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As part of Kao's ESG-driven Yoki-Monozukuri, we provide products and services based on our Universal Design Guidelines.

Kao's creating value to address social issues

Social issues we are aware of

In order to realize continued, sustainable growth for society, it is important to realize a world in which all individuals are respected, and in which people can fulfil their potential in the way that suits them best. For this reason, we believe that there is a need to provide products that are easy to use for everyone, regardless of cultural background, nationality, beliefs, ethnicity, gender, identity or abilities, and to provide related information in a way that is easy to access.

Risks related to realization of What Kao Aims to Be by 2030

If products do not take universal design

considerations into account adequately, then there is a risk of improper usage by consumers, and of other safety issues. Furthermore, even products developed with safety in mind may be used improperly if easily understood information about how to use them correctly is not provided. Failure in this regard could have a negative impact on safety for consumers, and could lead to a loss of trust in our products and in the company itself.

Opportunities related to realization of What Kao Aims to Be by 2030

Helping to enrich the lives of people all over the world through Kao products and through the provision of information will reinforce trust in our company as an enterprise that is vital to maintaining a sustainable society.

Kao's creating value

We have promoted development and provision of products that anyone can use easily under the basic concept of our consumer-focused *Yoki-Monozukuri*. Going forward, to contribute to the universal SDG target of leaving no one behind, we will deliver satisfaction and inspiration to all the consumers we serve, and strive to enrich people's lives.

To this end, we will implement manufacturing and provide products based on a consumer-focused perspective, so that all consumers can enjoy a stressfree experience in the various stages of selecting, purchasing, using and disposing of products. We also aim to provide support so that using the information we disseminate and the products we supply will contribute toward a strengthening of the links between people and between people and society.

Contributions to the SDGs



Policies

Kao Universal Design Guidelines

User-friendly products We strive to deliver "user-friendly products" by focusing on "accessibility," "safety" and "usability."

Creating joy through products We strive to create products that bring joy to people in their daily lives.

> Social inclusion By giving due consideration to diversity and diverse relationships as we influence lifestyles, we aim to contribute to the promotion of social inclusion.

We implement universal product design in accordance with the Kao Universal Design Guidelines, which were formulated in 2011.

We will promote ESG-driven *Yoki-Monozukuri* throughout the company, and by delivering satisfaction and inspiration to all consumers in their daily lives through the use of Kao products, we will strive to become a consumer product industry leader in the use of Universal Design (UD). roduct design

Specific initiatives to achieve this are set forth below.

1. Adoption of the consumer's viewpoint in the promotion of UD, from product awareness to consumption and final disposal in the home Realizing user-friendly products, which is a core aspect of the Kao Universal Design Guidelines

Along with focusing on accessibility and usability as well as safety and security, we will disseminate easily understood product and service information at each stage from product awareness and selection to purchase and disposal.

Regarding the key points of accessibility, usability, and safety and security, we implement checks both at the product development stage, and at the after-sales stage (including utilization of feedback received from consumers). The results of these checks are reflected in subsequent product development and information provision.

2. Monozukuri Project promotion and strategic PR from a UD-centered perspective

We believe that for the socially vulnerable, UD is not merely value added, but is the value of the product itself. Going forward, we will launch UD-focused Monozukuri Promotion Projects in each business division that target senior citizens, who constitute a core group in Japan's hyper-aging society, and we will expand our offering of products that embody an enhanced UD perspective.

We will also strengthen our information and service offerings that utilize information and communication technology, and collaborate with stakeholders including distribution companies and local governments, and actively convey the customer perspective.

3. Promoting UD from a global perspective

Further promotion of UD will require an approach that takes differences in culture and habits into account at the level of the individual country or region. At the same time, an approach to UD that takes diversity into account is something that is needed globally, and which will need to be updated on an ongoing basis. While responding to the need for a UD perspective in those countries and regions where there is the highest demand for it, and taking these initiatives as pioneering examples of what can be achieved, we will also be expanding the addressing of UD concerns to bring about an overall enhancement of UD on a global basis.

Education and promotion

Deploying a structure for UD-centered manufacturing throughout the company

A cross-business approach is vitally important for UD promotion. Each business division has appointed a new UD promotion leader to collaborate with our Consumer Communication Center, which features a consultation window that deals directly with consumer requests and feedback, as well as with R&D and Creative, to promote UD-centered manufacturing.

In addition, rather than the internal ESG awards that were originally planned, we have adjusted our internal recognition system, creating opportunities for the expression of thanks and for commendations relating to everyday initiatives not only at a company-wide level but also within individual units. Through these measures, we are aiming to enhance UD promotion awareness for all employees, and to help employees recognize that UD is directly relevant to them.

Internal education system

We hold Workshops for Promoting Empathy with Elderly People, with the aim of helping our employees develop greater empathy for the elderly and a sense of direct connection with the problems they face. During the COVID-19 pandemic, taking into account the needs of infection prevention, we have been disseminating information by video, and expanding the provision of online and virtual activities for our employees.

Collaboration and engagement with stakeholders

Manufacturing that reflects consumers' views

Kao's consumer support desk inside our Consumer Communication Center receives large numbers of consumer comments on and responses to Kao products that are already on sale. These comments are shared in daily, monthly and annual reports, in a manner that considers why the comments were received, the background to the comments, and the feelings that they embody. In addition, the comments are also shared at the Quality Improvement Study Meetings that individual business divisions hold on a monthly basis, and lead to further improvements in products.

By utilizing consumer feedback in product development and improvement, and providing related information, not just at the development stage but also in the after-sales stage, we are able to develop products that are even more user-friendly. Appendix

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Universal product design 416-1, 417-1

Implementing communication with diverse consumers enables us to adjust our approach to products and to information.

Exchanging information with consumer groups and consumer protection agencies

By exchanging information on a regular basis with government consumer protection agencies, including local consumer affairs centers, and with consumer groups, we are able to inform them about, and secure their understanding regarding, the proper ways to use and dispose of products, which can help to prevent consumer issues from emerging in advance, and regarding risk prevention, ensuring product effectiveness from a hygiene perspective, and the key aspects of UD. We have also been able to win the support of local communities for our efforts to ensure that consumers can enjoy safe lives with peace of mind.

Framework

Of the 19 actions included in our Kirei Lifestyle Plan (KLP), improved quality of life, habits for cleanliness, beauty & health, universal product design, sustainable lifestyle promotion and purpose driven brands are being promoted as a common framework.

The ESG Managing Committee, which meets six times a year, deliberates on these matters under the supervision of the Board of Directors. The committee is chaired by the President, and its members include directors and executive officers responsible for ESG, Business, R&D, Product Quality Management, SCM, Sales, etc., helping the committee to coordinate its activities with our business activities. The committee reports on its activities to the Board of Directors at least once a year, and receives oversight from the board.

Kirei Lifestyle Plan—Kao's ESG Strategy > ESG governance structure

Mid- to long-term targets and performance

2030 long-term targets

1. Practice UD-centered manufacturing on a continuous basis

We will expand ESG-driven *Yoki-Monozukuri* from a UD perspective not only in Japan, but also globally. We will also promote the UD-centered *Yoki-Monozukuri* Project, which aims to solve social issues, and accelerate the release of UD-centered new products. To this end, we will undertake product development that takes third-party opinions from a UD perspective into account at an early stage, across all household products businesses, and this content will be disclosed outside the company.

2. Adopt a UD perspective when disseminating information

We will adopt a UD perspective in information dissemination and retail shop design. In particular, by 2025 we will fully utilize DX to provide information for all products that enables anyone to easily access and confirm what they need to know when selecting and using those products. At the same time, we will undertake the dissemination of information in collaboration with retailers and with the media so that senior citizens, who tend to have restricted access to information, can be sure of receiving the information they need.

We will also strive to ensure that as many people as possible can access vital hygiene information, in a stress-free way.

3. Promote understanding on the part of stakeholders

We aim to enrich the lives of people globally and to contribute to the sustainability of the world by spreading awareness of UD initiatives as widely as possible and fostering understanding of these measures among stakeholders.

Universal Product Design www.kao.com/global/en/sustainability/topics-youcare-about/universal-design/

Anticipated benefits from achieving mid- to longterm targets

Business impacts

The need to respond to the hyper-aging society and the diversification of society so that all people can live healthy lives constitute global challenges. By utilizing our attention to detail to develop products that are easy to use for diverse groups of people throughout the world, and to disseminate product-related information, we can enhance our global presence, which will also lead to growth as a brand and as an enterprise.

Social impacts

The consideration that we display—for example by adding notches on shampoo bottles—in the design of household products, which are familiar items for children, can provide widespread opportunities for thinking about universal design, and our initiatives in this area are now being used as examples in school education in Japan.

We believe that providing products that are easy to use for everyone, regardless of age, gender, disability, race, ethnicity, birthplace, religion or economic status, etc., and making consumers aware of our efforts in this regard, can itself contribute toward generating greater diversity among consumers.

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Performance in 2021

1. Product development from UD perspectives

- Percentage of new and improved products that incorporate UD perspective* Japan: 98%, 984 items
- We have launched products such as *Bath Magiclean Airjet*, which allows stress-free cleaning of the bathroom, and *Bioré Guard Sanitizer Foam*, an easy-to-use foam-type sanitizer product.
- * Regarding the data for Japan, up until last year the percentage for improved products was calculated by comparison with the previous products, but starting from this year the calculation is based on more precise assessment of whether products feature UD considerations.
- * Last year, improvement percentage data was given for Kao products in Europe and the Americas. However, this year, data for Europe and the Americas has not been given, because the basis for comparison is being revised.

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

- We provided lifestyle information content, and our employees volunteered to help record narrated information, for *Home Life*, a voice-based magazine published by the Japan Braille Library.
- We collaborated with viwa, an organization that provides living support for people with visual impairments, on the production of *Liese*— Hairstyling Information You Just Listen To, to

provide information about hairstyling in an audio format that is easy to understand on our website.

Initiatives to aid people with hearing impairments

- TV commercials with closed captioning We have been promoting the airing of closed captioning TV commercials in regular broadcasts since 2011. So far, around 1,900 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. We are implementing initiatives to have more TV commercials with closed captioning shown during regular TV broadcasts.
- Activities in which Kao employees with hearing impairments play a central role

As part of the activities undertaken by Kakehashi, a community organization created by Kao employees with hearing impairments as volunteers, special teaching materials were developed for giving handwashing classes at schools for children with hearing impairments.

3. Promote understanding on the part of stakeholders

As was the case last year, the number of awarenessraising activities has been reduced due to the impact of the COVID-19 pandemic. However, a presentation on our universal design initiatives was given online in the Okayama UD Ambassador Cultivation Seminar organized by Okayama Prefectural Government. We have also undertaken various other activities, such as providing UD materials for use by elementary school students (in two municipalities).

Reviews of performance

We have been emphasizing the UD-driven aspects of product design when launching new products in Japan since 2012, and an emphasis on UD is now firmly established in all segments of our Household products. However, as the pursuit of UD is an ongoing process with no end-point, we recognize the need for a more objective assessment of our efforts in this area. This year, we reviewed the UD-driven aspects of product design for each individual product. Going forward, we will be considering seeking evaluation widely from third parties in addition to our own in-house evaluation.

This year, besides products, we have also been implementing initiatives to provide information in a way that takes UD into account. We are considering ways to undertake more wide-ranging activities, by not just disseminating information, but also listening to the views of the people who receive it. Philosophy, strategy & framework

Universal product design 417-1

Our initiatives

UD considerations in relation to the products that we launched and the information that we disseminated in 2021

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 products that Kao launched in 2021 took UD into account.

Bath Magiclean Airjet

According to Kao surveys, around 50% of people in Japan clean the bath every day. Regardless of what equipment you have, and regardless of what age you are, for many people cleaning the bath involves an awkward posture, forcing them to bend down and putting strain on the knees and back.

Bath Magiclean Airjet, which we launched in September 2021, aims to make cleaning the bath (and other surfaces in the bathroom) simple and straightforward. It features a new container design, embodying UD considerations, which allows the user to squirt a continuous jet of mist-like cleaner.

The use of a pressure accumulation type nozzle with continuous spray makes it possible for anyone to spray the surface to be cleaned evenly, without gaps or overlaps, with small amounts of mist-like cleaner. The container is designed so that the user naturally places their finger on the end of the lever when they hold the container, and effective utilization of the leverage principle makes it easy to operate the lever, facilitating continued spraying. The cleaning agent used is tougher than previous agents, and the formula is designed so that even residual dirt where solid sebum has adhered to the area around lumps of protein will come off easily. Even congealed slime that has accumulated in the four corners of the bathtub can be cleaned within 30 seconds without the need for vigorous rubbing, and soap residue on bathroom stools or washbasins can also be removed easily.

Feedback from customers who have used *Bath Magiclean Airjet* has been very positive, with comments such as: "Because I suffer from back pain, I find it very difficult to bend down, and I don't have the strength to rub surfaces vigorously with a sponge. This new product can be sprayed on while standing upright, and it cleans the slime off the bathtub without needing to rub away with a sponge. It has made cleaning the bath a lot easier!" "In the past, when I have used a spray-type cleaner product, I found it difficult because it made my hand hurt, so being able to spray with just gentle pressure is perfect for me!" "It brings the dirt off very well, and everyone in my family who helps with cleaning the bath loves this product," and "My son is now willing





to help clean the bath for me."

Going forward, we aim to continue providing products and services that anyone can use easily, making housework easier and less physically demanding, and making the consumer's everyday more beautiful.

Making hand hygiene stress-free and fun The evolution of foaming hand soap

It is important for children to acquire hygienic habits from a young age. In 2004, we launched *Bioré u Foaming Hand Soap* to help young children, who sometimes find it difficult to get soap to lather, to get into the habit of hand-washing in a fun, easy way. Since 2009, we have been providing hand-washing lessons, particularly for children in the younger year groups at elementary schools, to teach them correct technique for hand-washing. These lessons have been effective in bringing across how important it is to wash your hands properly.

In 2019, utilizing technology we had developed that makes it possible to create soap foam in various different shapes, we launched *Bioré u Whip Stamp Handwash*, which produces foam in the shape of flowers, with the aim of getting children into the habit of washing their hands by making it enjoyable. We received very positive feedback, with comments such as "It is convenient because it can be used

with just one hand," and "The children now enjoy washing their hands." In August 2021, responding to feedback that indicated that, when children were using the product, it tended to slip off the surface it had been placed



Appendix

& health

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on because they couldn't exert enough pressure on the bottle to keep it steady, which was upsetting for them, we changed the shape of the bottle from oval-shaped to circular, making it more stable. Following improvements of this kind, we have received comments from users indicating that this product has become easier to use. For example, one user reported that "My four-year-old daughter wasn't able to create neat flower-shaped foam before, but now, with the new container, the flowers bloom right away, and she is very happy."

Development of Hairstyling Information You Just Listen To for the Liese brand

In April 2021, Kao's *Liese* hair care brand began presenting Hairstyling Information You Just Listen To audio content on the brand's official website, so that people who are bad at styling hair and people with visual impairments can access easy-to-understand information about how to perform hairstyling with peace of mind.

Audio content production has been undertaken since 2020 in collaboration with viwa, an organization that provides living support for people with visual impairments.

The aim was to provide hairstyling information that can be understood just by listening to it, for everyone from beginners to people who already have advanced hairstyling skills.

People associated with viwa were very pleased with this initiative, commenting that "By building an image in your mind based on the audio explanation, it was possible to style hair beautifully!" "The narration was very easy to absorb, and I could understand what items I needed to use, how much, and where to apply it," and "Now that I know how easy it is, I want to try some hairstyles that I never dared do before!"

Going forward, we will develop information that makes it possible for anyone to learn how to do things easily in other

areas besides hairstyling.

Web



Hairstyling Information You Just Listen To www.kao.co.jp/liese/listen_hairstyling/ (Japanese)

Employees' voice

Aiming to realize a world without disparities in access to information

Hiroko Kaneshige

Copywriter (Cosmetics), Advertising Communication, Kao Corporation



Everybody wants to look beautiful, regardless of whether they have disabilities. However, beauty-related information usually needs to be seen or read. There is relatively little information available for people with visual impairments, resulting in a disparity in access to information.

The Hairstyling Information You Just Listen To audio content that Kao has created represents an initiative aimed at contributing toward the realization of the goal of "No one will be left behind," one of the underlying principles of the SDGs. Rather than just undertaking the temporary dissemination of information, I hope that we will be able to continue providing information that is useful to people who suffer from various inconveniences, without limiting this to any particular brand.

Promoting employee UD understanding

Producing a video version of the Workshops for Promoting Empathy with Elderly People, and implementing related online experiential activities With the aim of enhancing empathy for senior citizens, since 2012 we have been implementing the Workshops for Promoting Empathy with Elderly People for our employees. During the COVID-19 pandemic, it has not been possible to implement face-to-face workshops that bring large numbers of people together, so we have produced explanatory videos based on the experience of past workshops, and these have been made available for use in employee training. We have also implemented, on a trial basis, online experiential workshops that employees can participate in at home. Employees who have participated in these workshops were able to experience for themselves how inconvenient the homes where they normally live without a second thought could be for senior citizens, and noticed many things from simulating an elderly person's experience, including physical discomfort and changes in mood.

In the future, we intend to continue providing various experiential activities to support manufacturing that takes senior citizens' feelings into account.

Barrier-free access to information

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Fundamental section > Corporate citizenship activities > Barrier-free access to information

Universal product design

Giving consideration to making it possible to use products more safely

Using opening-prevention stickers to warn users of chlorinated spray products of the need to exercise caution when using them

Spray-type chlorinated bleach products and moldremoval cleaning agents for bathroom use are convenient products that make it possible to easily spray the agents where they are needed in mist form. However, the risk of harm to objects or to human health if they become airborne and adhere to other surfaces is greater than it is with other products, so it is very important to exercise caution when using them, to prevent problems from arising.

In the past, we took many different steps to help prevent these products from being sprayed in the wrong place, for example by fitting them with levers to prevent unintentional spraying, and by adding a warning on the front of the bottle stating that "If liquid starts to leak out, this indicates that the bottle is deteriorating," to warn users that leaks may occur if the bottle continues to be used for longer than the length of time it is designed to last for, and to encourage them to purchase a replacement. However, these measures did not really have an adequate warning effect.

Although we have eliminated the use of eye-

catching plastic stickers throughout the company, we have continued to use opening-prevention stickers on these types of chlorinated spray product in order to prevent accidents due to inappropriate use in retail stores, etc. The content of the text on these stickers has been changed, with content relating to product features etc. being eliminated, and instead focusing on how consumers should store the products, and warnings about how to use them safely.



Eye-catching plastic stickers used in the past (*Kitchen Haiter Foam*) After modification