

Kao's approach

Employees are a company's most important asset. Kao strives to create an environment and corporate culture in which both individuals and the company can grow together through maximizing each employee's potential and making a positive contribution to society.

Kao's creating value to address social issues

In order to promote work-style reforms, which is a social issue of great importance to Japan, we are expanding our support measures in relation to childcare, nursing care and long-term care needs, and we are implementing measures to promote active cultivation of female employees, expand the continued employment and active utilization of older employees, who have already passed retirement age promote more flexible work styles, and reduce the incidence of long working hours by enhancing efficiency and changing attitudes.

Furthermore, reflecting our awareness of the fact that employees' health represents not only a key foundation of each employee's life but also an important asset for the company and a fundamental source of corporate growth, we are providing active support to encourage employees to look after their own health properly.

In addition, we are strengthening and promoting, on a global basis, measures to cultivate human talent that can make a wide-ranging positive contribution to society through corporate activity. We are therefore making a global effort to promote diversity and inclusion (D&I) so that all employees are able to demonstrate their different characteristics and capabilities to the maximum possible extent.

Contributions to the SDGs



Policies

The efforts of each and every employee to pursue individual achievements by exercising his or her own abilities and characteristics to the utmost can contribute to the success of the employer. Based on this concept, we aim to create such an environment and corporate culture.

To this end, we have defined this policy as the Guidelines for Human Capital Development and have made clear what constitutes an Ideal Organization and Ideal Human Capital. With the objective of achieving this policy, we provide various opportunities and support for employees to develop their skills and capabilities within Kao's line management framework in accordance with their own level of motivation and organizational goals.

Guidelines for Human Capital Development

Continuously improve overall efficiency based on creative and innovative activities aimed at the sustainable growth of the Kao Group through *Yoki-Monozukuri*.

(Pursuit of efficiency)

Provide a work environment where each individual's dignity is respected, and which makes full use of employees' autonomy and diversity, since the enthusiasm of all employees to display their boundless wisdom is the wellspring of creation and innovation.

(Respect for human dignity)

Integrate organizational efforts and individual efforts through creative and innovative activities so as to achieve evolution for all. Make efforts to improve policies in order to offer all individuals freedom to display wisdom, and to enable combined individual efforts to lead the Kao Group to further prosperity.

(Efforts aimed at integration)

Vision of human capital development

Ideal organization

We are committed to building organizations that are characterized by openness and frankness so as to encourage people to pursue innovation, by empowerment characterized by greater transparency, and by organizational management based on the Kao Way. We also endeavor to actualize organizations in which the entire Kao Group operates harmoniously based on the concept of an "organically functional organization" that flexibly and quickly adapts to environmental change.

Ideal human capital

1. People with consistent willingness to take on challenges
Challenge & Change
2. People with high expertise
Professional Capabilities
3. People with a global perspective
Global Perspective
4. People with the team spirit needed to achieve superior performance
Communication & Collaboration
5. People with strong ethics
Integrity

Framework

To promote activities within the Kao Group in accordance with the Guidelines for Human Capital Development, we have introduced a framework that is shared and utilized globally. For example, we manage labor costs and make use of human capital information via a global human capital information system. We also improve our organizational capabilities through the employee opinion survey *Find* and bolster our human capital management and development through the establishment of job rank, evaluation and training systems and compensation policies that are shared globally.

Under our matrix management structures, we pursue these activities in cooperation with the human capital development divisions of each Group company, both within and outside Japan. Furthermore, we have set up human affairs functions within major divisions in Japan while also establishing on-site career coordinators who oversee the nurturing of each employee and provide assistance in career development.