

Improved quality of life 102-12, 102-15, 103-1



Help people to enjoy more beautiful lives through our products, services and communications.

Kao's creating value to address social issues

Social issues we are aware of

The issues that are leading to a deterioration in consumers' quality of life include not only problems related to the global environment, such as increased ultraviolet radiation due to climate change, but also changes in the social environment. We have identified five key issues affecting society that are closely related to quality of life; global warming, changes in the hygiene environment, women's empowerment, the aging society and the diversification of society.

Although there has been a steady improvement in consumers' hygiene awareness over the past few years, with the widespread adoption of hygienic living habits, nevertheless, because of the impact of continued globalization, the risk associated with infectious diseases that may be transmitted between different countries and regions, affecting the global community as a whole, has grown.

At the same time, as women have come to participate more actively in society and the number of households where both partners are working has grown, there has been an increase in both emotional and physical stress relating to the need to balance work and household responsibilities, and in many cases this has a detrimental effect on people's health. As one of the first countries in the world to become a hyper-aging society, Japan is experiencing problems such as the social isolation of senior citizens and an

increased burden on caregivers. The current situation is that not only senior citizens, but also members of other disadvantaged groups such as foreign residents and people with disabilities, as well as people in general, are not necessarily receiving the services and products they need in order to live happily.

As a result of social issues such as these, many consumers are at risk of a significant lowering of their quality of life in their daily lives.

The five key issues affecting the environment in which Kao operates, and the risk of reduced quality of life for consumers

Global warming	Changes in the hygiene environment	Women's empowerment	Aging society	Diversification of society
Excessively dry skin due to increased ultraviolet radiation	Increase in bacteria and viruses Reduced immunity	Increased stress due to the need to balance work and child care and housework, which has an adverse impact on health	Increased burden on caregivers, social isolation for caregivers and loss of purpose in life	Racial discrimination, insufficient concern for people with disabilities and other socially disadvantaged groups

Kao's creating value

We will contribute to consumers' being able to realize authentic, comfortable and fulfilling daily lives. We will do this not only by offering products, but also by using our comprehensive capabilities to educate consumers across society. Additionally, in collaboration with stakeholders, we also strive to achieve sustainable quality of life (QOL) improvements.

We have established 22 life values we seek to realize to ensure that our activities support our goal of realizing authentic, comfortable and fulfilling daily lives through QOL improvement activities. Going forward, we will confirm the degree to which these lifestyle values have been realized each year, and improve our activities using the PDCA cycle.

The 22 life values we seek to realize

Clean life	Hygienic life	Healthy life	Beauty preserving and cultivating life
Safe life with peace of mind	Invigorating life	Stable, peaceful life	
Ecofriendly life	Natural life	Family-oriented life	
Humanistic, socially beneficial life	Socially-integrated life with extensive human contact		
Life that is unconstrained by stereotypical gender roles	Free life where you can do what you want		
Independent life where you are not dependent on others	Life that benefits from new innovations and trends		
Simple, nonmaterialistic life	Comfortable life	Simple, convenient life	
Economical, thrifty life	Life with plenty of free time	Fulfilling life	

Contributions to the SDGs





Policies

Having identified five quality of life impingement risks that may be associated with social issues or with social or environmental change, we have decided on key themes to address these risks, and we are taking action accordingly.

We have formulated action plans for the themes that we are addressing. There are three types of action plan: action plans that are being implemented company-wide, cross-category action plans and brand-specific action plans.

1. Company-wide ESG themes

New products that utilize new technology/activities that enhance quality of life in new fields.

2. Cross-category themes

Activities that enhance quality of life across categories in a new way, in relation to multiple existing brands.

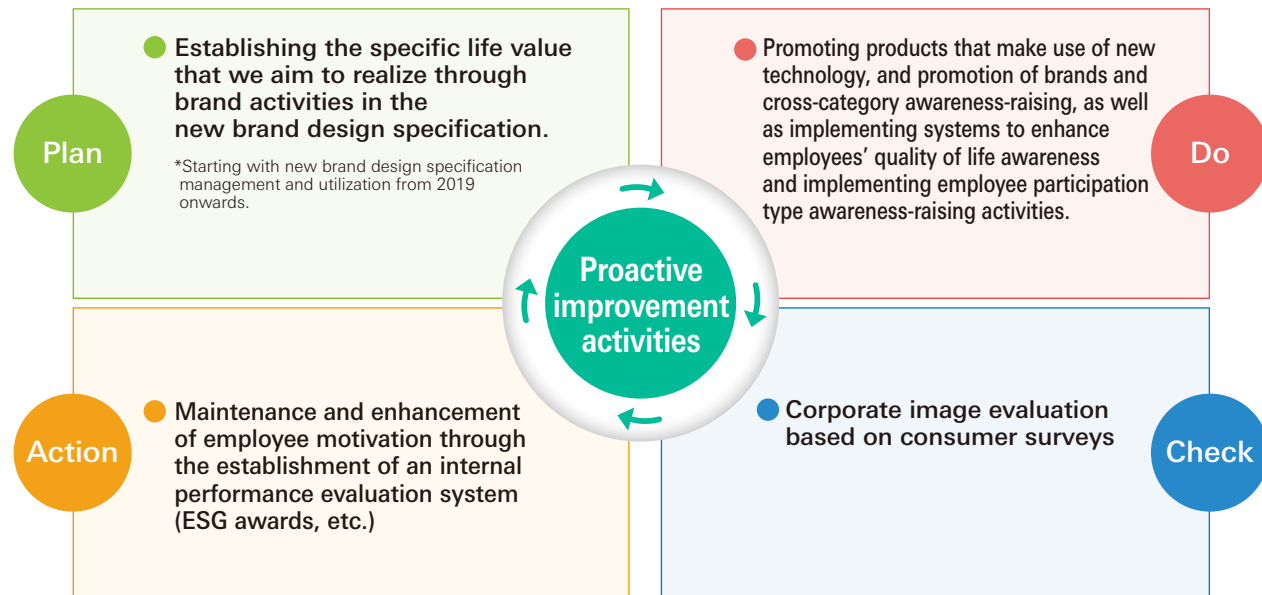
3. Individual brand-specific themes

Activities that enhance quality of life at the level of individual brands.

Education and promotion

With the implementation of a PDCA (plan, do, check, action) cycle that includes the proposal of products that use new technology, collaboration between employees, consumers and other stakeholders, the wide-ranging dissemination of information both within and outside the company, obtaining evaluations from third-party organizations, etc., we are constantly reviewing our activity themes and working to expand them.

PDCA cycle aimed at enhancing quality of life



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Kirei Lifestyle Plan

Making my everyday more beautiful

Making thoughtful choices for society

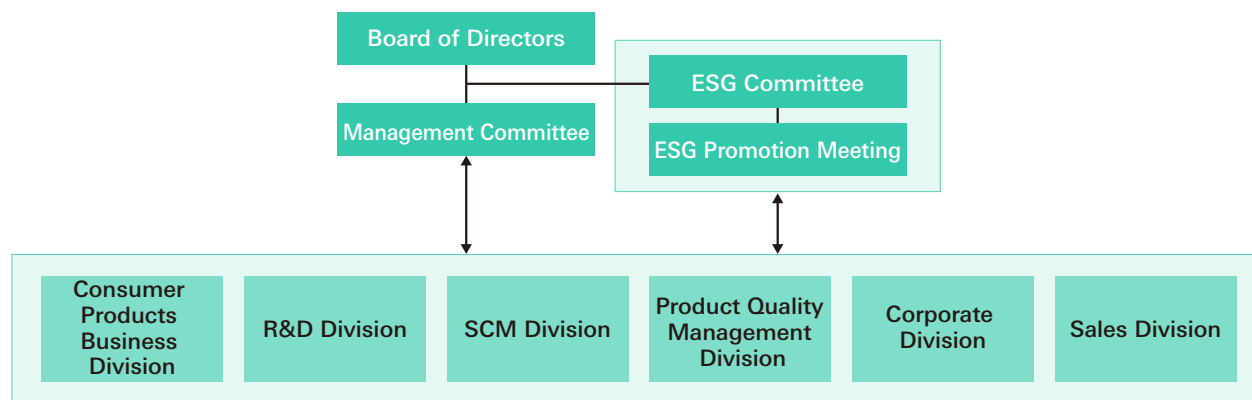
Making the world healthier & cleaner

Walking the right path



Framework

Of the 19 actions included in our Kirei Lifestyle Plan, improved quality of life, habits for cleanliness, beauty & health, universal product design, sustainable lifestyle promotion and purpose driven brands are being promoted as a common framework.



* As of December 2019.

Mid- to long-term targets and performance

2030 long-term targets

We will increase the number of new products that help to enhance quality of life.

Anticipated benefits from achieving mid- to long-term targets

Social impacts

By increasing the number of new products that help to enhance quality of life in the future, we expect to be able to expand brand recognition and brand usage rates. Our corporate image as a company that is working to improve quality of life can also be expected to boost people's awareness of Kao.

Collaboration and engagement with stakeholders

Deterioration in quality of life can lead to physical and mental distress, and can be harmful to the health. In order to prevent quality of life deterioration, besides utilizing products and services, in the future it will also be increasingly important to make use of prevention awareness raising and early mitigation awareness raising.

As the content and location of the awareness raising will vary depending on the consumer's age, gender, lifestyle and life stage, we are working to promote quality of life enhancement by collaborating with stakeholders who have extensive contact with consumers.

Next-generation awareness raising

- Educational curriculum proposals for schools and other educational institutions that are line with the Curriculum Guidelines formulated by Japan's Ministry of Education, Culture, Sports, Science and Technology (MEXT).

Raising awareness in relation to the aging of the population

- Measures in collaboration with local government authorities, which often constitute the most accessible opportunity for consultation for senior citizens.

Women's health support

- Initiatives involving drugstores (pharmacists), which sell preventive healthcare products, and counseling by gynecologists.
- Menstrual pain mitigation method awareness raising, etc. for public health nurses working at schools and private enterprises.

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Our initiatives

Support for women's empowerment through the Pink Ribbon Campaign

With increased female participation in society, higher female employment rates, an increase in the number of female managers, etc., society now offers more opportunities for women's advancement. At the same time, however, because of the trend toward later marriage and the fall in the percentage of women with experience of pregnancy and childbirth, there has been an increase in the incidence of female-only cancers, which has become a significant social problem. We support the Pink Ribbon movement, a global initiative that seeks to educate women about the importance of early diagnosis for breast cancer, and since 2007 we have been implementing the Kao Pink Ribbon Campaign. We are also undertaking development of related products that contribute to enhanced quality of life.



→ Pink Ribbon Campaign 2019
www.kao.com/jp/pinkribbon/ (Japanese)

We are currently taking the following three activities as the main pillars of our support for women's health.

1. Preventive awareness-raising and donation activities that make effective use of Kao's resources

Since 2007, we have been implementing activities to communicate the importance of early diagnosis of breast cancer directly to customers through in-store *Sofina*, *est* and Kanebo Cosmetics counters, focusing mainly on Japan and the Asia region.

In 2019, we began introducing a self-checking method that utilizes *Kanebo Skin Gloss Oil Water* at *Kanebo* outlets.

Our *Laurier* sanitary products brand has launched special limited-edition mini-packs with a special Pink Ribbon design. Part of the sales revenue from these products and brands is donated to the Project of Cancer Education by Pink Ribbon Advisors.



Kanebo Skin Gloss Oil Water



Laurier limited-edition mini-packs with a special Pink Ribbon design

2. Providing support for activities to educate the next generation through Pink Ribbon Advisors

Since FY2018, we have been supporting the "Project of Cancer Education by Pink Ribbon Advisors*" (Organizer: Japan Society of Breast Health, certified specified non-profit organization).

Pink Ribbon Advisors who have experienced cancer visit junior high schools and high schools to give special lectures. The aim is for the advisors to use their own experience to help children develop an accurate and deeper understanding of cancer, thereby helping to boost cancer screening rates in the future, and also cultivate greater health awareness among the students' families and society as a whole.



Special lectures given by a Pink Ribbon Advisor.

* Pink Ribbon Advisors:

This is a certification program run by the Japan Society of Breast Health, an NPO, participants in which learn about cancer, cancer screening and treatment etc., and take a test to check their knowledge. Approximately 7,000 Pink Ribbon Advisors are undertaking awareness-raising activities throughout Japan, with the aim of creating a society that takes breast cancer seriously, by encouraging people to safeguard themselves from breast cancer, talk to their family and friends about breast cancer, encourage work colleagues to undergo breast cancer screening, etc.



3. Product proposals to enhance quality of life

Responding to comments from cancer patients living at home who find that the odors associated with cancer-affected parts of the body prevent them from going out, and who wish to maintain their former lifestyle as much as possible, in August 2019 Kao Professional Services Co., Ltd. (KPS) launched *Healia Deodorant Pads*, which help to mitigate these odors.

The pads do an excellent job of deodorizing wounds that have a strong odor, and their soft cushioning effect is easy on the skin when they are attached to the wound area. They are also designed not to slip off easily. Besides sales to hospitals, *Healia Deodorant Pads* are also sold to ordinary consumers via Kao-direct, our official online shopping service.

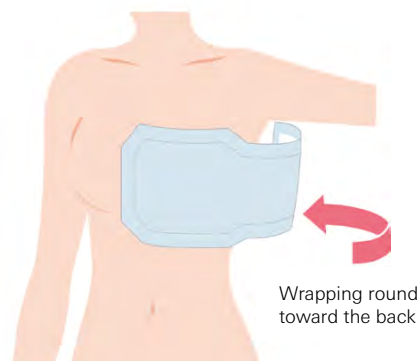
In September 2019, at the Annual Meeting of the Japanese Association of Supportive Care in Cancer, our Sensory Science Research Laboratory gave a poster presentation introducing this new product. This was a joint presentation with Tokyo Metropolitan Cancer and Infectious Diseases Center Komagome Hospital and Juntendo University Nerima Hospital.

Doctors and nurses attending the event made comments along the lines of: "Many cancer patients have a problem with the odors, so this is an excellent product. We hope that as many people as possible will be made aware of this." In the future, we will be working with hospital doctors and nurses to help improve the quality of life of cancer patients who experience serious distress.



Usage example

(breast)



Wrapping round toward the back

Healia Deodorant Pad



→ Corporate citizenship activities: Support for cancer education through the Pink Ribbon Campaign

www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/sus-db-2020-e-all.pdf#page=73

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