

# Contents

Editorial Policy .....	2
------------------------	---

## Philosophy, strategy & framework

Top Message .....	3
Message by Dave Muenz .....	7
Kao's Corporate Philosophy .....	8
Kirei Lifestyle Plan—Kao's ESG Strategy .....	9
Stakeholder Engagement .....	30
COVID-19 Response .....	32

## Our initiatives in 2021

Realization of the Kao Corporate Philosophy .....	35
---	----

## Making my everyday more beautiful

Improved quality of life .....	40
Habits for cleanliness, beauty & health .....	45
Universal product design .....	49
Safer healthier products .....	56

## Making thoughtful choices for society

Sustainable lifestyle promotion .....	60
Purpose driven brands .....	71
Transformative innovation .....	76
Responsibly sourced raw materials .....	83

## Making the world healthier & cleaner

Decarbonization .....	94
Zero waste .....	113
Water conservation .....	131
Air & water pollution prevention .....	141
Product lifecycle and environmental impact .....	151
Environmental accounting .....	153

## Walking the right path

Effective corporate governance .....	155
Full transparency .....	168
Respecting human rights .....	175
Human capital development .....	188
Inclusive & diverse workplaces .....	204
Employee wellbeing & safety .....	220
Responsible chemicals management .....	244

## Fundamental section

Corporate governance .....	255
Risk and crisis management .....	267
Responsible care activities .....	275
Product quality management .....	284
Information security .....	292
Strategic digital transformation (DX) .....	301
Intellectual property .....	306
Tax strategies .....	312
Biodiversity .....	316
Communication with consumers .....	330
Process safety and disaster prevention .....	338
Corporate citizenship activities .....	344
Main corporate citizenship activities of worksites and group companies .....	370

## Appendix

Kirei Lifestyle Plan KPI definitions .....	373
External evaluations and recognitions .....	379
Independent assurance report .....	381
GRI Standards table .....	382
ISO 26000 table .....	394
TCFD Index .....	396

## How to Use This PDF

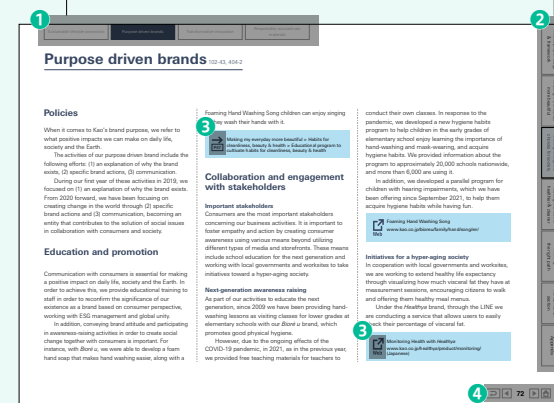
For easy page scrolling, the category tabs are located at the right edge of each page, and the category details tables are located at the top. The link buttons to relevant pages and external sites are also available in the text.

### 1 Category details tabs

Click on a title to go to the top page of the category, and to access the individual items under that category.

### 2 Category tabs

Click on a title to go to the top page of the category.



### 3 Link buttons



Click the icon to go to the relevant external site.



Click the icon to go to the relevant page in this report.

### 4 Navigation buttons



Click the return arrow to go back to the previous page.



Click the left arrow to go back one page.



Click the right arrow to go forward one page.



Click to show the table of contents.

\* Please note that, depending on the operating environment, the navigation buttons may not work, or may not display properly. If you experience this, please download the document.