

**FOR IMMEDIATE RELEASE**

April 26, 2022

## Accelerating Efforts Toward Carbon Zero by 2040 and Carbon Negative By 2050

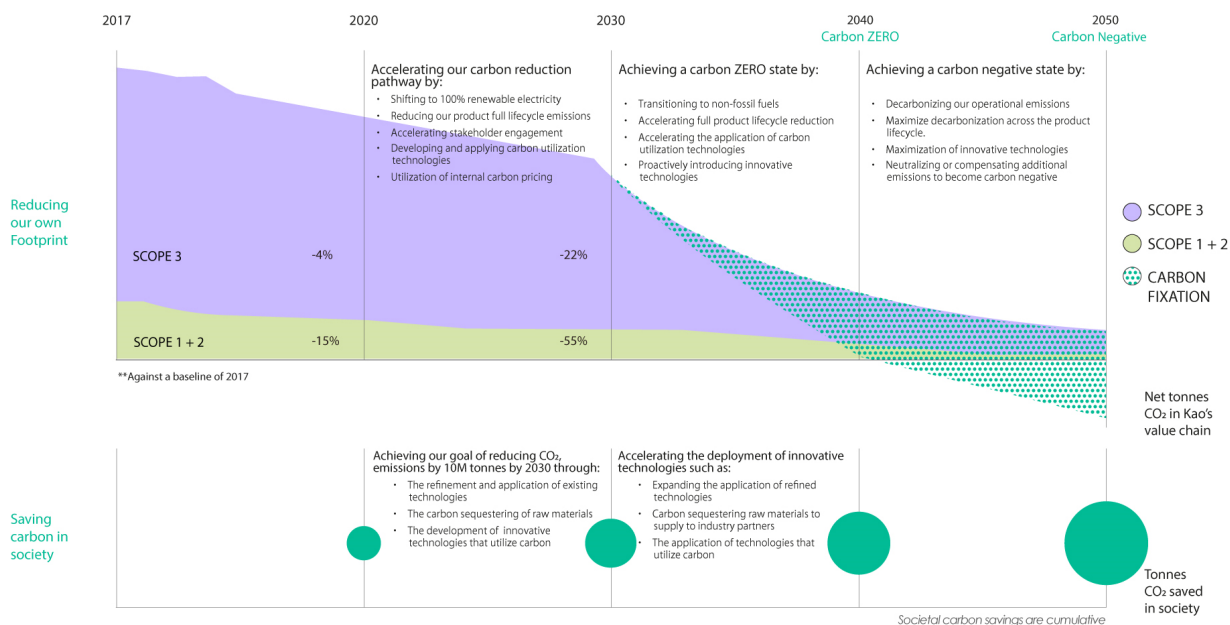
Achieved 100% Renewable Electricity Across All Domestic Logistics Sites in 2021

TOKYO, April 26, 2022 — By implementing Innovation in Reduction and Recycling with regards to carbon dioxide (CO<sub>2</sub>), the Kao Corporation is striving toward the realization of a decarbonized society. It aims to be carbon zero by 2040 and carbon negative by 2050 in its business activities. In April 2019, Kao established its ESG strategy, the Kirei Lifestyle Plan, which outlines 19 leadership actions. One of these actions is to contribute towards decarbonization. This mid- to long-term goal has been certified by the global Science Based Targets initiative (SBTi) as a 1.5°C target. Kao is also a member of the international initiative, RE100, which aims to power businesses using 100% renewable electricity. Additionally, all of Kao’s logistics sites throughout Japan used only 100% renewable electricity in 2021. The following is a report of the progress made in 2021.

2021/5/19 News Release

Kao Is Aiming to Reduce Its CO<sub>2</sub> Emissions to Zero by 2040, and to Be Carbon Negative by 2050

<https://www.kao.com/global/en/news/sustainability/2021/20210519-001/>



Kirei Lifestyle for Everyone—Kao’s decarbonization goal

## **Innovation in CO<sub>2</sub> Reduction/targets to achieve carbon zero by 2040 and the 2021 results**

In 2021, in addition to utilizing the non-fossil fuel energy certificates<sup>\*1</sup>, a newly established corporate Power Purchase Agreement (PPA) was utilized at Kao Head Office. The Kao Group also installed the largest photovoltaic power generating facilities for on-site power generation at its Sakata Plant (total panel power generation capacity of 2,845 kW). Furthermore, 100% renewable electricity consumption has been achieved at all domestic logistics sites (55 locations), the Sumida Complex (including the Tokyo Plant), and the Sakata Plant.

\*1 The non-fossil fuel energy certificates system provides energy retailers with proof that the portion of energy under the certificate is from renewable energy sources, which allows for the identification of power plants that contribute environmental value. This system began in Japan in 2018.

2021/10/8 News Release

In Line with the Company's Plan to Reduce Its CO<sub>2</sub> Emissions to Zero by 2040, Kao Has Signed Its First Corporate PPA

<https://www.kao.com/global/en/news/sustainability/2021/20211008-001/>

2021/7/8 News Release

The Kao Group's Largest Photovoltaic Power Generating Facility, with a Power Generation Capacity of 2.8 MW, Begins Operation at Sakata Plant in Japan

<https://www.kao.com/global/en/news/sustainability/2021/20210708-001/>

For 2022, Kao supports the installation of low CO<sub>2</sub> emitting equipment and photovoltaic power generating facilities for on-site power generation. It also continues to accelerate the use of renewable electricity by approving the company-wide carbon price system—which was raised last year—and adopting it across Japan and the world. Moreover, 100% renewable electricity consumption has been achieved at the Tochigi Plant in January and at the Kao Head Office in February.

■ **By 2030, Kao will have reduced Scope 1+2<sup>\*2</sup> CO<sub>2</sub> emissions (absolute value) by 55% (taking 2017 as the base year)**

**2021 results: 20% (2020: 15%)**

Note: SBTi 1.5°C target certification

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

■ **By 2030, 100% of the electricity used will be sourced from renewable energy**

**2021 results: 38% (2020: 28%)**

Note: RE100 participation

● **Ratio of renewable electricity used in Japan compared to overseas**

Japan 51%, overseas 25% (2020: Japan 32%, overseas 23%)

● **Photovoltaic power generating facility for on-site power generation installation sites (as of the end of 2021)**

17 sites<sup>\*3</sup> (2020: 13 sites)

\*3 Tochigi Plant, Toyohashi Plant, Ehime Plant (Kao Sanitary Products Ehime), Atsugi Logistics Center, Sumida Kita Logistics Center, Wakayama Complex, Sumida Complex (including the Tokyo Plant), Kao Industrial Thailand, Kao Corporation Shanghai, Kao Penang Group (Malaysia), Kao USA. Cincinnati Plant, Pilipinas Kao (Philippines), Kao Austria. In 2021, equipment will be newly installed at Kawasaki Plant, Sakata Plant, Kao Indonesia Chemicals and Kao Chimigraf Rubi Plant (Spain).

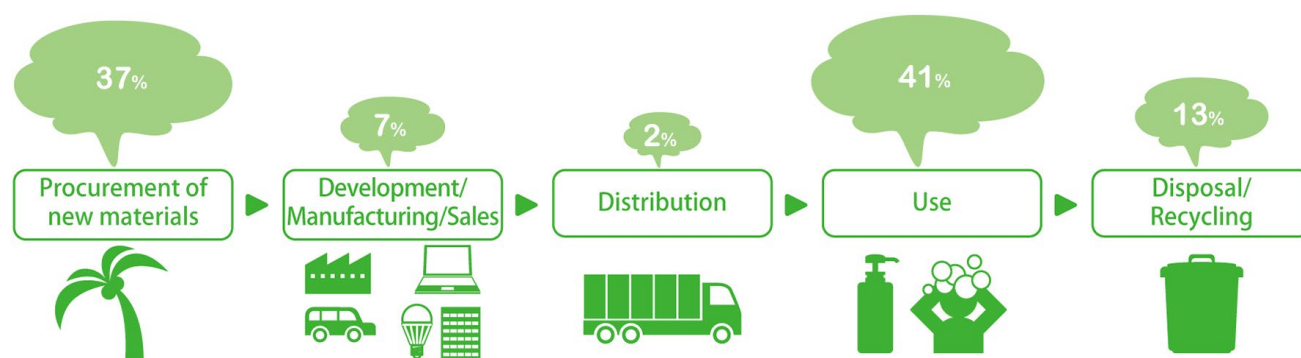
■ **By 2030, Kao will have reduced CO<sub>2</sub> emissions (absolute value) throughout the product lifecycle\*<sup>4</sup> by 22% (taking 2017 as the base year)**

**2021 results: 4% (2020: 4%)**

A large proportion of CO<sub>2</sub> emitted at each stage of a product's lifecycle is during raw material procurement and use. Consequently, Kao will reduce the amount of raw materials needed, and encourage the use of recycled plastics and plant-derived raw materials, the development of water-saving products, and the reduction of plastic used in packaging containers.

Note: SBTi 1.5°C Certification

\*4 The volume of CO<sub>2</sub> emissions deriving from raw materials procurement, manufacturing, transportation, product usage, and disposal of used products. This covers Scope 1, Scope 2, and part of Scope 3 emissions.



Percentage of CO<sub>2</sub> emitted at each stage of Kao's products lifestyle

■ **Amount of CO<sub>2</sub> emissions reduced as a whole by using Kao's products and services: 10 million tons by 2030**

**2021 results: 4,564,000 tons (2020: 4,022,000 tons)**

Kao is developing products, services, and technologies in its Consumer Products Business and Chemical Business that contribute to the sustainability of society. As part of this goal, Kao has set a target for the amount of CO<sub>2</sub> emissions it can reduce. Kao compares the CO<sub>2</sub> produced when offering new products and services with the CO<sub>2</sub> created by current products and services. The difference between the two is the reduction contribution amount.

**CO<sub>2</sub> related Innovation in Recycling/targets to achieve carbon negative by 2050 and the 2021 results**

Kao will continue to develop technology that enables CO<sub>2</sub> to be used as a raw material in its own products.

In 2021, Kao launched its Mid-term Plan 2025 (K25), which declares “Sustainability as the Only Path” as its vision. Kao will continue to integrate ESG into the core of its company management. It also aims to drive business growth, as well as better serve consumers and society through its enhanced products and services, in order to achieve a Kirei life for all by providing care and enrichment for the life of all people and the planet.

### **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 1,420 billion yen in annual sales. Kao employs about 33,500 people worldwide and has 135 years of history in innovation. Please visit the Kao Group website for updated information.

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

### **Media inquiries should be directed to:**

Corporate Strategy

Kao Corporation

Tel.: +81-3-3660-7043

<Related Information>

■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/>