

Kao's approach

Good health is a fundamental requisite for employees to be able to get the most out of each day, both at work and in their personal lives. We understand that we can develop our business and contribute to society only if our employees and their families have healthy lives. As disseminated the Kao Group Health Declaration in 2008 to both inside and outside Group companies, we are committed to Health and Productivity Management by actively implementing support programs for health and healthy lifestyle of employees and their families, which form the foundation of human resource utilization.

Kao's creating value to address social issues

At Kao, we aim to improve our corporate activities by helping to increase the number of healthy employees and family members, and by creating lively and spirited workplaces. We will achieve this by supporting the health of employees and their families in cooperation with the Kao Health Insurance Society.

We continue to endeavor to limit excessive increases in medical expenses through preventive initiatives including the promotion of lifestyle improvements and active implementation of various health guidance measures.

We are focusing our efforts on the control of long working hours through promotion of modulated work styles and mental health training for managers from the perspective of promoting pleasant workplaces.

Furthermore, the health promotion programs for Kao employees are also made available for external use and are being deployed in the promotion of health in local communities and other workplaces. We hope that the initiatives at Kao will have a positive influence on local communities and society as a whole, and will lead to increased lifespans and a healthier society.

Contributions to the SDGs



Policies

The Kao Health Declaration

To spend every day in lively good health

We aim to become a company which inspires engagement with the promotion of healthy bodies and minds alongside our customers while helping to realize healthy and enriched lives through the creation of lively and spirited workplaces

Cultivation of employees with high health literacy

We are working to make our health promotion activities more visible, engaging in Health and Productivity Management using the PDCA cycle to increase employee health, with the aim of increasing the number of employees with high health literacy.

We consider employees with high health literacy as the following employees:

1. Reviews and improves lifestyle independently, based on health check-up results.
2. Consults with private physicians in regard to health check-up results as needed rather than just consulting occupational physicians.
3. Maintains awareness of their mental health, and confers with appropriate professionals as needed.

Five health promotion initiatives

Rather than merely fulfilling the minimum requirements for health management that we are required to meet as a company, we implement health promotion in line with the five core themes below. Health promotion refers to the independent maintenance and improvement of employee's own health.

- | | |
|-----------------------|-------------------|
| 1. Lifestyle diseases | 4. Cancer |
| 2. Mental health care | 5. Women's health |
| 3. Smoking cessation | |

Framework

Increasing the visibility of the Health Promotion Management System

As part of this initiative to increase visibility, we have, since 2009, provided 18 health consultation rooms nationwide with a statistical summary of health data not specified individually (medical interviews, health check-ups, occupations, diseases, etc.).

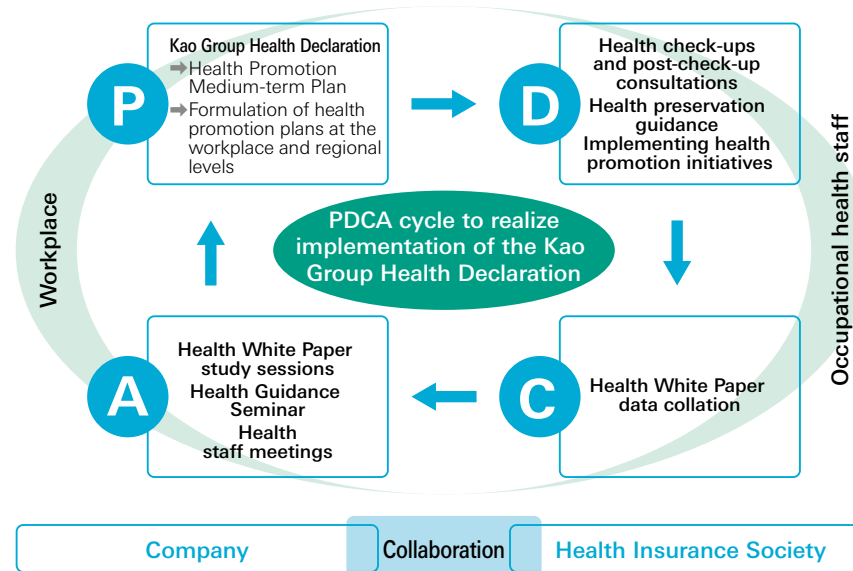
Each health consultation room then drafts and implements a health services plan based on the health data for their respective regions.

Since 2009, we have held annual White Paper on Health Seminars so that employees in charge of Human resource and General Affairs and occupational health nurses can learn together methods of analyzing the various types of health data and of formulating measures.

Systematization of the health promotion framework

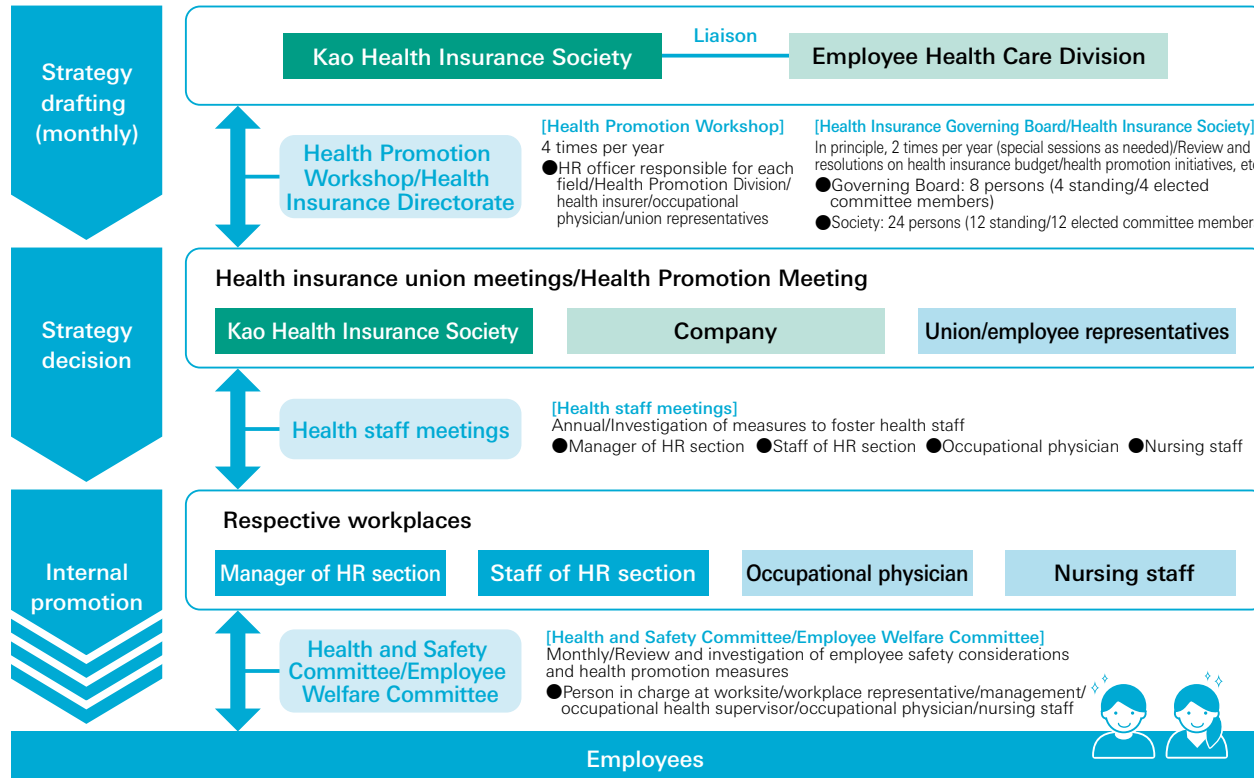
Health promotion strategy planning is implemented in an integrated manner between Kao and the Health Insurance Society, with discussions conducted in regular monthly meetings. Major strategies are finalized at a company-wide Health Promotion Committee meeting after consideration by working groups and, the committee members of the Kao Health Insurance Society with employee representatives. The promotional strategy is implemented at each worksite and Group company by the manager and staff of the HR section along with occupational physicians and nursing staff.

Health Promotion Management System



- Conservation
- Community
- Corporate Culture
- Governance

Health promotion framework



Education and Promotion

For employees

- The Kao Group Health Declaration is distributed to all employees with proclamations on Health and Productivity Management also being disseminated. These include President-issued directives for: Promotion of Health and Productivity Management in the group as a whole, with employee health as the foundation for Group growth; as well as The President will set and put into practice health targets. Individual employees are encouraged to set their health targets for the year and put these into practice.
- Various on-site campaigns, seminars and health promotion activities are deployed in line with the five core initiatives.

Deployment of company-wide health promotion activities

Content	2017 results
Health Declaration	15,704 participants (of which, 445 new participants)
Spring Walking Campaign	4,590 participants (including family members)
Smoking-Cessation Campaign	273 participants
Provision of health information by such means as bulletins and posters	Twice a year, reaching around 28,169 people

Deployment of health promotion activities at all worksites (planning of events/seminars/campaigns)

Content	2017 results
Lifestyle disease-related: exercise and nutrition seminars, strength tests, health fairs, lectures by occupational health practitioners, etc.	Held 136 times, with a total of 16,480 participants
Women's health: women's seminars, change-of-life seminars, turning 30 milestone course, dietary improvement seminars	Held 19 times, with a total of 2,863 participants
Mental health care: mental health courses, mental health training seminars for beauty advisors, new employees, and newly promoted employees	Held 11 times, with a total of 1,769 participants

Cultivation of health staff

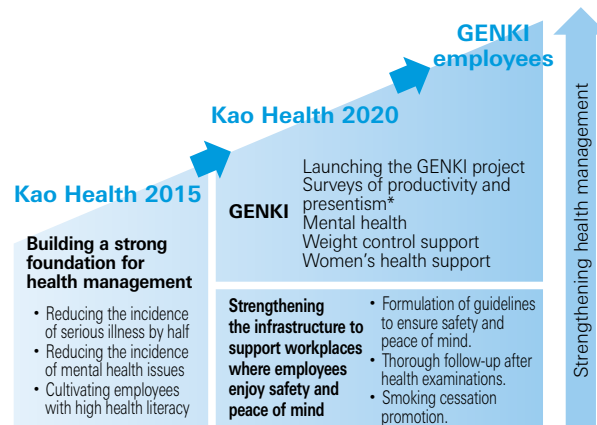
- Annual health staff meetings were held to build consensus with regard to strategies and facilitate sharing of information. Managers and staff of HR sections, along with occupational physicians and nursing staff, attend the meetings.
- We implemented White Paper on Health Seminars to provide an opportunity to learn about how to understand health data and the formulation of occupational health plans, as well as holding Health Insurance Instruction Feedback Sessions aimed at improving health instruction by nursing staff.

Mid- to long-term targets

Kao Health 2020

In 2017, we formulated the Kao Health 2020 mid-term health-related plan. This plan aims to cultivate GENKI (“Healthy”) employees by further enhancing health management.

Kao Health 2020



Aiming to achieve a further enhancement of health management by cultivating healthy employees who are capable of leading change, and strengthening the infrastructure to support workplaces where employees enjoy safety and peace of mind

* Presentism

Coming to work while sick or ill, and having reduced working competency and productivity as a result.

Kao's approach

Our initiatives

Performance in 2017

Employee health promotion status

Item	2017 results
Percentage of employees undergoing periodic health examinations	100%
Percentage of employees who underwent follow-up examinations	84%
Percentage of employees who eat breakfast at least three times a week	24.3%
Percentage of employees who exercise at least once a week	42.4%
Percentage of employees who get adequate sleep	64.0%
Percentage of employees who do not smoke	75.8%
Percentage of employees who are at risk of developing metabolic syndrome	Male employees: 30.9%; Female employees: 6.4% (in 2016: male employees 31%, female employees 6%)
Percentage of employees receiving specific health guidance	Male employees: 19.1%; Female employees: 6.9% (in 2016: male employees 19.0%, female employees 6.9%)
Specific health guidance implementation rate	60.5% (figure for 2016)

Conservation

Community

Corporate Culture

Governance

Collaboration with stakeholders

The influence of Kao's health services on local communities and society as a whole

The effective health services developed at Kao are also made available to workplaces other than Kao's own, as well as to local communities. These are being put to use in tackling social health challenges such as metabolic syndrome and locomotive syndrome.

For example, we provide visceral fat measurement services and related lifestyle improvement advice in local communities and workplaces. In 2017, these services were provided at a total of approximately 100 locations and used by around 13,000 people.

- Visceral fat visualization station (visceral fat measurement sessions organized in collaboration with the Japan Obesity Prevention Society): External 27 sessions with a total of approximately 5,600 people participating.
- Lifestyle diagnostic meetings: implemented externally at 55 locations, and internally at 25 locations (with a total of around 7,100 participants).

We have also been working to spread awareness of the Smart WASHOKU dietary method for eating well without increasing visceral fat.

- Workshops for public health nurses, nutritionists and other professionals: 5 external sessions implemented, with 130 people participating.
- Serving of Smart WASHOKU in employee canteens: implemented internally at 8 locations, and externally at 2 locations.

As part of a program to encourage physical activity and strengthen communication, we have distributed Kao's unique HocoTouch pedometer devices and hold Basic Walking Capabilities Testing Sessions to provide detailed analysis of walking "quality."

- HocoTouch: 260 devices installed in 13 contracted locations (with a total of around 14,000 participants).
- Basic Walking Capabilities Testing Sessions (implemented internally at 2 locations, with around 120 participants).

Health insurer information exchange with other corporations

With regard to health insurer information exchange with other corporations, we implement information exchange at meetings and seminars hosted by the General Incorporated Payer's Association for Better Healthcare (PAB), identifying and discussing issues relating to health insurance, and exchanging ideas through the presentation of case studies of improvement efforts, etc. The results achieved through this exchange of information are presented and reported on at PAB's Annual Conference.

Health level improvement status of Web-QUPiO* (health management support tool) user

Comparison of changes in the Body Mass Index (BMI) of users and non-users (including both Kao employees and employees of other companies) of Web-QUPiO showed that users recording the daily weight and lifestyle challenges saw a reduction in BMI over those who never logged in. In particular, there was a conspicuous difference in the BMI ≥ 25 (obesity group) values.

* QUPiO

This provides support for health promotion and prevention of, lifestyle disease based on a database of health checkup data for one million people that covers an extended period of time and knowledge obtained from joint research undertaken with the University of Tokyo.

Our initiatives

Launching the GENKI project

We launched the GENKI project to help employees and their family members stay healthy, as part of the implementation of our Mid-term Plan 2020 (K20). GENKI involves the provision of health management solutions that make effective use of the group's healthcare knowhow, technologies and products to our employees and their families.

Events and activities

Smart WASHOKU

Smart WASHOKU is a dietary method developed by Kao for eating well without increasing the visceral fat. Rather than focusing on the overall quantity of food consumed, the Smart WASHOKU approach emphasizes three key points - ①the ratio of protein to fat; ②the ratio of dietary fiber to sugar; ③the ratio of Omega 3 to fat - to provide a diet that enables people to consume plenty of amount while still keeping their visceral fat level down.

- Smart WASHOKU was provided as a lunch menu at employee canteens at 7 worksites in Japan.
- Occupational physicians and nursing staff attended Smart WASHOKU master-classes. 37 personnel have received Smart WASHOKU master-classes. 37 personnel have been awarded Smart WASHOKU Master certification. This certification will be used in future health guidance and health education activities targeting Kao personnel.
- Provided of Smart WASHOKU booklets to 1,083 personnel. Activities will be implemented so that Kao employees can also learn about the Smart WASHOKU approach.



Smart WASHOKU is provided as a lunch menu at employee canteens

Visceral Fat & Lifestyle Checkup

Visceral Fat & Lifestyle Checkup help employees to find out how much visceral fat they have, which in turn can help them to make improvements to their lifestyle in the future.

- Visceral Fat & Lifestyle Checkup was held at 22 locations in Japan, with 1,108 participants.

HocoTouch Pedometer Gait Measurement

We hold Gait Measurement at which analysis of how employees walk makes it possible to gauge their "walking age" and their future living functions risk. We also rent out the HocoTouch pedometer device, a unique device developed by Kao, which can stimulate improvements in daily living habits.

- Gait Measurements were held at 4 workplaces in Japan. 890 people took part in the walking testing.
- HocoTouch devices were rented out for use at 30 workplaces by 4,135 personnel. A total of 2,773 people continued to use the devices, of which 42% achieved Rank A walking speed.

Health-related events using *Healthya*

We are working to encourage wider participation in sport- and health-related events at workplaces in Japan. Event participants will be presented with a free bottle of *Healthya*.

- At 70 workplaces, there were a total of 70 events at which 6,699 people participated.

Campaigns and promotional activities

We implement company-wide health-related campaigns aimed at fostering the development of a healthy workplace ethos.

Weight-loss challenge

This campaign encouraged employees to try to lose 2kg in weight over the 42-day period between February 1 and March 14 (except employees with a BMI of less than 19).

- A total of 1,702 employees took part (representing a participation rate of 7.6%), of which 506 (29.7% of participants) succeeded in losing at least 2kg.
- During the campaign, Smart WASHOKU booklets were distributed to 872 personnel who requested. Smart WASHOKU lifestyle implementation promotion.

***Healthya* Walking Challenge**

This campaign encouraged employees to walk every day and drink a bottle of Kao's *Healthya* every day over the 91-day period between April 1 and June 30.

- A total of 3,593 employees took part (representing a participation rate of 13.2%), of which 29.5% succeeded in losing weight, and 84.5% reported that they had gotten into the habit of walking.

Your Weight Reduction Challenge (for employees who received specific health guidance in 2016)

This campaign encouraged employees to try to lose weight over a 42-day period two months prior to their annual health examination.

- This has been implemented 5 times, with 439 employees participating, of which 59 achieved significant weight-loss results.

Women's health support

We work to help prevent health issues that particularly affect women, and we have put in place consultation programs to help women obtain advice about health concerns.

- The SUKOYAKA Women's News newsletter was distributed to all female employees in October.
- A women's health consultation service has been established.
- Healthcare-related products were provided on the basis of symptoms noted at the health consultation office to help women who were suffering from general malaise.

Survey on productivity and presentism

- A survey was implemented to examine the key factors behind employee performance and behind presentism. We have followed up on the factors leading to presentism that can bring a negative impact on productivity and considering appropriate response strategies.

Mental health care

We employ stress checks and follow-ups, and encourage consultations, to promote more preventive mental health measures.

We have also begun implementation of measures to improve the workplace environment based on stress check group analysis.

We have multiple consultation desks (including external EAPs [employee assistance programs], internal counselors, health consultation rooms for each worksite and subsidiary, etc.) that offer a range of consultation services. We also systematically implement training such as self-care training and training aimed at managers.

Mental health care projects implemented in 2017

Item	2017 results
Stress checks	97.4% of employees underwent stress checks
High stress rate	0.9% reduction
Stress check group analysis indicator seminars	Held 3 times
Training for managers	Held 16 times
Self-care training	Held 7 times
External EAP usage rate (number of usage/ number of target employees)	5.6%
Consultations with internal counselors (focused on career interviews)	11,008 people

Strengthening the infrastructure to support workplaces where employees enjoy safety and peace of mind

We are implementing several measures aimed at strengthening the health management framework and realizing workplaces where employees can enjoy safety and peace of mind.

Smoking cessation promotion

On the basis of the Kao Group Smoking-cessation Initiatives policy which was disseminated within the group in May 2016, we announced a new initiative that will prohibit smoking during work hours starting from January 2018.

- We held subcommittee meetings at each worksite to receive employee input in relation to the no smoking during work hours initiative.
- We held lectures in preparation for the implementation of the no smoking during work hours initiative.
- The Kao Group Smoking-Cessation Campaign was implemented in January and May 2017. A total of 273 employees participated (of which 114 succeeded in stopping smoking) (the number of participants increased by 112% compared to the previous year.)
- Kao Health Insurance Society-subsidized smoking-cessation treatment was provided for 47 people.
- Five smoking cessation videos were distributed via the company intranet.
- A total of eight different smoking-cessation posters were displayed.
- Smoking-cessation sessions were held at each worksite.



No smoking during work hours campaign poster