

Safer healthier products 102-12, 102-15, 102-43, 103-1, 103-2



Create products made with carefully selected ingredients that people everywhere can use with peace of mind.

ESG Keyword

Safe and reliable ingredient use and information disclosure

Preservatives

Parabens

Plastic microbeads

Silicones

UV absorbers

Kao's creating value to address social issues

Social issues we are aware of

In recent years, with the development of social media including social networking services and blogs, a wide range of information is now easily accessible online. As a result, more consumers are expressing an increasing interest in the effects on human health and the environment of the ingredients used in daily products, as well as related social and ethical issues. In addition, today it has become possible for consumers to search for related information. At the same time, however, scientifically-unfounded, inaccurate information is also available on the internet, and such misleading information may spread as if it is the truth.

Kao's creating value

With so much information available, in order for consumers to feel peace of mind when using Kao products, we believe that it is necessary to disclose our approach to the ingredients we use, along with safety information based on scientific evidence.

Contributions to the SDGs



Policies

Safety is always our first priority. With this in mind, we care not only about human health and wellbeing but also about the environment when developing our products. Regarding ingredients with a high level of consumer interest, we disclose our approach, along with safety information that is based on scientific evidence, and we strive to develop products that can be used with peace of mind by customers and consumers. We also help consumers to choose suitable products and use them safely by providing appropriate, easy-to-understand product information.

Education and promotion

In order to promote the development of safer, healthier products, human and environmental safety information about our products and the ingredients is shared on our internal portal site. This information is shared with various divisions such as Business and R&D, so that each employee can enhance their understanding from a global perspective.

Collaboration and engagement with stakeholders

We continuously research the latest information regarding human health and environmental safety from all over the world and utilize it for raw materials selection, product safety evaluation and development of products that can be used with peace of mind. In addition, we closely review safety information through industry association activities in various countries and regions and communication with government agencies. These activities help us to provide science-based safety information to consumers and customers. We consider that enhancing the correct understanding of products and ingredients helps people to use our products safely, and helps them to choose suitable products.

Disclosure of information to customers and consumers

Under the current environment, customers and consumers can easily access incorrect or out-of-date information about the ingredients. So that customers and consumers understand information accurately, we deliver accurate information by disclosing our approach, along with science-based safety information.



→ p. 59 Safe and reliable ingredient use and information disclosure



Framework

We implement activities through a cross-divisional working group led by Product Quality Management under the ESG Committee and ESG Promotion Meeting, in collaboration with relevant functions around the world. The working group members discuss ingredients that society is particularly interested in by utilizing their expertise in order to examine the scientific information and deepen the understanding of social issues. We also have many discussions with the heads of relevant Business and R&D divisions, and then we disclose our approach along with safety information that is based on scientific evidence.



→ p. 18 ESG promotion structure

Mid- to long-term targets and performance

2022 mid-term targets

We establish our policy on ingredients that society is particularly interested in based on our research for available scientific evaluations of safety, and our evaluation of their validity. We are aiming to disclose our policy with respect to 8 ingredients by 2022, and with respect to all 16 planned ingredients by 2030.

Anticipated benefits from achieving mid- to long-term targets

Business impacts

We anticipate avoiding business risks and winning trust in our products by disclosing our approach with accurate safety information, and anticipate enhancing corporate value through the contribution to *Yoki-Monozukuri*.

Social impacts

We encourage customers and consumers to enhance their understanding of our products by sharing our approach together with safety information based on scientific evidence. This helps them to choose our products with greater confidence.

Performance in 2020

With regard to five product ingredients—preservatives, parabens, plastic microbeads, silicones and UV absorbents—about which there is a high level of interest in society, in December 2020 we have disclosed our approach to these ingredients, along with safety information based on scientific evidence on our sustainability website.

Reviews of performance

The working group held meetings constantly in order to thoroughly discuss the contents of each of the five ingredients, and drafted our policies. The draft policies were then reviewed by the heads of related Business and R&D divisions, and further discussed to finalize the policies for publication. We continue to proactively research ingredients in which society has a high level of interest from multiple perspectives, and strive to achieve our mid-term targets ahead of the schedule.



Our initiatives

Safe and reliable ingredient use and information disclosure

We actively share our approach to the ingredients that society has a high level of interest in. In December 2020, we disclosed our approach and safety information based on scientific evidence for five specific ingredients: preservatives, parabens, plastic microbeads, silicones and UV absorbers.

We internally organize management structure for ingredient information including health impact, environmental impact as well as fundamental information to promote disclosing our approach on more ingredients.



→ About Ingredients Contained in Kao's Products
www.kao.com/global/en/sustainability/topics-you-care-about/ingredients-contained/

Industry association activities / communication

To address environmental concerns relating to microplastics, including plastic microbeads, the Japan Cosmetic Industry Association, of which Kao is a member, has collaborated with its partner associations around the world. It has also coordinated scientific research and usage surveys in Japan, and provides information to the government. We play a central role in these activities and lead cosmetics industry activities in Japan. Furthermore, we actively participate in industry activities related to our business, such as those of the Japan Soap and Detergent Association and the Japan Chemical Industry Association. We also participate in industry association activities in other major regions of the world to research local information, and in particular in the ASEAN and other Asian regions, contribute to the exchange of information with governments.

Moreover, we strive for adequate communication with consumers and customers. For example, when we receive inquiries regarding our use of ingredients or their safety, we provide adequate information quickly. At the same time, we utilize inquiries to examine areas of high social interest, and to further improve our products.