

FOR IMMEDIATE RELEASE

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Kao Rated Triple-A for Climate Change, Water Security, and Forests for Second Consecutive Year by CDP

Tokyo, December 8, 2021—Leading international nonprofit organization, CDP, has included Kao Corporation in its prestigious ‘A List’ across three categories for the second year in a row. Kao, a leading manufacturer of personal care, household, and cosmetics products, received the highest triple-A score for its sustainability initiatives involving climate change, forests, and water security. Selection onto the list was determined by a global survey of businesses and an evaluation of their activities. 12,000 firms were evaluated for the ‘A List’, with only 14 selected for inclusion across the three categories. Kao has now been included in the Climate Change ‘A List’ for the third time, the Forests ‘A List’ for the second time, and the Water Security ‘A List’ for the fifth time.



CLIMATE WATER FORESTS

Dave Muenz, Executive Officer in charge of ESG at Kao Corporation, comments, “Receiving a triple-A score in CDP’s rankings two years in a row is a great honor and is a huge motivation for Kao to push even further to build and grow a purposeful business and help people live a more sustainable lifestyle, a Kirei Lifestyle. The Japanese word ‘kirei’ describes something that is clean, well-ordered and beautiful, all at the same time. We made some big decisions from last year, which we believe has helped us earn this recognition. These include committing to going beyond carbon zero to carbon negative by 2050, and launching programs for our palm oil supply chain.”

Recognizing its responsibility as an enterprise that provides products people use on a daily basis, the Kao Group takes active steps to reduce the environmental footprint of its products throughout the entirety of the product lifecycle. In April 2019, Kao launched its ESG strategy—the Kirei Lifestyle

Plan—which incorporates 19 key leadership actions. 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.

The inclusion of Kao in the Climate Change, Forests, and Water Security ‘A Lists’ is a result of efforts being made across its value chain. Kao will further its actions in decarbonization, committing to 1.5 degrees scenario carbon reduction targets, as well as joining RE100. Advancements in its commitments regarding forests have been reflected in the positive evaluation it received. Acknowledging the challenges that exist in its palm oil supply chain, Kao has launched the SMILE program designed to support smallholder plantation farmers to increase their yield and improve their living standards, as well as alleviating the pressure for deforestation. With water security, Kao continues to pursue its ‘eco together’ approach in which it works together with stakeholders including consumers, business partners, and society in order to reduce water use through its products with water-saving features powered by its proprietary technologies. The key, however, has been to conduct and maximize scenario analysis relating to climate change, forests, and water security by identifying the risks and opportunities, while integrating plans and actions into the business strategy.

Paul Simpson, CEO of CDP, said: “Many congratulations to all the companies on this year’s A List. Taking the lead on environmental transparency and action is one of the most important steps businesses can make, even more so in the year of COP26 and the IPCC’s Sixth Assessment Report. The scale of the risk to businesses from climate change, water insecurity and deforestation can no longer be ignored, and we know the opportunities of action far outweigh the risks of inaction. Leadership from the private sector is essential for securing global ambitions for a net-zero, nature positive and equitable world. Our A List celebrates those companies who are preparing themselves to excel in the economy of the future by taking action today.”

By integrating ESG into the core of its company management, for example taking active steps in relation to climate change, forests and water security, 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.

About CDP

CDP is a global non-profit that runs the world’s environmental disclosure system for companies, cities, states and regions. Founded in 2000 and working with more than 590 investors with over \$110 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests. Over 14,000 organizations around the world disclosed data through CDP in 2021, including more than 13,000 companies worth over 64% of global market capitalization, and over 1,100 cities, states and regions. Fully TCFD aligned, CDP holds the largest

environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy. CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, The Investor Agenda and the Net Zero Asset Managers initiative. Visit cdp.net or follow us @CDP to find out more.

About the Kirei Lifestyle Plan

Over the past 130 years, Kao has worked to improve people's lives and help them realize more sustainable lifestyles—a Kirei Lifestyle. The Japanese word 'kirei' describes something that is clean, well-ordered and beautiful, all at the same time. The Kao Group established its ESG strategy, the Kirei Lifestyle Plan in April 2019, which is designed to deliver the vision of a gentler and more sustainable way of living. By 2030, Kao aims to empower at least 1 billion people, to enjoy more beautiful lives and have 100% of its products leave a full lifecycle environmental footprint that science says our natural world can safely absorb.

For more information please, click <https://www.kao.com/global/en/sustainability/>

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>

■CDP The full list of companies that made this year's CDP 'A List'

<https://www.cdp.net/en/companies/companies-scores>

■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/>

■Kao Sustainability website

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