

Kao's approach

As part of our effort to enrich lives and contribute to the sustainability of society, Kao has adopted the concept of "creating an environment and developing human capital to nurture the next generation," emphasizing the three domains of Environment, Education and Community upon which we concentrate our corporate citizenship activities. 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. Kao also sets up employee participation activities aimed at creating a connection to society and a place where employees can learn, along with Support for the Arts activities in order to further the development of the culture at the foundation of *Yoki-Monozukuri*. We also implement various activities through The Kao Foundation for Arts and Sciences.

Kao's creating value to address social issues

Besides contributing to the sustainability of society through our *Yoki-Monozukuri*, we also contribute to society on a broader scale as a good corporate citizen through our activities that are based on the United Nations' Sustainable Development Goals (SDGs), which are aimed at helping solve social issues global in scope, such as poverty, shortages of educational resources, and other issues that cannot be tackled through business activities, with the aim of making it possible for people everywhere to enjoy happy, fulfilling lives.

Using our resources and strengths, we offer educational support such as the establishment of correct lifestyle habits for children, based on hygiene and cleanliness, nurturing human capital leading the future of science and technology, and so on.

Furthermore, we aim to build a better society with diverse communities and provide support related to solving social issues that occur in each community, contributing to the stimulation of society.

Additionally, through our Support of the Arts activities, and activities implemented by The Kao Foundation for Arts and Sciences, we provide support for the ongoing development of culture, which is the foundation for *Yoki-Monozukuri*.

Through these activities, we aim to make an even greater contribution to society while also contributing to our business operations.

Contributions to the SDGs



Policies

Corporate citizenship activity guidelines

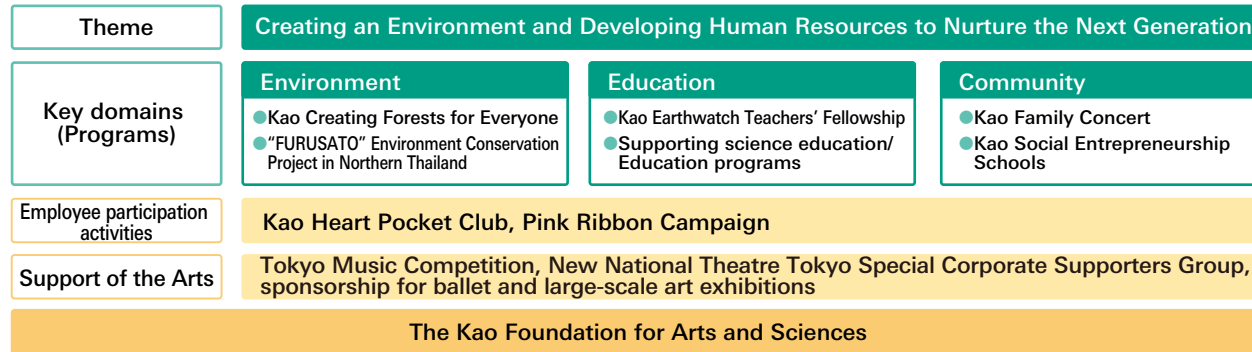
- Conduct activities that play a role in nurturing the next generation.
- Conduct activities aimed at contributing to the development of regional communities and culture.
- Conduct activities that protect and nurture the environment to promote a sustainable society.
- Conduct activities that promote a barrier-free society as a form of social support.
- Conduct activities that make effective use of Kao's resources.
- Create an atmosphere in which every employee can participate in social activities as a good citizen.



→ Overview of Corporate Citizenship Activities
<http://www.kao.com/global/en/sustainability/society/approach/>

Corporate citizenship activities 103-1,103-2,404-2

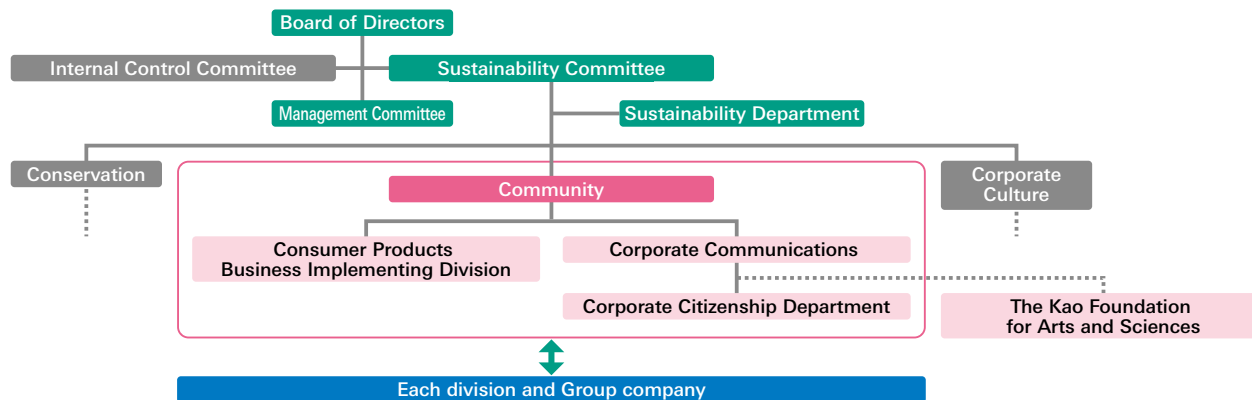
Overview of corporate citizenship activities



Framework

Focusing on Community, one of our key areas set in the Sustainability Statement, we are working to promote efforts in cooperation with relevant departments, mainly the Consumer Products Business Implementing Division, Corporate Communications, and Corporate Citizenship Department, and group companies within and outside Japan.

Implementation framework for corporate citizenship activities



Kao's approach

Our initiatives

Education and promotion

We endeavor to enhance understanding of our activities by communicating information on a wide scale, both within and outside of Kao.

Internally, we use our company intranet system and employee training sessions to share case studies, while also creating opportunities for employees to participate in relevant activities.

Externally, we make use of brochures describing our activities and of our company websites, to inform stakeholders about our activities and about events that we have organized.

Conservation

Community

Corporate Culture

Governance

Mid- to long-term targets and performance

Mid- to long-term targets

We aim to contribute to the development of communities throughout the world through social activities targeting people and themes that cannot be addressed effectively through our business activities. By encouraging our employees all over the world to volunteer to participate in corporate citizenship activities, we seek to form a connection with society and encourage personal growth in our employees, applying this to their work.

1. Instilling good lifestyle habits in children:

Project to improve school sanitation in Vietnam: Target to support 35,000 students at 60 schools over a five-year period between 2016 and 2020.

2. Nurturing human capital that will lead the development of science and technology in the future:

JSEC: Supporting a maximum of nine high school students at three schools every year.

3. Community participation and problem solving support:

Kao Social Entrepreneurship Schools: Support for three organizations every year.

4. Promoting the participation of Kao employees in social activities

Performance in 2017

Implemented a corporate citizenship activity program

1. Instilling good lifestyle habits in children

- ① Project to improve school sanitation in Vietnam (in cooperation with UNICEF).
 - Improvements made to toilets and sanitation facilities for approximately 5,000 people in 18 elementary schools across An Giang Province.
 - Training with approximately 170 voluntary instructors and community leaders.
- ② Hand washing awareness
 - Japan
 - Hand washing class: Education given to around 7,040 children and students in 99 schools across 36 prefectures. (We visited a total of 10,834 students in 145 schools across 37 prefectures, and since 2009, a cumulative

total of around 103,000 students have taken our classes.)

- 572 Kao employees participated in these activities.
- 2,155 supplies donated (3,188 in total).
- 5 training sessions held for educational professionals.

- Taiwan, Indonesia and Thailand
 - Hand washing awareness for 65,909 children

- ③ First menstrual education
 - First menstruation sets were distributed to elementary and junior high school girls, approximately 763,200 in Japan and approx. 530,300 outside Japan.

2. Nurturing people who will lead future science and technology development

- ① Supporting an independent research contest (JSEC) for science and technology
 - Invited the winning JSEC 2017 schools for a study tour (March).
 - As special sponsors of the JSEC 2018 presented the Kao Award and the Kao Special Incentive Award to seven students from three high schools (December).
- ② Signed a cooperative agreement for industry-academia collaboration with the Tokyo University of Science
- ③ Held Science Quest, an interactive event by researches, in collaboration with the National Museum of Emerging Science and Innovation (twice)

3. Community participation and problem solving support

- ①Family Concerts at the worksite areas (Japan)
 - Concerts were held in Sakata City in Yamagata Prefecture, Mashiko-machi in Tochigi Prefecture, Wakayama City in Wakayama Prefecture, and Saijo City in Ehime Prefecture.
- ②Kao Social Entrepreneurship Schools (Japan)
 - Three organizations were chosen to receive support. Providing opportunities for business growth.
 - A meeting to exchange views with Kao employees was held for the purpose of presenting reports on results achieved by groups Kao supported in 2016, and of supporting kick off of groups received our support in 2017.
- ③Disaster relief and recovery support activities (Global)
 - Monetary and emergency supply donations made to Northern Kyushu following heavy rain disaster (Fukuoka Prefecture, Oita Prefecture and Asakura City, Central Community Chest of Japan, Hita City).
 - Disaster relief and donations offered following Hurricane Harvey in the U.S. (The American Red Cross).
 - Donated products to temporary housing residents in Kumamoto Prefecture.

4. Promoting the participation of Kao employees in social activities

- ①Kao Heart Pocket Club (Japan)
 - Decided what types of support to be provided at regular and ad interim meetings held by the Heart Pocket Club.
 - The Heart Pocket Club implemented local support, giving support to groups involved in community activities in Tochigi, Wakayama and Ibaraki prefectures where Kao worksites are located.
 - The Heart Pocket Club also donated funds through the Mirai Pocket Fund, which supports larger-scale activities.
- ②Pink Ribbon Campaign (Global)
 - Between October–November, awareness-raising activities were conducted by our beauty advisors at cosmetics counseling corners, etc. in nine different countries and regions.
 - Information offered through a special website.
 - Made donations matched according to the number of items purchased.
 - Support for communicative events: Pink Ribbon Walk (Tokyo), Pink Ribbon Plaza (Osaka).
 - Company employees wear Pink Ribbon badges, with information relayed through our intranet system.
 - Employee involvement-based donation program. Photo donation

Spreading information within and outside the company

For internal

- Providing activity summaries and information related to employee participation activities via Kao's intranet, etc. (50 items)
- Including an explanation about Kao's corporate citizenship activities into our initial training for new employees, with 285 new employees in attendance.
- Employee participation volunteer planning: Kao employees engage in volunteering in areas affected by the Great East Japan Earthquake of 2011 with activity presentation meetings and volunteering activities, volunteering activities carried out through the Kao Heart Pocket Club (a donation organization composed of Kao Group employees), and local contribution activities carried out by individual Kao worksites, etc.

For external

- 60 items of information have been distributed via our company website and Facebook.



→ Corporate Citizenship Activities Report
<http://www.kao.com/global/en/sustainability/society/social-reports/>

→ Sustainability section of the Kao website
 > Measures to Contribute to Society
<http://www.kao.com/global/en/sustainability/society/>

Collaboration with stakeholders

Our corporate citizenship activities are implemented in collaboration with many different stakeholders, including NGOs and NPOs. By ensuring opportunities to exchange information regularly with operational partners in key corporate citizenship projects, we are able to monitor program implementation status and

make improvements where necessary.

Meanwhile, we receive regular activity reports from the NPOs and other organizations whose activities we support. By helping to give a deeper understanding of social issues that represent the background of these activities, and of the social

impact that these activities provide, these reports assist in contributing to the realization of our vision of enriching people's lives.

Periodically exchanging information and listening to feedback on site allows us to brush up programs that follow workplace needs and society's movement.

Our initiatives

Project to improve school sanitation in Vietnam

As part of our mid-term business strategy, Kao is seeking to expand the scope of our business activities in Asia.

One of the countries in which we are working to grow our business is Vietnam. However, because of the significant income gap, there are many people in Vietnam who we cannot reach through our business activities. Sanitation and hygiene conditions in Vietnam's rural and mountainous districts, and districts with large ethnic minority populations, tend to be unsatisfactory, with chronic diarrhea and other diseases causing problems to children's health and impeding their development. As a means of supporting the lives of these people, since 2016, we have supported school sanitation project activities through the United Nations Children's Fund (UNICEF).

2017 performance

In 2016, education about hygiene was taught at six local communities and ten schools, around 3,000 children, spanning three districts in An Giang Province. Following these education seminars, 18 schools had toilet and sanitation facility renovations conducted in 2017, contributing to learning environments where children can feel safe about going to the toilets. Additionally, we have trained approximately 170 teachers, volunteer instructors and community leaders.

Children spread hygiene awareness, which they learned at school to their families and communities, providing the opportunity to place a new toilet in a home where there was no toilet previously. Our activities have encouraged statements made by An Giang Province to eradicate open defecation in more than 140 villages there.

Future initiatives

In 2018, we are planning to support 22 new schools, as well as faculty and staff training to manage sustainable hygiene promotion activities.



Practicing how to wash hands the right way with children



Learning through illustrations and games about the right way to wash hands

Message from UNICEF Vietnam



Nguyen Thanh Hien

Water and Sanitation, Hygiene Specialist
United Nations Children's Fund
Viet Nam Country Office

In the past decade, Viet Nam has achieved impressive economic growth, with an average rate of nearly six per cent per year. The changes in the economy have led to considerable improvement in the lives of women and children. However, Viet Nam's 26 million children are not benefiting equally from this new prosperity. Gaps between the rich and the poor, between gender, and between ethnic Kinh majority and the country's many minority populations are clear.

Such inequity is clearly reflected in water and sanitation, as poorer citizens are not privy to services that correspond with this remarkable development. Many people still practice open defecation or use unhygienic latrines. People consume water from unprotected sources; and consume water that doesn't meet the quality standards. An impact evaluation carried out in 2014 showed that only 13 percent of people practiced hand washing with soap at key moments, and this figure was even lower in poor or ethnic minority households.

More than 80 per cent of schools in Viet Nam has water and sanitation facilities. However, functionality

and use of these services are questionable. Especially facilities in the hard-to-reach, remote rural areas do not work properly. Absence of these facilities also stands as an obstruction to promote hand washing and sanitary behaviors among the children. The non-functional facilities further pose challenge to the privacy of girl-children.

UNICEF, together with the central Vietnamese government, is working strengthen efforts to improve water and sanitation conditions in schools, as well as eliminate open defecation across the country.

With support from Kao, UNICEF has supported An Giang, a Mekong River Delta province focused on improving water and sanitation (WASH) conditions at schools and promoting hygiene among in communities since 2016.

During the past two years, renovations have been made for WASH facilities in 18 schools, which were in poor condition. Training on operation and maintenance of WASH facilities and education on hygiene were provided to 170 teachers of 40 schools.

They are now guiding their students on using the facilities properly and hand washing with soap. Under supervision of these trained teachers, a children's hygiene promotion team was established at the school. The team has helped monitor and promote their peers' WASH practices in school.

This aims to help children form healthy habits at school. These habits are then introduced by children into their homes and community.

Kao funding has also helped to stop open defecation among communities in An Giang Province.

As of the end of 2017, 140 villages with a population of 220,000 were verified as being Open Defecation Free (ODF), following the Vietnamese Ministry of Health's criteria.

The local authorities of An Giang Province highly appreciate Kao's support in improving the sanitation in both school and community environments.

Models of An Giang WASH in schools and ODF villages have been replicated in other provinces UNICEF is focusing on.

In 2018, the intervention will spread to Dien Bien, a northern mountainous province of Viet Nam, where most of the population is made up of ethnic minorities. It is estimated that over 70 per cent of Dien Bien's population does not have access to sanitation facilities. We have plans to reach 35,000 children at 60 schools over a five-year period between 2016 and 2020.

We'd like to express our sincere gratitude to Kao for its contribution.

JSEC Sponsorship to help support science education for senior high school students

Kao believes 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 sponsor the Japan Science & Engineering Challenge (JSEC), which is organized by the Asahi Shimbun Company and TV Asahi Corporation. and a contest of independent science and engineering research targeting high school and technology college students nationwide, with the goal of supporting and nurturing young researchers.

Each year we present the Kao Award and Kao Special Incentive Award to congratulate excellent work. The review process for selection of the award-winners is carried by our researchers based on a reading of the participants' papers and presentations.

Top JSEC prize-winners are qualified to enter the Intel International Science and Engineering Fair (Intel ISEF) in the U.S.

Also, we invited these award-winning schools to participate in our study tour, during which students have opportunities to visit our facilities and engage in discussions with our researchers, thereby providing support for senior high school students' education and career planning.

2017 performance

The Kao Award and Kao Special Incentive Award were presented at JSEC 2017

- The Kao Award:
Verification of Lens Equations for "Secondary real images" and Application of the Simple eye of an Insect
Norika Narimatsu, Ayaka Kosai, Akiho Takata (Kumamoto Prefectural Uto Senior High School)
- The Kao Special Incentive Award:
"Devices for the Survival of *Ventricaria ventricosa*, Gigantic Single-celled Organisms"
Nanako Okabe (Yokohama Municipal Yokohama Science Frontier High School)
Discovery of the mysterious pit (organ) from a uniquely gregarious plant bug species—novel ecological and morphological findings for *Ernestinus kasumi* designated as vulnerable rank in Nagasaki Red List
Nanako Ikeda, Karin Motomura, Akihiro Tagawa (Nagasaki Prefectural Nagasaki Nishi High School)

Intel ISEF 2017 Excellence Award, Special Award Recipients

The JSEC 2016 Kao Award and Kao Special Incentive Award winners were selected to represent Japan at Intel ISEF 2017, where Kotaro Tabuchi of Nanzan Boys' Senior High School received the Engineering Mechanics department's Grand Award second prize, and Aya Nobe, Norika Kondo, and Sachiko Fukuzawa all of Nagasaki Prefectural

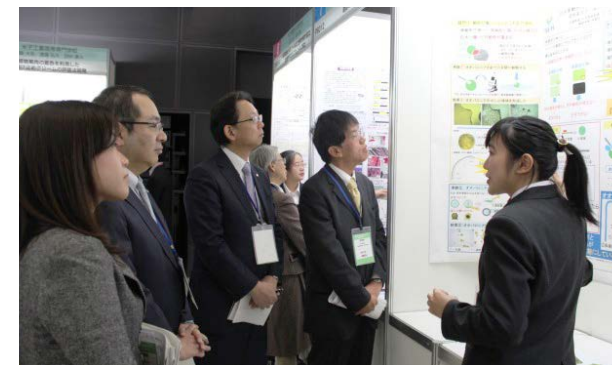
Nagasaki Nishi High School won a Special Award as the Acoustical Society of America's honorable mention. (May 2017)

Study tours

We organized a study tour for the prize-winning students from Nanzan Boys' High School, who won the Kao Award, and Nagasaki Nishi High School, as well as students from Yokohama Science Frontier High School who won the Kao Special Incentive Award at JSEC 2016. The study tour provided students with opportunities to engage in discussions with our researchers. (March 2017)

Future projects

We intend to arrange a study tour for the prize-winning schools from JSEC 2017, and to provide special sponsorship for JSEC 2018.



Our researchers listening to passionate presentations of high school students during the final round of judging

Corporate citizenship activities

Kao's approach

Our initiatives

Expansion of first menstrual education support activities for elementary and junior high school girls

Since first launching sanitary products in 1978, we have offered first menstrual education to girls beginning menstruation as well as families and elementary schools for more than 30 years.

1. Global distribution activities of Kao's first menstrual education set

Our first menstrual education set contains an awareness booklet which briefly covers menstruation and bodily changes, and sample sanitary products in a pouch, distributed free of charge.

We have expanded this activity to other Asian countries and regions, and are in the process of putting other various menstrual education programs into practice in collaboration with local elementary and junior high schools and NGOs.

In 2017, we began cooperative efforts with the Japanese Association of School Health, and in order to make better use of our learning materials and sanitary products for our first menstrual education set, we have expanded our activity with the aim of distributing it to 20,000 schools nationwide. As a result, the number of sets distributed has increased significantly from 2016, but due to limited announcement and time, we were only able to reach 60 percent of our target.

During FY 2018, we plan increase the number of announcements we make and begin to accept requests by fax, aiming to reach 20,000 schools.

2. Informational website in Japan

In Japan, we have managed an information website since 2003, providing easy-to-understand explanations about how the body changes during puberty and about menstruation, from a vast collection of information gathered from doctors and experts.



Laurier first menstrual education set



Kao Laurier website
[http://www.kao.co.jp/laurier/karada/\(Japanese\)](http://www.kao.co.jp/laurier/karada/(Japanese))

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