

Top Message GRI 2-22

Protecting Future Lives



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Top Message

<https://www.kao.com/global/en/investor-relations/library/reports/>

Kao has defined its Purpose as “to realize a Kirei world in which all life lives in harmony;” and it has declared “protecting future lives” and “sustainability as the only path” as its vision for the Kao Group Mid-term Plan 2025 (K25).

The circumstances surrounding our business are undergoing significant changes. In the face of this, we are promoting dual-tracked reforms based on the concepts of Reborn Kao, which aims to revitalize existing businesses, and Another Kao, which aims to create future focused new businesses. We believe that ESG strategies will be more vital than ever to solve social challenges while developing our businesses.

The core approach for executing ESG strategies is ESG-driven *Yoki-Monozukuri*. This means approaching things in a way that minimizes energy, substances, and effort involved in creating products, while also contributing to a circular society in which consumers are fulfilled by many kinds of value in a strong and enduring manner. We define this as “maximum value with minimum waste” solving social challenges with the smallest possible resource consumption and the largest possible product value.

We will also bolster our ESG perspective in marketing. By taking not only the distinctive functional value of our products but also the sustainability value created through ESG-driven *Yoki-Monozukuri* and delivering both types of value to consumers’ hearts, we will develop our businesses through loyalty marketing that nurtures strong bonds with our customers.

Through a holistic approach of creating products that solve social issues and marketing that expresses the sustainability value created in this process, we will develop our businesses while also tackling the issues that society faces.

We started specific initiatives in 2022 for Another Kao with the intent to create a new business model, which also aims to achieve business growth while addressing social challenges. For example, the mosquito repelling skincare product launched in Thailand in June 2022 was a business based on our aspiration to protect the lives of the Thai people from dengue fever. This initiative gained strong support from the government and our business partners, and it has served to help the people of Thailand at an unprecedented speed.

We will transform our manufacturing from an approach driven by consumption to one where resources are circulated. This represents a transition from a linear economic model based on units and volumes to a circular economy based on quality and human connections. To this end, we aim to build a sustainable business model that is poised for success.

We will carry out business reforms amid the ongoing challenging global business environment. We view the current turbulence as an opportunity to reform, and will fully utilize the vitality of Kao Group employees. Furthermore, we will continue to work together with all stakeholders to engage in activities that will help us deliver a Kirei Life to people all over the world.