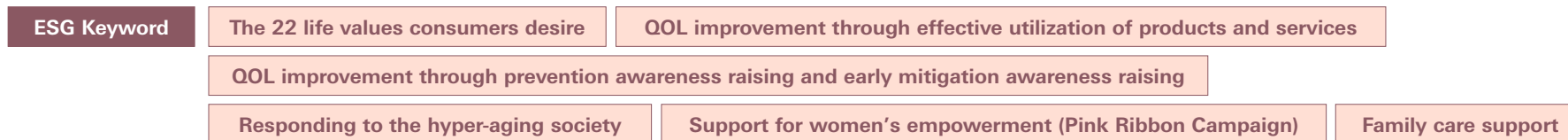


# Improved quality of life 102-12, 102-15, 103-1



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 social issues that can lead to a deterioration in quality of life (QOL) for consumers include not only issues relating to the global environment, such as the increased frequency of natural disasters resulting from climate change, but also changes in the social environment. We have identified five key issues affecting society that are closely related to QOL: global warming, changes in the hygiene environment, women's empowerment, the hyper-aging society and the diversification of society.

The COVID-19 pandemic has been accompanied by a rise in consumers' hygiene awareness, and an increased risk of infectious disease throughout the global community as a whole. Also, 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 QOL in their lives.

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

Global warming	Changes in the hygiene environment	Women's empowerment	Hyper-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

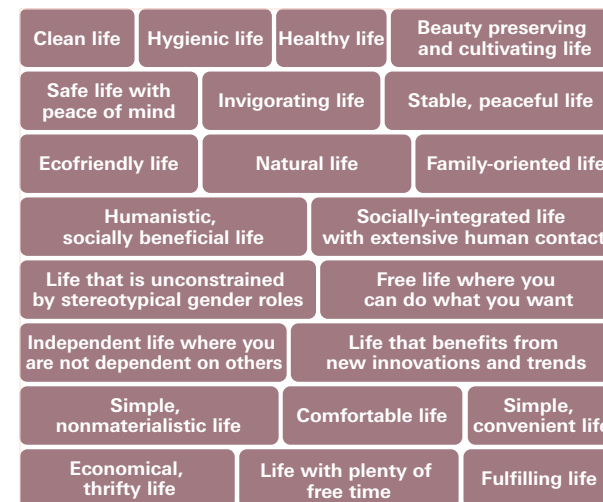
### Kao's creating value

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 QOL improvements.

We have established 22 life values consumers desire 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 (plan, do, check, action) cycle.

### The 22 life values consumers desire



### Contributions to the SDGs





## Policies

Having identified five QOL 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 and activities that enhance QOL in new fields

### 2. Cross-category themes

Activities that enhance QOL across categories in a new way, in relation to multiple existing brands

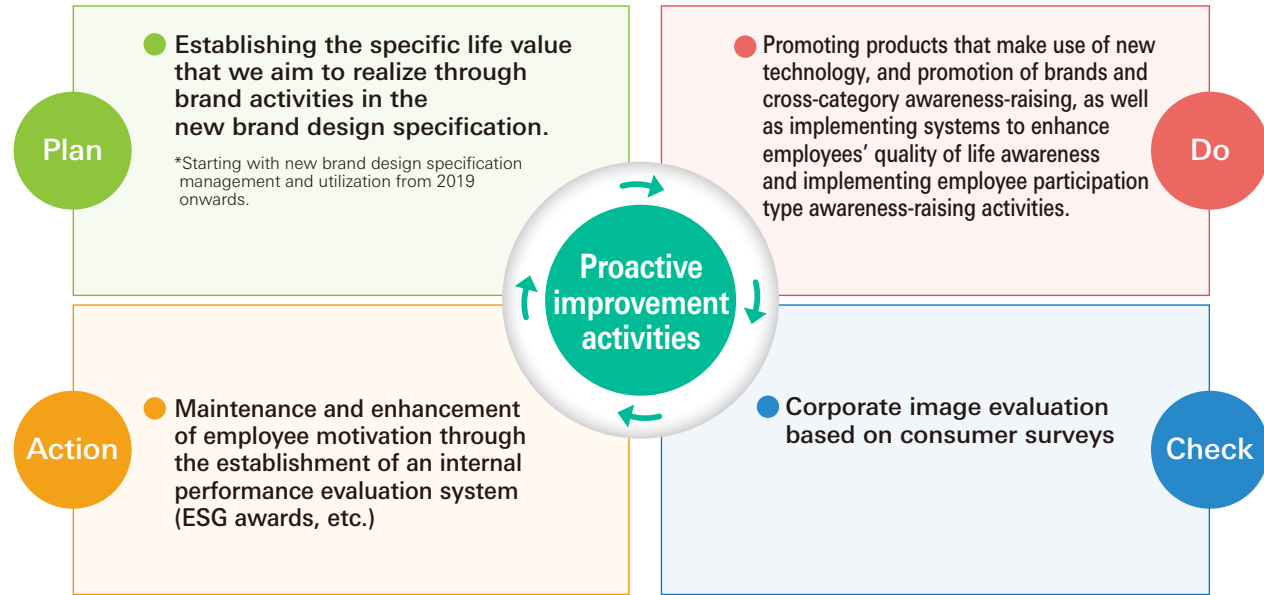
### 3. Individual brand-specific themes

Activities that enhance QOL at the level of individual brands

## Education and promotion

With the implementation of a PDCA 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 QOL





## Collaboration and engagement with stakeholders

Deterioration in QOL can lead to physical and mental distress, and can be harmful to the health. In order to prevent QOL 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 QOL 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 in line with the Curriculum Guidelines formulated by Japan's Ministry of Education, Culture, Sports, Science and Technology

### 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

- Education for the next generation, etc., aimed at strengthening women's proactive self-management of their own health

## Framework

The ESG Division will lead collaboration with our Business, Manufacturing, Supply Chain Management & Logistics and Sales divisions to promote ESG-based manufacturing, aimed toward promotion of the Kirei Lifestyle Plan (KLP). Each individual activity will be performed in accordance with the 19 actions of the KLP. Activity progress status reports are issued at company-wide ESG Promotion Meetings hosted by ESG Promotion, and progress for individual company divisions is monitored at monthly ESG Promotion Meetings.



→ p. 18 ESG promotion structure

## Mid- to long-term targets and performance

### 2030 long-term targets

- The number of products which contribute to a comfortable, beautiful, healthy life and touch the heart of people  
Target for 2030: 7 billion products
- Increase the number of new products that help to enhance QOL
- Increase the number of activities and initiatives undertaken in collaboration with national and local governments that help to enhance QOL

### Anticipated benefits from achieving mid- to long-term targets

#### Social impacts

By increasing the number of new products that help to enhance QOL 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 QOL can also be expected to boost people's awareness of Kao.

### Performance in 2020

- The number of products which contribute to a comfortable, beautiful, healthy life and touch the heart of people  
Performance in 2020: 4.7 billion products

Due to the impact of the COVID-19 pandemic, the initiatives that we had planned to implement in collaboration with local governments in FY2020 had to be postponed until the following year.



## 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 QOL.

#### 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 2020, a method for performing self-checks using *Body Lipid Wear* was introduced to customers at *Kanebo* outlets and via the *Kanebo* website. Part of the revenue from product sales was donated to a cancer education project.

In addition, our *Laurier* sanitary products brand implemented a limited-period brand-wide campaign to support women's health. During the campaign period, donations were made to activities that support women's health through a click-to-donate platform using a special website established for this campaign.

#### 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.

In 2020, special lectures were given at five schools.



Special lecture given by a Pink Ribbon Advisor



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




*Kanebo Body Lipid Wear*

*Laurier Shiawase Suhada* (Left) and *Laurier Sarapure* (Right)



**\* 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.

 → 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-2021-e-all.pdf#page=98](http://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/sus-db-2021-e-all.pdf#page=98)

## Product proposals to enhance QOL

### **CuCute Ato-raku Mist pre-dishwashing spray**

*CuCute Ato-raku Mist* pre-dishwashing spray, which can be used when you are unable to do the washing-up immediately after eating, was launched in April 2020. Using *CuCute Ato-raku Mist*, dirt that has congealed and become difficult to remove can be washed off quickly and more easily than by leaving the dishes to soak. *Ato-raku Mist* also has antibacterial properties that retard the growth of bacteria during the period when tableware is left before being washed.

During the COVID-19 pandemic, we have received comments from people who are spending more time working at home noting that, because they tend to leave the dishes from lunch without washing them up immediately, they were delighted to have discovered this new product. By making it easy to just spray the

dishes and then leave them and do the washing-up later, for example when you are short of time or different members of the family eat at different times, or if you want to prioritize spending time with family members after meals, *Ato-raku Mist* makes washing up easier and more convenient.



*CuCute Ato-raku Mist*

### **Quickle Home Reset household cleaner**

*Quickle Home Reset*, a foam cleaner / sheet cleaner household cleaning product which makes it possible to get rid of dirt and bacteria\*1 that can become a daily irritant from the whole house with just a single product, was launched in October 2020. This new product gets rid of a wide variety of different types of dirt throughout the house, as well as disinfecting\*1 and combating viruses\*1, \*2. *Quickle Home Reset* dries quickly, doesn't leave marks, and doesn't require a second wiping off, making cleaning a less onerous task.

\*1 Please note that this product is not effective against all types of bacteria and viruses.

\*2 Testing has confirmed the product's efficacy against one type of enveloped virus.



*Quickle Home Reset*

### **Healia Deodorant Pads**

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. 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, and have proved very popular. In the future, we will be working with hospital doctors and nurses to help improve the QOL of cancer patients who experience serious distress.



*Healia Deodorant Pads*