

Kao's approach

The Kao Group's vision of "heartfelt *Yoki-Monozukuri* based on anticipation of changing times and changes in people's lifestyles, and on constant consumer engagement" has much in common with the Universal Design (UD) 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.

Kao's creating value to address social issues

Social issues we are aware of

With aging of the population and the ongoing trend toward "borderless" globalization, as well as the continuing diversification of values and lifestyles, we are entering an era in which it is becoming more and more difficult to enable everyone to live with safety and peace of mind. There is thus a real need for manufacturing products that pay more attention to diversity.

Kao's creating value

Through our *Yoki-Monozukuri*, in which we constantly put ourselves in the position of the consumer and customer, we take on a mission of striving for the wholehearted satisfaction and enrichment of the lives of people globally and to contribute to the sustainability of the world. Developing and providing products that anyone can use easily is the fundamental approach that underpins our consumer-focused *Yoki-Monozukuri*.

In providing all people with products that are easy to use, we recognize a need to respond to diversity.

Risks related to realization of our vision by 2030

Failure to provide products that anyone can use easily could lead to an enhanced risk of improper usage and safety issues. Failure to provide products that are acceptable to diverse groups of people could lead to a loss of trust in our products, and conceivably even to a loss of trust in the company itself.

Opportunities related to realization of our vision by 2030

Providing support to help enrich the lives of people all over the world as a truly global enterprise will increase the trust that people place in our company.

Contributions to the SDGs



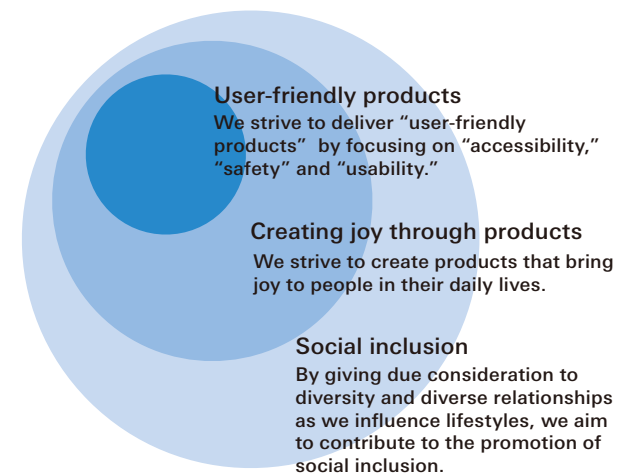
Policies

We at Kao strive to provide products and services imbued with consideration and care for users, 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 in their daily lives, so that we can foster relationships between individuals and play a useful role in society.

Through sharing and spreading our UD Guidelines among all of our employees, and providing 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.

Kao Universal Design Guidelines



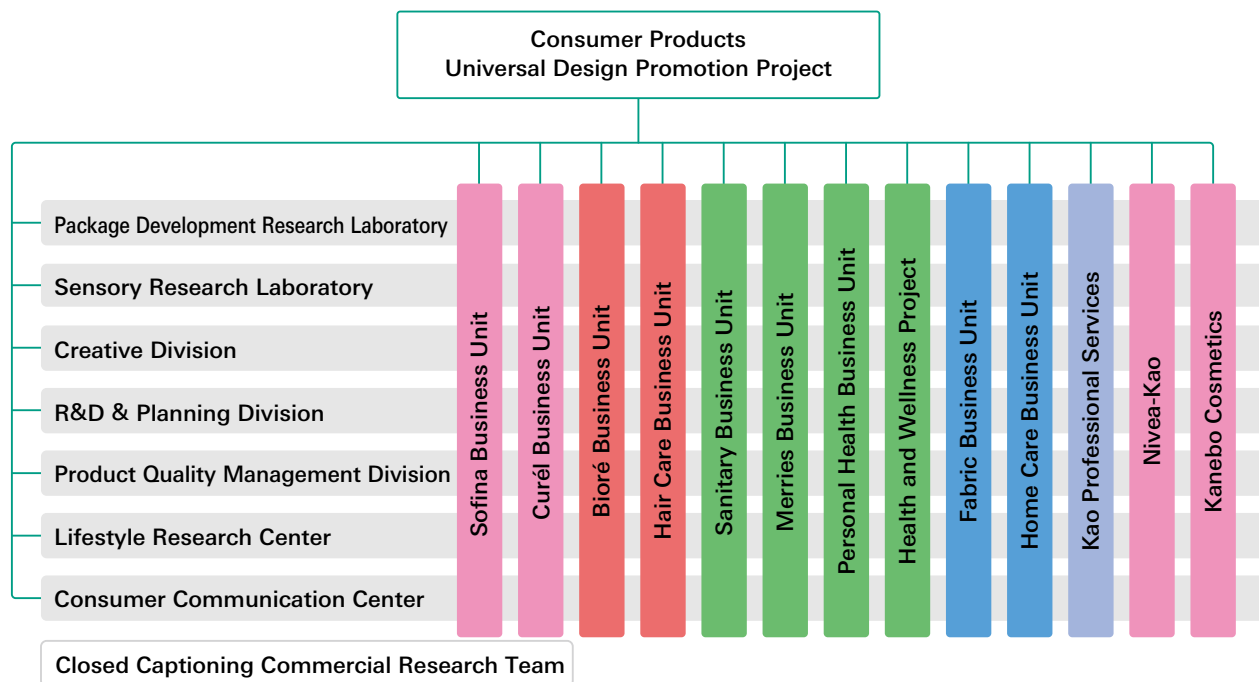
Framework

Our activities to promote UD are incorporated in the core aspects of the manufacturing part of the Kao Group's business operations. To this end, the final decisions regarding commercialization of new product concepts are entrusted to individual business divisions. Rather than reporting activities focused specifically on UD, we undertake product development from a UD perspective as part of our regular business activities.

A cross-business approach is vitally important for

UD promotion. Our Consumer Communication Center, which features a customer consultation window that deals directly with customer requests and feedback, functions as a secretariat. Through our UD Promotion Project, the participants in which include individual divisions and related departments, we strive to share improvement case examples among each of our divisions, and realize continuous improvement from a UD perspective.

Universal Design Promotion Project System



* As of December 2018.

Education and promotion

Workshops for Promoting Empathy with Elderly People

We hold Workshops for Promoting 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 physical constraints. By actually using our products, participants are able to identify issues relating to their usability and product information labeling.

- Workshops for Promoting Empathy with Elderly People held in 2018: 4 workshops, with 48 participants in total.

Universal Manners Test implementation

As our employees need to communicate with diverse groups of people, including senior citizens, we have been encouraging employees to study for the Universal Manners Test overseen by the Japan Universal Manners Association. The Japan Universal Manners Association defines Universal Manners as "the thinking and actions appropriate for communicating with diverse groups of people, including senior citizens, people with disabilities, stroller (pushchair) users, and foreign nationals, etc." The aim is for our employees to understand the challenges and mentality of these different groups of people, so that they can utilize this knowledge not only in their daily lives but also in business activities.

- No. of employees who passed the Universal Manners Test at Level 3 in 2018: 160.

Collaboration with stakeholders

- Participation in and collaboration on events organized by government agencies, such as the Kurashi Festa Sumida exhibition, etc.
- Collaboration on *Home Life*, a voice-based magazine published by the Japan Braille Library.
- Promoting widespread adoption of the new product safety icons developed by the Japan Soap and Detergent Association.
- Providing support through the Kao Heart Pocket Club.



Kurashi Festa Sumida 2018

Mid- to long-term targets

Mid- to long-term targets and performance

1. Develop products from a UD perspective on an ongoing basis for all products. Expand *Yoki-Monozukuri* from a UD perspective not only in Japan, but also globally.
2. Take the UD perspective into account when designing methods and content for spreading information and improving store layout. In particular, provide information for all products that enables anyone to easily access and confirm what they need to know when selecting and using those products.
3. Aim to enrich the lives of people globally and to contribute to the sustainability of the world by spreading awareness of UD initiatives implemented by the Kao Group as widely as possible and fostering understanding of these measures among stakeholders.

Anticipated benefits from achieving mid- to long-term targets

Cost reductions or profit increase

While activities in this area have originated largely in Japan, the aging of the population and consumer diversification are issues that are global in scope. By utilizing the attention to detail for which Japan is famous to develop products that are easy to use for diverse groups of people throughout the world, we can enhance our presence and also achieve revenue growth.

Impacts on society

Kao's UD initiatives contribute to realizing the goal of "Leaving no one behind" that underpins the SDGs, because they embody a diversity-focused concept that seeks to provide easy-to-use products for everyone, regardless of age, gender, disability, race, ethnicity, birthplace, religion, economic status, etc.

Performance in 2018

Performance

1. Product development from a UD perspective

- Implementation rate of new and improved product enhancement from a UD perspective
Japan: 83%, 915 items.
Europe and the Americas: 11%, 75 items.
- Expanding our range of easy-to-use foam-type products.

We launched Kao's *PureOra* Foaming Toothpaste in 2018.



→ p. 107 Our initiatives: Our new products launched in 2018 incorporated UD considerations

2. Spreading information from a UD perspective

The Kao Group has adopted multi-lingual labeling for providing product information to foreign nationals living in or visiting Japan. As of December 2018, the Kao website had Chinese-language and English-language product information for around 300 product items. In addition, two-dimensional codes are being applied to product information installed in stores so that consumers can immediately access product information in Chinese or English.

3. External UD awareness-raising activities

- Holding a UD lesson for junior high school students (once).
- Holding seminars (twice) and special events (twice).

We used seminars and special events taking UD as their theme to spread awareness of our UD initiatives.

We have also used regular product presentation activities as an opportunity to inform people of the measures that we have been taking from a UD perspective.

4. Initiatives targeting diverse groups of people Initiatives to aid people with visual impairments

- We gave a presentation on doing the laundry at a seminar for people with visual impairments organized by the Special Needs Education School for the Visually Impaired, University of Tsukuba (July 2018).
- We participated in the "Experiential Activity and Exhibition for the Blind and Visually Impaired" organized by the Osaka Society for Visually Impaired People (March 2018).
- 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 2018).

Initiatives to aid people with auditory impairments

We commissioned ShuR Group to provide sign language consumer consultation service for Kao through its Video Relay Service. A special seminar on oral care and laundry (areas for which there is particularly high demand) was held at the commemorative event to mark the 10th anniversary of ShuR's founding (November 2018).



→ p. 106 Our initiatives: Daily living lectures using sign language at ShuR Festa 2018

Initiatives to provide support for cancer patients

We participated in the Gankurashi Fair 2018 event organized by NPO Cancer Ribbonz, introducing Kao products that can help people who are undergoing, or have completed, treatment for cancer (October 2018).

5. Activities 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 1,500 commercials (including commercials on the Kao 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
www.youtube.com/user/KaoJapan/

Reviews of performance

In Japan, we started implementing measures to enhance new products and improved products from a Universal Design (UD) perspective starting from 2012, while also adopting a multi-faceted approach toward applying UD considerations to existing products.

Globally, by sharing and spreading the UD perspective among our employees, who are engaged in providing products to customers, we are expanding our provision of products and information from a UD perspective to people with diverse values and cultures.

Our initiatives

Promoting the adoption of new safety icons for consumer products

To make warnings more effective and easier to understand for consumers, the Japan Soap and Detergent Association (JSDA) developed 10 types of new safety icons for consumer products and published them in June 2017.

Regarding the use, application, etc. of these safety icons, the JSDA and the Japan Detergent and Bleach Safety Advisory Council have established voluntary standards (guidelines).

We are sequentially applying these safety icons to labels on our bleach, mold removal and other household products from February 2018 onwards.

Example of the adoption of new safety icons on Kao products



Before the adoption.

After the adoption.

Newly developed JSDA safety icons * The following warning statements are given as examples only.

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

Daily living lectures using sign language at ShuR Festa 2018

We have established a sign language consumer contact window to make it easier for people with auditory impairments to consult with us. The provision of this sign language video relay service has been outsourced to the call center of ShuR Group, an enterprise that provides services which integrate sign language and IT.

To mark the 10th anniversary of the founding of ShuR Group, the ShuR Festa event was held on November 17, 2018. At the invitation of the organizers, we gave two lectures at the event: “Washing Fashionable Clothes and Stain Removal” and “Preventing Dental Cavities and Preventing Gum Disease.”

The lectures, which incorporated a quiz format to enhance the sign language communication with attendees, were very well-received, with comments that included “I learned how easy it is to wash fashionable clothes at home.”

Participating in this event brought home to us the fact that people with auditory impairments often find themselves restricted in terms of their ability to obtain information passively from TV and other media, which can put them at a disadvantage compared to the people with normal hearing. Due to the need to make a proactive effort to obtain information, people with auditory impairments often end up giving up on their efforts to make inquiries about products. Taking part in this event reinforced our awareness of the importance, for a business enterprise, of delivering information properly.



Daily living lecture given using sign language

Present Kao's UD initiatives to the general public

Responding to requests from government agencies and other organizations interested in UD, we have been implementing activities to present Kao's UD initiatives.

In 2018, besides participating in events such as the Kurashi Festa Sumida exhibition, we also gave presentations at the Machida Adult Education Center in Machida City and at Kobe UD College in Kobe City. In these presentations, we introduced Kao products that correspond to the three key perspectives embodied in Kao's UD Guidelines—Accessibility, Usability and Safety—as well as examples of products that reflect our goals of “Creating joy through products” and fostering “Social inclusion.”

The presentations included extensive opportunities to actually touch and experience real products. Comments from participants included: “I was really impressed by the amount of hard work and research that has gone into these products. We tend to take these products for granted in our daily lives, but the presentation showed how the commitment and hard work of Kao employees helps to make products easy to use.”

In the future, we will continue to hold activities of this kind that help people to understand Kao's approach to UD and our UD initiatives.



UD presentation for the community

Our new products launched in 2018 incorporated UD considerations

We are continuing to develop products that make it possible for diverse groups of people to use our products in a stress-free manner in different circumstances. In this section, we present some examples of how new products that Kao launched in 2018 took UD into account.

Rerise Hair Dye Dispenser—the new hair dye product for gray coverage

We are living in an era in which more and more people can expect to live to 100. In May 2018, Kao launched *Rerise* Hair Dye Dispenser, which can be used to dye gray hair without damaging the hair.

This product contains 100% naturally derived melanin sources for black hair.* By applying this product after shampooing and leaving it on for five minutes before rinsing it off, gray hair will gradually be restored to a natural black color. The product can be used repeatedly without damaging the hair. The *Rerise* container has also been carefully designed so that anyone can use it easily in the bath without making a mess.



Dispenser head

The dispenser head is designed so that you press it with the thumb, making it easier to exert enough force. The product continues to come out as long as you keep pressing.

Thumb hook

The dispenser head is resistant to the thumb sliding off even when wet, making it easy for anyone to extract the product.

This product is recommended for people who find that their hair stays gray no matter how many times they dye it, or who are worried that repeatedly using hair color products will damage their hair.

Following the launch of *Rerise*, we received many appreciative comments, such as: "I have been worrying about my gray hair for



Rerise Hair Dye Dispenser

years, but now that I can dye it easily I have become much more cheerful," and "I wasn't able to use hair color products because of an allergy, so I was amazed to discover this new product that dyes my hair beautifully and which doesn't harm my skin. I can get unbelievably good results when dyeing my hair at home."

* Coloring ingredient (dihydroxyindole).

Easy-to-use PureOra Foaming Toothpaste

We launched Kao's *PureOra* Foaming Toothpaste, which delivers toothpaste in foam form directly onto the tongue, in April 2018. Bacteria on the tongue are a major cause of bad breath. *PureOra* is a new type of toothpaste that helps to prevent bad breath by killing bacteria using a fine foam that adheres directly to the tongue.

Since *PureOra* was launched, we have received many positive comments such as: "The foam is very gentle, and it really does get the tongue clean," and "I like the fact that it is so easy to use. My bad breath is much less noticeable now."

Users press on the container to get the foam out, and there has been praise for how easy it is to use: "I have rheumatism, which makes it difficult to extract toothpaste from a tube. With this new type of container, you can use it one-handed just by pressing, which is very convenient."

Since 2012, Kao has been participating in events at which we can introduce products and information that are useful for people who are dealing with cancer in their daily lives. In October 2018, we showcased *PureOra* at the Gankurashi Fair 2018 event organized by NPO Cancer

Ribbonz. We received comments from healthcare professionals such as: "Patients who are bedridden find conventional toothpaste difficult to rinse out, and mouthwash tends to dribble out or choke them. What is good about this foaming toothpaste is that it avoids these kinds of problems." From patients currently undergoing medical treatment, we received positive comments such as: "I have a problem with mouth inflammation, and liquid mouthwash stings the inside of my mouth, but the foam toothpaste is gentle on my mouth, so I want to keep using this."



Introducing Kao's foaming toothpaste product at the Gankurashi Fair 2018 event