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Kao Is Aiming to Reduce Its CO₂ Emissions to Zero by 2040, and to Be Carbon Negative by 2050

Kao Has Set New Targets for 1.5°C Science Based Target Initiative Certification, and Is Aiming to Join RE100

TOKYO, May 19, 2021 — Kao Corporation has set new targets for realizing a decarbonized society and is aiming to reduce its carbon dioxide (CO₂) emissions to zero by 2040, and become a carbon negative company by 2050. Consequently, Kao is now seeking to upgrade the 2.0°C target certification it was awarded by the Science Based Targets initiative (SBTi)*¹ in 2019 to 1.5°C. It has also signed up to the “Business Ambition for 1.5°C” initiative, which was launched by the UN Global Compact, the SBTi, and We Mean Business. This is a corporate pledge for businesses to set science-based targets aligned with limiting global temperature rise to 1.5°C instead of 2.0°C. In addition, Kao is aiming to join RE100, an international program which brings together hundreds of large businesses committed to 100% renewable electricity.

*1 The SBTi is an international joint initiative by the CDP, the UN Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). The SBTi provides science-based verification and certification as to whether the greenhouse gas reduction targets set by business enterprises are consistent with the decarbonization levels mandated by the Paris Agreement.



Solar panels on Kao's Tochigi plant in Japan

The Kao Group has been working with a variety of stakeholders to reduce the environmental impact throughout their products lifecycles. In April 2019, Kao defined a sustainable lifestyle in an age of increasing consumer needs as the Kirei Lifestyle, and developed the Kirei Lifestyle Plan (KLP), a

new ESG Strategy. The Japanese word 'kirei' describes something that is both clean and beautiful. For Kao, Kirei not only encapsulates appearance, but also attitude—to create beauty for oneself, other people, and for the world around us. Mid- to long-term targets have been announced for each of the 19 “Kao Actions” as specified by the KLP, which includes decarbonization.

Recently, Kao’s responsibilities have grown as well as the role it is expected to play in relation to tackling climate change caused by global warming. In order to be able to deliver a Kirei Lifestyle not only to today’s consumers but also to the consumers of the future, Kao has set new decarbonization objectives aimed at the realization of a decarbonized society. By implementing Innovation in Reduction and Innovation in Recycling with regards to CO₂, Kao is aiming to achieve carbon zero by 2040, and carbon negative 2050 in its business activities. Kao is also proceeding with the development of products, services, and technologies that will contribute towards reducing CO₂ emissions in society as a whole.

The Kao Group’s new decarbonization objectives

Aiming to be carbon zero by 2040, and carbon negative by 2050.

CO₂ related Innovation in Reduction /Targets to achieve zero CO₂ emissions by 2040

By 2030, Kao will have reduced Scope 1+2^{*2} CO₂ emissions (absolute value) by 55% (taking 2017 as the base year) ^{*3}

- In line with the SBTi 1.5°C target, Kao has increased the rate of reduction, which was originally set in 2019 (as one of the mid- to long-term decarbonization goals in the Kirei Lifestyle Plan ESG strategy), by 22% (taking 2017 as the base year) in Scope 1+2 CO₂ emissions (absolute value).
- By utilizing the internal carbon pricing system that was adopted in 2006, Kao is promoting the use of equipment that has low CO₂ emissions, and in the use of renewable energy.

^{*2} The volume of greenhouse gases emitted directly by business enterprises and other organizations.

^{*3} 1.5°C target certification from the SBTi has been applied for.

By 2030, 100% of the electricity used will be sourced from renewable energy^{*4}

Kao is aiming to join the RE100 initiative, and will continue to use renewable energy in its business practices with the adoption of photovoltaic electricity generation equipment and the purchase of electricity generated from renewable energy.

^{*4} Kao has applied for RE100

By 2030, Kao will have reduced CO₂ emissions (absolute value) throughout the product lifecycle^{*5} by 22% (taking 2017 as the base year)^{*6}

- Kao will continue to implement the mid- to long-term decarbonization targets outlined in 2019 in the Kirei Lifestyle Plan ESG strategy.
- Kao will promote reduction in raw material usage, use of natural raw materials, development of water-saving products, reduction in plastic packaging usage, and use of recycled plastic.

*5 The volume of CO₂ emissions deriving from raw materials procurement, manufacturing, transportation, product usage, and disposal of used products.

*6 1.5°C target certification from the SBTi has been applied for.

By 2030, CO₂ emissions in society as a whole will have been reduced by 10 million tons through the use of Kao products and services

In its Consumer Products business and Chemical business, Kao will promote the development of products, services, and technologies that contribute towards the sustainability of society.

CO₂ related Innovation in Recycling/ Targets to achieve negative CO₂ emissions by 2050

Kao will develop technology that enables CO₂ to be used as a raw material.

About Kao

Kao creates high-value-added products that enrich the lives of consumers around the world. Through its portfolio of over 20 leading brands such as *Attack*, *Bioré*, *Goldwell*, *Jergens*, *John Frieda*, *Kanebo*, *Laurier*, *Merries*, and *Molton Brown*, Kao is part of the everyday lives of people in Asia, Oceania, North America, and Europe. Combined with its chemical division, which contributes to a wide range of industries, Kao generates about 1,400 billion yen in annual sales. Kao employs about 33,000 people worldwide and has 130 years of history in innovation. Please visit the Kao Group website for updated information.

<https://www.kao.com/global/en/>

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<Related Information>

■Kao Sustainability website

<https://www.kao.com/global/en/sustainability/>

■Kao launches new ESG Strategy “Kirei Lifestyle Plan” to support consumer lifestyle changes

<https://www.kao.com/global/en/news/sustainability/2019/20190422-001/>

■Kao’s New Challenges for the Future: Accelerating Purposeful Business Commitment with ESG

<https://www.kao.com/global/en/news/business-finance/2019/20190926-001/>