

Biodiversity

Our basic approach and strategy

Unicharm products and services are essential to a clean and healthy lifestyle. At the same time, we recognize that they are intimately linked to biodiversity through a close connection to the global environment created by the use of resources and generation of waste that their provision entails. By understanding the effects of business activities on biodiversity, we strive to promote sustainable business development and resource use that leads to a “future society in harmony with nature.” Particularly for pulp and other forest resources which we use in large amounts, we procure materials from managed forests, eliminate the use of illegally logged timber and strive to protect the rights of local residents and workers to contribute to the “mainstreaming of biodiversity.”

Risk and Opportunity in Biodiversity

Our risks are (1) procurement of resources could become unstable and capacity utilization rate could decline or that procurement costs could become unstable due to negative impacts on biodiversity that occurs when procuring resources (particularly paper pulp, palm oil and agricultural products) and (2) the danger due to the impact on biodiversity that occurs during operations at our sites, costs may be incurred and operations may be suspended for the restoration of sites to their original condition and consumers may be reluctant to buy our products.

On the other hand, in terms of opportunities, we expect that (1) the proactive utilization of certified sustainable materials will lead to stable supply of materials and reduction of costs and (2) sales will expand due to the supply of products that take the needs of biodiversity into consideration in collaboration with retailers.

Management structure

Four times a year at the ESG Committee meeting chaired by the Representative Director, plans and progress on environmental activities, quality issues, social issues and other important governance matters are shared. Specific plans are reported using “Eco Plan 2020” as the baseline, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) announced in June 2017.

We identify and review biodiversity problems and materiality through open discussion with outside experts to formulate issues and set indicators for our activities. For our “forest-derived raw materials,” the ESG Division and Procurement Department are working together to promote a switch to third-party certified raw materials with progress reported to the ESG Committee and shared publicly on our corporate website.

We also verify the management of temporary industrial waste storage facilities and processors and measure emissions and wastewater in order to minimize the impact on biodiversity in the areas surrounding our manufacturing facilities.

Biodiversity initiatives

Open Discussion with Experts

In April 2019, we held a dialogue with WWF on the important medium-to-long-term social issues facing Unicharm. We heard a wide variety of opinions on climate change (energy conservation, renewable energy, carbon pricing, etc.), plastics pollution (the current situation and future development) and deforestation (the situation and future development for paper/pulp, palm oil, etc.) and formulated “Environmental Targets 2030.” With regard to deforestation in particular, we received a variety of suggestions for preventing forest loss such as expanding the scope of our policies and guidelines and on the importance of investigating the origins of certified forest materials and disclosing the results.



Dialogue with WWF Japan

“Eco Plan 2020” sustainable material procurement targets and results (from “Eco Plan 2020”)

	Implementation items	2015 results	2016 results	2017 results	2018 results	2019 results	2020 targets	2020 results	Judgment
(2) Procurement of sustainable materials	■ Third party certification of paper and pulp suppliers (Japan)	82%	80%	94%	95%	95%	100%	99%	△
	■ Third party certification of paper and pulp suppliers (Overseas)	—	84%	87%	90%	95%	100%	93%	×
	■ Third party certification of palm oil suppliers (Japan)	0%	Start of investigation	Ascertained	2%	31%	100%	86%	×

Open Discussion with other Experts

In 2018, Unicharm also held open discussions with the Forest Stewardship Council® (FSC®), an NGO, the Global Environmental Forum (GEF) and Amundi Japan, Ltd. and Nomura Asset Management Co., Ltd. in the Ministry of the Environment of Japan's Environmental Reporting Platform Development Pilot Project. As a company that uses forest resources, we will continue promoting highly transparent sustainable activities while obtaining information from NGOs and NPOs about local circumstances and forming partnership to contribute to the achievement of targets.

Initiatives of the Japan Business Initiative for Biodiversity (JBIB)

Unicharm supports the philosophy of the Japan Business Initiative for Biodiversity (JBIB) (Chair: Mitsui Sumitomo Insurance Company, Limited) and has participated as a member of the network since 2009.



JBIB: Japan Business Initiative for Biodiversity (Japanese only) <http://jbib.org/>

Acquiring CoC certification from the PEFC, an international forest certification scheme

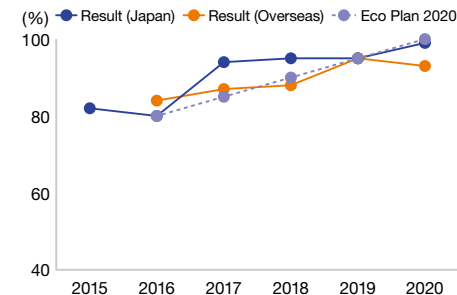
In 2020, our factories in Thailand, Indonesia and Japan acquired CoC certification (Chain of Custody, certifying management of the processing and distribution processes) from international forest certification scheme, the PEFC (Programme for the Endorsement of Forest Certification Schemes), and we launched our first PEFC trademarked products under Australian BabyLove brand. On BabyLove's social media and website, we explained forest certification schemes and the PEFC and shared the fact that all wood pulp used in BabyLove products are PEFC certified material procured through a CoC certified supply chain. We are providing consumer education around our supply chain procurement.



Promoting procurement of sustainable forest resources from the PEFC and others

The percentage of total paper and pulp used in Unicharm products that are certified sustainable by third parties such as the PEFC is as follows.

Percentage of Sustainable Materials Certified by Third-Parties including the PEFC



Percentage of office paper made from certified materials

We make environmental consciousness a policy for our office paper, too. In 2020, office paper made from certified sustainable materials accounted for 19.0% while 100% recycled paper made up 80.7%, bringing environmentally friendly products to a total of 99.7%. We are planning measures to address the remaining 0.3% and aim to achieve 100%.

FSC®-certified paper initiative

We are also using FSC®-certified products for our paper packaging and cardboard. In 2020, we switched to FSC®-certified paper for packaging of face masks, tampons and cat food.



責任ある森林管理のマーク



Packaging that uses FSC®-certified paper

Initiatives to raise awareness of FSC® certification

Unicharm works with FSC® Japan, an NPO raising public awareness about the FSC® (Forest Stewardship Council®, an international forest certification scheme) and supported "All Together Now: A Campaign Supporting Next Generation Motivation and Sincerity" which ran from October 26, 2020 to January 10, 2021. By encouraging adults to support motivation and sincerity in middle and high school students with a keen interest in environmental problems and social issues including deforestation, this campaign stimulates a shared, inter-generational awareness of problems and aims to promote cooperative work toward realizing a sustainable society.



Usage of third-party certified sustainable palm oil

In 2020, Unicharm increased usage of RSPO-certified palm oil based on the mass-balance system.* Of the palm oil we procured, 85.9% was RSPO-certified, amounting to 131.6 tons. Going forward, Unicharm will continue sustainable procurement activities while confirming quality and procurement routes to switch all our palm oil purchases to RSPO-certified oil.



* Mass-balance system: A certification model in which certified oil produced at certified farms is mixed with other uncertified oil during the distribution process. Although the certified oil physically contains uncertified oil, the certified farms and the amount of certified oil purchased are guaranteed.

Providing and adding to organic products

One element of Unicharm's production of environmentally friendly products is our manufacture of products containing organic cotton. Organic cotton is cotton manufactured in a way that minimizes environmental impacts, including soils and water quality, and meets social criteria, including on-farm worker safety and child labor standards. We currently use organic cotton in "Natural Moony," "Natural MoonyMan" and "Sofy Organic Cotton Series" and will continue to add to the number of products using organic cotton going forward. We also support and work with the "ORGABITS Project," an initiative encouraging us all to do our individual "bits" to contribute to the environment through organic cotton.

Number of products using organic cotton

	Number of products
2018	9
2019	18
2020	22

Providing and adding to products using plant-derived components

In February 2020, we launched a subset of "Wave Handy Wiper (extra-long version with storage case)" products with a case manufactured using bioplastic made from an inedible agricultural by-product (rice husks). For this storage case, a biomass resource that would ordinarily be thrown away is being recycled into bio-based plastic. Unicharm is also using vegetable oil-based inks for the "Product Catalogue" and "Integrated Report"(booklet) that we issue. Going forward, we will continue developing and increasing provision of products that use plant-derived components based on a variety of approaches.



"Wave Handy Wiper (extra-long version with storage case)" with storage case using biomass plastics

Waste management

Waste emissions volume is reported in the "Preventing Pollution and Utilizing Resources" section.

[PDF](#) See P.050 "Pollution Prevention and Resource Utilization"

Water system emission monitoring results

There were no violations of laws and regulations or in-house standards. The measurement results for COD and BOD are reported in detail in the Site Data section.

[PDF](#) See P.065 "Site Data"

Atmospheric emission monitoring results

Atmospheric emissions are reported in the "Preventing Pollution and Effectively Utilizing Resources" section.

[PDF](#) See P.050 "Pollution Prevention and Resource Utilization"