

Habits for Cleanliness, Beauty & Health

Inspire and enable people to develop better habits for cleanliness, beauty and health through our products, services and communications.

Social issues

Global warming	<ul style="list-style-type: none"> • Skin damage caused by ultraviolet rays • Increased incidence of heatstroke
Changes in the hygiene environment	<ul style="list-style-type: none"> • Increased spread of infectious diseases • Growing disparities between regions in terms of public sanitation and hygiene practices
Obstacles to women's empowerment	<ul style="list-style-type: none"> • Physical and mental discomfort accompanying the body's growth and development, aging, and lifestyle changes
Inadequate response to the diversification of society	<ul style="list-style-type: none"> • Consumers not able to enjoy equitable access to the benefits of products and services • Inadequate accessibility

With still no sign of the COVID-19 pandemic abating, people have been continuing to reaffirm the importance of maintaining good hygiene.

Policies

At a time when people's lifestyles and values are changing, in addition to delivering cleaning and hygiene products that can help consumers live with peace of mind and enjoy a vibrant life, we also promote awareness-raising activities that can enable people to continue a daily routine of hygiene practices and actions along with physical and mental care without special effort by collaborating with schools, regions, and other organizations such as corporations under the policy of Leave No One Behind. We contribute toward making it possible for consumers to realize authentic, healthy lives. In the future, we will be adopting a more proactive approach to implementing activities that aim to promote the adoption of good hygiene practices in the countries of AEMEA (the Americas, Europe, the Middle East, and Africa) and Asia.

Strategy

Risks and opportunities

Risks

Unless we address social issues such as initiatives in response to global warming, changes in the hygiene environment, obstacles to women's empowerment, and response to diversification, and if we fail to respond to changes in people's needs, it will be difficult to gain the sympathy of consumers and society. As a result, Kao's corporate value and brand value could decline, which could reduce profitability and market competitiveness. Another aspect of the pandemic is that it limits the awareness-raising activities being conducted in the *Genba*.

Opportunities

We see these changes and risks as opportunities, so believe it is important to promote corporate activities.

Strategy

To help improve people's habits for cleanliness, beauty & health, 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 educational institutions, research institutions, public bodies, and local governments that share our aspirations.

Social impact

It can be anticipated that the adoption of habits for cleanliness, beauty & health will help to improve people's quality of life, improve public hygiene, and reduce the risk of infectious diseases.

Contributions to the SDGs



Business impact

In Japan, where people are already in the habit of washing their hands regularly, it can be anticipated that having people learn hygiene behavior from when they are children and make it a part of people's daily routine will lead to an increase in the percentage of people and the frequency of use of hand soap, hand sanitizer, and other disinfectant products. Spreading these Japanese hygiene practices to other countries will help improve hygiene practices in the Asia region and should contribute toward a dramatic increase in demand for hygiene products.

Habits for Cleanliness, Beauty & Health GRI 3-3, 404-2

Governance

Framework

Under the supervision of the Board of Directors, risk management in relation to habits for cleanliness, beauty & health is carried out by the Internal Control Committee while opportunities are managed by the ESG Managing Committee. These committees are both headed by the President & CEO.

Risk management related to habits for cleanliness, beauty & health is carried out by the Internal Control Committee (which meets twice a year) and its subordinate body, the Risk & Crisis Management Committee (which meets four times a year). These committees are headed by the Executive Officer Responsible for Corporate Strategy.

The ESG Managing Committee (which meets six times a year) is responsible for managing opportunities related to habits for cleanliness, beauty & health.

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. The ESG Promotion Meeting then executes the strategies.

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Education and promotion

Over the period from 2009 to 2019, as part of our efforts to encourage all Kao employees to participate in ESG activities, we visited classes at schools and provided handwashing lessons for children in the early years of elementary school. Participating employees

were able to directly communicate with consumers, including children, and this experience has been utilized in product development.

During the COVID-19 pandemic, while we were concerned that sending employees to visit schools to give lessons might exacerbate the spread of the disease, we also felt that, precisely because this was a pandemic, it was even more important than ever to instill correct hygiene habits in as many children as possible. With this in mind, starting in 2020, we began providing remote classes for preschool children, and we created and provided teaching programs whereby teachers at elementary schools, schools for the deaf, and schools for the blind could make use of teaching materials supplied by Kao in their classes. Some of the educational materials used at schools for the blind were created by our many employee volunteers. For employees, these activities promote an understanding of ESG activities and foster a sense of participation.

Collaboration with stakeholders

By providing programs tailored to the changes affecting society, we implement activities for nurturing the next generation that help to develop children's life skills and their ability to solve problems. In developing these programs, we collaborate with government agencies, local government authorities, schools, etc. to expand the content of the programs and enable them to be used effectively in the classroom.

Risk management

In order to ensure that our awareness-raising activities are responsive to the needs of society, we are constantly listening to our stakeholders. We are also

reviewing our methods to achieve our targets, such as by providing educational programs with teaching materials so that our awareness-raising activities can be continued at educational sites even during a pandemic without our employees having to go there.

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Targets and metrics

Mid- to long-term targets and 2022 results

2030 long-term targets

- Cumulative number of people reached by awareness-raising activities for acquiring habits for cleanliness, beauty and health using Kao products and services
Target for 2030: 0.1 billion people

Within Japan, we will be focusing on providing teaching materials that teachers can use themselves at school, while combining this with visiting classes, including classes provided remotely, and we will be approaching even more educational institutions, with the aim of establishing good hygiene practices in both preschool-age children and young schoolchildren. We will also be working to disseminate accurate information and expand the scope of hygiene awareness-raising activities in the Asia region and in AEMEA (the Americas, Europe, the Middle East, and Africa) in a similar way to that used in Japan.

2022 results

63 million people

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Reviews of 2022 results

We will continue to promote awareness-raising activities through cross-sectoral collaboration with educational institutions, public organizations, and local governments. The cumulative number of people reached through awareness-raising activities is growing as planned toward the 2030 target.

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Main initiatives

Nurturing the next generation through the provision of educational materials

We believe that safeguarding one's own hygiene status helps to safeguard that of society as a whole (in other words, the people around us). In line with this belief, we undertake activities to nurture the next generation, with the aim of cultivating children's life skills and their ability to solve problems, through the provision of educational programs tailored to the changes taking place in society.



Kao Nurturing the Next Generation
<https://www.kao.com/jp/education/next-generation/> (Japanese)

Hygiene Practice Program: Let's All Wash Our Hands Together! For First and Second Grade Elementary School Students

Let's All Wash Our Hands Together! is a hygiene practices program to help children in the early grades of elementary school enjoy learning the importance of handwashing and mask-wearing and acquire hygiene practices during the COVID-19 pandemic. The program was provided free of charge from April 2021. As of December 2022, out of approximately 20,000 elementary schools in Japan, more than 10,000 schools have incorporated this program. Many elementary school teachers cooperated with us in creating this program.



Let's All Wash Our Hands Together! (A new hygiene practices program)
<https://www.kao.com/jp/education/next-generation/handwash/> (Japanese)

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

Let's All Wash Our Hands Together! For Schools for the Deaf is a hygiene practices program to help children with hearing impairments enjoy acquiring hygiene practices. The program began in September 2021, and as of December 2022, it was being used by around 60% of schools for the deaf in Japan. Many teachers from these schools cooperated with us in creating this program. The members of *Kakehashi**, an internal community in which Kao Group members with hearing impairments play a central role, were involved in developing this program.

* *Kakehashi* is an internal community formed within the Kao Group in December 2020 in which employees with hearing impairments play a major role. Based on the philosophy that "By sharing everyone's concerns in a forward-looking manner, people who can't hear and people who can hear can collaborate on building a bridge to the future," *Kakehashi* undertakes both internal and external activities aimed at finding solutions to various social issues.



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

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

We created educational materials for schools for the blind in our hopes that children with visual impairments will also acquire hygiene practices. 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. For example, slides used in this program used inverted black and white text and simple illustrations with consideration toward children with weak eyesight.

Furthermore, we created original gloves which were provided as educational materials for handwashing instruction. These gloves allowed children to use their fingers to touch and easily detect areas that tend to be left unwashed. The educational material was created by our many employee volunteers. Employees with intellectual disabilities from our special subsidiary Kao Peony Co., Ltd. created and wrapped message cards with Braille stickers for the children and their guardians.



Employee volunteers creating educational materials



Kao Peony employees creating and wrapping educational materials

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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/ (Japanese)

Hygiene Practices Program: Keeping Your Surroundings Kirei

As the next step after the hygiene practices program Let's All Wash Our Hands Together! For First and Second Grade Elementary School Students, we offer the hygiene practices program Keeping Your Surroundings Kirei to help children understand the importance of keeping their surroundings clean. The program began in September 2021, and as of December 2022, it is being used by approximately 1,400 elementary schools (cumulative) in Japan.



Keeping Your Surroundings Kirei (A new hygiene practices program)
<https://www.kao.com/jp/education/next-generation/personal/> (Japanese)

Environmental Program: Zero Waste Challenge

We developed the Zero Waste Challenge program with the aim of fostering problem-solving abilities (the ability to participate in society) by enabling children to develop their own ideas toward social issues and engaging proactively through learning about innovations and efforts to reduce waste. The program has been provided since April 2022 for fourth and fifth grade elementary school students. This program was finalized with the cooperation of the elementary school affiliated with Wakayama University's Faculty of Education and under the initiative of the SDGs promotion collaboration between Wakayama City and Kao Corporation. As of December 2022, this program is being used by more than 500 elementary schools in Japan.



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Corporate Citizenship Activities > Kao Hygiene Development Program in Vietnam

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Corporate Citizenship Activities > Helping to improve menstrual hygiene

Developing handwashing awareness in Indonesia (Collaboration with WOTA CORP)

PT Kao Indonesia installed the freestanding handwashing stand WOSH in the pedestrian zone in central Jakarta to raise awareness about handwashing during outings. At the same time, WOSH was also introduced to four schools on a trial basis to boost hygiene awareness and to demonstrate handwashing as an established practice. This was a part of the "Anak Kao" school support education program with the Indonesia Ministry of Health and Ministry of Education, to raise awareness among elementary and junior high school students about the importance of good hygiene practices.

Using the knowledge gained from these activities, we plan to do further demonstrations to propose solutions that accommodate local sanitary conditions, awareness, actual conditions, and infrastructure.



Kao and WOTA Partner in the Water and Sanitation Field
https://www.kao.com/global/en/newsroom/news_release/2022/20220310-001/



Developing handwashing awareness in the U.S.

Starting from March 2021, Kao USA has been rolling out a new Clean Routine for Healthy Hands program under the *MyKirei by Kao* brand to teach elementary school students in the U.S. the importance of good hygiene practices. This program was developed by modifying the new hygiene practices programs that we have deployed in Japan, and its contents are being revised to accommodate local needs as it proceeds. It aims to support teachers' efforts to provide children with handwashing guidance by using content that treats handwashing as something fun to do, rather than just something that has to be done every day.

As of December 2022, teaching materials have been provided to 14 schools, and it is anticipated that the scope of the program's implementation will be expanded in the future.

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Employees' opinions

To deliver cleanliness to everyone around the world

Naoko Ishii

Personal Health Product Development,
Health and Beauty Care
Product Business Development,
Kao Corporation



In 2022, the Tokyo Marathon was in jeopardy due to the COVID-19 pandemic. In this environment and with only eight months from launching a cleaning agent to the start of the marathon, our project had a chaotic beginning. We needed to discuss various aspects over and over, and collaborate with Business ESG Promotion, Research, and other related divisions. Although there were many challenges, especially from a manufacturing perspective, we received strong support from manufacturing divisions such as Supply Chain Management (SCM) and Tokyo Plant, and could complete the special hand cleaner for WOSH, the freestanding, water-reuse handwashing stand, which provides Kao's cleanliness to environments without water.

To be able to provide Kao's philosophy of cleanliness to people from various countries was an outstanding experience and a tremendous joy that I had never felt before. I participated as a disinfection volunteer at the marathon, and along with members of Business ESG Promotion, was honored to directly receive many thanks from marathon runners.

I will continue my journey and look toward further developing WOSH outside Japan, continuing to challenge myself and contributing to *Yoki-Monozukuri*.

Employees' opinions

Participated in the production of handwashing materials for schools for the blind

Ai Koide

Specialty Stores, Prestige Division,
Customer Marketing Co., Ltd.,
Kao Group



I was able to participate as an employee volunteer to help create educational materials for handwashing for use at schools for the blind. Although I joined the initiative casually, believing that it was something I could chip in with, I was impressed by the way these materials were created under the concept of "Leave no one behind," and as a program that enables children to have fun while learning good hygiene practices. I work as a cosmetics instructor. Through my participation in creating educational materials that allowed children with visual impairments to enjoy learning, just like those without any disabilities, the theme of my work is now focused on how to tailor communication to the different skills and mindsets of employees at our distributors.

From now on, I hope to be an instructor who can enable distributor employees to understand objectives and remain positive. I also believe it would be wonderful if more Kao employees become colleagues who can share what they felt through these initiatives created to educate the next generation.

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Stakeholder engagement



Tomonori Terada

Principal, Saitama Prefectural Special Support School Hanawa Hokiichi Academy

The Saitama Prefectural Special Support School Hanawa Hokiichi Academy is the only special-needs school in the prefecture that focuses on education for the visually impaired. The school has a kindergarten, elementary school, junior high school, a general-course senior high school, a major-course senior high school, and a dormitory. The major-course senior high school is for students who have completed senior high school or a special-needs senior high school, and

is a vocational school where students can acquire government certification to become licensed masseurs, acupuncturists, and moxibustion practitioners. As members of society, these government-certified graduates contribute by offering treatments to heal those playing active roles in our world.

Current school education has entered a new phase ushering in educational DX, with each student having their very own information device. Without limiting ourselves to conventional textbooks, supplementary materials based on textbooks, and educational materials created by teachers, I believe that fully utilizing advanced research, corporations, NPOs, corporate CSR, and CSV to boost independent, interactive, and deep learning for children will lead to lifelong active learning. For this project, I received a proposal from Kao saying that they wanted to provide educational materials that would be easy for children with visual impairments to understand when learning about hygiene practices. We were able to create new teaching materials via the respective strengths gained through collaboration

between a school that specializes in creating educational materials to accommodate the special characteristics of its children, and a company that specializes in developing products related to hygiene. Above all else, due to Kao's efforts, these educational materials were subsequently provided to special-needs schools throughout Japan, mainly to those providing education for the visually impaired. It is of great significance for visually impaired children to have first-hand experience and learn how to improve their handwashing habits.

To create a school that works as a foundation to support the development, independence, and social participation of visually impaired children, I believe that along with the children, who are the core of these efforts, parents, local citizens, faculty, and staff also need to do their best in their respective roles, working together to push "Our School" forward. I hope Kao will continue to propose all sorts of collaborations that will enrich school education and the lives of our fellow citizens.



Saitama Prefectural Special Support School Hanawa Hokiichi Academy
<https://mo-sb.spec.ed.jp> (Japanese)