

Responsible Care Activities

We vigorously implement Responsible Care (RC) Activities, which are self-monitoring activities by companies engaged in the chemical industry, to ensure safety and environmental conservation in daily operations.

Social issues

Maintaining a stable supply of products and ensuring the quality and safety of those products, along with providing safe and hygienic working environments and reducing the environmental impact of business activities, are important social responsibilities. These must be fulfilled through our capacity as a company with a chemical business that offers diverse materials, products, and systems to wide-reaching industries with bases both within and outside Japan.

Strategy

Risks and opportunities

Risks

As all of the Responsible Care Activities are important both for inside and outside our company, neglecting any one of them will produce mid- to long-term risks. Specifically, such neglect will make it difficult to achieve our goal of becoming a company with a global presence that is valuable to society by 2030, and it will damage the image of our products and our credibility.

Opportunities

Mid- to long-term opportunities are building a strong relationship of trust with stakeholders by promoting Responsible Care Activities, which Kao Group companies autonomously pursue, to get closer to our goal of becoming a company with a global presence, valuable to society by 2030 and to further build trust in our product brand image and the company.

Strategy

For Kao Actions toward 2030 in the Kirei Lifestyle Plan (KLP), that is, decarbonization, zero waste, water conservation, air & water pollution prevention, and employee wellbeing and safety, we set targets for 2030 with annual backcasting goals for these targets to be incorporated into our daily activities.

In addition, all Kao Group companies will promote Responsible Care Activities, namely self-monitoring activities by companies engaged in the chemical industry, by implementing a PDCA (Plan, Do, Check, and Act) cycle, and enhance these activities by utilizing the ISO 14001 and ISO 45001 international certification systems, etc.

Social impact

We have driven Responsible Care Activities that incorporate an Environmental, Social and Governance (ESG) perspective in our business strategy to autonomously ensure aspects of environment, health and safety in the chemical industry. As such, the promotion of these activities is helping to create a sustainable world while building trust-based relationships with society from an ethical perspective. As a result, consumers and corporate customers are able to use our products with confidence, our employees can work in safety and with a sense of wellbeing, and communities neighboring our plants and worksites are able to live in safety and with peace of mind.

These leave the door open to positive influences such as reduced environmental impact, better hygiene, and returns to local communities in the areas of business activities, which bring a higher QOL to stakeholders, including residents of communities.

Business impact

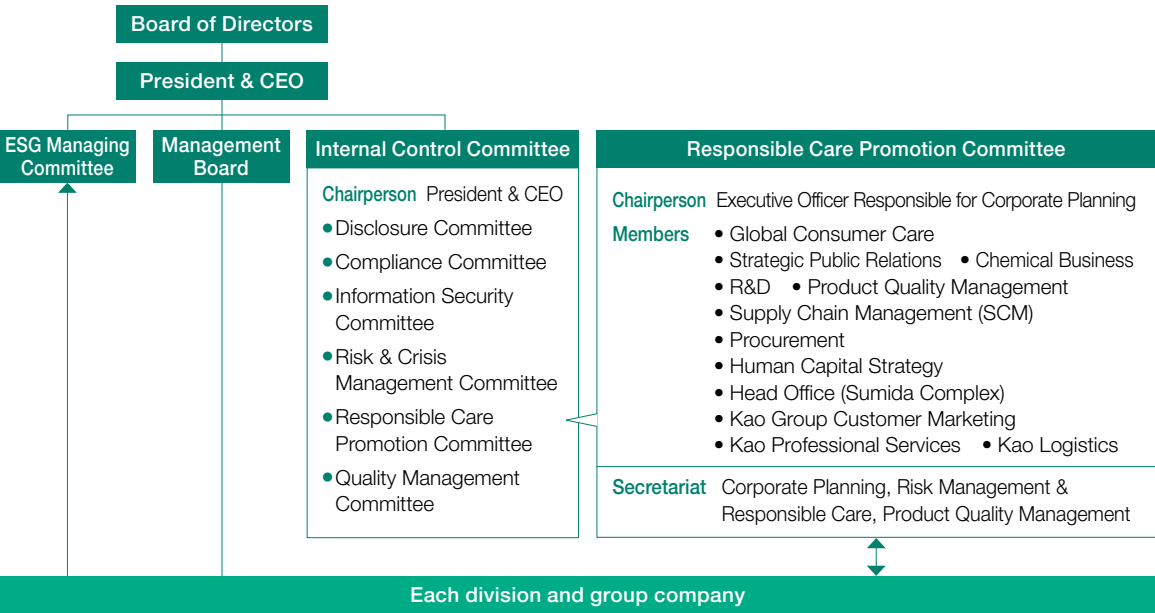
Employees can work safely and with peace of mind because we promote Responsible Care Activities. In addition, business activities can take place normally with a stable supply of products while unnecessary costs are trimmed. In addition, these activities not only make it possible for stakeholders, including consumers and corporate customers, to use our products with peace of mind but also include legal compliance. By improving our social reputation, we can expect a rise in product and brand popularity as well as expansion of our business.

Governance

Framework

The Responsible Care Promotion Committee is positioned as one of the committees under the Internal Control Committee, which is chaired by the President and CEO. The Committee reports to the Internal Control Committee, which convenes twice a year. The Internal Control Committee gives an overview activity report for its subsidiary committees to the Board of Directors. The Executive Officer responsible for Corporate Planning serves as the chairperson of the Responsible Care Promotion Committee, which is composed of 13 members: representatives from four divisions and representatives of the eight promotional divisions within Japan, meeting once per year. The Risk Management & Responsible Care and Product Quality Management serve as the secretariat of the committee. Each chemical company in the Kao Group, including Kao Corporation, participates in the chemical industry association of its respective country to promote Responsible Care Activities.

Responsible care activities framework



*As of December 2025

PDCA to promote the Responsible Care Activities

The eight promotional divisions within Japan and all affiliated companies outside Japan promote the Responsible Care Activities using the following PDCA cycle based on our RC targets set by the Kao Group RC Promotion Committee, through drafting activity plans aligned with various operational requirements, industries and business categories.

The Kao Group RC Promotion Committee (September)

At the Kao Group Responsible Care Promotion Committee meeting held in September of each year, members discuss initiatives to clarify courses of action and strengthen the management system, and deliberate on the following year's numerical targets and activity targets based on the group's mid-term targets and on the results of the RC secretariat audit conducted in August.

Global RC Meeting (November)

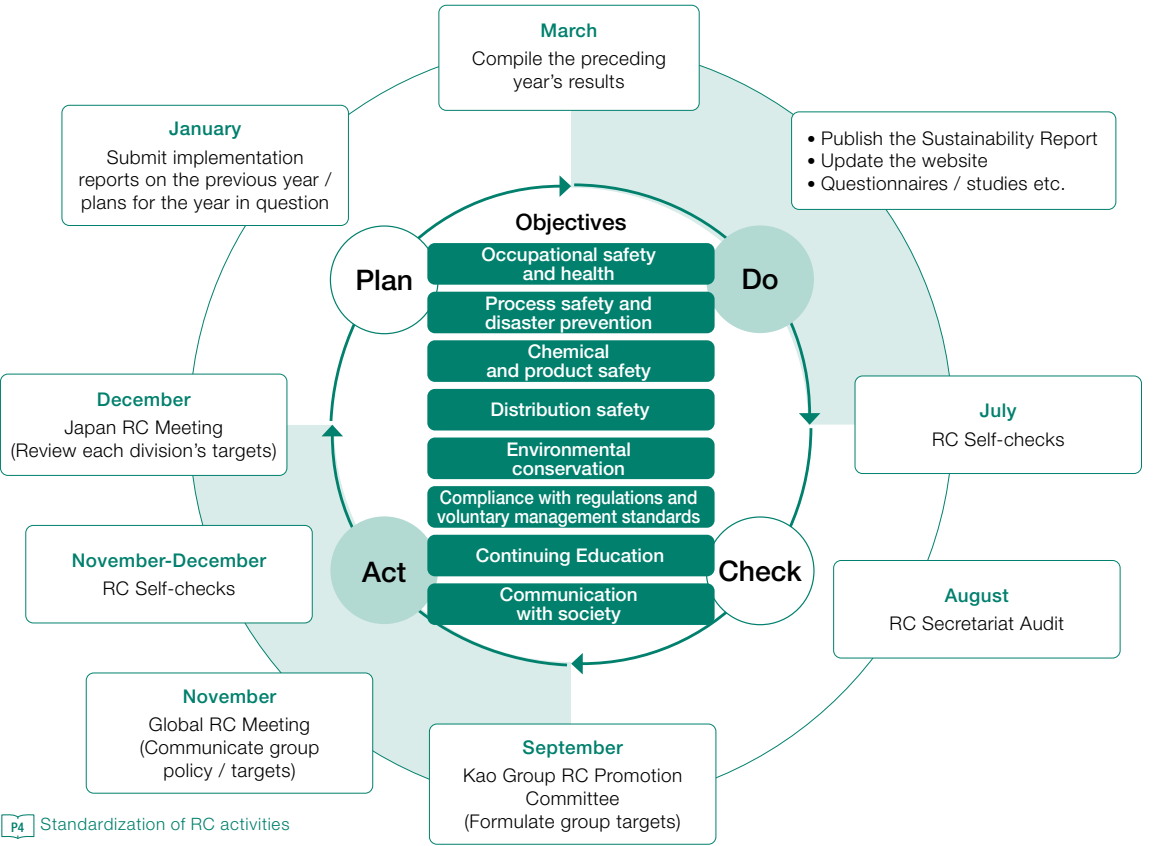
At the Global RC Meeting held annually in November, the Responsible Care Promotion Committee Secretariat explains the group's mid-term targets and targets for the upcoming year, as decided by the Kao Group RC Promotion Committee, and requests each company to devise its respective targets and to plan for the

upcoming year. Representatives from each company present the status of their RC activities and share information within the group.

Japan RC Meeting (December)

At the Japan RC Meeting held annually in December, based on these numerical targets and activity targets for the Kao Group decided at the Kao Group RC Promotion Committee, Responsible Care Promotion Committee members of promotional divisions announce their respective division's plans for the upcoming year, which are discussed by the committee. The RC Promotion members convey the deliberation results to their respective divisions, relating the content in detail to their activity units in an effort to improve and enhance RC activities closely connected to each worksite.

Annual cycle of Responsible Care Activities



RC Secretariat Audit

At Kao, conduct self-checks of their activity units in July, and the audit team selected by the Responsible Care Promotion Committee Secretariat implements an audit of individual divisions in Japan in charge of RC promotion and affiliated companies outside Japan in August to determine the progress of Responsible Care Activities and challenges to be addressed.

These results are reported at the Kao Group RC Promotion Committee held in September and Global RC Meeting held in November and these help formulate the following year’s numerical targets and activity targets.

In addition, the audit involves evaluations conducted by scoring the implementation status (implemented / not implemented; implementation rate) by survey item on the checklist used for the audit, as it is carried out based on company-wide regulations (B-02-00 Rules for RC Secretariat Audit).

 Implementation status of the RC Secretariat Audit

Utilization of the environmental and safety database

We have developed the Environmental & Safety Data Management System (“Kanchan” System)*1 to further reduce both environmental impact and occupational accidents.

The Kanchan System automatically calculates our total GHG emissions and the frequency and severity rate of occupational accidents, along with other data-based practical information used to reduce environmental impact and eliminate occupational accidents.

We are currently exploring a practical system for responding to requests for legal and voluntary disclosure, and for the efficient use of environmental and safety data by the group with relevant divisions, as part of deliberations on transitions to new systems.

*1 Environmental & Safety Data Management System (Kanchan System): Data shared among the group under this system includes that related to energy consumption, greenhouse gas (GHG) emissions, soot and dust emissions, water use, wastewater discharged, wastewater concentration measurements, soil and groundwater measurements, amounts of handling, release and transfer of chemical substances subject to PRTR, waste generated and discharged, and final disposal of waste, occupational accident statistics, and traffic accident statistics.

-  • Our ESG Vision and Strategy > Governance
<https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/sustainability2025-e-11.pdf>
- Corporate Governance
<https://www.kao.com/global/en/corporate/policies/corporate-governance/>

Education and promotion

The philosophy and policy of RC activities to ensure environmental conservation, health and safety in the product lifecycle must be shared with all Kao employees as well as the staff of its business partners. To do this, the Responsible Care Promotion Committee Secretariat and RC promotion staff from the individual divisions in charge of RC promotion regularly provide education on Responsible Care Activities, including environmental conservation, occupational safety and health activities and their policy for Kao employees and the staff of its business partners.

 Standardization of RC activities

Collaboration with stakeholders

Communication with society is a fundamental aspect of RC activities, and all Kao Group companies proactively disclose their policies in relation to the environment, health and safety, and the status of activity implementation, and proactively engage in communication with customers, consumers, employees, local communities, etc., striving to secure the support and trust of all stakeholders.

Risk management

Policies

As we are engaged in the manufacture, sales and distribution of chemical products, we strive to earn enhanced trust from society by ensuring environmental conservation, health and safety across the product lifecycle (from product development and manufacturing to use, consumption, recycling and disposal), continuously making improvements to these efforts, improving quality of life (QOL) and contributing to a sustainable world.

To achieve this goal, we have established our Basic Principle and Basic Policies on Environment and Safety and the Kao Group Responsible Care Policy, and conduct business activities accordingly.

The group as a whole remains committed to promoting RC activities, having participated in such activities since the 1995 establishment of the Japan Responsible Care Council. In 2008, then-President and CEO Motoki Ozaki signed a declaration of support for the RC Global Charter, and again in 2014 then-President and CEO Michitaka Sawada signed the revised RC Global Charter. To achieve the objective, we have established the Kao Group Responsible Care Policy based on the basic pillars of RC activities*1, which are self-monitoring efforts governing the environment, safety and health set out by the chemical industry. We set targets each year for our group as a whole, including subcontractors, and implement those activities based on an annual plan.

We have been actively promoting the Kao Group Responsible Care Policy enacted in 2012; however, in 2014 the International Council of Chemical Associations (ICCA) revised the RC Global Charter and in addition to this, the Japan Chemical Industry Association (JCIA) revised its RC Basic Policy in 2016. Accordingly, we substantially revised our policy in December 2020. These revisions included updating the content, adding continuing education and giving each item a title to make it easier for employees to familiarize themselves with them.

*1 Basic pillars of RC activities: Five promotion items (environmental conservation, process safety and disaster prevention, occupational safety and health, chemical and product safety, distribution safety) plus communication with society.

-  • Basic Principle and Basic Policies on Environment and Safety
<https://www.kao.com/global/en/sustainability/klp/policy/environment-safety-policy/>
- Kao Group Responsible Care Policy
<https://www.kao.com/global/en/sustainability/klp/policy/responsible-care-policy/>

In the process of assessing risk, the Responsible Care Promotion Committee Secretariat identifies risks in light of the results and actual performance of the activities in the previous year and the first half of the current year with regard to each of the eight objectives that form the basic pillars of the Responsible Care Activities, assesses and prioritizes the identified risks, and reflects them in the following year's RC targets. The Kao Group holds the Responsible Care Promotion Committee meeting around September every year, where each member deliberates on and approves such RC targets and reports them to the Internal Control Committee.

Regarding cross-organizational risks and common risks, we address them as corporate risk themes if necessary.

- Our ESG Vision and Strategy > Risk and Opportunity Management
<https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/sustainability2025-e-12.pdf>
- Risk and Crisis Management
<https://www.kao.com/global/en/corporate/policies/business-risks/>

Metrics and targets

Mid- to long-term targets and 2025 results

We are promoting day-to-day RC activities to become a top-level global corporation for safety and environmental conservation by 2030.

In order to achieve this, we are striving to take our RC activities to an even greater level and expand their scope while enhancing the management system.

Therefore, we set our mid- to long-term targets until 2030 as Kao Group RC targets, with annual backcasting goals for these targets to be incorporated into our daily activities.

2025 results

In 2025, we convened the Kao Group RC Promotion Committee on September 19, the Global RC Meeting from November 10 to 12, and the Japan RC Meeting on December 9. In addition, the RC secretariat audit was conducted between July and August at each group company within and outside Japan and in individual divisions in charge of promoting RC.

As part of the RC secretariat audit, the Responsible Care Promotion Committee Secretariat attends annual self-checks conducted by multiple RC promoting divisions to confirm that the RC self-checks are being conducted correctly in line with regulatory and other requirements.

Reviews of 2025 results

In the area of environment, we met our targets for energy consumption, greenhouse gas emissions, and water use. For the targets set in line with the mid-term targets of the Kirei Lifestyle Plan (KLP), we achieved our targets for the rate of renewable energy from purchased electricity and for the rate of disclosure of wastewater COD emissions, but did not reach the target for the rate of disclosure of VOC emissions.

In the area of safety, we did not achieve the targets for lost time frequency rate, total accident frequency rate, cases of lost time due to occupational illness, and on-site fires and explosions. However, we did achieve all targets concerning death and loss-of-function accidents and logistics-related leakage accidents, with the targets being zero incidents.

For 2026, we have set a new environmental target regarding water conservation at plants with a high water-risk, as well as a new safety target to reduce the occurrence of highly frequent non-job-specific accidents, such as slips, falls and other accidents in this category.

Initiatives

Standardization of RC activities

Kao Group RC Promotion Committee (September)

The Kao Group RC Promotion Committee meeting took place in hybrid style on September 19, 2025. The RC Promotion Committee Secretariat announced the first half-year actual performance for our group's 2025 RC targets, as well as the results of the RC secretariat audit and the high-pressure gas safety audit. In addition, the promotion divisions also announced the current status of their promotional activities, and finally, the 2026 Kao Group RC targets were deliberated and approved as the main agenda item.

Global RC Meeting (November)

From November 10 to 12, RC promotion staff from each country gathered in-person at the Head Office for a Global RC Meeting. The Head Office provided an overview of the Kao Group's RC activity policies and next year's RC goals. Additionally, to refine RC activities and raise performance levels, participating companies shared updates on their RC activities and exchanged best practices. Attendees from each country actively engaged in discussions, strengthening communication among staff members.

Japan RC Meeting (December)

At the Japan RC Meeting, held both online and in person on December 9, RC Promotion Committee members from promotional divisions reported on their 2025 activity results and announced 2026 draft plans for their divisions. The plans were then deliberated on and approved. The RC Promotion Committee Secretariat then reported on the group's 2025 environmental and safety actual performance, and the new safety target was deliberated on and approved.

Implementation status of the RC Secretariat Audit

From July through August 2025, the RC secretariat audit was conducted by using the checklist sheet at eight promoting divisions in Japan and 19 group companies*1 with plants outside Japan, taking into account the degree of safety and environmental impact. In 2021, we revised portions of the checklist to reflect requirements in ISO 14001 and ISO 45001, as well as the self assessment tool items of the International Council of Chemical Associations and also made improvements to the evaluation content concerning the performance of Responsible Care Activities.

In Japan, the status of various items was confirmed at in-person meetings with RC promoting divisions, such as the current status of compliance with regulatory requirements and standards, the progress of planning, and achievement of numerical targets. Outside Japan, we conducted a paper audit using the same checklist.

It has also been confirmed that all findings from the 2024 audit have been addressed. Overall, the results of the 2025 RC secretariat audit produced scores almost identical to those of 2024. As there was a large number of findings on environmental conservation and occupational safety, which are areas where ongoing monitoring is necessary, we have requested further improvements (see the table below).

*1 Kao Corporation Shanghai, Kao (Shanghai) Chemical Industries Co., Ltd., Kao Huludao Casting Materials Co., Ltd., Kao (Taiwan) Corporation, Kao Vietnam Co., Ltd., Pilipinas Kao Incorporated, Kao Industrial (Thailand) Co., Ltd., Fatty Chemical (Malaysia) Sdn. Bhd., PT Kao Indonesia, PT Kao Indonesia Chemicals, Kao USA Inc., Kao Specialties Americas LLC, Quimi-Kao S.A. de C.V. (Mexico), Kao Manufacturing Germany GmbH, Kao Chemicals GmbH (Germany), Molton Brown Limited (UK), Kao Corporation S.A. (Spain), Kao Chimigraf Sociedad Limitada, Kao Collins Inc.

Actual Performance of the RC Secretariat Audit (FY2025)

	Supply Chain Management	R&D	Business divisions	Corporate divisions	Group companies in Japan*2	Group companies outside Japan*3
No. of evaluation responses	245	221	283	527	798	5,656
Average evaluation score [out of 5]*4	4.12 (4.27)	4.70 (4.76)	4.81 (4.59)	4.67 (4.53)	4.48 (4.35)	4.61 (4.58)
No. of items requiring further monitoring	1 (2)	2 (1)	1 (1)	4 (2)	5 (6)	—

*2 Group companies in Japan
Kao Professional Services Co., Ltd., Kao Group Customer Marketing Co., Ltd., Kao Logistics Co., Ltd.
*3 Group companies outside Japan
19 companies (10 in Asia, 9 in AEMEA (the Americas, Europe, the Middle East and Africa))
*4 () indicates 2024 results.

Status of international management system certification

Kao has put an RC management system in place throughout the group. We have received ISO 14001 certification, the global environmental standard, as well as ISO 45001 certification, which is the standard for occupational safety and health, in addition to other certifications in individual countries. Since there are many overlaps in the activities of the RC management system and the global standard ISO management system, we are working to integrate these management systems.

Environmental certifications (ISO 14001, etc.)

96.2% of our plants have received ISO external certification, and 2.5% have received external certification from the government and other authorities (on a total production volume-weighted basis). Certifications obtained at 16 individual plants in Japan and Asia have been integrated to standardize and upgrade operations. We will expand the scope of certified plants on an ongoing basis and increase the number of integrated plants.

Occupational safety and health certifications (ISO 45001, etc.)

Obtaining the occupational safety and health management standard is being prioritized for plants outside Japan where enhancement of labor management is needed. The ratio of plants externally certified such as ISO is 68% (on a total production volume-weighted basis). Certifications obtained at 12 individual plants in Japan and Asia have been integrated to standardize and upgrade operations. We will expand the scope of certified plants by increasing the number of integrated plants and taking other measures.

Product quality certifications (ISO 9001, etc.)

99% of our plants have received external certification (on a total production volume-weighted basis). We will continue to expand the scope of certified plants.

List of externally obtained certifications

 Certification Status of ISO and Other Standards
<https://www.kao.com/global/en/sustainability/pdf/environment-activity-data/certification/>

Education about RC activities

The Responsible Care Promotion Committee Secretariat and RC promotion staff in individual divisions in charge of RC promotion regularly provide education on Responsible Care Activities, including the environment, occupational safety and health, and process safety and disaster prevention for Kao employees and staff at business partners. In 2025, we also provided education by effectively deploying an online learning (e-learning) format so that employees can learn easily, such as when working from home. This year, we particularly reviewed the educational content related to the management of hazardous materials as categorized in the Fire Service Act and informed employees of the results of the review.

In 2025, the Responsible Care Promotion Committee Secretariat carried out RC training for employees 10 times, reaching a total of more than 15,000 employees. We will continue to actively use e-learning and other means to provide RC-related education.

Responsible Care (RC) activity data links

Also see the following for the framework of RC activities, details of the major activities, and 2025 actual performance.

Occupational Safety and Health

Employee Wellbeing & Safety
<https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/sustainability2025-e-32.pdf>

Process safety and disaster prevention

Process Safety and Disaster Prevention
https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/our_foudations2025-e-01.pdf

Chemical and product safety

- For Safer Use of Chemicals
<https://www.kao.com/global/en/innovation/safety-quality/saicm/>
- Basic Principle and Basic Policies on Environment and Safety
<https://www.kao.com/global/en/sustainability/klp/policy/environment-safety-policy/>
- Product Quality Management
<https://www.kao.com/global/en/innovation/safety-quality/>
- Responsible Chemicals Management
<https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/sustainability2025-e-33.pdf>

Environmental conservation

- Initiatives for Nature
<https://www.kao.com/global/en/sustainability/nature/>
- Kao Environmental Statement
<https://www.kao.com/global/en/sustainability/klp/policy/environmental-statement/>
- Environmental Activities and Data
<https://www.kao.com/global/en/sustainability/pdf/environment-activity-data/>
- Responsibly Sourced Raw Materials
<https://www.kao.com/global/en/sustainability/we/procurement/>
- Making the World Healthier & Cleaner
<https://www.kao.com/global/en/sustainability/planet/>
- Initiatives for Biodiversity
<https://www.kao.com/global/en/sustainability/nature/biodiversity/>

Compliance with regulations and voluntary management standards

Effective Corporate Governance
<https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/sustainability2025-e-27.pdf>

Communication with society

Communication Citizenship Activities
<https://www.kao.com/global/en/sustainability/society/>

TOPIC

Kao's Wakayama Plant and Research Laboratories received the Grand Prize at the Responsible Care Awards

Kao's Wakayama Plant and Research Laboratories received the Grand Prize at the 19th Annual Responsible Care Awards, sponsored by the Japan Chemical Industry Association, for its efforts in serving as a model plant incorporating biodiversity to connect history and the environment to the future. This marks the fifth consecutive year that Kao has been selected at the Responsible Care Awards.

The award was in recognition of initiatives to survey the history and ecological system of the tidewater control forest, which has existed on the plant's grounds since the Edo period (1603-1868), and identify the challenges in recovering its unique ecological system by pursuing proprietary activities to reduce the amount of chemicals released, as well as efforts to widely communicate the value of the forest based on its educational significance and ecological system, thereby promoting active communication outside the company.



Planting of Japanese black pine trees