

December 14, 2022

In Recognition of Kao's Commitment to Suppliers, Kao Receives Highest Award among Companies Implementing the Minister of Economy, Trade and Industry's Declaration of Partnership Building

Kao Corporation was selected as an excellent company from among companies that made a Declaration of Partnership Building at the Declaration of Partnership Building Symposium sponsored by the Ministry of Economy, Trade and Industry on November 25, and was presented the highest award. The Declaration of Partnership Building is a system established in May 2020 where companies, which make the orders in the supply chain, strive for cooperation, coexistence and co-prosperity throughout the supply chain. This award recognizes Kao's commitment to suppliers.



Kao Managing Executive Officer Masakazu Negoro (left) and Kunio Ito, Professor Emeritus of Hitotsubashi University, chairman of the judging committee (right).

The Declaration of Partnership Building includes the chairman of the Japan Business Federation, the chairman of the Japan Chamber of Commerce and Industry, the chairman of the Japan Trade Union Confederation and relevant ministers (Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries and Ministry of Land, Infrastructure, Transport and Tourism) as members and was established in 2020 at the Partnership Building Promotion Conference for Pioneering the Future. This declaration made under the name of a representative from the company that places orders builds new partnerships by promoting cooperation, coexistence and co-prosperity between business partners in the supply chain and companies that strive to create value. Kao published its Declaration in March 2022. Regarding this commendation, winners were selected by first conducting a survey of companies that have made a Declaration of Partnership Building. From the declared companies that received evaluation responses from a certain number of small and medium-sized business partners, companies whose coordination efforts to improve added value and implement desirable trade practices in the entire

supply chain were selected by the Partnership Building Grand Prize Selection Committee (Chairman: Kunio Ito, Professor Emeritus, Hitotsubashi University), etc.

In April 2019, the Kao Group established the Kirei Lifestyle Plan, an ESG strategy. Since its start in 2021, the Kao Group Mid-term Plan 2025 (K25) has proclaimed “protecting future lives” and promoting “sustainability as the only path” as its vision. ESG procurement, which contributes to a sustainable society through dialogue with suppliers, contributes to responsibly sourced raw materials, one of the priority action themes of the Kirei Lifestyle Plan. In order to realize ESG procurement, Kao has established the Policies for Procurement, which stipulates the items of fairness, compliance and ethics and social responsibility. In order to make procurement activities in accordance with these Policies, Kao has shared Partnership Requirements for Suppliers, ESG Promotion Activities with Suppliers and “High-Risk” Supply Chain Management and Sourcing, as guidelines with its suppliers.

Among the reasons Kao received this award, encouraging its suppliers to participate in and respond to the CDP Supply Chain Program^{*1} and join and respond to Sedex^{*2}, supporting ESG activities by providing feedback from Kao’s own perspective on the assessment results of responses, and holding an annual vendor summit as a place to share information, exchange opinions with suppliers and to give awards, etc. were highly evaluated.

*1 CDP Supply Chain Program

CDP is a nonprofit organization that is operated by institutional investors that requests business enterprises to disclose information relating to climate change, water and forests. The CDP Supply Chain Program is an initiative in which participating enterprises ask the firms that make up their supply chain to disclose information relating to climate change, water resource use and forest resource use via the CDP platform.

*2 Sedex (Supplier Ethical Data Exchange)

A large-scale, global platform for the sharing and verification of information relating to labor standards, health and safety, environmental protection and business practices, aimed at promoting the adoption and maintenance of ethical business practices in global supply chains.

Kao Sustainability Report 2022: Responsibly Sourced Raw Materials

<https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/sustainability2022-e-18.pdf>

Policies and Guidelines for Procurement and Procurement Initiative Progress Report

<https://www.kao.com/global/en/sustainability/topics-you-care-about/procurement/>

Kao will continue to integrate its ESG strategy into its management practices. It will also 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.”

* This news release is a translation of a Japanese-language news release dated December 1, 2022.

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>

■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/>