

Improved Quality of Life

Help people to enjoy more beautiful lives through our products, services and communications.

Social issues

The effects of global warming and increased UV rays can harm the human body, as seen with heatstroke and skin trouble caused by UV rays.

Infectious diseases arising from increases in the global flow of people, as well as viruses, bacteria, protozoa and other sources, are also becoming a more immediate threat.



Cool Choice: Current State of Global Warming via the Ministry of the Environment
<http://ondankataisaku.env.go.jp/coolchoice/ondanka/> (Japanese)
 Changes in UV Rays Over Time via the Japan Meteorological Agency
https://www.data.jma.go.jp/gmd/env/uvhp/diag_cie.html (Japanese)

While progress has been made in terms of enhancing women's participation in society, unfairness in the division of labor within the home, and a lack of understanding of the difficulties that women face on the part of both their families and their workplaces, have led to an increased physical burden on women and an increase in the level of stress that they experience.

The increasingly borderless flow of information has shown that all of the world's diverse peoples have the right to live safe and comfortable lives in their own unique way, and it is becoming more important than ever before to have a perspective based on diversity, equity and inclusion (DE&I). For this reason, companies are also being called on to provide products and services that meet a diverse range of needs.

In addition, amid rapidly aging populations, the number of people living with illness is rising, leading to increased economic pressure due to medical and nursing care expenses and a decline in the quality of life of both the elderly and those who support them.



Cabinet Office: Trends in Global Population Aging
https://www8.cao.go.jp/kourei/whitepaper/w-2020/html/zenbun/s1_1_2.html (Japanese)

Policies

To promote actions that support "Making my everyday more beautiful," which is a pillar of the Kirei Lifestyle Plan (KLP), we are working to ensure more people experience greater cleanliness, easier aging, better health, and confidence in self-expression.

To this end, through our wide range of product categories and many leading brands, we will utilize our knowledge and unique technologies across categories to promote products, services, and awareness-raising activities in cooperation with national and local governments, research institutions and other companies.

Strategy

Risks and opportunities

Risks

If we do not meet global demand for products and services that meet diverse needs, we will not be chosen by consumers or retailers. In the long term, our corporate image and brand value may decline if we are perceived as a company that does not focus on improving the lives of a diverse range of people. Moreover, as population aging advances, the number of people using our brands will decrease if we do not take accessibility and usability for senior citizens into account in our products and services.

Opportunities

- Increased global hygiene needs
- Greater need for measures to counter UV rays and heatstroke due to climate change
- Various needs due to diversity
- Health promotion needs

Strategy

To improve the quality of life, we bring products to customers through many leading brands, and our numerous technologies, insights and services enable us to do this more effectively. In addition, by leveraging these assets and integrated capabilities, we can further evolve and spread our products and services through cross-collaboration with other companies, research institutions, public bodies and local governments that share our aspirations.

Social impact

Impacts and responsibilities

While maintaining many leading brands for a variety of needs in the fields of consumer cleanliness, beauty and health, our mission is to develop products, provide information and engage in awareness-raising activities through leveraging our unique technologies and insights. We also recognize that Kao has a considerable impact on society because our products are used by many people.

However, if we fail to strive hard enough, the quality of life of our diverse consumers will not improve, and the industries we operate in may also suffer.

Improved Quality of Life GRI 3-3, 404-2

Contributions to the SDGs



Business impact

Through providing products that contribute to a comfortable, beautiful, healthy life and touch the hearts of people, we can encourage greater loyalty to Kao products, and enhance our brand value, profitability and market competitiveness.

In particular, by utilizing new technologies to lead the way in measures to prevent the spread of infectious diseases in emerging countries, we can increase loyalty among users toward our company and products in the hygiene category in those countries.

Furthermore, we can leverage the unique skincare technologies we have refined over many years to counter the effects of UV rays caused by climate change and heatstroke from global warming. In addition, we can provide solutions for population aging through our original, high-precision monitoring technology and a wide range of existing Kao Group technologies.

We believe that by developing products that meet diverse needs and improving accessibility, we can increase the number of users, provide greater accessibility and usability for many people, and thereby increase loyalty toward our company and brands.

Governance

Framework

Risk management in relation to improving the quality of life is carried out by the Internal Control Committee, and opportunity management is conducted by the ESG Managing Committee, under the supervision of the Board of Directors. These committees are both headed by the President & CEO.

Risk management related to improving the quality of life is conducted by the Internal Control Committee (twice a year) and its subordinate unit, the Risk & Crisis Management Committee (four times a year). These committees are headed by the Executive Officer Responsible for Corporate Strategy.

Opportunity management relating to improving the quality of life is handled by the ESG Managing Committee, which meets six times a year. Comprising

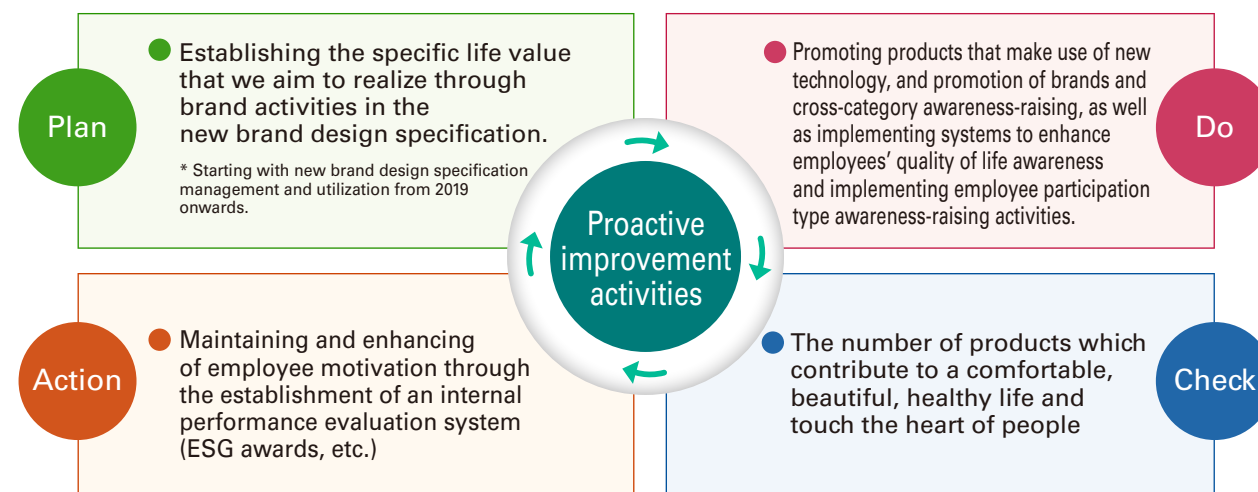
outside experts, the ESG External Advisory Board provides advice and suggestions on issues raised by the ESG Managing Committee and offers outside viewpoints to be reflected into management, and the ESG Promotion Meeting executes the strategies.

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Education and promotion

With the implementation of a PDCA (Plan, Do, Check, and Act) cycle that includes proposing products that use new technology, collaboration between employees, consumers and other stakeholders, the wide-ranging information provision both within and outside the company, and obtaining evaluations from third-party organizations, etc., we are constantly reviewing our activity themes and working to expand them.

PDCA cycle aimed at improving the quality of life



Improved Quality of Life GRI 3-3

Collaboration with stakeholders

Consumers are the most important stakeholders in our business activities. To gain full benefit from our many products that improve quality of life, consumers must use them correctly as part of their daily routine. Since we have numerous products that can only address public hygiene if used by everyone rather just individuals, it is important that we work together with large numbers of consumers.

In addition, because our business domains and resources are limited, we can make our technology more effective and apply it in a wider range of applications by collaborating with research institutions and companies in fields outside our business domains. If this approach becomes the industry standard, convenience for consumers will grow.

Risk management

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Risk assessment

We quickly monitor consumer feedback received at the Consumer Communication Center, promptly share it with relevant departments, and evaluate trends and tendencies through monthly and annual reports.

Reputational risks

We are working to reinforce our social media monitoring system, continuously strengthen internal education, and revise guidelines and the like regarding social media.

Targets and metrics

Mid- to long-term targets and 2022 results

2030 long-term targets

- The number of products which contribute to a comfortable, beautiful, healthy life and touch the hearts of people
Target for 2030: 7 billion products
- Increase the number of new products that help to enhance quality of life
- Collaborate with research institutions, public bodies, and government agencies to improve quality of life
- Increase initiatives with local governments and other companies

2022 results

- The number of products which contribute to a comfortable, beautiful, healthy life and touch the hearts of people
2022 results: 4.4 billion items

Reviews of 2022 results

The quantity was equivalent to that of the previous year.

Even within a challenging market environment due to city-wide lockdowns and the downturn of markets in China along with global inflation, the sanitary napkin brand *Laurier*, which provides ongoing education on menstrual hygiene in Asia and Japan, continued to have strong sales. Seasonal products, such as UV care products that provide awareness-raising activities in the intense heat of Japan's summer, also contributed to sales. For cosmetics, global strategic brands such as *KANEBO* and *KATE* also contributed to sales. There was also a strong response to our insect repellent products launched in Thailand.

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Main initiatives

Saving future lives from dengue fever, an infectious disease spread by mosquitoes

GUARD OUR FUTURE

In Southeast Asia, dengue fever, an infectious disease spread by mosquito bites, is a social issue that threatens the lives of people, particularly children.

Kao has therefore developed a new repellent technology that alters the skin's surface to give it properties that mosquitoes dislike, thereby preventing them from staying on the skin. In addition to setting up a system to deliver this technology to those who need it, we have launched initiatives to reduce the harm caused by dengue fever, initially in Thailand, in collaboration with industry, government, and academia.

We hope that freedom from mosquito bites will become the norm for everyone.

Kao is promoting these initiatives to protect future lives from dengue fever under our GUARD OUR FUTURE project.



Saving Future Lives from Dengue Fever, an Infectious Disease Spread by Mosquitoes

<https://www.kao.com/global/en/newsroom/stories/dengue/>



Project product: *Bioré GUARD Mos Block Serum*
Launched in Thailand in June 2022 (*not scheduled for launch in Japan)

Freedom from water stress Partnership with WOTA Corporation

Emerging countries are facing serious challenges in accessing safe water, a precondition for enacting hygiene measures. In developed countries, too, access to safe water often becomes problematic during disasters. It has also been pointed out that Japan is encountering cost issues for water purification systems, especially in depopulated areas.

For this reason, Kao has partnered with WOTA Corporation ("WOTA") to accelerate the social implementation of WOTA's autonomous water reuse system. Through doing so, we will engage in co-creation that leverages our respective technologies and expertise in the spheres of water and hygiene.

We will promote initiatives that include hygiene measures and the prevention of infectious disease in regions suffering from severe water shortages, support for disasters, and the reuse of domestic wastewater in a decentralized model.

While Kao has communicated the importance of maintaining personal hygiene and hygiene in the surrounding environment in Indonesia since 2016, we have more recently collaborated with the Indonesian Ministry of Health to conduct an educational program to shine light on the importance of hygiene and health.



Children using the WOSH water reuse handwashing stand at an elementary school in Indonesia

The program has been conducted across eight cities and 50 schools for over 6,000 people including children, parents and other school community members. We have also installed WOTA's WOSH water reuse handwashing stand in four schools.

Web Accessibility Policy disclosure

The Kao Group is committed to ensuring that its websites are accessible and can be used easily by everyone, with the goal of people-friendly communication.

To meet our 2025 target of ensuring that all of the Kao Group's websites meet WCAG 2.1 Level AA quality standards, in FY2022, we conducted in-house education to employees on the importance of web accessibility and how to address it, and started to develop our websites in accordance with the Kao Web Accessibility Guidelines.



Web Accessibility Policy

<https://www.kao.com/global/en/web-accessibility/policy/>

As part of these efforts, in FY2022, we created an accessibility-oriented video to ensure that everyone can easily understand how to use our Curél products. By simply watching and listening to the video's instructions, users can perform effective skin care. Through the video, titled "Skin Care for Everyone," we hope that more people will be able to enjoy skin care as part of their daily routine.



Accessibility-oriented video "Skin Care for Everyone"

Available on the official website of *Curél* products for dry, sensitive skin

<https://www.kao.com/jp/newsroom/news/release/2022/20221125-001/>
(Japanese)

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Hygiene Practice Program: Let's All Wash Our Hands Together! For Schools for the Blind

In 2021, we created educational materials as a part of our new hygiene practices program, Let's All Wash Our Hands Together!, so that children could learn how to wash their hands properly in a fun way and acquire good hygiene habits. The materials have been utilized in 54% of Japan's elementary schools (around 10,000 schools). Similarly, in our hopes that children with hearing impairments would also learn good hygiene practices, we developed educational materials titled Let's All Wash Our Hands Together! For Schools for the Deaf in the autumn of 2021. These materials have been used at 63% of Japan's schools for the deaf.

In FY2022, we created educational materials for schools for the blind. In creating the educational materials, we incorporated the opinions of many teachers at such schools for the blind to devise ways to have children with visual impairments enjoy learning how to wash their hands thoroughly.



[Let's All Wash Our Hands Together! For Schools for the Blind \(A new hygiene practices program\)](https://www.kao.com/jp/education/next-generation/handwash_visually/)
https://www.kao.com/jp/education/next-generation/handwash_visually/ (Japanese)

Laurier in the Workplace initiative for ensuring the availability of sanitary napkins in the workplace

We have received many comments from women expressing that it can be difficult when menstruation begins suddenly during work and before meetings, or that there is not enough time to leave work to buy sanitary napkins.

Making sanitary napkins available in the workplace like toilet paper reduces one anxiety women face, and enables them to carry out their work with peace of mind.

To create a society where women can express themselves and act freely, we will build a positive cycle that ensures both working women and companies can support each other. We have already implemented the initiative at companies that have endorsed it.



Sanitary napkin box in a restroom

[Laurier in the Workplace](https://www.kao.co.jp/laurier/project/shokuba/)
<https://www.kao.co.jp/laurier/project/shokuba/> (Japanese)

Kao Group Pink Ribbon Campaign 2022



Project for Cancer Education by Pink Ribbon Advisors

Kao supports the Project for Cancer Education by Pink Ribbon Advisors, which was launched by the Japan Society of Breast Health, a certified specified non-profit organization, with the aim of protecting the precious lives of people both with and without cancer and realizing a society that enables confidence in self-expression.

Donation activities through products

Activities conducted in 2022 include donating a portion of the revenue from selected product sales of the cosmetics brand *KANEBO* to the cancer education project. Through this ongoing initiative since 2013, we set a product for the campaign each year and support public education activities about breast cancer. Furthermore, the sanitary napkin brand *Laurier* has launched a campaign to support women's health along with a retweet campaign through the brand's Twitter account, in which the brand makes donations according to retweeted results. In addition to the cancer education project, these donations also went to support activities to raise awareness about cervical cancer.

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Product Development

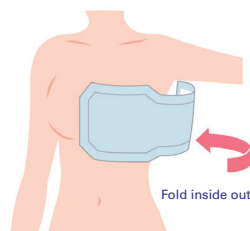
The *Healia Deodorant Pad*, which was jointly developed with Juntendo University in 2019, helps to reduce wound odors due to its outstanding odor removal properties and soft cushioning that makes application comfortable and secure.

 [Healia Deodorant Pad](https://pro.kao.com/jp/brand/healia/)
https://pro.kao.com/jp/brand/healia/ (Japanese)



Example of use

<For chest region>




Utilizing the Virtual Human Body Generative Model to propose optimal health care solutions

As each individual consumer has their own unique health condition, a diverse range of effective health care solutions exist for extending healthy life expectancies.

Under a new collaboration, Kao's Virtual Human Body Generative Model*¹, developed with the cooperation of Preferred Networks, Inc., will be combined with NTT DOCOMO Inc.'s "d Healthcare"[®]*² and other digital technologies to create optimal healthcare solutions for each individual customer by estimating their state of health.

*1 Kao and Preferred Networks, Inc. have developed a new system that can estimate various data about health and lifestyle from certain data about the body, etc. For example, from the number of steps taken and body weight, it is possible to estimate values for items such as triglycerides and LDL cholesterol that would normally be measured during a health checkup.

*2 The "d Healthcare" health management and promotion application for smartphones provided by NTT DOCOMO Inc. records data such as the number of steps walked, weight, blood pressure and body temperature, allowing users to track daily changes on a graph or calendar. Users also have access to free content that can help them enjoy acquiring healthy habits. Users of the paid version of the app can also take advantage of online health advice, enabling them to consult a doctor about a variety of health concerns via 24-hour online chat.

 [Kao and PFN Co-Develop Virtual Human Body Generative Model](https://www.kao.com/global/en/newsroom/news/release/2022/20220228-001/)
https://www.kao.com/global/en/newsroom/news/release/2022/20220228-001/

d Healthcare
https://health.docomo.ne.jp (Japanese)

Awareness-raising initiatives to prevent frailty

We are communicating the value of our products and raising awareness of walking at health centers in areas where senior citizens abound. As part of these efforts, we are distributing the *Odekake Support Book*, which aims to increase understanding about health and the importance of going out.

We conduct lectures that explain how to walk effectively, and also introduce our *Relief* adult incontinence products to actively support senior citizens who are hesitant about leaving home due to incontinence concerns.

In addition to introducing the prevention and awareness-raising activities we are carrying out with local governments, we are also utilizing the Kao Group's extensive sales network to hold seminars at facilities

such as community comprehensive support centers, public halls and senior day care centers.

