspective of achieving a gender equal society, but also to eliminate poverty and further advance economic conditions. Increasing women's awareness of hygiene also has the added effect of improving the living environment and health of families.

Utilizing the know-how developed in our business in Japan, we are pursuing various educational activities and creation of work sites while expanding products and services suited to each country and region's characteristics.



Our activities

Progress of “menarche education program” in Myanmar

Efforts to eliminate “I can't go to school because I am menstruating”

In Myanmar, there are many students who do not go to school when their menstruation begins because its mechanism is not well known. This is one of the social problems many educators voice concern about such as by saying, “many schoolgirls suffer from lower academic achievement because they miss classes during menstruation and this negatively impacts women's empowerment.”

The rate of sanitary pad usage is about 30% in Myanmar as a whole, and about 20% in the non-urban areas. Especially in farming villages, not using sanitary products is known to be one of the causes of schoolgirls missing school during menstruation. To create a foundation for these students so that they can actively participate in society in the future, it is imperative that we continue to spread knowledge about how to appropriately care for themselves during menstruation so that they can understand their bodily changes during adolescence in a positive light and confidently engage with their studies even during menstruation.

The first menarche education to be approved by the Myanmar government in collaboration with NGOs

Unicharm is organizing the menarche program for schoolgirls in Myanmar in collaboration with Japan International Cooperation Agency (JICA) and Japan Organization for International Cooperation and Family Planning (JOICFP).

Since we are dealing with content that needs to be dealt with great sensitivity, we cannot be sufficiently active without understanding and support from local official institutions. As a result of engaging in this activity with the Myanmar Ministry of Health and Sports as the partner for local implementation, we have developed Myanmar's first menarche educational material (version to be used in limited regions) officially approved by the government. Based on the material for Japanese schoolgirls, we have changed the illustrations and expression to something locally relatable, and have included adjustments that take into account cultural factors.



Menarche educational material developed for Myanmar



Menarche educational material for Japan

Implementing menarche education to 6,100 people in five test regions

In 2016, we moved from training local educators to the implementation phase utilizing the educational material. We conducted menarche education to a total of 6,100 schoolgirls in five test regions and distributed sanitary pads to them so that they can experience appropriate care. After carefully reviewing the content while referencing the feedback received from the participating schoolgirls, their parents/guardians, educators, etc., we completed the final version of the menarche educational material, which has been approved by the Health and Sports ministry. According to our research, many schoolgirls who received the menarche education replied, "There were many things I learned for the first time and I was able to gain correct knowledge of menstruation," "I was able to have a positive conversation about menstruation with my mother," etc. We also found out that more than 70% wanted to use sanitary pads.

In the future, we will aim to expand menarche education in collaboration with the local government and schools while working on enhancing educational activities for educators and mothers of the schoolgirls.



Voices from schoolgirls and mothers who participated in menarche education



Ms. Khin Cho Cho Pyone,
13 years old, and her mother
Pantanaw Township, Bago Region

My mother had told me that I would bleed one day. But, I didn't know from where I was going to bleed so I am glad I heard an explanation about the period today. I found the explanations about cramping and what to do about it easy to understand and I was relieved. (Ms. Khin Cho Cho Pyone)

I find it hard to explain this well so I am grateful for today's class. (Her mother)

A voice from the Health and Sports Ministry

At present, the Health and Sports Ministry is strengthening encouragement of the school-based health programs on a national scale. We think that launching a menarche education program for pre-teen and teenage girls at schools is imperative for empowering women. It is a wonderful thing that material that promotes this has been created over time by three divisions in the Public Health Department, Unicharm, and JOICFP, with support from JICA. This activity is linked with the “comprehensive school health program” and is also related with “life skills (abilities and skills necessary for living)” promoted by the Education Ministry. We hope that the collaboration between the Health Sports Ministry and the Education Ministry is strengthened further so that this activity may be rolled out nationally.



Dr. Than Win
Acting Director of the Public Health and Hygiene Department, Health and Sports Ministry

The voice of the contact person for JOICFP



Ms. Kei Yoshidome
Senior Program Officer, Human Resource Development Group, JOICFP

Being involved in developing Myanmar's first menarche educational material along with Unicharm and the Myanmar Ministry of Health and Sports was an invaluable opportunity full of growth. We are very happy that the material developed has become one that reflects the voices of health professionals involved in educational activities, the schoolgirls who attended the classes, and their parents. At the end of this activity, we received many responses saying that people would like to spread this on a national scale. We will continue to make efforts toward developing human resources and educational activities that allow young women in Myanmar to attain both hygienic habits and the ability to protect their own bodies.

The voice of the officer

In Myanmar, the population living in urban areas constitutes 30% of the entire population and the remaining 70% live in small rural villages. The reality is that the awareness to stay hygienic during the menstrual cycle is not widespread. Many live without adequate information concerning menstruation, and they live in an environment where parents and friends around them do not have a custom of using sanitary products and they have no information coming from other sources such as television. This time, we conducted classes on menarche for students and their mothers at multiple schools for the first time. In the future, we will continue our educational and promotional activities concerning knowledge about menstruation and how to care for it. We hope to contribute to the social promotion of Myanmar women through our activities.



Yasutaka Nishioka
Marketing Manager, MYCARE Unicharm Co., Ltd.

Progress on menarche education in India

Launching menarche education programs all over India

In 2013, in cooperation with JICA and local NGOs, Unicharm began promoting an educational program on the mechanism and appropriate care of the menstrual cycle called “Managing Menstruation: My Pride” for schoolgirls in India. This program aims to help girls stay sanitary and remain active with confidence during their menstrual cycle. Word of the program has spread from school to school across the region and by 2016, we had deployed this program in other major cities including Delhi and Mumbai. We educated over 120,000 schoolgirls during this four-year period.



Expanding the roll-out of the menarche education

In 2016, we conducted educational programs about menarche using regional public halls in addition to the programming already in place at schools. The trainers in charge of the class aims to resolve the insecurities that arise in reaction to the onset of menstruation and general bodily changes that take place during adolescence by directly talking to the eight to eighteen year old girls that gather in these public halls after school. In addition to resolving their insecurities, they are engaged in correcting past beliefs including those such as “the body stops growing with the onset of menstruation” and “you should not enter a temple during the menstrual cycle.”

At the public hall in Neemrana, class was conducted after gathering girls and their mothers living in the area. We relayed to the mothers the importance of imparting knowledge about the menstrual cycle before their children experience its onset in order to give their children who might feel insecure about their bodily changes due to adolescence appropriate ways to cope with their feelings.

At a class held at a public hall near Delhi, approximately 120 schoolgirls participated.

There, we introduced the characteristics of the bodily and emotional changes around the menstrual cycle and communicated that this was not any sign of abnormality to put the girls at ease. We are also experimenting with various techniques such as having girls whose menstrual cycle has already begun to speak in front of girls who have not yet experienced this.

A fourteen year old girl who participated in the class said the following: “This was a good class where I was able to learn about the rhythm of the menstrual cycle, which I did not know about until now and also about the importance of using sanitary pads from a hygienic perspective.”



The class at a public hall in Neemrana



The class at a public hall near Delhi

Job Support at a Women-Only Factory in Saudi Arabia

Unicharm established a women-only factory in Saudi Arabia in 2012 to provide women with the opportunity to work while respecting local customs that women are not supposed to stay in the same room with men or converse with them. Factory operations were set up in a way that women avoid all contact with men during



The onsite daycare

work, allowing many female employees to work with motivation and become economically independent.

After four years, we expanded the production lines for female workers with special needs, and invested in equipment that meet their individual requirements. At the same time, we are working to reduce their workload while improving production efficiency. Since we also have quite a few employees who are single mothers, we set up an onsite daycare in response to many workers' requests creating a workplace environment in which our employees feel even more at ease. During the past 2 years in particular, Saudi Arabia has been encouraging women workers to assume responsibility and employment in multiple domains including retailing, commercial and industrial activities. For example, at many hypermarkets, women cashiers are becoming the norm.



Training for an employee with special needs

● Voice of employees working in a women-only factory



Eida Al Balawi
Unicharm Gulf Hygienic Industries Ltd.

After being widowed, I had to become the breadwinner for my five children. After finding this job at Unicharm two-and-a-half years ago, I have been able to provide for my family without sacrificing any time with my children. Unicharm provides appropriate transportation, an incentives system, and medical insurance that also covers my children, so I am very satisfied with my job and wish to continue working at Unicharm.

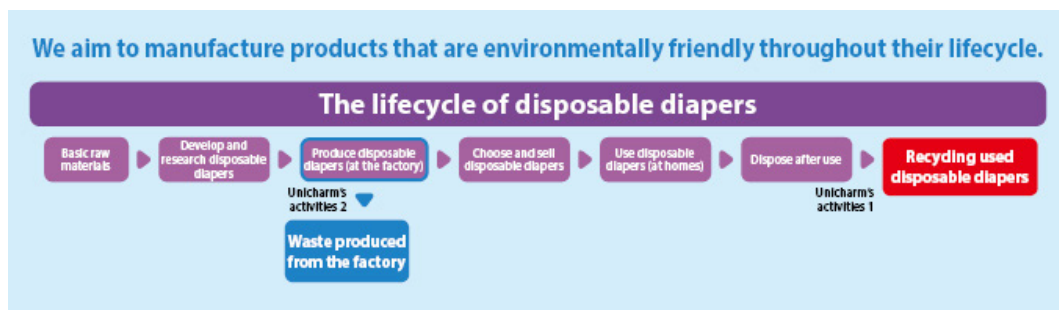
CSR Key Topic 3: Contributing to Global Environment

Our aims

It is imperative for us, a consumer-goods company, to acknowledge the great responsibility we bear for handling disposable products and produce in a way that takes the environment into account. We are going forward with building a recycling-oriented model of disposable diaper production while maintaining its safety as a sanitary product, which is vital. We contribute to realizing a sustainable society through balancing environmental conservation and economic growth.



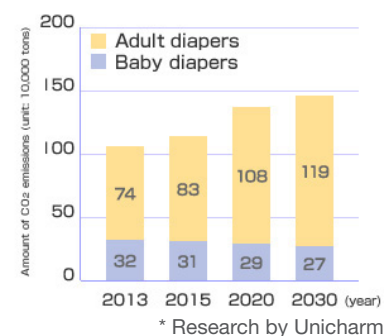
Background



Responding to the continuously increasing disposable diaper waste

The production of incontinent adult diapers continues to increase these days alongside the increase in the elderly population. The amount of used disposable diapers disposed of as waste and the amount of carbon dioxide emitted from their disposal by burning continues to grow in proportion. Moreover, the high-grade pulp used as the material for disposable diapers is made from wood so increased pulp usage necessitates increased amounts of forest resources. Another big challenge is the large amount of water necessary in the process of creating pulp from wood. Reducing emission of carbon dioxide and effectively using forest resources and water are something that must be confronted when thinking about the lifecycle of disposable diapers. We must squarely face our responsibilities as a manufacturer in regards to these issues.

Change in CO₂ emissions released by burning diapers



Our activities

1. Activities towards recycling disposable diapers

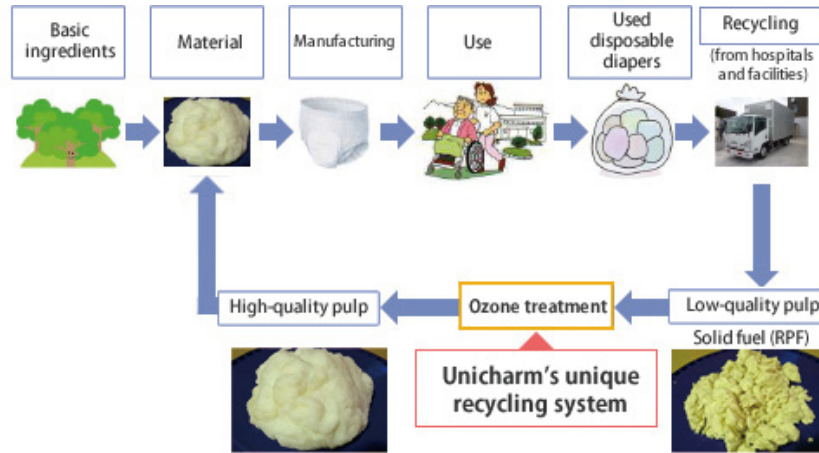
We have been engaged in recycling used disposable diapers since 2015. Previously, plastic pulp and low-grade pulp had been taken out from some used disposable diapers and plastic pulp had been recycled as refuse-derived fuel (RPF). However, there was always the risk of contamination from bacteria contained in human waste when reusing low-grade pulp. There was also the issue of the absorptive polymer (SAP) contained in disposable diapers causing clogging in the facility in the process of recycling.

Among all these concerns, we succeeded in developing our own unique recycling system that allows us to extract sanitary high-grade pulp from low-grade pulp in 2015.

A unique recycling system developed by Unicharm

The recycling system we developed in 2015 applies a unique ozonation process to low-grade pulp we extract from used disposable diapers which destroys the organisms contained in the waste. The SAP is then oxidized and dissolved into water and carbon dioxide. We recycle used low-grade pulp into high-grade pulp that is just as hygienic and safe as virgin pulp making it possible to reuse it in new disposable diapers.

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



Establishing a recycling system that can be spread throughout the world with the City of Shibushi

We are currently engaged in a trial run of this recycling system in Shibushi City, Kagoshima Prefecture, through collaborating with the local government and waste collection businesses. We participated in the Conference on Recycling Disposable Diapers hosted by City of Shibushi and signed a collective agreement with the City and So'o Recycling Center. In collaboration with local waste collection businesses, we have begun collecting used disposable diapers separately from homes and businesses such as nursing homes to go forward with a trial run of the recycling technique.

The goal for Unicharm and Shibushi City is to establish a disposable diaper recycling system that is possible to spread domestically and internationally. We aim to thoroughly begin separated collection and recycling within Shibushi City by 2020 while continuing to examine various possibilities for the future.



President Takahara (left) of Unicharm and Mayor Honda (right) of the City of Shibushi after signing the agreement



Explanation to residents



Used disposable diapers



Collecting disposable diapers



Inspecting the collected products



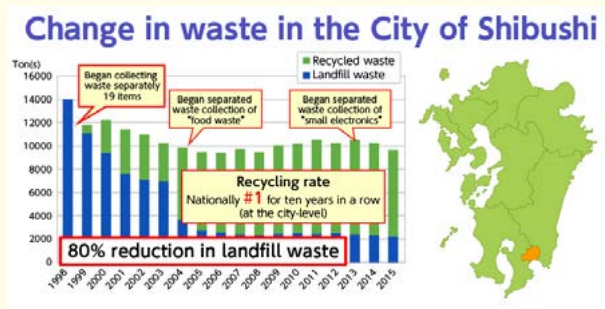
Ozonation machine



People from the recycling center

● Number one in recycling rate for ten years in a row — Shibushi City, the forerunning local municipality for recycling

Shibushi City has held first place in the rate of recycling for ten years in a row. It is the forerunning city for recycling that introduces methods of waste management even internationally. Shibushi never had an incineration facility and had disposed of all waste through landfills. Faced with the limit of the final disposal field, Shibushi accelerated its recycling efforts by implementing thoroughly separated waste collection, leading to successfully reducing landfill waste to 80% by 2015 compared to 1998. What occupy approximately 20% of landfill waste now are used disposable diapers. If these can be recycled, this will largely contribute to further extension of the final disposal field and reduction of carbon dioxide emission. The trial run is on course and garners high expectations from the region.



Waste already separated from the home

Voice of the Shibushi Mayor



Mr. Shuichi Honda
Mayor of the City of Shibushi,
Kagoshima Prefecture

At Shibushi, we are engaged in recycling waste under the motto, “It’s wasted if mixed, but recycled if separated.” We are conducting a 27-item separated waste collection in order to reduce landfill waste in our final disposal field since we do not have an incineration facility, but the largest challenge has been the recycling of disposal diapers.

This year, we have been engaged in recycling disposal diapers as a rural revitalization business. We feel well supported that we can implement this with Unicharm which has the recycling technology to create high-grade pulp that has cleared hygiene standards. We will aim together to establish a disposable diaper recycling system that we can disseminate domestically and internationally while taking care of things and people.

Voice of the Chair of the Conference on Promoting Recycling Disposable Diaper



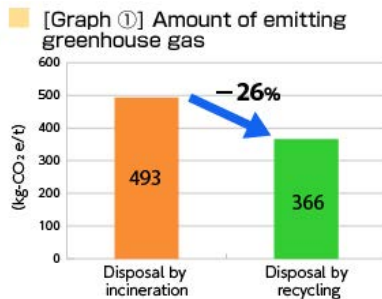
Mr. Kenji Matsuki
Chair of the City of Shibushi
Conference on Promoting
Recycling Disposable Diapers

We take waste out to a waste station we tell each other about and manage ourselves. We write our names on the bag and take responsibility for the waste we put out.

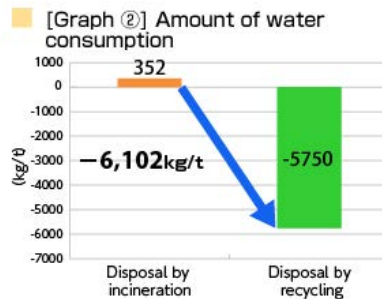
The separated collection in the model area begun in November 2016 and has been implemented smoothly so far. We are even hearing some happy voices due to the collection frequency having increased. We are looking forward to the future establishment of recycling techniques of disposable diapers and promoting it by the city hygiene municipality.

Examining environmental and human friendliness in recycling disposable diapers

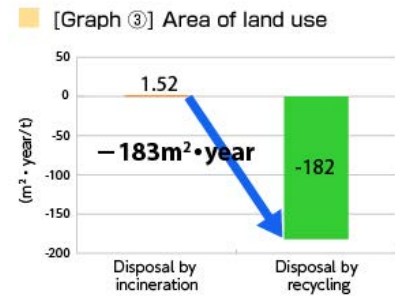
We examined from multiple aspects what actual effects employing the recycle system would have. What we found was that the amount of greenhouse gas emitted and the amount of water and wood used could be largely reduced when we compared burning used disposable diapers and creating new ones from virgin pulp versus recycling used disposable diapers to make new disposable diapers (we assumed that the environmental impact was the same whether manufacturing diapers from virgin pulp or recycled pulp). We were also able to confirm that the sanitation level of ozonated pulp was also maintained at a high level similar to that of virgin pulp.



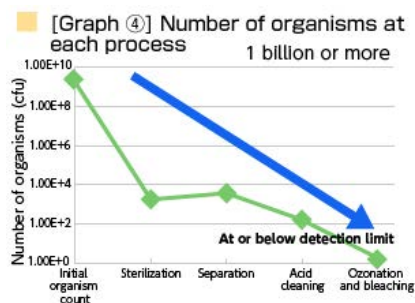
- Amount of emitting greenhouse gas / A 26% reduction effect was achieved by not disposing used disposable diapers by incineration



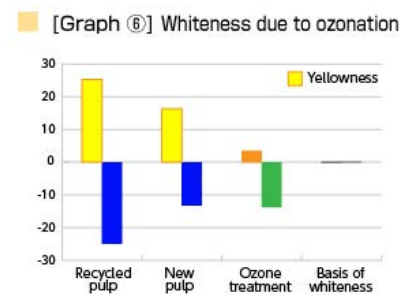
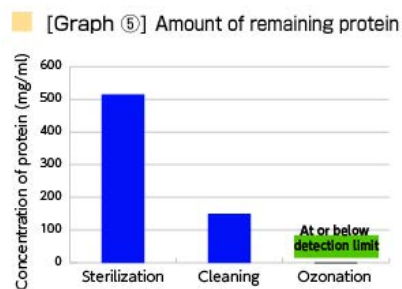
- Amount of water consumption / Conserved large amounts of water necessary for creating pulp from wood by effectively using pulp



- Area of land use / Reduced deforestation for producing new pulp by effectively using pulp



- Number of organisms, amount of remaining protein, whiteness due to ozonation / Realize cleanliness and whiteness with quality as high as virgin pulp created from wood



- The standard for whiteness is 0. Minus indicates not being as white as the standard and the plus indicates the increase in the degree of yellowness.

Amount of emitted greenhouse gas reduced due to recycling disposable diapers
26%

● Voice of the person in charge



Shigeo Imai
CSR Division
Unicharm Corporation

Sustainable disposable diapers are those for which materials can be reused over many times. I am honored to be able to work on such a meaningful project of building and standardizing such a system and to create a new system in society. At present, our trial phase has moved from the lab to the local municipality. We see this as a collaborative creation with everyone involved with the City of Shibushi and engineers.

I am excited for promoting this, feeling that realizing sustainability is a way to realize my favorite saying, good for all three (the seller, buyer and the world).

We have just begun the examination from pulp, but having faith that an era where disposable diapers changing to sustainable ones becomes commonsense will come faster than we think, we will accelerate our activities.

2. Manufacturing products from waste produced from factories

Recycling resources is an important topic for a country with little resources like Japan. However, there are forms and materials that are difficult to recycle depending on the resource. Paper material is one of those but we tackled this challenge.

We continued reviewing possible usages of scraps produced during production and pulp dust discarded from production factories and reached at utilizing them as materials for feline continence care products that allow disposing of absorbed and hardened urine as burnable waste. Following some trials and errors, we launched in October 2011 “Paper Sand that deodorizes after urination®” which uses waste material. We are continuing our efforts towards effective resource utilization by making use of materials hard to recycle such as pulverized leftover material produced from the production of disposable diapers in addition to used tickets, stamps, and snippets of wall papers previously incinerated.



“Deo-sand®”: Paper sands that harden®

We collect the waste from domestic and international factories, finely cut the material with old paper and separate out the polymer absorber in the diapers. We create granules of the paper sand® by hardening the finely cut material and coat it with polymer absorbers and paper sands. This is an environmentally friendly product that allows for the easy disposal of only the part wet by urine which hardens completely.



CSR Key Topic 4: Contributing to the Community

Activities to support for disaster area

Our corporate philosophy, “NOLA & DOLA”, expresses 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.” When the community is in a difficult situation due to sudden disasters and such, we would like to help in any way possible to support the minds and bodies of everyone who has been affected by the disaster.

Many people have been affected by the great damage incurred on the Pacific coast of the Northeastern region due to the Great East Japan Earthquake that happened on March 11, 2011. In April 2016, the Kumamoto Earthquake happened and in September, Iwate suffered great damage due to concentrated heavy rain. We would like to express our sincere sympathy to those who have been affected and also wish for a swift recovery of the affected areas. Since immediately after the Great East Japan 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.



Our activities

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 is now in their seventh 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.



Urine suction robot “Humany”

In 2016, we also began donating to the “Michinoku Future Fund” which helps orphans of the natural disaster to achieve their dreams of further study. We heard about how the fund is utilized from Mr. Sueda, Executive Director of the Fund, using an opportunity during the workplace meeting sponsored by the labor union. This way, the employees that participated were able to directly feel how the funds they donated were being well utilized. We will continue to promote disaster area relief activities and energy conservation activities with our employees.



The MICHINOKU Future Fund
Realize the dream of orphans of natural disaster to continue to study!



Original polo shirts and jackets



Scenes from the workplace meeting

● Voice from the Representative Director of the Michinoku Future Fun



Mr. Takayoshi Naganuma
Representative Director
Michinoku Future Fund

At Michinoku Future Fund, we offer non-repayable scholarships for children who lost their parents during the Great East Japan Earthquake to study at university, junior colleges, vocational schools, etc., after graduating high school. We have supported a total of 530 students so far. In March 2017, we have accepted an additional approximately 100 students as the 6th class. We will continue our activities for the long term until a child who was in the womb graduates. We are grateful from the bottom of our hearts to Unicharm for participating in the ring of support from 2016.

Responding to the disaster areas of the Kumamoto Earthquake and Iwate Typhoon

Responding to requests from the disaster area in Kumamoto, Kyushu where earthquakes occurred consecutively from April 14, 2016, Unicharm delivered disposable diapers for children and adults, sanitary pads and wet tissues. We also provided relief supplies based on requests made by the local disaster relief headquarters. We also made a 5 million yen relief donation through the Japan Red Cross to have it used for helping those affected by the disaster and for using it to rebuild the affected areas.

For Iwate, where there was much damage due to the heavy rains cause by Typhoon No. 10 in September 2016, we donated 120 cases of “Chorittai Ultra 3D Shape Masks” to Iwaizumi, Iwate. This was prompted by one of our employee’s speaking out on a report they saw about children wearing masks while walking to school as a measure against breathing in dust. The Iwate disaster relief headquarters sent us a letter that said, “Thank you for showing us that you care by sending us relief supplies.”

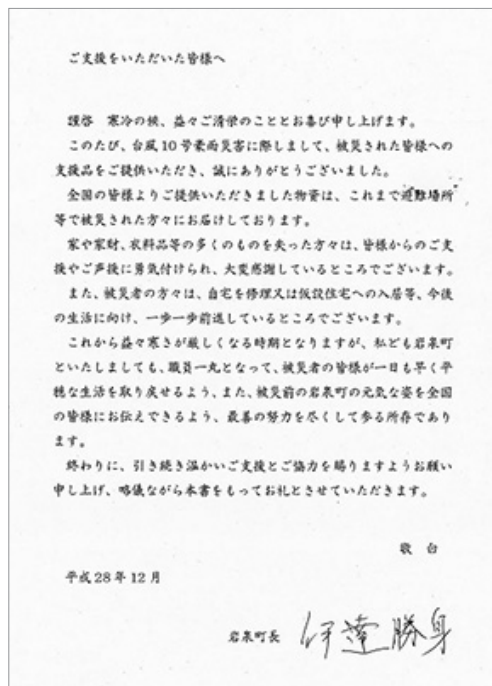
For the relief fund and products we donated, we utilized the funds from the “matching fund” which is a disaster area support activity that solicits participation from employees.



Relief supplies for Kumamoto



Masks donated to Iwate



Thank you letter from the Mayor of Iwaizumi, Iwate

Along with Our Customers

Communicating with Customers

Initiatives of the Customer Communication Center

At the Customer Communication Center (CCC), 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 FY2016, the Customer Service Center received approximately 44,347 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 Complaint 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, Taiwan, Thailand and Indonesia, Unicharm Australia declared their self-conformity with ISO 10002 in February 2016, respectively, as part of our efforts to improve customer satisfaction across the Unicharm Group.



Main Initiatives of the CCC

We conduct employee training at the CCC to reinforce quality and strengthen customer oriented approaches. In FY2016, we held a training session for each plant in Japan in which actual recordings of interactions with customers were used as a learning tool for persons in charge at each plant. We will continue to enhance our customer oriented approach on a company-wide level and supply products that truly satisfy our customers.



Training session using actual recordings of interactions with customers

Main initiatives of the Customer Communication 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. CCC 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 FY2016, 914 employees took part in these training sessions.
5. Strengthen collaboration with overseas CCCs	The initiatives of our CCCs 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 Correspondence Policy

- 1 Customer feedback will be centrally managed by the Company's customer communication centers and addressed in a fair and impartial manner in accordance with the QMS (ISO9001) complaint correspondence 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

■ Self-Declaration of being a Consumer-Oriented Company

Self-Declaration of being a Consumer-Oriented Company

January 16, 2017
Takahisa Takahara
President & CEO
Unicharm Corporation

[Philosophy]

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

[Policy on Basic Initiatives] —Commitment of Top Management—

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

- I. All feedback received from customers is put together at Customer Communication Center (CCC) and addressed fairly and equally by CCC based on a QMS (ISO9001) complaint correspondence process manual and ISO 10002 complaint correspondence process documents. Information concerning faulty products or services is swiftly reported to top management and necessary steps are taken to improve the situation.
- II. If the situation must be remedied, related departments work together following procedures on QMS (ISO9001) rectification and prevention measures to swiftly remedy the problem and prevent future recurrences.
- III. Customer feedback is seriously reviewed and efforts are made toward improvements involving all relevant departments so as to ensure customer satisfaction. We strive so that precious customer feedback can be properly reflected in our improvement activities for products and services.

[Specific Initiatives]

I. Ensuring corporate governance —System for reporting customer feedback to top management without fail—

We will carry out transparent corporate management and actively disclose information while working to fulfill the company's growth and development, employees' happiness and the company's social responsibilities.

A time slot is set aside at executive meetings for reports from CCC for discussing and disseminating a correspondence policy based on the serious review of feedback received from customers.

II. Proactive initiatives involving all employees

—Fostering a corporate culture and employee mindset that is customer-oriented—

In order to improve customer satisfaction, once every year, an occasion is set where all Unicharm Group employees including those from outside Japan come together to present on products and services as well as proposals for pleasing customers in an effort to learn about best practices. This will enable all Unicharm Group employees to share a customer-oriented mindset and strive for further improvement.

III. Swift response through systematic collaboration between related departments

—Initiatives for swift and honest responses—

All feedback received from customers is put together at CCC and addressed fairly and equally by CCC based on a QMS (ISO9001) complaint correspondence process manual and ISO 10002 complaint correspondence process documents. Information concerning faulty products or services is swiftly reported to top management and necessary steps are taken to improve the situation. If the situation must be remedied, related departments work together to swiftly remedy the problem and prevent future recurrences.

IV. Enhanced information provision to consumers and two-way exchanges of information

—Disseminating information for safe use—

Frequently asked questions about product safety will be published on the company's website in an effort to widely disclose this information. We will provide information to customers in various means so that customers can use our products safely and effectively. These means include product packaging, user manuals, and advertisements to educate customer about the correct ways to use products, as well as through our corporate website, news releases and disseminations from CCC.

V. Improvement and development based on consumer and social needs

—Product creation making customer-oriented approaches and social responsibilities a reality—

The entire company will work on activities for linking needs with commercialization of products after seriously reviewing feedback from customers.

We will establish rigorous environmental standards for our products, take on the challenge of selecting product designs and raw materials and reducing waste in the production process to every extent possible and expand the number of products that can clear these standards and bear the Eco Charming label.

The entire company will also work as one solid team toward mitigating environmental impacts including reducing waste in business activities.

● Examples of customer feedback reflected in our product

“Please make the package opening for Lifree clearer.”

One customer complained that it could not tell where the package should be opened from. In response, in October 2016, we changed the labeling of pants-type products to include a dotted line that is clearly visible.



Before



After

“Please draw a design pattern on the outside of Sofy Hada-Omoi Soft & Slim Cool Skin-Touch”

One customer complained that the back of products it always used is printed with a design pattern but Cool Skin-Touch is bright white, so Cool Skin-Touch, too, should have a similar design pattern because that is one of the exciting parts of the product. In response, we added a design pattern on its separator while keeping the breathability of the back-sheet which is something Cool Skin-Touch is known for and launched a revamped version of Sofy Hada-Omoi Soft & Slim Cool Skin-Touch in May 2016.



Before



After

Activities of overseas Customer Communication Center

Our CCC in Australia declared self-conformity regarding its ISO10002 Complaint Correspondence management system (MS) in February 2016. After this declaration, CCC of Japan audited the one in Australia to check whether systems were operating appropriately and, as a result, verified that customer complaints and feedbacks were properly responded. Our CCC in Indonesia underwent a regular audit to check the operational status of its ISO10002 Complaint Correspondence MS which confirmed that it addresses each individual customer feedback in an honest and faithful manner.

For the release of products in China, the CSR Division, Quality Control Department of Unicharm Products and CCC of Japan jointly held product study sessions for members of related departments including production, marketing and customer communication where knowledge and information about products and inquiries from customers were shared.



Audit of CCC in Australia



Audit of CCC in Indonesia

Letters of appreciation from customers

Charm Nap Dry Panty Liner Light

I feel very happy to have finally found this product which is very comfortable to use. I only wish could have found find this panty liner type much sooner as it fits to my underwear tightly.



Moony Air-Fit L Size

I am well treated by Moony as it is highly stretchable, the waist circumference is quite generous and, most of all, it is leakage-free. The expansive Moony lineup has made childcare a breeze. I look forward to using it more in the future.



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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 2016, 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 advice from 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



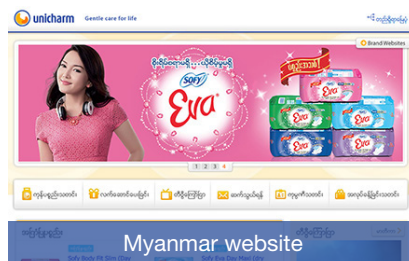
Mild Incontinence Care Navi



Continence Care Navi



Unicharm Human Care



Myanmar website



Vietnam website



Indonesia website

Product Development and Marketing

Insight research closely in tune with the frontlines

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.

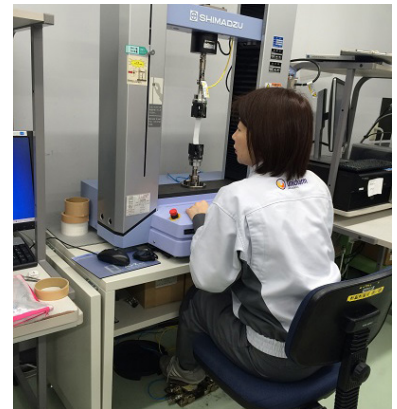
We aim to continue developing products that suit the local needs of each region by combining the forces of product development and marketing.



Monitoring survey

Collaboration between product, technical and facilities development groups

Using an organizational structure consisting of research, development, and engineering (R&D&E), Unicharm promotes product development in a cross-departmental approach that encompasses five businesses. These departments work closely together in product development that provides new value to customers, development of novel materials and technologies needed for product development and the development of facilities to manufacture these products. This ensures that existing products are revamped and new products are developed. In addition, we have set up development remote 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). In 2016, we obtained ISO 9001 certification in India. In 2014, following changes in regulations, Indonesia and Thailand obtained ISO 13485 certification for medical device quality management systems, in addition to ISO 9001.

Safety Initiatives

We carry out gate-checks in accordance with the Unicharm Management System Basic Regulations during every process, from materials procurement to product development, manufacturing, sales, and disposal so that customers can use products that directly contact their skin with greater peace of mind.

At the material procurement stage, we establish guidelines to prevent contamination by chemical substances which have an impact on human health and the environment, and a specialized department confirms the toxicity and legal compliance of chemical substances. At development of products stage, we establish “gate” operations through safety evaluation committees and engage in risk assessment with consideration to various types of actual use conditions, disposal methods, etc.

In addition, we implement product use tests with products that use the safety-checked materials.

Unicharm does not conduct experiments involving animals for its safety checks, including outsourced testing, nor will we in the future. (Not applicable in any cases where UC is held accountable toward society for safety issues or is met with demands from local administrations in certain countries)



Reference Information Example

- | | |
|--|--|
| → ECHA (European Chemicals Agency) | → DIRECTIVE 2009/48/EC (safety of toys) |
| → SVHC (Substances of very high concern) | → Implementation of the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture |
| → RoHS (Restriction of Hazardous Substances) | → POPs: Stockholm Convention on Persistent Organic Pollutants |
| → REACH | → Dioxin Regulation Act |
| → Oeko-Tex standard 100 | → Montreal Protocol |
| → EU DIRECTIVE 2015/1221/EC | |

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 plants and assisting with the roll out of best practices by way of a mother plant system between factories in Japan and those overseas.

To date, we have undertaken activities to check whether our mechanisms and rules in Japan are properly being put into practice by our plants overseas. However, we have recently begun an attempt to benchmark the actual implementation status through frontline visual checks, because actual practices are often difficult to convey through pictures and documents or through discussions. In 2016, we invited managers from Indonesia to Japan where they spent four days visiting a total of nine locations including our plants and works in Shikoku and Shizuoka. After returning to Indonesia, the managers worked together to prepare a report that introduces the mechanisms and practices they saw firsthand on site in Japan to employees of all Unicharm's plants in Indonesia. The report also emphasized the importance of following rules and requested that all employees cooperate in their future activities.

* UTMSS: Unicharm Total Management Strategic System



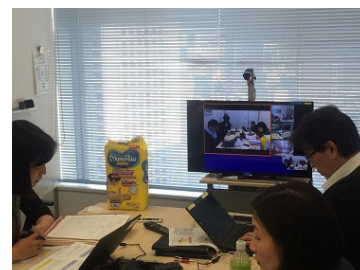
ASEAN UTMSS improvement study group



Indonesian managers visiting Japan

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 based on scientific research. Checks are also carried out from the viewpoint of ensuring that customers are not misled or caused to misuse products. We strive to update our own proprietary standards based on internal and external changes including diversification of publishing media and changes in consumer awareness caused by changes in the market. 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



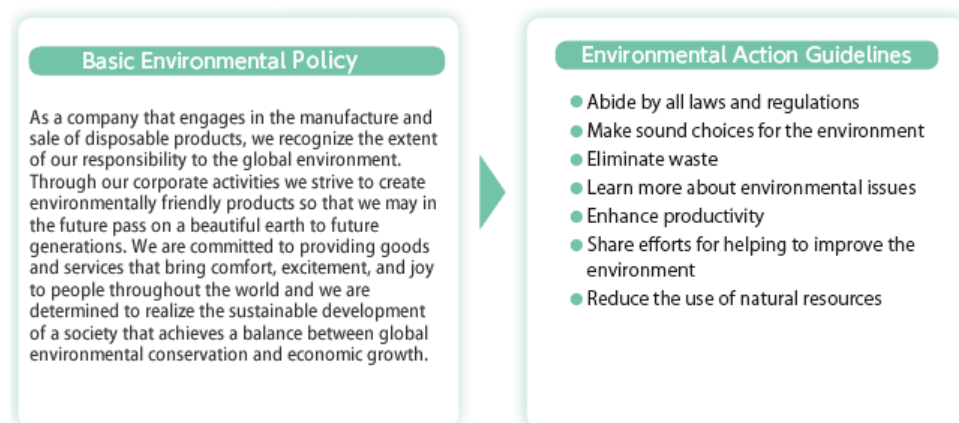
Along with the Global Environment

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 ISO14001

In order to improve our environmental performance, Unicharm has introduced ISO14001.

We have been promoting continuous improvement in accordance with Environmental Management System (EMS) activities in FY2016.

ISO14001 Certification at the Unicharm Group

Business site	Initial Certification Date	Certificated by
Unicharm and Unicharm Products	October 17, 1997	JQA
Unicharm Kokko Non-Woven	February 15, 2002	JQA
Thailand Factory	November 14, 2003	JQA
Taiwan Factory	December 1, 2003	SGS
Mie Factory, Production Division, Unicharm Pet Care	September 3, 2004	JQA
Itami Office, Production Division, Unicharm Pet Care	March 4, 2005	JQA
Uni Care	June 3, 2005	JQA
Shanghai Factory	January 29, 2008	ZDHY
Indonesia No. 1, No. 2 and No. 3 Plants	April 19, 2011	URS
LG Unicharm and Factory	July 11, 2011	KSA
Saudi Arabia Factory	October 3, 2014	TUV
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 ISO14001-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 Goals

Themes and targets of environmental activities

Unicharm identified materiality through meetings with investors and NGOs in fiscal 2016 and, based on these findings, drafted Eco Plan 2020 as a set of medium-term environmental targets for 2020.

Materiality which Unicharm identified

Stakeholder Interest	High	<ul style="list-style-type: none"> • Use of water resources • Treatment of drainage • Management situation • Reduction of packaging materials • Recycling 	<ul style="list-style-type: none"> • Response to climate change • CO₂ reduction targets with suppliers • Correlation with SDGs 	<ul style="list-style-type: none"> • Disclosure of environmental targets • Increase of waste • Response to recycling • Procurement of sustainable materials
		<ul style="list-style-type: none"> • Proper management of hazardous substances • Emissions of VOC gases • Labeling of carbon footprint 	<ul style="list-style-type: none"> • Legally compliant processing of waste • Ratio of environmentally-friendly products • Scenarios for science-based targets 	<ul style="list-style-type: none"> • Supplier selection and assessment results • Collaboration with suppliers • Promotional structure and governance
		<ul style="list-style-type: none"> • Environmental impact studies of plant sites • Protection and restoration of IUCN red list species 	<ul style="list-style-type: none"> • Emissions of NOx and SOx • Compliance with environmental laws and regulations 	<ul style="list-style-type: none"> • Accuracy of non-financial data • Ratio of third-party assurance • Targets for renewable energy
Impacts on business				
High				

Eco Plan 2020

	Implementation items	2015 results	2016 results	2017 targets	2020 targets
(1) Reduction of waste	■ Recovery technologies for used disposable diapers (Japan)	Established technologies	Concluded agreement with the City of Shibushi	Trial operations	Full-scale operations
	■ Recycling of product loss (overseas)	2,000 tons	2,600 tons	2,600 tons	4,000 tons
(2) Procurement of sustainable materials	■ Third-party verification of paper and pulp suppliers (Japan)	82%	80%	90%	100%
	■ Third-party verification of paper and pulp suppliers (Overseas)	--	84%	85%	100%
	■ Third-party verification of palm oil suppliers (Japan)	0%	Start of investigation	Understanding of actual situation	100%
(3) Measures for climate change	■ Environmentally Friendly Products (Japan)	72%	78%	80%	100%
	■ Products with the Eco Charming label (Japan)	50%	56%	58%	60%
	■ Products with the Eco Charming label (Overseas)	0%	Agreement	Begin	10%
	■ CO ₂ emissions base unit during manufacturing compared to 2015 (Japan)	Base year	-2.4%	-2%	-10%
	■ CO ₂ emissions base unit during manufacturing compared to 2015 (Overseas)	Base year	--	-2%	-10%

Meetings with stakeholders to exchange views during the drafting process of Eco Plan 2020

During the process of creating its medium-term environmental targets called Eco Plan 2020, representatives from the Unicharm Group visited WWF Japan, a global environmental conservation group, to discuss expectations placed in the Unicharm Group regarding its future environmental activities so that it can address global environmental issues correctly through its business activities. WWF Japan viewed the process used to create Eco Plan 2020 favorably because the Unicharm Group is committed to carrying out environmental activities with an eye on the medium to long term and because global environmental issues have been incorporated into the plan's three key issues. With regards to "3. Measures against climate change," WWF Japan explained that this issue cannot be addressed by a single company but rather the long-term process used by each company to realize ambitious targets aimed at a carbon-free society will lead to new innovations which will spur on society as a whole to work together toward the same end. This approach carries on through the process of realizing the key issue, i.e. "1. Reduction of waste" and provided a valuable indication. WWF Japan also viewed "2. Sustainable procurement of materials" in a favorable light because of the extremely ambitious target of achieving 100% third party certification of paper, pulp and palm oil. WWF Japan further noted that the steps to completing Eco Plan 2020 should be established and disclosed in detail using a step by step process which will make it easier to monitor progress. Also suggested was that awareness should be raised through the value chain to encourage innovation by sharing long-term targets for 2030 and 2050 at an early stage. Members from Procurement Department of the Global Development Division and Environmental Promotion Group of the CSR Division that participated in the meetings will now take the lead in implementing further activities.



Mr. Sadayoshi Tokai
Manager
Nature Protection Office
WWF Japan

Mr. Yosuke Ikehara (background)
Project Leader
Climate Change and Energy Group
Nature Protection Office
WWF Japan

We also received feedbacks on Eco Plan 2020 from Stewart Investors and Meiji Yasuda Life Insurance. We will now strive to incorporate these valuable feedbacks into the implementation of future environmental activities wherever possible.

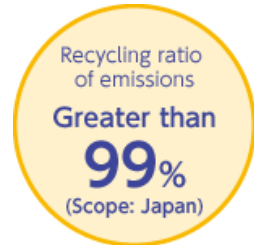


Environmental Impact

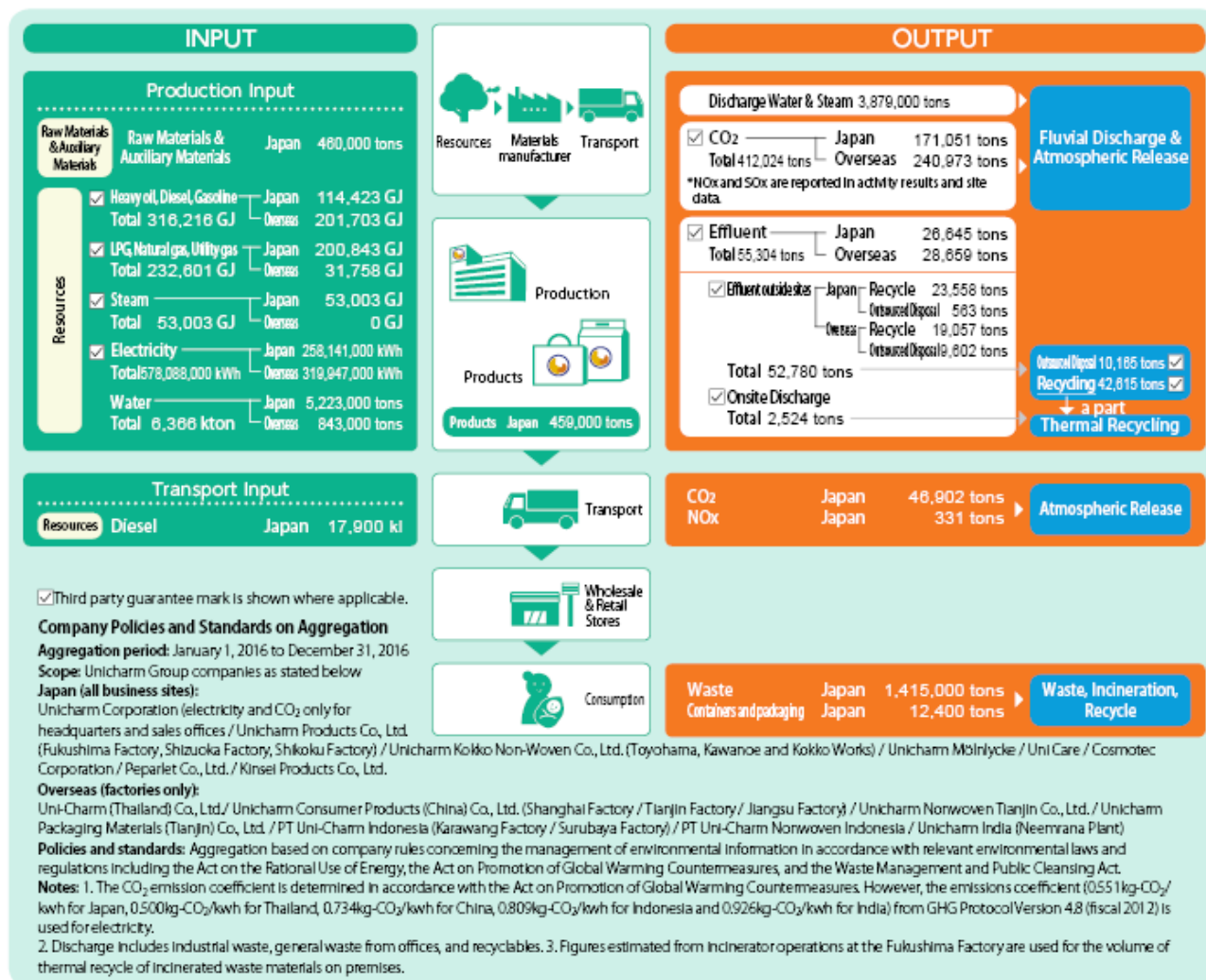
Monitoring the environmental impact of products during the entire lifecycle

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.

Emissions from major production bases in Japan total 21,639 tons over 99% of which were recycled.



Environmental impact from a lifecycle perspective



Initiatives for the Procurement of Sustainable Materials

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. Additionally, we have instructed our suppliers not to use raw materials sourced from High Conservation Value Forests (HCVF) which have a significant impact on biodiversity.

Starting in 2016, we expanded the scope of activities for the procurement of sustainable materials to include local overseas suppliers*.

Also, we became a member of the Roundtable on Sustainable Palm Oil and began collecting information and establishing traceability aimed at sustainable procurement given our focus on environmental issues directly related to palm oil.

* See Eco Plan 2020 for detailed targets.



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www.rspo.org

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, Unicharm supports procurement models that do not involve destruction of forests. We will also take an initiative for the current environmental issues as for plantation of palm oil.

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/>

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.

* <http://jbib.org/>



Initiatives against Global Warming

Reducing CO₂ through energy conservation activities at our production sites

Unicharm's production sites hold six 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.

* See Eco Plan 2020 for detailed targets.

[Japan] Initiatives to reduce CO₂ through 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 FY2016, we set a goal of 75% environmentally friendly products* and achieved this goal by reaching 78%. In FY2017, 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 132 items fulfilled this definition (certification was extended starting this fiscal year to pet care products and institutional-use products in addition to personal care products).

Going forward, we will continue to introduce environmentally-friendly products as a means to lowering CO₂ emissions of procured materials and reducing CO₂ emissions during product disposal after use.

* See Eco Plan 2020 for detailed targets.

Framework of environmentally friendly products



An example of Eco Charming products

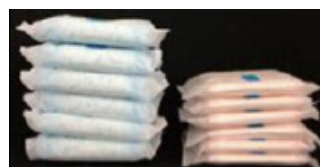


■ Example - Sanitary Product

Sofy Ultra-Sound-Sleep Best-Fit Slim, a newly released product from the Sofy Ultra-Sound-Sleep brand of nighttime feminine 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.



Sofy Ultra-Sound-Sleep



Best-Fit Slim (right)

[Japan] Initiatives to lower CO₂ emissions through the supply chain

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

The results of calculations following this standard indicate that 46% of Unicharm's emissions are from materials procurement and 31% from the disposal of products after use. Although both sales and production volume increased year over year, we were able to lower CO₂ emissions by 12%. We will continue to carry out activities aimed at establishing a low-carbon society.

* 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)
Scope 1			29
Scope 2			141
Scope 3	1	Purchased goods and services	520
	2	Capital goods	40
	3	Fuel- and energy-related activities	3
	4	Upstream transportation and distribution	47
	5	Waste generated in operations	1
	6	Business travel	1
	7	Employee commuting	1
	8	Upstream leased assets	1
	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	345
	13	Downstream leased assets	not applicable
	14	Franchises	not applicable
	15	Investments	not applicable
	Scope 3 total:		958
Scope 1, 2 and 3 total:			1,127

* Changes implemented from this fiscal year

Scope 3 Category 1 Added pet foods

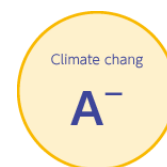
4 Added Pet Business

6 Used emissions base unit per employee

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 FY2016, Unicharm received a disclosure score of A-. 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



[Japan] 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 seventh 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.

At Low-Carbon Cup 2017, after presentations by 26 finalists, the Unicharm Eco Charming Award was presented to the TAFS research team for “development of novel technologies to protect the earth” from Kyoto Prefectural Katsura High School that worked on lowering weeding costs by utilizing biomineral MAP that does not harm the environment along the river bank.



[Japan] Exhibited at EcoPro 2016 International Exhibition on Environment and Energy

Unicharm exhibited at EcoPro 2016 International Exhibition on Environment and Energy which was held at Tokyo Big Site in December 2016. This year's booth featured displays and explanations about the four themes of “Lifecycle of a Disposable Diaper and Manufacturing Method of Paper-sand®,” “Recycling System for Used Disposable Diapers*,” “Thinner, Lighter Weight Pant-type Disposable Diapers and Eco Charming Products” and “Introduction of CSR Activities.” This booth enabled Unicharm to engage a large number of stakeholders and introduce our environmental initiatives to them.

* Please see CSR Key Topic 3 for more details about our initiatives on recycling system for used disposable diapers.



[Thailand] Initiatives to reduce waste at production sites

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.

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 contamination by 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.

Please see the section on Safety Initiatives for additional details.

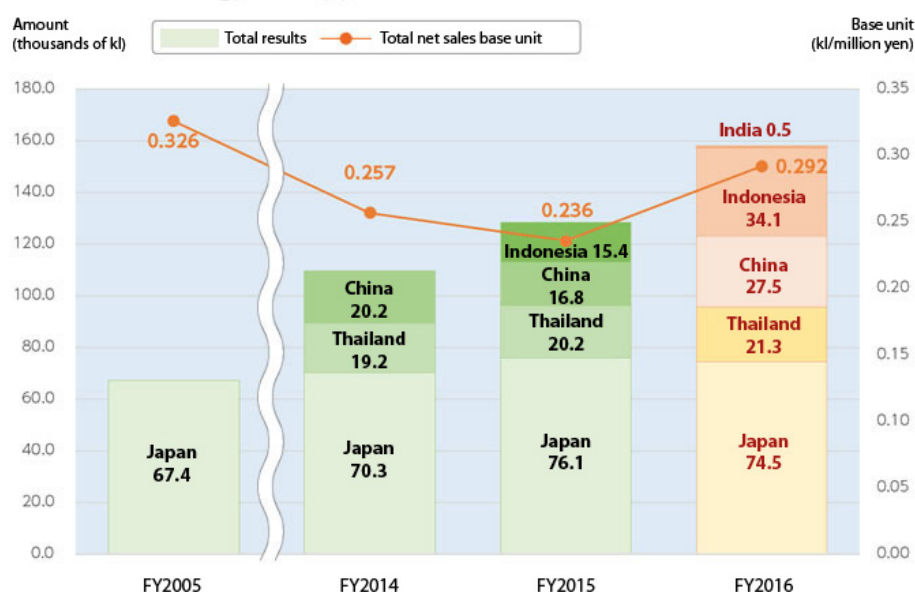
Activity Results

Addressing global warming and energy saving measures

Energy saving measures

In fiscal 2016, both energy usage and base unit per net sales increased. This is because in fiscal 2016 data for our four plants in China, three plants in Indonesia and one plant in India (five production plants and 3 materials plants) were added to the scope of data used for fiscal 2015. Going forward, we will continue to expand the scope of countries for which we disclose environmental data. At the same time, we will promote energy saving activities in each country and work to lower base unit per net sales.

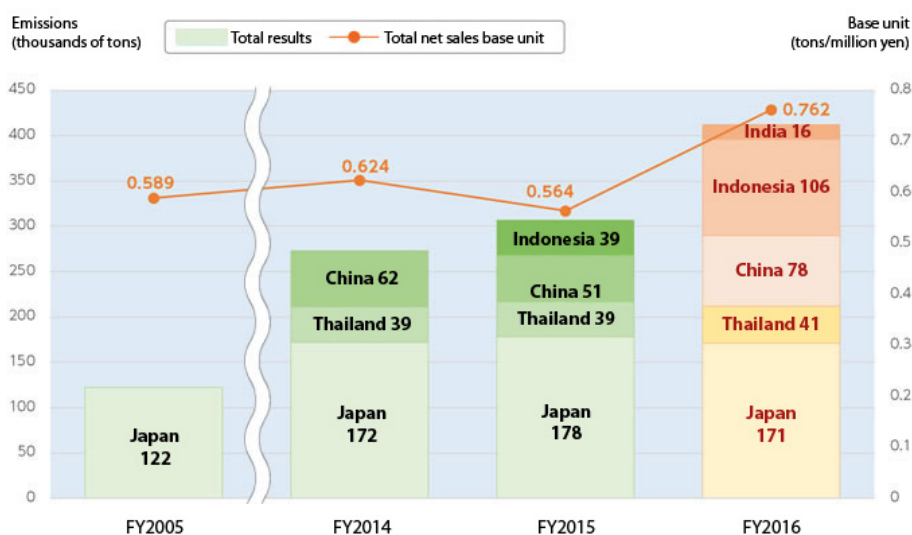
Amounts of energy used by year



Reducing CO₂ emissions

In fiscal 2016, both CO₂ emissions and base unit per net sales increased. This is because in fiscal 2016 data for our four plants in China, three plants in Indonesia and one plant in India (five production plants and 3 materials plants) were added to the scope of data used for fiscal 2015. Going forward, we will continue to expand the scope of countries for which we disclose environmental data. At the same time, we will promote activities to lower CO₂ emissions in each country and work to lower base unit per net sales.

Unicharm's CO₂ emissions



Promoting the effective use of resources and recycling

Reducing water usage

Water usage increased due to higher production volume at Unicharm's nonwoven manufacturing company and pet foods manufacturing plants.

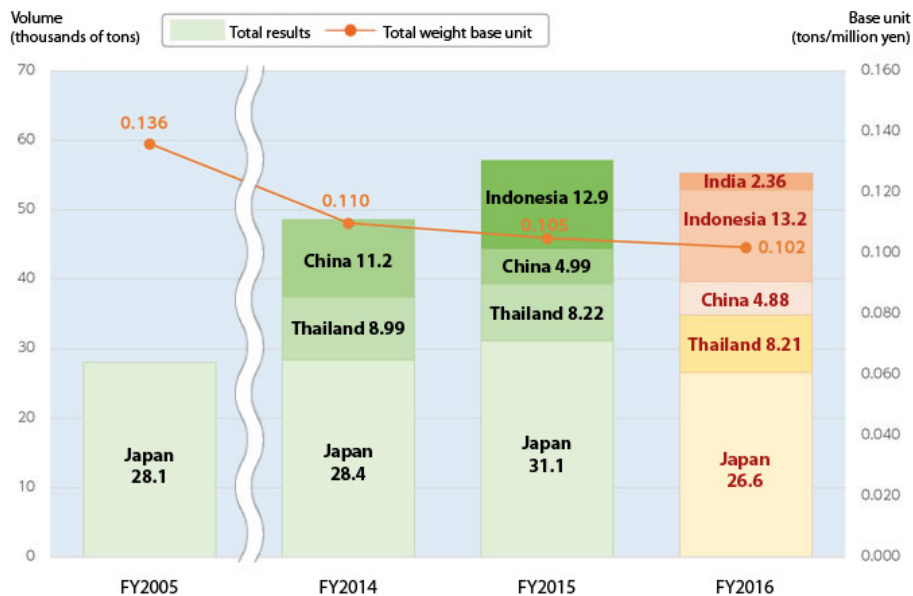
Unicharm's water usage (Japan)



Waste disposal volume

We worked to reduce waste mainly at overseas plants by utilizing waste that had once been disposed of by external contractors as a material in cat excretion care products which has helped to lower both total waste disposal volume and base unit.

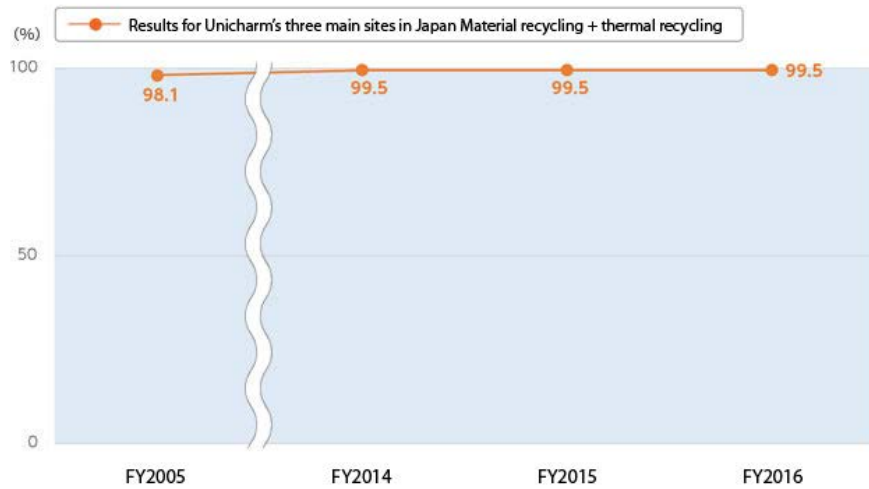
Unicharm's waste disposal volume



Recycling rate

In fiscal 2016, we continued to maintain the high recycling rate of over 99%. The number of other plants that have achieved zero emissions status by attaining a recycling ratio of greater than 99% is also on the rise.

Recycling rate (Japan)

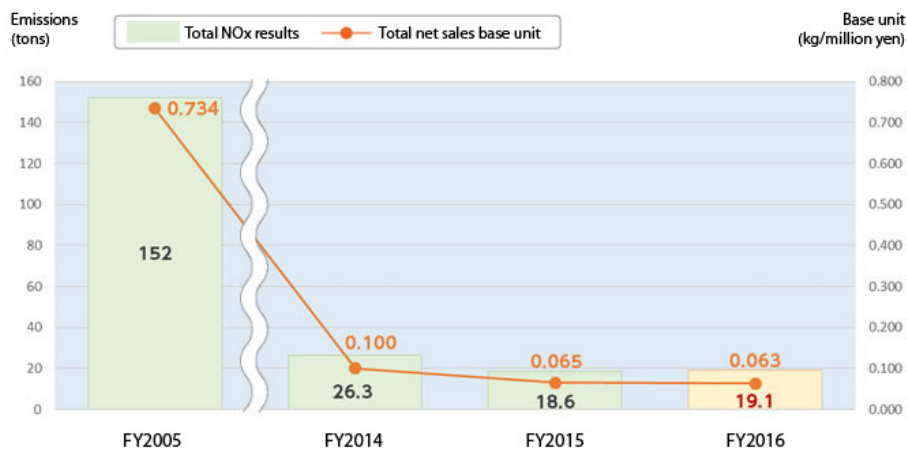


Initiatives to reduce the use of hazardous chemical substances

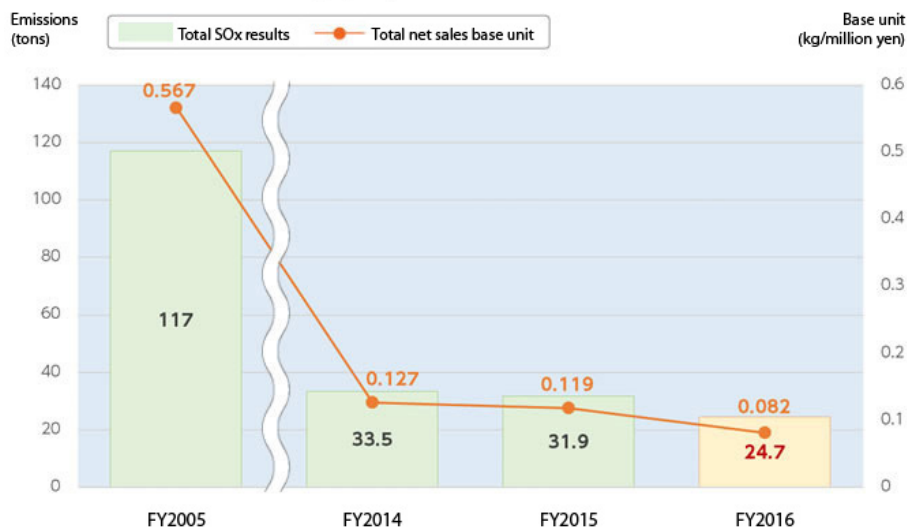
Airborne pollutants

Base unit per net sales continues to decrease for both NOx and SOx thanks to everyday activities aimed at conserving energy.

Unicharm's NOx emissions (Japan)



Unicharm's SOx emissions (Japan)



Ozone depleting substances (Japan)

In fiscal 2016, no new fluorocarbon was used.

Substance	Business site	Amount in possession (tons)	Use
Halon (Class 1)	Unicharm Products Shizuoka Factory	1.6	Fire retardant
	Unicharm Products Shikoku Factories (Ehime/Kagawa)	0.070	
	Unicharm (other development sites, etc.)	0.00010	
HCFC (Class 1)	Unicharm Products Fukushima Factory	2.6	Refrigerant
	Unicharm Products Shizuoka Factory	3.6	
	Unicharm Products Shikoku Factories (Ehime/Kagawa)	3.7	
	Unicharm Kokko Non-Woven Co., Ltd. (Ehime/Kagawa)	0.65	
	Unicharm Pet Care Co., Ltd. (Hyogo/Mie/Saitama)	0.93	
	Peparlet CO., Ltd. (Shizuoka)	0.038	
	Unicharm (other development sites, etc.)	0.86	
CFC	Unicharm (other development sites, etc.)	0.0010	

Water quality, soil contamination and offensive odor

Water quality is evaluated regularly for conformity to Unicharm's proprietary standards and the provisions of relevant laws and regulations. In fiscal 2016, there were no violations of the company's proprietary standards or relevant laws and regulations. In addition, there were no accidents linked to soil contamination or offensive odor.

Details related to BOD and COD are reported in the Site Data section.

PCB storage situation

A small amount of PCBs is stored at certain business sites awaiting processing for disposal.

Compliance assessments on storage conditions are carried out regularly and no abnormalities were found.

PRTR substances

The usage amount of toluene increased due to a rise in production volume at COSMOTEC Corporation which prints packaging.

Fiscal year	Toluene (kg/year)	Ethylene oxide (kg/year)	Dioxin (mg-TEQ/year)
2014	211	12	0.0002
2015	314	12	0.0002
2016	356	4	0.0003

Along with Our Employees

View Concerning Human Resources and Respect for Human Rights

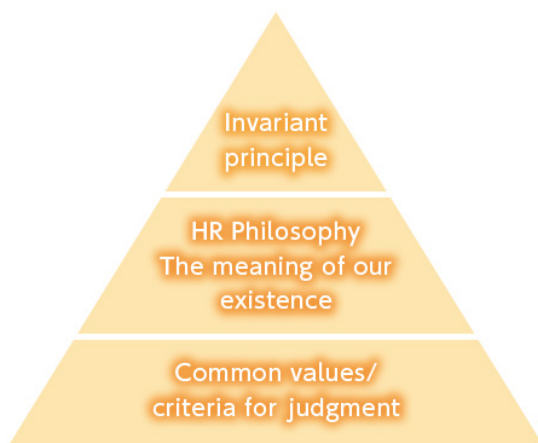
Human Resource Philosophy

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 Group's 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 Resources 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, ⑥: Group companies in Japan, ⑪ - ⑬ employees on the payroll of Unicharm or Unicharm Products, Others: employees on the payroll of Unicharm)

Index		Unit	FY2014	FY2015	FY2016
Employment	① Number of employees (consolidated)	Persons	13,901	15,498	15,843
	② Number of employees (Japan)	Persons	2,994	2,974	3,001
	Asia (excluding Japan)	Persons	8,618	9,686	9,519
	Other	Persons	2,289	2,838	3,323
	③ Average age of employees	Age	40.6	40.9	41.1
Diversity, Equal Opportunity and Occupational Safety and Health	④ Employee turnover rate (Excluding retirement at the mandatory age, promotion to board member, and transfer within the group)	%	1.2	2.1	2.5
	⑤ Percentage of female employees	%	17.2	17.4	18.5
	⑥ Percentage of female management staff	%	6.9	9.2	10.4
	⑦ Employment rate of persons with disabilities (annual average)	%	2.1	1.9	2.0
	⑧ Rehiring rate of retired employees	%	83	76	87
	⑨ Health check-up rate	%	100	100	100
	⑩ Employee turnover rate for pregnancy or childcare	Persons	0	0	0
	⑪ Use of Moony childcare leave system	Males	Persons	4	14
		Females	Persons	51	49
	⑫ Use of Lifree family-care leave system	Males	Persons	0	1
		Females	Persons	0	1
	⑬ Use of Moony shortened work hours system for childcare	Males	Persons	0	0
		Females	Persons	39	52
	⑭ Use of flextime system for personal lifestyle support	Males	Persons	36	41
		Females	Persons	21	27

*1 ⑪ - ⑬; permanent and contract employees. Others permanent employees. *2 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 *3 ⑥ Percentage of female management staff = Number of female management staff / Total number of management staff *4 ⑧ Rehiring rate of retired employees = Number of rehired employees / Number of retired employees (at mandatory retirement age)

Our view of human rights

The Unicharm Group supports the UN's 1948 Universal Declaration of Human Rights. As the responsible person for human rights, the executive officer and General Manager of the Global Human Resources & Administration Division has set out the following "In aiming to realize 'the Pledge to Associates'" in the Unicharm Group Action Guidelines and will continually strive to promote enlightenment on human rights through group training in the relevant workplaces.

● From the Unicharm Group Action Guidelines In aiming to realize "the Pledge to Associates"

Respect Human Rights

We will never discriminate against people based on race, religion, gender, age, family background, disability or any other factors. We will not tolerate child labor or forced labor.

We will hire and evaluate people in a fair and equitable manner, respect the rights and individuality of each employee, create a workplace that makes the most of each person's capabilities and strive to achieve happiness for employees and their families.

No Sexual Harassment

We will not tolerate sexual harassment or any behavior that could be misinterpreted by others as sexual harassment. Speech, behavior or acts that cause discomfort to others will also not be tolerated and we will prevent people in the workplace from doing such things.

No Power Harassment

We will not tolerate positions of authority being used beyond their designated scope to continuously infringe upon character and dignity or take actions that deteriorate the workplace or create concerns about employment.

Being thorough with Workplace Safety and Industrial Health Management

We will ensure a safe and sanitary workplace to prevent workplace accidents and for employees to work safely and securely.

1. Priority will be given to ensuring the safety of employees at all times by maintaining a workplace environment in which health and safety managers play a central role.
2. Managers will keep an eye on the mental and physical health of their subordinates and promptly respond when they find an issue.
3. Forced work such as excessive labor or overtime will not be imposed.

In 2017, Unicharm added bans on maternity harassment, paternity harassment and other types of harassment to its harassment prevention regulations.

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."

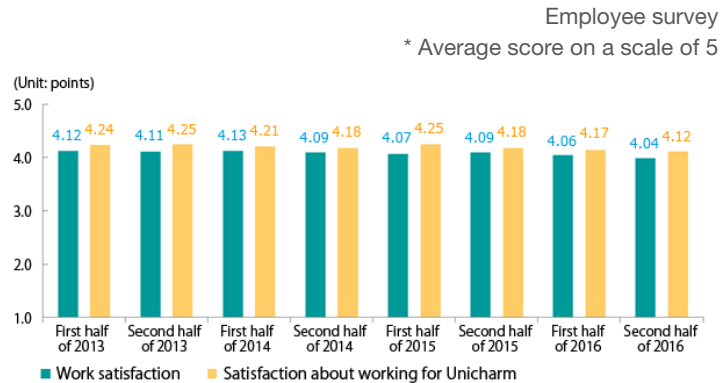
■ Six essentials of SAPS methodology

- 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 Award

Unicharm established the “President 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 70 locations worldwide via video-conference, honorees share their successful result for the year with more than 2,000 employees. The “President 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 2016, two teams received the Gold Prize for the Group Award. In addition, a Gold Prize for the Individual Award was presented for the second year in a row.

● The President’s Award 2016, Winner of “Gold Prize for the Group Award and the Individuals Award”



Korea

LG Unicharm Co., Ltd. Marketing Division and Sales Division

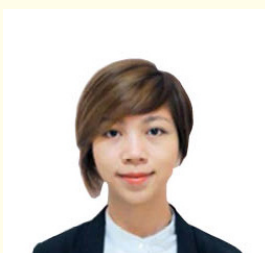
It is a pleasure to receive the Gold Prize. It reflects the tremendous effort of each person at LG Unicharm. We will make the most of this achievement and work on market discovery and development.



China

Feminine Care SBU, Marketing Division Unicharm Consumer Products (China) Co., Ltd.

We ordered polo shirts to commemorate receiving the Gold Prize. We will continue to work hard together as one solid team to popularize the “Super Premium” line of feminine care products and make it number one in China.



Vietnam

Nguyen Thuy Trang Consumer Marketing department Diana Unicharm JSC

It is really an honor to receive Gold Prize for Individual Award. I am grateful to my superiors who gave me advice and team members who worked together with me on strategy. I will set new goals and work to contribute to the growth of the group.

Personnel Utilization and Training

Expansion of education and training programs

We have a skill-enhancing program that consists of understanding our SAPS methodology and practical skills improvement in order to develop human resources who will practice Management with Resonance.

■ 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.
Unicharm Spirits Masters Advance	This program actualizes future action goals for employees who are about to move into senior expert positions with the aim of grooming them as successors of the Unicharm Spirit.
Kaban-Mochi (Strategy Secretary to CEO 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	A training program which raises employees' awareness regarding cross-cultural communication, risk management, bribery, etc., and promotes their preparations for their post-overseas transfer so that they can rapidly assume their duties in the new environment and achieve results.
Training for new leaders	This program is aimed at nurturing executives in correct management behavior that respects people in terms of their role in dealing with business performance, human relations issues, leadership and status assessment.
Instructor training	Upon entering Unicharm, the first three years are considered a period for fostering a strong foundation. Senior employees take part in this instructor training program to promote fostering the new employees to develop their own knowledge and skills and enhance human skill while at the same time respecting their basic human rights.

Evaluations for career development

Unicharm Group's personnel evaluations have three aspects: evaluations, training and treatment of employees with the aim of developing human resources by systemizing and practicing them. Our thinking about evaluation and training is that it is not only about results but also process—that is, requiring practices/behaviors that lead to results. To evaluate such behaviors, there is a need of practice to combine the thinking for our evaluation and training system with that for SAPS methodology. We therefore carry out a performance evaluation and competency evaluation every six months providing support for the career development of each employee.

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. In 2017, as a part of our work-style reforms, we started to implement interval-work and telework systems.

■ Various support systems to respect diversity

System	Eligible people	Summary
Moony Birth Support Leave Program	Employees who undergoing fertility treatment	Leave for advanced fertility treatment (up to 1 year)
Moony 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
Lifree 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 system	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).
Interval-work system	All employees	Once an employee finishes his/her work day, he/she will in principle have to have a rest period of 10-hours or more, with a minimum period set at eight hours.
Telework system	All employees (Excludes positions for which telework is not feasible)	Employees can apply for permission to telework up to four times a month. The telework for that day is done from home or any other environment that allows concentration on work.

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 wives have had a baby and their supervisors on the Moony childcare leave program and structure to encourage them to take leave. As well as monitoring the results, we notify all employees that we are promoting childcare leave among male employees and carry out harassment training in order to create an environment that encourages to take such leave. 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 continue to take further steps toward creating a secure workplace for employees free of worry.



● Comments of an employee who took childcare leave



Hirokazu Meguro
Intellectual Property Division
Unicharm Corporation

I took the Moony childcare leave to coincide with my wife's homecoming after returning to her hometown for the birth of our child. Before the childcare leave, I thought that caring for a child was not that difficult. But in reality, it was hard because my child kept me on my toes. Over the week of my leave, I was able to experience the daily rhythm of my wife's life with the baby. I understood how difficult it is for my wife and it changed how I perceive her. It was a valuable experience that showed I need to show thanks more.

Support for women seeking to become pregnant

Employees taking more than one month off to undergo advanced fertility treatments can take a leave of absence of up to one year. Support is also provided for fertility treatments of less than one month by allowing the employee to choose among paid annual leave, accumulated leave or unpaid absence.

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 Area



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 FY2016, we implemented human resources system reforms, held talks about reducing overtime work and about employee benefit programs and health management measures, among other issues, and continued with efforts to foster workplaces that can motivate and fulfill employees.

Occupational Safety and Health

Company-wide safety conventions

We hold company-wide safety conventions as part of our efforts to ensure employee safety. The 14th convention was held in 2016 at the Central Plant, Shikoku factory, Unicharm Products Co., Ltd. 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. During the convention period, participants returned to the basics with employees pledging their commitment to safety and security and the representatives of overseas subsidiary factories establishing at strong commitment to safety.



The 14th 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 well as carrying out campaigns to eliminate vehicle accidents. As ways of encouraging workplace improvement activities and well-modulated working, we also promote a monthly no-overtime day in order to reduce overtime work by 10% compared to the previous year and reduced working hours 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 received one in FY2016. We also pay for the costs of breast and uterine cancer checkups. 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.



Training for Young Employees

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


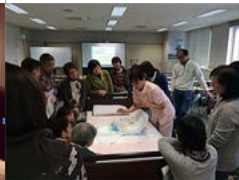






Making Contributions to Society through Our Core Business

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

Unicharm continues to provide appropriate continence support and nursing know-how in cooperation with educational institutions and local communities so that we can help the elderly live with being themselves forever. Tailoring themes and programs to suit participants, we are presenting useful knowledge and skills for care workers so they can provide a high level of care and a comfortable life for the elderly.

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

Target	General elderly population	At-home care specialists and family caretakers	Caretaking and nursing students (of vocational schools)
Theme:	Caretaking prevention (urinary incontinence)	continence care	continence care
Number of presentations	34	24	28
Contents	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.	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.	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.
			
	 Teaching material	 Teaching material	 Introductory booklet for onsite lectures

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.

United Charm Co., Ltd. (Taiwan) sponsors prizes of sanitary napkins and tampons. All of our employees are proud to be sponsors of Pink Ribbon activities in support of breast cancer prevention.

In Japan, Unicharm is now in its ninth year of supporting Pink Ribbon activities. 19 employees took part in the Pink Ribbon Smile Walk Tokyo Event held in October 2016. 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, in 2016, the Sofy Pink Ribbon Twitter fund-raising campaign took place where money was donated to relevant organizations based on the number of tweets. In the city of Shikoku-Chuo, one of the locations of our factory, Unicharm took part in the 2016 Childcare Festa and other events where many employees were able to raise money and donate to relevant organizations.

■ Pink Ribbon activities in Japan

Tokyo



Pink Ribbon Smile Walk Tokyo



Pink Ribbon limited edition product Sofy Body Fit

Shikoku



Fund-raising taking place at sponsored events

Community-based Social Contribution Activities (Japan)

Shizuoka factory certified as a “Place promoting health in Kakegawa”

In May of 2016, the Shizuoka factory was certified as a “Place promoting health in Kakegawa”. Organized by the city of Kakegawa in Shizuoka prefecture, the award ceremony was attended by Mr. Matsui, the Mayor of Kakegawa-shi, and 10 other people of the city. By officially recognizing the efforts of companies engaged in the promotion of health, this award system encourages healthy lifestyles for the generation of people in the prime of their lives.

Based on the 50 criteria needed for accreditation, the Shizuoka factory was able to gain the highest AAA rating.

While we are in the midst of a rapidly aging society, efforts to extend healthy life expectancy are not just issues for local government but also for society as a whole. Using the opportunity this recognition affords us, all of our employees will continue to work towards such things as improving productivity and prevention of disasters.



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

Participation in the Childcare Festa 2016 in Shikoku-Chuo City

Unicharm Products and Unicharm Kokko Nonwoven participated in “Childcare Festa 2016”, a child raising festival held by the city of Shikoku-Chuo in October 2016. 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)

Lectures for those involved with health in schools in developing countries

Every year the JICA Chubu International Center invites guests from developing countries for participating in training about school health. Lectures were held on girls' first period (menarche) education in Japan, India and Myanmar. After explaining about menarche education in Japan, its development in India was introduced and it was explained how girls are now able to live more positively by using sanitary napkins in the correct way. Ms. Hnin Aye Kyu from Myanmar where menarche education is still under way talked about her ambitions: “It was really good to hear about the menarche education in India. I really want to further develop this education in Myanmar in the near future”.



Ms. Hnin Aye Kyu, from Myanmar, joined the lecture



[India] Efforts to raise awareness of disposable diapers

Getting enough sleep is vitally important for the healthy growth of babies. Unicharm is conducting the Namaste Poko Chan Event to highlight the importance of providing an environment where babies can sleep soundly and hygienic excretion care in India where the use of disposable diapers is not yet widespread. After explaining about the importance of hygienic baby care and creation of an environment where the baby can sleep soundly through watching a video, participants were able to see how to properly use disposable diapers at the event.

In 2016, with a specially designed truck, we used open spaces in local communities to help promote awareness. With cooperation from local health nurses, many mothers came to these events where they could learn about hygienic baby care and excretion care through the use of disposable diapers. One health nurse who helped out at the event in Lucknow commented “I think it’s really good to hold these events about the health of babies. Using disposable diapers so that babies can sleep well at night is very good for their health and so I’ll definitely recommend them”. Participants of the event also commented “Up until now I had only used disposable diapers when traveling but I think I’ll use them more often now”.



[Korea] Sanitary napkins handed out at marathon race

Over 1,000 sanitary napkins were given out to people at the marathon event held in September 2016.

Since 2013, the SHARE PAD Campaign has been taking place in Korea where women are given free sanitary napkins. On the day of the marathon event, we set up a special SHARE PAD booth. People were invited to play a simple consumer involved game to make donations and we received many comments from the people who took part.



[Indonesia] Visit to a foster home

Coinciding with the founding anniversary of our local subsidiary in Indonesia, which was started with the purpose of interacting with babies and children in need of social support, our orphanage visits in Indonesia are now in their thirteenth year. In September 2016, 60 employees visited two orphanages in Jakarta where they deepened ties with the children through playing games. The employees presented monetary donations and Unicharm products.



[Taiwan] Carried out social contribution activities in commemoration of the company's 31st anniversary in Taiwan

Since 2015, in commemoration of Unicharm's 30th anniversary in Taiwan, the final Friday in November has been designated "Public Welfare Day" when employees of the company get involved in social contribution activities. This year, the second year, we paid a visit to seven facilities providing care and assistance to the elderly and people with disabilities. Other than dancing and recreational activities with the residents, 180 employees took part in volunteer activities that included helping dining, cleaning, as well as accompanying residents on walks, etc.



[Taiwan] Donation of disposable diapers for low birth weight babies on World Prematurity Day

On 17th November, World Prematurity Day, efforts are taking place to focus on the increasing problem of low birth weight babies. At an event held in Taiwan, 100 cases of diapers for underweight babies were donated to the Premature Baby Fund of Taiwan.



[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. Aiming to improve the quality of life for those in need and their families, our own researchers on continence support conducted lectures on the roles required for nursing and care based around the themes of diapers which support dysuria, dyschezia, skin care and independent excretion.



Along with Our Business Partners

Approach to Materials Procurement

Approach to Materials Procurement

By maintaining fair relationships equally with all of our business partners and by working closely together through open communication, we are sharing Unicharm's CSR approach, philosophy, specific activities and requests for cooperation towards safety and the environment. 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 from 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. In 2016, we established an International Labor Standards (ILS) Promotion Office to help promote our social responsibilities through the whole supply chain.

Promoting CSR Procurement

Promoting CSR Procurement

We established CSR procurement guidelines and implemented them in 2006. 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. Currently, we are updating our CSR procurement guidelines. We will share updates and ask for cooperation through the quality policy briefing sessions and continue to promote our contributions to society which are taking place throughout the whole 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 shared our thoughts on quality separately with some of our business partners and began to exchange ideas about ways to improve quality. By the end of 2017, we intend to carry out similar activities with all of our business partners and continue to find ways to improve still more on 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

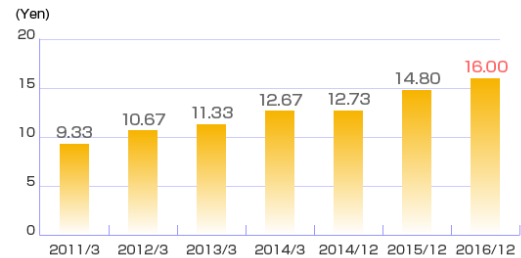
Our Basic Policy on Profit Returns to Our Shareholders

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.” The basic guidelines for shareholder returns based upon these principles emphasize two points; investment to support business expansion in the med-long term and the continuation and stability of dividend payouts. As a result, in the fiscal year ending December 2016, the company paid an annual dividend of 16.0 yen per share continuing to increase dividends for 15 consecutive years. Additionally, we have bought back some 5.72 million shares worth approximately 14 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

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 disclose information for our overseas investors by posting important information on our English site.

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.

We also position result briefings and overseas IR roadshow 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 roadshow, 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 roadshow

Listed in the SRI Index

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, 2016)



FTSE4Good

FTSE4Good Index Series



Morningstar Socially Responsible
Investment Index (MS-SRI)

Management

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 2016, we received 19 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 Management Security Committee, which develops Groupwide information management security initiatives and carries out employee education and ongoing monitoring. In fiscal 2016, we ran computer related security courses through our e-learning portal. Through the courses, participants confirmed security procedures that they are required to follow. One day every month has been 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. At the same time, as a physical measure to prevent against information leaks through the loss or steal of computers, we have been implementing an IT environment since 2016 where data cannot be stored on the computers themselves.

Protecting intellectual property

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. As a patent application strategy, we intend to protect and utilize business and developmental results as intellectual property, along with reinforcing overseas patent applications in line with the global development of our business. As a result, we have captured a top-class share in the industry with the application rate for global patents at approximately 80% (2014) and the registration rate for Japanese patents at approximately 92% (2015) (taken from the Patent Administration's Annual Report 2016). 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. Also, in 2016, we proactively licensed catchphrase trademarks such as Sofy's brand message, "Flap my wings and fly!" In August 2016, the Sofy jingle became the first sound trademark to be licensed as a foreign trademark in China.

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 internal compliance issues related to such things as patents, trademarks and misleading representations, etc.

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.

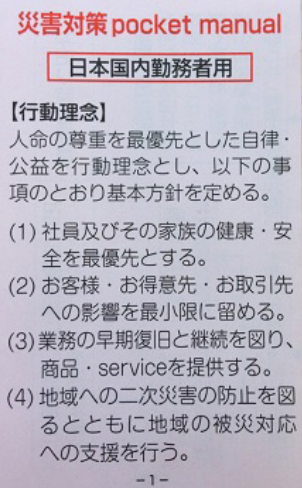
Business Continuity Plan (BCP*)

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. Even on holidays 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. Due to these efforts we received a letter of appreciation from the Tokyo Fire Department in 2015. In 2016, from the perspective of maintaining and expanding the production structure, we acquired factory land for new supply bases in Kanda town, Kyoto county, Fukuoka prefecture. We are making preparations for a safe and secure supply system in the event that the existing production base ceases operation due to a natural disaster or other such event.

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



Disaster response pocket manual



Crisis response training



Survival course at the head office

Third Party Assurance Report

We obtained third party assurance of Unicharm's CSR Activity Report 2017. 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 14, 2017

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 (S) (hereafter the "Selected Information") in the Unicharm Group's CSR Activity Report (hereafter the "Report") for the year ended December 31, 2016.

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.

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, 2016.

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 2013) 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.

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 details are as follows:

- inquiry with relevant the Company's management;
 - evaluating the suitability of the Reporting Criteria as the basis for preparing the Selected Information;
 - 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 listed below and one corporate office 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
- Unicharm India Private Ltd. (Neemrana Factory), Unicharm Kokko Nonwoven Co., Ltd. (Kawanoe Plant), Kinsei Products Co., Ltd.
- performing limited testing on a selective basis of the Selected Information at the corporate office and in relation to fifteen manufacturing sites to check that data had been appropriately measured, recorded, collated and reported.

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, 2016 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.

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Chapter Title	Topic	Web version	PDF version	Chapter Title	Topic	Web version	PDF version
Overview of the Unicharm Group	Company Profile		●	Along with Our Employees	View Concerning Human Resources and Respect for Human Rights	●	●
	Primary Consolidated Subsidiaries and Affiliates		●		Personnel Utilization and Training	●	●
	Production and Sales Areas		●		Respect for Diversity	●	●
	Main Business Indicators		●		Occupational Safety and Health	●	●
Editorial Policy/Contents	Editorial Policy	●	●	Along with the Society	Our Attitude toward Social Contributions	●	●
	Contents	●	●		Making Contributions to Society through Our Core Business	●	●
Message from the President		●	●		Community-based Social Contribution Activities (Japan)	●	●
Unicharm Group's CSR	Integrating CSR with our businesses	●	●		Community-based Social Contribution Activities (Overseas)	●	●
	CSR promotional structure	●	●	Along with Our Business Partners	Approach to Materials Procurement	●	●
	Reference framework for Unicharm's CSR strategy	●	●		Promoting CSR Procurement	●	●
	Relationship with stakeholders	●	●		Initiatives to Improve Quality	●	●
CSR Key Topics	1. Lengthening Healthy Life Expectancy	●	●	Along with Shareholders and Investors	Our Basic Policy on Profit Returns to Our Shareholders	●	●
	2. Supporting Women's Independence and Improving Hygiene in Emerging Countries	●	●		Information Disclosure for Our Investors	●	●
	3. Contributing to Global Environment	●	●		Listed in the SRI Index	●	●
	4. Contributing to the Community	●	●	Management	Corporate Governance	●	●
Along with Our Customers	Communicating with Customers	●	●		Compliance	●	●
	Product Development and Marketing	●	●		Management	●	●
	Quality Management	●	●	Third Party Assurance Report		●	●
Along with the Global Environment	Promotion Framework for Environmental Activities	●	●	List of Awards and Commendations Received in Fiscal 2016		●	●
	Environmental Goals	●	●				
	Environmental Impact	●	●				
	Initiatives for the Procurement of Sustainable Materials	●	●				
	Initiatives against Global Warming	●	●				
	Initiatives to Reduce Environmental Impacts	●	●				
	Activity Results	●	●				
Site Data							

List of Awards and Commendations Received in Fiscal 2016

List of recognition from third parties we received in 2016 are listed below.

Month and year	Name and description	Implementing organization	Recipient
February 2016	Japan's Best Global Brands 2016 brand value rankings: 19th.	Interbrand	Unicharm Corporation
February 2016	Toyo Keizai 10th CSR Rankings 2016: 78th	Toyo Keizai Inc.	Unicharm Corporation
March 2016	Selected as 10th best publicly listed company to work at by new graduates	Vorkers job search site	Unicharm Corporation
March 2016	Received Best Supplier Award from Tesco	Tesco	Uni-Charm (Thailand) Co., Ltd.
March 2016	Certified as Excellent Employer for Persons with Disabilities	Kagawa Prefecture	Unicharm Products Co., Ltd.
September 2016	Received "Marketing Campaign of the Year"	Toys R Us	Unicharm Australasia
October 2016	Received a Gold Award at the Mother & Baby Awards 2016 in the Disposable Diaper Category for MamyPoko Pants	Mother & Baby Magazine, a monthly magazine in India	Unicharm India Private Limited
November 2016	Received the FY2016 Good Design Award for the MoonyMan AirFit and Small Face Appearance Mask	Japan Institute of Design Promotion	Unicharm Corporation
December 2016	Received the Mothers Selection Award for the Moony Series	NPO Nippon Mothers Association	Unicharm Corporation
February 2017	Received a Nikkei Excellent Products/Services Award and Nikkei MJ Award of Excellence for Lfree Sawayaka Fresh Pad Series for Men's Sensitive Bladder	Nihon Keizai Shimbun	Unicharm Corporation
February 2017	Seiyu Supplier of the Year - Overall	Seiyu	Unicharm Corporation
February 2017	Aeon Contribution Award 2016 Best Promoter	Aeon	Diana Unicharm

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 Unicharm Group's CSR > Message from Management
G4-2	Description of key impacts, risks, and opportunities	Unicharm Group's CSR > Integrating CSR with our businesses CSR Key Topic 1 CSR Key Topic 2 CSR Key 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*) Along with the Global Environment > Initiatives for the Procurement of Sustainable Materials > Forest-derived Raw Materials Procurement Guidelines Along with Our Business Partners > Promoting CSR Procurement [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 Along with Our Employees > View Concerning Human Resources and Respect for Human Rights > Our view of human rights
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 the Procurement of Sustainable Materials Along with the Global Environment > Initiatives against Global Warming > Commendation of initiatives aimed at establishing a low-carbon society

GRI Items	GRI Index	Page to Refer
Identified Material Aspects and Boundaries		
G4-17	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • "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
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

GRI Items	GRI Index	Page to Refer
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	<ul style="list-style-type: none"> · 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	<ul style="list-style-type: none"> · 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	<ul style="list-style-type: none"> · 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	<ul style="list-style-type: none"> · Process for communicating critical concerns to the highest governance body 	Unicharm Group's CSR > CSR promotional structure
G4-50	<ul style="list-style-type: none"> · 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
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

GRI Items	GRI Index	Page to Refer
CATEGORY: ENVIRONMENTAL		
Aspect: Materials		
G4-EN1	Materials used by weight or volume	Along with the Global Environment > Environmental Impact > 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 > Monitoring the environmental impact of products during the entire lifecycle Along with the Global Environment > Activity Results for FY2016 > Addressing global warming and energy saving measures
G4-EN4	Energy consumption outside of the organization	Along with the Global Environment > Environmental Impact > Monitoring the environmental impact of products during the entire lifecycle
G4-EN5	Energy intensity	Along with the Global Environment > Activity Results for FY2016 > Addressing global warming and energy saving measures
G4-EN6	Reduction of energy consumption	Along with the Global Environment > Activity Results for FY2016 > Addressing global warming and energy saving measures
G4-EN7	Reductions in energy requirements of products and services	Along with the Global Environment > Initiatives to Address Global Warming > Initiatives to reduce CO ₂ through products
Aspect: Water		
G4-EN8	Total water withdrawal by source	Along with the Global Environment > Activity Results for FY2016 > Reducing water usage
Aspect: Biodiversity		
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Along with the Global Environment > Initiatives for the Procurement of Sustainable Materials > Forest-derived Raw Materials Procurement Guidelines
G4-EN13	Habitats protected or restored	N/A
Aspect: Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Along with the Global Environment > Initiatives against Global Warming > Initiatives to lower CO ₂ emissions through the supply chain
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Along with the Global Environment > Initiatives against Global Warming > Initiatives to lower CO ₂ emissions through the supply chain
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Along with the Global Environment > Environmental Impact > Monitoring the environmental impact of products during the entire lifecycle Along with the Global Environment > Initiatives against Global Warming > Initiatives to lower CO ₂ emissions through the supply chain
G4-EN18	Greenhouse gas (GHG) emissions intensity	Along with the Global Environment > Activity Results for FY2016 > Addressing global warming and energy saving measures
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Along with the Global Environment > Activity Results for FY2016 > Addressing global warming and energy saving measures
G4-EN20	Emissions of ozone-depleting substances (ODS)	Along with the Global Environment > Activity Results for FY2016 > Initiatives to reduce the use of hazardous chemical substances
G4-EN21	NO _x , SO _x , and other significant air emissions	Along with the Global Environment > Activity Results for FY2016 > Initiatives to reduce the use of hazardous chemical substances

GRI Items	GRI Index	Page to Refer
Aspect: Effluents and Waste		
G4-EN22	Total water discharge by quality and destination	Along with the Global Environment > Activity Results for FY2016 > Initiatives to reduce the use of hazardous chemical substances
G4-EN23	Total weight of waste by type and disposal method	Along with the Global Environment > Environmental Impact > Monitoring the environmental impact of products during the entire lifecycle Along with the Global Environment > Activity Results for FY2016 > Promoting the effective use of resources and recycling
G4-EN24	Total number and volume of significant spills	N/A
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention ² Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	N/A
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 FY2016 > Initiatives to reduce the use of hazardous chemical substances
Aspect: Products and Services		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Along with the Global Environment > Initiatives against Global Warming > Initiatives to reduce CO ₂ through products
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Along with the Global Environment > Initiatives against Global Warming > Initiatives to reduce CO ₂ through products
Aspect: Compliance		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	N/A
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 > Monitoring the environmental impact of products during the entire lifecycle In 2016, significant environmental impacts were not shown in the calculation based on the report of the Energy Conservation Act, and the GHG Emissions Accounting and Reporting Manual (version 4.0) edited by MOE and METI.
Aspect: Supplier Environmental Assessment		
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Along with the Global Environment > Initiatives for the Procurement of Sustainable Materials Surveys on suppliers and third-party verifications were promoted based on LCA investigation and the forest guideline. Significant negative environmental impacts in the supply chain were not reported.
Aspect: Environmental Grievance Mechanisms		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	N/A
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 Along with Our Employees > Occupational Safety and Health
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

GRI Items	GRI Index	Page to Refer
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)
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Along with Our Employees > Personnel Utilization and Training > Evaluation of career development
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	[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
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 > Human Resources Data
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 > Human Resources Data
Aspect: Supplier Human Rights Assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Along with Our Business Partners > Promoting CSR Procurement > 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 > Promoting CSR Procurement > 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	Along with Our Customers > Quality Management Along with the Global Environment > Initiatives to Reduce Environmental Impacts > Unicharm's management of chemical substances
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	Along with Our Customers > Quality Management Along with the Global Environment > Initiatives to Reduce Environmental Impacts > Unicharm's management of chemical substances
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 > Initiatives against Global Warming > Initiatives to reduce CO ₂ through 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 Total number of incidents: 0
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