

Purpose driven brands 102-12, 102-15, 103-1, 103-2, 404-2



Every Kao brand will have a purpose that offers solutions to social issues within the communities or societies it touches.

Kao's creating value to address social issues

Social issues we are aware of

The situation we live in is changing dramatically—globally, there are environmental issues such as climate change and marine plastics, and within Japan, an approaching super-aging society along with diversity in values and in race.

When it comes to conducting business while all of this is going on, it is important to correctly convey branding, through which we connect with consumers, and what kind of positive impact it will have on daily life, society and the earth. It is necessary to clarify brand purpose from all stages—from basic design to processing at the end of use—as well as communicate with consumers and other stakeholders, and through this we can create a better society.

Kao's creating value

Each brand should clarify its purpose and practice diverse initiatives, including communication with consumers. In doing so, we encourage better behavior and choices while advocating for them to enrich the lives of people and to contribute to a sustainable society and the earth.

Contributions to the SDGs

The social issues each brand contributes to depend on its category and the value it provides. For example, by developing and providing containers that are easy to use for anyone, those with disabilities can use them without difficulty, which contributes to the fundamental SDG target of leaving no one behind. Products that require less rinsing during washes can reduce CO₂ emissions and contribute toward the reduction of environmental impact.

Each of our brands has a different purpose based on various social issues, and by responsibly manufacturing products and providing them to consumers, we believe that their usage is able to contribute to the achievement of Goal 12.



Policies

When it comes to Kao's brand purpose, we refer to what positive impacts we can make on daily life, society and the earth.

The activities of our purpose driven brand include the following efforts: 1. an explanation of why the brand exists 2. specific brand actions 3. where communication is concerned, in 2019, the first year of

activity, starting by clarifying the purpose of each brand.

Education and promotion

Communication with consumers is essential for making a positive impact on daily life, society and the earth. Conveying brand attitude and participating in awareness-raising activities in order to create social change together with consumers is important.

For instance, with *Bioré*, we were able to develop a foam hand soap that makes hand washing easier, along with a Foamy Hand Washing Song children can enjoy singing as they wash their hands with it. We have distributed it to educational institutions, and also conduct visiting classes, including hand-washing lessons led by our employees.



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Educational program to cultivate habits for cleanliness, beauty & health



Collaboration and engagement with stakeholders

Next-generation awareness raising

We conduct educational activities tailored to each brand. Our hygiene and environmental programs, in particular, have been adopted by many educational institutions.

Initiatives for an aging society

In cooperation with local governments and offices, we are working to extend healthy life expectancy through visualizing how much visceral fat they have at measurement sessions, encouraging citizens to walk and offering them healthy meal menus.

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.



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Mid- to long-term targets and performance

Targets for 2020

As a first step, explain the significance of all Kao brands.

2030 long-term targets

We will make it so that 100% of our brands make a contribution to solving social issues and promote empathy toward people's lives and society with our brands' social missions.

Anticipated benefits from achieving mid- to long-term targets

Business impacts

The support of meaningful brands leads to the growth of brands and the company, and as a result, makes it possible to invest in new social issues.

Social impacts

Through empathy and support from consumers, we are able to make a positive impact on daily life, society and the earth.

Performance in 2019

In 2019, we decided to clarify the significance of each brand's purpose. From the Kirei Lifestyle Plan perspective, each brand is reviewing brand design and defining what good impact it will have on our lives, society and the planet.

This effort will start in Japan and will be expanded globally in 2020.

We will make sure that consumers can feel our "Brand-Purpose," which has been further enhanced with purpose, and the purpose incorporated in its products.



Our initiatives

Recently developed products and technology

Attack ZERO

In 2019, we launched *Attack ZERO* laundry detergent, redeveloping it to fit changes in society including increased laundry loads at one time and room drying due to women's advancements in society, water-saving drum-style washing machines, and the increase of clothing made of functional synthetic fibers. It leaves zero difficulty to remove stains, zero musty odors, and zero detergent residue, and removes yellowing to revive clothing after each wash.

The base of these developments is the product of a new surfactant called Bio IOS. Oil palm fruit is the main ingredient used for surfactants, and by taking residue leftover after squeezing when collecting edible palm oil, which had previously been discarded, we were able to create a detergent base that meets the needs of society but is also sustainable.

As the population continues to increase, the earth's resources become limited. From the design stage of products like Bio IOS, through developing technology that is conscious of the global environment, we believe the *Attack* brand not only makes an impact on daily life, but also continues to contribute to society and the earth.

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