

# Human Rights

## ■ Our basic approach and strategy

Since the founding of Unicharm, we have stated “respecting humanity & dignity” in our management policy and always believed in the mind-set of respecting human rights. In fact, spirit of respecting “human rights” and a mutually respectful human perspective are clearly stated in the “Unicharm Group Charter of Actions” and in the opening of Human Resource Philosophy. Various human rights issues exist throughout the world and because special attention must be paid to protecting human rights in global business based on “international human rights standards,” we uphold the Universal Declaration of Human Rights adopted in 1948 by the United Nations General Assembly and, in 2017, we enacted the “Unicharm Group Human Rights Policy” and demonstrate our continued efforts to fulfill our responsibility to respect human rights in all of our business activities. This human rights policy is also included in the “Unicharm Group Charter of Actions” which in turn is a part of “The Unicharm Way,” a statement of corporate ideals that is well-known and applied throughout the Group.

Furthermore, Unicharm promotes management by local subsidiaries in the countries and regions in which we operate with priority given to contributing to the local economy, actively creating local employment in production and sales and manufacturing products by using locally-procured raw materials for a goal of “local production for local consumption.” In this context, the 2009 “Unicharm Group CSR Procurement Guidelines” (which was then upgraded to the “Basic Purchasing Policy” in October 2017) and the 2017 “Unicharm Group Sustainable Procurement Guidelines” were respectively formulated and implemented to maintain a fair and impartial relationship with all suppliers,

## Unicharm Group Policy on Human Rights

The corporate philosophy “NOLA & DOLA” of Unicharm Group (the “Group”) contains our hope that “Unicharm aims to provide all people, from newborn infants to the elderly, with products that gently support their mind and body for freeing them from various types of burdens to fulfill their dreams.” In accordance with this philosophy, the Group supports the realization of a society where human rights are respected as a fundamental right granted to all people. Based on this assumption, the Group will make efforts to fulfill its responsibility to respect human rights.

### 1. Background

The Group has established the Unicharm Group Policy on Human Rights (the “Policy”) by which it will promote efforts for the respect of human rights of all stakeholders including employees based on the following international human rights principles; “International Bill of Human Rights”(Universal Declaration of Human Rights, International Covenant on Economic, Social and Cultural Rights and International Covenant on Civil and Political Rights), “ILO(International Labour Organization) Declaration on Fundamental Principles and Rights at Work,” “Ten Principles of the UN Global Compact” and “UN Guiding Principles on Business and Human Rights.” The Policy complements the corporate philosophy and Unicharm Group Charter of Actions (The Unicharm Way) clarifying how the Group will address matters concerning human rights in the Charter of Actions.

### 2. Scope of Application

The Policy will apply to all executives and employees who work at the Group. The Group will also require its business partners and suppliers to uphold and comply with the Policy and work together with them to promote efforts for the respect of human rights.

### 3. Fulfilling Responsibility to Respect Human Rights

The Group will fulfill its responsibility of respecting human rights by ensuring that its business activities do not result in human rights violations and by responding appropriately to correct any adverse human rights impact we may have caused. Furthermore, the Group will require its business partners and suppliers to respond appropriately to correct any adverse human rights impact they may have caused even if the Group does not directly contribute to those impacts.

### Compliance with Applicable Laws and Regulations

The Group will comply with the laws and regulations of each country or region where it conducts its business activities. Where there is a conflict between national or regional laws/regulations and international human rights standards, we will seek the ways to honour international human rights standards.

### Human Rights Due Diligence

The Group will establish a system of human rights due diligence in accordance with procedures based on the “UN Guiding Principles on Business and Human Rights” under which it will make efforts to prevent or mitigate adverse human rights impacts.

### Remedy

In the event the Group’s business activities directly or indirectly result in adverse human rights impacts, it will provide a remedy through appropriate dialogue and procedures.

### Education

The Group will provide appropriate education to ensure effective implementation of the Policy by which it will be instilled inside and outside the company.

### Dialogue and Consultation

The Group will engage sincerely in the meaningful consultation with people whom its business activities may have caused impacts as a part of its efforts under the Policy.

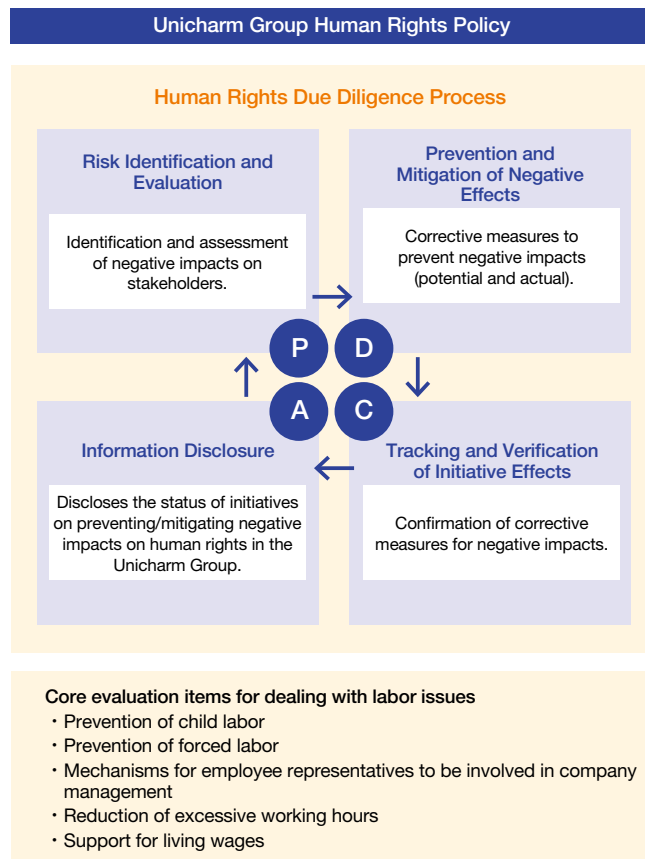
### Reports

The Group reports on its efforts related to human rights through its website, etc.

Date of Establishment: October 25, 2017  
 Revised: February 10, 2021  
 President & CEO Takahisa Takahara  
 Unicharm Corporation

We will respect children’s rights by eliminating forced and child labor and will never discriminate against people based on nationality, race, religion, gender, sexual preference, age, family background, disability or any other factors. We will also guarantee freedom of association and collective bargaining and pay attention to the reduction of excessive work hours and right to minimum wages.

### Human Rights Due Diligence Process

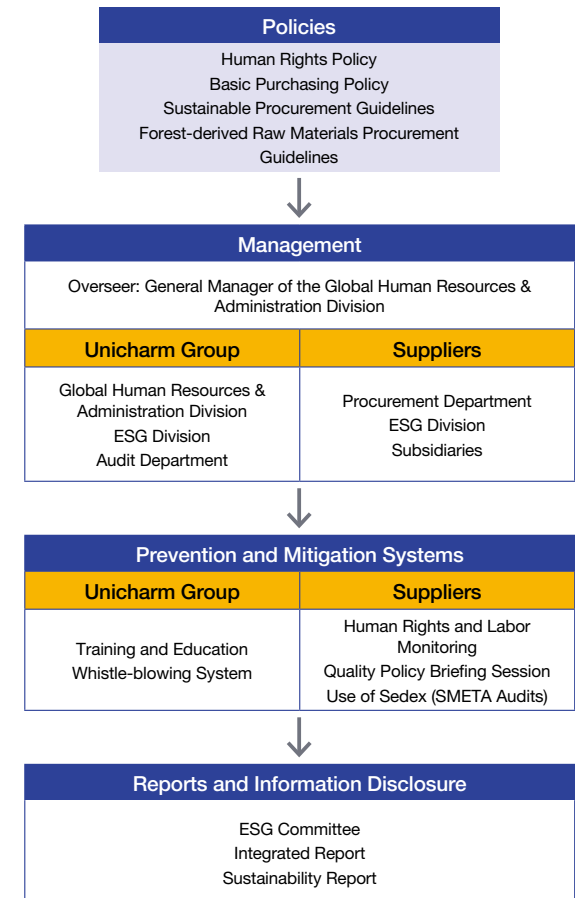


### Management structure

Since it is necessary to have a variety of departments involved in human rights, the Global Human Resources & Administration Division and the ESG Division take the lead, under the direction of General Manager of Global Human Resources & Administration Division who is the executive-level officer assigned a responsibility for human rights, in collaborating with the relevant departments and group companies inside and outside Japan that handle purchasing and auditing and in reporting to the ESG Committee. Meanwhile, human rights initiatives at suppliers are headed by our Procurement Department, the contact point for suppliers, which encourages them to uphold human rights while the “Basic Purchasing Policy” and “Sustainable Purchasing Guidelines” which were enacted in 2017 are distributed and explained to our domestic suppliers. As a result of such internal and external efforts, there was no incidence of human rights abuses in 2020.

[PDF](#) For information about human rights initiatives in the supply chain, also see P.106 “Supply Chain (Society)”

### Overview of Human Rights Initiatives



### ■ Stakeholder engagement for human rights

Since human rights issues can affect a wide range of stakeholders, Unicharm is stepping up its engagement in various ways.

	Initiatives	Results
2018	Participation in Nippon CSR Consortiums stakeholder engagement programme administered by CRT Japan.	Identification of important human rights issues by industry
2019	Held a dialogue with human rights experts at the "Global Conference on Business and Human Rights" in Tokyo administered by CRT Japan.	Advice on advancing human rights due diligence
2020	Joined Sedex as an AB member to expand the building of a sustainable supply chain. Participation in "Global Conference on Business and Human Rights" in Tokyo administered by CRT Japan involving overseas experts on business and human rights as well as business and specialists in Japan.	Use of the Sedex platform for respecting human rights and improving the work environment. Gained an understanding of global trends and urgent issues related to business and human rights. Also obtained information on preventing/ countering human rights abuses from the examples of practical efforts implemented by other companies.

### Initiatives in Thailand

In October 2019, the Thai government was the first in Asia to take a cabinet decision to implement the National Action Plan on Business and Human Rights (NAP). Since Unicharm has a business presence in Thailand, we recognize there is need to determine the situation from a human rights due diligence perspective.

We therefore participated in the 2019 "Global Conference on Business and Human Rights" in Thailand for stakeholder engagement (administered by CRT Japan with support from the Embassy of Japan in Thailand) and carried out a dialogue with Thai NPOs, the Foundation for Consumers and others for addressing human rights issues such as human trafficking, illegal employment of immigrants, forced labor, etc.

We also visited the Labour Protection Network, an NPO working to solve human trafficking in Thailand, to engage in understanding the status of human rights issues in the fishery industry. Accompanying officers from Thailand's Ministry of Labor during an unannounced inspection of a Bangkok Port facility, Unicharm observers were able to gain an understanding of the situation of onsite workers such as how they offload the catches.

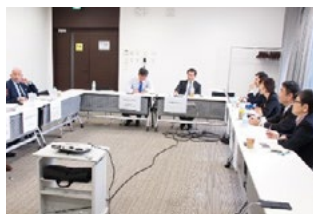
### Initiatives in Australia

"The Modern Slavery Act (MSA)" was passed in Australia in 2018 and came into effect on January 1, 2019. Under this Act, all companies (domestic or international) with annual sales of more than A\$100 million in the country are required to submit an annual report on business operations and assess and mitigate risks for modern human slavery throughout the relevant supply chains based on the "UN Guiding Principles." In response to this requirement, Unicharm Australasia clarified its organizational structure, including its suppliers, and carried out ethics training for modern slavery for all primary suppliers as well as major secondary suppliers. At Group company factories, a human rights impact assessment for employees was carried out in terms of appropriate wages, appropriate working hours, workplace discrimination, forced labor and workplace health and safety as risk indicators.

No significant risk situation was found this time, but we will continue to identify potential risks and take measures as necessary to resolve them.



Dialogue with global experts



Visit to the Labour Protection Network NPO

■ **Human rights education**

**For employees**

Employees are provided with education and training so that each person will acquire correct knowledge about respecting human rights and preventing human rights-related risks. For example, role-based training and new leader training are used to provide specific examples of bullying and harassment and methods on preventing them and solutions of what to do when harassment actually occurs.

**For suppliers**

Regular quality policy briefings for suppliers are also used to explain Unicharm’s “Basic Purchasing Policy,” “Sustainable Procurement Guidelines,” and “Human Rights Policy” as well as the corporate philosophy and ESG initiatives and share information that fosters mutual understanding of sustainable procurement and strengthens collaborative efforts. In addition, we promote collaborative improvement activities on a wide range of material-related themes through the meetings between overseas local subsidiaries and suppliers in each country.

■ **Human rights impact assessment and mitigation**

Since 2016, we have conducted human rights and labor monitoring at 15 of our own plants and associate companies on our premises in nine countries (Japan, China, Korea, Thailand, Indonesia, India, Brazil, Vietnam and Saudi Arabia). We also provide training to internal personnel to promote sustainable procurement through appropriate audits with consideration given to human rights, working environment, etc.

**Unicharm Group No. of Audits and Evaluations**

Year	No. of Audits	No. of Evaluations					No. of Indications
		A	B	C	D	E	
2018	17	0	14	1	2	0	61
2019	12	0	10	1	1	0	40
2020	4	0	3	0	1	0	25

Similarly, we also hold procurement seminars and the like as part of our supplier communication efforts and monitor human rights and labor at suppliers. In July 2020, we joined Sedex as an AB member and established a structure to monitor human rights and labor issues at suppliers.

 For information about human rights initiatives in the supply chain, see P.108 “Supply Chain (Society) > Management System > Global communication with suppliers, Education for internal personnel”

 For information about human rights initiatives in the supply chain, see P.110 “Supply Chain (Society) > Initiatives > Supply chain monitoring.”