

Kirei Lifestyle Plan—Kao's ESG Strategy 103-1, 103-2, 103-3

Mid- to long-term targets

Individual mid- to long-term targets are set for each of the 19 Kao Actions.

Based on the mid- to long-term targets, divisions set their own targets according to their business activities and in 2019 started activities based on their plans.

We were not able to present some of the 2019 results due to the time needed to revise or reconsider the evaluation methods used, or to build the framework for collecting results. For these targets, our anticipated timing for releasing the information is noted in the table.



→ For more information, please see p. 202, Explanation of Kirei Lifestyle Plan Mid- to Long-term Targets

Mid- to long-term targets for the 19 Kao Actions

Kao Actions	Indicator	2019 Results	Mid- to long-term targets			SDGs
			Value	Year	Base year	
Making my everyday more beautiful						
Commitment	The number of people empowered to enjoy more beautiful lives—greater cleanliness, easier aging, better health and confidence in self-expression	Plan to disclose in 2021*1	1 billion people	2030	—	3,5,6,10, 12,14,17,
Improved quality of life	% of new or improved products which contribute to a comfortable, beautiful, healthy life and touch the heart of people	Plan to disclose in 2021*1	100%	2030	—	3,5,12,17
Habits for cleanliness, beauty & health	Coverage of enlightening activities that stimulate habits for cleanliness, beauty & health using Kao products and services (Scope: targeted brands/categories)	Plan to disclose in 2021*1	100%	2030	—	3,6,17
Universal product design	% of new or improved products that meet Kao’s Universal Design Guidelines	44%	100%	2030	—	10,12,17
Safer healthier products	% of targeted ingredients of concern on which views are disclosed	Plan to disclose in 2021*1	100%	2030	—	3,12,14,17
Making thoughtful choices for society						
Commitment	% of Kao brands that make it easy for people to make small but meaningful choices that, together, shape a more resilient and compassionate society	Plan to disclose in 2021*1	100%	2030	—	4,8,9,10,11, 12,13,15,17
Sustainable lifestyle promotion	Coverage of distribution of information, information tools, and enlightening or communication activities for sustainable lifestyle (Scope: targeted brands/categories)	Plan to disclose in 2021*1	100%	2030	—	4,11,12,17
Purpose driven brands	% of Kao brands that make a contribution to solving social issues and that make people feel and sympathize with the brand’s social usefulness	Plan to disclose in 2021*1	100%	2030	—	12,17
Transformative product innovation	Cumulative number of transformative sustainable product innovations launched	2 innovations	10 or more	2030	—	9,12,13,17
	% of new or improved products which meet Kao sustainability guidelines	Plan to disclose in 2021*1	100%	2030	—	
Responsibly sourced raw materials	% of certified paper products and pulp for consumer products	91%	100%	2025	—	8,10,12, 15,17
	Confirm traceability to small oil palm farm	Completed for large plantations	Finish	2030	—	

*1 Conducted the review of detailed requirements in 2019

*2 Built a data collection system in 2019

*3 Conducted review of detailed requirements in 2019 and plan to build a data collection system in 2020

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Kao Actions	Indicator	2019 Results	Mid- to long-term targets			SDGs	
			Value	Year	Base year		
Making the world healthier & cleaner							
Making the world healthier & cleaner	Commitment	% of Kao products that leave a full lifecycle environmental footprint that science says our natural world can safely absorb	Plan to disclose in 2021* ¹	100%	2030	—	3,6,7,12,13,14,15,17
		Kao recognition or achievement level by external ratings firms	CDP Climate Change A, Water A, Forest (Timber) A-, Forest (Palm Oil) A-	Highest evaluation level	Every year	—	3,6,7,12,13,14,15,17
	Decarbonization	% reduction in absolute full lifecycle CO ₂ emissions	4%	22%	2030	2017	7,12,13,17
		% reduction in absolute scope 1 + 2 CO ₂ emissions	9%	22%	2030	2017	
	Zero waste	Quantity of innovative film-based packaging penetration for Kao and others per annum	Plan to disclose in 2021* ²	300 million	2030	—	12,14,15,17
		Quantity of waste not for recycling from factories and offices	Plan to disclose in 2021* ²	Zero	2030	—	
	Water conservation	% reduction in full lifecycle water use per unit of sales	6%	10%	2030	2017	6,12,15,17
		% reduction in full lifecycle water use per unit of sales in regions with water scarcity	Plan to disclose in 2021* ¹	40%	2030	2017	
	Air & water pollution prevention	% of factories which disclose VOC and COD emissions	VOC 0% , COD 100%	100%	2025	—	3,6,12,14,17
	Walking the right path						
	Effective corporate governance	Kao recognition or achievement level by external ratings firms	Highest evaluation level (World’s Most Ethical Companies® selection)	Highest evaluation level	Every year	—	8,16
		Number of serious compliance violations* per annum * Compliance violations that have a significant impact on management and significantly damage corporate value	Zero	Zero	Every year	—	
Full transparency	% of consumer product brands for which people can easily access complete ingredients information	Plan to disclose in 2021* ¹	100%	2030	—	8,12,16,17	
Respecting human rights	% response rate to human rights due diligence (risk assessment across internal, suppliers, and contractors respectively)	Internal: 100%, suppliers: 20%, contractors: 0%	100%	2030	—	5,8,10,17	
Inclusive & diverse workplaces	Affirmative answer rate to a question on “Inclusion and Diversity” on <i>Find</i> , our employee survey with voice of employees	Did not conduct <i>Find</i>	75%	2030	—	5,8,10	
	% of female managers	29.4%	Same % as female employees	2030	—		
Employee wellbeing & safety	Lost time accident frequency rate (per million hours worked)	0.78	0.1	2030	—	3,8	
	Average number of lost long-term work days (days/people) * Starting from Japan	129	105	2030	—		
	Ratio of employees who have lost long-term work days per one thousand employees * Starting from Japan	0.198	0.12	2030	—		
Human capital development	Affirmative answer rate to a question on “Development Opportunities & Climate” on <i>Find</i> , our employee survey with voice of employees	Did not conduct <i>Find</i>	75%	2030	—	3,4,5,8,10	
	Affirmative answer rate to a question on “Engagement/Employer of Choice” on <i>Find</i> , our employee survey with voice of employees	Did not conduct <i>Find</i>	75%	2030	—		
Responsible chemicals management	% of chemical products and raw materials with disclosed information of benefit and safety to ensure safe usage for our customers	Plan to disclose in 2022* ³	100%	2030	—	3,6,12,14,17	
	% of areas where impacts on health, environment and safety from chemicals are managed responsibly and sustainably considering their stages from raw materials procurements to disposal	Plan to disclose in 2022* ³	100%	2030	—		

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