

FOR IMMEDIATE RELEASE

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

Tokyo, December 13, 2022—Leading international nonprofit organization, CDP, has included Kao Corporation in its prestigious ‘A List’ across three categories for the third 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. More than 10,000 firms were evaluated for the ‘A List’, with only 12 selected for inclusion across the three categories. Kao has now been included in the Climate Change ‘A List’ for the fourth time, the Forests ‘A List’ for the third time, and the Water Security ‘A List’ for the sixth time.



Dave Muenz, Director and Managing Executive Officer in charge of Kao’s ESG Division, comments, “Receiving a triple-A score in CDP’s rankings three years in a row is a great honor. Being included in this selection reassures us that we are taking the right steps to realize a sustainable lifestyle for each and every consumer. We must all take certain and urgent action across society to tackle climate change. At Kao, we have committed to achieve our goals of carbon zero by 2040 and carbon negative by 2050. Through our current and future actions taken to realize these ambitions, we will strive to live up to this recognition we have received from CDP today.”

As an enterprise that provides products people use on a daily basis, the Kao Group has the responsibility for taking active steps to reduce the environmental footprint of its products throughout the product lifecycle. In April 2019, Kao launched its ESG strategy, the Kirei Lifestyle Plan, and has been promoting the Kao Group Mid-term Plan 2025 (K25) since 2021 with its vision of “protecting future lives” and “sustainability as the only path.”

The inclusion of Kao in the Climate Change, Forests, and Water Security ‘A Lists’ is the result of efforts being made across its value chain. To further decarbonization, Kao has drawn up a roadmap committed to achieving carbon zero by 2040 and carbon negative by 2050. It is also accelerating efforts to switch globally to 100% renewable energy by 2030 by having all of its 55 logistics hubs and the Sakata Plant in Japan use renewable energy. In the forests area, Kao, acknowledging the challenges that exist in its palm oil supply chain, promotes the SMILE (Smallholder Inclusion for Better Livelihood & Empowerment) program designed to support oil palm smallholders in Indonesia. This program includes knowledge-sharing on sustainable production and productivity improvement; support for acquiring RSPO*¹ Certification; education on safe work, providing safety equipment such as helmets and gloves, and installing fire extinguishers; and free distribution of the Adjuvant series*² spreading agent and guidance on how to use it. Higher productivity helps improve smallholder plantation farmers’ living standards and also alleviates the pressure for deforestation caused by development of new plantations. With regard to water security, Kao continues to pursue its “eco together” approach in which it works together with stakeholders including consumers, business partners, and society to reduce water use by providing products with water-saving features powered by its proprietary technologies. In pursuit of a sustainable small-scale, decentralized water reuse society, Kao and WOTA Corp., which operates small-scale decentralized water recycling systems and autonomous control systems for water treatment, have concluded a business alliance aimed at solving social problems related to water and sanitation. Key to these efforts will be conducting and maximizing scenario analyses relating to climate change, forests, and water security by identifying risks and opportunities and integrating plans and actions into Kao’s business strategy.

*1 Roundtable on Sustainable Palm Oil

*2 A very efficient agricultural spreading agent developed by Kao that is derived from plant materials and helps spread the pesticides when it is sprayed on plants.

News Release from April 2022

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

<https://www.kao.com/global/en/news/sustainability/2022/20220426-001/>

News Release from April 2022

Progress of Helping Oil Palm Smallholders in Indonesia

<https://www.kao.com/global/en/news/sustainability/2022/20220413-001/>

News Release from March 2022

Kao and WOTA Partner in the Water and Sanitation Field

<https://www.kao.com/global/en/news/business-finance/2022/20220310-001/>

Dexter Galvin, Global Director of Corporations and Supply Chains at CDP, said: “Congratulations to all the companies on this year’s A List; environmental transparency is the first vital step towards a net-zero and nature-positive future. In a year of ever-increasing environmental concerns around the world – from extreme weather to unprecedented losses to nature – the need for transformational,

urgent and collaborative change is more critical than ever. We must decarbonize half of global GHG emissions and eliminate deforestation by 2030, alongside achieving water security on the same timescale – there is no route to 1.5°C without nature. As CDP continues to raise the bar on what qualifies as climate, forests and water leadership, we hope to see the ambitions and actions of companies on the A List – and those wanting a place on it – do the same.”

By integrating ESG into the core of company management, for example by taking active steps in relation to climate change, forests, and water security, Kao will develop its business, provide better products and services for consumers and society, and work toward its purpose, “to realize a Kirei world in which all life lives in harmony.”

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 680 financial institutions with over \$130 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. Nearly 20,000 organizations around the world disclosed data through CDP in 2022, including more than 18,700 companies worth half 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](https://www.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 and services that provide care and enrichment for the life of all people and the planet. 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 business, 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/>

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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/>