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FOR IMMEDIATE RELEASE

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Kao Receives the Best Human-Resources Prize at the Nikkei Smart Work Awards 2025

Kao Corporation was honored with the Best Human-Resources Prize during the Nikkei Smart Work Awards 2025. The Nikkei Smart Work Awards recognize companies that have boosted productivity and sustainable growth through work-style reforms.



The Awards Ceremony on February 25, 2025. Tsuyoshi Hasebe, President & CEO, Nikkei Inc. (left) and Hideki Mamiya, Senior Vice President, Human Capital Strategy, Kao Corporation

The Nikkei Smart Work Awards

Nikkei Inc. conducts the Nikkei Sustainable Comprehensive Survey, Smart Work Management Edition, among listed companies and leading non-listed companies. 830 companies, of which 774 were listed entities, responded to the survey. After reviewing survey findings, external judges assessed respondents based on a comprehensive evaluation of their human capital utilization measures, investment capacity into human resources, technology utilization and other factors, selecting excellent companies leading the next generation.

Grounds for Award

Kao obtained a score of 4.5 stars (deviation value: 65–69) because of its low male-female wage differential and high ratio of women among regular employees and workers hired, which earned it high marks in the 'promotion of diversity' category. Kao is very progressive in that it places no limits on employees having side-jobs, which also supports diversity. The company also has an excellent record of disclosing comprehensive parameters regarding human resources, and adopts a coordinated

management and human resources strategy for which it sets KPIs.

Human Capital Strategies Linked to Mid-term Plan K27

As one of the four strategies to achieve the K27 mid-term business plan, Kao is promoting *Global Sharp Top** human capital and organizational management, which is centered on well-balanced human capital investment and withdrawal from matrix management. In March 2024, Kao released its human capital strategy linked to K27, along with its indicators and goals.

**Global Sharp Top*: Contribute as global No.1 with leading-edge solutions that address the critical needs of customers.

Kao Annual Securities Report (For the year ended December 31, 2023)

Kao Integrated Report 2024

Kao Sustainability Report 2024

News Release from May 2024

Kao Announces Human Capital Strategy Linked to Its Management Strategy in Realization of Its Vision of Protecting Future Lives

Kao's Initiatives for Women's Empowerment in Japan

Women's empowerment, for which Kao was positively evaluated, is grounded in the company's diversity policy, which affects the largest number of employees and emphasizes "creating a workplace environment and fostering a corporate culture where everyone can move beyond assumptions about gender roles and leadership and which enables them to fully demonstrate their individual motivation and abilities and be themselves regardless of their gender." This policy is implemented throughout the Kao Group companies within Japan, based on the principles of "developing potential future leaders," "offering support for balancing work and childcare to promote engagement" and "creating an environment enabling unbiased training and promotion opportunities." Specific measures that are being implemented throughout Japan are as follows:

1. Development of potential future leaders

Women leaders' online panel discussion

Directed at Kao women employees, this panel discussion introduces a range of female leaders at Kao, giving examples of career formation, presenting leader profiles and communicating the fulfillment that can be gained from being a leader, to stimulate women's awareness of career building.

2. Support for balancing work and childcare to promote engagement

• Online seminar for employees notifying of a pregnancy

The seminar career support seminar is available on demand to male and female Kao Group employees and their partners who have notified Kao of a pregnancy. This seminar aims to change employees' and their partners' thinking regarding gender-based roles and give couples an opportunity to think about parental leave and how to combine work and child-rearing in order to fulfill their career aims.

• Main systems for supporting flexible work and child-rearing

In 2023, Kao, with the aim of expanding opportunities for men to participate in child-rearing, introduced mandatory parental leave (10 days paid leave), which must be taken by the final day of the month of April that follows the employee's child turning one year of age. The requirement for core time in-office work was eliminated the same year and fully flexible work introduced. Furthermore, to encourage parents to return to work quicker, a system of shortened regular work hours and days (up to 4 hours per day, 3 times a week) was implemented, which can be used by employees until the final day of the month of April that follows their child turning one year of age.

3. Creation of an environment enabling unbiased training and promotion opportunities

This is a mandatory e-learning course held at regular intervals so that all employees can learn about psychological safety and unconscious bias.

At Kao Corporation, these measures have contributed to an 88.9% disparity in male-female pay (Kao Annual Securities Report for the year ended December 31, 2023) and a female employee employment ratio of 30.0% (Kao Sustainability Report 2024). Additionally, mandatory parental leave (10 days paid leave), which must be taken by the final day of the month of April that follows the employee's child turning one year of age, was introduced, resulting in a 100% take-up rate among eligible male employees.

Related Information <u>Kao sustainability website</u> News Release from June 2023 <u>Kao Creates a New Diversity, Equity and Inclusion (DE&I) Policy</u>

* This news release is a translation of a Japanese-language news release dated February 28, 2025.

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 once. For Kao, this concept of "kirei" not only describes appearance but also attitude—a desire to create beauty for oneself, for other people, and for the natural world around us. Aiming to realize a more sustainable way of living, in April 2019, the Kao Group established its ESG strategy known as the Kirei Lifestyle Plan. By 2030, Kao aims to empower at least 1 billion people, to enjoy more beautiful lives. Kao also strives to 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, a Japan-based manufacturer of personal care and household products, cosmetics, and specialty chemicals creates high-value-added products and services that provide care and enrichment for the life of all people and the planet. Through its brands such as *Attack* laundry detergent, *Bioré* and *Jergens* skin care products, *Laurier* sanitary products, *Curél, SENSAI*, and *MOLTON BROWN* cosmetics, and *Oribe* hair care products, Kao is part of the everyday lives of people across Asia, the Americas, Europe, the Middle East, and Africa. Combined with its chemical business, which contributes to a wide range of industries, Kao generates about 1,630 billion yen in annual sales. Kao employs about 32,600 people worldwide and has more than 130 years of history in innovation. As an enterprise that provides products people use on a daily basis, the Kao Group takes responsibility to actively reduce the environmental footprint of its products throughout the product lifecycle. This is laid out in Kao's ESG strategy, the Kirei Lifestyle Plan, which launched in 2019. Please visit the Kao Group website for additional information.

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