

We conduct our corporate citizenship activities with the goal of enriching people's lives and creating a better, more sustainable world.

When it comes to issues that cannot be directly approached through business, we are working in tandem with local communities and NGOs / NPOs with a long-term perspective. We also set up employee participation activities aimed at creating connections to society and places where employees can learn, along with Support of the Arts activities in order to further the development of the culture, which is at the foundation of *Yoki-Monozukuri*. We also implement various activities through The Kao Foundation for Arts and Sciences.

ESG Keyword	Hand-washing awareness	Kao Hygiene Development Program in Vietnam	Contributions to improving menstrual education and menstrual hygiene conditions
	Pink Ribbon Campaign	Barrier-free access to information	Education for the next generation
	The Kao International Environment Painting Contest for Children	Kao Social Entrepreneurship Schools for young leaders	
	Kao Heart Pocket Club (participation of Kao employees in social activities)		FURUSATO Environment Conservation Project in Northern Thailand
	Support of the Arts	Recovery support for areas affected by the Great East Japan Earthquake	Supporting COVID-19 measures

## Kao's creating value to address social issues

### Social issues we are aware of

Cleanliness, hygiene and health are the foundation of people's lives, but there are many people who are not able to benefit from services made possible by modern progress due to inequity stemming from economic disparity as well as disparities based on gender and other attributes. Furthermore, the threat of COVID-19 is taking a drastic toll on the 3 billion people\* who are in vulnerable situations without access to soap or clean water.

While the issues faced by developed, emerging and developing countries are different, what people desire more than ever is to be able to lead fulfilling and beautiful lives inside and out each day in societies where their physical and mental needs are met. However, the World Happiness Report indicates the reality that negative emotions such as worry and sadness are on the rise as a global trend.

In addition, problems impacting the environment that supports our lives, including climate change and waste,

have become pressing issues that require action by the international society as a whole.

All consumers need to recognize these issues and change their daily behaviors.

Along with making contributions through business activities to help resolve these social issues, it is becoming increasingly important for companies to take action with a big picture perspective, through technological support leveraging their strengths, educational and awareness-raising activities, charitable donations and collaborations.

\* WHO / UNICEF Joint Monitoring Programme 2019 "Progress on household drinking water, sanitation and hygiene 2000-2017: Special focus on inequalities"

### Kao's creating value

In addition to contributing to the sustainability of society through our business activities, we also contribute to society in broader ways through corporate citizenship

activities and awareness-raising activities, aiming to achieve a society where everyone can lead happy, fulfilling, healthy and more comfortable lives including the many people in the most vulnerable situations whose issues can't directly be addressed through our business activities and products.

In the business fields of cleanliness, beauty and health where we have leveraged our own resources and strengths, and for global-scale environmental issues, we will provide various forms of assistance, including educational and awareness-raising activities, technological support, charitable donations and cross-industry and multi-sector collaborations, so that consumers can change their behavior and influence those around them.

Furthermore, we will make contributions dealing with social issues faced by diverse communities and revitalizing communities as well as provide support for cultural enrichment such as our Support of the Arts activities.

# Corporate citizenship activities 102-12, 102-15, 103-1, 103-2

## Risks related to realization of What Kao Aims to Be by 2030

Failure to give proper consideration to stakeholders and a lack of engagement may cause customers, employees and all other stakeholders to lose trust in us and could also potentially damage our brand value in the future.

## Opportunities related to realization of What Kao Aims to Be by 2030

As a manufacturer of consumables, we have always stayed close to the lives of consumers in our business activities. In recent years, these are not only to improve convenience and satisfaction for individual consumers, but also to be part of people's everyday lives fulfilling the desire to make the right choices for a better society and enable the people around them and the society they belong to do the same.

We believe that the technologies, knowledge and networks we have cultivated can contribute to the solutions to social issues intimately connected to everyday life, such as that of waste, by improving sanitation, water, health and the quality of life, and that we can conduct activities that respond to consumers' expectations.

Through these activities, we aim to play an essential part in people around the world leading a happy, fulfilling, healthy, more comfortable and sustainable lives (the Kirei Lifestyle).

## Contributions to the SDGs



## Policies

In our business fields of cleanliness, beauty and health, and for global-scale environmental issues and social issues faced by diverse communities, we conduct corporate citizenship activities through initiatives that leverage our own resources and strengths, aiming to achieve a society where people everywhere in the world can lead sustainable and beautiful lives inside and out (the Kirei Lifestyle).

### Global Policies for Kao Group Corporate Citizenship Activities

#### Vision

The Kirei Lifestyle for everyone  
We want everyone to have healthy and sustainable life and enable them to attain the Kirei Lifestyle.

#### Focus areas

- Promoting Healthy and Inclusive Lifestyle  
We encourage every person to expand the opportunity and ability for people, without prejudice, to live a healthy lifestyle both physically and mentally, improving hygiene, self-esteem and protecting lives.
- Promoting Sustainable Lifestyle  
We encourage every person to expand the opportunity and ability for people to live a sustainable lifestyle, protecting our planet and improving the environment in which we live.

#### Action guidelines

- We provide information and expertise to inspire individuals to change their own behavior and influence others around them.
- We will encourage all people to live a Kirei Lifestyle especially including people in the most vulnerable situations.
- We promote activities that are worthwhile and stronger connections with society at large by increasing opportunities for our employees and consumers to participate in social activities.
- We support countries, regions and diverse communities to deal with the issues they face and to do what is needed.

# Corporate citizenship activities 102-43, 103-2, 404-2

## Education and promotion

We believe it is important for our employees to be aware of how manufacturing and awareness-raising activities encourage consumers to change their behaviors and to take into consideration the livelihood of various consumers the world over and people in particularly vulnerable situations so that people around the world will attain the Kirei Lifestyle.

Expanding our outlook and creativity is necessary to achieve this, which will be accomplished by learning about many diverse societies and consumers, directly networking with people trying to solve social issues, and participating in corporate citizenship activities. We distribute information about what is happening in society via the intranet and provide opportunities to volunteer and for NGOs and social entrepreneurs to network.

As a result, participation in volunteering and networking events is on an upward trajectory, and examples of cause marketing are seen in our business ventures.

In 2020, more than 10,000 of our employees across the globe participated in the corporate citizenship program and volunteering activities that we organized. As a result of these activities, there are signs that cause marketing is being implemented as part of the initiatives to realize our brand purpose in our business operations.

## Collaboration and engagement with stakeholders

We conduct activities with the belief that dialogue and collaboration with stakeholders in our corporate citizenship activities can encourage people to understand

on a deeper level what is needed and expected by an increasingly complex society and have a greater transformational impact than what could be done by one company in order to empower people around the world to live the Kirei Lifestyle.

In particular, we are collaborating with NGOs and UN organizations such as United Nations Children's Fund (UNICEF) and United Nations Population Fund (UNFPA), which have expertise and a deep understanding of the global situation in the areas of cleanliness, hygiene and health, and with government agencies, local governments and schools for environmental fields so that we can effectively change the behaviors consumers take.

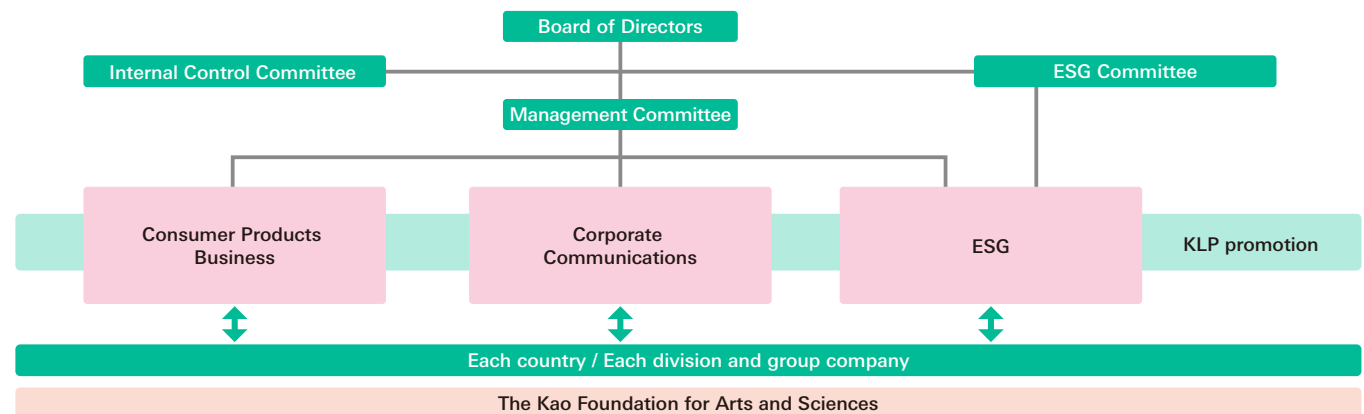
In addition, employee participation in corporate citizenship activities increases loyalty to our company and brings vitality to further contribute to the development of our business and society at large.

## Framework

The ESG Division is leading efforts to achieve our ESG Vision of the Kirei Lifestyle, and working in cooperation with Corporate Communications, Consumer Products Business, and other related divisions and group companies within and outside Japan.

Corporate citizenship activity surveys are conducted once a year in our offices and worksites within and outside Japan, which are compiled into the activities report and the results of the surveys are then shared.

### Implementation framework for corporate citizenship activities



\* As of December 2020

# Corporate citizenship activities 103-2, 103-3, 203-1

## Mid- to long-term targets and performance

### Mid- to long-term targets

Focusing principally on our business domains of cleanliness, beauty and health and global environment-related fields, we help people everywhere to enjoy happy, fulfilling and comfortable lives, including people whose issues cannot be addressed directly through our business activities and products and people who are in vulnerable situations. In addition, we support consumers to be able to change their behaviors aiming to have happy, fulfilling and comfortable lives.

Furthermore, by having employees participate in our corporate citizenship activities, create connections with society and broaden their perspective, we also aim to benefit *Yoki-Monozukuri*.

### Promoting Healthy and Inclusive Lifestyle

#### Cleanliness and hygiene

1. Water and Sanitation Project for Schools in Vietnam  
We aim to support 35,000 students at 60 schools over the five-year period from 2016 to 2020.
2. Improvements in infection control and hygiene at hospitals in Vietnam  
We are conducting measures designed to improve infection control and hygiene at Hanoi Medical University Hospital. The activities are being extended to other hospitals over five years starting in 2018.
3. Hand-washing awareness in elementary schools in Hanoi  
We raise awareness of the importance of hand-washing in elementary schools in Hanoi, and aim to firmly root cleanliness and hygiene habits in children.
4. Scholarship for Hygiene Management  
We provide a scholarship to one exchange student

from Vietnam at a time to study food hygiene management in a master's degree program in Japan. We are providing assistance to three people over six years from 2018.

5. Menstrual hygiene education in Indonesia  
We are providing education to 12,000 people, aiming to change behavior among 2,500 people over 3 years from 2018 to 2020.

### Diversity & Inclusion

1. Kao Social Entrepreneurship Schools: We support young entrepreneurs at three organizations every year.
2. Promoting understanding for social inclusion: We are promoting the expansion of boccia competitions.

### Considerations for women and children (the next generation)

1. Breast cancer prevention awareness through the Pink Ribbon Campaign
  - Support for a cancer education project for junior and senior high school students
  - Made donations based on product purchases and donations through an in-house program to the cancer education project
2. Japan Science & Engineering Challenge (JSEC): We support a maximum of nine high school students at three schools every year.

### Promoting Sustainable Lifestyle

We are conducting environmental communication to promote sustainable lifestyles among consumers.

### Promoting the participation of Kao employees in social activities

1. Operation of the Kao Heart Pocket Club, a club established for the purpose of providing community support by Kao Group employees
2. Enhancing the communication of information on employee participation activities via the intranet, etc.

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

#### Business impacts

Ethical consumption behavior is becoming more widespread today, and we can gain consumers' trust by steadily carrying out activities aimed toward our goals and continuing to communicate. In this way, we hope that these activities help us attract long-term loyal customers.

#### Social impacts

By spreading and instilling proper daily cleanliness, hygiene and health habits, we hope that we can improve hygiene in the communities we support and contribute to improving living standards over the medium to long term, and help enrich the lives of a billion people with our commitment to the Kirei Lifestyle Plan.

We believe that communicating to and raising the awareness of consumers about the environment will increase the numbers of consumers who change their behaviors and have a knock-on effect in their surroundings, and create a driving force to attain a sustainable society.

In addition, encouraging employees' participation in social activities is expected to stimulate their creativity and to further draw on innovative and valuable *Yoki-Monozukuri* to be able to contribute to society.

## Performance in 2020

### Performance

#### Promoting Healthy and Inclusive Lifestyle

##### Cleanliness and hygiene

##### 1. Water and Sanitation Project for Schools in Vietnam

**We completed our 5-year objective to support 35,000 students at 60 schools from 2016 to 2020.**

- Conducted educational sessions at 10 preschools in the Dien Bien Province (reaching a total of 3,710 children and 180 teachers)
- Conducted hand-washing awareness sessions in 93 villages in the Dien Bien Province (reaching a total of 36,830 people)
- Conducted sessions on household safe water access for 126 commune staff, health workers and community leaders in the Dien Bien Province
- Installed water pipes in 4 schools in the Dien Bien Province (helping 591 children and teachers)

##### 2. Improvements in infection control and hygiene at hospitals in Vietnam

- Hosted an observation visit from Hanoi Medical University and introduced infection control measures taken in Japan
- Held an online presentation on the results of the intervention study conducted in 2019, which aimed to improve hand hygiene compliance at Hanoi Medical University Hospital

##### 3. Hand-washing awareness in elementary schools in Hanoi

- Developed hand-washing awareness educational kits and conducted awareness-raising activities in two elementary schools in collaboration with Hanoi Medical University.

##### 4. Scholarship for Hygiene Management

Accepted foreign exchange students in a Japanese master's degree program. The first scholarship student was accepted in October 2018 and graduated March 2020. The second exchange student was accepted in April 2020.

##### 5. Menstrual hygiene education in Indonesia

- Canceled all promotion activities and leadership and campaign meetings, which are conducted offline and

in-person

- Raised awareness through online learning, TV, radio learning and handouts as a substitute for the conventional method
- Ran an online contest with the theme of MHM in emergencies on Menstrual Hygiene Day

##### 6. Hand-washing awareness

- Japan
- Provided 949 educational kits (1,934 in total for all types of educational kits)
- Education in the classroom not implemented
- Taiwan, Indonesia
- Conducted hand-washing awareness sessions for approximately 59 thousand children

##### 7. First menstrual education

- Japan
- Distributed first menstruation sets to approximately 715 thousand girls in 11,694 elementary schools
- Sent CD narration of the awareness booklet titled "Physical changes: What it means to become an adult" to three schools
- Indonesia, Vietnam, Thailand, Malaysia, Taiwan, Hong Kong, China
- Distributed first menstruation sets to approximately 358 thousand elementary and junior high school girls

##### Diversity & Inclusion

##### 1. Kao Social Entrepreneurship Schools: We support young entrepreneurs at three organizations every year.

- Three organizations were chosen to receive support and providing opportunities for business growth.
- Conducted Social Entrepreneurship Schools Kickoff Training online. 126 employees participated in the special lecture
- Held the online Commemorative Study Session for the 10th Year Anniversary of Kao Social Entrepreneurship School. Presentations were given by 6 social entrepreneurs who graduated from the schools and 134 employees participated.

##### 2. Promoting understanding for social inclusion: We are promoting the expansion of boccia competitions.

- Dissemination of information inside and outside the Kao Group using the official corporate social media (Sent twice externally and once companywide)
- Product donations in activities to operate sponsored tournaments and to strengthen national teams

##### Considerations for women and children (the next generation)

##### 1. Breast cancer prevention awareness through the Pink Ribbon Campaign

- Support for a cancer education project for junior and senior high school students
- Between October–November, awareness-raising activities were conducted by our beauty advisors at cosmetics counseling corners and employees in nine Kao Group locations in Russia and in some of the countries where we do business in Asia.
- Information offered through a special website
- Made donations matched according to purchases of eligible products and through click-to-donate platform
- Sponsorship for symposiums: Global Conference on Breast Health (held online)
- Company employees wear Pink Ribbon badges, with information relayed through our intranet system.
- Employee involvement-based donation program: Photo donation

##### 2. Japan Science & Engineering Challenge (JSEC)

- Held research and exchange meeting online. Participated by 103 people in total including 85 employees and students from 3 prize-winning schools (August)
- As special sponsors of JSEC 2020, we presented the Kao Award and the Kao Special Incentive Award to six students from three high schools (December).

# Corporate citizenship activities 103-2, 103-3

## Promoting Sustainable Lifestyle

We are conducting environmental communication to promote sustainable lifestyles among consumers.

- 1. Held the 11th Kao International Environment Painting Contest for Children (12,884 submissions), produced video content available online and exhibited award-winning works (approximately 30 locations inside and outside the Kao Group)**
- 2. Held a seminar on the Future of Washing Initiative (September, December)**

## Promoting the participation of Kao employees in social activities

- 1. Operation of the Heart Pocket Club, a club established for the purpose of providing community support by Kao Group employees**
  - 3,376 members (as of December 20, 2020)
  - 43 donation projects / Donations of 9,142,100 JPY
  - 4,020 copies of the activities report (activities report for internal use, published once a year)
- 2. Enhancing the communication of information on employee participation activities via the intranet, etc.**
  - 64 items in FY2020
  - Planning events with employee participation: Volunteering in areas affected by the Great East Japan Earthquake of 2011, volunteering activities carried out through the Kao Heart Pocket Club (a donation organization composed of Kao employees), local contribution activities carried out by individual Kao worksites, etc.

## Corporate citizenship activity expenses

To gain an understanding of our corporate citizenship activities, we conducted a survey on activities at affiliates, worksites and related divisions within and outside Japan. Corporate citizenship activity expenses in 2020 came to 1,061 millions JPY for Kao as a whole (214 millions JPY in donations, 847 millions in activity expenses).



→ Sustainability section of the Kao website >  
Corporate Citizenship Activities  
[www.kao.com/global/en/sustainability/society/](http://www.kao.com/global/en/sustainability/society/)

## Reviews of performance

Due to the spread of COVID-19 infections in 2020, in-person activities and events had to be put on hold or postponed. However, we strove to continuously hold awareness-raising activities and provide support for consumers by postponing or extending workshop dates or replacing them with activities available online. Shifting the venue of these activities from physical locations to online gives us the opportunity to reconsider the way we provide assistance. In the future, we plan to keep expanding and leveraging the options and possibilities of these activities.



## Our initiatives

### Promoting Healthy and Inclusive Lifestyle: Cleanliness and hygiene

#### Kao Hygiene Development Program in Vietnam

Improved quality of life

Habits for cleanliness, beauty & health

We are implementing the Hygiene Development Program in Vietnam with the aim of promoting the widespread adoption of cleanliness and hygiene practices in Vietnam. This program comprises four components: Leader Development for Infection Control, the Scholarship for Hygiene Management, Enhancing Hygiene in the Community and the Water and Sanitation Project for Schools.

##### Leader Development for Infection Control

This program seeks to improve infection control and hygiene at hospitals. In 2020, like the previous year, we invited relevant parties from Hanoi Medical University, our partner in Vietnam, to Japan to familiarize them with infection control procedures in Japan and provided an opportunity for specialists in infectious diseases to exchange opinions with each other. We held a presentation on the results of the intervention study aimed at improving hand hygiene compliance, which was conducted at Hanoi Medical University Hospital in 2019. Health administration staff, medical professionals working at hospitals and students from Vietnam participated in this presentation, and specialists in infectious diseases from Japan did so virtually.

The intervention study, designed to educate hospital

staff by monitoring staff hand hygiene and by offering staff training, led to raising awareness in the region including for outpatients. Improvements were made for hand hygiene compliance and these outcomes have been shared widely through this presentation.

In 2021, we plan to further develop the infection control measures while continuously beefing up these initiatives.

##### Scholarship for Hygiene Management

By cultivating food hygiene management experts who can play an active role in the health and hygiene field in Vietnam, we aim to contribute to healthy living for Vietnamese citizens. In cooperation with Kanagawa University of Human Services in Japan, we have set up the Kao Scholarship for Hygiene Management within the university and provide the scholarship to foreign exchange students.

In March 2020, the first foreign exchange student graduated with a master's degree from Kanagawa University of Human Services. This student's master's thesis investigated food hygiene management in Japan and Vietnam through comparative studies and measurements of the bacteria in hospital cafeterias and

contained valuable research for which there's little prior surveys in hospitals.

In April 2020, the second foreign exchange student arrived in Japan to start her studies as a graduate student at Kanagawa University of Human Services.

##### Enhancing Hygiene in the Community

In collaboration with Hanoi Medical University, we started organizing hand-washing awareness activities for elementary schools in 2020.

In September and October 2020, a baseline survey at two elementary schools in Hanoi was conducted, which involved checking facilities and equipment for hand-washing at the schools, observing to what extent children wash their hands and conducting a questionnaire for school officials and children.

In tandem with this, we develop localized easy-to-understand educational kits, and give instructions on hand-washing to the children from November.

In 2021, we plan to verify the effects of these activities and expand them into other elementary schools in Hanoi. We aim to further increase awareness for hygiene among the children who shoulder the future by more broadly conducting awareness-raising activities.

# Corporate citizenship activities 203-1

## Supporting UNICEF's Water and Sanitation Project for Schools

Vietnam has severe economic disparity, and sanitation and hygiene conditions in Vietnam's rural and mountainous districts and districts with large ethnic minority populations are underdeveloped, with chronic diarrhea and other illnesses impeding children's healthy development.

Since 2016, we have been supporting Water and Sanitation Project for Schools through UNICEF.

Following good results with the program in An Giang Province in the Mekong River Delta in the southern part of the country, in 2018 we expanded support to Dien Bien Province, a mountainous region in the north where most people are members of an ethnic minority group.

In 2020, open defecation was proclaimed to be eradicated in 36 villages in the Dien Bien Province where hygiene activities were conducted in the community and in schools.

In addition to this, some events improved the knowledge and skills in hand-washing using soap of 3,710 children and 180 staff members attending 10 preschools within 3 districts in the province. 250 community awareness-raising sessions were conducted in 93 villages. Our education on COVID-19 reached 36,830 people and lead to improved knowledge on the importance of hand-washing and sanitary toilet management. The sessions were conducted to reinforce the knowledge and skills for safe water treatment and preservation that 126 employees at 6 local governments in the province, health practitioners and villages leaders have.

In 2021 as well, we will support efforts led by schools and communities to improve hygiene environment and establish good hygiene habits.



Children washing their hands in An Giang Province ©UNICEF Viet Nam



# Corporate citizenship activities 203-1

## Contributions to improving menstrual education and menstrual hygiene conditions

### Improved quality of life

### Habits for cleanliness, beauty & health

#### First menstrual education support for elementary and junior high school girls in Japan

Since first launching sanitary products in 1978, we have offered first menstrual education to girls around the age of beginning menstruation as well as their families and elementary schools for more than 40 years.

Our first menstruation education set is a pouch that contains an awareness booklet which briefly covers menstruation and bodily changes, along with sample sanitary products, distributed free of charge. In 2017, we began working together with the Japanese Association of School Health, aiming to expand distribution of our sets to 20,000 schools throughout Japan.

In 2020, we distributed sets to 11,694 schools. Additionally, in 2019 we distributed CDs narrating the content of the awareness booklet titled “Physical changes: What it means to become an adult,” which was revised in 2018, to schools for the visually impaired and Braille libraries in Japan, and in 2020 we sent new copies to three schools at their request.

#### Menstrual hygiene education for junior high school students in Indonesia

Since 2018, we have been supporting UNICEF’s Menstrual Hygiene Management Project in Indonesia.

There is not enough correct knowledge about menstruation in Indonesia, where one in four girls does not know about menstruation until she actually starts having her period. Furthermore, superstitions and discrimination regarding menstruation persist. Additionally, since schools do not provide enough education about menstruation and sanitation facilities are inadequate, one in six girls misses at least one day of

school during menstruation, which is one reason for lower school attendance among girls.

In 2020 the final year of this assistance, we planned to develop lessons using education booklets for junior high school students completed in 2019. However, schools were closed until October due to the COVID-19 crisis, so this could not be completed as scheduled. From July, we altered our lessons to an online format. However, not all students have access to the internet and cellphones and rural students have particularly poor reception, which posed a major obstacle to learning and delayed the progress of these activities.

The program was organized to give lectures to over 12,000 students including boys at 40 public junior high schools within 3 years by 2020, and to encourage more than 2,500 students to change their behavior. In the future, we plan to extend the duration of activities by six months to achieve our targets.

#### The Menstrual Hygiene Improvement Project in Uganda

Since February 2019, we have partnered with UNFPA to support the company EcoSmart, which was launched by a young social entrepreneur with the goal of manufacturing and selling low-priced, domestically produced sanitary napkins in Uganda.

Many women in Africa are unable to purchase sanitary napkins due to poverty, and instead use old cloth rags and plant leaves. As a result, cases of serious infections are also seen. In addition, it is not uncommon for girls to stay home from school because they are worried about staining their clothing from not being able to use sanitary napkins, and end up leaving school after falling behind in their classes.

It is our hope that with our support girls and women

in Uganda will be able to use sanitary napkins on a continuing basis, and will be able to live life during menstruation in greater hygiene and comfort. We also believe that empowering girls to go to school without absences during menstruation and have equal opportunity to study as boys will contribute to the greater development of Ugandan society as a whole.

After exchanging information and receiving technological advice from us since the previous year, and inspecting Kao’s plants, EcoSmart has completed their goals to establish a production system, create test sample, and obtained government certification as of 2020. These processes contribute to developing the capability of team members and local affiliate company and to employing people in the region.

Going forward, we plan to continue to contribute even more to women’s cleanliness and health in Uganda, aiming to launch sanitary napkins for local markets once quality control systems are established and a usage survey is conducted.



EcoSmart member raising local students’ awareness

# Corporate citizenship activities 203-1

## Promoting Healthy and Inclusive Lifestyle: Diversity & Inclusion

### Kao Social Entrepreneurship Schools

#### Improved quality of life

With the desire to leave a sustainable, brighter world for the next generation, we have been operating Kao Social Entrepreneurship Schools since 2010 to support the development of young social entrepreneurs attempting to create solutions to social issues using business methods.

With the theme of “creating the new lifestyles of the future,” we support social entrepreneurs working to create the foundation for better lifestyles in ways close to consumers’ lives. Over approximately eight months, we provide them with opportunities to receive advice from specialists, hold group seminars, and provide networking and exchange opportunities and support to create a central business core and accelerate growth. The Social Entrepreneurship School Initiative (platform to support and develop social entrepreneurs in cooperation with multiple companies\* and the Entrepreneurial Training for Innovative Communities (ETIC), a certificated specified nonprofit organization) operates the school. In FY2020, we provided support to the following three people. (supported 32 groups so far)

- Takahiro and Eriko Izawa (Co-founders of Manabiya Momo)  
“For a society where you can be yourself even when a school doesn’t suit you”
- Motohiro Ban (Representative Director of Compassion, a specified nonprofit organization)  
“From achievement-focused to growth-focused! Building a sports environment that fosters a growth mindset”
- Yuko Yoshida (Representative Director of Atteme)  
“Revolutionizing the way we work from the age of 18!

Internship application website for high school students”

In addition to developing leaders who will create a better society, over the last several years we have also been focusing on holding exchanges between the social entrepreneurs and employees. We have set up opportunities where employees can learn and make discoveries, from people’s passionate commitment to solving social issues to how to devise a business strategy and more.

In FY2020, first we held an online project on September 24, where employees could observe special lectures from the Social Entrepreneurship Schools Kickoff Training, which is the first training for the entrepreneurs. This was attended by 126 Kao employees.

Moreover, we commemorated the milestone of the 10th year anniversary of this program in FY2020 and held the online Commemorative Study Session for the 10th Year Anniversary of Kao Social Entrepreneurship Schools on November 10. Among the social entrepreneurs supported thus far by Kao, six graduates, who are making a major impact on society with their ongoing business ventures, took to the stage. That day, 134 of our employees working in various departments in Japan participated, which is a record high, and listened to lectures on business ventures to solve the social issues that these entrepreneurs are addressing. After seeing these entrepreneurs who are further expanding their business ventures to have an impact on society after graduating, our employees shared their impressions. “I am positively impressed by their approach to work. This was very educational.” “They all

gave off an inspiring energy. I want to contribute to the company with an entrepreneurial mindset.”

In FY2020 both the operation of schools and internal events were conducted online to prevent the spread of COVID-19. This resulted in social entrepreneur applications from all over Japan, in a wider range of regions than ever before, and even more people from every area were able to participate in employee events.

Reflecting on the last ten years, we started initiatives to evaluate the social impact of these programs and visualize their value. We will continue to conduct activities that offer transformative impact for society and employees.

\* NEC and Kao are official FY2020 partners. Dentsu is the Program Partner.



Social entrepreneurs and the secretariat who participated in the Commemorative Study Session for the 10th Year Anniversary

# Corporate citizenship activities 417-1

## Support for the Japan Boccia Association

Improved quality of life

In 2020, we continued the gold partner agreement with the Japan Boccia Association initiated in June 2019, and conducted awareness-raising activities both inside and outside of the Kao Group to expand and build up the sport and to establish understanding of sport philosophy for social inclusion through para sports.

In 2020, while awareness-raising activities and sponsored tournaments were canceled or held without spectators due to the spread of COVID-19, we pivoted to disseminate information connected with Japan Boccia Association's activities using the official social media. (Sent twice externally and once to companywide) Moreover, we provided support through products in activities to operate sponsored tournaments and to strengthen national teams.

Continuing into 2021, we will provide support through our products, disseminate information periodically and encourage participation in awareness-raising activities after COVID-19.



2021 Boccia Tokyo Cup, sponsored tournament held without an audience to prevent the spread of further infections

## Barrier-free access to information

As a company that offers products necessary in daily life, we promote barrier-free environments that allow all people living in society to lead fulfilling and comfortable everyday lives without discrimination, and we conduct activities designed to build this understanding.

As information technology advances, people with visual impairments and the elderly are at higher risk of being left behind, and we are working to make information barrier-free for these groups by providing Braille stickers for products free of charge and making voice recordings of information about daily life.

We have also donated videos that discuss barrier-free topics to schools and other institutions to be used as materials for integrated studies to share and build understanding for the challenges posed by living with various disabilities.

We are partnering with the Japan National Council of Social Welfare in making donations to social welfare facilities, and donating our products, especially disinfectant products necessary for the pandemic, to selected groups, social welfare facilities and privately operated facilities that house people in order to serve their populations.

As part of our support activities for first menstruation education, in 2020 we provided a CD narrating the content of an awareness booklet titled "Physical changes: What it means to become an adult," to expand outreach to children with visual impairments, who tend to lack sufficient information, their families and the interested educators serving them.

Additionally, we provided Braille stickers (for household goods and cosmetics products) free of charge on 55 occasions, donated videos on barrier-free topics on 3 occasions, and lent additional copies on 7 occasions, and donated products to welfare facilities on 2 occasions. We

## Universal product design

provided content, and one employee volunteered to help record narrated information for the November issue of the lifestyle information magazine *Home Life*, a Braille and voice-based magazine published by the Japan Braille Library.

We will continue these activities in and after 2021 as well.



Braille stickers (household goods)



CD narration of "Physical changes: What it means to become an adult"



# Corporate citizenship activities 102-43, 203-1

## Promoting Healthy and Inclusive Lifestyle: Considerations for women and children (the next generation)

### Support for cancer education through the Pink Ribbon Campaign Improved quality of life

Since 2007, we have implemented the Kao Pink Ribbon Campaign every year during the two months of October and November. During this time, we have been conducting a variety of activities within and outside Japan to raise awareness for early screening and detection of breast cancer, with the slogan of “For you and your loved ones.”

One of our main activities in Japan is providing support for the Project of Cancer Education by Pink Ribbon Advisors organized by the Japan Society of Breast Health, an NPO. This project provides cancer education in junior and senior high schools, and in a world where one in two Japanese people will get cancer in their lifetime, is anticipated to raise students’ health awareness as well as create beneficial effects in their caregivers’ generation.

Other activities conducted in 2020 include donating a part of the revenue from eligible product sales of the cosmetics brand *Kanebo* to the cancer education project. Through this ongoing initiative since 2013, we set a product for the campaign each year and support public education activities about breast cancer. In addition, our *Laurier* sanitary products brand implemented a campaign to support women’s health by disseminating information through the product and brand website and making donations through a click-to-donate platform. In addition to the cancer education project, these donations also went to support activities to raise awareness about cervical cancer.

We created the employee-involvement based donation

program, produced visuals for the Pink Ribbon Campaign in collaboration with special subsidiary Kao Peony Co., Ltd., and proactively conducted awareness-raising activities.

Furthermore, we are actively conducting other activities, such as awareness-raising activities in some stores carrying cosmetics within and outside Japan and via online media, and sponsoring a symposium on breast cancer, to deliver the message to as many people as possible.



→ Improved quality of life: Support for women’s empowerment through the Pink Ribbon Campaign  
[www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/klp-pr-2021-e-all.pdf#page=46](http://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/klp-pr-2021-e-all.pdf#page=46)

→ Inclusive & diverse workplaces: Promoting better understanding of disability and promoting the employment of persons with disabilities > Measures implemented at special subsidiaries > Efforts toward working from home during the COVID-19 crisis: Folded flowers from those working from home, used for in-house campaigns  
[www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/klp-pr-2021-e-all.pdf#page=191](http://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/klp-pr-2021-e-all.pdf#page=191)



Exhibition of campaign panel created with Kao Peony inside the company



Cancer education instruction given by a Pink Ribbon Advisor

# Corporate citizenship activities 413-1

## Support for school education through the provision of educational materials

### Habits for cleanliness, beauty & health

### Sustainable lifestyle promotion

We have prepared programs and conducted a range of educational activities to develop the next generation from the two perspectives of (1) having young people be able to take care of themselves and (2) having broad interest in what happens in society and attempting to do what we can, so that children may lead authentic and comfortable lives into the future while also realizing a sustainable society.

Since children's safety is a top priority as COVID-19 continues to spread, this fiscal year we had to suspend education in the classroom that we have conducted for many years in daycare centers, preschools and elementary schools as part of fostering the next generation.

We made the educational materials for the hand-washing lesson and housecleaning lesson available free of charge for approximately 1,100 schools so that teachers could teach this to their classes at even more schools. Besides providing Hand-washing Posters for approximately 20,000 elementary schools throughout Japan, we also uploaded video content about hand-washing and housecleaning to our website so that students whose schools are closed can view this at home.

Amid concerns about the spread of COVID-19, we started developing new educational materials for the new school semester responding to requests to teach children new hygiene habits. (Provision from Spring 2021)

We implemented the test lecture Zero Waste Challenge for elementary school students and the Exploring Issues Lecture SWITCH for junior and senior high school students as part of our active learning

program to work on problem solving. These lessons were also streamed online.



Lesson taught by teachers adopting the hand-washing lesson educational material



Boy checking that he washed all of his hands using the hand washing lesson educational material

## Performance in 2020

### Provision of educational materials

Type	Target	Materials provided to
"Hand-washing Time" hand washing lesson	Lower elementary school grades	949 schools
"Work at Home" housecleaning lesson	Lower elementary school grades	176 schools
"eco together diary" (a journal for a collaborative water conservation challenge)	4th grade elementary school students	570 schools
Comfortable Living Thinking about the Environment	Junior high school home economics courses	111 schools
Aiming to Create a Better Clothing Lifestyle and the Environment	Senior high school home economics courses	128 schools
Total		1,934 schools

### Education in the classroom

Not implemented

Note: Considerations of children's safety to prevent the spread of COVID-19

# Corporate citizenship activities 413-1

## Support for school education through plant and museum tours

Habits for cleanliness, beauty & health

Sustainable lifestyle promotion

As a company that manufactures and offers products that are essential in everyday life, we support school education through museum and plant tours to give students the opportunity to learn about manufacturing innovation and efforts made to ensure quality, safety and security, and considerations for the environment.

In particular, we have developed programs coordinated with social studies units taught in Japanese elementary school (third grade: Working people and our lives, fifth grade: Our lives and industrial production), provide educational materials also encompassing pre- and post-tour learning, and conduct educational social studies field trip programs that include plant tours. The programs are designed with the goals of teaching children about the ways in which they are connected to society and developing their critical thinking skills.

In 2020, while 2 museums and 9 plants in Japan offered tours for 7,952 people, some 4,291 elementary school students from 61 schools participated in our social studies field trip programs and 1,236 students toured our facilities, including (a total of 61) elementary students who toured the Kao Museum not associated with our social studies field trip programs.

Due to the rapid spread of COVID-19, we suspended the plant tours at all plants and museums from March. However, from April onward Kao Eco-Lab Museum provided educational materials to use for elementary school social studies field trips, which reached 30 schools. In addition, we conducted online educational field trip programs streamed live at 12 elementary schools and 1 middle school from September, in which 918 people participated.

## Safety campaign through logistics

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 continuously conducted the Children's Road Safety Class for elementary school children in the vicinity of seven of its worksites in Japan as part of our local contribution activities to save children's lives.

In 2020, continuing the tradition from the previous year, the Kawasaki Logistics Center wrapped delivery trucks in the 30 prize-winning artworks for the Traffic Safety Picture Contest hosted by the Kawasaki Ward for first year elementary school students at 20 schools in the area, and raised awareness on traffic safety while conducting its delivery operations. Halving the number of deaths and injuries from road traffic accidents is also one of the SDG targets, and these activities help improve the awareness of drivers and boost interest in traffic safety among people in the region who see these wrapped delivery trucks.

Sustainable lifestyle promotion



Traffic safety truck wrapping in 2020



Children's Road Safety Class



# Corporate citizenship activities

## Japan Science & Engineering Challenge (JSEC)

We believe that the foundation of *Yoki-Monozukuri* is born from cutting-edge innovations created by science and technology, and in order to contribute to a brighter future, we support fostering young science researchers.

As part of this, we are a special sponsor of JSEC, which is organized by the Asahi Shimbun Company and TV Asahi Corporation and is a contest of independent science and engineering research open to high school and technology college students nationwide.

Every year we present the Kao Award and the Kao Special Incentive Award to recognize excellent work. The review process for selecting the award winners starts with our researchers screening participants' papers, and the final screening committee hearing high school students give their presentations, which they then judge.

The final screening committee for JSEC 2020 met on December 12 and 13, 2020 was held online. The Kao Award was given to Shizuoka Kita High School, and the Kao Special Incentive Award went to Notre Dame Seishin Gakuen Seishin Girls' High School.

Top JSEC prize-winners are qualified to enter the International Science and Engineering Fair (ISEF) held online in 2021. Rio Tanimoto, Hibiki Tanaka and Ryo Mochizuki from Shizuoka Kita High School, winners of the Kao Award, plan to attend ISEF.

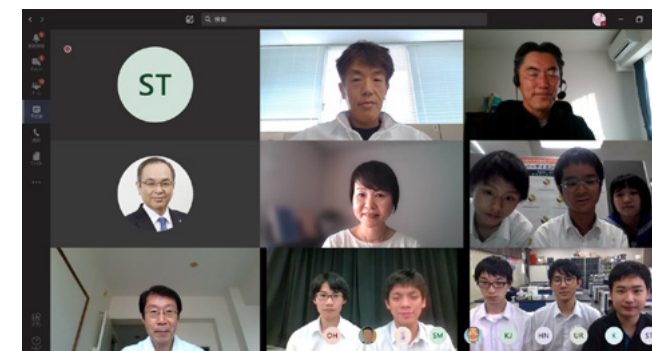
Also, we will organize a program for the award-winning schools to engage in discussions with our researchers, thereby providing support for senior high school students' education and career planning.

- The Kao Award  
"Photochemical hydrogen production methods using tea dregs and iron ion" Shizuoka Kita High School (Rio Tanimoto, Hibiki Tanaka and Ryo Mochizuki)
- The Kao Special Incentive Award  
"Factors that produce the rhythms of water absorption in plants" Notre Dame Seishin Gakuen Seishin Girls' High School (Ayumi Ishihara and Ayaka Maeda)  
"Discovery of high expression sequence for protein using natural language processing and machine learning" Konan Boys' High School (Satori Minami)

Since the study tour where prize winners visit our facilities and engage in discussions with our researchers couldn't be conducted with the prize winners of the Kao Award and the Kao Special Incentive Award at the JSEC2019 due to the spread of COVID-19 in 2020, we held a research and exchange meeting online on August 6, 2020, in which a total of 103 people participated including 85 of our employees, people from the 3 award-winning schools, and staff from Asahi Shimbun Company. At that event, the research & development conducted by Kao was introduced and students from the award-winning schools gave presentations on their research theme. This was a particularly lively meeting with a question and answer session with Kao judges and with the award-winning schools energetically sharing opinions and ideas with one another.



Presenting Kao Award commendation letters



Students from the award-winning schools and Kao judges participating in the research and exchange meeting

# Corporate citizenship activities

## Promoting Sustainable Lifestyle

### The Kao International Environment Painting Contest for Children Sustainable lifestyle promotion

We have been holding the Kao International Environment Painting Contest for Children since 2010 in the hope that paintings and thoughts expressed by children around the world, from their sincere consideration of the environmental conservation around them, the earth and its future, will inspire people across the globe and lead to them taking action to change their lifestyle.

#### The 11th Kao International Environment Painting Contest for Children

In 2020, despite the COVID-19 crisis, we received 12,884 entries from children around the world (1,302 entries from Japan, 11,297 entries from the Asia Pacific, 79 entries from the Americas, 95 entries from Europe, and 111 entries from the Middle East). After a preliminary screening by Kao designers, a final screening was conducted in October by a panel of internal and external judges, and 1 entry was selected for the “eco together” Planet Earth Grand Prix, 8 for the “eco together” Kao Prize, 7 for the Jury’s Special Prize, and 16 for the Eco Friend Prize. The invitation of top prize-winners to Japan and the awards ceremony was canceled due to the COVID-19 pandemic, so the awards were sent to the winners by post. At some Group secretariats such as in Kao Industrial (Thailand) and Kao Singapore, these awards were conferred directly to the winners to the extent permitted by the respective country.



Final screening



11th “eco together” Planet Earth Grand Prix  
Artwork  
Artist: Liang-En Yu (age 8)  
Title: The Color of Future



Top prize-winners of the 11th contest

#### Online content available for environmental awareness through paintings

One of the main features of the Kao International Environment Painting Contest for Children is the opportunity to receive children’s written thoughts on the environment along with experiencing their paintings. We produced videos made available online aiming to convey these thoughts to more people. The 10th Kao Painting Contest for Children (Japanese / English) was made available in May and has been viewed over 10,000 times as of the end of December. In addition, the Kao Painting Contest/10th anniversary “Children’s thoughts” (Japanese / English) was made available in December.



→ The 10th Kao Painting Contest for Children (English)  
[www.youtube.com/watch?v=uMOZrZCEITc&list=TLGGqiPrJVM2mnwxMzA0MjAyMQ&t=1s](https://www.youtube.com/watch?v=uMOZrZCEITc&list=TLGGqiPrJVM2mnwxMzA0MjAyMQ&t=1s)

→ Kao Painting Contest/10th anniversary “Children’s thoughts” (English)  
[www.youtube.com/watch?v=iNQ-o2uvn4c&list=TLGGmToynk9cGhUxMzA0MjAyMQ](https://www.youtube.com/watch?v=iNQ-o2uvn4c&list=TLGGmToynk9cGhUxMzA0MjAyMQ)

#### Painting exhibitions in collaboration with NPOs and government agencies

We seek out opportunities to exhibit current and past prizewinning paintings to communicate to as many people as possible the paintings by children from around the world and the messages contained in them.

The COVID-19 crisis in 2020 hampered the exhibition of the paintings in many locations inside and outside the Kao Group. A permanent exhibition of the top prize-winning artworks is on display at ten of our plants in

# Corporate citizenship activities 203-1, 304-3, 413-1

Japan. However, there have been few visitors as plant tours are suspended.

We are in the fourth year of lending paintings free of charge to environment-related facilities operated by government bodies and NGOs and NPOs, and educational facilities throughout Japan, with the NPO BeGood Cafe serving as the secretariat of the exhibitions. In 2020, a total of 11 facilities and groups borrowed paintings, which were viewed by around 13,000 people.

Additionally, Kao (China) Holding and Kao (Taiwan) also incorporated exhibits of paintings into their environmental awareness activities in their respective regions.

## The Future of Washing Initiative

### Sustainable lifestyle promotion

Kao, Future Earth and The University of Tokyo Institutes for Advanced Study Integrated Research System for Sustainability Science (currently the Institute for Future Initiatives) launched the Future of Washing Initiative in 2018, aiming to encourage people around the world to lead sustainable, clean and comfortable lives. The initiative is gathering wisdom from industry, academia and citizens across the boundaries of traditional business domains and academic fields, and discussing and proposing washing solutions for the future.

In September 2020 we held the seminar, Sustainable Laundry (2): Perspectives on water and energy, and in December, the seminar, Sustainable Laundry (3): Perspectives on fabrics and textiles, both online. In both seminars, a lecture was given for each topic by academia institutions and enterprises to provide information on the topic and then a group discussion was held discussing washing from different angles. These discussions brainstorming ideas to solve environmental issues on washing as understood from a consumer perspective

received good reviews from the participants, which included people from companies, universities, research organizations and environmental groups as well as homemakers.

In addition, the Future of Washing Initiative website features a blog started in 2020 and has posted articles considering sustainable washing from various perspectives. In 2020, this was updated approximately twice a month with a total of 23 articles.

## The China water conservation campaign “Youth Initiatives for Cleanliness and Beauty”

### Sustainable lifestyle promotion

Kao (China) has conducted activities for the Nationwide Cleanliness and Water-saving Initiatives jointly with the Center for Environmental Education and Communications (CEEC), part of the State Environmental Protection Administration of China, since 2012. These initiatives have been expanded with the commencement of the environmental protection contest for university students as part of our activities in 2015 and with other activities to draw the attention of university students and the general public in China to water conservation.

In 2020, this was conducted during the four-month period from September to December, as the normal time-frame was impacted by COVID-19. However, the activities evolved from just water conservation to cover a wider environmental perspective ranging from biodiversity and plastics reduction to low-carbon emissions and recycling.

By advertising to mainly university students in different areas, we received over 100 activity proposals from 67 universities in 21 provinces and cities throughout China in that approximately four-month period.

From these, we selected 19 projects, which we helped implement. University students from around the country actively worked to conserve the environment by putting into practice activities of their own design and developed different activities to improve the environmental awareness of people in the community.

The closing ceremony was held at the CEEC of Beijing Municipal Ecology and Environment Bureau in December and university student representatives from various regions participated remotely and received awards.



Closing ceremony held in Beijing

## FURUSATO Environment Conservation Project in Northern Thailand

### Decarbonization

Aiming to improve the situation of rapid deforestation in northern Thailand and the water pollution, smoke pollution and other environmental problems caused by it, we partnered with the Organization for Industrial, Spiritual and Cultural Advancement (OISCA) and OISCA Thailand to conduct an environmental conservation project in the



# Corporate citizenship activities 304-3

Chiang Khong District of Chiang Rai Province in northern Thailand. In the 5 years from 2012, the project completed its goal of planting 42,500 trees on 35ha of land. Through this activity, community residents' awareness for environmental conservation was raised, and momentum was built for appropriate forest management as well as using the forest to create a foundation for daily life. We therefore began supporting the second phase of the project in April 2019.

A study on forest management and crop cultivation was conducted in the afforested area planted in the first phase. We exclude crops found unsuitable for the land in the study, enhance the value of the forest by planting species that are eatable, and continue to manage the forest with the deep involvement of local residents.

Local residents prepared the new afforesting areas from the second phase which were covered with thick undergrowth from the neglected forest. A planting ceremony was conducted in August 2020, and local residents and other people are continuing to make progress on creating rich forests.



Arbor Day at the second phase fields

## Kao Earthwatch Teachers' Fellowship

We implemented the Kao Earthwatch Teachers' Fellowship together with Earthwatch Japan (a certificated specified nonprofit organization) from 2004 to 2019. As this fellowship offers elementary and junior high school teachers the opportunity to participate as volunteers in overseas field research for biodiversity conservation for about one to two weeks over summer vacation, it is implemented with the objective of allowing the teachers who participate to leverage their experience and motivations at schools and wherever environmental education is conducted in the region.

This ended in 2019. However, we set up a special website with Earthwatch Japan that summarized the activities incorporating testimonials from participants with the objective of widely disseminating the outcomes of all 17 implementations of this fellowship. Our objective is to widely share the fruits of this program with society by posting individual interviews with participants and original instruction materials produced after the field research, in addition to enabling users to browse the reports from all of the participants.



→ Kao Earthwatch Teachers' Fellowship: Biodiversity support program  
[www.earthwatch.jp/kaofellow/](http://www.earthwatch.jp/kaofellow/) (Japanese)

## Kao Creating Forests for Everyone program Decarbonization

With the goal of creating a lush, green environment and passing this environment down to the next generation, we are partnering with the Organization for Landscape and Urban Green Infrastructure and implementing a program offering grants for developing people who nurture and protect the environment. The program is open to NGOs, NPOs and citizen groups throughout Japan that are active in such areas as forest creation and environmental education, with around 20 groups selected each year to receive a grant for their activities for 3 consecutive years. Through environmental conservation activities, we are contributing to solving various issues faced by regions today as well as the creation of brighter, healthier communities in these regions.

In 2020, 20 groups from those that applied to the program in 2019 were chosen to receive grants. The ceremony marking the conferment of the grants originally scheduled in May was canceled to prevent the spread of COVID-19.

The cumulative number of groups that received support from 2000 to 2020 comes to 499, approximately 16% of the approximately 3,000 groups involved in creating forests that prefectural governments are aware of.



Activity conducted by a group receiving support

# Corporate citizenship activities

## Promoting the participation of Kao employees in social activities

### Kao Heart Pocket Club

Kao Heart Pocket Club is an employee-led organization with the mission of providing community aid that began in 2004. Employees that want to support this mission become members, and voluntarily donate a portion of their monthly salary in increments of 50 yen from 1 to 100 increments, which is donated to NGOs, NPOs and citizen groups, used to support volunteer activities in which employees take part, and provided as emergency relief assistance when disasters occur that affect a wide area. Decisions about where to send donations and how to use the funds are made by a 15-member steering committee comprised of member representatives. Along with providing aid to support activities aimed at solving social issues to create a better society, the Kao Heart Pocket Club provides employees with opportunities to participate in society and contributes to raising their receptivity to society.

In 2020, we had interviews about the progress of the groups' activities during the COVID-19 crisis and shared this information internally. Of these groups interviewed, three groups implemented online activities involving employees such as sharing opinions with groups receiving donations together with steering committee members, and these activities were introduced in the *Heart Pocket Club Newspaper*, an internal PR magazine (intranet version, published five times a year).

The Heart Pocket Club also provided community grants to a total of 15 groups in Tochigi, Wakayama and Ibaraki prefectures to support citizen activities in communities where Kao worksites are located. The presentation ceremony for community grants in Ibaraki and information

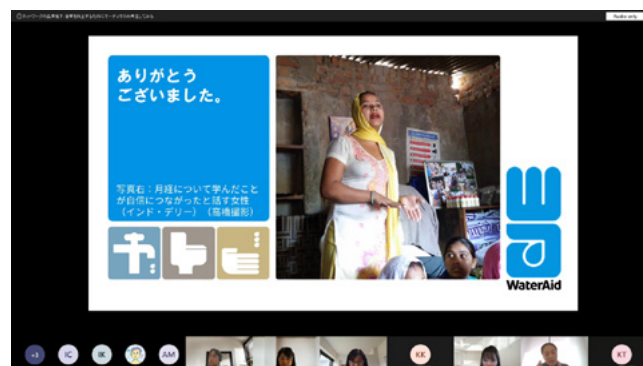
exchanges between groups were held in Mito.

In addition, we held the Mirai Pocket Fund to back activities on a larger scale. To choose where funding goes, three groups were selected through the steering committee's online screening by the group's application and presentation.

While taking care to mitigate the risks of infection, a total of 329 employees participated in volunteer activities conducted each year, specifically the White Ribbon Run, a campaign to deliver picture books and a Christmas card project.

We will continue to create opportunities to increase membership in the Kao Heart Pocket Club and for employees to participate in society.

- 3,376 members (as of December 20, 2020)
- 43 donation projects / Donations of 9,142,100 yen
- 4,020 copies of the activities report (activities report for internal use, published once a year)



We screened the Mirai Pocket Fund online.



Activities by the beneficiary organization and the exchange of opinions published in the *Heart Pocket Club Newspaper*

# Corporate citizenship activities

## Kao Family Concert

With the desire to provide local residents in areas where we have worksites with opportunities to hear high-quality music and cultivate an appreciation of music and the arts, we have held Kao Family Concerts since 2002.

In a program unique to Kao that blends community contributions with support for the arts and society, these concerts are 100% planned and operated by employees, including readying the venue, making announcements and taking tickets on the day of the concerts.

We have held a cumulative total of 44 concerts since 2002, with a total of 41,327 people attending. Additionally, all the revenue from concerts goes to music education in the region.

In 2020, preparations were underway to hold concerts in three venues: Kamisu, Ibaraki Prefecture on April 12, Mashiko, Tochigi Prefecture on April 19, and Sakata, Yamagata Prefecture on September 6. However, performances had to be canceled to prevent the spread of COVID-19. We provided financial support through our management business to artists meant to perform in the concerts.

Amid the spread of COVID-19 infections, artists suddenly lost the venues where they performed and maintaining their livelihoods became a new social issue. We continue to provide ongoing support for arts and cultural activities affected by COVID-19.



Kao donations were utilized to help purchase instruments for FY2020 music education in Saijo, Ehime Prefecture.



# Corporate citizenship activities

## Support of the Arts

### Support for arts and cultural activities

We support arts and cultural activities for the purpose of developing and passing down outstanding arts and culture and contributing to the enrichment of people's lives.

We actively provide support, including support for symphony orchestras and sponsorship of music concerts and performing arts performances as well as art exhibits, so that people of all ages can have access to and interaction with the arts, and so that arts and cultural activities will be passed down to the next generation.

In 2020, exhibitions and performances were canceled or postponed to prevent the spread of COVID-19. However, we continued to sponsor the arts and supported holding events, after confirming their adherence infectious disease measures, by disseminating information via official social media for any resumed events.

In the music field, we provided support to the NHK Symphony Orchestra, Tokyo, the Tokyo Symphony Orchestra, the Tokyo Philharmonic Orchestra and the Japan Philharmonic Orchestra, and was a member of the Special Corporate Sponsors Group for performances of Beethoven's *Ninth Symphony* by the NHK Symphony Orchestra, Tokyo, and the 2019/2020 and 2020/2021 seasons of the New National Theatre, Tokyo.

In the area of fine arts, we provided sponsorship for the exhibition *Masterpieces from the National Gallery, London*, organized by the Yomiuri Shimbun (held in Tokyo and Osaka) and the exhibition *The UKIYO-E 2020*, organized by Nikkei Inc.

### Support for young artist development

We support development of the next generation of artists as part of our contributions to enriching people's lives.

#### Hosting the Tokyo Music Competition

We have organized the Tokyo Music Competition (cosponsors: Tokyo Bunka Kaikan, the Yomiuri Shimbun, Tokyo Metropolitan Government) since 2003 to support activities to discover and nurture the next generation of Japanese musicians. Winners in each of the sections perform together with orchestras in special concerts, and Tokyo Bunka Kaikan gives five years of support to prizewinners to hold solo recitals and other music performances.



Award ceremony, String section, the 18th Tokyo Music Competition  
Photo: Rikimaru Hotta / Photo courtesy of: Tokyo Bunka Kaikan

#### Special sponsor of the K-Ballet Youth performance

Since 2013, we have been a special sponsor of performances by K-Ballet Youth, a junior ballet company of young dancers whose general manager is Tetsuya

Kumakawa. This endorses K-Ballet Youth to offer a place to discover the next generation of dance talent and for dancers to practice in an environment equivalent to a professional company, designed to develop the next generation of artistic performers.

As competitions within and outside Japan announced that they would be canceled in 2020 to prevent the spread of COVID-19, the 18th Tokyo Music Competition accepted applicants in April as scheduled and was safely held while taking care to mitigate the risks of infection. 15 prizewinners were selected from 435 competitors in the 3 sections of Piano, Strings and Brass. In 2020, 7 of the past prizewinners won the top prizes or planned to enter the competitions within and outside Japan.

The fifth anniversary performance of *Don Quixote* scheduled to be performed in 2021 by the K-Ballet Youth was postponed until 2022 due to the spread of COVID-19. K-Ballet Youth is implementing a special project for the year from August 2020 to May 2021 to organize opportunities for young dancers affected by the pandemic to learn the art of dance. As we have endorsed initiatives aimed at establishing education curriculum for the next generation in the long-term, we are providing sponsorship for this special program.

# Corporate citizenship activities

## The Kao Foundation for Arts and Sciences

The Kao Foundation for Arts and Sciences is a unique foundation combining support for the arts and sciences that seeks to promote and further develop essential arts and sciences as well as contribute to the development of research integrating fields in the arts and sciences.

The foundation was established in 1990 with a donation in commemoration of Kao Corporation's 100th anniversary. Its main activities center on the three projects of awarding grants, giving commendations and related projects (support for research integrating the arts and sciences).

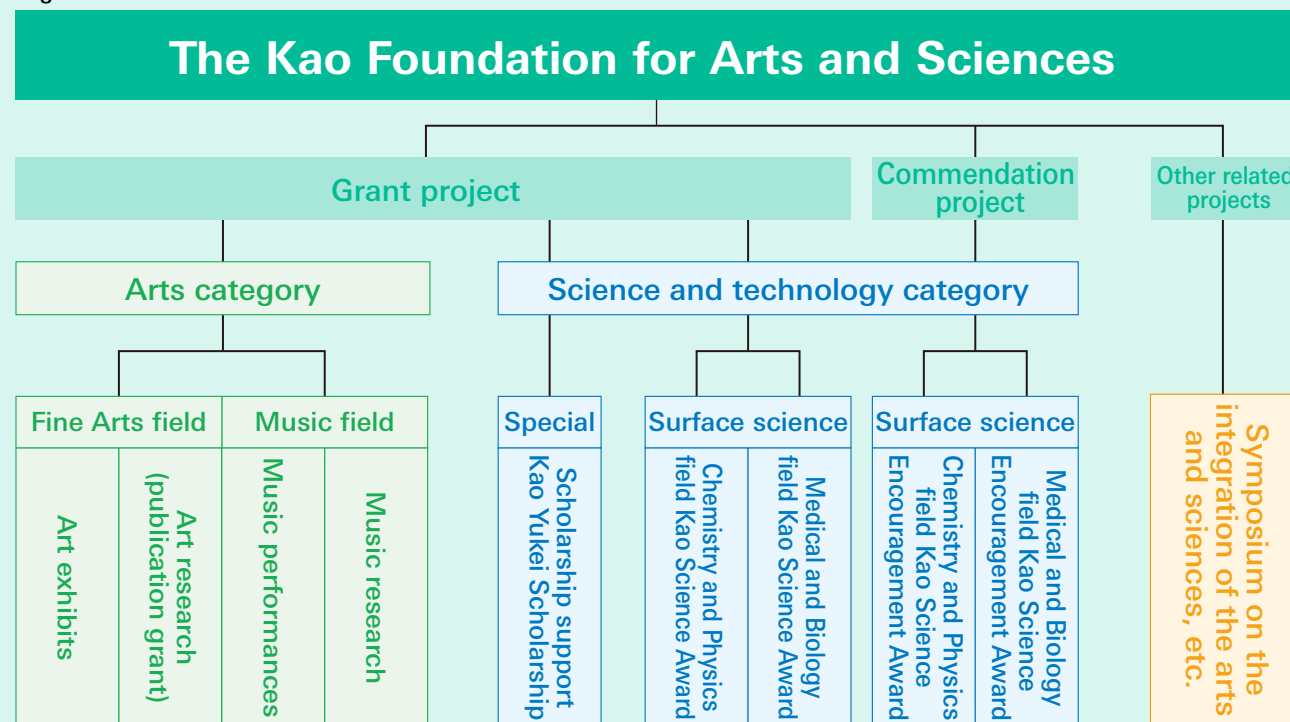
The grant project provides grants for art exhibitions and music performances among other activities, grants for scholarly research on the fine arts and music, and in the science and technology field, grant-type scholarships for students in master's programs, and grants under the name of the Kao Science Encouragement Award, given to young researchers conducting unique and pioneering research in the fields of chemistry, physics, medicine and biology.

The commendation project awards the Kao Science Award to recognize researchers who have achieved distinctive outcomes in basic research in the fields of chemistry, physics, medicine and biology.

In related projects, the foundation holds symposiums on the integration of the arts and sciences to support research aimed at such integration. This was held for the general public in 2020 with 50 people under the theme The Future to explore the keys to grapple with anxiety about an uncertain future. Afterwards, the event was given limited distribution online to over 1,300 people.

To commemorate the 30th year anniversary of the foundation in 2020, we published a *30th Anniversary Commemorative Volume* overviewing the history of the foundation so far, and distributed to all relevant parties. Additionally, as financial aid planned for the arts category keeps getting postponed or canceled due to COVID-19, we have reconsidered part of our support systems to help protect cultural activities. Reaching 30 years marks a major milestone and from now on we will continue to strive to further enhance our business.

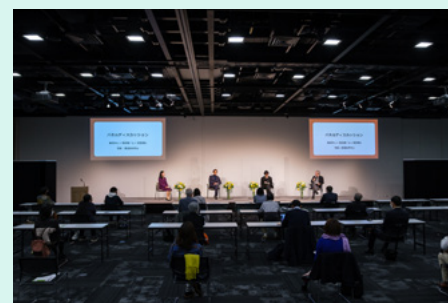
### Organizational chart



As of December 2020



Publication of special *30th Anniversary Commemorative Volume*



Symposium: The Future—What Can Be Done by Us—

# Corporate citizenship activities

## Disaster relief

### Efforts in response to the Great East Japan Earthquake

While mobilizing existing corporate citizenship programs and our resources, we are cooperating with NGOs, NPOs, other companies and diverse organizations to conduct activities that are close to consumers' daily lives and aligned with local needs and issues in devastated regions.

Currently, our activities focus on the two areas of providing emotional support and self-directed recovery. In terms of emotional support, we have been supporting the Smile Tohoku Project since 2012, where we visit victims of the disaster living in temporary and public housing to interact with them and offer support for their new lives. In terms of self-directed recovery, we are conducting activities to support industrial recovery and community development through support for recovery leaders and employee volunteer activities focused primarily on recovery in the Tohoku region. Activities by Kao employees in 2020 are described below.

#### A panel exhibition of recovery support activities was held (at 11 Kao worksites around Japan)

Initially we planned to offer regional Tohoku dishes using ingredients from the Tohoku region from March 4 to 11, under the theme of "Connecting to Tohoku with Food," at 11 Kao worksites around Japan, but this was canceled due to the spread of COVID-19.

#### The seventh volunteer and study tour of Minamisanriku-cho, Miyagi Prefecture

We conducted this online on October 24, and 16 employees participated. A visit to the site was planned,

but the initial trial was conducted online to prevent the spread of COVID-19.



Online meet-up with people leading the recovery efforts in Minamisanriku

#### Smile Tohoku Project

We continued to cooperate with the Smile Tohoku Project under the sponsorship of Iwate Nippo, Kahoku Shimpō and Fukushima Minpo newspapers.

#### Conducted events

We planned to provide support in various forms to events scheduled in each prefecture, but the events were canceled due to COVID-19 and visiting these location in-person became difficult.

With the help of local project members, NPO staff and Kao Group employees, we provided support in these severe conditions to events such as the opening of the full Sanriku Railway line, which had been interrupted due to devastation from the torrential rains the previous year, and

the reopening of the suspended tracks of the Joban Line.



Gift of an original signboard to commemorate the opening of the Sanriku Railway line on March 20

#### #Connected-even-at-a-distance

Amid the shrinking opportunities to connect face-to-face during COVID-19, we implemented sophisticated programs to stay connected with local residents under the motto #connected-even-at-a-distance, by delivering mini sunflower growing kits inscribed with a message from the Kao Group employees within and outside Japan, to people who were at the exchanges held so far for planting flowers, hand-washing and hand massages, and by holding online story-telling incorporating live streaming tools.



# Corporate citizenship activities



Mini sunflower growing kits inscribed with a message from our employees

## Michinoku Recovery Partners

We have participated in Michinoku Recovery Partners since June 2012 as a main activity of self-directed recovery efforts. Four companies\* are currently participating in this organization established by ETIC (a certificated specified nonprofit organization) as a corporate consortium to support next-generation recovery leaders who will sustain the Tohoku region and projects in the disaster-affected region. The consortium is engaged in co-creation for self-directed recovery, including training to support development of groups expected to lead Tohoku in the future.

In 2020 we held the eighth symposium online on March 10 to prevent the spread of COVID-19. This broadly communicated information on the future of Tohoku with the theme of "Tohoku as Seen in 2030," with 180 people viewing it live.

As part of developing venues for co-creation targeting groups in Tohoku, the Michinoku Co-Creation Camp 2021 was held online on January 14, 2021, with the

participation of approximately 50 people.

\* Participating companies are JCB Co., Ltd., Dentsu Inc., Benesse Corp., and Kao Corp. (as of May 2020)



The Eighth Michinoku Recovery Project Symposium

## Post Tsunami Monitoring Project

To investigate changes to the ecosystem in regions that suffered damage from the tsunami triggered by the Great East Japan Earthquake, a monitoring study is underway by a team led by faculty from Tohoku University that includes volunteers from the local community, the university and multiple companies. By comparing data from before the disaster, the team is recording the scale of the tsunami's impact and how the ecosystem has subsequently recovered. The data obtained in the fieldwork are used in restoration plans that take into consideration the ecosystem in the affected region, conservation of rare species and the environment. Our employees have volunteered in the project since 2013, with a total of 68 employees participating by 2019.

In 2020, everything scheduled was canceled to stop the spread of COVID-19, but on December 12 we held an

online symposium entitled Post Tsunami Monitoring 2011–2020: Life in Tidal Flats as part of the Earthwatch Special Talks containing the surveys done thus far. On that day, 114 people participated.

(Organizer: Earthwatch Japan, a certificated specified nonprofit organization)



Tohoku University professors' commentary on a survey of creatures in mud flats

## Other disaster relief

We make donations and contribute support funds as relief for areas affected by large-scale disasters, and coordinate with local governments and industry groups to quickly provide relief supplies for disaster victims.

In support for areas affected by the torrential rain on July 2020, we sent sets of household goods to help families in their day-to-day lives in emergency temporary housing. As a result of the many disasters experienced in recent years, we have decided to contribute support funds to the Disaster Relief Volunteer & NPO Support Fund of the Central Community Chest of Japan, a social welfare corporation, to enable the donations to be used in activities to support disaster victims when they are needed most.

# Corporate citizenship activities

## Performance in 2020

### Relief supplies

- Support for areas affected by the torrential rain on July 2020

We provided Kao household goods for evacuees in emergency temporary housing in Kumamoto Prefecture (in Yatsushiro, Hitoyoshi, Ashikita, Tsunagi, Sagara, Yamae and Kuma). (For approximately 800 houses and worth approximately 6 million yen)

### Donations for foundational activities

Donations to the Disaster Relief Volunteer & NPO Support Fund We donated 5 million yen to the Disaster Relief Volunteer & NPO Support Fund of the Central Community Chest of Japan (social welfare corporation).

### Donations

- Reconstruction assistance for areas affected by the Australian bushfires  
Kao Australia donated approximately 800,000 yen for reconstruction assistance and natural recovery for the massive areas affected by the Australian bushfires that occurred in 2019 to 2020.

## Supporting COVID-19 measures

We provided support to groups from different fields by providing hygiene-related products and financial donations in each region impacted by COVID-19.

## Performance in 2020

### Contributions

- Donation of 1.5 million yuan (equivalent to approximately 23 million yen) from local branches of Kao Group (Kao China and Kanebo Cosmetics [China]) through the Red Cross Society of China
- Donation of one million yen to the Urgent Support Whole Country Campaign of A Red Feather Child and Family, a grant project for activities to help children and their caretakers assuage their concerns about social isolation due to measures to close schools, which is organized by the Central Community Chest of Japan, a social welfare corporation
- Donation of one million yen to the grant project, GBFund (Disaster Recovery Support Fund through Arts and Culture) implemented by Association for Corporate Support of the Arts for many of the arts and culture activities impacted by the stay-at-home measures

### Relief supplies

- Provision of goods worth approximately 37 million yen for medical staff in Wuhan, Hubei Province
- Provision of goods cumulatively worth approximately 6 million yen for use at accommodations in isolation for returnees on chartered flights from Wuhan and at accommodations for the passengers of the Diamond Princess cruise ship
- Provision of goods cumulatively worth approximately 94 million yen for medical professionals
- Provision of goods from Kao China worth approximately 4.4 million yen (shipment value) for Shanghai Children's Foundation
- Provisions of goods from Kao USA worth approximately 4.9 million yen (shipment value) for medical institutions
- Provisions from Kao Austria of items needed to prevent COVID-19 at salons worth approximately 4.7 million yen (shipment value)
- Provisions of goods from Kao (UK) and Molton Brown worth approximately 4.3 million yen (shipment value) to Beauty Banks and Hygiene Bank