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Kao Continues to be Included in All of the ESG Indices Used by the Government Pension Investment Fund (GPIF)

Kao Corporation was recently selected again for inclusion in all the global stock indices for environmental, social and governance (ESG) that apply to Japanese companies used by the Government Pension Investment Fund (GPIF), one of the world's largest pension funds that manages and invests the reserve funds of the National Pension and the Employees' Pension Insurance, both of which are public pension plans in Japan. The ESG indices Kao has been included in are the FTSE Blossom Japan Index and the MSCI Japan ESG Select Leaders Index, both for the seventh consecutive year, and the MSCI Japan Empowering Women Index (WIN) and the S&P/JPX Carbon Efficient Index, both for the sixth consecutive year. Kao has also been selected for the FTSE Blossom Japan Sector Relative Index for the second consecutive year and also the Morningstar Japan ex-REIT Gender Diversity Tilt Index, which the GPIF began using this year. Kao has also been selected for the FTSE4Good Index Series for the 16th consecutive year and the MSCI ESG Leaders Indexes for the seventh consecutive year.

The FTSE4Good Index Series, the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index are developed by FTSE Russell, a member of London Stock Exchange Group. They are designed using FTSE4Good Index Inclusion Rules, based on existing international ESG standards including the UN Sustainable Development Goals (SDGs) to select companies that demonstrate strong ESG efforts.

The MSCI ESG Leaders Indexes, the MSCI Japan ESG Select Leaders Index and the MSCI Japan Empowering Women Index (WIN) are developed by MSCI, a US company providing institutional investors around the world with various support tools for their decision making.

The MSCI Japan ESG Select Leaders Index and the MSCI Japan Empowering Women Index (WIN) are both composed of companies with outstanding ESG performance selected from the MSCI Japan IMI Top 700 Index and Top 500 Index. These indices are widely used as important criteria by global investors who focus on companies' ESG efforts.

The Morningstar Japan ex-REIT Gender Diversity Tilt Index is developed using the assessment method from the Morningstar Indexes, a US company that is a provider of leading indexes, and the gender equality scorecard from Equileap, a Netherlands company that is a global provider of gender equality data, research and analysis for institutional investors.

The Kao Group established its ESG strategy, the Kirei Lifestyle Plan, in April 2019. In 2021, Kao launched its Mid-term Plan 2025 (K25), which declares "protecting future lives" and promoting "sustainability as the only path" as its vision. Kao will continue to integrate ESG into the core of its company management. 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."

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 here.

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 1,550 billion yen in annual sales. Kao employs about 35,400 people worldwide and has 136 years of history in innovation.

Please visit the Kao Group website for updated information.

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Related Information

• Kao launches new ESG Strategy "Kirei Lifestyle Plan" to support consumer lifestyle changes

• Kao's New Challenges for the Future: Accelerating Purposeful Business Commitment with ESG

Kao sustainability website

FTSE4Good Index Series

FTSE Blossom Japan Index Series

- MSCI ESG Leaders Indexes
- MSCI Japan ESG Select Leaders Index (Japanese)
- MSCI Japan Empowering Women Index (WIN)
- Morningstar Japan ex-REIT Gender Diversity Tilt Index