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FOR IMMEDIATE RELEASE

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

Tokyo, February 6, 2024—Leading international nonprofit organization, CDP, has included Kao Corporation in its prestigious 'A List' across three categories for the fourth 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 21,000 firms were evaluated for the 'A List', with only 10 selected for inclusion across the three categories. Kao has now been included in the Climate Change 'A List' for the fifth time, the Forests 'A List' for the fourth time, and the Water Security 'A List' for the seventh time.



CLIMATE FORESTS WATER

Dave Muenz, Director and Managing Executive Officer in charge of Kao's ESG Division, comments, "We are honored to receive a triple-A score in CDP's rankings for the fourth year in a row. Our commitment to addressing environmental and social issues by working across the entire product lifecycle together with all of our stakeholders is long-standing and steadfast. At Kao, our decisions are made keeping in mind not only the now, but the future of the people we serve, society, and the resilience of our business. It is a privilege that this approach together with our actions has earned us this recognition once again. In order to fulfil our duty as a CDP 'A List' company, we will continue to take future-minded action across our portfolio."

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 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 set its goals of achieving carbon zero by 2040 and carbon negative by 2050. To reach these goals, Kao has built its first plant using biomass heat at its chemical plant in Spain. And to further reduce plastic use, Kao has launched a new bottle refill for its CuCute dishwashing liquid. By reducing the thickness of the bottle walls, it succeeded in using 40%*1 less plastic for its packaging, which will help reduce CO₂ emissions related to the container manufacturing, disposal, and recycling processes. In the forests area, Kao has created a "Palm Oil Dashboard" on its website, which provides information on its palm oil procurement activities. Palm oil is one of Kao's most important natural resources: the Dashboard provides information on Kao's policies for sustainable procurement of this resource, its mid- to longterm plan for addressing challenges concerning palm oil, the latest traceability information, and the most up-to-date mill map. Information on the SMILE (Smallholder Inclusion for Better Livelihood & Empowerment) program for supporting independent oil palm smallholders in Indonesia, the grievance mechanism, progress on sourcing RSPO*2-certified products, and the amount of credits purchased from independent oil palm smallholders is also available through the Dashboard. With regard to water security, Kao launched Attack ZERO Perfect Stick laundry detergent, which was developed through technological advances making it possible to launder with just one rinse, even when using powdered detergent. 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 By weight, compared to existing packaging
- *2 Roundtable on Sustainable Palm Oil

News Release from April 2023

Accelerating Efforts to Reach Carbon Zero by 2040 and Carbon Negative by 2050

News Release from July 2023

Kao Corporation SAU and ENGIE Move Towards Carbon Zero with a New Biomass Thermal Power Generation Plant in Barcelona

Palm Oil Dashboard

Sherry Madera, CEO of CDP, said: "Congratulations to all the companies on CDP's A List, and those companies that started or accelerated their journey towards environmental transparency in 2023 – we saw a 24% increase of disclosures last year and that trajectory is to be applauded. It is only by laying the groundwork of disclosure that companies can show they are serious about the vital part they play in securing a net-zero, nature-positive future. Earning a place on the A List is about more than the score. It's an indication of high quality, complete data that equips companies with a holistic view of their environmental impact, serves as a baseline for transition plans and – crucially – enables them to

follow through on their ambitions. As we move deeper into the Decade of Action, and as CDP continually raises the bar for what represents environmental leadership, the work of A List companies is never complete. We look forward to seeing all companies turn their commitments into further and more meaningful and effective action."

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 740 financial institutions with over \$136 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 24,000 organizations around the world disclosed data through CDP in 2023, with more than 23,000 companies – including listed companies worth two thirds 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.

Please visit the Kao sustainability website for more information.

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

Kao Integrated Report 2023

Kao Sustainability Report 2023

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