



Independent Assurance Report

To the President and CEO of Kao Corporation

We were engaged by Kao Corporation (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with (the "Indicators") for the period from January 1, 2020 to December 31, 2020 included in its Kao Sustainability Data Book Kirei Lifestyle Plan Progress Report 2021 (the "Progress Report") for the fiscal year ended December 31, 2020.

The Company's Responsibility
The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Progress Report.

Our Responsibility
Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Progress Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Progress Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Making inquiries and reviewing materials including documented evidence of the Company's Wakayama Plant selected on the basis of a risk analysis, as alternative procedures to a site visit.
- Evaluating the overall presentation of the Indicators.

Conclusion
Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Progress Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Progress Report.

Our Independence and Quality Control
We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.
KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
June 14, 2021

With the aim of ensuring more transparent disclosure of data relating to environmental protection and data relating to health and safety, KPMG AZSA Sustainability Co., Ltd. provides independent assurance for the Kao Kirei Lifestyle Plan Progress Report 2021. Indicators on which assurance is provided are marked with a check .

Assured data

Category	Data	Pages
Responsibly sourced raw materials	Ratio of certified paper/pulp materials (paper/pulp used in Kao products [excludes some products])	P82
	Certified palm oil purchases (Kao Group)	P83
Decarbonization	Energy consumption (all sites)	P93
	CO ₂ emissions across the entire product lifecycle (Kao Group)	P93
	CO ₂ emissions across the entire product lifecycle (Kao Group in Japan)	P93
	GHG emissions (all sites)	P93
	Scope 1 CO ₂ emissions	P94
	Scope 2 CO ₂ emissions	P94
	Scope 3 CO ₂ emissions *1,4,11,12	P94
Zero waste	CO ₂ emission during distribution (Japan)	P100
	Amount of waste reused or recycled (all sites)	P112
Water conservation	Amount of generated waste and other unwanted materials (all sites)	P112
	Water consumption across the entire product lifecycle (Kao Group)	P126
	Water consumption during product use (Kao Group in Japan)	P126
	Water consumption (withdrawal) (all sites)	P126
	Water withdrawal amount by source	P126
Air & water pollution prevention	Wastewater discharge by destination	P126
	NOx emissions (all production sites)	P135
	Volatile organic compound (VOC) emissions (Kao Group in Japan)	P135
Product lifecycle and environmental impact	COD pollution load (all production sites)	P135
	Output: Material procurement: CO ₂ emissions Output: Development/Manufacturing: GHG emissions Output: Distribution/Sales (facilities and company cars): GHG emissions Output: Distribution (transportation): CO ₂ emissions Output: Use: CO ₂ emissions Output: Disposal/Recycling: CO ₂ emissions	P140
Employee wellbeing & safety	Lost time accidents frequency rate: Including both regular employees and temporary workers (Kao Group)	P214
	Lost time accidents frequency rate: Subcontractors (Kao Group)	P214
	Number of employees who experienced lost work days due to occupational diseases: Including both regular employees and temporary workers (Kao Group)	P215

Scope of Assurance

In general, we report the activities of the Kao Group (Kao Corporation and its subsidiaries). Exceptions to this scope have been clearly stated as graph's annotations and in the text.