

Kao's approach

While promoting the development of "user-friendly products" that are easy and safe to use for as many people as possible, we also aim to contribute to "social inclusion" through our products, fostering relationships between individuals and between individuals and society. Additionally, Kao strives for access to information, meeting the diverse needs of consumers.

Kao's creating value to address social issues

Recently, changes in demographic composition and lifestyles such as an aging society, more active participation by women in the workforce and other aspects of society, and more men participating in housework and childrearing, make consumer needs more diverse. In light of these circumstances, we aim to continually improve our products and services, based on consumer needs, so that anyone, from first-time Kao products' users to seniors who have been loyal Kao customers for many years, can enjoy a stress-free experience throughout every stage from the initial process of accessing product information, to purchase, use and disposal of our products.

Contributions to the SDGs



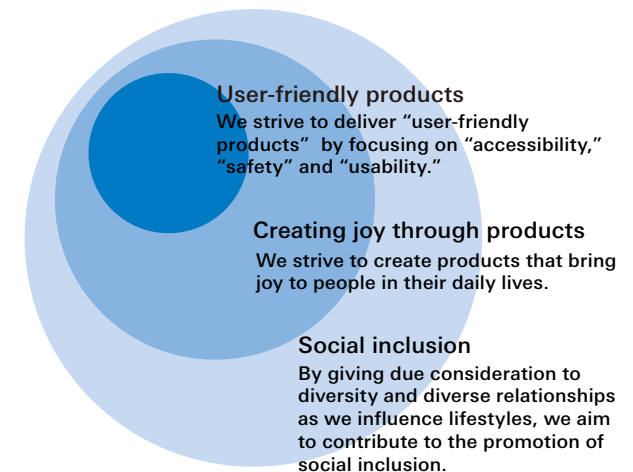
Policies

We at Kao strive to provide products and services imbued with user consideration and care, in line with our Universal Design (UD) Guidelines approach: "user-friendly products," "creating joy through products," and "social inclusion." Our aim is for people of all age groups from infants to elderly people to use our products, so that we can play a greater role in fostering relationships between individuals, and between individuals and society.

Through sharing and spreading our UD Guidelines among all of our employees, who provide products to people of diverse values and cultures, we aim to further develop our business operations both within Japan and around the world, and create synergy.

In providing all people with products that are easy to use, we recognize a need to respond to diversity, and believe this helps us achieve the most basic philosophy of the SDGs, which is to "leave no one behind."

Kao Universal Design Guidelines

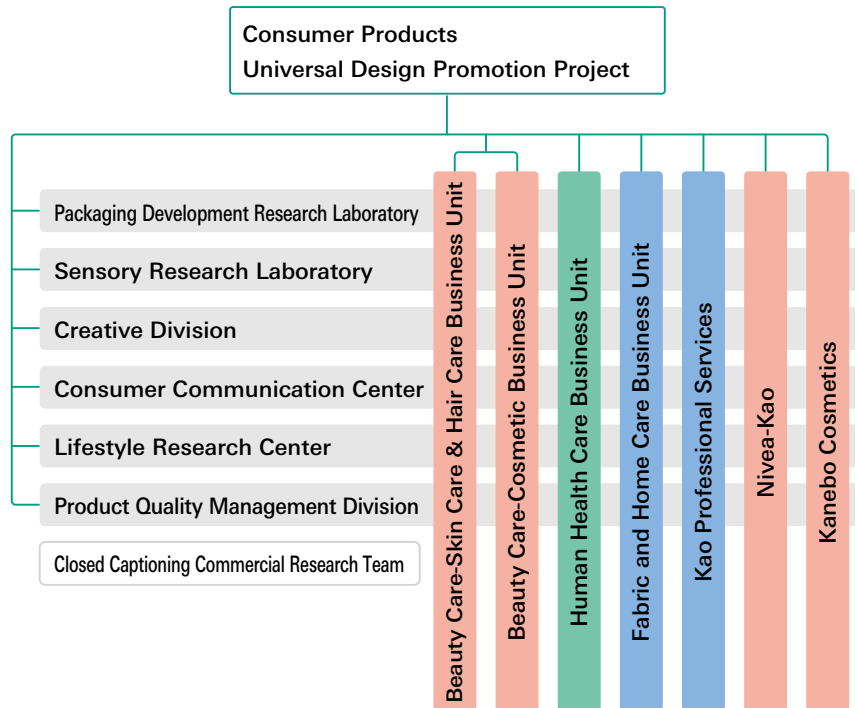


Framework

Under Kao UD Guidelines, our Consumer Communication Center, which features a customer consultation window that directly deals with customer requests and feedback, functions as a secretariat. Through our UD Promotion Project, the participants in which include related

departments and representative members of Kao Group companies within Japan, we strive to share improvement case examples among each of our divisions, and continuously improve products and information and services with our UD viewpoints.

Universal Design Promotion Project System



* As of December 2017.

Kao's approach

Our initiatives

Education and promotion

Workshops for Promoting Empathy with Elderly People

We hold Workshops for Development of Empathy with Elderly People, with the aim of helping our employees develop a greater sense of empathy with, and understanding of senior citizens. Staged using a mock single-family home, employees use equipment that gives them a virtual experience of what it is like for a person requiring Level 1 Nursing Care to perform daily activities such as housework.

By performing home living activities over half a day, employees are able to develop a better understanding of what it is like to be a senior citizen with any physical constraints. By actually using our products, participants are able to find issues relating to their usability and accessibility.

● Total of 98 employees participated in 9 workshops

Collaboration with stakeholders

- We engage in periodic information sharing with the Accessible Design Foundation of Japan.
- We continue to collaborate on Home Life, a voice-based magazine published by the Japan Braille Library.
- We participated in the development of a new product safety icons for the Japan Soap and Detergent Association.
- We offer support through the Kao Heart Pocket Club (Japan Blind Football Association NPO, etc.)

Mid- to long-term targets and performance

We promote the development of products that take diversity into account, as well as the development of related information.

Main initiatives

- 1. Continuous improvement of products from a UD perspective**
- 2. Spreading information and making shopfronts best utilizing a UD perspective**
- 3. Expanding *Yoki-Monozukuri* overseas under a UD perspective**
- 4. Working to spread closed captioning TV commercials within Japan**
 - Aiming to complete trial broadcastings in multi-sponsored programs
- 5. External UD awareness-raising activities**

Continuing awareness activities outside the company (Education in the classroom <UD lesson>, lectures, seminars, etc.)

Performance in 2017

1. Continued improvement of products from a UD perspective

- Improvement implementation rate of new products and existing products, from a UD perspective
Japan: 82%, 791 items
Europe and the Americas: 39 %, 290 items
- Adopting Raku-raku Eco Pack Refill
In 2017, we also adopted and sold the pack for our body wash line.

2. External UD awareness-raising activities

- Holding a UD lesson for elementary school children (once)
- Holding a Seminar (once) and Events (three times)
- Holding special events introducing products useful for cancer patients in daily life (twice)

3. Initiatives to aid people with visual impairments

- Our employee volunteers narrated and provided lifestyle information for *Home Life*, a voice-based magazine published by the Japan Braille Library for its members (December)
- We introduced our products at the 49th Kyushu Blind Women's Leadership Workshop (July)

4. Working to spread closed captioning TV commercials within Japan

We have been promoting the airing of closed captioning TV commercials in regular broadcasts since 2011. So far, around 1,700 commercials (including commercials on the website) featuring closed captioning have been produced. Commercials that have not been broadcast on TV have been made available on the website.



→ Kao's Official YouTube channel
Commercials with closed captioning are available for viewing
<https://www.youtube.com/user/KaoJapan/>

Our initiatives

Expanding Raku-raku Eco Pack Refill

Starting with *Essential* products in January 2016, we introduced a Raku-raku Eco Pack Refill making even highly viscous products like shampoo and conditioner easy to refill, sequentially launching other shampoo and conditioner refill items.

Launch of body wash line

In response to a customer's voice that spillage always occurs when using body wash refills, and requests for refill packs similar to those for our shampoo lines, in July 2017 we released body wash refills (*Biore u* series) with the new refill packs.

When refilling, to prevent accidental mixing of our shampoos, conditioners and body washes, we changed the color of the caps on each product, and devised product identification methods such as notches for our shampoo caps and lines for our body wash caps that are easy to understand for people with visual impairments.

The *Smart Holder*, easier to use and friendlier to the environment

Furthermore, we have introduced the *Smart Holder*, which directly holds our Raku-raku Eco Pack Refill for use without refilling container for some of our products (as of April 2018). By inserting a refill pack directly into the holder, the pack can be used as a

hygienic replacement container until it is used up.

The *Smart Holder* allows refill packs to be easily replaced, and with repeated use, decreases the amount resin used for containers. We are working to make the *Smart Holder* available for more items in the future.



Raku-raku Eco Pack Refill, making products distinguishable by cap color and notches



→ More information on our new refill packaging and *Smart Holders* can be found at: p. 6 The Future of Packaging for a Comfortable and Eco-friendly Life

Topic Raku-raku Eco Pack Refill and other products received a WorldStar Award

Our Raku-raku Eco Pack Refill was awarded a WorldStar Award at part of a packaging contest held in Düsseldorf, Germany by the World Packaging Organization (WPO).

The WorldStar Awards is the world's most prestigious packaging contest, having been held annually since 1970.



Product development personnel with joy by receiving the prestigious award

Universal Design

Kao's approach

Our initiatives

CuCute CLEAR Foam Spray, widely supported for reducing housework burdens

CuCute CLEAR Foam Spray, first launched in September 2016, is a new type of dishwashing detergent with a powerful foam spray that removes dish residue that is hard to wash with a sponge.

After its launch, we received a great deal of feedback from our customers with comments such as: "The spray's foam is very powerful, even reaching between crevices. My child enjoys using it and now actively takes out the lunch box for me;" "It's convenient for washing nursing care cups with straws" and "it's easy to use because it doesn't need a sponge."

Moreover, we received favorable feedback from people experiencing inconveniences from illness such as: "Although anticancer drug treatment have worsened the condition of my nails and fingers, I'm able to wash dishes with this. Because I had been unable to perform everyday tasks after I became sick up until now, I felt depressed by this inconvenience. So when I first used the spray I almost cried;" "My daughter who became partially paralyzed due to a cerebral hemorrhage was able to wash dishes with this product using only her left hand. I'm now able to ask her to help me with the dishes. This has made us very happy."



Just spray and rinse with CuCute CLEAR Foam Spray to remove residue from dishes

Kao products introduced at the 49th Kyushu Blind Women's Leadership Workshop

At the 49th Kyushu Blind Women's Leadership Workshop held in Nagasaki Prefecture on July 30, 2017, we introduced products and universal design concepts for the people with visual impairments, such as consumer products with braille labels and products useful in the event of a disaster, as part of a theme to "improve daily life."

Additionally, participants used environmentally friendly and simple to use new refill packaging to refill shampoos that were often prone to spillage.

During this hands-on new refill packaging session, participants voiced their thoughts such as, "Until now, sometimes refilling would lead to spills, and this was unfortunate, but these are very easy to use," and when introducing our products useful in the event of a disaster, "These body wipe sheets are very convenient. I want use."

During the workshop, participants shared stories of their experiences during the Kumamoto earthquake disaster and exchanged thoughts regarding disaster prevention.

All of us were able to feel a new sense of appreciation toward a desire to make products that can stay closer besides people even in an event of emergency, as stated in "social inclusion" of our UD Guidelines.



Participants confirm the line display on our body wash cap during the refill trial

Conservation

Community

Corporate Culture

Governance

Contributing to the development of new safety icons for consumer products

The Japan Soap and Detergent Association (JSDA), to make warnings more effective and easier to understand for consumers, developed new safety icons (10 types) for consumer products and published in June 2017. Employees from the Product Quality Management Division, Fabric and Home Care Business Unit, R&D Division, Consumer Communication Center, and other departments from our company participated in Safety Labeling Working Group established within the Japan Soap and Detergent Association in 2014 (with Kao Corporation as a leader), contributing to the development.

These new safety icons, which are under consideration for overseas expansion, were designed based on ISO 3864-3: 2012 (Design principles for graphical symbols for use in safety signs) and JIS S 0101: 2000, and conforming to JIS S 0102: 2000 (Testing Procedure for Graphical Warning Symbols for Consumers), passed the consumer comprehension and visibility test, making it easy for consumers to identify and understand.

Regarding its use, application, etc. the Japan Soap and Detergent Association established a voluntary standard (guideline). Likewise, these icons were adopted by Japan Detergent and Bleach Safety Advisory Council, who also established and published a voluntary standard.

We will also sequentially apply these safety icons to labels on our consumer products released from 2018. And we will make efforts for consumers to become more familiar with them by a variety of campaigns.

Newly developed JSDA safety icons *The following warning statements are examples

Prohibition				
				
Keep away from children	Keep away from eyes	Do not ingest	Do not change container to store contents	Do not mix with other products
Mandatory Action				
				
Rinse hands thoroughly after use	Wear protective gloves	Wear protective gloves and a mask	Use only in a well-ventilated area	Rinse eyes thoroughly with water