

Corporate Citizenship Activities

We conduct our corporate citizenship activities with the goal of achieving the Kirei Lifestyle for all around the world and providing care and enrichment for the life of all people and the planet.

To address the social issues that Kao is focusing on, we are working in tandem with local communities and NGOs / NPOs with a long-term perspective. We also set up employee participation activities aimed at creating connections to society and places where employees can learn, along with support for arts and cultural activities in order to further the development of the culture, which is at the foundation of *Yoki-Monozukuri*. We also implement various activities through The Kao Foundation for Arts and Sciences.

Social issues

Environmental issues that directly impact our lives, such as climate change and wastage, represent pressing problems that require action by the international community as a whole. All people, along with government and industry, need to be aware of these issues and be prepared to change their everyday behaviors.

Cleanliness, hygiene and health are the foundation of people’s lives, but there are many people who are not able to benefit from services made possible by modern progress due to inequity stemming from economic disparity as well as disparities based on gender and other attributes. The infection threat associated with the COVID-19 pandemic has had a particularly hard impact on the three billion people* living in precarious conditions without access to soap or clean water.

Floods, cyclones, heatwaves, and water shortages attributed to climate change have a major impact on, and indeed are inextricably linked to, health and hygiene standards.

Along with making contributions through business activities to help resolve these social issues, it is becoming increasingly important for companies to take action with a big picture perspective, through technological support leveraging their strengths, educational and awareness-raising activities, charitable donations and collaborations.

* WHO/UNICEF Joint Monitoring Programme (JMP) 2019 “Progress on household drinking water, sanitation and hygiene 2000-2017: Special focus on inequalities”

Policies

Global Approaches to Kao Group Corporate Citizenship Activities

At Kao, we integrate corporate citizenship activities into our normal business activities in promoting the Kirei Lifestyle to consumers around the world with a view to creating a Kirei world where all can live together in harmony.

In our corporate citizenship activities we strive to address major social issues of focus as identified by Kao as well as social challenges in diverse communities, and through this to provide motivation and inspiration to our employees to reach their goals.

Focus areas

- Kao’s Focus on Social Issues
 - Environment
 - Population aging
 - Pandemics
 - Impacts of diversity
- Maximize the power and potential of employees

The Kao Group will place value on following points when we conduct corporate citizenship activities

- Encouraging people to change their behavior to get closer to the Kirei Lifestyle
- Delivering the Kirei Lifestyle to as many people as possible while leaving no one behind
- Co-creation with employees and stakeholders who share our aspirations

- Strengthening compassion for and connection to people, the wider society and the planet

Strategy

Risks and opportunities

Risks

Without a deeper understanding of societal expectations and social issues, we will lack appropriate consideration for and engagement with stakeholders. In the long term this could lead to customers, employees and stakeholders losing trust in us, which could also potentially damage our brand value in the future.

Opportunities

In recent years, these are not only to improve convenience and satisfaction for individual consumers, but also to be part of people’s everyday lives fulfilling the desire to make the right choices for a better society and enable the people around them and the society they belong to do the same.

As a consumer goods manufacturer, Kao is committed to corporate citizenship activities that harness our accumulated resources including technical expertise, knowledge base and networks to solve short- to medium-term social issues related to everyday life, such as hygiene, water, general health, quality of life and waste. In this way we believe that we can respond to consumer expectations. In doing so, the aim is to enhance our brand value over the long term, with Kao seen as an indispensable part of the sustainable Kirei Lifestyle.

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Strategy

Through a “select and focus” approach to our activities, combined with consistent strategic operations and PR activities steered by a globally integrated coordinating body, we aim to cultivate the trust and empathy of people and work toward the K25 goals.

Furthermore, along with corporate citizenship activities, we will maximize the motivation of our employees to take on and solve social issues in the pursuit of innovative, high-value *Yoki-Monozukuri*. This will in turn enhance our long-term brand value.

Social impact

In the business domains of beauty, health, cleanliness, the environment, and life, where we have leveraged our own resources and strengths, we will provide various forms of assistance. These include educational and awareness-raising activities, technical support, charitable donations, and cross-industry and multi-sector collaborations, all designed to encourage behavior change among people and contribute to society as a whole.

On the environmental front, we will use environmental communication and awareness campaigns to prompt individual people to make more environmentally conscious choices in everyday life, fueling the drive toward a more sustainable society.

By spreading and instilling proper cleanliness, hygiene and health habits, we expect to improve hygiene and health in the communities we are supporting and contribute to improving living standards over the medium to long term.

Also, we promote corporate citizenship activities and employee participation, and encourage employees to take a broader view of the world and participate in donations and volunteering activities, with a view to actively contributing to the wider world.

Business impact

As responsible consumption behavior becomes more widespread, we can gain customers’ trust by steadily carrying out activities aligned with our goals and continuing to communicate these externally, which we anticipate will help us attract loyal, long-term customers.

In addition, we believe that by encouraging employee participation in corporate citizenship activities we can stimulate their creativity and drive more innovative and high-value ESG *Yoki-Monozukuri*, through which we can provide new value to society.

Governance

Framework

The Strategic Public Relations collaborates with the rest of the organization, as well as with other companies in Japan and around the world, to achieve the Kirei Lifestyle as outlined in the ESG Vision.

All companies and offices within and outside Japan are required to undertake an annual survey of corporate citizenship activities and associated reporting, and to provide the Management Board with annual reports of corporate citizenship activities. The reports include details such as the associated costs.

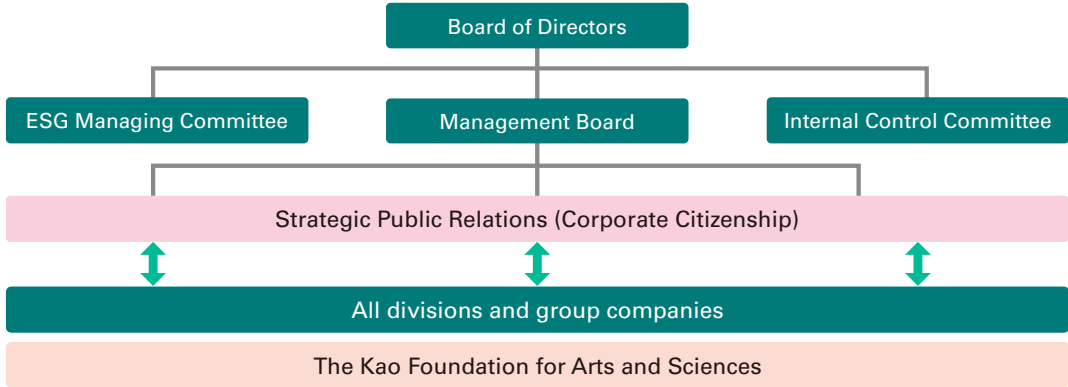
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Education and promotion

We believe it is important for our employees to give consideration to how people around the world live their lives and to make contributions to achieving the Kirei Lifestyle through our business activities and corporate citizenship activities.

By providing opportunities for employees to interact with people working to solve social problems and to participate in community involvement activities, we encourage our employees to learn about diverse societies, broaden their perspectives, enhance their

Implementation framework for corporate citizenship activities



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creativity and collaborative skills, and apply them to better *Yoki-Monozukuri* and community involvement activities.

Collaboration with stakeholders

So that people around the world can enjoy the benefits of the Kirei Lifestyle, we use dialogue and collaboration with stakeholders to better understand the expectation from our increasingly diverse society, and call on others to join with us to make a greater impact than can be achieved by one company acting alone.

In the areas of hygiene, cleanliness and health, we work closely with specialized international agencies such as UNICEF and UNFPA that have comprehensive knowledge of local conditions, as well as NGOs and local entrepreneurs. On the environmental front, meanwhile, we engage with consumers and collaborate with governments at all levels, as well as schools and NGOs, to drive effective behavior change.

We actively promote employee engagement on the basis that employee participation in corporate citizenship activities cultivates a sense of loyalty to the company and acts as a motivator to make a greater contribution to our business operations as well as to society as a whole.

Risk management

Should we fail to engage sufficiently with stakeholders and properly consider their expectations, they may lose faith in us over the long term. This could damage Kao's brand value in the future.

In the process of assessing risk and opportunity, the Corporate Strategy determines the expected risks and opportunities at Kao based on the opinions expressed by representatives from the relevant departments and divisions. The assessment process is subject to approval from the Management Board.

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Web

Kao International Environment Painting Contest for Children
<https://www.kao.com/global/en/sustainability/society/painting-contest/>

Targets and metrics

Mid- to long-term targets and 2022 results

Mid- to long-term targets

Focusing principally on our business domains of beauty, health, cleanliness, the environment and life-related fields, we help people around the world to enjoy happy, fulfilling and comfortable lives, including people whose issues cannot be addressed directly through our business activities and products and people who are in vulnerable positions.

Furthermore, by having employees participate in our corporate citizenship activities, create connections with society and broaden their perspective, we also aim to bring additional benefits to our business and to society at large.

Environmental issues

- The Kao International Environment Painting Contest for Children
- By boosting the number of applicants as well as interaction among people involved in exhibitions, we encourage behavioral change by people toward more sustainable living.

Pandemics, population aging, and impacts of diversity

- Kao Hygiene Development Program in Vietnam
- (1) Water and Sanitation Project for Schools in Vietnam

- Kao has collaborated with UNICEF to deliver a three-year project (2021–2023) to promote and improve access to water and hygiene services, primarily at schools in regions that require support. The project will reach 26,580 students and teachers over the three-year period.
- (2) Infection control and hygiene standards at hospitals
- Program of initiatives designed to boost infection control and hygiene standards at Hanoi Medical University Hospital
- (3) Handwashing awareness campaign in Hanoi elementary schools
- The campaign at elementary schools in Hanoi helps to raise awareness of the importance of handwashing, and instills good cleanliness and hygiene practices in children.
- (4) Scholarship for Hygiene Management
- Kao provides one scholarship to an exchange student from Vietnam to study food hygiene management in a master's degree program in Japan. The scholarship program has supported three students since 2018.
- Menstrual Hygiene Improvement Project in Uganda
- We will expand our support for social entrepreneurs involved in the manufacture and sale of low-cost sanitary napkins, including support for getting products to market and for promoting the widespread use of sanitary products.

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- Pink Ribbon Campaign
- Support for a cancer education project for junior and senior high school students
- Donations to the above project are made through brands and in-house programs.

Harnessing the power and potential of employees

The aim is to foster trust in our company and encourage collaboration and teamwork among employees, making the company a lively place full of the employees' energy and vitality.

2022 results

Environmental issues

- The Kao International Environment Painting Contest for Children
- The 13th contest attracted 13,214 entries
- Exhibition of winning entries (displayed at 66 locations on company premises and in public facilities; viewed by 78,852 people)

Pandemics, population aging, and impacts of diversity

- Kao Hygiene Development Program in Vietnam
- (1) Water and Sanitation Project for Schools in Vietnam
- Conducted water and sanitation training for relevant ministries, community officials and school teachers, as well as school-led hygiene awareness sessions and World Handwashing Day events
- Conducted surveys to assess the water and sanitation situation and develop action plans in target communities in Dien Bien and Soc Trang provinces
- Provides water purifiers with ceramic filters As a result, 9,674 students and 533 teachers continue to have access to clean water.

- Designing hygiene facilities with climate and environment in mind Installation plans are underway.
- (2) Infection control and hygiene standards at hospitals
- Hospital programs in Vietnam suspended or postponed due to rising numbers of COVID-19 cases
- (3) Handwashing awareness in elementary schools in Hanoi
- Baseline study at four elementary schools in Hanoi
- Assess current hygiene training at schools and type/level of support required
- Two handwashing training sessions for teachers from 45 schools, led by Hanoi Medical University
- Handwashing classes and associated monitoring program for 48 elementary schools across two districts
- (4) Scholarship for Hygiene Management
- Accepted foreign exchange students in a Japanese master's degree program. The second exchange student was accepted in April 2020 and graduated in March 2022. The third foreign exchange student will begin a master's degree at Kanagawa University of Human Services in April 2023.
- (5) Menstrual Hygiene Improvement Project in Uganda
- Strengthening the manufacturing system for launching products. We provide support for expanding the product range into new areas and setting up a production and distribution system to deliver reliable and consistent supplies of sanitary napkins to all who need them.
- (6) Breast cancer prevention awareness through the Pink Ribbon Campaign
- Awareness-raising activities at selected Kao Group companies in participating territories in Asia and Europe in October and November
- Support for a cancer education project for junior and senior high school students

- A portion of proceeds from sales of cosmetics, sanitary products and other product brands is donated to cancer education project
- Employee donation program (Japan): 1,794 employees contribute to the Photo Fund to help fund cancer education project

Harnessing the power and potential of employees

Generate intuitive visual indicators of employee power and potential, such as positive perceptions of the company after participating in a corporate citizenship program

In Japan, the current level of participation in social contribution activities, as well as their awareness and needs, was confirmed, and effective approaches were made to reach out to targeted employees. As a result, new employees were involved, and a total of 7,832 employees in Japan (5,772 in 2021) participated in social contribution programs and volunteer activities.

In total, approximately 12,100 employees worldwide participated in volunteer activities and program management.

Corporate citizenship activity expenses

An activity survey of corporate citizenship activities was conducted taking in Kao affiliates, offices and related divisions within and outside Japan. Kao's total expenditure for social contribution activities in 2022 was 1,325 million yen (including 91 million yen for human contribution, 538 million yen for material support, 322 million yen for donations, and 374 million yen for program support* through business).

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Reviews of 2022 results

While many programs had to be suspended, postponed or reviewed during 2022 due to the ongoing impacts of the COVID-19 pandemic, others were successfully restarted in a new or different form, typically with an online component. We surveyed changes in employee perception following participation in a program, and used the findings to tailor our approach to harnessing the employees’ power and potential. This in turn led to an increase in participation rates.

In 2023, we are focusing on making a coordinated global effort to promote these activities.

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	

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Main initiatives

Environmental issues

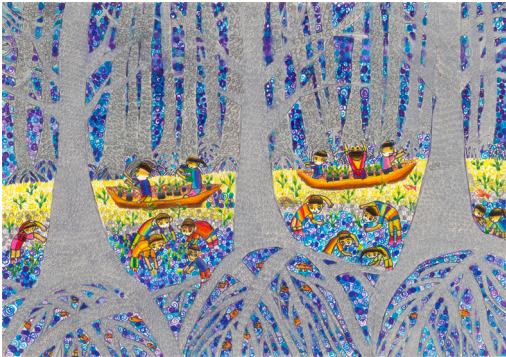
The Kao International Environment Painting Contest for Children

Sustainable lifestyle promotion

We have been holding the Kao International Environment Painting Contest for Children annually since 2010 in the hope that the paintings and thoughts expressed by children around the world, from their sincere consideration of environmental efforts around them, the earth and its future, will inspire people across the globe to lead and take action to changing sustainable lifestyles for a better world.

The 13th Kao International Environment Painting Contest for Children

In 2022, we received 13,214 entries submitted by children from all over the world, including 390 from Japan, 12,355 from the Asia-Pacific region, 90 from the Americas, 211 from Europe and 168 from the Middle East. Following a preliminary screening by Kao designers, the final selection took place in October by internal and external juries. One entry was selected for the “eco together”—Planet Earth Grand Prix and eight were awarded the “eco together”—Kao Prize, while another 23 took out the Eco Friend Prize. The awards ceremony was held online on December 11, 2022.



The “eco together”—Planet Earth Grand Prix winning work
Title: Help to plant mangroves
Woraphitcha (10)

Painting exhibitions in collaboration with NPOs and local governments

We seek out opportunities to exhibit past prizewinning paintings to the widest possible viewership in order to communicate the ideas and the messages of children around the world, aiming to change peoples’ behavior. The paintings are lent with free of charge to local government environmental agencies, NPOs, and educational facilities through the NPO BeGood Cafe and Kao Group Customer Marketing Co., Ltd. (a Kao Group company).

In 2022, prizewinning paintings were lent to a total of 66 facilities and groups for exhibitions that were viewed by 78,852 people.

We also participated in environmental events organized by local governments on the web, posting paintings, children’s messages and Kao’s online “Museum of Children’s Environment Paintings.” Our website to exhibit paintings has received approximately 700 views.



August / Kagoshima Museum of the Environment



Museum of the Kao International Environment Painting Contest for Children
<https://www.kao.com/global/en/sustainability/society/painting-contest/>

Sustainable Lifestyle Consortium


Sustainable lifestyle promotion

Enterprise Network “The Sustainable Lifestyle Consortium,” an initiative of Kao and One Planet Cafe launched in 2021, brings together companies in the lifestyle industry to engage consumers and collaborate with government and local sectors, as well as schools and NGOs, in working to encourage behavioral change of lifestyle.

Two discussion sessions took place in June and July 2022 with consumers who are actively involved in sharing sustainability information on social media and/or engaged with their communities, with member companies. Through these, we identified key issues

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around communicating with consumers aged in their teens through 30s. We also held a workshop from August through to October where high school student volunteers trialed behavioral change for a month. In December there was an online seminar for employees of member companies to deliver reports of achievements during the year. The seminar included a panel discussion that brought together representatives from the Consumer Affairs Agency, private industry, and consumers. The seminar was attended by approximately 90 Kao employees and a total of approximately 150 employees from member companies (including views of the recorded seminar after the event).




Sustainable Lifestyle Consortium
<https://www.sustainablelifestyle.jp> (Japanese)



Discussion with consumers (Sustainable Lifestyle Consortium)


China water conservation campaign



Kao China | Corporate Citizenship | Environment
<https://www.kao.com/cn/sustainability/society/environment/>


China's Cleanliness and Water-saving Campaign Starts with New Content in 2022
<https://www.kao.com/global/en/newsroom/news/release/2022/20221021-001/>

Furusato Environment Conservation Project in Northern Thailand



“FURUSATO” Environment conservation project in North Thailand
<https://www.kao.com/jp/sustainability/society/environment/furusato-thailand/>
<https://www.kao.com/global/en/sustainability/society/environment/>

Kao Creating Forests for Everyone program



“Kao Creating Forests for Everyone” Program
<https://www.kao.com/jp/sustainability/society/environment/forests/>
<https://www.kao.com/global/en/sustainability/society/environment/>

Pandemic

Kao Hygiene Development Program in Vietnam

- Improved quality of life
- Habits for cleanliness, beauty & health

We are implementing the Hygiene Development Program in Vietnam with the aim of promoting the widespread adoption of cleanliness and hygiene practices there. This program comprises four components: Leader Development for Infection Control, the Scholarship for Hygiene Management, Enhancing Hygiene in the Community and the Water and Sanitation Project for Schools.

Leader Development for Infection Control

We are conducting a program in collaboration with Hanoi Medical University in Vietnam to improve infection control and hygiene at hospitals. In 2022, we examined how to further expand the program implemented the previous year to improve the rate of handwashing compliance, but were not able to conduct specific activities in hospital wards due to the COVID-19 pandemic.

Scholarship for Hygiene Management

By cultivating food hygiene management experts who can play an active role in the health and hygiene field in Vietnam, we aim to contribute to healthy living for Vietnamese citizens. In cooperation with Kanagawa University of Human Services in Japan, we have set

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within the university and provide the scholarship to foreign exchange students.

The third foreign exchange student began a master’s degree at Kanagawa University of Human Services in April 2023.

Enhancing Hygiene in the Community

In collaboration with Hanoi Medical University, we started organizing handwashing awareness activities for elementary schools in 2020. A baseline study was conducted in 2022 at four elementary schools in Hanoi to assess current hygiene training standards and identify the type and level of support that schools require. Two handwashing training sessions for teachers from 45 schools, led by Hanoi Medical University

Handwashing classes and associated monitoring programs were also provided at 48 elementary schools across two districts.

Supporting UNICEF’s Water and Sanitation Project for Schools

Rural and mountainous districts of Vietnam, as well as areas with larger ethnic minority populations, often have poor hygiene and sanitation conditions that cause illnesses such as chronic diarrhea that impede the healthy development of young children. Since 2016, we have been supporting Water and Sanitation Project for Schools through UNICEF.

Based on the results achieved in An Giang province in southern Vietnam’s Mekong River basin, support has been extended to Dien Bien province (a northern mountainous region with a large ethnic minority population) from 2018 and to Soc Trang province in the south, which has been affected by natural disasters, from 2022.

In 2022, a water and sanitation survey was conducted in approximately 200 schools in the two provinces. The study found that more than 30% of schools lack adequate clean water and proper sanitation facilities, and more than 50% of schools lack handwashing facilities for children. Training on safe water, hygiene, and customs was also provided to local officials and school teachers. A further 408 teachers from among the training participants gained skills and worked in schools. We also donated water purifiers with ceramic filters to supported schools, ensuring that around 10,000 students and teachers continue to have access to clean water. At the same time, there is a need to set up sanitation facilities that take local climate and environmental changes into account, and plans are currently underway to install them.



A hygiene triggering session with students ©UNICEF Viet Nam

Helping to improve menstrual hygiene

Menstrual hygiene education for junior high school students in Indonesia



Menstrual Hygiene Management Project in Indonesia
<https://www.kao.com/global/en/sustainability/society/education/>

Menstrual Hygiene Improvement Project in Uganda

Since February 2019, we have partnered with UNFPA to support the company EcoSmart, which was launched by a young social entrepreneur with the goal of

manufacturing and selling low-priced, domestically produced sanitary napkins in Uganda.

Many women in Africa are unable to purchase sanitary napkins due to poverty, and instead use old cloth rags and plant leaves. As a result, cases of serious infections are also seen. In addition, it is not uncommon for girls to stay home from school because they are worried about staining their clothing from not being able to use sanitary napkins, and end up leaving school after falling behind in their classes.

It is our hope that with our support girls and women in Uganda will be able to use sanitary napkins on a continuing basis, and will be able to live life during menstruation in greater hygiene and comfort. We also believe that empowering girls to go to school without absences during menstruation and have equal opportunity to study as boys will contribute to the greater development of Ugandan society as a whole.

In 2022, EcoSmart strengthened the production and distribution system for putting products on the market. The goal is to expand the product range into new areas and set up a production and distribution system designed to deliver reliable and consistent supplies of sanitary napkins to all who need them.



EcoSmart team in protective clothing at a production site ©EcoSmart Uganda

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Support for school education through the provision of educational materials

Habits for cleanliness, beauty & health

Sustainable lifestyle promotion

P51 Habits for Cleanliness, Beauty & Health

Impacts of diversity

Support for cancer education through the Pink Ribbon Campaign

Improved quality of life

Since 2007, we have implemented the Kao Pink Ribbon Campaign every year during the two months of October and November. During this time, we have been conducting a variety of activities within and outside Japan to raise awareness for early screening and detection of breast cancer, with the slogan of “For you and your loved ones.”

One of our main activities in Japan is providing support for the Project of Cancer Education by Pink Ribbon Advisors organized by the Japan Society of Breast Health, an NPO. This project provides cancer education in junior and senior high schools, and in a world where one in two Japanese people will get cancer in their lifetime, is anticipated to raise students’ health awareness as well as create beneficial effects in their caregivers’ generation.

Activities conducted in 2022 include donating a portion of the revenue from selected product sales of the cosmetics brand *KANEBO* to the cancer education project. Through this ongoing initiative since 2013, we set a product for the campaign each year and support public education activities about breast cancer. In addition, the *Laurier* sanitary napkin brand ran a campaign to support women’s health by sending out information via the brand’s website and running a retweet campaign on the brand’s Twitter account, donating an amount based on the results. In addition to the cancer education project, these donations also went to support activities to raise awareness about cervical cancer.

We also proactively undertook awareness-raising activities, conducting a donation program based on employee involvement and producing visuals for the Pink Ribbon Campaign in collaboration with special subsidiary Kao Peony Co., Ltd.

We are actively conducting other activities, such as awareness-raising activities in some stores carrying cosmetics within and outside Japan and via online media as well as collaborating on projects with companies in other industries, to deliver the message to as many people as possible.

P49 Improved Quality of Life > Kao Group Pink Ribbon Campaign



Kao Group Pink Ribbon Campaign 2022
<https://www.kao.com/jp/pinkribbon/eng/>



Cancer education class at a junior high school

Support for the Japan Boccia Association

Improved quality of life

Kao is committed to working with employees to address the important social issues of promoting harmonious co-existence and diversity through the parasport of boccia. As a gold partner of the Japan Boccia Association since 2019, Kao is championing the Kao Boccia 10,000 Project with the goal of at least 10,000 people have experience the sport of boccia, including employees and the general public, by 2025.

Kao has remained a gold partner following the Paralympics in 2022. We continue to provide both financial and material support, as well as supply hygiene products to enable safe and secure participation in tournaments and other events. A total of 111 boxes have been supplied to date.

In addition to in-house tournaments, November 2022 saw the launch of Boccia at Home, an initiative of Kao employees keen to get their friends and family members involved. There were 13 contests in 2022 involving 50 participants. Meanwhile, as part of our business activities, we have held 15 hands-on boccia events (for a total of 1,189 people) with local retailers and other organizations. The Wakayama Office held the first workplace boccia competition as a recreational activity. Some 237 people in 31 teams took part, including several employees with disabilities from the Production Division’s Wasa Group. It was a wonderful opportunity for different groups to mingle and experience the principles of co-existence and diversity.

In FY2022, a total of 1,501 people, both internal and external, experienced boccia, bringing the cumulative

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total to 1,583 people since 2019 towards the 10,000 target.



Wakayama Office workplace bocchia competition
Featuring several employees with disabilities from the Production Division's Wasa Group

Barrier-free access to information



Promoting a Barrier-free Environment
<https://www.kao.com/global/en/sustainability/society/community/>

Multiple themes

Kao Social Entrepreneurship Schools

With the desire to leave a sustainable, brighter world for the next generation, we have been operating Kao Social Entrepreneurship Schools since 2010 to support the development of young social entrepreneurs who are attempting to devise solutions to social issues. In FY2022, we took on three groups of young entrepreneurs who are committed to causes such as eradicating child poverty, building homes to prevent social isolation, and providing

support services for foreign people living in Japan. This brings the total number of entrepreneurs mentored under the program to 38 groups.

In 2022 there were three sessions where the entrepreneurs worked with Kao employees to address the three objectives outlined below.

- (1) To double the employee participation rate from the previous year
- (2) To boost trust in the company and maximize the power and potential of employees by identifying with the Kao Social Entrepreneurship Schools initiative
- (3) To boost awareness of the need to solve societal issues and encourage an entrepreneurial spirit among employees

By expanding the program content and adopting a targeted approach to promoting participation, we have boosted participant numbers to 674, up from 224 last year. In the post-participation questionnaire, many people said they felt proud of Kao for supporting young entrepreneurs, and younger people in particular said that they found it stimulating and relevant to their day-to-day work.



Kao Social Entrepreneurship Schools training camp in FY2022
* Masks were removed for the photoshoot only

Kao Heart Pocket Club

Kao Heart Pocket Club is a donation program set up by Kao Group member volunteers in 2004 for the purpose of providing community aid. Participating employees donate a portion of their monthly salary in multiples of 50 yen. The money is forwarded to NGOs, NPOs and citizen groups, used to fund employee volunteer programs, and is also provided as emergency relief assistance for major disasters. Kao Heart Pocket Club also serves as an opportunity for employees to engage with the community, mainly through volunteering, and helps to raise awareness and understanding of social issues. This fiscal year, we participated in the Onigiri Action as a new initiative, designed to encourage young people to get involved. Onigiri Action enables participants to donate 100 yen to children in Asia and Africa for every photo of an onigiri (triangular rice ball) uploaded. Every 100 yen provides five meals for a child. In total, 1,007 pictures of onigiri were received (well above the target figure of 500) from 388 participants, indicating a latent desire among employees to make a genuine contribution to society as a whole.

- 3,417 members (as of December 20, 2022)
- FY2022 report
- 41 donation projects / Donations of 10,007,000 JPY
- Matching gift of 3,747,000 yen from Kao (equivalent value)
- 388 employees participated as volunteers (excluding Onigiri Action)
- 1,314 people voted to choose the area/region to be supported by a local Kao office
- 833 messages of support were received from employees
- Reports are issued internally once per year

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Onigiri Action photo competition

Harmony with communities

Supporting the arts / Supporting young artists

We have supported arts and cultural activities for the purpose of developing and passing down outstanding arts and culture and contributing to the enrichment of people’s lives. While continuing to sponsor selected programs that support the arts in Japan, Kao has pivoted towards support for programs with a specific focus on promoting local communities and nurturing the next generation.

Hosting the Tokyo Music Competition

We have organized the Tokyo Music Competition (cosponsors: Tokyo Bunka Kaikan, the Yomiuri Shimbun, Tokyo Metropolitan Government) since 2003 to support activities to discover and nurture the next generation of Japanese musicians. Support focused on professional development is a feature of the competition. Winners in each of the sections perform together with orchestras in special concerts, and Tokyo Bunka Kaikan gives five

years of support to prizewinners to hold solo recitals and other music performances.

Despite the pandemic, the event went ahead as planned with additional infection control measures in place. Applications opened in April. Some 445 applications were received across the three categories of piano, brass and vocals. The 12 winners were selected in August.

FY2022 saw some marvelous achievements from 13 past prizewinners, including top rankings and outright wins at music competitions within and outside Japan.



Award ceremony, string section, the 20th Tokyo Music Competition
Photo: Rikimaru Hotta / Photo courtesy of: Tokyo Bunka Kaikan

K-BALLET YOUTH

Since 2013, we have been a special sponsor of performances by K-Ballet Youth, a junior ballet company of young dancers whose general manager is Tetsuya Kumakawa. This endorses K-Ballet Youth to offer a place to discover the next generation of dance talent and for dancers to practice in an environment equivalent to a professional company, designed to develop the next generation of artistic performers. Since the very first recital in 2013, nearly 500 young dancers have benefited

from this initiative. Many of them have gone on to become professional dancers, which shows how the K-Ballet Youth program has played an instrumental role in their careers.

Kao was the designated sponsor of the fifth recital in 2022, a performance of Don Quixote, which had been postponed due to the COVID-19 pandemic. This year, as part of a new approach, auditions were accepted from other schools not directly affiliated with the K-Ballet School. Some 90 young dancers were selected from among 200 applicants. The pandemic led to some changes in how things were done, with rehearsals conducted online, for example. The performance, however, was a great success, with many attending on the day.




Fifth recital: Don Quixote
© Ayumu Gonbi

Corporate Citizenship Activities


Sponsorship of Music Sharing’s teaching program

Kao sponsors ICEP, an initiative of the NPO Music Sharing that was founded by violinist Midori Goto in 1992. ICEP is a quartet comprising Goto and young performers from outside Japan. They perform at schools, children’s hospitals, children’s homes and elderly nursing homes in developing countries in Asia. The program, which also provides young musicians with opportunities to engage in corporate citizenship activities, aligns with the Kao commitment to nurturing the next generation. Kao has been a supporter since 2008. The program has been unable to provide live performances since 2020 due to the COVID-19 pandemic. These have been replaced with online initiatives such as the Listening Program for learning about music.

The Listening Program, a series of ten instructional videos made by Goto, was taken up by 64 elementary schools in Hirakata, Osaka during 2022. The program was also sent to schools and hospitals in Japan as well as Japanese schools in the USA, the Netherlands, and Cambodia.

Support of the Arts
<https://www.kao.com/global/en/sustainability/society/mecenat/>

Kao Family Concert

Kao Family Concert
<https://www.kao.com/global/en/sustainability/society/community/>

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	

Corporate Citizenship Activities

The Kao Foundation for Arts and Sciences

The Kao Foundation for Arts and Sciences is a unique foundation combining support for the arts and sciences that seeks to promote and further develop essential arts and sciences as well as contribute to the development of research integrating fields in the arts and sciences.

The foundation was established in 1990 with a donation in commemoration of Kao Corporation’s 100th anniversary. Its main activities center on the three projects of awarding grants, giving commendations and related projects (support for research integrating the arts and sciences).

The grant project provides grants for art exhibitions and music performances among other activities, grants for scholarly research on the fine arts and music, and in the science and technology field, grant-type scholarships for students in master’s programs, and grants under the name of the Kao Science Encouragement Award, given to young researchers conducting unique and pioneering research in the fields of chemistry, physics, medicine and biology.

In 2021, in a bid to address the general lack of female researchers in Japan, Kao launched the Kao Crescent Award program. This program provides grants to female researchers on fixed-term

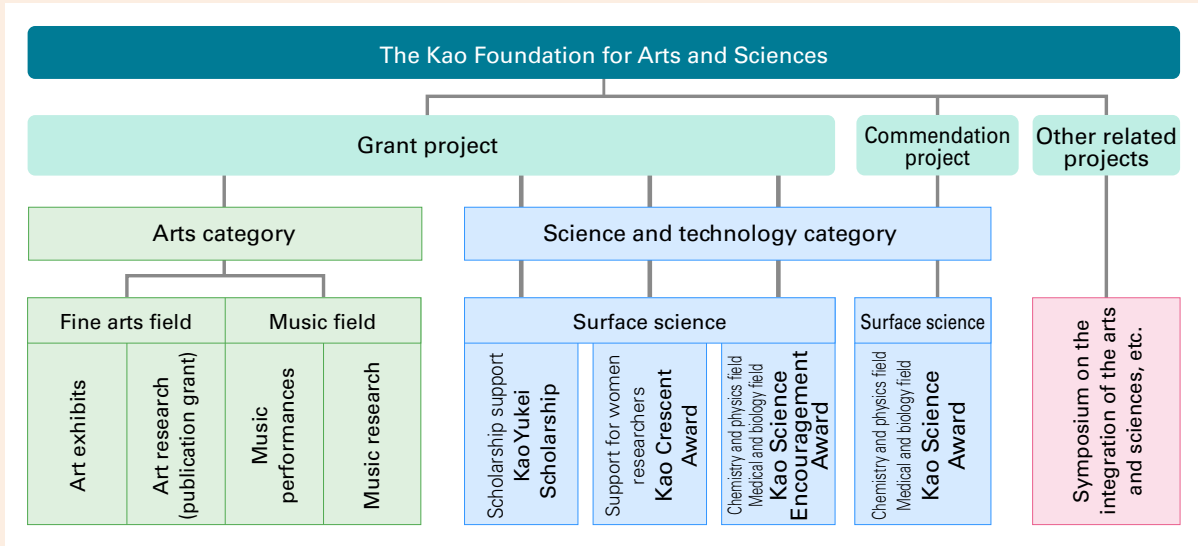
employment contracts. Recipients receive a considerable degree of freedom in how they spend their grants. The aim is to provide a better work-life balance that encourages them to continue their research work, which in turn promotes gender equality in society to the ultimate benefit of all.

The commendation project awards the Kao Science Award to recognize researchers who have achieved distinctive outcomes in basic research in

the fields of chemistry, physics, medicine and biology.

In this era of great uncertainty due to the pandemic among other factors, Kao remains committed to providing consistent and ongoing support for arts and culture as well as for scientific research, which we believe will ultimately stimulate the development of the arts and science in Japan.

Foundation project organizational chart



Corporate Citizenship Activities

Japan Science & Engineering Challenge (JSEC)

We believe that the foundation of *Yoki-Monozukuri* is born from cutting-edge innovations created by science and technology, and in order to contribute to a brighter future, we support fostering young science researchers.

As part of this, we are a special sponsor of JSEC, which is organized by the Asahi Shimbun Company and TV Asahi Corporation and is a contest of independent science and engineering research open to high school and technology college students nationwide. Kao researchers are closely involved in the judging process for three awards, including the Kao Prize.

To mark its 20th anniversary in 2022, we introduced two new initiatives in conjunction with the Asahi Shimbun newspaper designed to increase the number of applicants.

- (1) Releasing a video “From Detergent Research to Space” (developing products for use on the Space Station) to show high school students the excitement of corporate R&D activities
- (2) Providing all applicants with a gift of a product that utilizes technology similar to that shown in the film

These initiatives combined to push FY2022 applicant numbers to a record 339 research works, well above the previous record of 267.



JSEC2022 FY2022 prizewinners
<https://manabu.asahi.com/jsec/> (Japanese)

Prizewinners were invited to participate in an online stadium tour. As a new initiative, previous prizewinners who are currently pursuing PhD research were also invited to appear. In total, 154 employees were involved, up from 56 last year. Feedback from participating students included comments such as “I was really nervous presenting to all the Kao employees, so it was wonderful that they were interested in my work,” and “I really want to pursue research that interests me, just like the previous prizewinners.” Kao employees asked questions and provided advice to the students on the day of the presentations, and also forwarded 92 messages of support and congratulations afterwards.



JSEC2022 final judging panel meets on December 11

Disaster relief

Efforts in response to the Great East Japan Earthquake

While mobilizing existing corporate citizenship programs and our resources, we are cooperating with NGOs, NPOs, other companies and diverse organizations to conduct activities that are close to consumers’ daily lives and aligned with local needs and issues in devastated regions. Currently, our activities focus on the two areas of providing emotional support and self-directed recovery. In terms of emotional support, we have been supporting the Smile Tohoku Project since 2012, where we visit victims of the disaster living in temporary and public housing to interact with them and offer support for their new lives. In terms of self-directed recovery, we are conducting activities to support industrial recovery and community development through support for recovery leaders and employee volunteer activities focused primarily on recovery in the Tohoku region. Activities by Kao employees in 2022 are described below.

Learning from natural disasters for the future

Over the period March 7–11, in-house cafeterias at 11 Kao offices across Japan introduced a range of Tohoku home-style dishes, served with COVID-19 infection prevention measures in place, as part of a Flavors of Tohoku campaign to encourage employees to engage with the Tohoku region of northern Japan. The aim was to ensure that we remain aware and vigilant of natural disasters at all times. In an era when people are encouraged to refrain from conversation while eating, we also produced an audio presentation for in-house use, to give employees something to listen to during meals. The presentation, called “Learning from natural

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disasters for the future,” features prominent figures in the reconstruction effort talking about the work going on now and the outlook for the future. Employees said that the presentation had inspired them to keep supporting the Tohoku region, and that it made them more aware of the importance of disaster preparedness and mitigation strategies.



Audio presentation at in-house cafeterias

NEXT TOHOKU ACTION

In March 2022, the Smile Tohoku Project, an initiative of the Iwate Nippo, Kahoku Shimpō and Fukushima Minpo newspapers, will transition to Next Tohoku Action. Kao Group Customer Marketing will continue to support the reconstruction effort in the Tohoku region.

Other disaster relief

Donations for foundational activities

We donated 5 million yen to the Disaster Relief Volunteer & NPO Support Fund of the Central Community Chest of Japan (social welfare corporation).

Support for the Ukraine crisis

Kao donated 64.5 million yen (500,000 euros) to the UNHCR through the Japan for UNHCR. In addition, Kao Group employees within and outside Japan were encouraged to make donations to the United Nations High Commissioner for Refugees (UNHCR) and other organizations.