

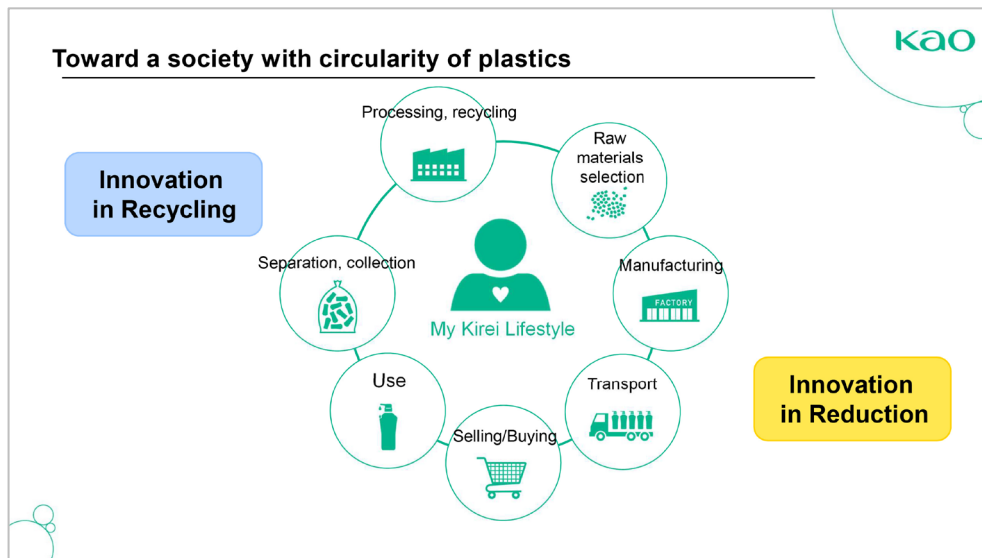
[Initiatives for Kao's ESG Strategy, the Kirei Lifestyle Plan and plastic circularity in society]

Recognizing its responsibility as an enterprise that provides products which people use on a regular basis in their daily lives, Kao takes active steps to reduce the environmental footprint of its products throughout the entirety of the product lifecycle. In April 2019, Kao launched the Kirei Lifestyle Plan, its ESG (environmental, social and governance) strategy, which incorporates 19 key leadership actions. Kao's purpose is to create a Kirei life for all. 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. The Kirei Lifestyle Plan aims to integrate ESG as the foundation of its management to accelerate business growth and create products and services of better value for consumers and society.

Regarding the issue of plastic waste, which is a significant problem for society, in 2018, Kao announced its "Our Philosophy & Action on Plastic Packaging" declaration, and are abiding by the 4Rs: Reduce, Replace, Reuse, Recycle. We are substantially reducing the amount of plastic used in our packaging, by making them thinner, reusable, refillable, and reduced in volume, as well as improving our liquid concentration. We are also developing packaging that is easier to recycle. Plus, we will make efforts to switch away from fossil fuel-based plastics toward the use of sustainable materials.

In September 2019, Kao announced that it would be focusing on Innovation in Reduction and Innovation in Recycling, so as to help realize a society characterized by effective plastic resource circulation. In the area of Innovation in Recycling, we are collaborating with other companies and organizations on the horizontal recycling of plastic packaging. Initiatives for which we are undertaking verification testing include the recycling of film packaging made using multiple different materials, which in the past has been considered difficult to recycle, as well as recycling of mono-material film packaging (which is made using a single material), and of mono-material bottle containers. We are also conducting demonstration testing for many other projects, including recycling of items other than packaging, such as used diapers.

By integrating ESG into the core of its company management, Kao will drive business growth and better serve consumers and society through its enhanced products and services. With this socially conscious ethos, Kao will create a Kirei life for all—providing care and enrichment for the life of all people and the planet.



<Related Information>

■Kao > Sustainability

<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/>

■Our Philosophy & Action on Plastic Packaging

<https://www.kao.com/global/en/sustainability/topics-you-care-about/eco-friendly-products-plastic-packaging/>

■Working Toward Resource Circulation for Plastic Packaging Kao and Lion Begin Collaboration on RecyCreation Activities

<https://www.kao.com/global/en/news/sustainability/2020/20200929-002/>

■Kao Starts Demonstration of Resource Circulation Model Project for Material Recycling of Single-Use Plastic

<https://www.kao.com/global/en/news/sustainability/2020/20200902-001/>

■Unilever Japan and Kao Launch a Collaborative Plastic Recycling Program

<https://www.kao.com/global/en/news/sustainability/2021/20210518-001/>

■Kao and Kyoto University Begin Verification Testing of a Used Disposable Diaper Carbonization Recycling System in Saijo City, Ehime Prefecture, Japan

<https://www.kao.com/global/en/news/sustainability/2021/20210114-001/>