

Kao's approach

Kao stipulates basic occupational safety and health criteria to maintain a workplace environment in which all employees can work with peace of mind. We also implement various activities to ensure the safety and health of all employees.

Kao's creating value to address social issues

Kao has defined an activities policy for occupational safety and health as part of the Kao Responsible Care Policy to address the necessity to prevent occupational accidents, and for health promotion. We strive to ensure the safety and health of our employees by focusing on and implementing activities in the areas of risk assessment for operations/machinery and chemical substances, and by the consistent implementation of and follow-up for medical checks, as well as mental health measures.

Contributions to the SDGs



Policies

Activities to ensure occupational safety and health are clearly stipulated in the Kao Responsible Care Policy. This is a policy to "Create a pleasant working environment and improve employees' health while eradicating occupational accidents, and reducing latent risks." Accordingly, when occupational accidents occur, we carefully investigate the accident or disaster, and identify and analyze the causes. The

results of the analysis are shared throughout the group to help prevent similar accidents from occurring again in the future, thereby protecting our employees while maintaining safe and stable operations.



→ Kao Responsible Care Policy
<http://www.kao.com/global/en/sustainability/environment/statement-policy/policy/responsible-care/>

Framework

The Kao Responsible Care (RC) Policy and the promotion framework and activities can be found on the following page.



→ p. 184 Governance > Responsible care activities

Education and promotion

Kao implements education, drafting educational plans related to occupational safety and health for employees and temporary workers at all workplaces. We also ensure that health and safety training is conducted for new hires or reassigned personnel at the location of deployment. As part of these activities, we list up the necessary operations for special education and ensure

that the necessary training is implemented.

By implementing education, we are able to share information relating to safety and health in the workplace, and are able to undertake activities aimed at the achievement of safety and health targets.

We also publish an annual safety message from the President and a safety poster, to improve awareness of safety issues.



→ p. 171 Corporate Culture > Process Safety and disaster prevention/Education and promotion

Collaboration with stakeholders

To ensure subcontractors' safety, we also hold safety and disaster prevention events at manufacturing and research premises and logistics bases. We also promote collaborative safety activities, sharing safety information such as occupational accident case studies and countermeasures within the Kao Group with subcontractors on a monthly basis.

The Kao Logistics Division also holds monthly safety and quality meetings with transportation contractors. We also hold annual information-sharing meetings with transportation contractors and arrange for them to collaborate in our activities to eliminate work-related traffic accidents.

Mid- to long-term targets and performance

Main targets

We aim to become a company which meets top-level global standards for health and safety by 2020.

We have set a target of achieving the complete elimination of deaths and serious lost time accidents, and a target for reducing the lost time accident frequency rate (to below 0.10), and we also aim to completely eliminate 100% negligence accidents causing bodily injury in relation to work-related traffic accidents by 2020, for both employees and subcontractors.

2017 targets and performance

We implemented activities from the two perspectives of "Eradication of occupational accidents" and "Creating a pleasant working environment and improving employees' health."

Specific activities to eradicate occupational accidents have focused on equipment and operational risk assessment for existing facilities. We have also promoted improvements using near-miss incident proposals, risk assessment and incoming safety inspections in advance of operation of newly-installed equipment, and equipment safety measures and the prevention of equipment-related incidents by ensuring thorough awareness of and compliance with rules. Activities have also focused on measures to prevent slip and fall accidents

involving stairs, etc., and work-related traffic accidents, etc.

In the area of creating a pleasant working environment and improving employees' health, we have strengthened management of the working environment, ensuring effective implementation and follow-up of health check-ups, undertaking health promotion activities, stress check, and implementing risk assessment for chemical substances.

In addition, at the Health and Safety Committee meetings that are regularly held in each workplace, we report on activity plans as well as giving performance reports and disseminate this information to employees.

2017 Targets and performance (Kao Group)

Item	Indicator	Scope	2015	2016	2017		
			Results	Results	Target	Results	
Occupational accidents	Death and serious lost time accidents*1 (persons)	Including both regular employees and temporary workers (Kao Group)		0	0	0	1
		Breakdown	Japan	0	0	—	1
			Asia	0	0	—	0
			Americas	0	0	—	0
			Europe	0	0	—	0
		Subcontractors (Kao Group)		0	0	0	0
		Breakdown	Japan	0	0	—	0
			Asia	0	0	—	0
			Americas	0	0	—	0
			Europe	0	0	—	0
	Lost time accidents frequency rate*2	Including both regular employees and temporary workers (Kao Group) <input checked="" type="checkbox"/>		0.61	0.67	0.26 or less	0.55
		Breakdown	Japan	0.30	0.47	—	0.36
			Asia	1.10	0.31	—	0.34
			Americas	3.61	3.20	—	3.57
Europe			2.53	4.12	—	2.79	
Including both regular employees and temporary workers (Reference: Member companies of Japan Chemical Industry Association)		0.29	0.35	—	—		
Subcontractors (Kao Group) <input checked="" type="checkbox"/>		0.82	0.56	0.26 or less	0.41		
Breakdown		Japan	0.40	0.65	—	0.55	
	Asia	1.12	0.13	—	0.10		
	Americas	0.00	0.00	—	0.00		
	Europe	4.30	5.81	—	4.21		
Subcontractors (Reference: Member companies of Japan Chemical Industry Association)		0.50	0.54	—	—		

*1 Serious lost time accidents: Accidents in which there is a continued loss of physical function after treatment for the injury has been completed (with a loss of physical function of Level 5 or higher.)

*2 Lost time accident frequency rate: Number of persons dead or seriously injured in occupational accidents per million hours worked (including only accidents involving at least one lost work day and also the loss of a part of the body or a bodily function.)

2017 Targets and performance (Kao Group)

Item	Indicator	Scope	2015	2016	2017			
			Results	Results	Target	Results		
Occupational accidents	Total accident frequency rate*3	Including both regular employees and temporary workers (Kao Group)	2.03	1.96	1.34 or less	1.87		
		Breakdown	Japan	1.63	1.93	—	1.70	
			Asia	1.69	0.80	—	1.02	
			Americas	7.23	4.79	—	5.95	
			Europe	7.59	6.33	—	6.15	
		Subcontractors (Kao Group)		2.18	1.32	0.81 or less	1.18	
		Breakdown	Japan	2.09	1.49	—	1.18	
			Asia	2.23	0.77	—	0.71	
			Americas	0.00	0.00	—	0.00	
			Europe	4.30	7.75	—	12.62	
	Severity rate*4	Including both regular employees and temporary workers (Kao Group)		0.01	0.02	—	0.10	
			Breakdown	Japan	0.01	0.01	—	0.13
				Asia	0.02	0.01	—	0.01
				Americas	0.09	0.10	—	0.08
				Europe	0.02	0.06	—	0.04
		Subcontractors (Kao Group)		0.01	0.03	—	0.01	
Breakdown		Japan	0.01	0.05	—	0.02		
		Asia	0.01	0.01	—	0.00		
		Americas	0.00	0.00	—	0.00		
		Europe	0.10	0.05	—	0.06		
	Subcontractors (Reference: Member companies of Japan Chemical Industry Association)		0.14	0.10	—	—		
Traffic accidents	100% negligence accidents causing bodily injury (no. of accidents)	Sales and logistics (Japan)	14	24	0	11		
	Accidents other than 0% negligence accidents per 100 vehicles*5		7.75	7.10	5.5 or less	7.64		

*3 Total accident frequency rate:

Number of persons injured in occupational accidents (including accidents without lost work days) per million hours worked

*4 Severity rate: Number of lost days/ total working hours × 1,000

*5 Accidents other than 0% negligence accidents per 100 vehicles: Number of traffic accidents other than 0% negligence / No. of vehicles in fleet × 100

Targets for 2018

We are working to prevent the occurrence of accidents and disasters, with the 2018 targets for the entire Kao Group.

The targets for traffic accidents other than 0% negligence per 100 vehicles will also be set once we have a clearer grasp of the current situation in Kao's sites outside Japan.

Targets for 2018 (Kao Group)

Item	Scope	Indicator	2018 targets
Occupational accidents	Regular employees and temporary workers	Death and serious lost time accidents*1 (persons)	0
		Lost time accidents frequency rate*2	0.20 or less
		Total accident frequency rate*3	1.08 or less
	Subcontractor employees	Death and serious lost time accidents*1 (persons)	0
		Lost time accidents frequency rate*2	0.20 or less
Traffic accidents	Sales and logistics	Total accident frequency rate*3	0.74 or less
		100% negligence accidents causing bodily injury (no. of accidents)	0
		Accidents other than 0% negligence accidents per 100 vehicles*4	—

*1 Serious lost time accidents: Accidents in which there is a continued loss of physical function after treatment for the injury has been completed (with a loss of physical function of Level 5 or higher.)

*2 Lost time accident frequency rate: Number of persons dead or seriously injured in occupational accidents per million hours worked (including only accidents involving at least one lost work day and also the loss of a part of the body or a bodily function.)

*3 Total accident frequency rate: Number of persons injured in occupational accidents (including accidents without lost work days) per million hours worked

*4 Accidents other than 0% negligence accidents per 100 vehicles: Number of traffic accidents other than 0% negligence / No. of vehicles in fleet × 100

Our initiatives

Status of occupational accident occurrences

In 2017, there was one death of temporary worker from a work-related accident involving employees, temporary workers or subcontractors.

While taking delivery of raw materials at a production site, inadequate communication between the driver and operatives and failure to implement proper confirmation led to an operative becoming caught under the trailer wheels. To prevent the reoccurrence of this type of serious accident, we have made changes to operational procedures and operations manuals, and have strengthened training and on-site patrols by managers.

A total of 160 employees including temporary workers were involved in accidents across the group, of whom 47 persons with lost work days as a result (this figure includes one death.)

The most common types of accident were slip and fall accidents due to carelessness and lack of confirmation (53 employees), accidents getting caught in machines (20 employees), and accidents involving reactional action (19 employees). Measures are being promoted with an emphasis on slip and fall accidents, due to such accidents having the highest incidence rate.

As regards occupational accidents involving subcontractors, the number of persons affected was 26 of which 9 suffered injuries resulting in lost time.

Risk assessments of chemical substances

As many kinds of chemical substances are handled at Kao manufacturing locations, the risk of environmental pollution is not negligible. With this in mind, we take measures to complete evaluations on the impacts on people and the environment of existing facilities, and to reduce these risks. In addition, we conduct a priori evaluations of impacts on people and the environment when expanding and reconstructing facilities.

Within Japan, in 2017 risk assessment was implemented with respect to 27 additional substances that have been brought within the scope of coverage of the Industrial Safety and Health Act.

These measures have been implemented in response to the U.N.'s Strategic Approach to International Chemicals Management (SAICM) initiative.

Expansion of the "no accidents with lost work days award system" improving safety awareness

In 2016, the "no accidents with lost work days award system," which had previously been limited to plants in Japan, was expanded to include plants outside Japan, in order to further improve safety awareness. In 2017, three plants in Japan and two plants outside Japan received awards.

"No accidents with lost work days awards" presented in 2017

Region	Company / Plant	Stage
Japan	Kao Corporation Fuji Plant	Stage 2 (5 years)
	Kao Corporation Wakayama Plant	Stage 2 (5.4 million hours)
	Kao Corporation Tochigi Plant	Stage 5 (15 years)
China	Kao (Hefei) Co., Ltd.	Stage 2 (5 years)
	Kao Corporation Shanghai	Stage 1 (3 years)

Award criteria

Stage	Award criteria
1	3 years
2	5 years or 5.4 million hours
3	7 years or 8.1 million hours
4	10 years or 12.2 million hours
5	15 years or 18.3 million hours
6	25 years or 30.0 million hours



No accidents with lost work days memorial trophy



(Left) The award ceremony for the presentation of the Stage 5 award to Kao Corporation Tochigi Plant.

(Right) China: The award ceremony for the presentation of the Stage 2 award to Kao (Hefei) Co., Ltd.

Occupational safety

Creating a pleasant working environment for employees

We strive to create a pleasant working environment in all workplaces, and we conduct periodic working environment measurement and implement improvement and maintenance to ensure compliance with each country's workplace environment standards.

Sharing safety messages globally

With the aim of raising safety awareness worldwide, in 2017 the safety messages on the poster used in Japan were translated into 11 local languages with the assistance of our overseas work-sites. Safety posters featuring the company president were deployed in sites both within and outside Japan, and safety messages were shared globally.



Safety posters featuring the company president were deployed in 11 different local languages (from left, the Japanese, English, Thai, and Simplified Chinese versions)

Topic The Kao Corporation Tochigi Plant receives Category 5 Accident-free Certification from the Ministry of Health, Labour and Welfare (MHLW)

Having maintained a record of zero accidents involving death or lost work days for a total of 15.2 million hours (over the period from September 1, 2002 to June 28, 2017), Kao Corporation's Tochigi Plant was awarded Category 5 Accident-free Certification from the Ministry of Health, Labour and Welfare (MHLW) on October 19, 2017.

Following the establishment of the Health and Safety Promotion Coordination Meeting under the Tochigi Plant's Health and Safety Committee, activities are implemented through multiple groups, with a coordinated approach that covers the whole plant, including both regular employees and temporary workers, and involve all personnel participating in health and safety activities. The four main activities implemented were as follows: ①The establishment of a proposal system covering safety proposals, reporting of near-miss incidents etc., and the building of a plant ethos that respects safety rules; ②Implementation of risk assessment from an operation and machinery usage perspective; ③Effective utilization of pre-implementation checklists covering preparatory work and operation content etc. before implementing infrequent operations; ④Implementation of safety education for all employees on a three-year cycle and provision of safety education using accident prevention videos etc. for new employees and reassigned employees. The award is the result of 15 years of steady implementation of these health and safety activities.

In the future, the Tochigi Plant will continue to implement health and safety activities aimed at achieving zero accidents and injuries, and strive to achieve 25 years of accident-free operation.



The Tochigi Plant's Category 5 Accident-free Certification