

Major sustainability indicators 103-2, 103-3

We have defined our sustainability indicators as follows and are conducting activities accordingly.

Conservation

Materiality	Vision	Items	Results				Targets	Results	Targets	SDGs*7	
			2014	2015	2016	2017	2018	2020			
Conservation	Minimize environmental impact from our business activities and contribute to the realization of the One Planet Living vision for environmental sustainability										
		Reduction rate for CO ₂ emissions*1									
		Scope 1 and 2		-28%	-29%	-30%	-31%	-32%	-33%	-35%	
		Across the entire product lifecycle (Kao Group)		-15%	-17%	-14%	-14%	—	-17%	—	12 13
		Across the entire product lifecycle (Kao Group in Japan)		-16%	-17%	-16%	-15%	—	-18%	-35%	
		Reduction rate for water consumption*1									
		All Kao Group plants and offices		-38%	-43%	-42%	-43%	-39%	-42%	-40%	
		Across the entire product lifecycle (Kao Group)		-18%	-21%	-17%	-19%	—	-21%	—	6 12
		During product use (Kao Group in Japan)		-22%	-24%	-22%	-24%	—	-24%	-30%	
		Reduction rate for the amount of generated waste and other unwanted materials*1									
		All Kao Group plants and offices		-27%	-27%	-25%	-25%	-32%	-26%	-33%	12
		Percentage of sales from products displaying the “eco together” logo*2		27%	28%	29%	29%	—	29%	—	6 9 12 13
		Procurement of sustainable palm oil*3		—	PKO*3 Completed traceability to the mills*4	PKO*3 Completed traceability to the mills	PO*3 Completed traceability to the mills to 97%	PO*3 Traceability to the mills	PO*3 Completed traceability to the mills to 98%	Traceability to the plantations	15
	Procurement rate for sustainable paper and pulp*5		—	96%	99%	100%	—	100%	100%	15	
	Promote further environmental activities by engaging in environmental communication with society										
	Cumulative number of participants in environmental communication*6 (thousands of people)		240	460	690	910	1,200	1,230	1,000	12	
	Aim to contribute to the realization of a sustainable society by promoting sound chemical management through Strategic Approach to International Chemicals Management (SAICM) activities										
	Number of released safety summaries for Kao priority risk assessment substances		—	7 (Total 7)	3 (Total 10)	3 (Total 13)	3	3 Total 16	Total 20	3 12	
	Number of released GPS safety summaries for chemical products		47 (Total 77)	12 (Total 89)	18 (Total 107)	18 (Total 125)	16	16 (Total 141)	Total 150	3 12	

*1 Per unit (of sales), relative to FY2005

*2 Consumer products in Japan; sales rate of products that meet the criteria for “eco together” certification
“eco together” certification:
[www.kao.com/global/en/sustainability/environment/statement-policy/eco-friendly-products/eco-together-
logo/](http://www.kao.com/global/en/sustainability/environment/statement-policy/eco-friendly-products/eco-together-logo/)

*3 Progress of activities to trace the palm oil used by the Kao Group back to the plantation;
PKO: palm kernel oil, PO: palm oil

*4 As of the end of 2015, we were unable to establish the traceability of some of the derivatives that we had
no choice but to purchase from other companies.

*5 Recycled and sustainable paper and pulp and packaging materials used in our products

*6 Cumulative number of participants in educational programs, factory tours, environmental events, etc., since
2014

*7 The goals to which the Kao Group can contribute among 17 Sustainable Development Goals

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Community

Materiality	Vision	Items	Results				Targets	Results	Targets	SDGs
			2014	2015	2016	2017	2018	2020		
Health	Improve and prevent obesity and lifestyle diseases by contributing to the creation of a society conducive to a healthy life	Number of participants in health educational programs* ⁸ (thousands of people)	1,610	2,610	2,320	2,880	100	100	—	3
		Prevent the spread of infectious diseases by contributing to the creation of a society conducive to a hygienic life								
Hygiene	Prevent the spread of infectious diseases by contributing to the creation of a society conducive to a hygienic life	Number of participants in the educational programs of hygiene habits* ⁹ (thousands of people)	6,120	7,540	7,530	8,290	6,820	7,230	12,000	3 6 12
		Support the lifestyles of the elderly by contributing to the creation of a society conducive to healthy aging, both mentally and physically								
Aging	Support the lifestyles of the elderly by contributing to the creation of a society conducive to healthy aging, both mentally and physically	Cumulative number of the products improved with Universal Design considerations* ¹⁰	2,066	2,876	3,585	4,666	—	5,658	—	12
		Implementation rate of improvements with Universal Design considerations* ¹⁰	80%	91%	71%	63%	—	56%	—	
Partnership with the community	Engage in social activities with local communities to contribute to an improved quality of life	Number of times information was provided to employees regarding volunteer activities	79	71	67	50	75	33	80	17
		Educational activities for external parties provided through transmitted information	71	99	59	60	70	50	80	

*⁸ Number of participants in walking events and events for measuring visceral fat and teeth brushing education; QUPiO users; the QUPiO business was sold in April 2018, and accordingly, QUPiO users are not included. QUPiO: A program aimed at providing support for health promotion and preventive, lifestyle improvement measures based on knowledge obtained from joint research undertaken with the University of Tokyo using a database of health checkup data for one million people that covers an extended period of time.

*⁹ Number of participants in the educational programs for infant care, hand and hair washing, laundry and cleaning,

and menstrual hygiene (including the delivery of educational samples and tools) in Japan and the rest of Asia

*¹⁰ Products improved with Universal Design considerations represent products improved from considerations including accessibility, safety and usability. The implementation rate of improvements is the percentage of products improved with Universal Design considerations among all new and improved product items. The data until 2015 covers Japan, the data for 2016 covers Japan and the Americas, and the data for 2017 covers Japan, the Americas and Europe (not including salons and Molton Brown Ltd.).

Corporate Culture

Materiality	Vision	Items	Results				Targets	Results	Targets	SDGs
			2014	2015	2016	2017	2018	2020		
Integrity	Instillment of Integrity throughout the entire Kao Group	BCG test rate	87.2%	96.4%	97.5%	97.1%	—	— ¹⁶	100%	16
		Number of serious compliance violations* ¹¹	0	0	0	0	0	0	0	
		Maximize employee potential through Diversity and Inclusion								
Diversity and Inclusion	Maximize employee potential through Diversity and Inclusion	Percentage of female managers	27.6%	27.5%	25.4%* ¹²	25.1%	—	27.3%	30%* ¹³	5
		Percentage of female managers (Japan)	10.1%	10.4%	13.1%* ¹²	14.6%	—	18.4%	15%* ¹³	5
		Cumulative attendance rate for manager training on diversity and increasing management capabilities	—	—	8.2%	55.7%	100%	94.0%	200%* ¹⁴	10
Employee health and safe workplaces	Improvement of health literacy and safety awareness among employees	Total participants for health promotion programs	—	—	31,885	36,259	—	40,768	35,900	8
		Lost time accident frequency rate* ¹⁵	0.54	0.61	0.67	0.55	0.20	0.77	Less than 0.10	8

*¹¹ Serious compliance violations relating to the Kao Group's operations are internally defined and managed within the Kao Group.

*¹² The definition of "manager" was revised in 2016 following the promotion of integrated Group management.

*¹³ Not established as targets for 2020, but targets to be quickly realized as future milestones

*¹⁴ Cumulative attendance rate for manager training since 2016

*¹⁵ 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)

*¹⁶ Not implemented in 2018 due to a review of BCG activities.