

Employee wellbeing & safety 102-15, 103-1, 103-2, 103-3, 403-6 (Occupational health and safety 2018)

Optimistic, energetic employees (what we refer to as “GENKI employees”) are the foundation of Kao’s business activities. We as a company are only as strong as the health of our employees.

Besides promoting Health and Productivity Management® and implementing health promotion to maximize employee power and potential, we also expand the scope of application of initiatives that have proved to be effective to include other Kao workplaces, the local community and consumers in general

Employee wellbeing

Kao’s creating value to address social issues

Social issues we are aware of

Aging

With the global trend toward the aging of the population, there has been an increase in the percentage of people affected by chronic diseases. Many senior citizens require support or care because of disease or deterioration of joints or muscles.

Within Japan, there has been a steady rise in medical expenses because of this situation, and companies’ health insurance societies are experiencing significant financial problems.

The spread of infectious diseases

The spread of the COVID-19 pandemic throughout the world has had a major impact on people’s health and on how people live within society, and there has been an increase in the number of people reporting physical and mental health issues because of being isolated or having to work in an unfamiliar environment.

The raising of the retirement age, and increased female participation in society

With people tending to work to a more advanced age, and with the increase in the number of working women, it has been reported that around 30% of people will develop cancer while they are still of working age. It can be anticipated that the

number of cases of people continuing to work while dealing with chronic diseases such as cancer will increase still further.

Kao’s creating value

We believe that it is important for us to provide support to help people improve their lifestyle habits in response to the New Normal, and to further enhance the support that we provide for disease prevention and early diagnosis and treatment of medical issues, as well as support for people who deal with medical conditions.

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

We aim to realize a working environment and a society, in which a variety of lifestyle habit improvement activities can be implemented cheerfully and enthusiastically, to help each individual recognize the health issues that are relevant to them personally and work to maintain the best possible health status.

The aging of the population has been accompanied by an increase in the number of employees affected by lifestyle diseases and by diseases such as cancer and musculoskeletal disorders, and there is a risk that changes in the living environment due to infectious diseases will interfere with the health of the individual.

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

As a company, we intend to provide support to help employees who possess health literacy (in other words, being able to recognize the importance of their own health issues) to improve their health through self-directed,

self-disciplined efforts.

Programs originally designed to help Kao employees maintain and improve their health are also made available for external use, and are being deployed for health maintenance and promotion activities in local communities and in workplaces. We hope that the initiatives at Kao will have a positive influence on local communities and workplaces, and contribute to improved health and increased lifespans for society as a whole.

Kao’s creating value

We view the health of our employees and their families as being an important asset for the company and as the source of the company’s vitality. The Kao Group Health Declaration was announced in 2008 as an important message from top management, and we have been working for years now to promote Health and Productivity Management.

We continue to endeavor to limit excessive increases in medical expenses through preventive initiatives including the promotion of lifestyle improvements and active implementation of various health guidance measures. We are focusing our efforts on the control of long working hours through promotion of modulated work styles and mental health training for managers from the perspective of promoting pleasant workplaces. With respect to employees suffering from chronic disease, or from cancer or other diseases, in order to help these employees maintain the right balance between managing their health issues and their work responsibilities, we offer support which, rather than being “one size fits all,” is carefully tailored to the actual circumstances of each individual employee.

One of our key assets in this area is having accumulated basic health data (including employees’ health examination

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results and records of their participation in related special events) over a period of many years. By combining these data with job stress assessment results and other employment-related information, we are able to implement integrated analysis of employees' health status. A second asset is being able to implement health promotion initiatives that leverage our own healthcare know-how. A third asset is the results achieved through years of Health and Productivity Management initiatives, which have given us extensive Health and Productivity Management know-how (including an awareness of which programs have not been effective).

Besides working actively to spread awareness of our initiatives outside the company, we also provide related healthcare services outside the company through our GENKI Project.

Contributions to the SDGs



Policies

The Kao Group Health Declaration

Along with promoting healthy bodies, we are striving for the expansion of reliable healthcare based on evidence from inside and outside the company for not only employees and their family but also for communities, workplaces and consumers. Together we will realize healthy and enriched lives for all.

Well-being

Making things better for everyone



Cultivation of employees with high health literacy

We are working to make our health promotion activities more visible, engaging in Health and Productivity Management® using the PDCA cycle to improve employee health, with the aim of increasing the number of employees with high health literacy.

We consider employees with high health literacy as employees who do the following:

1. Reviews and improves lifestyle independently, based on health check-up results
2. When necessary, consults with a family doctor who can view their health data and provide advice, rather than just consulting occupational physicians
3. Maintains awareness of their mental health, and confers with appropriate professionals as needed

Six health promotion initiatives

Rather than merely fulfilling the minimum requirements for health management that we are required to meet as a company, we implement health promotion in line with the six core themes below. Health promotion

refers to the independent maintenance and improvement of the employee's own health.

1. Lifestyle diseases
2. Cancer
3. Smoking cessation
4. Mental health care
5. Women's health
6. Senior health

Education and promotion

We have issued the Kao Group Health Declaration, and our employees both within and outside Japan are familiarized with this, for example through the provision of an English-language version.

Within Japan, various on-site campaigns, seminars and health promotion activities are deployed in line with the six core health promotion initiatives.

As a result of the implementation of these types of initiatives, the percentage of employees who have taken steps to improve their lifestyle habits now stands at 28.0% in the case of male employees (representing a year-on-year increase of 0.7 percentage points) and 21.2% for female employees (representing a year-on-year increase of 2.6 percentage points*). There has also been a decrease in presentism (where employees go in to work, but are unable to perform properly due to health issues), the incidence of which has declined to 23.9%.

* Based on the results obtained in the 2020 periodic health check-up questionnaire

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Collaboration and engagement with stakeholders

In order to spread awareness of our employee nutrition improvement program throughout the world, we have joined the Nutrition Japan Public Private Platform, and we are undertaking related activities.

For mental health care, we collaborate with an external Employee Assistance Program to provide consultation services for employees and their family members.

Within Japan, we also make effective services that we have developed available outside the company, based on the needs reported by external experts in occupational health promotion and local government officials. For example, we have made a useful contribution toward the prevention of societal health issues such as metabolic syndrome and locomotive syndrome.

To create new health value, we also promote collaborative research with external organizations.

➔ Examples of collaboration with stakeholders

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Framework

Systematization of the health promotion framework

Our health promotion strategy embodies collabohealth (i.e., close collaboration between health insurance providers and companies to safeguard employees' health), with the company and the Kao Health Insurance Society working closely together to formulate plans for strategy implementation, which are discussed at regular, monthly meetings.

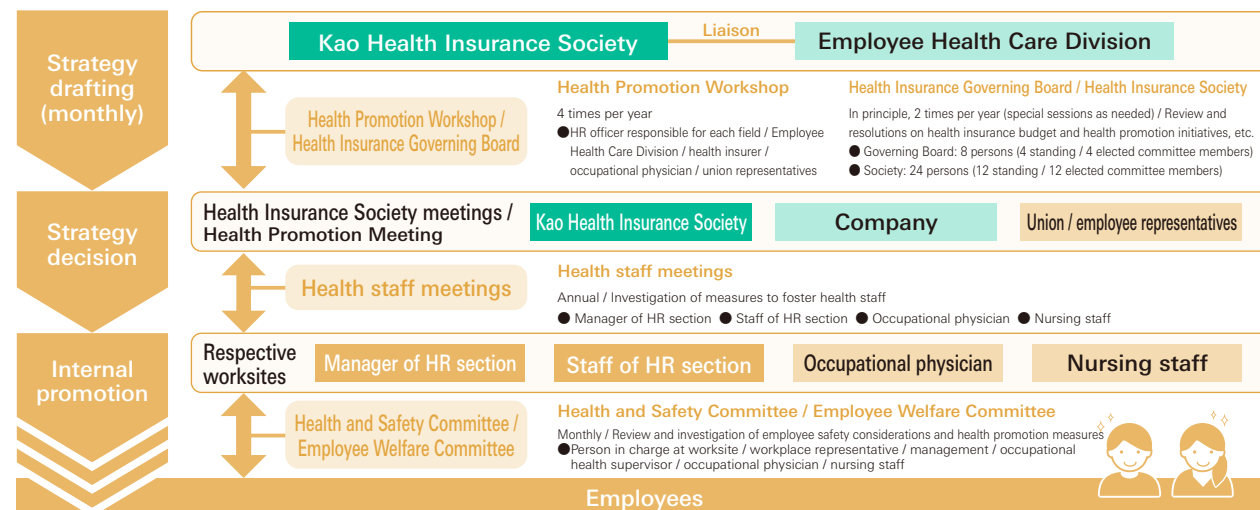
Major strategies are finalized at a company-wide Health Promotion Committee meeting after consideration by working groups and the committee members of the Kao Health Insurance Society with employee representatives. We have an appropriate number of health staff who possess specialist expertise permanently available, and these health staff are actively involved in the implementation of health

promotion strategies of various kinds. At every individual worksite or branch, the manager and staff of the HR section work together with occupational physicians and nursing staff.

Information on the state of progress in Japan is shared with group companies outside Japan, and the specifics of health management are implemented in line with government policy in each country or region.

In 2020 and 2021, in response to the COVID-19 pandemic, we held meetings of the Emergency Response Team Headquarters at least once a month, and measures taken in response to the pandemic—including those taken by group companies outside Japan—were shared and confirmed during these meetings. Issues relating to these measures were shared with risk managers and human resources managers via the senior management of individual overseas group companies, to facilitate effective implementation.

Health promotion framework (Japan)



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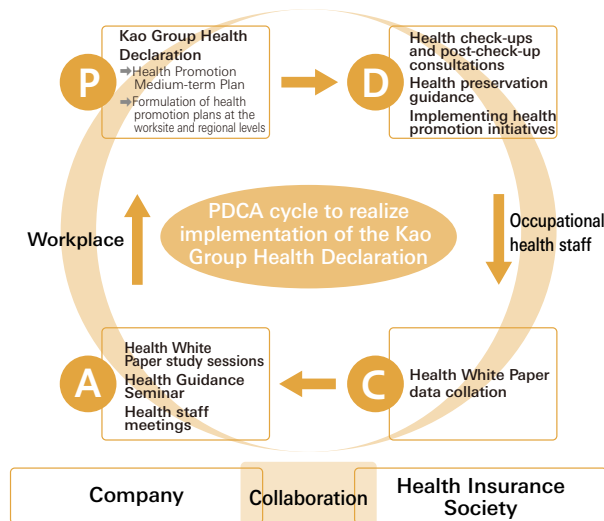
Increasing the visibility of the Health Promotion Management System

Since 2009, we have compiled a statistical summary of the previous year's health data in an anonymized format (including medical interviews, check-ups, occupations and diseases), and made this information available to the 19 health consultation rooms throughout Japan.

Each health consultation room then drafts and implements a health services plan based on the health data for their respective regions.

Since 2009, we have held annual Health White

Health Promotion Management System



Paper study sessions so that employees in charge of human resource and general affairs and occupational health nurses can together learn methods of analyzing the various types of health data and of formulating measures.

➔ Kirei Lifestyle Plan—Kao's ESG Strategy > ESG governance structure
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Cultivation of health staff and internal information sharing

The annual health staff meeting, which brings together managers and staff of HR sections, occupational physicians and nursing staff, was held online in December 2021, with the aim of spreading awareness of Kao Health 2025, the company-wide strategy for health, as well as recognizing examples of Health and Productivity Management best practice, with the aim of realizing horizontal diffusion to other worksites and branches.

In 2021, the gold medal for best practice went to the Wakayama Office and Kashima Office for their Initiative for Continued Implementation of Health Promotion during the COVID-19 Pandemic—Wakayama vs. Kashima: Let's Eat Breakfast Campaign. The silver medal went to the Tochigi Office for its Making Existing Habits into a Relaxing Time—Providing Collaborative Plans for the Effective Utilization of Research Results in Health Promotion

initiative. Bronze medals were awarded to the Tochigi Office, for its Initiative to Cultivate Leaders with a High Sense of Coherence, to KCMK's Northeast Region Office, for its Effectively Utilizing Kiranes Cards program, and to KCMK's Kinki Region Office, for its Special Activity Involving Not Only Occupational Physicians and Nursing Staff But Also Project Team Formation.

In addition, in January 2022 we implemented a Health Guidance Seminar with the aim of enhancing the health guidance capabilities of nursing staff. At the health staff meetings and Health Guidance Seminar, besides discussing strategies, we also hold study sessions regarding perspectives on health data and occupational health plan formulation methods.

We also encourage occupational health staff to attend training seminars to enhance their skill levels.

More than 100 occupational health staff have participated in these training seminars, including 21 staff who attended training seminars for specific health guidance program specialist staff, 12 staff who attended training seminars for mid-ranking and senior specific health guidance program staff, 32 staff who attended training seminars relating to data analysis, and 36 staff who attended training seminars relating to health services.

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Mid- to long-term targets and performance

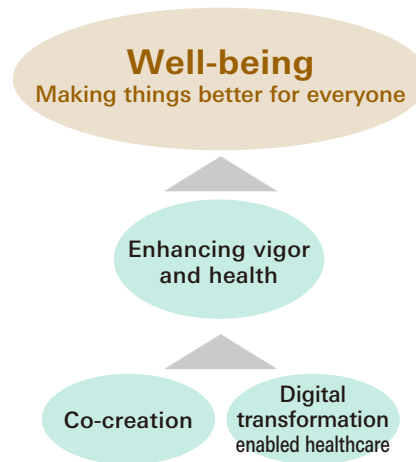
Mid- to long-term targets (Kao Health 2025)

We have formulated Kao Health 2025, a new health value creation activity which will involve the participation of both employees and their family members, looking ahead to the year 2025.

Besides strengthening occupational health activities, which are the foundation for Health and Productivity Management, we will also be implementing new health value projects that are supported by our healthcare know-how and digital technologies, together with employees and their families.

Kao Health 2025

We will work together with our employees to build workplaces that brim over with vigor and energy, with GENKI employees, and their family members, displaying high health awareness.



Anticipated benefits from achieving mid- to long-term targets

Business impacts

- Prevention of manpower loss due to decreases in long-term absenteeism
- Reduction in costs of specific health guidance due to decrease in numbers of employees receiving specific health guidance
- Enhanced productivity from increase in highly motivated employees

Social impacts

- Enhanced productivity and provision of improved products and services to society
- Provision of exemplary case studies in promotion of Health and Productivity Management to society
- Reduction of the social welfare burden on the country as a whole and on individual communities through the health of our employees and their family members

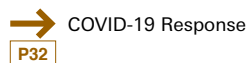
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Performance in 2021

Performance

Response to the COVID-19 global pandemic

We set the emergency level as “level 3,” the highest level, and held a meeting of the Emergency Response Team Headquarters (headed by the President) to decide on response policies focusing on ensuring the safety of employees and their families and on the continuity of business activities.



Key health indicators for Kao Group employees in Japan

Item	2017	2018	2019	2020
Percentage of employees undergoing periodic health check-ups	100%	100%	100%	100%
Percentage of employees who underwent follow-up examinations	91.3%	93.9%	94.9%	92.8%
Percentage of employees who eat breakfast at least three times a week	Male 77.2% Female 74.3%	Male 77.6% Female 75.5%	Male 77.1% Female 76.1%	Male 76.5% Female 76.3%
Percentage of employees who exercise at least once a week	Male 55.9% Female 31.8%	Male 56.4% Female 35.0%	Male 57.5% Female 36.5%	Male 60.3% Female 40.4%
Percentage of employees who walk for at least 60 minutes a day	Male 57.1% Female 63.5%	Male 53.9% Female 60.7%	Male 56.0% Female 61.7%	Male 55.6% Female 60.6%
Percentage of employees who get adequate sleep	Male 68.4% Female 63.7%	Male 64.0% Female 62.2%	Male 63.0% Female 61.9%	Male 63.8% Female 62.6%
Percentage of employees who do not smoke	Male 70.5% Female 80.0%	Male 72.3% Female 80.8%	Male 72.6% Female 81.6%	Male 74.0% Female 83.0%
Percentage of employees engaged in improving their lifestyle habits	— —	Male 28.4% Female 18.2%	Male 27.3% Female 18.6%	Male 28.0% Female 21.2%
Percentage of employees who do not drink alcohol every day	Male 81.6% Female 91.3%	Male 81.4% Female 91.2%	Male 82.1% Female 91.4%	Male 82.0% Female 90.6%
Percentage of employees with a BMI of 25 or higher	Male 24.9% Female 12.3%	Male 25.5% Female 13.4%	Male 26.7% Female 14.0%	Male 28.5% Female 15.0%
Percentage of employees who are at risk of developing metabolic syndrome (employees aged 35 or over)	Male 30.8% Female 6.4%	Male 30.6% Female 6.6%	Male 32.3% Female 7.4%	Male 36.9% Female 8.9%
Percentage of employees receiving specific health guidance (employees aged 40 or over)	Male 18.4% Female 7.3%	Male 18.3% Female 7.8%	Male 19.0% Female 7.9%	Male 22.4% Female 9.2%
Specific health guidance implementation rate (employees aged 40 or over)	73.5%	72.2%	71.6%	63.2%

Note: Health check-up and interview results for 2021 will be published in the following fiscal year.

Reviews of performance

Global

With regard to strategies implemented in response to the COVID-19 pandemic, we have implemented response measures on a global basis, based on the overall strategy decided on at meetings of the Emergency Response Team Headquarters, and in line with the instructions received from government agencies in each country. As a result, we have been able to keep the number of people infected with COVID-19 down to a very low level.

Kao Group in Japan

By comparison with 2017, our employees have become older, with the average age of our employees now being relatively high. However, there has been an improvement in terms of most lifestyle habits. The share of employees reporting high levels of stress has fallen, and the invigorated workplace ratio has risen. On the other hand, there has also been a decrease in the average number of steps walked each day, an increase in the number of employees who do not sleep well, and an increase in the number of employees who are overweight.

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Our initiatives

COVID-19 measures (Japan)

COVID-19 infection prevention awareness-raising activities

As a countermeasure in response to COVID-19, in January 2020 we established an Infection Countermeasures Team. The team formulated rules governing how employees should take care of themselves if they feel unwell, and implemented measures relating to the working system and workplace environment. We also began implementation of health status surveys using our safety verification system. If an employee reported feeling unwell, nursing staff implemented a follow-up examination.

In 2021, we continued to implement our existing initiatives. In addition, recognizing the importance of preventive action to protect each individual employee from becoming infected or from infecting others, we have been striving to strengthen awareness-raising activities in collaboration with our internal Infectious Disease Risk Assessment Project.

As COVID-19 infection prevention education for new employees, we have created awareness-raising video content. Health surveys are conducted for new employees during the 14 days prior to starting work at the company, and we have endeavored to ensure that new employees become aware of the importance of infection prevention prior to starting work, and that they have an opportunity to learn the Kao Group's infection prevention rules.

In July 2021, we implemented an e-learning activity to check all employees' level of understanding of COVID-19.

In October 2021, to encourage employees to change their behavior, we conducted self-checking using the implementation assessment system. Based on the results, feedback was provided in the form of individual reports.

Support for COVID-19 vaccination

In order to get employees who are willing to be vaccinated against COVID-19 vaccinated as early as possible, in line with

government policy, the Kao Group in Japan has been promoting vaccination in the workplace, with workplace vaccination sessions being held at eight Kao worksites in Japan between June and October 2021. A total of 16,700 people—including employees, employees of partner companies, and employees' family members—were vaccinated at these sessions.

In addition, as an employee support measure, those employees who felt unwell on the day of the vaccination or the day after due to side-effects were able to take the day off. So that employees could make an informed decision, we provided accurate information about vaccine effectiveness and side-effects on the company intranet.

Health management for Japanese personnel on overseas assignment

With regard to employees who are posted to work outside Japan, we implement health status grading in accordance with the health management guidelines for personnel working overseas, and make a determination as to whether it is appropriate for each employee to be working overseas. Furthermore, personnel are not sent overseas until they have had all of the inoculations required by the FORTH criteria established by the Quarantine Information Office, Ministry of Health, Labour and Welfare.

Regarding health management for employees working outside Japan, those employees requiring follow-up receive frequent health follow-up sessions from the health consultation room, and on the basis of the results of these sessions they may have an appointment made to see an occupational physician. In principle, employees stationed outside Japan were entitled to return to Japan for a health check-up once a year. However, starting from 2020, we have switched over to a system whereby such employees can have a health check-up at a local medical facility.

In the case of regions affected by Avian influenza, every year employees visiting or stationed in such regions were encouraged to get vaccinated against influenza. Starting from 2020, as it was possible to subsidize the full cost of vaccination for all employees who wished to be vaccinated against influenza, employees were encouraged to receive the vaccination, regardless of where they are located.

Lifestyle habit improvement initiatives

Events and activities

Smart WASHOKU®

Smart WASHOKU® is a dietary method which causes less visceral fat accumulation, while ensuring sufficient nourishment. Rather than focusing on the overall quantity of food consumed, the Smart WASHOKU® approach emphasizes three key points—(1) the ratio of protein to fat, (2) the ratio of dietary fiber to carbohydrate, (3) the ratio of Omega 3 to fat—to provide a diet that enables people to eat well while still keeping their visceral fat level down.

- Smart WASHOKU® online seminars were implemented on 10 occasions, along with 2 online cooking classes. Approximately 400 employees and family members participated.
- A Smart WASHOKU® Challenge was implemented for employees and their families as a summer holiday project. After participating in a Smart WASHOKU® online seminar, employees and their family members who were interested in taking part in the Smart WASHOKU® Challenge took on the challenge of making Smart WASHOKU® at home. They could then post photos of the dishes that they had created to an online community. Approximately 300 people participated in the online community, of which 30

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submitted photos of food that they had made. A total of 53 photos of food were submitted.

- With the increase in the number of employees working at home, starting from December 2021, recipe videos for the Smart WASHOKU® lunches served at the Kayabacho employee cafeteria in Tokyo were disseminated for employees who are unable to use company cafeterias to make the dishes at home.



HocoTouch Pedometer Gait Measurement

We hold Gait Measurement at which analysis of how employees walk makes it possible to gauge their “walking age” and their future living functions risk. We also rent out HocoTouch pedometer device, a unique device developed by Kao, which can stimulate improvements in daily living habits.

- HocoTouch devices were rented out for use at 97 spot locations by 10,634 personnel.
- 23.0% continued to use the devices, of which 43.6% achieved Rank A walking steps and speeds over one day or more.

Note: A smartphone app has been provided so that HocoTouch can be used by employees working at home. 31.7% of continued users have made use of this app.

Visceral Fat & Lifestyle Check-ups (lifestyle habit analysis and visceral fat measurement)

This service helps to enhance awareness of the need to improve lifestyle habits by digitalizing and displaying the results obtained through a questionnaire survey of lifestyle habits and measurement of visceral fat, which tends to be affected by lifestyle habits.

Measures have been implemented to strengthen infection prevention. For example to reduce the amount of time that people needed to spend in the check-up venue, the lifestyle habits questionnaire survey was implemented in advance, online, and the explanation of the check-up results was performed remotely.

- Event participants: 96 people

Dissemination of information and campaign activities

We have been disseminating health information via the company intranet and implementing awareness-raising activities so that employees can take steps to improve their health, regardless of whether they are working on company premises or working from home.

Internal survey on Health and Productivity Management activities and personal health

A questionnaire survey targeting all employees was implemented with the aim of determining employees’ degree of understanding regarding Health and Productivity Management and their subjective health awareness, with the aim of facilitating consideration of future Health and Productivity Management activities and health promotion activities.

Summary of survey results

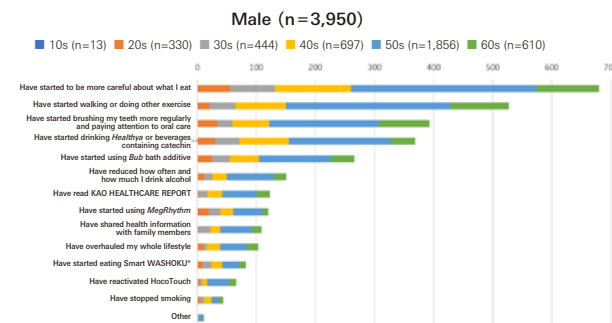
- Implementation period: January 29–February 12, 2021
- Response rate: 54.2% (14,232 employees out of 26,269)
- No. of male and female respondents (and average age)
Male: 5,858 (47.4 years old), Female: 8,374 (43.1 years old)
- Kao Group Health Declaration awareness rate
Male: 76.2%, Female: 75.1%
- Awareness that Kao has been selected as a health and

productivity management brand for six consecutive years
Male: 51.9%, Female: 36.9%

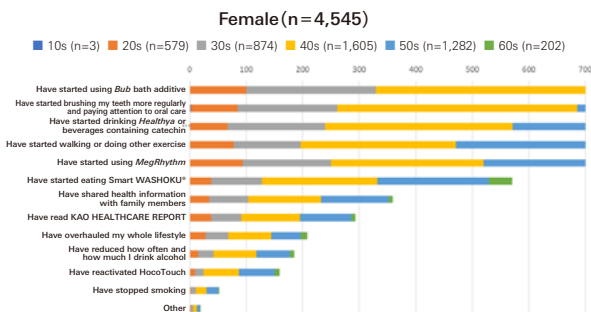
- Employees’ personal health maintenance implementation status: Significant variation for both male and female employees
Share of employees currently implementing health maintenance activities
Male: 52.4%, Female: 44.6%
- Health issues subjectively felt to be most important
Male: Weight (31%), Visceral fat (18%), Inadequate exercise (13%)
Female: Weight (26%), Inadequate exercise (16%), Pain* (15%)
* Pain includes stiff shoulders, back pain and headaches.

- Preferences regarding internal events
 - Whole-family participation
 - Simple
 - Potential for continuation
- Examples of changes in behavior after reading information disseminated on the company intranet
 - More careful about what I eat
 - Started / Continued exercising
 - Pay more attention to oral care

Changes in behavior after reading GENKI Project information posted on the company intranet Results for male and female employees (multiple answers permitted)



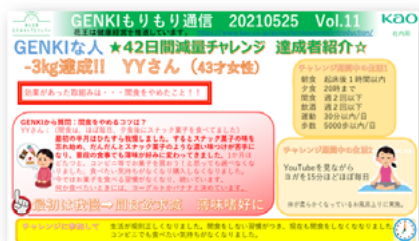
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These survey results, along with collated data broken down by gender and by job type, have been shared with health staff throughout Japan.

Dissemination of health information via the company intranet—GENKI Mori Mori Bulletin

Starting in 2020, the 25th day of every month has been designated as GENKI Mori Mori Day, on which we disseminate health-related information using the company's intranet. We present seasonally-relevant information of the types that employees want to know in an easy-to-understand format and in a timely manner through collaboration between relevant units and research institutes. This year, we presented individual interviews with employees who have achieved their targets in various health-related events, as well as reporting on the secrets to their success and their lifestyles, with the aim of



providing support for other employees who want to take steps to improve their health.

Launching an internal community site

We have established an internal community website that all Kao employees can participate in, regardless of which unit they belong to or where they are located. Employees can post messages or images, and add stickers to indicate their response, using a nickname rather than their real name. By making it easy to participate, the idea is to help employees feel the strength of their connections with colleagues.

42-day Weight-loss Challenge

This campaign is held to encourage employees to try to lose 2kg in weight over the 42-day period between February 15 and March 29 (except employees with a BMI of less than 19).

In 2021, the company's occupational physicians distributed diet magazines to employees on a regular basis, and participants were able to share their experiences of losing weight through communication using Microsoft Teams, providing each other with mutual encouragement in their efforts to lose weight.

- A total of 2,678 employees took part (representing a participation rate of 12%), of which 1,036 (38.7% of participants) succeeded in losing at least 2kg.
- The combined total of visceral fat lost by all participants was 2.6 tons.

Pre-examination Weight-loss Challenge (for employees who received specific health guidance in 2020, and those on a waiting list for specific health guidance)

This campaign encouraged employees to try to lose weight.

over a 42-day period 2 months prior to their annual health examination. The participants in the 2021 campaign had Smart WASHOKU® video content disseminated to them, along with diet magazines provided by the company's occupational physicians, so that they could learn cooking methods and lifestyle habits that help to avoid the accumulation of visceral fat, with the aim of making it possible to lose weight without a great deal of effort.

- This has been implemented 5 times, with 645 participants, of which 187 (29.0%) lost at least 2kg in weight.

Walking Challenge

The Spring Walking Challenge was implemented over the three-month period from April 1 to June 30, 2021. An online community was used for posting photos of participants walking and of the scenery they saw during their walks, etc., making the event a fun experience. By creating a situation in which, if someone felt they could not do it on their own, they would be able to carry on by doing it together with others, the aim was to get employees into the habit of walking and improve their overall lifestyle habits.

- A total of 3,002 people took part (representing a participation rate of 11.5%).
- No. of participants that achieved their target: 1,647 people (54.9% of the total)

Online Radio Calisthenics Club

The Online Radio Calisthenics Club held calisthenics sessions twice a day over the 14-day period from January 18 to January 31, 2021, and also held morning online calisthenics sessions during the periods from October 18 to October 22, 2021, and November 15 to November 19, 2021. Every day, large numbers of employees took part, engaging

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in lively online communication.

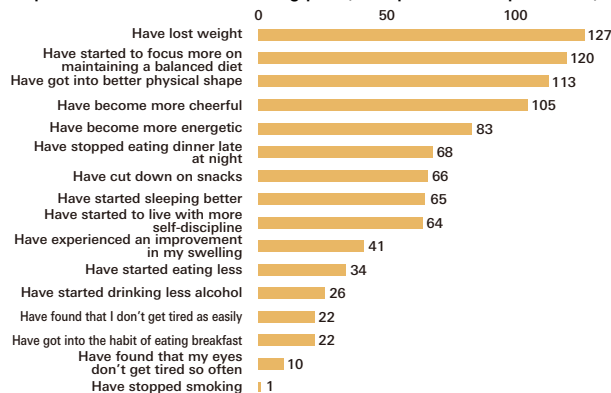
- GENKI-WEB event participants: 1,274 people
- Online Radio Calisthenics Club participants (in January): 4,332 people
(in October): 845 people
(in November): 690 people

Sports Declaration: I'm Going to Do This!

Over the period from October 11 to November 21, 2021, the Sports Declaration: I'm Going to Do This! event was held to promote participation in sports. The aim was for the participants to take part in a sport of their own choosing at least three times a week over a period of 42 days. Participants declared which sport they would be taking part in on a community website, and then followed through for 42 days. According to the results of a questionnaire survey conducted after the event, 70% of participants reported that their participation in sports had become more frequent than before the event.

- A total of 1,851 people took part.
- No. of participants that achieved their target: 991 people (53.5% of the total)

Improvements noted after taking part (multiple answers permitted)



Daytime Rest GENKI Challenge

In September 2021, we began promoting the Yasumi Yasumi Workstyle, which involves the proactive incorporation of rest breaks into the working day. As one such initiative, during the month of November 2021, *MegRhythm Steam Eye Masks* were distributed to employees. Participants recorded the days on which they used them, and participants were also able to share their concerns in regard to taking a rest. The aim of this activity was to adjust people's habits in relation to taking daytime rests.

- Participants: 1,257 people
- Before-and-after surveys were conducted to examine individual performance, and these indicated that productivity rose by an average of more than 5%.

Mental health care

By 2021, our system for implementing job stress assessments for employees in Japan had been in use for six years. We made effective use of job stress assessment results to proactively implement mental health care. Occupational physicians and nursing staff promptly follow up on employees who are assessed as requiring emergency treatment in light of their responses to these stress tests, and individual follow-up e-mails are sent to employees who are judged to display slightly high stress levels.

As an organization, we also hold briefings based on job stress assessment group analysis at company, division, worksite and branch levels, and we identify workplaces needing priority attention and implement measures to improve the working environment at these sites. For example, in the case of workplaces where a rapid increase in business

volume has been accompanied by increased stress, we have performed in-depth analysis to gauge the reasons for the increase in stress besides supporting individual employees, and we have begun to implement activities to improve the organizational structure and the communication methods.

We also aim to enhance the ability of each individual employee to treat their own mental health through training and provision of information. We are continuing to foster a corporate culture in which everyone at Kao, including the colleagues at our individual worksites, acquires the ability to pay attention to small but significant changes that have occurred in their own lives, address problems at an early stage, and help each other out in times of difficulty.

In addition, we are making effective use of our guidelines for helping to ensure a smooth return to work after long periods of leave. By implementing activities to help people avoid mental health problems and to address them at an early stage if they do experience them, at the level of both individual employees and the organization as a whole, we are creating workplaces filled with vitality and higher productivity.

In 2021, we switched over to using Peacemind Inc. as the contracted provider of the Kao Mental Health Consultation hotline service. We also strove to enhance awareness by notifying all Kao employees by e-mail about the available internal and external hotline services.

In addition, we are working to strengthen employees' ability to cope with various types of stress, by making self-care seminars available to all employees through live streaming.

We are providing mental health manager training at individual worksites and branch offices, and promoting mental health care appropriate to each organization.

Employee wellbeing & safety

403-6 (Occupational health and safety 2018)

Mental health care projects implemented in 2021

Item	Performance in 2021
Invigorated workplace ratio	50.5%
Job stress assessments participation ratio	98.4%
High stress rate	8.9% (1.3 percentage points higher)
High work engagement rate	13.5%
Training for managers	19 sessions with 1,322 participants
Self-care training	1 session with 485 participants
External EAP usage rate (number of usage / number of target employees)	191 telephone consultations + 296 e-mail consultations + 118 face-to-face consultations (including online) / 241 employees = 2.5%
Consultations with internal counselors (focused on career interviews)	15,779 people

Smoking cessation initiatives

Promoting smoking cessation (Japan)

With the aim of realizing healthy, pleasant workplaces, in January 2018 we began promoting the prohibition of smoking during working hours. Starting from April 2020, having built consensus with management, we have been using the company’s intranet to clearly enunciate to employees both the prohibition on indoor smoking and the need for consideration for smokers.

In 2021, we distributed leaflets and messages as measures to encourage employees not to start smoking and we also strengthened our measures to protect employees from passive smoking and encourage employees to quit smoking.

Kao Group Smoking Cessation Week

The week beginning May 31 (which is World No Tobacco Day) has been designated as Kao Group Smoking Cessation Week. During this week, we

provide support to help people stop smoking, including the dissemination of messages supporting smokers’ efforts to stop smoking, and the holding of seminars by occupational physicians.

- Implementation of the Kao Group Smoking Cessation Challenge
In January: A total of 63 employees participated (of which 33 succeeded in stopping smoking)
In May: A total of 39 employees participated (of which 18 succeeded in stopping smoking)
- Kao Health Insurance Society-subsidized smoking cessation treatment was provided for 2 people.
- Online smoking cessation program led by Kao Health Insurance Society was implemented.
Online smoking cessation program in spring: 24 employees participated

Women’s health

Within Japan, we have established a Women’s Health Consultation Service (for e-mail consultations), which arranges for occupational physicians to respond to employees’ requests for consultations. Women’s Health News is distributed regularly (once every three months) using the company’s intranet, to help deepen understanding of women’s health issues.

We hold women’s health seminars throughout the country. This year, the seminar at the Tochigi Office focused on the problem that women in their 50s have with not getting sufficient sleep. Based on internal research evidence indicating that daily skin care habits can affect the autonomic nervous system (which controls heart rate) and

skin condition, a researcher from the R&D gave a skin care seminar remotely. A total of 78 people attended the seminar, which helped them to develop their own ways of relaxing and of using their own free time to maximum effect.

At a Pink Ribbon Seminar organized by the Social Contribution, an occupational physician gave a talk on getting cancer screening at gynecological clinics, and what this experience involves. The physician stressed how important it is to provide the consideration needed to encourage employees (or their family members) to get tested.

Expansion of health checks for employees working long hours

We are promoting the adjustment of working hours. To address the fatigue and stress experienced by employees with long working hours, we have undertaken to implement more detailed health checks as outlined below. These will facilitate early detection of symptoms and identification of potential distress signals from such individuals.

Performance of health checks for employees working long hours in 2021

Content	Performance in 2021
Meetings with occupational physicians	Scope: Employees logging over 80 hours work outside normal working hours per month No. of eligible employees: 110 No. of employees attending consultations: 110 (Implementation rate: 100%)
Online health check-ups (basic check-ups)	Scope: (1) Employees logging an average of over 80 hours of work outside normal working hours per month over a period of 2 to 6 months No. of eligible employees: 30 No. of employees attending consultations: 30 (Implementation rate: 100%) (2) Employees logging an average of over 60 hours of work outside normal working hours per month over a period of 2 to 6 months No. of employees responding to online medical interviews: 833 Of whom, all of 208 employees who had been deemed eligible for consultations by occupational physicians have actually received consultations. (Implementation rate:100%)

Employee wellbeing & safety 403-6 (Occupational health and safety 2018)

Support for specified fertility treatment

Since 2009, we have been providing support for specified fertility treatment within Japan.

Initially, the Kao Health Insurance Society subsidized treatment, but in 2013 responsibility was transferred to the Kao Family Association (a mutual aid association). Subsequently, the program was revised several times. In 2017, financial assistance for male fertility treatment was added, and in 2020 the scope of application was expanded to cover additional companies, so that all Kao Group companies within Japan are now covered.

In 2021 the annual total of instances of subsidy usage rose to 262 (none of which involved male fertility treatment), representing an increase of 35 instances, and a year-on-year growth rate of 115%.

We have also put in place an environment in which employees can seek to maintain an appropriate balance between work responsibilities and treatment, by making effective use of the various flexible working arrangements that we offer (including a flextime system, a working-from-home system, and the ability to take leave in hourly increments).

Content of support for specified fertility treatment (Japan)

Item	Details
Scope	Employees and their spouses / partners (If both partners are Kao Family Association members, financial support will be provided for only one person)
Subsidy	60% of the co-payment for one round of treatment (up to 120,000 yen) Up to 1 million yen per couple (for the co-payment, from which all assistance including public support etc. has been deducted)

Company-wide deployment of health promotion activities

Deployment of company-wide health promotion activities (Japan)

Content	Performance in 2021	FY2021 participant satisfaction level
42-day Weight-loss Challenge	2,678 participants	68%
Pre-examination Weight-loss Challenge	645 participants	
Online Radio Calisthenics	1,274 participants	
Smoking-Cessation Campaign	102 participants (of which 51 were successful)	
Online classes to prepare employees for an internal ban on smoking	29 participants	
<i>Healthya</i> Walking Challenge	3,002 participants	78%
Sports Declaration: I'm Going to Do This!	1,851 participants	71%
Seminar on dealing with back and shoulder pain	755 participants	89%
Best Physical Condition & Best Weight GENKI Challenge	799 participants	97%
Daytime Rest GENKI Challenge	1,257 participants	90%
Women's Health News	4 issues published	
Dissemination of information over the company intranet during the period of home working		
GENKI Mori Mori Bulletin	18 issues published (average no. of times accessed: 3,580)	
Smart WASHOKU® Bulletin	12 issues published (average no. of times accessed: 4,465)	

Deployment of health promotion activities at individual worksites (Japan) (Events, seminars, campaigns, etc.)

Content	Performance in 2021
Lifestyle disease-related: Exercise and nutrition seminars, strength tests, health fairs, lectures by occupational physicians, etc.	Held 73 times, with a total of 22,447 participants
Smoking cessation	Held 8 times, with a total of 855 participants
Female: Women's health seminars, change-of-life seminars, etc.	Held 2 times, with a total of 106 participants
Mental: Mental health courses, seminars for beauty advisors, new employees and newly promoted employees, etc.	Held 30 times, with a total of 3,100 participants
Health lectures, etc.	Held 26 times, with a total of 6,157 participants
Rest and sound sleep seminars	Held 2 times, with a total of 240 participants

Employee wellbeing & safety 403-6 (Occupational health and safety 2018)

Promoting the GENKI Project

The GENKI Project, which was put on a systematic footing in 2021, involves expanding the application of outstanding health solutions that have been implemented within Kao to include employees, their family members, the local community and society as a whole.

GENKI-Action

In our Human health care, we have for many years now been undertaking research on areas such as the relationship between visceral fat and lifestyle and the relationship between walking and health. The knowledge obtained from this research is utilized not only in the development of new products, but also to improve the health of our employees and their families through our health promotion programs. We call this unique approach to health promotion Kao GENKI-Action. What makes Kao GENKI-Action special is the way it realizes visualization of health status and lifestyle habits, which helps to boost health awareness and encourages people to make effective improvements through lifestyle changes. In order for people to achieve a health-conducive lifestyle without it being too stressful, and so that they can keep it up over the long term and enjoy doing it, we provide support for building a healthy environment, and offer assistance through our company's products.

We also make effective use of GENKI-WEB, a health community website for Kao employees, as a platform for Kao GENKI-Action, with recording of daily living activities, implementation of special health events, etc.

GENKI-Action

Visualization (Awareness)



Effective improvement through lifestyle



Note: NaiBO®, Smart WASHOKU® and HocoTouch are registered trademarks of Kao Corporation.

Kao GENKI Project for Everyone

Besides working actively to promote the health of employees and their family members, the Kao Group also shares this knowhow externally with local government authorities, corporations, senior care facilities, etc., thereby providing support for health promotion efforts.

The activity content is disseminated widely throughout society using the Kao GENKI Project for Everyone website.



Kao GENKI Project for Everyone
www.kao.co.jp/genki/ (Japanese)

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Examples of collaboration with stakeholders

The health promotion measures and services that we promote within the company are also provided for external stakeholders including consumers.

Awareness of Smart WASHOKU®

We have also been working to spread awareness of the Smart WASHOKU® dietary method for eating well without increasing visceral fat.

- Online seminars
 - Smart WASHOKU® master class e-learning seminar for public health nurses, nutritionists and other specialists: Held three times as regular sessions, and once for a local government authority. A total of 175 people participated.
 - Occupation-specific online diet improvement seminar (including dissemination of video content): Held externally for two business enterprises. A total of 104 people participated.
- Smart WASHOKU® diet improvement program
 - Implemented in response to a request from one local government authority. The program was implemented over a period of 3 months for 36 local government employees, with the aim of reducing visceral fat.
- Smart WASHOKU® Instagram online lessons
 - Live-streaming of Smart WASHOKU® cooking classes using Instagram, in collaboration with ABC Cooking Studio (administered by ABC Cooking Studio Co., Ltd.). The Instagram Stories posting received approximately 12,700 views. Around 850

people viewed the classes on the day that they were held, and there were around 9,200 Instagram Feed and IGTV (Instagram Video) postings.

- Dissemination of educational video content
 - Working in collaboration with the Japanese Association for the Prevention of Obesity Disease, a YouTube video was created and disseminated via the society's website, as a practical implementation of the Eating Methods for Reducing Visceral Fat Accumulation special study session.
- Introducing Smart WASHOKU® service activities
 - Seminar introducing GENKI Project activities: Introducing the research behind Smart WASHOKU® and case studies of health promotion support activities. A total of 104 people, including persons in specialist roles and human resources staff involved with health promotion, viewed this seminar.
 - Online seminars for exhibitions, etc.: Participation in online seminars forming part of the Health ingredients Japan exhibition and the Active Senior Food and Nutrition Club. Smart WASHOKU® service activities were introduced.

Get Walking Program

As part of a program to create an effective and enjoyable walking environment in workplaces and in local communities, we have been distributing our unique HocoTouch pedometer devices and holding the Gait Measurements sessions to provide detailed analysis of walking "quality."

- HocoTouch Pedometer Gait Measurement: Held externally at 51 corporate, foundation and local government facilities, with 11,794 people participating
- Gait Measurements sessions: Held 11 times externally, with 807 participants

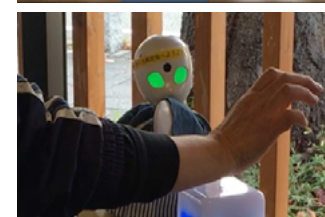
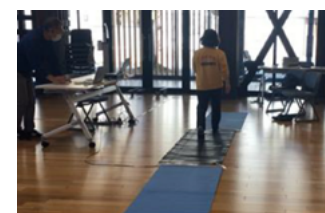
Comprehensive initiatives in collaboration with local government authorities and research institutes

Initiatives that integrate the health solutions noted above in a comprehensive manner have been provided in collaboration with local governments and universities.

Fukushima Prefecture: Health Promotion in Collaboration with Private-sector Enterprises

We have been involved in Fukushima Prefecture's Health Promotion in Collaboration with Private-sector Enterprises project for four consecutive years. We were commissioned by three municipalities to provide our walking improvement (promotion) program, and additionally by one worksite to provide our visceral fat reduction program.

To help prevent the spread of COVID-19, all face-to-face explanations of the results were conducted online. We strove to ensure participants' safety and peace of mind by using the OriHime avatar robot at venues. Approximately 220 people participated in each of the HocoTouch provision activity and Gait Measurements sessions, respectively.



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Toyota City, Aichi Prefecture; Genki! All the Time Project to reduce the need for care provision, a collaborative project between the local government authority and the private sector

In October 2021, we began providing HocoTouch pedometer devices and Gait Measurements sessions for senior citizens aged 65 or over living in Toyota City. In 2021, the first year of implementation, this support was provided for approximately 100 people.

This project is making use of Social Impact Bond, Japan's largest-scale initiative in the healthcare sector, and is being implemented as a new initiative for working on social issues.

Joint research with COI, Hirosaki University

As part of our efforts to contribute toward the building of a sustainable, healthy society, we are undertaking collaborative research with the Center of Healthy Aging Innovation (COI) at Hirosaki University, which is engaged in creating a "lifespan revolution." Focusing on Aomori Prefecture, which has the shortest average lifespan in Japan, we are conducting social implementation research that integrates basic research on visceral fat reduction with its measurement and attention to dietary and exercise habits, with the aim of preventing metabolic syndrome.

In 2021, we conducted visceral fat testing at quality-of-life health check-ups, an awareness-raising type health check-up activity implemented at business enterprises and in municipalities in Aomori Prefecture. We also provided HocoTouch devices to 743 people as follow-up after the health check-ups (as of October 2021).

Consortium projects focused on senior citizens: General Incorporated Payer's Association for Better Healthcare Senior Citizens Research Group

A Health Project Linking Senior Citizen Health Promotion with Local Government consortium activity is being implemented by the Senior Citizens Research Group of the General Incorporated Payer's Association for Better Healthcare.

The data from this activity are being shared with the Data Health Portal website, so that it can be effectively utilized by local government authorities and by health insurance society members.



Health Project Linking Senior Citizen Health Promotion with Local Government activity data
datahealth-portal.jp/index.php?action_kouhyou_library_material=true (Japanese)

Information exchange with external organizations

- Participate in events on health and productivity management (organized by the Association for Considering Health and Management), and exchange information on Health and Productivity Management initiatives in general
- Participate in the Forum for Building Healthy, Vigorous Workplaces (organized by the ICT and Healthcare Promotion Division of the Japan Productivity Center), and share information on initiatives taken to build employee-friendly workplaces and on mental health issues
- Participate in Sanpo-Kai (Occupational Health Research Association), and exchange views on the occupational health projects of human resources and health staff
- Participate in the Health and Productivity Management / Workforce Nutrition Subcommittee (Nutrition Japan Public Private Platform), and formulated a commitment to improve Health and Productivity Management and workforce

nutrition at the Tokyo Nutrition for Growth (N4G) Summit.

Disseminating Health and Productivity Management case studies outside the company (within Japan) The 7th Japan Forum of Health and Productivity Management Symposium

Participants in the Japan Forum of Health and Productivity Management Symposium included government officials, business leaders, representatives of health insurers, and physicians involved with Health and Productivity Management and data-based health management. Michitaka Sawada, the Chair of Kao's Board of Directors, gave the keynote speech, introducing the initiatives that we have implemented as a leading company in the area of Health and Productivity Management.

Mr. Sawada noted that making a serious effort to realize Health and Productivity Management represents the embodiment of ESG-driven management. He emphasized the importance of thinking of people as assets and investing in them, and introduced the GENKI Project, which utilizes our research findings in health promotion design.

During the panel discussion, there was an in-depth discussion, involving all participants, of the need to build platforms and stimulate waves of interest within society so as to enhance the visualization of health through effective utilization of Japan's technological capabilities, and of the need for initiatives that encompass the whole of society.

Green Cross Exhibition Online Seminar

Michitaka Sawada, the Chair of Kao's Board of Directors, gave an address at the Green Cross Exhibition 2021 Online Seminar organized by the Japan Industrial Safety and Health Association, and engaged

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in a dialogue with Mr. Tatsuo Yamakawa, the presenter of the World Business Satellite program on TV Tokyo.

During his address, Mr. Sawada explained why Health and Productivity Management is so important, and then outlined the key features of our Health and Productivity Management promotion system, noting the concrete results obtained in our GENKI Project, such as visceral fat measurement sessions to help visualize people's lifestyle habits, and the provision of support for health improvement through walking. Mr. Sawada also noted that, going forward, artificial intelligence (AI) and deep learning will be applied to major health-related issues, with Kao acting as a platform and seeking to develop collaboration with other companies.

Disseminating Health and Productivity Management case studies outside the company (Global)

Announcing a commitment at the Tokyo N4G Summit 2021

Participating in a side-event organized by the Ministry of Agriculture, Forestry and Fisheries

The N4G Summit is held once every four years, hosted by whichever country is hosting the Olympics and Paralympics that year, with the aim of promoting international initiatives to clarify the current status of world nutrition improvement and the key issues, and to resolve these issues.

At the Tokyo N4G Summit in 2021, we announced a commitment to expanding the scope of implementation of our Smart WASHOKU® and Health and Productivity Management support initiatives.

Kao's commitment

We will contribute toward the reduction of premature deaths from non-communicable diseases using the findings from our own research activities in nutrition.

As part of that effort, by 2025, we will provide the following workplace nutrition improvement programs to workplaces that cover 200,000 people annually (including 50,000 Kao Group employees and family members and 150,000 others) and promote Health and Productivity Management and Workplace Nutrition.

- (1) Consulting on Health and Productivity Management
- (2) Health checks related to nutrition (visceral fat measurement, etc.)
- (3) Assessment of lifestyle habits
- (4) Education or guidance on healthy eating (Smart WASHOKU®)
- (5) Healthy meals at work (Smart WASHOKU®* meals)

* Smart WASHOKU® is a healthy eating method to prevent visceral fat accumulation by improving the quality of meals rather than changing the amount of food eaten.

Through this activity, we will provide opportunities for small and medium-sized enterprises and their employees, who have less capability on their own to implement Health and Productivity Management and Workforce Nutrition, to improve health and nutrition.

In addition, in order to share our findings, methods and experiences with the world's workplaces, we will be joining the Workforce Nutrition Alliance by 2025 and aiming to play a leading role in the alliance's efforts.

In the years ahead, we will be working actively to help address global nutrition issues.

Japan–Saudi Arabia Future Shapers Initiative initial online learning program

In January 2021, in response to a request from the Japan International Cooperation Center (JICE), we gave a presentation on Health and Productivity Management to a

group of young people from Saudi Arabia, including students and young businesspeople. Obesity is one of the problems affecting society in Saudi Arabia, and we responded to the high interest that has been shown in our Smart WASHOKU® initiative by introducing a food education program that makes effective use of Smart WASHOKU®. The presentation was followed by a lively exchange of views, with the participants commenting that they felt that methods similar to Japan's workplace nutrition initiatives could be applied in Saudi Arabia, and that the idea of using nutrition to reduce visceral fat was unique and interesting.

Activities relating to human resources cultivation in the UAE Seminar on Women's Healthcare for Promoting Female Empowerment

In June 2021, in response to a request from the JICE, we participated in an online seminar for participants selected by the Department of Health, Abu Dhabi Government, United Arab Emirates (UAE), which included personnel from related units within the Department of Health, as well as medical professionals and researchers specializing in the field of gynecological cancers, at which we introduced our initiatives to support women's health.

The participants asked various questions relating to the system for taking leave before and after childbirth, and childcare leave, as well as questions relating to the high share of employees at Kao who take childcare leave, and the incorporation of gynecological examinations into periodic health check-ups. Despite the cultural and religious differences, there was a shared high level of concern regarding women's health, and a shared awareness that this issue needs to be addressed at the level of society as a whole. Overall, the discussion was very fruitful.

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Stakeholder engagement

Takashi Yamaguchi

Director, Secretariat, Nutrition Japan
Public Private Platform



Evaluation of Kao's Initiatives

The Third N4G Summit was held in Tokyo in December 2021. As one of its initiatives to improve nutrition in the period leading up to 2030, Kao proposed promoting widespread adoption of the Smart WASHOKU® evidence-based workplace nutrition improvement program. The promotion of this nutrition improvement program is linked to visualization by means of health checks, and to getting people to recognize that health improvement is something which they can and should tackle themselves. Kao's incorporation into its activities of efforts to provide a solution to these issues (including Smart WASHOKU® and health literacy enhancement) is to be applauded. Activities that foster widespread adoption of successful, outstanding projects in the nutrition improvement field are very important, and can lead to activities

aimed at reducing malnutrition from a global perspective.

Expectations and suggestions for Kao

The year 2021 saw the holding of the United Nations (UN) Food Systems Summit, and of the Tokyo N4G Summit.

Both of these summits made progress toward building a framework for activities aimed at the year 2030, and led to the setting of goals to address the problem of malnutrition, in all its forms, through a variety of different channels. A complementary nutrition-related commitment to action has been made, and this is important for the realization of the UN's 17 Sustainable Development Goals.

The recent N4G Summit did not only address malnutrition; it also took as one of its themes the "double burden" of malnutrition, specifically the need for measures to address metabolic syndrome, with the need to provide a nutrition-aware diet (in other words, a quality-focused diet) and enhanced health literacy as key points. The Health and Productivity Management and Workforce Nutrition initiatives that Kao has been promoting are in alignment with these themes.

The key point to bear in mind when

implementing a nutrition improvement project, working to maintain motivation, or evaluating the results achieved through the project, is the need to adopt indicators to measure change in actions and change in awareness. Kao's initiatives, which clarify the indicators used at each stage, are truly outstanding in this respect.

While focusing on nutrition status in the first 1,000 days, it can be anticipated that there may be cases when nutrition improvement projects will want to target women who are of childbearing age. It has been suggested that, for them, using indicators such as becoming more beautiful and developing smooth skin are likely to be effective in maintaining motivation. I hope that Kao will keep this point in mind when developing its research efforts.

As a sub-event for the Tokyo N4G Summit, Japan's Ministry of Agriculture, Forestry and Fisheries organized a special session attended by senior managers from those companies that made formal commitments during the summit. Although Kao was unable to participate in this sub-event this time, I hope that Kao will participate in similar events in the future, as an opportunity to disseminate useful information.

Employee wellbeing & safety 102-12, 102-15, 103-1, 103-2, 103-3

Optimistic, energetic employees (what we refer to as “GENKI employees”) are the foundation of Kao’s business activities. We as a company are only as strong as the health of our employees.

Besides promoting Health and Productivity Management® and implementing health promotion to maximize employee power and potential, we also expand the scope of application of initiatives that have proved to be effective to include other Kao workplaces, the local community and consumers in general.

Safety

Kao’s creating value to address social issues

Social issues we are aware of

As we have several large-scale chemical plants, process safety and disaster prevention needs are increasingly heightened in the context of accidents at chemical plants and the many natural disasters that have occurred recently. Given this situation, providing a working environment in which all employees can work safely is a vitally important issue for the enterprise.

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

- Risk of stoppages to operations due to occupational illness resulting from critical disasters or compromised operating environments
- Risk of loss of societal trust in the company due to the above

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

We actively work, by means of thorough risk assessments, to eradicate the factors which threaten the occupational health and safety of all employees, thereby creating workplaces where they can work energetically in safety, health and peace of mind.

Kao’s creating value

Kao Group Responsible Care (RC) Policy specifies occupational safety and health-related activity guidelines, and we strive to safeguard the safety and health of everyone working at Kao by implementing risk assessment of operations, machinery and chemical substances, ensuring thorough implementation of health check-ups and related follow-up, and implementing activities focused on mental health.

We will deliver workplaces which provide job satisfaction and peace of mind for employees and for their families, by creating pleasant working environments.

Contributions to the SDGs



Policies

Activity guidelines to ensure occupational safety and health are clearly stipulated in the Kao Group RC Policy, which states that we will “strive to create a comfortable working environment and improve the health of employees” and that we shall “prepare for emergencies by conducting periodical training that takes into consideration the need to strengthen security.” To protect our employees from accidents or disasters relating to our business activities while maintaining safe and stable operations, when occupational accidents occur, we carefully investigate the accident or disaster, and identify and analyze the causes. The results of the analysis are shared throughout the group to help prevent similar accidents from occurring again in the future.



Kao Group Responsible Care Policy

www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/responsible-care-policy.pdf

Basic Principle and Basic Policies on Environment and Safety

www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/environment-safety-principle-policies.pdf

Employee wellbeing & safety^{102-43, 103-1, 103-2, 103-3, 403-1, 403-2, 403-4, 403-5, 403-9, 403-10 (Occupational health and safety 2018), 404-2}

Education and promotion

To ensure that work can be carried out safely, we draft educational plans related to occupational safety and health for employees and temporary workers, and conduct training for new hires or reassigned personnel. We also identify roles that require special training, and implement training for those employees that require it as needed.

By implementing education, we are able to share information relating to occupational safety and health in the workplace, and are able to undertake activities aimed at achievement of related targets.

In addition, we conduct periodic disaster response drills (for scenarios such as a major earthquake) and regular training in verifying whether employees are safe in the event of a disaster, to make sure that we will be ready for an emergency.

Collaboration and engagement with stakeholders

We strive to create workplaces where all employees can work with safety and peace of mind every day. Furthermore, in order to ensure the safety of employees of partner companies who work together with us at our worksites, we conduct events related to safety and disaster prevention, such as emergency rescue seminars and fire-extinguishing training, in

cooperation with partner companies. Every month, we share safety-related information—including case studies of occupational accidents within Kao and the steps taken in response—with partner companies, and we strive to become an enterprise characterized by safety and peace of mind through collaborative promotion of safety activities.

Framework

We have established a promotional framework that covers the entire Kao Group, and we implement responsible care activities through the selection of committee members from each division.

The Kao Group RC Policy and the promotion framework and activities can be found on the following page.



Kao Group Responsible Care Policy
www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/sus-db-2021-e-all.pdf#page=27



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

Mid- to long-term targets and performance

Mid- to long-term targets

We aim to become a company that meets top-level occupational safety and health criteria on a global basis by 2030.

We have set ourselves the goals of reducing deaths and serious lost-time accidents to zero, reducing the lost-time accident frequency rate to 0.10 or less, and, with regard to work-related traffic accidents, reducing 100% negligence accidents causing bodily injury to zero, with respect to both Kao employees and employees of partner companies, by 2030.

We will be working steadily to realize these targets, with related backcasting goals and activities being adopted as annual RC targets.

Anticipated benefits from achieving mid- to long-term targets

Business impacts

By making it possible for all employees to work safely, we will ensure that business activities can be carried on normally, thereby controlling unnecessary expenditure and reducing overall costs, which in turn will lead to higher revenues.

Social impacts

Enabling all employees to work safely, with peace of mind and in good health will facilitate the maintenance of normal business operation and the stable supply of products. Moreover, this can facilitate the stabilization of product prices.

Employee wellbeing & safety 403-9, 403-10 (Occupational health and safety 2018)



Performance in 2021

Performance

We implemented activities from the two perspectives of “Eradication of occupational accidents” and “Creating a pleasant working environment and improving employees’ health.” More specifically, with regard to the eradication of occupational accidents, we have focused on promoting measures to prevent non-work-related accidents, upgrading safety management systems, implementing risk assessments for facilities, operations and chemical substances, promoting near-miss reporting and improvement reporting activities, ensuring thorough implementation of safety management for infrequent operations, ensuring proper implementation of safety training, sharing information about past accidents, and working to prevent traffic accidents by expanding provision of traffic safety education.

In the area of creating a pleasant working environment and improving employees’ health, we have strengthened management of the working environment, ensuring effective implementation and follow-up of health check-ups, undertaking health promotion activities, stress checks and implementing risk assessment for chemical substances. In addition, at the Health and Safety Committee meetings which are regularly held at each worksite, we report on activity plans as well as giving performance reports, and we disseminate this information to employees.

2021 targets and performance (Kao Group)

Item	Indicator	Scope	2018	2019	2020	2021	
			Results	Results	Results	Target	Results
Occupational accidents	Death and serious lost time accidents* ¹ (persons)	Including both regular employees and temporary workers (Kao Group)	0	0	0	0	0
		Breakdown					
		Japan	0	0	0	—	0
		Asia	0	0	0	—	0
		Americas	0	0	0	—	0
		Europe	0	0	0	—	0
		Subcontractors (Kao Group)	0	0	0	—	1
		Breakdown					
		Japan	0	0	0	—	0
		Asia	0	0	0	—	1
		Americas	0	0	0	—	0
		Europe	0	0	0	—	0
	Lost time accidents frequency rate* ²	Including both regular employees and temporary workers (Kao Group) 	0.77	0.78	0.53	0.1 or less	0.64
		Breakdown					
		Japan	0.54	0.67	0.41	—	0.46
		Asia	0.19	0.25	0.07	—	0.38
		Americas	4.18	3.21	2.03	—	4.40
		Europe	4.66	3.30	2.85	—	1.50
		Including both regular employees and temporary workers (Reference: Member companies of Japan Chemical Industry Association)	0.31	0.42	0.28	—	—
		Subcontractors (Kao Group) 	0.40	0.24	0.66	0.1 or less	0.23
		Breakdown					
		Japan	0.55	0.66	0.85	—	0.38
		Asia	0.11	0.06	0.14	—	0.14
		Americas	0.00	0.00	5.51	—	0.00
		Europe	7.06	4.18	7.88	—	0.00
		Subcontractors (Reference: Member companies of Japan Chemical Industry Association)	0.52	0.57	0.59	—	—


*1 Serious lost time accidents: Accidents in which there is a continued loss of physical function after treatment for the injury has been completed (with a loss of physical function of Level 5 or higher)

*2 Lost time accidents frequency rate: 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)

Employee wellbeing & safety

403-9, 403-10 (Occupational health and safety 2018)

2021 targets and performance (Kao Group)

Item	Indicator	Scope	2018	2019	2020	2021		
			Results	Results	Results	Target	Results	
Occupational accidents	Total accident frequency rate*3	Including both regular employees and temporary workers (Kao Group)		2.43	2.33	1.90	0.56 or less	1.82
		Breakdown	Japan	2.20	2.47	2.00	—	1.73
			Asia	1.37	0.49	0.34	—	0.95
			Americas	8.36	6.02	4.05	—	8.00
			Europe	6.86	5.78	4.98	—	2.44
		Subcontractors (Kao Group)		1.21	0.75	1.43	0.56 or less	1.07
		Breakdown	Japan	2.11	1.87	2.18	—	1.78
			Asia	0.40	0.18	0.55	—	0.55
			Americas	0.00	0.00	5.51	—	0.00
			Europe	10.59	16.70	7.88	—	2.50
	Severity rate*4	Including both regular employees and temporary workers (Kao Group)		0.05	0.01	0.04	—	0.01
		Breakdown	Japan	0.03	0.01	0.05	—	0.01
			Asia	0.14	0.01	0.00	—	0.01
			Americas	0.06	0.02	0.03	—	0.12
			Europe	0.07	0.05	0.08	—	0.02
		Including both regular employees and temporary workers (Reference: Member companies of Japan Chemical Industry Association)		0.03	0.01	0.11	—	—
		Subcontractors (Kao Group)		0.01	0.01	0.03	—	0.30
		Breakdown	Japan	0.01	0.04	0.06	—	0.03
			Asia	0.01	0.01	0.01	—	0.52
			Americas	0.00	0.00	0.17	—	0.00
			Europe	0.19	0.03	0.06	—	0.00
		Subcontractors (Reference: Member companies of Japan Chemical Industry Association)		0.07	0.03	0.15	—	—
	Number of employees who experienced lost work days due to occupational diseases (persons)*5	Including both regular employees and temporary workers (Kao Group) 		0	0	0	0	0
		Breakdown	Japan	0	0	0	—	0
			Asia	0	0	0	—	0
			Americas	0	0	0	—	0
			Europe	0	0	0	—	0
Traffic accidents	100% negligence accidents causing bodily injury (no. of accidents)	Sales and logistics (Japan)	16	5	1	0	3	
	Accidents other than 0% negligence accidents per 100 vehicles*6		6.43	6.48	3.68	3.8 or less	4.63	

Reviews of performance

In 2021, there was an increase in both the number of lost time accidents and the number of traffic accidents compared to the previous year.

*3 Total accident frequency rate: Number of persons injured in occupational accidents (including accidents without lost work days) per million hours worked

*4 Severity rate: Number of lost days / total working hours × 1,000

*5 There has been a global target for the number of employees who experienced lost work days due to occupational diseases since 2018.

*6 Accidents other than 0% negligence accidents per 100 vehicles: Number of traffic accidents other than 0% negligence / No. of vehicles in fleet × 100

Employee wellbeing & safety

Targets for 2022

In order to become a company that meets top-level occupational safety and health criteria on a global basis by 2030, we have set ourselves the target of striving to prevent accidents and disasters, and we are implementing activities based around backcasting of accident and disaster prevention targets for 2022.

Note that traffic accident targets are for Japan only.

Targets for 2022 (Kao Group)

Item	Scope	Indicator	2022 targets
Occupational accidents	Regular employees and temporary workers	Death and serious lost time accidents* ¹ (persons)	0
		Lost time accidents frequency rate* ²	0.38 or less
		Total accident frequency rate* ³	1.14 or less
	Subcontractor employees	Death and serious lost time accidents* ¹ (persons)	0
		Lost time accidents frequency rate* ²	0.19 or less
		Total accident frequency rate* ³	0.57 or less
Traffic accidents	Regular employees	Number of employees who experienced lost work days due to occupational diseases (persons)	0
		100% negligence accidents causing bodily injury (no. of accidents)	0
		Accidents other than 0% negligence accidents per 100 vehicles* ⁴	8.3 or less

*1 Serious lost time accidents: Accidents in which there is a continued loss of physical function after treatment for the injury has been completed (with a loss of physical function of Level 5 or higher)

*2 Lost time accidents frequency rate: 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)

*3 Total accident frequency rate: Number of persons injured in occupational accidents (including accidents without lost work days) per million hours worked

*4 Accidents other than 0% negligence accidents per 100 vehicles: Number of traffic accidents other than 0% negligence / No. of vehicles in fleet × 100

Employee wellbeing & safety 403-2, 403-4 (Occupational health and safety 2018)

Our initiatives

Status of occupational accident occurrences

In 2021, a total of 143 regular employees and temporary workers were involved in occupational accidents, of which 50 persons lost work days as a result, with no occupational illnesses resulting in lost work days recorded. For occupational accidents involving subcontractors, the number of persons affected was 28, of which 6 suffered injuries resulting in lost work days.

In China, there was a fatal accident involving a fall, affecting a subcontractor. We investigated the actual cause of the accident and strengthened preventive measures to prevent reoccurrence.

The most common types of accidents among regular employees and temporary workers were slip and fall accidents due to carelessness and insufficient confirmation (51 employees), accidents involving reactionary action (22 employees) and collisions (15 employees). As slip and fall accidents have been the most common type of accident in recent years, in implementing our activities we have focused mainly on strategies to prevent slip and fall accidents.

Risk assessment of chemical substances

As many kinds of chemical substances are handled at our manufacturing locations, the risk of damage to human health and of environmental pollution is not negligible. With this in mind, we evaluate the impacts on people and the environment and make provisions to reduce these risks.

In addition, when installing additional equipment or making

changes to existing equipment, and when changing the types of raw materials used, we assess the potential impact on human health and on the environment in advance as needed.

These measures have been implemented in response to the UN's Strategic Approach to International Chemicals Management (SAICM) initiative.



Walking the right path > Responsible chemicals management

Expansion of the “no accidents with lost work days award system” improving safety awareness

With the aim of further strengthening safety awareness, starting from 2016 the scope of application of the “no accidents with lost work days award system” was expanded to include not only plants in Japan but also plants outside Japan. In addition, starting from 2021, the scope of application of the safety awards systems (including both the “no accidents with lost work days award system” and the “traffic safety award system”) was expanded to include sales companies and logistics companies in Japan that have had significant numbers of occupational accidents.

In 2021, a total of two plants in Japan, six plants outside Japan and five logistics sites received awards.

Award criteria

Stage	Award criteria
1	3 years
2	5 years or 5.4 million hours
3	7 years or 8.1 million hours
4	10 years or 12.2 million hours
5	15 years or 18.3 million hours

“No accidents with lost work days award system” (2021)

Region	Company / Plant	Stage
Japan	Wakayama	Stage 2 (5.4 million hours)
	Toyohashi	Stage 2 (5 years)
Taiwan	Kao (Taiwan) Corporation	Stage 2 (5 years)
China	Kao Corporation Shanghai	Stage 3 (7 years)
Philippine	Pilipinas Kao	Stage 5 (15 years)
Indonesia	PT Kao Indonesia Chemicals	Stage 1 (3 years)
U.K.	Molton Brown	Stage 2 (5 years)
U.S.	Kao Collins	Stage 1 (3 years)

“No accidents with lost work days award system” (scope of application has included sales companies and logistics companies from 2021 onwards)

Company	Region / Office	Stage
Kao Logistics	Hiroshima West Center	Stage 3 (15 years)
	Atsugi North Center	Stage 2 (5 years)
	Yonago No. 2 Center	Stage 2 (5 years)
	Kobe Logistics Center	Stage 2 (5 years)
	Atsugi South Center	Stage 1 (3 years)
Kao Group Customer Marketing	Head Office	Stage 1 (3 years)



Pilipinas Kao Incorporated (Philippines) received the President's Award for 15 years without accidents with lost work days

Hiroshima West Center, Kao Logistics received the President's Award for 15 years without accidents with lost work days



Employee wellbeing & safety 403-2 (Occupational health and safety 2018)

Sharing safety messages globally

With the aim of enhancing safety awareness globally, since 2017 we have had the company's safety slogans translated into local languages at our worksites outside Japan, and the safety posters on which the President appears have been shared globally, being displayed at worksites both within and outside Japan.

Starting from 2018, the safety poster messages have been chosen in a global competition.

In 2021, the message proposed by Fatty Chemical (Malaysia) Sdn. Bhd. was chosen as the best entry. Safety posters using this message were created and distributed for display at Kao affiliates both within and outside Japan. We also disseminated the President's safety message to all Kao Group companies, both within and outside Japan, in video format.

Going forward, we will continue to promote this activity, so as to strengthen safety consciousness on a global scale.



The safety poster featuring the company president was deployed in 12 different local languages (Clockwise from top left: Japanese, English, French, Chinese [simplified])



The award ceremony for the best entry (Fatty Chemical (Malaysia))

Creating a pleasant working environment for employees

Besides striving to create a pleasant working environment at all worksites, in order to ensure compliance with working environment standards and relevant laws in each country, we implement surveys of the working environment on a regular basis, and undertake improvement and maintenance management of the workplace environment.