

Efforts involving employee wellbeing and safety are essential to ensure that we carry out our basic activities as well as to accomplish initiatives that will bring about social transformation.

The abilities of highly skilled and motivated employees are needed to conduct innovative activities.

Employee wellbeing

Kao's creating value to address social issues

Social issues we are aware of

With the global trend toward the aging of the population, there has been an increase in the percentage of people affected by chronic diseases. Many senior citizens require support or care because of disease or deterioration of joints or muscles. Within Japan, there has been a steady rise in medical expenses because of this situation, and the financial health of companies' health insurance societies has rapidly worsened.

With the raising of the statutory retirement age, the introduction of re-employment systems for older workers, and the growth in the number of working women, etc., a situation has emerged where approximately 30% of cancer patients are of working age. It is anticipated that cases of workers performing their jobs while struggling with disease will further increase in the future.

Besides disease prevention, early diagnosis and treatment, there is a growing focus on the need to provide support so that workers with health issues can balance treatment with their work responsibilities.

Kao's creating value

At Kao, we implement initiatives to support the health

of employees and their families in cooperation with the Kao Health Insurance Society. We aim to improve our corporate activities by helping to increase the number of healthy employees and family members, and by creating lively and spirited workplaces.

We continue to endeavor to limit excessive increases in medical expenses through preventive initiatives including the promotion of lifestyle improvements and active implementation of various health guidance measures. We are focusing our efforts on the control of long working hours through promotion of modulated work styles and mental health training for managers from the perspective of promoting pleasant workplaces.

With respect to employees suffering from chronic disease, or from cancer or other diseases, in order to help these employees maintain the right balance between managing their health issues and their work responsibilities, we offer support which, rather than being "one size fits all," is carefully tailored to the actual circumstances of each individual employee.

Risks related to realization of our vision by 2030

The increase in the average age of employees brings with it a heightened risk of a rise in the number of employees affected by lifestyle diseases and also by diseases such as cancer and musculoskeletal disorders.

Opportunities related to realization of our vision by 2030

Programs for health maintenance and promotion of Kao employees are also made available for external use, and are being deployed for health maintenance and promotion activities in local communities and in workplaces. We hope that the initiatives at Kao will have a positive influence on local communities and society as a whole, and contribute to increased lifespans and a healthier society.

Contributions to the SDGs



Policies

The Kao Health Declaration

To spend every day in lively good health

We aim to become a company which inspires
engagement with the promotion of healthy bodies
and minds alongside our customers
while helping to realize healthy and enriched lives
through the creation of lively and spirited workplaces

Employee wellbeing & safety 102-43, 103-2, 404-2, 403-6 (Occupational health and safety 2018)

Cultivation of employees with high health literacy

We are working to make our health promotion activities more visible, engaging in Health and Productivity Management using the PDCA cycle to increase employee health, with the aim of increasing the number of employees with high health literacy.

We consider employees with high health literacy as the following employees:

1. Reviews and improves lifestyle independently, based on health check-up results.
2. Consults with private physicians in regard to health check-up results as needed rather than just consulting occupational physicians.
3. Maintains awareness of their mental health, and confers with appropriate professionals as needed.

Five health promotion initiatives

Rather than merely fulfilling the minimum requirements for health management that we are required to meet as a company, we implement health promotion in line with the five core themes below. Health promotion refers to the independent maintenance and improvement of employee's own health.

1. Lifestyle diseases
2. Mental health care
3. Smoking cessation
4. Cancer
5. Women's health

Education and promotion

The Kao Group Health Declaration is distributed to all employees with announcements on Health and Productivity Management also being disseminated. These include President-issued directives for: "Promotion of health and productivity management in Kao as a whole, with employee health as the foundation for growth for Kao," as well as "The President will set and put into practice health targets." Individual employees are encouraged to set their health targets for the year and put these into practice.

Various on-site campaigns, seminars and health promotion activities are deployed in line with the five core initiatives.

Collaboration and engagement with stakeholders

The effective health services developed at Kao are also made available to workplaces other than Kao, as well as to local communities. These are being put to use in tackling social health challenges such as metabolic syndrome and locomotive syndrome. We are also furthering joint research with external bodies.

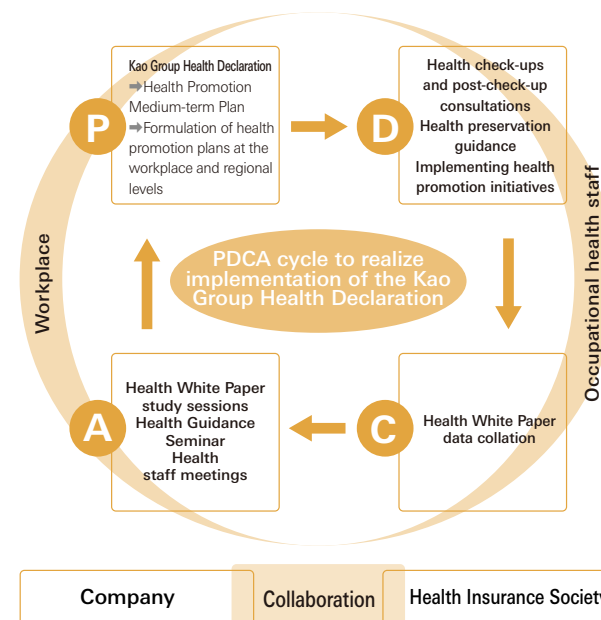
Framework

Increase the visibility of the Health Promotion Management System as part of this initiative to increase visibility, we have, since 2009, provided 18 health consultation rooms nationwide with a statistical summary of health data not specified individually (medical interviews, health check-ups, occupations, diseases, etc.).

Each health consultation room then drafts and implements a health services plan based on the health data for their respective regions.

Since 2009, we have held annual White Paper on Health Seminars so that employees in charge of Human resource and General Affairs and occupational health nurses can learn together methods of analyzing the various types of health data and of formulating measures.

Health Promotion Management System

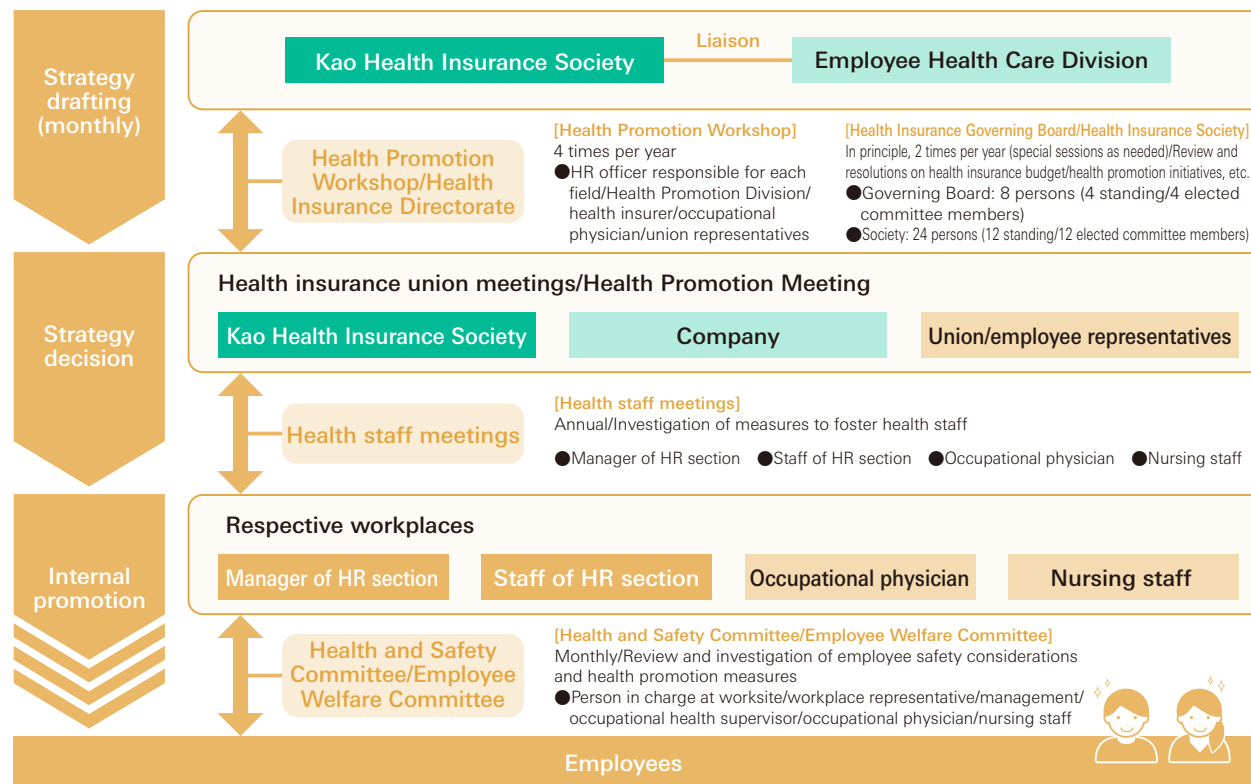


Employee wellbeing & safety 103-2, 103-3, 403-6 (Occupational health and safety 2018)

Systematization of the health promotion framework

Health promotion strategy planning is implemented in an integrated manner between Kao and the Health Insurance Society, with discussions conducted in regular monthly meetings. Major strategies are finalized at a company-wide Health Promotion Committee meeting after consideration by working groups and, the committee members of the Kao Health Insurance Society with employee representatives. The promotional strategy is implemented at each worksite and group company by the manager and staff of the HR section along with occupational physicians and nursing staff.

Health promotion framework

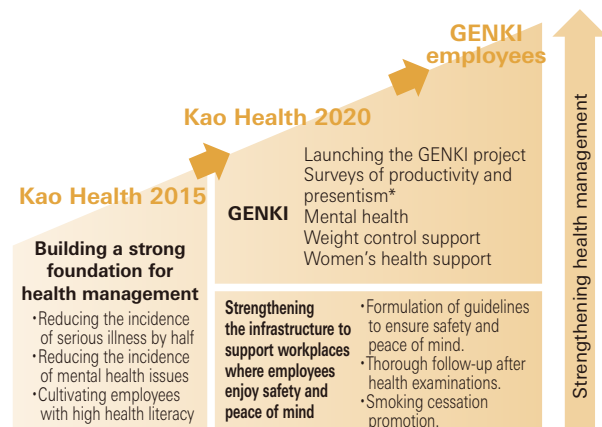


Mid- to long-term targets and performance

Mid- to long-term targets (Kao Health 2020)

In 2017, we formulated the Kao Health 2020 mid-term health-related plan. This plan aims to cultivate GENKI (Healthy) employees by further enhancing health management.

Kao Health 2020



Aiming to achieve a further enhancement of health management by cultivating healthy employees who are capable of leading change, and strengthening the infrastructure to support workplaces where employees enjoy safety and peace of mind

* Presentism
Coming to work while sick or ill, and having reduced working competency and productivity as a result.

Anticipated benefits from achieving mid- to long-term targets

Business impacts

- Prevention of manpower loss due to decreases in long-term absenteeism.
- Reduction in costs of specific health guidance due to decrease in numbers of employees receiving specific health guidance.
- Enhanced productivity from increase in highly motivated employees.

Social impacts

- Enhanced productivity and provision of improved products and services to society.
- Provision of exemplary case studies in promotion of health management to society.
- Reduction of the social welfare burden on the country as a whole and on individual communities through the health of the families of Kao employees.

Performance in 2019*

Employee health promotion status

Item	2019 Performance
Percentage of employees undergoing periodic health examinations	100%
Percentage of employees who underwent follow-up examinations	94.8%
Percentage of employees who eat breakfast at least three times a week	Male 77.1%, Female 76.1%
Percentage of employees who exercise at least once a week	Male 57.6%, Female 36.5%
Percentage of employees who get adequate sleep	Male 63.0%, Female 61.9%
Percentage of employees who do not smoke	Male 72.6%, Female 81.6%
Percentage of employees who are at risk of developing metabolic syndrome (35 and older)	Male 32.4%, Female 7.4%
Percentage of employees receiving specific health guidance (employees aged 40 or over)	Male 18.8%, Female 7.9%
Specific health guidance implementation rate (employees aged 40 or over)	72.2%

* People meeting the criteria to receive specific health guidance and the rate of providing specific health guidance apply to the provision of specific health guidance to persons meeting the criteria to receive health examinations in FY2018.

Our initiatives

Launching the GENKI project

We are promoting the GENKI project to help employees and their family members stay healthy, as part of the implementation of our Mid-term Plan 2020 (K20). GENKI involves the provision of health management solutions that make effective use of the group's healthcare know how, technologies, and products to our employees and their families.

GENKI-Action

In our Human Health Care Business, we have for many years now been undertaking research on areas such as the relationship between visceral fat and lifestyle and the relationship between walking and health. The knowledge obtained from this research is utilized not only in the development of new products, but also to improve the health of our employees and their families through our health promotion programs. We call this unique approach to health promotion "Kao GENKI-Action." What makes Kao GENKI-Action special is the way it realizes visualization of health status and lifestyle habits, which helps to boost health awareness and encourages people to make effective improvements through lifestyle changes. In order for people to achieve a health-conducive lifestyle without it being too stressful, and so that they can keep it up over the long term and enjoy doing it, we provide support for building a healthy environment, and offer assistance through our company's products.

We also use the GENKI-WEB website as a platform for Kao GENKI-Action implementation. People can use GENKI-WEB to keep a record of their lifestyle changes, and it is also used for implementing health-related special events, etc.

GENKI-Action

Visualization (Awareness)

Measurement and analysis of visceral fat and lifestyle habits

～内臓脂肪をマーカーとした～
生活習慣測定会

内臓脂肪ラボ
NAiBO®



- Using unique visceral fat measurement technology and lifestyle analysis algorithms, we hold measurement sessions at worksites throughout Japan.
- We are able to visualize the issues affecting individual employees and individual worksites.
- Health promotion achievements can be realized through changes in visceral fat levels.

Using Kao products to help people maintain lifestyle changes



We are helping people to continue with health-conscious lifestyles through the gifting of and use of Kao products.



Effective improvement through lifestyle

Building a healthy eating environment in which people can enjoy delicious food without accumulating high levels of visceral fat

スマート和食



- We provide our unique Smart WASHOKU® lunches, which allow people to eat well without increasing their visceral fat levels, at employee cafeterias in 11 worksites throughout Japan.
- We also hold special lunch seminars, and Smart WASHOKU® cooking classes in which employees can participate with their families.

Building an environment which encourages walking together joyfully and effectively

毎日歩いて歩行生活力をチェック
ホコタッチ



- We have distributed unique HocoTouch pedometers, which enable employees to work out their "walking age" based on how far they have walked youthfully in a given day.
- HocoTouch stimulates communication among employees, who are eager to ask each other "What is your walking age today?"
- We have also launched walking "competitions" for the staff at our factories and sales offices.

* NaiBO®, Smart WASHOKU® and HocoTouch are registered trademarks of Kao Corporation.

Employee wellbeing & safety 403-6 (Occupational health and safety 2018)

“Kao GENKI Project for Everyone” on the Kao PLAZA website

The health promotion activities that we have developed for Kao employees and their family members are widely shared with society through the “Kao GENKI Project for Everyone” section of the Kao PLAZA website, which we use to communicate with our customers.



→ “Kao GENKI Project for Everyone”
webmember.kao.com/jp/kaoplaza/contents/genki/
(Japanese)

Events and activities

Smart WASHOKU®

Smart WASHOKU® is a dietary method developed by us for eating well without increasing visceral fat levels. Rather than focusing on the overall quantity of food consumed, the Smart WASHOKU® approach emphasizes three key points—(1) the ratio of protein to fat, (2) the ratio of dietary fiber to sugar, (3) the ratio of Omega 3 to fat—to provide a diet that enables people to consume plenty of amount while still keeping their visceral fat level down.

- Smart WASHOKU® Lunch has been provided as a lunch menu at employee cafeterias at 11 worksites in Japan, and awareness of it among employees has increased to 52.8%.
- We have begun providing Smart WASHOKU® Breakfast at our Kayabacho Office in Tokyo.
- Occupational physicians and nursing staff have been attending Smart WASHOKU® master-classes for professionals. A total of 60 personnel have received Smart WASHOKU® Master certification, and are providing healthcare guidance and health education for our employees.
- We are providing our employees with Smart WASHOKU® booklets for dietary education. Activities will be implemented so that our employees can also learn about the Smart WASHOKU® approach.
- We are using the “Golden Shape Up (Comparison) Recipe Book” (published by Bungeishunju Ltd.) in dietary education for our employees.
- Smart WASHOKU® seminars have been held at 26 worksites and branch offices. A total of 2,420 employees took part in these seminars (at some seminars, employees also received a Smart



Smart WASHOKU® cooking class

WASHOKU® *bento* boxed lunch).

- We held Smart WASHOKU® cooking classes for families at 14 locations of ABC Cooking Studio (administered by ABC Cooking Studio Co., Ltd.). There were a total of 378 participants (employees and their family members).

Visceral Fat & Lifestyle Check-ups

Visceral Fat & Lifestyle Check-ups help employees to find out how much visceral fat they have, which in turn can help them to make improvements to their lifestyle in the future.

- Visceral Fat & Lifestyle Check-ups were held at 30 work sites, branch offices, and stores in Japan, with 2,300 participants.

HocoTouch Pedometer Gait Measurement

We hold Gait Measurement at which analysis of how employees walk makes it possible to gauge their “walking age” and their future living functions risk. We also rent out HocoTouch pedometer device, a unique device developed by Kao, which can stimulate improvements in daily living habits.

- Gait Measurements were held at six Kao workplaces. 500 people took part in the gait testing.
- HocoTouch devices were rented out for use at 67 spot locations by 8,200 personnel. 57% continued to use the devices, of which 66% achieved Rank A walking steps and speeds over one day or more.

Health-related events using *Healthya*

We are working to encourage wider participation in sports- and health-related events at workplaces in Japan. Event participants are presented with a free bottle of *Healthya*. We also held a program to help employees get healthy using *Healthya* called the Challenge *Healthya* Program at three of our worksites.

- 394 participants in the event.

WAKU-Work GENKI Workshop

This program involves getting employees to think up ideas for to help make both the company and themselves GENKI (healthy). These ideas are shared at the employee cafeteria, and we make effective use of the ideas when planning future health promotion strategies.

Employee wellbeing & safety 403-6 (Occupational health and safety 2018)

Campaigns and promotional activities

We implement company-wide health-related campaigns aimed at fostering the development of a healthy workplace ethos.

Weight-loss challenge

This campaign encouraged employees to try to lose 2kg in weight over the 42-day period between February 1 and March 14 (except employees with a BMI of less than 19).

- A total of 1,900 employees took part (representing a participation rate of 8.8%), of which 520 (27.4% of participants) succeeded in losing at least 2kg. The combined total of visceral fat lost by all participants was 1,716.4kg.

Walking Challenge

This campaign encouraged employees to walk every day and drink a bottle of our *Healthya* every day over the 61-day period between October 1 and November 30.

- A total of 2,954 people took part (representing a participation rate of 11.2%).
- Of the 951 survey respondents, the percentage who reported that they had gotten into the habit of walking was 83%, the percentage who reported that they enjoyed participating in the activity was 80%, and the percentage who reported that participating in the event helped to enrich their working or personal life was 47%.



Toyosu Walking Challenge

Pre-examination weight-loss challenge (for employees who received specific health guidance in 2018, and those on a waiting list for specific health guidance)

This campaign encouraged employees to try to lose weight over a 42-day period 2 months prior to their annual health examination.

- This has been implemented 6 times, with 645 participants, of which 214 (33.2%) lost at least 2kg in weight.
- Employees were able to have fun losing weight while drinking *Healthya*, making use of Smart WASHOKU® e-learning resources and chrono-nutrition knowledge.

Women's health support

Besides establishing women's consultation service, we also disseminate information relating to women's health issues, and hold health seminars for women.

- Distributed the SUKOYAKA Women's News bulletin in January, April, July and October.
- Occupational physicians provided health consultation tailored to women at the Women's Health Consultation Service.



Women's health seminars

Survey on productivity and presentism and analysis of basic health data

We have followed up on the factors leading to presenteeism that can bring negative impacts on productivity and are considering appropriate response strategies.

By analyzing employees' life rhythms based on physical activity patterns obtained from HocoTouch, and by analyzing these in combination with medical interview results and stress check results, we are working on clarifying the relationship between presenteeism and sleep issues or poor mental health, which may affect daytime performance. Abnormalities in individuals' life rhythms can be discovered at an early stage, and an activity level feedback report is used to notify the individual employee.

Mental health care

By 2019, our system for implementing statutory stress checks for employees in Japan had been in use for four years. We have made effective use of stress check results to proactively implement mental health care.

Occupational physicians and nursing staff promptly follow up on employees who are assessed as requiring emergency treatment in light of their responses to these stress tests, and individual follow-up e-mails are sent to employees who are judged to display slightly high stress levels.

As an organization, we also hold briefings based on stress check group analysis at company, department, worksite and branch levels, and we identify workplaces needing priority attention and implement measures to improve the working environment at these sites. For example, in the case of workplaces where a rapid increase in business volume has been accompanied by increased stress, we have performed in-depth analysis to gauge the reasons for the increase in stress besides supporting individual employees, and we have begun to implement measures to improve the organizational structure and the communication methods.

We also aim to enhance the ability of each individual employee to treat their own mental health through training and provision of information. We are continuing to foster a corporate culture in which everyone at Kao, including the colleagues at our individual worksites, acquires the ability to pay attention to small but significant changes that they can make in their own lives, address problems at an early stage, and help each other out in times of difficulty.

In addition, we have overhauled our guidelines for helping to ensure a smooth return to work after long periods of leave, and we are making effective use of them. By implementing activities to help people avoid mental health problems and to address them at an early stage if they do experience them, at the level of both individual employees and the organization as a whole, we are creating workplaces filled with vitality and higher productivity.

Mental health care projects implemented in 2019

Item	Performance in 2019
Stress checks participation ratio	97.7%
High stress rate	1.4% improvement
Training for managers	15 sessions with 676 participants
Self-care training	19 sessions with 2,346 participants
External EAP usage rate (number of usage/number of target employees)	198 telephone consultations + 1,510 e-mail consultations / 710 employees = 6.5%
Consultations with internal counselors (focused on career interviews)	12,514 consultees

Strengthening the infrastructure to support workplaces where employees enjoy safety and peace of mind

Smoking cessation promotion

Since January 2018, we have been promoting prohibition of smoking during work hours.

With complete enforcement of the amended Health Promotion Act in April 2020, we are making a concerted effort—by building consensus with managers and using the company intranet to notify employees—to promote the prohibition of smoking in line with our responsibilities in relation to the prohibition of smoking indoors, and the need to give due consideration to smokers.

- We are helping employees to quit smoking through implementation of the Kao Group Smoking-Cessation Campaign.
In January: A total of 112 employees participated (of which 33 succeeded in stopping smoking).
In October: A total of 93 employees participated (of which 39 succeeded in stopping smoking).
- Kao Health Insurance Society-subsidized smoking cessation treatment was provided for 3 people.
- Online smoking cessation program led by Kao Health Insurance Society implemented.
Online smoking cessation program in spring: 52 employees participated.
Online smoking cessation program in autumn: 33 employees participated.



No smoking during work hour campaign poster

Expansion of health checks for employees working long hours

While we are promoting reductions in long working hours at Kao, some employees still find themselves working long hours during busy periods. To address the fatigue and stress experienced by employees with long working hours, we have undertaken to implement more intensive health checks as detailed below. These will facilitate early detection of symptoms and identification of potential distress signals from such individuals.

Health checks for employees working long hours Performance in 2019

Content	Performance in 2019
Meetings with occupational physicians	Scope: Employees logging over 80 hours work outside normal working hours per month No. of eligible employees: 153. No. of employees attending consultations: 153 (Implementation rate: 100%)
Online health checks (simple diagnostics)	Scope: (1) Employees logging an average of over 80 hours of work outside normal working hours per month over a period of 2 to 6 months No. of eligible employees: 29. No. of employees attending consultations: 29 (Implementation rate: 100%) (2) Employees logging an average of over 60 hours of work outside normal working hours per month over a period of 2 to 6 months No. of employees responding to online medical interviews: 1,136 Of whom, no. of employees deemed eligible by occupational physicians: 185. No. of employees attending consultations: 185 (Implementation rate: 100%)

Company-wide deployment of health promotion activities

Deployment of company-wide health promotion activities

Content	Performance in 2019
42-day Weight-loss Challenge	1,900 participants
Pre-examination Weight-loss Challenge	645 participants
Smoking-Cessation Campaign	205 participants
Healthya Walking Challenge	2,954 participants
Provision of health information by such means as bulletins and posters	Twice a year, reaching around 27,000 people

Deployment of health promotion activities at all worksites (planning of events/seminars/campaigns)

Content	Performance in 2019
Lifestyle disease-related: exercise and nutrition seminars, strength tests, health fairs, lectures by occupational health practitioners, etc.	Held 100 times, with a total of 13,874 participants
Smoking cessation	Held 9 times, with a total of 688 participants
Female: Women's health seminars, change-of-life seminars, etc.	Held 6 times, with a total of 1,861 participants
Mental: Mental health courses, mental health training seminars for beauty advisors, new employees and newly promoted employees	Held 33 times, with a total of 3,022 participants
Health lectures, etc.	Held 24 times, with a total of 11,470 participants

Cultivation of health staff

Annual health staff meetings are held to build consensus with regard to strategies and facilitate sharing of information. Managers and staff of HR sections, along with occupational physicians and nursing staff, attend the meetings.

We implemented White Paper on Health Seminars to provide an opportunity to learn about how to understand health data and the formulation of occupational health plans, as well as holding Health Insurance Instruction Feedback Sessions aimed at improving health instruction by nursing staff.

Collaboration with stakeholders

The health promotion measures and services that we promote within the company are also provided for external stakeholders including consumers.

The influence of Kao's health services on local communities and society as a whole Visceral fat check-ups

We provide visceral fat measurement services and related lifestyle improvement advice in local communities and at workplaces.

- Visceral fat visualization station (visceral fat measurement sessions organized in collaboration with the Japan Obesity Prevention Society) Held 8 times externally, with approximately 2,500 participants.
- Lifestyle diagnostic meetings: External: Held 111 times, with a total of approximately 7,200 participants.

Awareness of Smart WASHOKU®

We have also been working to spread awareness of the Smart WASHOKU® dietary method for eating well without increasing visceral fat.

- Smart WASHOKU® master-classes as workshops for public health nurses, nutritionists and other professionals: Held 8 times externally, with 220 participants.
- Smart WASHOKU® cooking classes at ABC Cooking Studio: Held twice externally (Iwate Prefecture), with 49 participants.
- Serving of Smart WASHOKU® Lunch in other companies' employee cafeterias: Implemented at 5 locations.

Get walking program

As part of a program to create an effective and enjoyable walking environment in workplaces and in local communities, we have been distributing our unique HocoTouch pedometer devices and holding Basic Walking Capabilities Testing Sessions to provide detailed analysis of walking "quality."

- HocoTouch: Held at 80 worksites, with approximately 2,800 external participants.
- Basic Walking Capabilities Testing Sessions: Held 7 times externally, with 620 participants.

Health insurer information exchange with other corporations

We implement information exchange at meetings and seminars hosted by the General Incorporated Payer's Association for Better Healthcare (PAB). This includes identifying and discussing issues relating to health insurance, and the presentation of case studies of improvement efforts. The results achieved through these exchanges of information are presented and reported on at PAB's Annual Conference.

Developing consortium projects focused on senior citizens in collaboration with local government authorities

We are implementing awareness-raising activities targeting people who do not undergo health examinations and people who are at high risk of developing severe medical conditions, through collaborative projects with five health insurers that are working with companies belonging to the Japan Soap and Detergent Association, as part of our health initiatives to connect the promotion of senior citizens' health (focusing on members of the 63–74 age group who are receiving care) with local government authorities.

With the aim of utilizing the knowledge gained from each project across a wide range of areas, we are introducing this knowledge at various symposiums etc., and also considering measures to expand the scope of senior-oriented health initiatives in the General Incorporated Payer's Association for Better Healthcare (25 health insurers of the Study Group on Senior Citizens' Health).

Outcomes achieved through collaboration with five health insurers

- A change in health awareness among senior citizens who do not undergo health examinations by distributing individualized advice sheets (improved by 61%).
- Improvements by preventing existing conditions from becoming severe and by encouraging people to undergo health examinations (78.6% improvement in diet and exercise).
- Rolling out of health promotion programs in collaboration with local government authorities (7 locations).

Joint research with Center of Healthy Aging Innovation (COI), Hirosaki University

We are participating in planning at the Center of Health Aging Innovation (COI), Hirosaki University, located in Aomori Prefecture which has the lowest life expectancy in Japan. We are conducting social implementation examinations for our health services as support for daily health promotion at companies involved with health management.

In 2018, we introduced the Kao walking support systems to the Hirosaki City taxi company Hokusei Kotsu Co., Ltd. The results obtained in this project (an increase in the number of steps walked and an accompanying improvement in the prevention of metabolic syndrome) were presented at the 78th Annual Meeting of the Japanese Society of Public Health in October 2019.

Hirosaki University is currently conducting "social implementation testing" of quality of life (QOL) health examinations (in which the examination results are given to the examinee on the same day, and education is provided to encourage examinees to change their behavior) based on the results of past research in this area. The University is considering adopting our visceral fat measurement and health solutions for this program.

Support for specified fertility treatment

Since 2009, we have been providing support for specified fertility treatment. Initially, financial assistance was provided by the Kao Health Insurance society, but responsibility for this task was transferred to the Kao Family Association (a mutual aid association) in 2013. In 2017, financial assistance for male fertility treatment also became available. In 2019, the scope of applicability, in terms of which Kao Group companies were included, was changed, and this support is available for employees of all Kao Group companies in Japan from 2020.

The total number of employees who made use of this support in 2019 was 135 (all female), which decreased by 42 compared to 2018.

We have also put in place an environment in which employees can seek to maintain an appropriate balance between work responsibilities and treatment, by making effective use of the various flexible working arrangements that we offer (including a flextime system, a working-from-home system, and the ability to take leave in hourly increments).

Content of support for specified fertility treatment

Item	Details
Scope	Employees and their spouses/partners (If both partners are Kao employees, financial support will be provided for only one person)
Subsidy	60% of the co-payment for one round of treatment (up to 120,000 yen). Up to 1 million yen per couple (for the co-payment, from which all assistance including public support etc. has been deducted).



→ p. 162 Walking the right path > Inclusive & diverse workplaces

Employee's safety

Kao's creating value to address social issues

Social issues we are aware of

As we have several large-scale plants, its process safety and disaster prevention needs are increasingly heightened in the context of accidents at chemical plants and the many natural disasters that have occurred recently.

Kao's creating value

Kao has defined an activities policy for occupational safety and health as part of the Kao Responsible Care Policy and is endeavoring to ensure the safety and health of all employees of the group. We achieve this by focusing on and implementing activities in the areas of risk assessment for operations/machinery and chemical substances, and by the consistent implementation of and follow-up for health check-ups, as well as mental health measures.

We will deliver workplaces which provide job satisfaction and peace of mind both for the employees themselves and for their families, by creating safe, healthy and pleasant working environments.

Risks related to realization of our vision by 2030

- Risk of stoppages to operations due to occupational illness resulting from critical disasters or compromised operating environments.
- Risk of loss of societal trust in the company due to the above.

Opportunities related to realization of our vision by 2030

We actively work, by means of thorough risk assessments, to eradicate the factors which threaten the occupational health and safety of all employees, thereby creating workplaces where they can work in safety, health and peace of mind.

Contributions to the SDGs



Policies

Activities to ensure occupational safety and health are clearly stipulated in the Kao Responsible Care Policy. This is a policy to "eradicate occupational accidents and reduce potential risks, as well as provide comfortable working environments and promoting employee health." Accordingly, when occupational accidents occur, we carefully investigate the accident or disaster, and identify and analyze the causes. The Policies results of the analysis are shared throughout the group to help prevent similar accidents from occurring again in the future, thereby protecting our employees while maintaining safe and stable operations.



→ Kao Responsible Care Policy
www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/responsible-care-policy.pdf

Education and promotion

To ensure that work can be carried out safely, we draft educational plans related to occupational safety and health for employees and temporary workers, and conduct training for new hires or reassigned personnel at the location of deployment. Furthermore, we identify operations that require special education, and ensure that this education is provided to all employees who need it.

By implementing education, we are able to share information relating to safety and health in the workplace, and are able to undertake activities aimed at achievement of safety and health targets.

We are also endeavoring to ensure that the efficacy of past drills is not weakened by the passage of time, by designating a Safety Day on days when accidents occurred in the past.

Collaboration and engagement with stakeholders

To ensure safety of employees of subcontractors who work at our worksites together with us, we hold safety and disaster prevention events in collaboration with subcontractors. We also promote collaborative safety activities with the aim of building safe and secure enterprises, sharing safety information such as occupational accident case studies and countermeasures within the group with subcontractors on a monthly basis.

Framework

The Kao Responsible Care (RC) Policy and the promotion framework and activities can be found on the following page.



→ Responsible care activities
www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/sus-db-2020-e-all.pdf#page=17

Mid- to long-term targets and performance

Mid- to long-term targets

We aim to become a company which meets top-level global standards for health and safety by 2020.

We have set a target of achieving the complete elimination of deaths and serious lost time accidents, and a target for reducing the lost time accident frequency rate (to below 0.10), and we also aim to completely eliminate 100% negligence accidents causing bodily injury in relation to work-related traffic accidents by 2020, for both employees and subcontractors.

Anticipated benefits from achieving mid- to long-term targets

Business impacts

Mitigation of unnecessary expenses and reductions in overall costs, leading to higher revenues with the sound implementation of business activities achieved by having all employees working in good health.

Social impacts

Stable provision of products with sound implementation of business activities by having all employees working in good health. Moreover, this can facilitate the stabilization of product prices.

Performance in 2019

We implemented activities from the two perspectives of “Eradication of occupational accidents” and “Creating a pleasant working environment and improving employees’ health.” Specific activities to eradicate occupational accidents have focused on equipment and operational risk assessment for existing facilities. We have also promoted improvements using near-miss incident proposals, risk assessment and incoming safety inspections in advance of operation of



newly-installed equipment, and equipment safety measures and the prevention of equipment-related incidents by ensuring thorough awareness of and compliance with rules. Activities have also focused on measures to prevent slip and fall accidents involving stairs, etc., and work-related traffic accidents, etc.

In the area of creating a pleasant working environment and improving employee health, we have strengthened management of the working

environment, ensuring effective implementation and follow-up of health check-ups, undertaking health promotion activities, stress checks, and implementing risk assessment for chemical substances.

In addition, at the Health and Safety Committee meetings which are regularly held at each workplace, we report on activity plans as well as giving performance reports and disseminate this information to employees.

2019 Targets and performance (Kao Group)

Item	Indicator	Scope	2017	2018	2019	
			Results	Results	Target	Results
Occupational accidents	Death and serious lost time accidents* ¹ (persons)	Including both regular employees and temporary workers (Kao Group)	1	0	0	0
		Breakdown				
		Japan	1	0	—	0
		Asia	0	0	—	0
		Americas	0	0	—	0
		Europe	0	0	—	0
		Subcontractors (Kao Group)	0	0	—	0
		Breakdown				
		Japan	0	0	—	0
		Asia	0	0	—	0
		Americas	0	0	—	0
		Europe	0	0	—	0
	Lost time accidents frequency rate* ²	Including both regular employees and temporary workers (Kao Group) 	0.55	0.77	0.16 or less	0.78
		Breakdown				
		Japan	0.36	0.54	—	0.67
		Asia	0.34	0.19	—	0.25
		Americas	3.57	4.18	—	3.21
		Europe	2.79	4.66	—	3.30
		Including both regular employees and temporary workers (Reference: Member companies of Japan Chemical Industry Association)	0.36	0.31	—	—
		Subcontractors (Kao Group) 	0.41	0.40	0.14 or less	0.24
		Breakdown				
		Japan	0.55	0.55	—	0.66
		Asia	0.10	0.11	—	0.06
		Americas	0.00	0.00	—	0.00
		Europe	4.21	7.06	—	4.18
		Subcontractors (Reference: Member companies of Japan Chemical Industry Association)	0.49	0.52	—	—


*1 Serious lost time accidents: Accidents in which there is a continued loss of physical function after treatment for the injury has been completed (with a loss of physical function of Level 5 or higher).

*2 Lost time accident frequency rate: Number of persons dead or seriously injured in occupational accidents per million hours worked (including only accidents involving at least one lost work day and also the loss of a part of the body or a bodily function).

Employee wellbeing & safety

103-1, 103-2, 103-3, 403-9 (Occupational health and safety 2018),
403-10 (Occupational health and safety 2018)

2019 Targets and performance (Kao Group)

Item	Indicator	Scope	2017	2018	2019	
			Results	Results	Target	Results
Occupational accidents	Total accident frequency rate*3	Including both regular employees and temporary workers (Kao Group)	1.87	2.43	0.83 or less	2.33
		Breakdown				
		Japan	1.70	2.20	—	2.47
		Asia	1.02	1.37	—	0.49
		Americas	5.95	8.36	—	6.02
		Europe	6.15	6.86	—	5.78
		Subcontractors (Kao Group)	1.18	1.21	0.68 or less	0.75
		Breakdown				
		Japan	1.18	2.11	—	1.87
		Asia	0.71	0.40	—	0.18
		Americas	0.00	0.00	—	0.00
		Europe	12.62	10.59	—	16.70
	Severity rate*4	Including both regular employees and temporary workers (Kao Group)	0.10	0.05	—	0.01
		Breakdown				
		Japan	0.13	0.03	—	0.01
		Asia	0.01	0.14	—	0.01
		Americas	0.08	0.06	—	0.02
		Europe	0.04	0.07	—	0.05
		Including both regular employees and temporary workers (Reference: Member companies of Japan Chemical Industry Association)	0.04	0.03	—	—
		Subcontractors (Kao Group)	0.01	0.01	—	0.01
		Breakdown				
		Japan	0.02	0.01	—	0.04
Traffic accidents	100% negligence accidents causing bodily injury (no. of accidents)	Asia	0.00	0.01	—	0.01
		Americas	0.00	0.00	—	0.00
	Accidents other than 0% negligence accidents per 100 vehicles*6	Europe	0.06	0.19	—	0.03
		Subcontractors (Reference: Member companies of Japan Chemical Industry Association)	0.18	0.07	—	—
	Number of employees who experienced lost work days due to occupational diseases (persons)*5	Including both regular employees and temporary workers (Kao Group) 	—	0	0	0
		Breakdown				
		Japan	—	0	—	0
		Asia	—	0	—	0
		Americas	—	0	—	0
		Europe	—	0	—	0
	100% negligence accidents causing bodily injury (no. of accidents)	Sales and logistics (Japan)	11	16	0	5
			7.64	6.43	4.4 or less	6.48

*3 Total accident frequency rate: Number of persons injured in occupational accidents (including accidents without lost work days) per million hours worked.

*4 Severity rate: Number of lost days/total working hours × 1,000.

*5 There has been a global target for the number of employees who experienced lost work days due to occupational diseases since 2018.

*6 Accidents other than 0% negligence accidents per 100 vehicles: Number of traffic accidents other than 0% negligence / No. of vehicles in fleet × 100.

Employee wellbeing & safety 103-1, 103-2, 103-3

Targets for 2020

In 2020 we will continue to make efforts with the prevention of accidents and disasters as our target. Note that traffic accident targets are for Japan only.

2020 Targets (Kao Group)

Item	Scope	Indicator	2020 targets
Occupational accidents	Regular employees and temporary workers	Death and serious lost time accidents* ¹ (persons)	0
		Lost time accidents frequency rate* ²	0.10 or less
		Total accident frequency rate* ³	0.56 or less
	Subcontractor employees	Death and serious lost time accidents* ¹ (persons)	0
		Lost time accidents frequency rate* ²	0.10 or less
		Total accident frequency rate* ³	0.56 or less
Traffic accidents	Regular employees	Number of employees who experienced lost work days due to occupational diseases (persons)	0
		100% negligence accidents causing bodily injury (no. of accidents)	0
		Accidents other than 0% negligence accidents per 100 vehicles* ⁴	3.8 or less

*1 Serious lost time accidents: Accidents in which there is a continued loss of physical function after treatment for the injury has been completed (with a loss of physical function of Level 5 or higher).

*2 Lost time accident frequency rate: Number of persons dead or seriously injured in occupational accidents per million hours worked (including only accidents involving at least one lost work day and also the loss of a part of the body or a bodily function).

*3 Total accident frequency rate: Number of persons injured in occupational accidents (including accidents without lost work days) per million hours worked.

*4 Accidents other than 0% negligence accidents per 100 vehicles: Number of traffic accidents other than 0% negligence / No. of vehicles in fleet × 100.

Our initiatives

Status of occupational accident occurrences

In 2019, a total of 181 regular employees and temporary workers were involved in occupational accidents, of which 61 persons lost work days as a result, with no occupational illnesses resulting in lost work days recorded. For occupational accidents involving subcontractors, the number of persons affected was 34, of which 11 suffered injuries resulting in lost work days.

The most common types of accidents among regular employees and temporary workers were slip and fall accidents due to carelessness and insufficient confirmation (53 employees), accidents involving reactionary action (29 employees) and collisions (19 employees). Measures are being promoted with an emphasis on slip and fall accidents, due to such accidents having the highest incidence rate.

Risk assessments of chemical substances

As many kinds of chemical substances are handled at our manufacturing locations, the risk of environmental pollution is not negligible. With this in mind, we evaluate the impacts on people and the environment and make provisions to reduce these risks. In addition, we conduct a priori evaluations of impacts on people and the environment when expanding and reconstructing facilities.

These measures have been implemented in response to the U.N.'s Strategic Approach to International Chemicals Management (SAICM) initiative.

Expansion of the “no accidents with lost work days award system” improving safety awareness

Since 2016, the “no accidents with lost work days award system,” which had previously been limited to plants in Japan, was expanded to include plants outside Japan, in order to further improve safety awareness.

In 2019, four plants in Japan and five plants outside Japan received awards.

“No accidents with lost work days award” (2019)

Region	Company / Plant	Stage
Japan	Sakata Plant	Stage 1 (3 years)
	Kashima Plant	Stage 1 (3 years)
	Toyohashi Plant	Stage 1 (3 years)
	Fuji Plant	Stage 3 (7 years)
China	Kao Chemical Corporation Shanghai	Stage 2 (5 years)
	Kao (Hefei) Co., Ltd.	Stage 3 (7 years)
Taiwan	Kao (Taiwan) Corporation	Stage 1 (3 years)
Vietnam	Kao Vietnam Co., Ltd.	Stage 1 (3 years)
United Kingdom	Molton Brown	Stage 1 (3 years)

Award criteria

Stage	Award criteria
1	3 years
2	5 years or 5.4 million hours
3	7 years or 8.1 million hours
4	10 years or 12.2 million hours
5	15 years or 18.3 million hours



The award for completion of Stage 3 presented to Kao's Fuji Plant.



China: The award for completion of Stage 2 presented to Kao Chemical Corporation Shanghai and the award for completion of Stage 3 presented to Kao (Hefei).



United Kingdom: The award for completion of Stage 1 presented to Molton Brown.

Sharing safety messages globally

With the aim of raising safety awareness worldwide, safety messages have been translated into local languages since 2017, safety posters featuring the company president have been shared deployed in worksites both within Japan and outside Japan and safety messages have been shared worldwide.

We have put out a call for messages worldwide since 2018. In 2019 we created a safety poster with the message from Kao Chemical Corporation Shanghai, which awarded the Grand Prize.



The safety poster featuring the company president was deployed in 11 different local languages (Clockwise from top left: Japanese, English, Chinese (simplified), German)



Safety Message Grand Prize awarded to Kao Chemical Corporation Shanghai.

Creating a pleasant working environment for employees

We strive to create a pleasant working environment in all workplaces, and conduct periodic working environment measurement and implement improvement and maintenance to ensure compliance with each country's workplace environment standards.

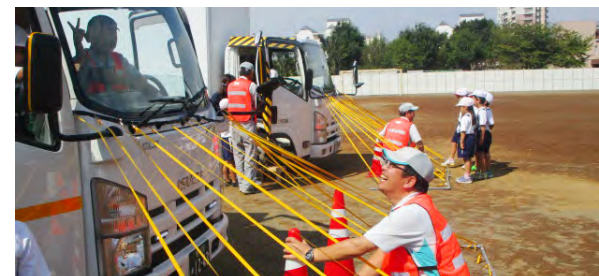
Implementation of the Children's Road Safety Class as a local contribution activity

As Kao Transport & Logistics Co., Ltd. is engaged in delivering products by truck, and has to pay close attention to road safety on a daily basis, the company has been holding events that are related to road safety.

In recent years, Kao Transport & Logistics has been proactively implementing Children's Road Safety Class for elementary school children in the vicinity of seven of its worksites.

Delivery vehicle drivers visit the schools, where children experience sitting in the vehicle cab so that they see where the blind spots are, are taught how to cross pedestrian crossings safely, and are warned to be alert to vehicles coming out

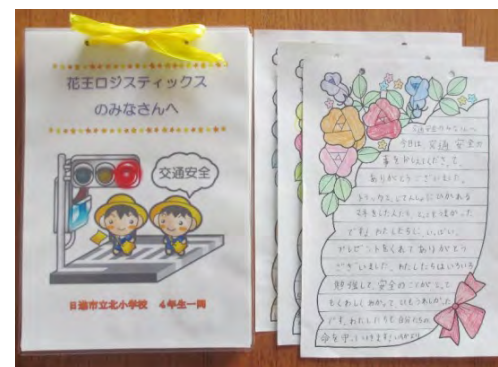
suddenly from side streets where there is limited visibility, etc. By getting elementary school children to actually experience things for themselves, this program helps to cultivate safety awareness, while at the same time encouraging the participating drivers to maintain a safe driving mindset.



Experiencing a delivery truck's blind spots.



Learning how to cross a pedestrian crossing safely.



Letters received from the participating children.