

## Human capital development from a Diversity, Equity & Inclusion (DE&I) perspective

We make great efforts, including selecting key human capital, to hire, evaluate, educate, and promote employees based on their individual abilities regardless of other attributes. Even in meetings related to human capital development attended by executives, we ensure diversity while checking for bias, etc. in the attributes of candidates for senior positions.

In Japan, in order to clarify and steadily address issues related to DE&I in each division and group company, Diversity, Equity & Inclusion, Human Capital Strategy (DE&I, HCS), holds regular individual DE&I promotion meetings with the human resource managers and career coordinators of each organization. In addition, data on DE&I is shared annually so that each organization can independently promote its own activities. Each organization formulates an action plan every year while monitoring changes in the data over time and promotes activities, and DE&I, HCS checks their state of progress.

## Promoting the participation of diverse employees and improving the workplace environment

### Women's empowerment

Based on the belief that women's empowerment is essential for Kao's growth as a diversity factor that affects the greatest number of human capital, we have established a policy of creating a workplace environment and fostering a corporate culture in which all employees can fully demonstrate their individual motivation and abilities beyond their own assumptions\* and can be themselves regardless of their gender. In light of this, we are promoting activities for women's empowerment. In Japan, where there is a gap between the percentage of female managers and the percentage of female employees, we are working on three priority actions with the aim of including diverse perspectives in various decision-making positions: "development of potential future leaders," "support for balancing work and childcare to promote engagement," and "creation of an environment that enables unbiased training and promotion opportunities."

\* Gender roles in the division of labor, and the image of a leader, etc.

### Development of potential future leaders

#### Female leader training (Kao Group in Japan)

We dispatch employees to women's leadership training programs sponsored by external organizations as an opportunity to improve their leadership skills, broaden their perspectives, and enhance their viewpoints. As part of the activities of the 30% Club Japan TOPIX President and CEO Committee Secretariat team, in which our President and CEO participates, we actively dispatch female executive candidates to roundtable discussions with the presidents of various companies. We also dispatch female employees to various training programs such as short-term training programs that are accessible for employees with childcare responsibilities, as well as programs targeting those on the verge of management positions, department heads, and executive candidates. Through these efforts, we are working to strategically nurture female employees at all levels of the organization. We hear comments such as, "I was able to refine my image of a leader," "I learned and am practicing specific actions to enhance team performance," and "I was able to network with peers from different industries at the same job level, which broadened my perspective." At the same time, we hear positive feedback about the participants from their workplaces (a total of 75 employees have been dispatched since 2016, 40 of whom have been promoted).

#### Women's Career Café (Kao Corporation)

With the aim of helping female employees gain a positive attitude, such as "I want to be a leader," think about their own unique image of leadership, and make empathic connections with other female workers, we have been continuously holding the "Women's Career Café" since 2021. This initiative consists of a series of small-group roundtable talks with a former female executive and candidates for managerial positions. In 2024, we held both in-person sessions, which facilitate communication, and online sessions, which are easily accessible for employees stationed at regional worksites. After exchanging opinions about career-related concerns, each participant declared one action for the future. Participants commented, "Learning that a former executive also navigated her career through trial and error amidst uncertainty motivated me to take on challenges myself," and "It was a valuable opportunity to network with peers of similar age and job level across divisions." This has led to the establishment of a



career mindset among female employees and behavioral changes (of the 27 participants in 2024, 100% reported satisfaction and a positive change in their career outlook).

**Women leaders career panel discussion (Kao Group in Japan)**

The voices of those involved in the Women's Career Café revealed that female employees themselves have an unconscious bias about gender roles and images of leadership, which leads to a lack of self-confidence, as well as reservedness, and makes it difficult for them to think positively about embracing a career. In order to raise the level of career awareness among all female employees of the Kao Group in Japan, we periodically hold panel discussions featuring role models. The panel discussion held in 2023, which featured three female leaders from different job types within the Group, is available on the DE&I Portal\* for employees to view at any time. (It has been watched more than 1,300 times, including recorded streaming; 93% of participants were satisfied, and 73% had a positive change in attitude.) In 2024, a session held at a study group with female managers from different industries, featuring a female department head, was widely distributed via recorded streaming.

\*1 An information provision site for group employees in Japan to learn about and practice DE&I.

**Study sessions with female managers in different industries (Kao Corporation)**

We plan and operate study sessions in collaboration with companies from different industries that aim to promote women's advancement. These sessions support female managers in cultivating their future careers. In 2024, Kao took the lead as the organizing company and hosted a session themed "Career and Leadership." The event featured a live-streamed panel discussion with two female department heads, followed by online discussions among female participants of similar managerial levels across industries. The session included case studies on career development and insights into the rewarding aspects of leadership roles. More than 200 women from both inside and outside of the company joined the event, which helped enhance their motivation for management positions and fostered cross-industry networking (95% of participants were satisfied and more than half reported a positive change in their career outlook).



**Kao Network of Women (Kao Now) (Americas\*2)**

Kao Now works as a community that enhances engagement and provides support for all female

employees. In 2024, we actively hosted various events to recognize and celebrate key DE&I initiatives, such as International Women's Day, Women's History Month, and Women's Equality Day. For Women's Equality Day, we held the first-ever Women's Equality Engagement Forum at the Kao US Head Office. Over 125 employees gathered at the Cincinnati office to exchange opinions on important business development topics across departments and had lunch with new colleagues. This event fostered shared passion, encouraged new connections, and further strengthened our commitment to advancing equality and individual growth at Kao.

\*2 Indicating consumer product-related group companies in the U.S., Canada, Australia, and New Zealand

**Creation of an environment that enables unbiased training and promotion opportunities**

**Dissemination of top messages regarding women's empowerment**

Coinciding with International Women's Day in March, a message from our President and CEO was disseminated via the company intranet. In an interview-style article, he clearly conveyed his thoughts on women's empowerment and its significance, based on his own experiences and including concrete examples. He also declared his commitment as a top executive to aim for Kao to become a true leading company in women's empowerment. Employees responded with comments such as, "The words of the President and CEO, who has walked alongside his partner in a dual-income relationship, were persuasive and resonated deeply," and "I reaffirmed the need for myself to contribute more than ever to creating an environment where women can thrive in society." Such feedback is leading to a deeper understanding of women's empowerment among employees and to behavioral changes.



**Diversity management education (Kao Group in Japan)**

In order for managers to train and promote a diverse range of members without bias, it is important for them to engage with each employee and understand their perspectives while managing. As an important element of this, we are carrying out activities to deepen managers' understanding of psychological safety and unconscious bias.

**P10** Fostering an organizational culture focused on dialogue

**Awareness linked to International Women's Day (Kao Group in Japan)**

To promote employee understanding of women's empowerment, we implemented awareness-raising measures to coincide with International Women's Day in March. In addition to our President and CEO's message, continuing from last year, we released a special page on the DE&I Portal. The page covers the Kao Group's past efforts to promote women's empowerment, including its concept of women's empowerment promotion, educational videos, interviews with employees, and good practices in the workplace. We have received a lot of feedback, such as, "I now understand that women's empowerment provides benefits not only to women but to everyone, including men."

**Gender Equity Community (EMEA\*1)**

In 2024, the EMEA re-launched its Gender Equity Community, with 25 new members and three senior executive sponsors, who lead the community's initiatives and programs. For International Women's Day in March, they hosted a speaking event featuring Dr. Michelle King to discuss gender inclusion and breaking stereotypes in the workplace.

\*1 An information provision site for group employees in Japan to learn about and practice DE&I.

**Participation in external initiatives**

To enhance momentum for women's empowerment both inside and outside the company, the President and CEO participated in and discussed issues at initiatives such as 30% Club Japan. In addition, DE&I, HCS, is implementing initiatives for women's empowerment inside and outside the Kao Group in collaboration with other companies through participation in the secretariat's team.

**Gender Pay Indicators**

The gender pay gap\*2 is one indicator of women's advancement and is 89.5% (managers: 107.3%, non-managers: 101.8%) in the Kao Group globally. We believe that this gap is due to the higher percentage of men among employees with more years of service, who tend to earn higher salaries, as well as among employees in higher-paying job level, especially in Japan, since there is no established wage gap between male and female employees in the same roles. Therefore, as part of our strategy to eliminate the gender pay gap, we will continue to take steps to further improve our retention of female employees, and as appropriate, increase the percentage of women who are managers, senior managers and executives to align with the percentage of female employees in total in order to advance women's empowerment in the workplace through our initiatives.

\*2 Ratio of women to men in terms of average annual salary of base salary + other cash incentives

**Promoting the participation of employees in the LGBTQ+ communities**

The Kao Business Conduct Guidelines, the code of conduct for practicing our corporate philosophy, the Kao Way, explicitly state that we do not discriminate based on sex, gender identity or gender expression, or sexual orientation. Building on this, as part of promoting the participation of LGBTQ+ employees, we have established a policy aimed at creating an environment where all employees are respectful of sex, gender identity and gender expression, and sexual orientation. We strive to enable all employees to authentically express themselves so that we can foster an organizational culture where all employees can fully develop their potential. To achieve this, we are creating work-friendly workplaces for LGBTQ+ employees and fostering such a culture.

**Fostering an organizational culture where LGBTQ+ employees can work with peace of mind**

**E-learning "LGBTQ+ basic knowledge" (Kao Group in Japan)**

To acquire accurate knowledge about LGBTQ+ and to foster an organizational culture that is comfortable for LGBTQ+ people to work in, we have been conducting the mandatory e-learning course "LGBTQ+ basic knowledge" for all employees of the Kao Group in Japan.

**Analysis of "employees' voices" regarding LGBTQ+ and promotion of initiatives (Kao Group in Japan)**

Following an anonymous, voluntary questionnaire on LGBTQ+ topics for all employees in the Kao Group in Japan, our analysis of over 7,000 employee responses revealed that the understanding of communication considerations and the challenges faced by LGBTQ+ people is still not sufficient. Consequently, in 2024, we made efforts to enhance Pride Month awareness activities and publicize consultation services. We will continue to address the various issues identified through this analysis to foster an organizational culture and workplace environment where both LGBTQ+ people and their colleagues can thrive together.

**Pride Month awareness activities (Kao Group in Japan)**

Coinciding with Pride Month in June, we provided opportunities to recognize that "sexual diversity" concerns everyone and to consider the nature of one's own gender and sexuality, thereby deepening understanding of LGBTQ+ issues and providing knowledge on appropriate considerations. We released a special page on the DE&I Portal, and to increase in-person touchpoints, we exhibited posters and



POP displays internally at domestic group companies and various worksites. The special page received over 6,000 views, with feedback such as, “I was able to learn about sexual diversity, which helped deepen my understanding of LGBTQ+ people.”

**Inviting LGBTQ+ allies (Kao Group in Japan)**

To help LGBTQ+ people work with peace of mind, we are continuing invitation for LGBTQ+ allies (people who understand and support LGBTQ+ people). Employees who make an ally declaration are issued special straps that they are encouraged to wear.

**Event to celebrate sexual diversity “Pride” (Americas)**

Kao Pride hosted a series of events in June to celebrate sexual diversity and Pride. Under the theme “United Pride: Voices and Visions for an Inclusive Future,” the month began with a panel discussion where LGBTQ+ employees from across the Americas shared their stories and insights, reaffirming a strong commitment to inclusion. For the third consecutive year, Kao participated in the Cincinnati Pride Parade and Festival, showing solidarity and support for the community. The highlight of the month was “Pride Palooza,” a virtual event featuring a drag king performance, family-friendly activities, and a “Fabulously Dressed Competition,” where employees and their families shared in the joy together. Globally, Australia’s Bondi Sands Pride Palooza combines education and entertainment, and features queer history, inclusive language practices, and Pride Bingo. Employees also participated in Australia’s Midsumma Festival to show support. These events demonstrate Kao’s commitment to creating an inclusive and supportive culture where everyone can thrive.

**Events during Pride Month (EMEA)**

The LGBTQIA+ All Stars Community hosted numerous events in 2024. In February, for LGBT+ History Month, Julia Ehrt, Executive Director of ILGA World, was invited to give a lecture on the progress, challenges, and outlook for LGBT+ issues and human rights. Over 100 employees attended this successful event. During Pride Month in June, the Kao UK team organized a Pride event that was fun, engaging, and fostered allyship, filled with celebration, learning, and connection. Led by the Kao EMEA LGBTQIA+ Community and the UK Social Committee, the event featured an educational and entertaining workshop by special guest drag queens from @Dragged Around London on LGBTQIA+ history, rights, and culture. Additionally, the salon team in Italy decorated the Rome Salon Academy for Pride and created specially designed T-shirts for the team to participate in the Rome and Milan Pride Parades. Special Pride decorations were also displayed at the London Salon Academy and

Molton Brown stores in London, Manchester, and Liverpool to support local Pride celebrations. Furthermore, in August, Kao employees, friends, and relatives participated in the Darmstadt Pride Parade, celebrating the motto “Love is Love.” Through the cooperation of the Kao EMEA LGBTQIA+ All Stars Community and the Kao Germany Event Team, employees marched for two hours through the city, demonstrating support for the community.



**Improvement of working environments where LGBTQ+ employees can work with peace of mind**

**Awareness-raising for hiring interviewers (Kao Group in Japan)**

We disseminate knowledge to hiring interviewers about appropriate responses so that they can conduct hiring and selection processes without discrimination toward LGBTQ+ people. Additionally, since 2022, we have abolished the gender field on resumes at the time of hiring.

**Trial operation for reviewing HR systems from the perspective of respecting diversity (Kao Corporation)**

We began a trial operation in January 2024 in order to create an environment where diversity is respected and everyone can demonstrate their individuality and fully demonstrate their motivation and abilities. This trial allows employees employed by and working at Kao Corporation to have their same-



sex partners treated as equivalent to legal spouses for the application of various HR systems. Following this trial at Kao Corporation, we are expanding its application to the Kao Group in Japan.

## Promoting the participation of employees from different cultures

We are improving the working environment and fostering a culture where employees of different nationalities, ethnicities, and other cultural backgrounds can work with peace of mind. This is taking place under the policy of improving the environment where employees from different cultures are motivated to demonstrate their unique capabilities, and fostering an organizational culture where each employee respects differences in culture, language and concepts of values, which will be the company's strengths.

### Fostering an organizational culture where employees from different cultures can work with peace of mind

#### Articles introducing non-Japanese employees and those around them (Kao Group in Japan)

We distribute articles that introduce individual non-Japanese employees and those around them so that not only those who work with them every day, but also those who do not have the opportunity to do so, can feel closer to non-Japanese employees as part of diversity in the company and view the issue as their own. The article introduces the backgrounds of foreign employees working for the Kao Group in Japan and highlights their thoughts on work, the difficulties they encountered and how they overcame them, and includes comments from their supervisors and colleagues. As positive examples of inclusion in the workplace, the articles provide opportunities for employees to think about diversity and globalization.

#### Courageous Conversations (Americas)

A virtual event series for employees was conducted throughout the year, exploring social justice and racial equity topics with the aim of encouraging collective understanding and action, and exploring how we, as an organization and as individuals, can work to build greater equity in our shared culture and communities.

#### Events to celebrate cultural diversity (EMEA)

The Cultural Diversity Community hosted various events, including panel sessions and speaker events. In February, to celebrate the Lunar New Year, five employees from different backgrounds shared their memories, traditions, and food. In April, the Kao Sakura Cherry Blossom Social event was held to

embrace and celebrate diverse cultural traditions. Planned by the Cultural Diversity Community and the UK Social Committee, the event honored Kao's Japanese heritage and culture. Furthermore, to raise awareness about religious observances, the Cultural Diversity Community produced a 10-minute video introducing holidays celebrated by community members, and employees shared their own customs and traditions. In August, to celebrate East and Southeast Asian (ESEA) Heritage Month, members of the Cultural Diversity Community shared experiences common within ESEA communities. In October, for Black History Month, an online educational game event session was held, offering prizes from Black-Owned Businesses. Additionally, in Darmstadt, the cafeteria menu featured traditional Black and Caribbean dishes.



### Improvement of working environment where employees from different cultures can work with peace of mind

#### Black Leaders at Kao (BLK) (Americas)

In June, we launched our first Black/African American employee resource group, "Black Leaders at Kao (BLK)." BLK is committed to advancing diversity, equity, and inclusion at Kao Americas and creating a supportive environment for Black and African American employees. Its mission focuses on improving retention and recruitment rates by providing opportunities for professional growth, sincere dialogue, and economic empowerment. BLK provides a safe space to support members' career growth and success through engagement, education, and mentorship, welcoming all who share its vision.

#### International Languages (EMEA)

For the European Day of Languages in September, the International Languages Working Group invited Anthony Mahon, who has been teaching English to Kao EMEA employees since 1998, for an interview. The interview covered aspects of the value and challenges of international language learning. The group also created a toolkit for multilingual communication, filled with useful information and tips for effective collaboration in multilingual and multicultural environments.

## Promoting the participation of employees with disabilities

We regard disability as a type of diversity and promote activities based on the policy of "Striving for a society where people with and without disabilities work and live together, we create workplace

environments for employees with disabilities that make life easier for them and foster a sense of pride in one's work."

## **Improvement of working environment where employees with disabilities can work with peace of mind**

### **Vocational Life Consultants for Persons with Disabilities (Kao Group in Japan)**

We have assigned Vocational Life Consultants for Persons with Disabilities to worksites nationwide to conduct consultations for employees. We regularly inform employees with disabilities about the Vocational Life Consultants for Persons with Disabilities, which helps build awareness of the consultations and fosters a comfortable atmosphere in which they take place.

### **Support for mutual understanding and communication among employees with disabilities and their colleagues (Kao Group in Japan)**

To promote mutual understanding between employees with disabilities and their colleagues, we have prepared materials such as a Communication Sheet and provide them on the DE&I Portal. We have also introduced the UD Talk voice-recognition application as a tool to support communication with employees who have hearing impairments. In addition, we are continuing to introduce and apply voice recognition tools such as UD Talk and live captions for Microsoft Teams inside the company.

### **Support for prospective employees with disabilities (Kao Group in Japan)**

For prospective employees with disabilities, we provide information about the support that Kao provides before they join. By identifying in advance the support each employee will need to work, we help increase their peace of mind once they become part of the company.

## **Fostering an organizational culture where employees with disabilities can work with peace of mind**

### **Promoting understanding of disabilities (Kao Group in Japan)**

We regularly implement measures to promote a better understanding of people with disabilities. In 2024, for Disability Employment Support Month in September, we released a special page on the DE&I Portal. This page featured explanations of the Act for Eliminating Discrimination against Persons with Disabilities, case studies on reasonable accommodations, and interview articles with employees with disabilities, providing an opportunity to learn about and work toward the realization of a society where people with and without disabilities respect each other and coexist.

### **Executive study sessions on universal manners**

Executives took the third level of the Universal Manners Test by Mirairo Inc. in January in order to deepen their understanding of disabilities and to learn about appropriate accommodations, thereby improving the environment within Kao and fostering a corporate culture within the company that encourages the success of employees with disabilities. By learning about the characteristics of diverse populations and how to appropriately support them in various everyday situations, the participants gained insights that they can put into practice.

### **Initiatives to raise awareness of considerations for employees with disabilities (Kao Group Customer Marketing Group)**

Based on feedback from employees with disabilities, we held roundtable discussions where they could share their concerns and feelings. Using the opinions expressed in these discussions, we informed employees about reasonable accommodations that colleagues can provide for the difficulties faced by employees with disabilities. Additionally, we conducted awareness training regarding disabilities for approximately 5,000 beauty evangelists engaged in customer service. After a lecture on reasonable accommodations, group discussions among beauty evangelists focused on practical accommodations that can be implemented in stores, providing an opportunity to deepen their understanding. Furthermore, a "counseling tool that allows individuals with hearing or other disabilities who have difficulty with verbal communication to convey their requests by pointing," developed by KAKEHASHI, a hearing impairment's community of volunteer members from domestic Group company, was introduced at all Kao brand cosmetics counters.

### **Participation in external initiatives**

We announced our support for The Valuable 500, an international initiative aimed at encouraging corporations to play a leading role in building an environment in which people with disabilities can participate actively in various business situations. We are also striving to promote these activities and increase their societal momentum.

## **Active employment of people with disabilities**

### **Wasa Group, Production Division, Wakayama Plant**

The Wasa Welfare Factory was established in April 1993 as a place that supports financial and psychological independence as well as social participation. It provides work to people with disabilities along with lifestyle guidance and health management, in cooperation with medical institutions and

under the guidance and subsidies of Wakayama City and Wakayama Prefecture.

In 2020, we acquired the factory from Sumiya Social Welfare Corporation in Wakayama City, and are handling its operation as the Kao Wakayama Plant (Wasa Group, Production Division). Currently, a total of 25 employees, including 20 with disabilities, are involved in assembling Kao travel sets.

**Special subsidiary (Kao Peony Co., Ltd.)**

Kao Peony has proactively employed persons with intellectual disabilities, including those with severe disabilities, since it was established in 2005. The Production Division provides assembly and packaging operations for cosmetics and beauty care products. The Office Support Division, launched in 2017, takes care of administrative and clerical support operations that assist with some of the Kao Group's business processes in Japan. As of January 2025, a total of 97 employees, including 68 employees with disabilities, work at Kao Peony.

**For more employment (Kao Peony Co., Ltd.)**

In the Production Division, as a result of the active acceptance of products for contract manufacturing following the introduction of a second line, sales reached 120% compared to the previous year. In 2025, aiming for further employment expansion and reduction of cash outflow for the Kao Group, we will commence simultaneous operation of the first and second lines. The second line will partially introduce robots, achieving both production efficiency and employment of people with disabilities.

The Office Support Division accepts trainees from special-needs schools and the Tokyo Shigoto Foundation throughout the year in order to hire a wide range of people who are willing to work, regardless of whether they are new or former graduates. To make the most of each member's individuality, we take orders for a wide variety of work, and each member is active in work suited to



Preparing handwashing materials for schools for the visually impaired at the Office Support Division



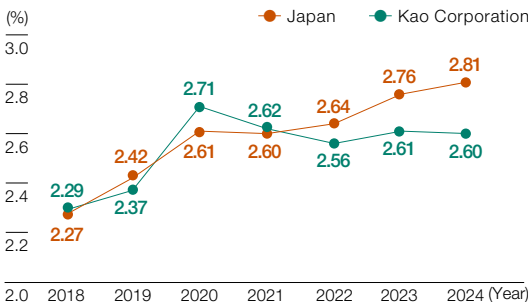
Assembly operations at the Production Division

their aptitude. Both divisions will create an environment where employees with disabilities can work with peace of mind while exploring new tasks to expand the employment of people with disabilities and contribute to the Kao Group's financial bottom line.

**Employment rate of people with disabilities (Kao Group in Japan)**

Currently, people with disabilities account for 2.81% of the total workforce of the Kao Group in Japan, exceeding the statutory minimum rate (as of June 2024).

**Kao Group employment rate of persons with disabilities**



\* Scope of calculations  
Eleven domestic affiliates that are classed as special subsidiaries under the Act to Facilitate the Employment of Persons with Disabilities (Kao Corporation, Kao Group Customer Marketing Co., Ltd., Kao Beauty Brands Counseling Co., Ltd., Kao Professional Services Co., Ltd., Kao Sanitary Products Ehime Co., Ltd., Kao Logistics Co., Ltd., Kao Business Associe Co., Ltd., e'quipe, Ltd., Kao Cosmetic Products Odawara Co., Ltd., Kao Paper Manufacturing Fuji, and special subsidiary Kao Peony Co., Ltd.)

**Support for balancing work and childcare**

Under the policy of "supporting each and every employee in balancing work and private life while fully demonstrating their ambition and abilities," we have positioned this as one of the priority actions for promoting women's empowerment and are proceeding with our initiatives. In Japan, since 2022, we have been working on three priority actions to "raise awareness of the people involved," "support career development," and "promote smooth operation of workplaces" with the aim of enabling individuals, regardless of gender, to work with high motivation to achieve their career objectives while raising children.

**Support for smoothly taking childcare leave and operating in the workplace**

**Support for procedures and communication from pregnancy to maternity/paternity leave and reinstatement (Kao Group in Japan)**

To promote employees, regardless of gender, to take the maternity/paternity leave they desire and to ensure smooth operations at the workplace, we are improving the communication flow inside the company throughout the process, from an employee's or their partner's pregnancy to the leave period

and the employee's reinstatement. We have also started distributing a guidebook that contains information for the employees and their supervisors on the procedure required in each process and on appropriate communication in the workplace. Also supplied are materials that clearly set out childcare-related systems and support that can be used during pregnancy and after childbirth.

#### **Initiatives to create a workplace where men can also continue working while balancing work and childcare (Kao Group Customer Marketing Group)**

To make it easier for men to be more involved in childcare, we have featured information in our internal newsletter on how to take childcare leave and how to communicate with supervisors. By sharing employees' voices, it allows for a more realistic understanding of balancing work and childcare. Managerial staff commented that it provided an opportunity to learn about current childcare situations. For employees expecting a child, we provide videos with more specific information on balancing work and childcare, as well as on internal systems. These efforts have led to the formation of a culture in which the entire workplace considers balancing work and childcare.

#### **Raising awareness of the people involved and supporting their career development**

##### **Seminar on establishing a system to balance work and childcare for career realization (*Tatsuno-oshigoto* Seminar) (Kao Group in Japan)**

To raise awareness among individuals about working with high motivation while raising children, regardless of gender, we mandate an on-demand seminar for all employees who have reported their own or their partner's pregnancy. This seminar provides an opportunity for employees and their partners to share their respective career aspirations and discuss how to achieve them by taking childcare leave and establishing a balanced work-childcare system. Feedback has been positive, with comments such as, "My awareness toward balancing childcare and work has increased (male)," and "I was rather anxious about building a career while raising children, but now I feel hopeful that I can manage both (female)." In a questionnaire, 80.4% of respondents said they were "satisfied," and 75.7% said it was "useful for building a system for balancing work and childcare to realize my career."

##### **Promoting male participation in childcare (Kao Group in Japan)**

To dispel the perception of a division of labor based on gender roles at home and in the workplace, we are promoting male employees' participation in childcare. In the *Tatsuno-oshigoto* Seminar, we emphasize the importance of men taking childcare leave and being involved in their families as key

contributors to building a balanced system moving forward. Furthermore, to expand opportunities for men to participate in childcare and create an environment where sharing childcare responsibilities between men and women is the norm, we have introduced a 10-day paid childcare leave system that both men and women are required to take.

#### **Improving reinstatement support (Kao Group in Japan)**

To support employees taking childcare leave in returning to work at a time that aligns with their individual career plans, we have introduced the Parenting Future Concierge program (Kao Corporation and some affiliates). This childcare facility matching service is designed to expand options for daycare placement by enabling access to company-led childcare centers, including those available to non-employees. In addition, to foster an environment where employees can continue to build their careers while balancing work and parenting responsibilities, we have implemented a system that allows for flexible working arrangements during the early months of a child's life. Under this system, employees may shorten their working hours and days up to a maximum of four hours per day and three days per week until the end of the first April after which the child turns one year old.

#### **Introduction of measures utilizing childcare vouchers from the Children and Families Agency (Kao Corporation)**

To support employees with childcare responsibilities in maintaining high motivation while balancing work and childcare, during situations such as business trips or a child's illness, we introduced a measure in 2024 that utilizes the childcare support program for babysitters provided by the Children and Families Agency, in addition to support through employee benefits services. Employees have commented, "I found that babysitting services are more accessible with subsidies, making them easier to use," and "I definitely want to continue using babysitting services while working."

#### **External evaluation of childcare support measures**

In 2016, Kao Corporation was awarded Platinum *Kurumin* certification for creating a supportive workplace for employees with children, in accordance with the provisions of the Act on Advancement of Measures to Support Raising Next-Generation Children. Kanebo Cosmetics, Kao Group Customer Marketing (KCMK), and Kao Transport & Logistics were respectively awarded *Kurumin* certifications in 2009, 2011 and 2019.





### Support for balancing work and family care

Under the policy of “supporting each and every employee in balancing work and private life while fully demonstrating their ambition and abilities,” we are striving to improve the working environment and foster a culture where it is possible to strike a balance between work and family care. We aim to enable each individual to act independently and provide assistance based on a spirit of mutual support.

#### Improvement of working environment and fostering an organizational culture that strikes a balance between work and family care

##### Provision of information about balancing work and family care (Kao Group in Japan)

We have published the “Kao Group Members’ Handbook for Balancing Work and Family Care,” which compiles information on family care. In addition to basic knowledge about family care, examples of how to respond to different situations, and information on government and company support systems and services, it includes a guide to facilitate communication between employees who are responsible for family care and their supervisors. In addition, the handbook includes a document that summarizes the entire process from acquiring family care leave to returning to work, as well as interview sheets. This helps both employees and supervisors grasp the key points more easily, and makes it even more useful for balancing work and family care and for organizational management. It is available on the DE&I Portal for employees to review whenever they need it.



##### Seminar on balancing work and family care (Kao Group in Japan)

We regularly hold seminars on balancing work and family care. The purpose is for our employees to learn about family care, improve their framework for balancing work and family care by themselves, and increase the number of supervisors and colleagues who can understand and support employees engaged in family care. In 2024, we held lectures and Q&A sessions on the theme of public caregiving systems. The number of participants is increasing every year, with many giving high marks to the lectures, saying things like, “I was able to hear the genuine opinions of experienced speaker,” “My perception of family care has changed,” and “I can now imagine what to do in a time of need.” At the same time, we distributed video content from the seminars in Japanese and English, making it available for families to watch as well, thereby providing a broad range of information.

### Education and awareness of DE&I

#### Deepening understanding of DE&I

We implement various educational and awareness-raising activities with the aim of enabling employees to deepen their understanding of DE&I and take personal ownership of it in their actions.

##### Activation of the DE&I Portal and a venue for interactive exchanges of ideas (Kao Group in Japan)

As “a site for disseminating information to help employees of the Kao Group in Japan learn about DE&I and put it into practice,” we have consolidated DE&I-related information on the DE&I Portal and made it available for employees to view at any time. In addition, the “Kao DE&I Square,” a team of employees interested in DE&I who gather on their own initiative, is used every day to share information on DE&I-related topics inside and outside the company and to exchange opinions from a variety of perspectives, serving as a venue for interactive communication.

##### Dissemination of DE&I-related information at the Workplace Welfare Committee (Kao Group in Japan)

To ensure that information reaches all employees, including those in workplaces without PC environments, we continuously disseminate DE&I-related information through the Workplace Welfare Committee. By introducing current topics and repeatedly disseminating information that employees should be aware of, we create opportunities for them to regularly engage with DE&I-related information, making DE&I more familiar and deepening their understanding.

##### Disseminating messages through a special page on the DE&I Portal (Kao Group in Japan)

Underlying the educational content we regularly produce and disseminate are basic policies and ideas that the company values and has established for each theme. As an opportunity to communicate these messages in a consistent manner, we released four special pages on the DE&I Portal in 2024 in conjunction with International Women’s Day in March, Pride Month in June, Employment Promotion Month for People with Disabilities in September, and Family Care Day in November, and distributed a variety of information to raise awareness. The four pages were viewed more than 16,000 times, and we received feedback such as, “It was an opportunity to deepen my basic knowledge and my understanding of the people involved,” and “I thought deeply about it as something personally relevant for the first time,” which led to a deeper

understanding of each theme.

**Kao Mates: Article focusing on the diversity of our employees (Kao Group in Japan)**

With “Kao Mates,” a popular feature that focuses on the real faces of Kao Group members from diverse backgrounds and introduces episodes of equity and inclusion in the workplace, we featured a female expatriate employee in 2024. The article, which covered what she values about working outside Japan, her thoughts on her career, and her relationship with her family, was viewed more than 8,000 times. We received comments such as, “Her positive attitude toward taking challenges was inspiring and gave me courage,” “As a husband, I want to be mindful of my wife’s career and communicate with her,” and “As a manager, I felt the need for dialogue.” By reading stories about familiar employees who practice DE&I, many employees have an opportunity to think about what they can do and change their behavior.

**DE&I EXPO and DE&I Learning Quiz (Kao Group in Japan)**

The Kao DE&I EXPO, a special project on the DE&I Portal, took place from January to April 2024. Under the theme “Feel the DE&I,” we consolidated the awareness-raising content released in 2023, introduced “My DE&I Experiences” submitted by Kao Group members, and shared the results of a survey on employees’ awareness and understanding of DE&I, providing an opportunity to see and feel the current state of Kao’s DE&I. In addition, with the “DE&I Learning Quiz,” which is designed to make learning about fresh DE&I topics and Kao’s DE&I promotion activities fun, we regularly publish case studies on topics that could actually occur in the workplace.



**Take A Moment (Americas)**

We shared a series of articles throughout the year in which employees talked about themselves and what matters most to them. By being seen and heard, we aim to enhance individual motivation, encourage reflection on the importance of diversity in life, the workplace, and the community, celebrate the individuality that makes each of us special, and foster a culture of understanding and inclusion.

**DE&I upskilling and training (EMEA)**

In EMEA, we are continuing Essential DE&I Training, which covers understanding diversity, equity, and

inclusion, structural and behavioral barriers, and inclusive behaviors. This year, we held 14 sessions in English, German, and Dutch, with 10 to 20 employees participating in each session.

**Fostering an inclusive organizational culture**

To create an organizational culture that focuses on dialogue, we are promoting activities to increase understanding of psychological safety, unconscious biases, and microaggressions.

**Fostering an organizational culture centered on dialogue**

**Mandatory e-learning “Basic knowledge on psychological safety” and “Basic knowledge on unconscious bias” (Kao Group in Japan)**

In the Kao Group in Japan, we started learning about psychological safety and unconscious bias, which are the foundations of dialogue, in 2021, and have been providing learning opportunities for all employees to deepen their understanding and practice these concepts in their daily activities. In 2024, we made psychological safety e-learning mandatory for non-managerial employees and unconscious bias e-learning mandatory for managerial employees. The course consists of a lecture, self-reflection exercises, a check test, and a declaration of one action for the future. The course is available in an on-demand viewing environment, making it easy for participants to take it at any time. This has created an opportunity for participants to gain insights into their own positions in light of their experiences, such as, “I thought I understood it, but my understanding deepened further, and it became an opportunity to reflect on my own actions,” and “I feel that by changing each individual’s awareness and behavior in the future, the atmosphere of the workplace and the quality of work will also improve.” We will continue to provide learning opportunities in the future, aiming to establish psychological safety as part of the organizational culture.

**Initiatives related to unconscious bias and microaggressions (Americas)**

In addition to continuing training on understanding unconscious bias, microaggressions, and racism in the workplace, as well as allyship, we launched unconscious bias workshops for all employees in Australia and formally introduced DE&I workshops across the Americas. By providing employees with the tools to recognize and address microaggressions, we are fostering allyship and creating a more

supportive and understanding work environment.

**Microaggression training (EMEA)**

For our annual Summer DE&I Training Sessions, we conducted training on microaggressions and inclusive behavior twice each in German and English for all employees in EMEA.