## Major sustainability indicators 103-2, 103-3

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

### Conservation

<table>
<thead>
<tr>
<th>Materiality</th>
<th>Vision</th>
<th>Items</th>
<th>Results</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Targets</th>
<th>Results</th>
<th>Targets</th>
<th>SDGs*7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2018</td>
<td></td>
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<td>2020</td>
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</tr>
</tbody>
</table>

**Minimize environmental impact from our business activities and contribute to the realization of the One Planet Living vision for environmental sustainability**

- **Reduction rate for CO₂ emissions**
  - Scope 1 and 2
    - Across the entire product lifecycle (Kao Group) -28% -29% -30% -31% -32% -33% -35%
    - Across the entire product lifecycle (Kao Group in Japan) -16% -17% -14% -14% -21%
  - **2014** -28% -29% -30% -31% -32% -33% -35% **2015** -29% -30% -31% -32% -33% -35% **2016** -30% -31% -32% -33% -35% **2017** -31% -32% -33% -35% **2018** -32% -33% -35% **2020** -35% **12** **13**

- **Reduction rate for water consumption**
  - All Kao Group plants and offices
  - Across the entire product lifecycle (Kao Group)
  - During product use (Kao Group in Japan)
  - **2014** -38% -43% -42% -43% -39% -42% -40% **2015** -43% -42% -43% -42% -40% **2016** -42% -43% -42% -40% **2017** -43% -42% -40% **2018** -42% -40% **2020** -40% **6** **12**

- **Reduction rate for the amount of generated waste and other unwanted materials**
  - All Kao Group plants and offices

- **Percentage of sales from products displaying the "eco together " logo**
  - **2014** 27% **2015** 28% **2016** 29% **2017** 29% **2018** 29% **2020** 29% **12** **13**

- **Procurement of sustainable palm oil**
  - PKOºº Completed traceability to the millsºº
  - POºº Completed traceability to the millsºº
  - **2014** 0% **2015** 0% **2016** 0% **2017** 0% **2018** 0% **2020** 0% **12** **13**

- **Procurement rate for sustainable paper and pulp**
  - **2014** 96% **2015** 99% **2016** 100% **2017** 100% **2018** 100% **2020** 100% **15**

**Promote further environmental activities by engaging in environmental communication with society**

- **Cumulative number of participants in environmental communication**
  - **2014** 240 **2015** 460 **2016** 690 **2017** 910 **2018** 1,200 **2020** 1,230 **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**
  - **2014** 7 **2015** 3 **2016** 3 **2017** 3 **2018** 3 **2020** 3 **12**

- **Number of released GPS safety summaries for chemical products**
  - **2014** 47 **2015** 12 **2016** 18 **2017** 18 **2018** 16 **2020** 16 **12**

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*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.
*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 Cumulative number of participants in educational programs, factory tours, environmental events, etc., since 2014
*6 The goals to which the Kao Group can contribute among 17 Sustainable Development Goals
## Major sustainability indicators 103-2, 103-3

### Community

<table>
<thead>
<tr>
<th>Materiality Vision</th>
<th>Items</th>
<th>Results</th>
<th>Targets</th>
<th>Results</th>
<th>Targets</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health</strong></td>
<td>Improve and prevent obesity and lifestyle diseases by contributing to the creation of a society conducive to a healthy life</td>
<td>Number of participants in health educational programs*8 (thousands of people)</td>
<td>1,610</td>
<td>2,610</td>
<td>2,320</td>
<td>2,880</td>
</tr>
<tr>
<td><strong>Hygiene</strong></td>
<td>Prevent the spread of infectious diseases by contributing to the creation of a society conducive to a hygienic life</td>
<td>Number of participants in the educational programs of hygiene habits*9 (thousands of people)</td>
<td>6,120</td>
<td>7,540</td>
<td>7,530</td>
<td>8,290</td>
</tr>
<tr>
<td><strong>Aging</strong></td>
<td>Support the lifestyles of the elderly by contributing to the creation of a society conducive to healthy aging, both mentally and physically</td>
<td>Cumulative number of the products improved with Universal Design considerations**10</td>
<td>2,066</td>
<td>2,876</td>
<td>3,585</td>
<td>4,666</td>
</tr>
<tr>
<td><strong>Partnership with the community</strong></td>
<td>Engage in social activities with local communities to contribute to an improved quality of life</td>
<td>Number of times information was provided to employees regarding volunteer activities</td>
<td>79</td>
<td>71</td>
<td>67</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Educational activities for external parties provided through transmitted information</td>
<td>71</td>
<td>99</td>
<td>59</td>
<td>60</td>
<td>70</td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
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<th>Items</th>
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<th>Results</th>
<th>Targets</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Integrity</strong></td>
<td>Instillment of Integrity throughout the entire Kao Group</td>
<td>BCG test rate</td>
<td>87.2%</td>
<td>96.4%</td>
<td>97.5%</td>
<td>97.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of serious compliance violations*11</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Diversity and Inclusion</strong></td>
<td>Maximize employee potential through Diversity and Inclusion</td>
<td>Percentage of female managers</td>
<td>27.6%</td>
<td>27.5%</td>
<td>25.4%</td>
<td>25.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of female managers (Japan)</td>
<td>10.1%</td>
<td>10.4%</td>
<td>13.1%</td>
<td>14.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cumulative attendance rate for manager training on diversity and increasing management capabilities</td>
<td>—</td>
<td>—</td>
<td>8.2%</td>
<td>55.7%</td>
</tr>
<tr>
<td><strong>Employee health and safe workplaces</strong></td>
<td>Improvement of health literacy and safety awareness among employees</td>
<td>Total participants for health promotion programs</td>
<td>—</td>
<td>—</td>
<td>31,885</td>
<td>36,259</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lost time accident frequency rate*14</td>
<td>0.54</td>
<td>0.61</td>
<td>0.67</td>
<td>0.55</td>
</tr>
</tbody>
</table>

*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.