

Universal Product Design

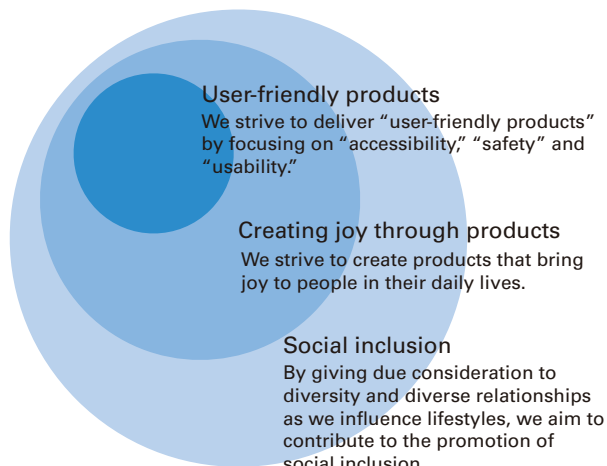
As part of Kao's Environmental, Social and Governance "ESG-driven *Yoki-Monozukuri*" in plan and action, we provide products and services based on our Universal Design Guidelines.

Social issues

To bring about sustainable growth for society, it is important to realize a world in which all individuals are respected, and in which people can fulfil their potential in the way that suits them best. For this reason, we believe that there is a need to provide products that are easy to use for everyone, regardless of cultural background, nationality, beliefs, ethnicity, gender, identity or abilities, and to provide related information in a way that is easy to access. We also believe that it is important to provide not only functional value but also affective value through products and information for a future in which everyone can lead a healthier, cleaner and more beautiful life.

Policies

Our purpose is to create a Kirei world for all—providing care and enrichment for the lives of all people and the planet. To this end, it is important to deliver concrete steps so no one is left behind. To achieve this goal, we believe that it is critical to apply the concept of universal design (UD) to each and every product.



Kao Universal Design Guidelines

- User-friendly products
We strive to deliver "user-friendly products" by focusing on "accessibility," "safety" and "usability."
- Creating joy through products
We strive to create products that bring joy to people in their daily lives.
- Social inclusion
By giving due consideration to diversity and diverse relationships as we influence lifestyles, we aim to contribute to the promotion of social inclusion.

We implement universal product design in accordance with the Kao Universal Design Guidelines, which were formulated in 2011. We will promote "ESG-driven *Yoki-Monozukuri*" and pursue it throughout the company, and by delivering satisfaction and inspiration to all consumers in their daily lives through the use of Kao products, we will strive to create social value through our business to enhance our corporate value.

Specific initiatives to achieve this are set forth below.

1. Promoting UD from the perspective of consumers at all touchpoints between consumers and products

At the development stage we verify whether UD—which encompasses simplicity, usability and safety—at all touchpoints with consumers, such as recognition, selection, purchase, use, and disposal, is taken into account. In addition to reviewing the products themselves, we constantly review information provided to consumers in response to consumer feedback after launch.

2. In addition to product functionality, realizing information provision and communication that leave no one behind

It is important to provide information, such as how to use a product, so that consumers will use our products in their daily lives. Over and above product functionality, we will strive for information provision and communication that leave no one behind.

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3. Promoting UD from a global perspective

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

Strategy

Risks and opportunities

Risks

If products do not adequately take UD considerations into account, then there is a risk of improper usage by consumers, and of other safety issues. Furthermore, even products developed with safety in mind may be used improperly if easily understood information about how to use them correctly is not provided. Failure in this regard could have a negative impact on safety for consumers, and could lead to a loss of trust in our products and in the company itself. Continuing to provide products and information without considering diversity also erodes trust.

In addition, observing the Act for Eliminating Discrimination against Persons with Disabilities will shift from a moral obligation to a legal one in 2024. In other words, we will be legally obliged to consider removing social barriers to a reasonable extent if people with disabilities ask the company for some consideration.

Delays in responding to these considerations can also undermine trust.

Opportunities

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

Strategy

We will add the concept of DE&I to the concept of UD, on which we currently work mainly in Japan, and deploy it globally. To this end, by 2025 we will review and conduct the same assessment in the consumer products businesses in the AEMEA (the Americas, Europe, the Middle East and Africa) as we do in Japan.

Social impact

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

Increasing products and information without properly considering diversity has environmental impacts and makes it difficult for consumers to make the right choice.

We will create inclusive experiences with our products, taking diverse values and lifestyles into account.

Contributions to the SDGs



Business impact

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

Governance

Framework

Risk management in relation to universal product design 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 universal product design is conducted by the Internal Control Committee (meets twice a year) and its subordinate organization, the Risk & Crisis Management Committee (meets four times a year). These committees are headed by the Executive Officer Responsible for Corporate Strategy.

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Opportunity management related to universal product design is conducted by the ESG Managing Committee (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

Deploying a structure for UD-centered manufacturing throughout the company

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

Internal education system

We hold Workshops for Promoting Empathy with Elderly People, with the aim of helping our employees develop greater empathy for the elderly and a sense of direct connection with the problems they face. About 800 employees, mainly product development members, have attended the workshops since the first one in 2012. We have distributed videos created by editing the footage of past Workshops for Promoting Empathy with Elderly People during the COVID-19 pandemic as a measure against the infectious disease.

We have also re-examined past examples of UD and shared them with relevant internal functions, together with consumer feedback.

Collaboration with stakeholders

Manufacturing that reflects consumers' views

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

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

By communicating with diverse consumers, including people with medical conditions or difficulties, we can adjust our approach to both products and information.

Collaboration with the Accessible Design

Foundation of Japan

We are working to incorporate the insights from the Accessible Design Foundation of Japan, of which we are a corporate supporter, into the UD of products and provision of information about them.

In 2022, the foundation gave us advice on providing information about products that consumers with hand

impairments can use, and exhibited and introduced the UD of our products at events and other opportunities.

Exchanging information with consumer administration agencies and consumer groups

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

Risk management

When developing new or improved products, we identify possible risks and apply insights on what happened with past similar products, etc. Then, relevant functions check these risks to address them in accordance with the company-wide crisis response framework. We also keep a close watch on legal amendments and social trends related to UD considerations, and share information with related divisions to ensure that we can take appropriate actions in a timely manner.

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Targets and metrics

Mid- to long-term targets and 2022 results

2030 long-term targets

1. Continuously practice manufacturing from diverse perspectives

We will expand “ESG-driven *Yoki-Monozukuri*” from a UD perspective not only in Japan, but also globally. We will also promote *Yoki-Monozukuri* in plan and action established in collaboration with diverse consumers, taking a broad range of third-party opinions into account with an aim to solving social issues, and widely disclose the processes and content outside the company.

2. Adopt a UD perspective when disseminating information

We will adopt a UD perspective in information dissemination and retail shop design. In particular, by 2025 we will fully utilize DX to provide information on all products, which will enable anyone to easily access and confirm what they need to know when selecting and using those products.

As a leading household goods company, we will consider improving the ways we develop and provide information content and take other initiatives to deliver basic lifestyle information and the like that diverse populations can easily understand.

3. Promote understanding on the part of stakeholders

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

2022 results

1. Product development from UD perspectives

- Percentage of new and improved products that incorporate UD perspectives*

Japan: 567 items, 99%

We have launched *media luxe*, *Magiclean Kitchen Air Jet* and other products. *media luxe* is a makeup brand for adults with containers that incorporate universal design in a way that combines user-friendliness and refined beauty. Users can take environmentally conscious action at the same time as enjoying the benefits of their makeup. *Magiclean Kitchen Air Jet*, meanwhile, makes it easy for users to clean everyday kitchen stains on everything from cooktops to sinks. In addition, we have improved our laundry detergent *Attack ZERO* to attack the source of various problems such as stains and odors that are difficult to remove. We also redesigned the package of the *Attack ZERO* variety specially designed for front-loading washers, making it easier for consumers to tell the difference between it and regular *Attack ZERO*.

* Regarding the data for Japan, up until the year before last, the percentage for improved products was calculated by comparison with the previous products. However, starting from last year the calculation is based on a more precise assessment of whether products feature UD considerations. Improvement percentage data for AEMEA has not been given, because the basis for comparison is being revised.

2. Initiatives targeting diverse groups of people Initiatives to provide information that is easy for many people to understand

- We have started distributing “Skin Care Method for Everyone” for *Curél*, our skin care brand for dry, sensitive skin. This skin care video was created considering accessibility so that more people can use products with little effort.

Initiatives to aid people with visual impairments

- We provided lifestyle information content, and our employees volunteered to help record narrated information, for *Home Life*, a voice-based magazine published by the Japan Braille Library.

Initiatives to aid people with hearing impairments

- TV commercials with closed captioning
- We have attempted to spread the trend of TV commercials with closed captioning, creating more than 2,000 TV commercials with it. Almost all television stations started supporting TV commercials with closed captioning before October 2022.

We have increased the number of commercials with closed captioning in line with this. As a result, about 80% of our commercials created since October 2022 include closed captioning. We will further promote this initiative with a goal to add closed captioning to all our commercials from 2023.

3. Promote understanding on the part of stakeholders

Although the number of awareness-raising activities has been reduced due to the spread of the COVID-19 pandemic, we provided UD materials for use by elementary school students, and organized an awareness-raising activity for consumers to use products safely and easily in collaboration with a community support center in Kumamoto City.

Reviews of 2022 results

We have been emphasizing the UD-driven aspects of product design when launching new products in Japan since 2012, and an emphasis on UD is now firmly established in all segments of our household products. However, as the pursuit of UD is an ongoing process

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with no end-point, we recognize the need for a more objective assessment of our efforts in this area.

We will add the concept of DE&I to the concept of UD, which we are currently working on mainly in Japan, and deploy it globally. To this end, by 2025 we will review and conduct the same assessment in the consumer products businesses in the AEMEA (the Americas, Europe, the Middle East and Africa) as we do in Japan.

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Main initiatives

UD considerations in relation to the products that we launched and the information that we disseminated in 2022

We are continuing to develop products that make it possible for diverse groups of people to use our products in a stress-free manner in different circumstances. In this section, we present some examples of how we took UD into account in 2022.

Package redesign for Attack ZERO to prevent consumers from buying the wrong product in store

We launched *Attack ZERO* in 2019. This product features the highest-ever cleaning power among the *Attack* series, and for the first time in our history provides a product specially designed for front-loading washers.

Since its launch we had announced through TV commercials and the like that there is regular *Attack ZERO* as well as *Attack ZERO* specially designed for front-loading washers at stores. However, we used to intermittently receive inquiries from consumers who bought regular *Attack ZERO* or *Attack ZERO* specially designed for front-loading washers by mistake. Our Consumer Communication Center used to receive inquiries such as “Can I use *Attack ZERO* specially designed for front-loading washers in a regular washer?” or “I bought *Attack ZERO* specially designed for front-loading washers by mistake. Can I refill the regular bottle with it?”

To prevent customers from buying the wrong product, we have reviewed the design every time we improved the product, considering customer feedback as well.

After improving the package by putting large text saying “For Front-Loading Washers” and a large illustration of a front-loading washer on the front in May 2022, the number of inquiries was 10 percent of the peak.

We will continue initiatives so that customers can choose products in store with ease.

Refill packages at the time of launch in 2019



Regular *Attack ZERO*



Attack ZERO for specially designed for front-loading washers



Refill packages at the time of launching improved versions in May 2022



Regular *Attack ZERO*



Attack ZERO for specially designed for front-loading washers

Creation of skin care information for everyone (*Curél*)

Curél is a brand created for dry, sensitive skin. This brand provides skin care products for the face, body, scalp, and the like that focus on care to protect and augment the function of ceramides, and add moisture to skin.

Everyone from babies to the elderly can suffer various skin problems. Some *Curél* target customers and users have visual, hearing or limb impairments. In response, we created and released seven skin care videos in total, with the wish that anyone can readily practice skin care. These are barrier-free videos that consist of illustrations and sound, and can be easily understood by just listening to them or watching them.

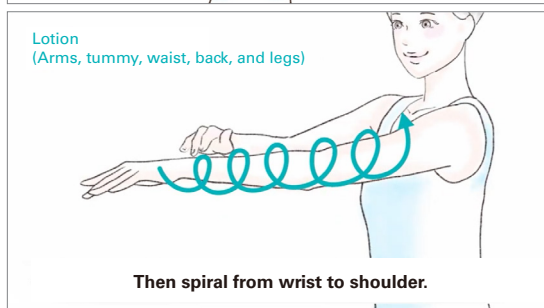
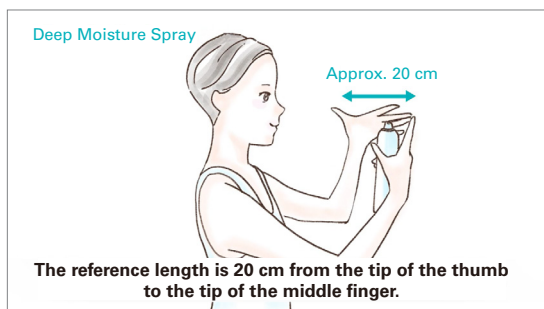
With *Curél*, we have been active in spreading ways to care for skin effectively. We hope that this video distribution will encourage more people to enjoy practicing skin care, and gives everyone an opportunity to rethink the importance of being barrier-free in the field of skin care as well.

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Skin Care Methods for Everyone

Skin Care Methods for Everyone
https://www.kao.co.jp/curel/listen_care/



Contents

Activities to support the life of cancer patients

We jointly hosted Cancer Treatment and Life Fair 2022 organized by CANCER RIBBONZ, an NPO that supports the lives of cancer patients during medical treatment. We focused on presenting *Curél* and oral care products to address skin and oral problems, which many cancer patients suffer from during their fight against the disease. Ahead of their lectures, we exchanged information about oral care with dentists and dental hygienists. We confirmed that our products can contribute a lot by listening to them say that gentle daily care is effective in preventing many oral problems that arise during cancer treatment from becoming severe. Some patients have difficulty putting toothpaste on a toothbrush, especially when they experience side effects such as numbness in their fingers. The dentists and dental hygienists let us know that toothpaste foam and the like are useful in such cases.

Last year, a cancer survivor told us that although skin care is important because the fingertips get rough and dry, it is hard work for cancer patients. We introduced a new video for *Curél*, "Skin Care Methods for Everyone," on that day in response to that remark, receiving positive feedback on how easy the video made skin care.

Barrier-free access to information

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