

Employee Wellbeing & Safety GRI 403-6

The mental and physical health of our employees, which is the source of our business activities, is the foundation of an environment that promotes better work and is an important factor in maximizing individual growth and organizational strength. Kao will promote Health and Productivity Management® to maximize the power and potential of employees, and will also provide good examples of this approach to workplaces, communities, and consumers.

*Health and Productivity Management® is a registered trademark of Nonprofit Organization Kenkokeiei.

Employee Well-being

Social issues

Population aging

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

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

The spread of infectious diseases

While the COVID-19 pandemic is continuing to spread worldwide and have a significant impact on people's health and social life, vaccination is progressing and new lifestyles are taking root in which people prevent infection in their daily lives.

Raising the retirement age and increasing 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 further increase.

Policies

Kao Group Health Declaration

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

Well-being

Making things better for everyone



The Kao Group incorporates products and healthcare solutions developed through the analysis of basic internal and external health information and healthcare knowledge into its own Health and Productivity Management® and promotes practical health promotion activities in which employees and their families participate.

We will proactively promote the best practices and findings of our initiatives to local communities, workplaces, and consumers to help them realize healthy and enriched lifestyles.

- Together with employees: We will actively support the proactive health promotion efforts of employees and their families to realize a healthy and energetic workplace.
- Together with communities and workplaces: We will proactively disclose the best practices of our initiatives and expand them to communities and workplaces.
- Together with consumers: We will provide products and healthcare solutions that consumers will incorporate into their daily lives.

Cultivation of employees with high health literacy

We are working to make our health promotion activities more visible and engaging in Health and Productivity Management® using the PDCA (Plan, Do, Check, and Act) 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. Independently review and improve their lifestyles based on health check-up results
2. When necessary, consult with a family doctor who can view their health data and provide advice rather than just consulting occupational physicians

Employee Wellbeing & Safety

GRI 403-6

3. Maintain awareness of their mental health and confer with appropriate professionals as needed

Six health promotion initiatives

Rather than merely fulfilling the minimum requirements for health management that we need 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-related diseases
2. Cancer
3. Quitting smoking
4. Mental health care
5. Women's health
6. Senior health

Strategy

Risks and opportunities

Risks

We aim to create a working environment and 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.

- Short-term: Increasing obesity, mental health problems, and infectious disease epidemics
- Mid-term: Increasing number of employees with lifestyle-related diseases, cancer, or musculoskeletal or other illnesses associated with advanced age
- Long-term: Increasing number of older employees and rising healthcare costs

Opportunities

As a company, we intend to provide support to help employees who possess health literacy (in other words, who are 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 use outside of the company and are being deployed for health maintenance and promotion activities in local communities and workplaces. We hope that the initiatives at Kao will have a positive influence on local communities and workplaces and contribute to extension of healthy life expectancy for society as a whole.

Short-term: Promotion of preventive activities by providing highly effective health maintenance and improvement programs

Mid-term: Promotion of support for balancing treatment and work

Long-term: Well-being of healthcare financing

Strategy

Mid-term Health Plan Kao Health 2025

We have formulated Kao Health 2025 as a new health value creation activity for the year 2025 that involves employees and their families. While further evolving the knowledge gained through these activities, we will expand it to local communities and consumers to contribute to the health of people around the world.

Kao Group Health Day

We have designated World Health Day (April 7), the anniversary of the establishment of the World Health Organization (WHO), as Kao Group Health Day. We will actively support health promotion activities for our employees and their families and through such activities, we will send a message far and wide that we

will support the lives and health of people around the world through our products and services.

Social impact

Employees and their families

We keep endeavoring not only to protect our employees' and their family members' health but to limit excessive increases in medical expenses through preventive initiatives such as promoting lifestyle improvements and putting various health guidance measures in place. In addition, we are focusing our efforts on limiting long working hours through promoting modulated work styles and mental health training for managers from the perspective of creating pleasant workplaces. To help employees suffering from chronic diseases, cancer, or other diseases maintain the right balance between managing their health issues and their work responsibilities, we offer support that, 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 the basic health data (including employees' health examination results and records of their participation in related special events) that we have accumulated over a period of many years, which can be combined with job stress assessment results and employment information for complex analysis. We can also leverage our own healthcare expertise to improve health promotion initiatives. In addition, we have Health and Productivity Management know-how, including examples of failures, which is based on our many years of experience in Health and Productivity Management and which we can utilize in our future health maintenance and promotion activities.

Our ESG Vision and Strategy	
Realization of the Kao Way	
Making My Everyday More Beautiful	
Making Thoughtful Choices for Society	
Making the World Healthier & Cleaner	
Walking the Right Path	
Our Foundations	
Appendix	

Employee Wellbeing & Safety GRI 3-3, 403-6

Communities and workplaces

We proactively disclose the best practices of our initiatives. We also provide support and advice to communities and workplaces that are working on health promotion and health and productivity management and contribute to the dissemination of health management knowledge throughout the world.

Consumers

By providing health information through our website and by other means, we support consumers in their efforts to improve their health in their daily lives.

Contributions to the SDGs



Business impact

- Prevention of manpower loss due to decreases in long-term absenteeism
- Reduction in costs of specific health guidance due to decreasing numbers of employees receiving specific health guidance
- Enhanced productivity from more highly motivated employees
- Enhanced productivity of corporate employees due to increases in the number of companies engaging in Health and Productivity Management and healthcare finance well-being in relevant regions

Governance

Framework

Systematization of the health promotion framework

The company and the Kao Health Insurance Union work in unison, and discussions are held at regular monthly meetings, which lead to the consideration and planning of health promotion strategies.

Major strategies are finalized at a company-wide Health Promotion Committee meeting attended by the executives in charge after consideration is given to working groups and the committee members of the Kao Health Insurance Group as well as employee representatives.

In addition, the mid-term plan and other policies are decided at meetings attended by directors.

At every individual office or branch, the manager and staff of the HR section work together with occupational physicians and nursing staff to promote the decided strategies.

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

From 2020 to 2022, in response to the COVID-19 pandemic, we held meetings at the Emergency Countermeasure Headquarters as needed. Measures taken in response to the pandemic, including those taken by group companies outside Japan, were shared and checked during these meetings. To facilitate effective implementation, issues relating to these measures were shared with risk managers and human capital managers via the senior management of individual overseas group companies.

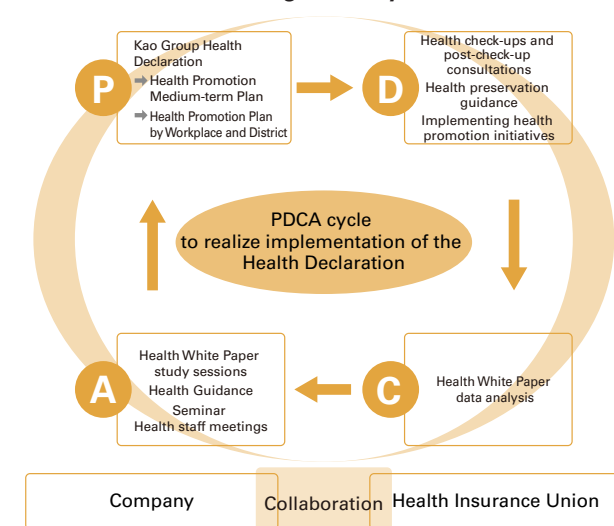
Increasing the visibility of the Health Promotion Management System

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 in-house counseling rooms throughout Japan.

Each in-house counseling room then drafts and implements a health service plan based on the health data of their respective regions.

As needed, we have held Health White Paper study sessions so that employees in charge of human capital and general affairs and occupational health nurses can together learn methods of analyzing the various types of health data and of formulating measures.

Health Promotion Management System



Employee Wellbeing & Safety GRI 3-3, 403-6, 404-2

Cultivation of health staff and internal information sharing

Since 1999, we have held annual Health staff meetings for the development of workplace occupational health staff and for information sharing and dialogue among HR section managers and staff who are responsible for employee health tasks within Kao. Since 2020, the Health staff meetings have been held online. In 2022, the meeting was held in September and attended by about 60 participants from all over the country.

In order to further deepen the development of the PDCA (Plan, Do, Check, and Act) cycle for health promotion projects, we solicit and screen examples of activities in each region and award particularly outstanding examples with the Workplace Occupational Health Best Practices Award at these meetings.

KCMK Kinki Branch, Odawara Office, and Tochigi Office were selected as best practices for 2022. On the day of the event, each person in charge gave a presentation about the award and received praise from the participants.

In addition, to deepen the understanding of the company-wide policy Kao Health 2025, the Kao Health 2025 Sharing Session was held remotely with workplace occupational health staff nationwide in July and August. We deepened the dialogue regarding what we want to become in the future and what we would like to work on regarding each of the six themes.

We also encourage occupational health staff to attend training seminars to enhance their skill levels. A total of 112 occupational health staff members have participated in these training seminars, including 23 staff members who attended training seminars for specific health guidance program specialist staff, 64 staff members who attended training seminars for the primary to advanced specific health guidance program staff, and 25 staff members who attended training seminars relating to health services.

P18 Our ESG Vision and Strategy > Governance

Education and promotion

Starting in 2022, we have designated April 7 as Kao Group Health Day to encourage our employees to think about their own health.

This initiative is being implemented in recognition of April 7, which is the World Health Organization’s (WHO) World Health Day. In line with the WHO theme for 2022 “Our Planet, Our Health,” the initiative encourages employees to think about health and the global environment and to register their specific actions as a Health Declaration. 1,349 people registered and several of them were interviewed. We regularly publish articles regarding this on our intranet.

In addition to these initiatives, we are developing various on-site campaigns, seminars, and health promotion activities.

As a result, 28.3% of male employees (an improvement of 0.3% over the previous year) and 22.4% of female employees (an improvement of 1.2% over the previous year) are engaged in lifestyle improvement. There has also been a decrease in “Presenteeism” (where employees go in to work but are unable to perform properly due to health issues), incidents of which have declined by 22.9%.

* Based on the results obtained from the 2021 periodic health check-up questionnaire

Collaboration with stakeholders

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

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 useful contributions 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.

P240 Examples of collaboration with stakeholders

Risk management

We have evaluated risks to employee health in several of our meetings.

- Risks associated with infectious diseases: The Infection Countermeasures Team and the Infectious Disease Risk Assessment Project will work together to assess risks. Whether deliberations on risk assessment are necessary or not will be decided at the Emergency Countermeasure Headquarters Meeting (Japan and Global).
- Risks to employee health: Based on legal requirements, social conditions, employee feedback, etc., the Employee Healthcare Promotion Department will conduct risk assessments in cooperation with Legal and RC Risk Management. We may seek advice from internal and external experts as required. Countermeasures will be decided and reported through the Group Welfare Meeting and other meeting bodies.
- Risks related to Kao Health Insurance Union members: Kao Health Insurance Union conducts risk assessments based on notifications from the government, enrolled members, and other factors. As required, we may seek advice and guidance from the Health and Welfare Bureau or the National Federation of Health Insurance Societies. We decide and report

Employee Wellbeing & Safety GRI 3-3, 403-6

through our Health Insurance Union Board the countermeasures to be taken.

P33

Our ESG Vision and Strategy > Risk Management

Targets and metrics

Mid- to long-term targets and 2022 results

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

Kao Health 2025 aims to promote a vibrant workplace and society with healthcare-conscious employees and their families by improving the lives of each individual.



Main initiatives

- Six initiatives (lifestyle-related diseases, cancer, quitting smoking, mental health care, females, and seniors)
- Support for balancing treatment and work
- Hazardous operations factor management and risk assessment
- Health promotion with employees, family, and friends

Important indicators for Kao Health 2025

		2021		2025 (target)	
		Male	Female	Male	Female
Mental	Degree of <i>GENKI</i>				
	Rate of affirmative answers “I feel vivacious,” “I am full of energy,” and “I am active,” in the stress check	77.8%	77.2%	80.0%	80.0%
Physical	High stress level	9.5%	8.5%	8.6%	7.7%
	High BMI level over 25	27.3%	14.6%	26.0%	14.0%
	Smoking rate	25.1%	15.5%	21.0%	13.1%

Due to the COVID-19 pandemic, the number of employees working at home increased. At the same time, the health of many employees deteriorated mainly because they were unable to go out as usual. Consequently, employees were polarized into two types: those who successfully improved their health through creating a good rhythm in their lives and those who gained weight suddenly or struggled with mental illness due to bad lifestyle habits.

Against such a background, we represent two indicators, “mental” and “physical,” as important indicators for Kao Health 2025.

- *GENKI* rate (Degree of vitality): This has been set with the aim of increasing the number of employees who are active and work vigorously regardless of the working environment and working style.
- High stress level: This has been set with the aim of detecting mental problems early, taking care of employees who are struggling with metal problems, and reducing high stress levels. We will monitor the health conditions of employees who are subjected to high stress levels and take care of them.
- High BMI levels over 25: This indicator aims at reducing the BMI value below 25 to protect employees from disease caused by obesity.
- Smoking rate: The smoking rate has been falling in recent years, but especially that of women is still high. We are aiming to reduce the smoking rate to avoid the health risks of both smoking and passive smoking.

The target value of each indicator is calculated and set based on the data on changes over the years.

Reviews of 2022 results

Global

We promoted awareness of Health Day globally in 2022 and educated our group companies outside of Japan about Kao Group’s commitment to health.

Kao Group in Japan

Compared to FY2020, there is a slight improvement in the number of obese employees. On the other hand, the number of long-term absences from work due to mental health has been increasing, so immediate action is required.

Employee Wellbeing & Safety GRI 403-6

Main initiatives

Measures against infectious diseases

In support of countermeasures against the COVID-19 pandemic, we share the status of infection and countermeasures being taken in each country at the monthly Emergency Countermeasure Headquarters Meeting.

Kao Group in Japan has introduced an infectious disease reporting app to enable it to immediately assess the situation and begin responding to it.

Furthermore, as part of the information awareness program, the following activities are being carried out:

- Posting on the intranet
- COVID-19 pandemic awareness (8 times a year: 62,329 views)
- Monkeypox information
- Awareness-raising emails to employees
- Awareness-raising during Golden Week, summer vacation, and winter vacation (3 times a year)

We also worked to support vaccination against the COVID-19 pandemic.

- Vaccine information and awareness-raising (6 times a year: 63,630 views)
- Employment assistance: Work exemption for leave due to illness caused by adverse reactions on the day of, and the day after, vaccination.
- Additional vaccinations at workplaces: 8 locations, approx. 10,700 persons (for employees, family members, and subcontractors)
- Omicron-specific vaccinations at workplaces: 1 location, approx. 2,300 people (for employees and subcontractors)

Health management for Japanese personnel on overseas assignment

With regard to employees who are sent to work outside of 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 is 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 of Japan, those employees requiring follow-ups receive frequent health follow-up sessions at in-house counseling rooms and may make an appointment to see an occupational physician based on the results of these sessions. In principle, employees stationed outside of Japan were entitled to return to Japan for a health check-up once a year. However, starting in 2020, we have changed 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, employees visiting or stationed in such regions are encouraged to get vaccinated against influenza. Starting in 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 were located.

Lifestyle habit improvement initiatives

Events and activities

Smart WASHOKU

Smart WASHOKU is a dietary method that leads to 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 to provide a diet that enables people to eat well while still keeping their visceral fat level down: (1) the ratio of protein to fat, (2)

the ratio of dietary fiber to carbohydrates, (3) the ratio of Omega-3 to fat.

- *Smart WASHOKU* online cooking classes were implemented on 4 occasions. Approximately 200 employees and family members participated. This has become a popular event with many requests for participation.
- The *Smart WASHOKU* Challenge was implemented for employees and their families as a summer holiday project. In 2022, we planned to contribute to SDGs by donating 500 yen for every photo posted in the community of a dish you have made at home to the NPO TABLE FOR TWO International. The number of participants increased from 2021, and in 2022, 43 people participated with 103 submitted photos and 51,500 yen donated.
- Two recipe videos for the *Smart WASHOKU* lunches served at the employee cafeteria in the Kao Kayabacho office, Tokyo are disseminated every month. A total of approximately 2,200 people have viewed the videos.



Employee Wellbeing & Safety GRI 403-6

Gait Measurement Sessions and *Hoco Touch*

Gait Measurement analyses how employees walk and makes it possible to gauge their “walking age” and any risks they may face in the future. We also rent out *Hoco Touch* pedometer devices, a unique device developed by Kao that can motivate people to make improvements in their daily living habits.

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

Note: A smartphone app has also been provided so that *Hoco Touch* can be used by employees working from home. 31.7% of continued users have made use of this app.

Information provision 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 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 leading to future Health and Productivity Management activities and health promotion activities.

Summary of Survey Results

- Implementation period:
September 26 to October 5, 2022

● Response rate

Total: 41.9% (10,584 employees out of 25,275)
Male: 38.6% (4,306 employees out of 11,157)
Female: 44.5% (6,278 employees out of 14,118)

● Number of male and female respondents (and average age)

Male: 4,306 (49.8 years old),
Female: 6,278 (45.7 years old)

● Kao Group Health Declaration awareness rate

Male: 67.8%, Female: 75.7%, Total: 72.6%

● Awareness that Kao had been selected as a Health and Productivity Management Brand for eight consecutive years

Male: 54.0%, Female: 61.4%, Total: 58.4%

● Employees’ personal health maintenance implementation status: Significant variation between male and female employees

Share of employees currently implementing health maintenance activities:

Male: 60.7%, Female: 48.2%, Total: 53.3%

● Health issues subjectively felt to be most important

Male: Weight (27%), Visceral fat (20%),

Inadequate exercise (11%)

Female: Weight (25%), Inadequate exercise (14%), Pain* (14%)

Total: Weight (25.8%), Pain* (13.1%), Visceral fat (12.9%)

* Pain includes stiff shoulders, back pain, and headaches.

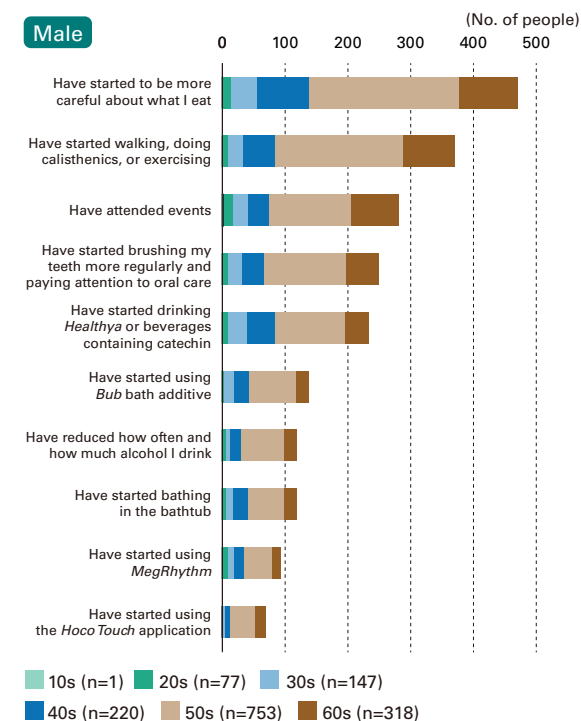
● Preferences regarding internal events

- Whole-family participation, Basic, Potential for continuation

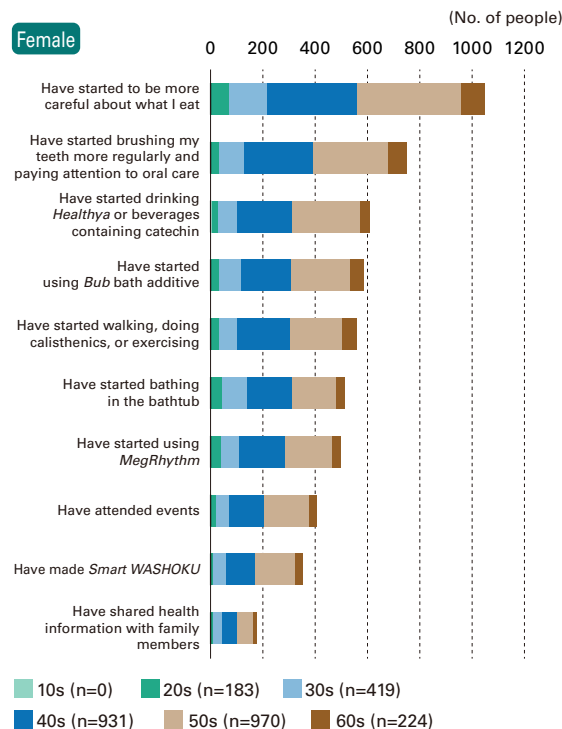
● Examples of changes in behavior after reading information disseminated on the company intranet

- Eating more carefully
- Started/continued exercising
- Event participation
- Paying more attention to oral care

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

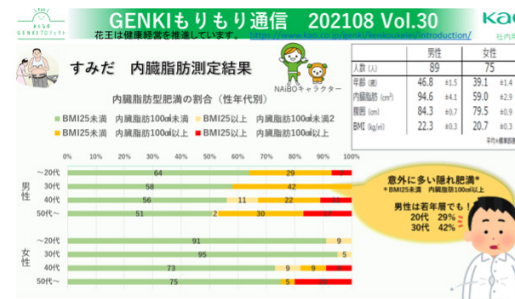


Employee Wellbeing & Safety GRI 403-6



Information Provision via the Company Intranet GENKI Mori Mori Bulletin

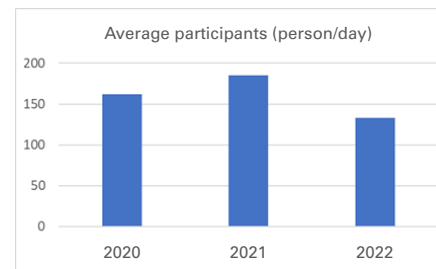
Throughout 2020, we have continued to disseminate health-related information via the intranet as the *GENKI Mori Mori Bulletin*. We present information that employees want to know in an easy-to-understand format and in a timely manner through collaboration between relevant units and research institutes. In FY2022, we continued to devise ways to interest employees with articles on various health events, interviews with people who have achieved their goals, and graphs of data from offices that have conducted in-house measurement sessions (walking and visceral fat).



Online Radio Calisthenics Club

The Online Radio Calisthenics Club held calisthenics sessions in January and August. During the period, large numbers of employees took part, engaging in lively online communication.

- Period: January 11–14 and August 1–5

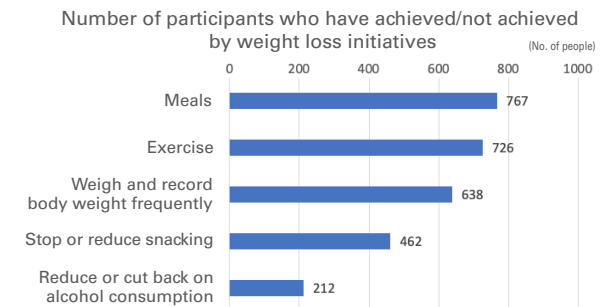


42-day Weight-loss Challenge

This campaign, which is designed to encourage employees to try to lose 2 kg in weight over the 42-day period starting in January each year (except employees with a BMI of less than 20), was held from January 17 to February 27, 2022. 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 2,689 employees took part (representing a participation rate of 13%), of which 890 (33% of participants) succeeded in losing at least 2 kg.
- The combined total of visceral fat lost by all participants was 2.6 tons.



The Pre-examination Self-conditioning Challenge (for employees who received specific health preservation guidance in 2021 and those on a waiting list for specific health preservation guidance)

This campaign encouraged employees to try to lose weight over a 42-day period two months prior to their annual health examination. Participants choose one of three courses: Exercise, Diet, or Rhythm of Life, and with the support of specialized staff for each course (course-specific advice, video distribution, etc.), they worked on self-conditioning by recording their weight and whether or not they have implemented the objectives for each course. Other products supplied during the period included the powder-type *Healthya* for visceral fat control and the *MegRhythm* Eye Mask for relaxation purposes.

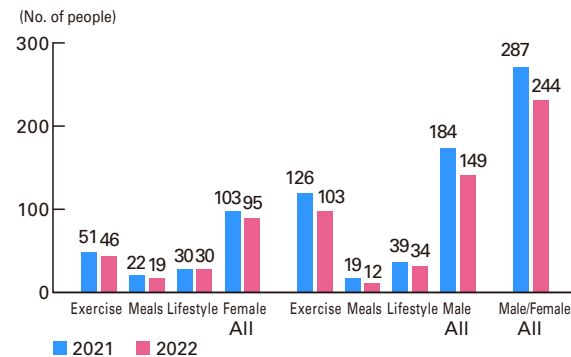
- This has been implemented six times with 350 participants.

Employee Wellbeing & Safety GRI 403-6

- Results: Abdominal circumference (Male: 85 cm or more, Female: 90 cm or more) of 287 people who received specific health guidance → 244 people

Participant abdominal circumference: (Male 85 cm, Female 90 cm or more)

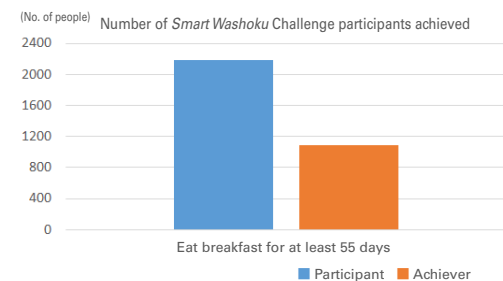
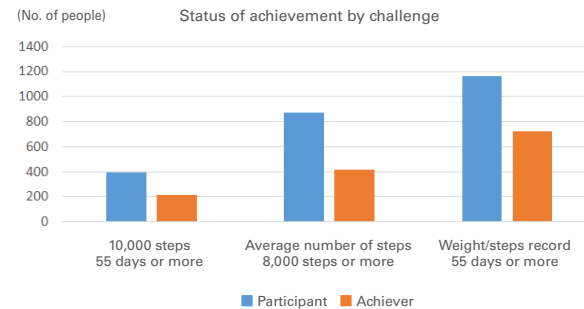
Number of employees receiving specific health guidance:



Walking and *Smart WASHOKU* Challenge

The Spring Walking and the Morning *Smart Washoku* Challenge were implemented over the 70 days period from April 19 to June 27, 2022. An online community was used for posting photos of participants walking, the scenery they saw during their walks, etc., making the event a fun experience. The aim was to get employees into the habit of walking and improve their overall eating habits as well as to create a situation where if someone felt they could not do it on their own, they would be able to carry on with the help of others.

- 2,429 participants in the walking event (a participation rate of 9%). Number of participants that achieved their target: 1,349 (55.5% of the total)
- 2,190 participants in the *Smart WASHOKU* challenge (a participation rate of 9%). Number of participants that achieved their target: 1,091 (49.8% of the total)



Autumn *GENKI* Sports Event

Over the period from September 14 to November 30, 2022, the Autumn *GENKI* Sports Event was held to promote participation in sports. The aim was for the participants to continuously take part in a sport of their own choosing at least once a week or three times a week or more. Participants declared which sport they would be taking part in on a community website and then followed through for 78 days.

During this period, we also provided awareness about walking and exercise through videos distributed by the Kao track and field team members and seminars from researchers at the Personal Health Care Products Research, Development Research.

According to the results of a questionnaire conducted after the event, 67% of participants reported

that their participation in sports had become more frequent than before the event.

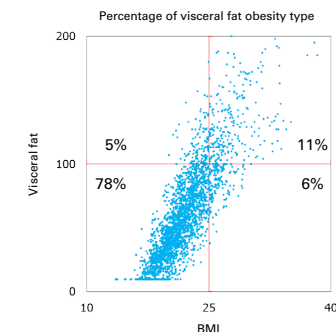
- Participants: 3,437 people
- Number of participants that achieved their target: 1,389 (40%)

Visceral Fat and Lifestyle Check-up Service (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 survey of lifestyle habits and measurements of visceral fat, which tend to be affected by lifestyle habits.

For visceral fat measurements, three courses were established: (1) measuring using a visceral fat measuring device, (2) using photographs to estimate visceral fat, and (3) estimating visceral fat values based on the results of health check-ups.

- Event participants: 2,556 people



Best Physical Condition and Best Weight Event

We held a webinar and learned about the importance of aiming for the best physical condition for oneself and the specifics of the body clock, lifestyle, and eating habits. Participants were then challenged to try the

Employee Wellbeing & Safety GRI 403-6

ways of eating and living that they had learned, and record their experiences on GENKIWeb so that they could feel the changes in their own bodies.

- Online seminar participants 683 people
- Challenge Period: November 29–December 20, 691 participants

Mental health care

In 2022, we conducted job stress assessments as part of the Kao Engagement Survey (see pages 199 and 204 for details).

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.

We also aim to enhance the ability of each individual employee to treat their own mental health through training and the 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 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. At both the individual employee level and the level of the organization as a whole, we are creating workplaces filled with vitality and higher productivity by implementing activities to help people avoid mental health problems and to address them at an early stage if they do experience them.

We are also working to strengthen employees' ability to cope with various types of stress by

live-streaming self-care seminars bimonthly. Line Care training included a 30-minute video recommendation and a presentation by an outside lecturer.

We made effective use of job stress assessment results to proactively implement mental health care.

Mental Health Care Projects Implemented in 2022

Item	2022 results
Invigorated workplace ratio	44.7%
Job stress assessments participation ratio	97.04%
High stress level	9.7% (0.8 percentage points higher)
High work engagement level	12.1%
Training for managers	12 sessions with 4,729 participants
Self-care training	4 sessions with 1,399 participants
External EAP usage rate (number of usages / number of target employees)	248 telephone consultations + 24 e-mail consultations + 216 face-to-face consultations (including online) / 25,979 employees = 1.8%
Consultations with internal counselors (career-focused interviews)	15,692 people

EMEA (Europe, the Middle East and Africa) has also established a Mental Health and Well-being Working Group to support mental health by focusing on three issues: mental illness and related stigma, resilience and stress management, and general well-being.

Smoking cessation initiatives

Promoting smoking cessation (Japan)

With the aim of making healthy and pleasant workplaces a reality, 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 illustrate to employees both the prohibition of indoor smoking and the need for smokers to be considerate of others.

In 2022, in order to reduce the number of new cigarette smokers, we are distributing leaflets and messages to strengthen the prevention of passive smoking and the promotion of smoking cessation.

Kao Group Stop Smoking Week

The week beginning May 31 (which is World No Tobacco Day) has been designated as Kao Group Stop Smoking Week. During this week, we provide support to help people stop smoking, including the distribution of leaflets on quitting smoking and the dissemination of messages supporting smokers' efforts to stop smoking.

- Implementation of the Kao Group Stop Smoking Challenge
 - In January: A total of 83 employees participated (of which 44 succeeded in quitting smoking)
 - In May: A total of 57 employees participated (of which 27 succeeded in quitting smoking)
 - In December: A total of 62 employees participated (of which 35 succeeded in quitting smoking)
- Kao Health Insurance Union-subsidized smoking cessation treatment was provided for one person.
- Online smoking cessation program led by Kao Health Insurance Union was implemented.
 - Online smoking cessation program: 16 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 also hold women's health seminars throughout the country.

Employee Wellbeing & Safety GR1 403-6

Senior health

We conduct employee interviews at age 58 so that employees can stay healthy and *GENKI* after retiring at age 60.

In 2022, 378 people were interviewed.

Expansion of health checks for employees working long hours

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

Health Check Results for Employees Working Long Hours in 2022

Content	2022 results
Meetings with Occupational Physicians	Scope: Employees logging over 80 hours of work outside normal working hours per month Number of eligible employees: 106 Number of employees attending consultations: 105 (Implementation rate: 99%)
Online health check-ups (basic check-ups)	Scope: 1) Employees logging an average of over 80 hours of work outside of normal working hours per month over a period of 2 to 6 months Number of eligible employees: 29 Number of employees attending consultations: 29 (Implementation rate: 100%) 2) Overtime work exceeding 60 hours on average for 2–6 months No. of employees responding to online medical interviews: 700 Of whom, all of 173 employees who had been deemed eligible for consultations by occupational physicians actually received consultations. (Implementation rate: 100%)

Support for specified fertility treatment

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

Initially, Kao Health Insurance Union subsidized treatment, but in 2013, responsibility was transferred to Kao Family Association (a mutual aid association). Subsequently, the program has been revised several times. In 2017, financial assistance for male fertility

treatment was added, and in 2020, the application scope was expanded to cover additional companies resulting in all Kao Group companies within Japan now being covered.

In 2022 the annual total of instances of subsidy usage was 246 (two of which involved male fertility treatment), representing a decrease of 16 instances, 94% of the year before.

We have also created 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 option, a work-from-home option, and the option to take leave in hourly increments).

Content of support for specified fertility treatment (Japan)

Item	Details
Target group	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)

Promoting the *GENKI* Project

The *GENKI* Project, which was organized in 2020, 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 Healthcare, we have for many years now been researching 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 visualizes 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 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 by recording daily life activities, holding special health events, etc.

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.

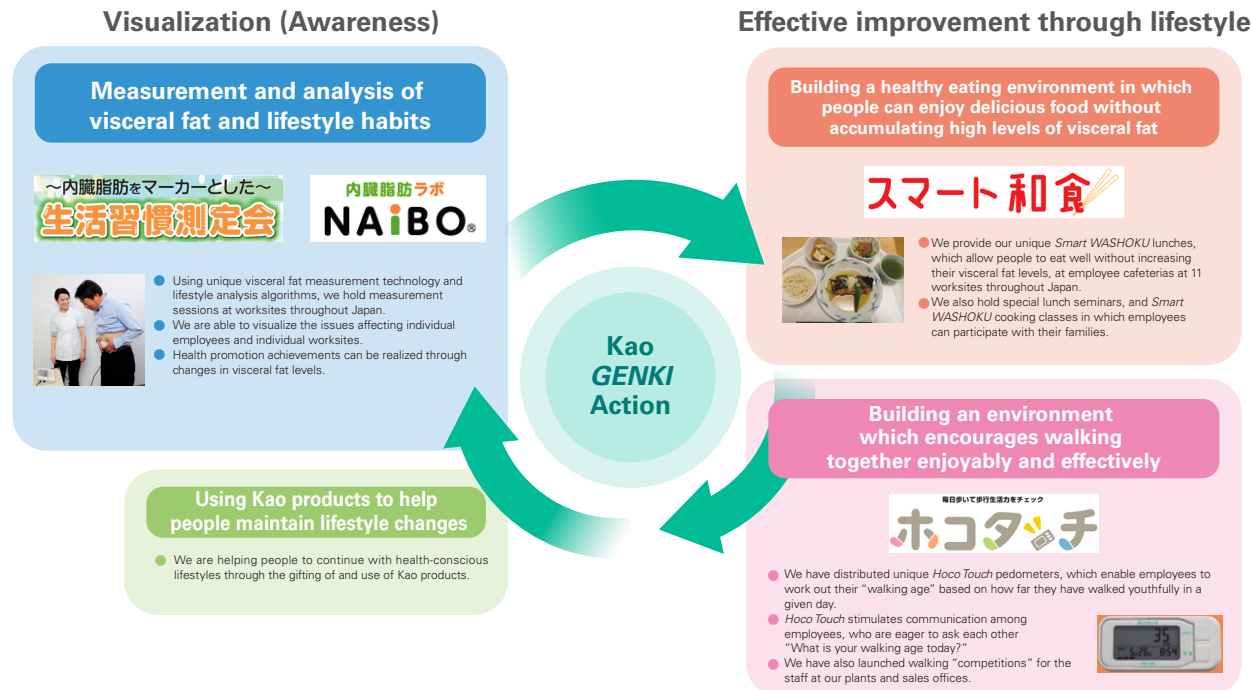
The activity content is disseminated widely throughout society using the Kao *GENKI* Project for Everyone website.



 Kao *GENKI* Project for Everyone
<https://www.kao.co.jp/genki/> (Japanese)

Employee Wellbeing & Safety GRI 403-6

GENKI-Action



* *NaiBO*, *Smart WASHOKU*, and *Hoco Touch* are registered trademarks of Kao Corporation.

Examples of collaboration with stakeholders

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

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

Within Japan, we have become an official partner of the Japan Obesity Prevention Association in order to deepen public understanding of obesity and metabolic syndrome and to promote healthy lifestyles that prevent weight gain.

In collaboration with the NPO Healthy City Support Organization, we also prepare reports on our activities in Japan and disseminate them widely throughout the world.

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 twice as regular sessions, a total of 38 people attended.
- The Online Seminar on Health Promotion and Health and Productivity Management support for specialists, human capital, and general affairs was streamed for free online. 992 people registered for the seminar.

Employee Wellbeing & Safety GRI 403-6

Smart WASHOKU Instagram Online Lessons

- Live-streaming of *Smart WASHOKU* cooking classes using Instagram and YouTube in collaboration with ABC Cooking Studio (administered by ABC Cooking Studio Co., Ltd.) The Instagram Stories posting received approximately 22,000 views. Around 11,000 people viewed the classes on the day that they were held, and there were around 3,300 Instagram Feed and IGTV (Instagram Video) posts.

Introduction of Smart WASHOKU

- *Smart WASHOKU* was introduced on the BS Yoshimoto TV program “*GENKI ni Itadakimasu.*” TV personality shared her thoughts on visiting our cafeteria and laboratory and tasting *Smart WASHOKU*.
- Video distribution at academic conferences: Our health promotion activities and Health and Productivity Management through *Smart WASHOKU* were introduced to domestic and international experts at the Japan Dietetic Association and the International Congress of Nutrition.

Lifestyle habit and visceral fat measurement service

- Lifestyle habit measurement: Held at external companies/corporations with 836 participants
- Visceral fat level measurement: Held at National Museum of Emerging Science and Innovation (*Miraikan*) with 3,290 participants

Get Walking Program

As part of a program to create effective and enjoyable walking environments in workplaces and local communities, we have been distributing our unique *Hoco Touch* pedometer devices and holding Gait Measurement sessions to provide detailed analyses of walking “quality.”

- *Hoco Touch* Pedometer Gait Measurement: Approx. 16,500 people have registered with it at corporate, foundation, and local government facilities
Active users: Approx. 12,630
- Gait Measurement sessions: Held 12 times externally, with approximately 900 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 implemented in collaboration with local governments and universities.

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

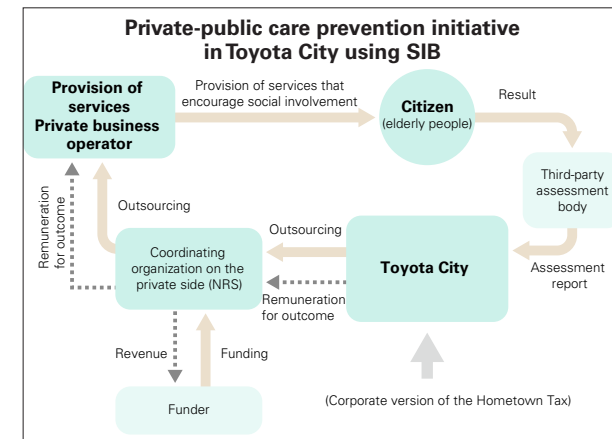
In 2022, for the fifth year in a row, we were commissioned to conduct the Health Promotion in Collaboration with Private-sector Enterprises (proposal project) as well as the Project to Support the Resolution of Health Issues in Disaster-stricken Areas (negotiated contract) as part of Fukushima Prefecture’s support program for the reconstruction of coastal areas. With support from the Fukushima prefectural government and health centers, we are working with six municipalities in the prefecture on health promotion measures and offering walking improvement (promotion) programs for residents and employees of each community.

This year, we have continued to ensure sufficient safety in terms of preventing the spread of the COVID-19 pandemic and recommend daily walking sessions using Gait Measurement and the *Hoco Touch*. Approximately 350 people participated in the program, which showed remarkable improvement mainly among those aged 60 and over and was highly evaluated as a motivational measure for preventing frailty.

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

In October 2021, we began providing *Hoco Touch* and Gait Measurement sessions for senior citizens aged 65 or over living in Toyota City. The service was provided to 80 people in the first year (2021). We are aiming to provide the service to 280 people in 2022.

This project is making use of SIB (abbreviation for 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

Employee Wellbeing & Safety GRI 2-28, 403-6

that integrates basic research on visceral fat reduction, with its measurements and attention to dietary and exercise habits, with the aim of reducing metabolic syndrome.

In 2022, we published the research findings in six papers. For social implementation, 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 *Hoco Touch* devices to 484 people as follow-up after the health check-ups.

Senior Citizens Research Group of the General Incorporated Payer's Association for Better Healthcare

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 association members.

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



Health Project Linking Senior Citizen Health Promotion with Local Government Activity Data
https://datahealth-portal.jp/?action_kouhyou_library_material=true
(Japanese)

Information exchange with external organizations

- Participation in events on health and productivity management (organized by the Association for Considering Health and Management) and exchange of information on Health and Productivity Management initiatives in general

- Participation in the Forum for Building Healthy, Vigorous Workplaces (organized by the ICT and Healthcare Promotion Division of the Japan Productivity Center) and sharing of information on mental health issues and on initiatives taken to build employee-friendly workplaces.
- Participation in *Sanpo-Kai* (Occupational Health Research Association) and exchanging views on the occupational health projects of human capital and health staff

Disseminating Health and Productivity Management and Health Promotion case studies outside of the company (Global) Workforce Nutrition Alliance Commitment

At the Tokyo N4G Summit in December 2021, we announced our commitment to expanding the scope of implementation of our *Smart WASHOKU* and Health and Productivity Management support initiatives. The contents were made into a booklet and distributed worldwide through the Workforce Nutrition Alliance.



Workforce Nutrition Alliance – Case Study Booklet
<https://www.theconsumergoodsforum.com/global-learning-mechanism-resources/workforce-nutrition-alliance-case-study-booklet/>

Disseminating Health and Productivity Management and Health Promotion case studies outside of the company (Japan) Seminar Hosted by the Institute for Future Initiatives, The University of Tokyo

On March 8, 2022, Kao Chairman Sawada participated in the relay talk “Designing Sustainable Health and Productivity Management Policies by Prefecture – Toward Health Promotion of the Working-age Generation and Community Revitalization” where he spoke about Kao Health and Productivity Management initiatives and their adoption in local governments. He introduced specific examples of how walking and eating can support health and conveyed that Kao will continue to stand by its

customers by proactively deploying the expertise and solutions it has accumulated through its past activities.

Update Yourself *Mirai can NOW* Vol. 2

From October 5 to November 28, 2022, we provided *Hoco Touch*, basic walking ability measurements, and visceral fat measurements as part of a body measurement experience at an event held at the National Museum of Emerging Science and Innovation (*Miraikan*). During the event, we also provided *Smart WASHOKU* recipes for the optional tour lunches held once a week and for the lunch boxes sold every Saturday and Sunday at the *Miraikan* 7th floor restaurant.



SOCIAL INNOVATION WEEK SHIBUYA 2022

We participated in the SOCIAL INNOVATION WEEK SHIBUYA talk session held from November 8 to 13, 2022 where we introduced Kao walking knowledge and its efforts to promote health through the use of *Hoco Touch* under the theme of “*Hoco Touch* for Walking: From Kao Walking Research.”


Employee Wellbeing & Safety GRI 2-28

Employees’ opinions

Enhancement of mental health care

Makiko Sekine

Employee Health Care, Human Capital Strategy, Kao Corporation



The World Health Organization (WHO) suspects that 15% of adults of working age in the world are struggling with mental disorders. Therefore, mental health care in each workplace is required.

In the Kao Group in Japan, we also have an increasing number of employees who are absent from work due to mental disorders, and it is more common in young people. We have re-built a mental health care training system to prevent young adults who have just begun their working lives from suffering from mental health

disorders and expanded the place where our employees can learn both Selfcare and Line Care regarding mental health.

We are providing open, effective programs and conducting efficient operations in cooperation with industrial health specialists such as occupational physicians, so that employees in different workplaces can participate casually even when working remotely.

We will continue to encourage our employees to participate in each program more actively and make them aware of the maintenance and improvement of their own mental health as well as that of their colleagues, which hopefully will lead to common understanding throughout the company.

Through such efforts, we will try to maintain each employee’s good mental health condition and contribute to the maximization of the power and potential of employees.

Our ESG Vision and Strategy	
Realization of the Kao Way	
Making My Everyday More Beautiful	
Making Thoughtful Choices for Society	
Making the World Healthier & Cleaner	
Walking the Right Path	
Our Foundations	
Appendix	

243

Employee Wellbeing & Safety

Stakeholder engagement



Naoki Sakane

Preventive Medicine Laboratory Chief,
Clinical Research Center, Kyoto Medical Center

Evaluation of Kao's Initiatives

The preventive medicine laboratory where I play a role as the leader does studies on preventing diabetes and metabolic syndrome. As a result of our studies, we have successfully proved that the risk of diabetes and metabolic syndrome can be slashed by half if one can change their lifestyle habits. Our next challenge is how to make people change their lifestyle habits in the real world. I have been suggesting various ideas for preventing diabetes and metabolic syndrome to many companies and local governments. However, I do not see very many of them immediately implement the ideas I suggest. In Kao's efforts for its employees and their family members, on the other hand, I see a variety of ideas. What interests me is that the company has done research on work productivity, including the issue of presenteeism. We have also developed a program for improving healthcare workers' work engagement and found how important resources are in the areas of teams and individuals, not only quotas (the degree of work demand). With regard to regional health promotion, I was impressed by the company's dissemination activities of Visceral Fat & Lifestyle Check-ups (visceral fat measurement) and *Smart WASHOKU*, which reduces visceral fat. I am also interested in the fact that health maintenance activities are polarized for both men and women as a result of behavior change research using the company intranet. I hope that the company will adopt a new strategy for those people who do not respond to the current strategy.

Expectations and suggestions for Kao

Now that companies must make efforts to keep the door of opportunity to work open until employees turn 70, we can say that we are now facing an era of "never retire." Because Kao has also started health care efforts for the elderly, I want the company to take measures to reduce the number of slip-and-fall accidents and prevent frailty. Amidst the COVID-19 pandemic, the development of a system that changes lifestyle habits in response to the New Normal is also expected. I expect that the company will be able to transmit information extensively online. Probably because Japan has a high literacy rate, people generally think that Japan also has high health literacy. However, it is said that Japan's health literacy is lower than that of the EU and other Asian countries*. Health literacy means how correctly you can select information regarding health and how well you can understand and use the information for better health. In real life, however, we see and hear voluminous amounts of information on health and fitness. Our laboratory is now developing health literacy standards dedicated to health checkups and an evolutionary recommendation system that is useful for health preservation guidance. I expect that Kao will also implement efforts to improve the health literacy of its employees and their family members.

* The European Health Literacy Survey Questionnaire (HLS-EU-Q47), a comprehensive measure of health literacy, was developed, and based on the results of surveys conducted in Europe, Asia, and Japan. Japan was found to have lower health literacy than countries in the EU and Asia.
<https://www.healthliteracy.jp/kenkou/japan.html>

Employee Wellbeing & Safety

Key Health Indicators for Kao Group Employees in Japan

Item	2018	2019	2020	2021
Percentage of employees undergoing periodic health check-ups	100%	100%	100%	100%
Percentage of employees who underwent follow-up examinations	93.9%	94.9%	88.1%	92.6%
Percentage of employees who eat breakfast at least three times a week	Male 77.6%	Male 77.1%	Male 76.5%	Male 75.8%
	Female 75.5%	Female 76.1%	Female 76.3%	Female 76.5%
Percentage of employees who exercise at least once a week	Male 56.4%	Male 57.5%	Male 60.3%	Male 60.2%
	Female 35.0%	Female 36.5%	Female 40.4%	Female 56.2%
Percentage of employees who walk for at least 60 minutes a day	Male 53.9%	Male 56.0%	Male 55.6%	Male 49.1%
	Female 60.7%	Female 61.7%	Female 60.6%	Female 56.2%
Percentage of employees who get adequate sleep	Male 64.0%	Male 63.0%	Male 63.8%	Male 63.6%
	Female 62.2%	Female 61.9%	Female 62.6%	Female 61.7%
Percentage of employees who do not smoke	Male 72.3%	Male 72.6%	Male 74.0%	Male 75.2%
	Female 80.8%	Female 81.6%	Female 83.0%	Female 84.4%
Percentage of employees engaged in improving their lifestyle habits	Male 28.4%	Male 27.3%	Male 28.0%	Male 28.3%
	Female 18.2%	Female 18.6%	Female 21.2%	Female 22.4%
Percentage of employees who do not drink alcohol every day	Male 81.4%	Male 82.1%	Male 82.0%	Male 82.1%
	Female 91.2%	Female 91.4%	Female 90.6%	Female 90.0%
Percentage of employees with a BMI of 25 or higher	Male 25.5%	Male 26.7%	Male 28.5%	Male 27.3%
	Female 13.4%	Female 14.0%	Female 15.0%	Female 14.7%
Percentage of employees who are at risk of developing metabolic syndrome (age 35 or older)	Male 30.6%	Male 32.3%	Male 36.9%	Male 33.8%
	Female 6.6%	Female 7.4%	Female 8.9%	Female 8.2%
Percentage of employees undergoing continued therapy who are at high risk of diabetes	-	-	-	87.7%
Percentage of employees receiving specific health guidance (age 40 or older)	Male 18.3%	Male 19.0%	Male 22.4%	Male 18.9%
	Female 7.8%	Female 7.9%	Female 9.2%	Female 8.1%
Specific health guidance implementation rate (age 40 or older)	72.2%	71.6%	63.2%	71.2%

Investment in major health facilities

	Year	Category	Cases	Yen (tax excluded)
GENKI-WEB	2022	Meal analysis		5,450,000
		Communities		5,739,316
		Fee for system usage		5,086,000
GENKI point	2022	Items	4,694	12,779,349
		Donation to Heart Pocket Club	1,293	129,300
Subsidization in each workplace and area (Health Insurance Union PE-Aid)	2021	Health promotion business activities	115	6,764,183

Deployment of Company-wide Health Promotion Activities (Japan)

Content of activities in 2022	2022 results	2022 Participant satisfaction level
42-day Weight-loss Challenge	2,689 participants	62%
Pre-examination Weight-loss Challenge	350 participants	77%
Online Radio Calisthenics	A total of 1,195 participants	—
Stop Smoking Marathon	202 participants (of whom 106 were successful)	—
Quitting smoking online	16 people	—
Spring Walking and Breakfast Challenge	Walking: 2,492 participants	85%
	Breakfast Challenge: 2,190 participants	
Autumn GENKI Sports Event	3,437 participants	
Seminar on dealing with back and shoulder pain	Held 6 times with 1,063 participants	94%
	Number of people who watched the video: 675	
	Online calisthenics: Held 7 times with 403 participants	
Best Physical Condition & Best Weight GENKI Challenge	Seminar participants: 683 people	95%
	Challenge participants: 691 people	
Women's Health News	4 issues published (average number of times accessed: 3,624)	—
GENKI Mori Mori / Smart WASHOKU Bulletin	14 issues published (average number of times accessed: 2,539)	—
My health profession interview	2 issues published (average number of times accessed: 3,200)	
Women's health seminar	190 people	94%

Health Promotion Activities at Each Kao Office (Japan) (Events, seminars, campaigns, etc.)

Content	2022 results
Related to lifestyle-related diseases: Nutrition seminars, strength tests, health fairs, lectures by occupational physicians, etc.	44 programs were held with a total of 18,880 participants.
Quitting smoking	Six programs were held with a total of 1,167 participants.
For women: Women's health seminars, change-of-life seminars, etc.	44 programs were held with a total of 18,880 participants.
Mental: Mental health courses, seminars for beauty advisors, new employees, newly promoted employees, etc.	Nine programs were held with a total of 3,035 participants.

Employee Wellbeing & Safety

The Kao Responsible Care (RC) Policy includes occupational safety and health guidelines designed to ensure the health and safety of all who work at Kao. By providing workplaces which offer job satisfaction and peace of mind for employees and for their families, we create pleasant working environments.


Safety

Social issues

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, ensuring safe workplace practices and providing a workplace environment where all employees can work safely is a crucial issue for the enterprise.

Policies

Occupational safety and health guidelines at Kao are enshrined in the Responsible Care (RC) Policy as follows: “Kao strives to provide a comfortable and healthy workplace environment for employees. Kao conducts safety and emergency response drills on a regular basis.” Based on risk evaluation of accidents and incidents, Kao diligently implements management strategies design to protect employees from accidents or incidents that may occur during the course of business activities, in order to maintain stable operations.



Kao Group Responsible Care Policy
<https://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
<https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/environment-safety-principle-policies.pdf>

Strategy

Risks and opportunities

Risks

- Risk of downtime due to occupational illness associated with a major workplace incident or a compromised operating environment
- Risk of loss of societal trust in the company due to the above

Opportunities

Kao strives to provide a safe, secure, healthy and welcoming workplace environment by identifying all forms of risk, and evaluating and mitigating factors that have the potential to compromise the workplace health and safety of employees.

Strategy

By providing a workplace environment that ensures the health and safety of employees of Kao and our partners as well as their families through our corporate operations, we create an environment that enables them to work with peace of mind and in good health. This serves to expand our business activities and boost our corporate value.

We strive to create a workplace environment that protects employees from various harms and enables them to work in a healthy state of mind and body. To this end, we have set up specific strategies in areas such as equipment and administration in the form of

Kao Responsible Care (RC) targets, with the goal of reducing the rate of workplace accidents and incidents to no more than 0.1 (equivalent to a maximum of seven employees per year) across the entire Kao Group by 2030. The Group is united in making a sustained and ongoing commitment to this target.

Social impact

The 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. We do this 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.

By providing workplaces which offer job satisfaction and peace of mind for employees and for their families, we create pleasant working environments.

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

Employee Wellbeing & Safety GRI 3-3, 403-1, 403-2, 403-4, 403-5, 404-2

Contributions to the SDGs



Business impact

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

Governance

Framework

The Kao Group launched the RC Global Charter with the signature of the President & CEO in 2008. The Kao Group around the world has been pursuing the RC Global Charter since 2014.

The Responsible Care Promotion Committee was set up as part of the Internal Control Committee and reports to the Board of Directors. The Responsible Care Promotion Committee is headed by the Executive Officer Responsible for Corporate Strategy. Responsible Care activities are subject to a self-evaluation and management review process undertaken by the relevant divisions and companies relative to annual targets in the six areas of environmental conservation, process safety and disaster prevention, occupational safety and health, distribution safety, chemical and product safety and community engagement. This ensures continuous improvement geared toward risk mitigation in corporate operations.

These activities are subject to on-site auditing by an external agency to provide objective validity assessments and are linked to the Kao ESG Strategy.

We have established a promotional framework that covers the entire Kao Group, and we implement Responsible Care (RC) activities through the selection of committee members from each division.

Kao's promotion system and activities are described below.

P18 Our ESG Vision and Strategy > Governance

P284 Responsible Care Activities

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 and reassigned personnel. We also identify roles that require special training, and implement training for the employees who require it as needed.

By educating our members, we are able to share information relating to occupational safety and health in the workplace, and can undertake activities aimed at achieving related targets.

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

Collaboration 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.

Risk management

Responsible Care (RC) activities are designed to ensure the environment, safety and health of employees and wider society. To this end, we implement ongoing risk mitigation activities that involve identifying risks associated with our corporate operations and putting sound countermeasures in place.

The Secretariat of the Responsible Care Promotion Committee scrutinizes the activities of the relevant divisions and group companies to identify actual and potential risks, then implements individual improvements. The results are reviewed by management and reflected in the targets for the following year. The Kao Group has built a framework for steadily implementing such activities.

Three meetings are held regularly every year: the Responsible Care Promotion Committee, the Global RC Meeting and the Japan RC Meeting. This provides the responsible officers from the relevant divisions and group companies with regular opportunities to share and exchange information and clarify risks within the

Our ESG Vision and Strategy	
Realization of the Kao Way	
Making My Everyday More Beautiful	
Making Thoughtful Choices for Society	
Making the World Healthier & Cleaner	
Walking the Right Path	Our Priorities—Kirei Lifestyle Plan
Our Foundations	
Appendix	

Employee Wellbeing & Safety GRI 3-3, 403-1, 403-2

Kao Group, which enables risk mitigation across the Kao Group as a whole.

We have identified large-scale earthquakes and other natural disasters as a corporate risk and are engaged in ongoing risk mitigation activities. We have prepared initial response procedures in the event of a major earthquake under a major city or in the Nankai Trough. Drills are carried out and verified twice per year. Where necessary, the procedures and their implementation are reviewed and used to improve preparedness for such a disaster. In addition, the Corporate Risk Working Group has also set the activity themes of the Corporate Risk Working Group to address new risks such as flood risks due to tsunamis and heavy rainfall, natural disasters that are expanding and becoming more severe worldwide, and the eruption of Mt. Fuji.

Targets and metrics

Mid- to long-term targets and 2022 results

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 cutting deaths and loss of function accidents to zero, decreasing the lost time 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 affiliates, by 2030.

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

2022 results

We implemented activities from the two perspectives of “Eradication of occupational accidents” and “Creating a pleasant working environment and improving the health of our employees.” 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.

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

Our ESG Vision and Strategy	
Realization of the Kao Way	
Making My Everyday More Beautiful	Our Priorities—Kirei Lifestyle Plan
Making Thoughtful Choices for Society	
Making the World Healthier & Cleaner	
Walking the Right Path	
Our Foundations	
Appendix	

Employee Wellbeing & Safety GRI 403-9, 403-10

2022 targets and performance (Kao Group)

Item	Indicator	Scope	2019	2020	2021	2022	
			Results	Results	Results	Target	Results
Occupational accidents	Death / loss of function*1 (persons)	Including both regular employees and temporary workers (Kao Group)	0	0	0	0	1
		Breakdown	Japan	0	0	—	1
			Asia	0	0	—	0
			Americas	0	0	—	0
			Europe	0	0	—	0
		Subcontractors (Kao Group)	0	0	1	0	0
		Breakdown	Japan	0	0	—	0
			Asia	0	0	—	0
			Americas	0	0	—	0
			Europe	0	0	—	0
	Lost time accidents frequency rate*2	Including both regular employees and temporary workers (Kao Group)	0.78	0.53	0.64	0.38 or less	0.65
		Breakdown	Japan	0.67	0.41	—	0.51
			Asia	0.25	0.07	—	0.33
			Americas	3.21	2.03	—	1.91
			Europe	3.30	2.85	—	2.26
		Including both regular employees and temporary workers (Reference: Member companies of Japan Chemical Industry Association)	0.42	0.28	0.41	—	—
		Subcontractors (Kao Group)	0.24	0.66	0.23	0.19 or less	0.77
		Breakdown	Japan	0.66	0.85	—	1.28
			Asia	0.06	0.14	—	0.12
			Americas	0.00	5.51	—	6.20
			Europe	4.18	7.88	—	3.57
		Subcontractors (Reference: Member companies of Japan Chemical Industry Association)	0.57	0.59	0.64	—	—

*1 Loss of function accident: 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 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

GRI 403-9, 403-10

2022 targets and performance (Kao Group)

Item	Indicator	Scope	2019	2020	2021	2022		
			Results	Results	Results	Target	Results	
Occupational accidents	Total accident frequency rate* ³	Including both regular employees and temporary workers (Kao Group)		2.33	1.90	1.82	1.14 or less	1.75
		Breakdown	Japan	2.47	2.00	1.73	—	1.84
			Asia	0.49	0.34	0.95	—	0.65
			Americas	6.02	4.05	8.00	—	3.19
			Europe	5.78	4.98	2.44	—	3.20
		Subcontractors (Kao Group)		0.75	1.43	1.07	0.57 or less	1.39
		Breakdown	Japan	1.87	2.18	1.78	—	2.85
			Asia	0.18	0.55	0.55	—	0.18
			Americas	0.00	5.51	0.00	—	6.20
			Europe	16.70	7.88	2.50	—	4.76
	Severity rate* ⁴	Including both regular employees and temporary workers (Kao Group)		0.01	0.04	0.01	—	0.11
		Breakdown	Japan	0.01	0.05	0.01	—	0.15
			Asia	0.01	0.00	0.01	—	0.00
			Americas	0.02	0.03	0.12	—	0.07
			Europe	0.05	0.08	0.02	—	0.03
		Including both regular employees and temporary workers (Reference: Member companies of Japan Chemical Industry Association)		0.01	0.11	0.01	—	—
		Subcontractors (Kao Group)		0.01	0.03	0.30	—	0.02
		Breakdown	Japan	0.04	0.06	0.03	—	0.04
			Asia	0.01	0.01	0.52	—	0.00
			Americas	0.00	0.17	0.00	—	0.08
Europe	0.03		0.06	0.00	—	0.26		
Subcontractors (Reference: Member companies of Japan Chemical Industry Association)		0.03	0.15	0.15	—	—		
Number of employees who experienced lost work days due to occupational illness (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	
Traffic accidents	100% negligence accidents causing bodily injury (no. of accidents)	Sales and logistics (Japan)	5	1	3	0	5	
	Accidents other than 0% negligence accidents per 100 vehicles ⁵		6.48	3.68	4.63	8.30 or less	5.01	

*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 × 1000

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

Targets for 2023

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 on the backcasting of accident and disaster prevention targets for 2023.

Note that traffic accident targets are for Japan only.

Targets for 2023 (Kao Group)

Item	Scope	Indicator	2023 target
Occupational accidents	Regular employees and temporary workers	Death/loss of function ^{*1} (persons)	0
		Lost time frequency rate ^{*2}	0.32 or less
		Total accident frequency rate ^{*3}	0.96 or less
	Subcontractor employees	Death/loss of function ^{*1} (persons)	0
		Lost time frequency rate ^{*2}	0.17 or less
		Total accident frequency rate ^{*3}	0.52 or less
Traffic accidents	Employees	Number of employees who experienced lost work days due to occupational diseases (persons)	0
	Sales and logistics	100% negligence accidents causing bodily injury (no. of accidents)	0
		Accidents other than 0% negligence accidents per 100 vehicles ^{*4}	7.9 or less

*1 Loss of function accident: Accident leading to a continued loss of physical function (loss of physical function rated Level 5 or above) after treatment for injury

*2 Lost time 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 injuries of all types (including those resulting in lost time) due to occupational accidents 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

Reviews of 2022 results

The number of lost-time accidents and the number of traffic accidents in 2022 were about the same as those in 2021.

Employee Wellbeing & Safety GRI 403-2, 403-4

Main initiatives

Status of occupational accident occurrences

In 2022 there were 134 injuries affecting regular employees and temporary workers due to occupational accidents. Of these, 50 injuries resulted in lost time (absence from work). There were no incidences of illness directly associated with the workplace. For occupational accidents involving subcontractors, the number of persons affected was 40, of whom 22 suffered injuries resulting in lost work days.

In Japan, following a death involving a forklift, the cause of the accident was investigated and measures were put in place to prevent the same from happening again.

The most common types of accidents among regular employees and temporary workers were slips and falls arising from carelessness and insufficient checks (44 employees), accidents involving recoil movements (20 employees), and collisions (13 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 types 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.

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

Improving safety awareness with the award system for no accidents that cause lost work days

With the aim of further increasing safety awareness, starting from 2016 the scope of application of the "award system for no accidents that cause lost work days" was expanded to include not only plants inside Japan but also plants outside Japan. In addition, starting from 2021, the scope of application of the safety awards systems (including both the "award system for no accidents that cause lost work days" 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 2022, a total of five plants in Japan, five plants outside Japan and seven 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

Award system for no accidents that cause lost work days (2022)

Region	Company / Plant	Stage
Japan	Fuji	Stage 4 (10 years)
	Kawasaki	Stage 2 (5 years)
	Wakayama	Stage 2 (5.4 million hours)
	Tochigi	Stage 1 (3 years)
	Kashima	
China	Kao (Hefei)	Stage 4 (10 years)
	Kao Huludao Casting Materials	Stage 3 (7 years)
Thailand	Kao Industrial (Thailand)	Stage 2 (5 years)
Indonesia	Kao Indonesia (Cikarang Plant)	Stage 2 (5 years)
	Kao Indonesia (Karawang Plant)	Stage 1 (3 years)

"Award system for no accidents that cause lost work days" (This has also included sales companies and logistics companies from 2022 onwards.)

Company	Region / Office	Stage
Kao Logistics	Tokuyama Center	Stage 3 (15 years)
	Ishikari Logistics Center	Stage 3 (7 years)
	Aiko Center	Stage 3 (7 years)
	Fukuoka Kita Logistics Center	Stage 1 (5 years)
	Sakai Minami Regional Logistics Center	Stage 1 (5 years)
	Kawagoe Logistics Center	Stage 1 (3 years)
	Inazawa Logistics Center	Stage 1 (3 years)



Kao (Hefei) in China received the President's Award for 10 years of operation without a single accident leading to lost work days

The Kao Logistics Tokuyama Center received the President's Award for 10 years of operation without a single accident leading to lost work days



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 &

Employee Wellbeing & Safety GRI 403-2, 403-4

CEO appears have been shared globally, being displayed at worksites both inside and outside Japan.

Starting from 2018, safety poster slogans have been chosen through a global competition.

In 2022, the winning entry came from the Sakata Plant. Safety posters with this slogan were distributed for display at Kao affiliates both inside and outside Japan.

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



The safety poster featuring the President & CEO was deployed in 12 different local languages (Clockwise from top left: Japanese, English, Simplified Chinese, Thai)



Award ceremony for the best entry (Sakata Plant (Japan))

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.