

Strategy

We have integrated ESG into the core of our management and formulated the ESG strategy, the Kirei Lifestyle Plan (KLP), in order to make Kao a company with a global presence that is valuable to society, which is our vision for 2030. Based on the KLP, we will promote innovation in our business by promoting ESG-driven *Yoki-monozukuri*, thereby realizing further sustainability of the world and sustainable business growth driven by increased loyalty from consumers and customers.

Philosophy supporting Kao's ESG activities

The Kao Way

Since our founding, we have made it our mission to contribute to the sustainability of the world through our business activities. We have formulated our corporate philosophy, the Kao Way, to pass on to the next generation the spirit and culture cultivated by our predecessors and guide ourselves in day-to-day operations. The Kao Way stipulates that our mission is to create a Kirei life for all—providing care and enrichment for the life of all people and the planet. It further states: “As one Kao, we create a Kirei Life—a cleaner, more beautiful, and healthier life for all people and the planet.” This mission is also our official purpose.

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The Kao Way (corporate philosophy)
<https://www.kao.com/global/en/corporate/purpose/kaoway/>

Kao's vision for 2030 “K30” and the Mid-Term Plan “K27”

What Kao Aims to Be by 2030

Kao has established “K30,” Kao's vision for 2030, in order to sustainably increase its corporate value while

aiming to achieve its purpose of creating a Kirei life for all by providing care and enrichment for the lives of all people and the planet. Under “K30,” we have set the following three targets to achieve net sales of 2.5 trillion yen, with ESG at the core of our management, in order to make Kao a company with a global presence that is valuable to society.

- (1) to become an essential company in a sustainable world
- (2) to become a high-profit global company that also significantly contributes to society
- (3) to provide returns to stakeholders according to levels of growth

This represents our commitment to developing our business for the purpose of benefiting society, thereby growing our business and returning the profits to society.

Mid-term Plan “K27”

We have been promoting ESG-driven management since announcing our Mid-term Plan 2025, “K25,” which is focused on achieving “K30.” However, due to rapid hikes in raw material prices and the economic slowdown, we have fallen behind the plan. To address the causes of this divergence from the “K25” plan, namely deteriorating capital efficiency and a delay in global expansion, we have formulated the new Mid-term Plan 2027, “K27,” focused on structural reforms and growth strategies.

Under “K27,” we will continue with the management policy and the vision of “Sustainability as the only path,” while accelerating the transformation under the *Global Sharp Top* approach to make “K27” more achievable.

First, we will decisively implement structural reforms by setting two new target indices of ROIC and sales outside Japan to improve capital efficiency and strengthen our business foundation over the medium term. Specifically, we aim to achieve an ROIC of 11% or higher, 800 billion yen or higher in sales outside Japan, an EVA of 70 billion yen or higher, and record-high operating income.

Our growth strategy aims to enhance profitability and market share in the Fabric Care and Home Care Business, which are stable earnings areas and accelerate investment in and global expansion in the growth drivers of Skin Care, Cosmetics, Chemical Business, and the Hair Care Business, which are expected to have high growth potential.

Role of ESG in Kao's Management Strategy

In a world of growing complexity, we recognize the importance of delivering products and services with unique technologies and performance that integrate ESG perspectives. This approach is crucial for achieving our growth strategy and consistently enhancing corporate value in a sustainable manner. This will not only contribute to solving social issues and support sustainable living, but also foster business growth by earning high levels of loyalty from consumers and customers. This is why Kao places ESG at the foundation of its management strategy.

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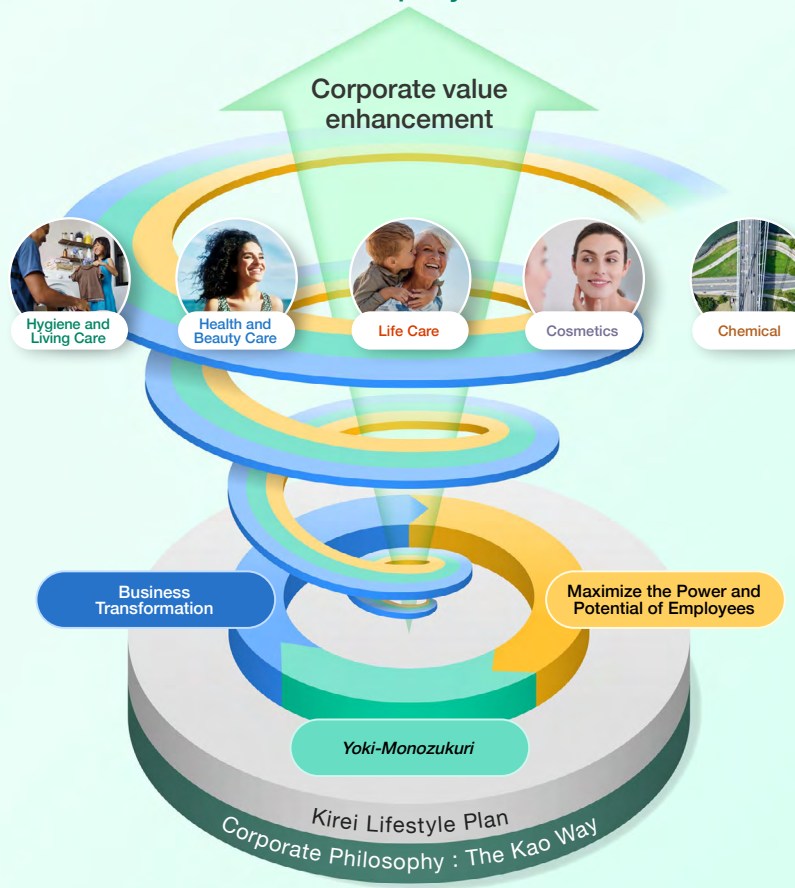
Our Value Creation

Value Creation Model

◀ Purpose ▶ To Realize a *Kirei* World in Which All Life Lives in Harmony

Social Issues of Focus	Sources of Our Value Creation
Environmental Issues	Human Capital <ul style="list-style-type: none"> Number of employees — 34,257 Management tool for activating personal growth : OKRs Open recruitment program for revolutionizing ideas : 0★1 Kao
Aging Population	Relationship Capital <ul style="list-style-type: none"> Sales area — over 100 Subsidiaries — 113 Customers, partners for business and social contribution, academia
Pandemics	Financial Capital <ul style="list-style-type: none"> Net sales — 1,532.6 billion yen Core operating income* — 114.7 billion yen EVA (Economic Value Added) — 14.9 billion yen
	Intellectual Capital <ul style="list-style-type: none"> Number of brands — 81 Number of patents held — 15,000 Number of trademarks held — 22,000 R&D expenses — 62.6 billion yen
	Manufacturing Capital <ul style="list-style-type: none"> Production sites — 36 locations Capital investment — 93 billion yen
Diversification of Society	Natural Capital <ul style="list-style-type: none"> Energy consumption — 16.7PJ Water use — 16.2 million m³ Plastic packaging usage — 85.0 thousand tons CO₂ emissions across the product lifecycle — 10,094 thousand tons

Become an Essential Company in a Sustainable World



Commitment to the Future **Our Vision**

- 1 Regenerative Lifestyles**
Plan for and enable regeneration.
- 2 Toward Carbon Negative**
Move beyond CO₂ reduction and unlock CO₂ recycling.
- 3 Zero Waste**
Waste nothing. Period.
- 4 Precision Life Care**
Every person is unique. Our solutions will be too.
- 5 Leave No One Behind**
Innovation can be for everyone. We won't stop.

Sustainability as the only path
Protecting future lives

* FY2023 figures are calculated based on core income. The Kao group presents income excluding one-time gains and losses due to non-recurring factors as "core income."

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Kirei Lifestyle Plan, ESG Strategy

Sustainability-related risks and opportunities

Some of the elements that characterize Kao's business model and value chain include:

1. Manufacturing and sales of consumer products for consumers around the world.
2. Manufacturing and sales of chemical products for customers in a wide range of industries around the world.

3. Using chemicals as a key material shared between the Consumer Products Business and the Chemical Business.
4. A global value chain formed around raw material production to product sale, with numerous raw material suppliers in the upstream and numerous distributors, retailers, business partners, and customers in the downstream.

Kao has a wide range of business domains, from the Consumer Products Business to the Chemical Business. Therefore, we can narrow the scope of sustainability of the world in which Kao is involved into four areas: daily living, society, environment, and business foundation.

Sustainability-related risks and opportunities and corresponding strategies

Classification	Risks	Opportunities	Strategy
Daily living	<ul style="list-style-type: none"> • Decrease in sales and profit due to the rise of daily necessities/personal care products that prioritize price over value-added products that contribute to people enriched lives • Loss of business opportunities due to product development that is disconnected from the lifestyles of people in each region 	<ul style="list-style-type: none"> • Expansion of existing businesses and creation of new markets by providing high value-added products that meet the needs of people seeking affluence in their lives and global expansion in accordance with regional characteristics 	<ul style="list-style-type: none"> • Product development, business development, and global expansion aimed at enriching the lives of people • Strategic development of awareness-raising and communication to encourage people to change their attitudes and behaviors in conjunction with the business
Society	<ul style="list-style-type: none"> • Improper management and handling of high-risk procurement, such as palm oil, resulting in procurement difficulties and deterioration of reputation 	<ul style="list-style-type: none"> • Business growth through increased brand loyalty that demonstrates involvement in society as its purpose • Expand business opportunities by providing innovative products/services through innovation • Stabilization of procurement through precise approaches to social issues in procurement 	<ul style="list-style-type: none"> • Increase loyalty by strengthening the Purpose Driven brand • Product and service revolution through innovation • Accurate supply chain management and sustainable raw material selection
Environment	<ul style="list-style-type: none"> • Growing environmental challenges such as decarbonization and plastic waste, as well as expanded producer responsibility, will increase taxation and corporate burdens and squeeze profits. • Difficulties in procuring raw materials, providing products to consumers, and continuing business due to extreme weather conditions 	<ul style="list-style-type: none"> • Increased revenues through risk avoidance, efficiency, and cost reductions in environmental taxation and regulations • Business growth through increased consumer/customer loyalty through advanced environmental responsiveness 	<ul style="list-style-type: none"> • Reduction of CO₂ emissions over the entire life cycle • Recycling of plastics and other resources • Water conservation in production and product use • Prevention of air and water pollution in production and product use
Business foundation	<ul style="list-style-type: none"> • Inadequate management of compliance, human rights, and chemical substances makes it difficult to continue business • Difficulty in securing excellent human resources and deterioration of corporate culture 	<ul style="list-style-type: none"> • Improving stakeholder confidence through quality control and chemical substance management unique to Kao • Expand business and improve competitiveness by enhancing human resources 	<ul style="list-style-type: none"> • Effective compliance • Managing human rights across the value chain • Strengthening human resources and organizational capabilities • Advanced chemical management

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Daily living is a unique aspect of Kao's efforts to meet the needs of the people that we serve and enrich their lives. Society is an important aspect of Kao's business activities because of our relationship with society through our global value chain and broad involvement with society through diverse industries in order to operate the Chemical Business. Environment is an aspect that has a significant impact because our business depends heavily on natural capital. We also own plants that have local and environmental impacts, and our products are provided to, used by, and disposed of by consumers around the world. To respond appropriately to these aspects, it is essential for Kao to bolster its Business Foundation through human capital development, respect for and protection of human rights, promotion of DE&I activities, and chemical substance management.

The previous page shows the risks and opportunities related to the sustainability for society with which Kao is concerned. These are attributable to Kao's business characteristics, which indicate that promoting strategies for avoiding risks and creating opportunities will lead to the improvement of corporate value and business growth based on our business characteristics.

At the same time, offering both products and value-added services from a sustainability perspective will help transform our business model. For example, services that accurately grasp individuals' body condition and lifestyle, such as the type and amount of contamination on clothes, as well as the occurrence of disease and pests on crops, should lead to the transformation of business models.

We also believe that sustainability initiatives will help improve our value chain, appropriately manage high-risk raw material procurement, diversify such raw

materials by utilizing alternatives, and strategically procure recycled materials.

Kao's ESG Strategy

The table on the previous page shows strategies for addressing sustainability risks and opportunities classified into the four categories.

Based on these strategies, three main pillars that make up the Kirei Lifestyle Plan (KLP), which is Kao's ESG Strategy, namely "Making my everyday more beautiful," "Making thoughtful choices for society," and "Making the world healthier & cleaner" as well as "Walking the right path" which is the foundation that supports these pillars have been formulated.

The KLP sets forth the direction we are taking with specific ESG activities that put people at the center of our actions, as well as our ambitions for the future. It consists of Kao's ESG Vision and Kao's ESG commitments, as well as actions to achieve this vision.

ESG Vision

Kao's ESG Vision is based on the concept that our ESG activities are designed to help people around the world live more sustainably and benefit the wider society and the planet. Our value of walking the right path is presented as the foundation of our ESG activities and embodies one of the core tenets of our founder Tomiro Nagase: "Good fortune is given only to those who work diligently and behave with integrity."

Kao's ESG Commitments and Actions

The KLP includes three main pillars connected to enriching the lives of people, namely "Making my everyday more beautiful," "Making thoughtful choices for society," and "Making the world healthier & cleaner." Walking the right path is the foundation that supports these pillars.

For each pillar, we have set our commitments, which are ambitious targets to achieve by 2030, as well as Kao Actions, our priority action themes.

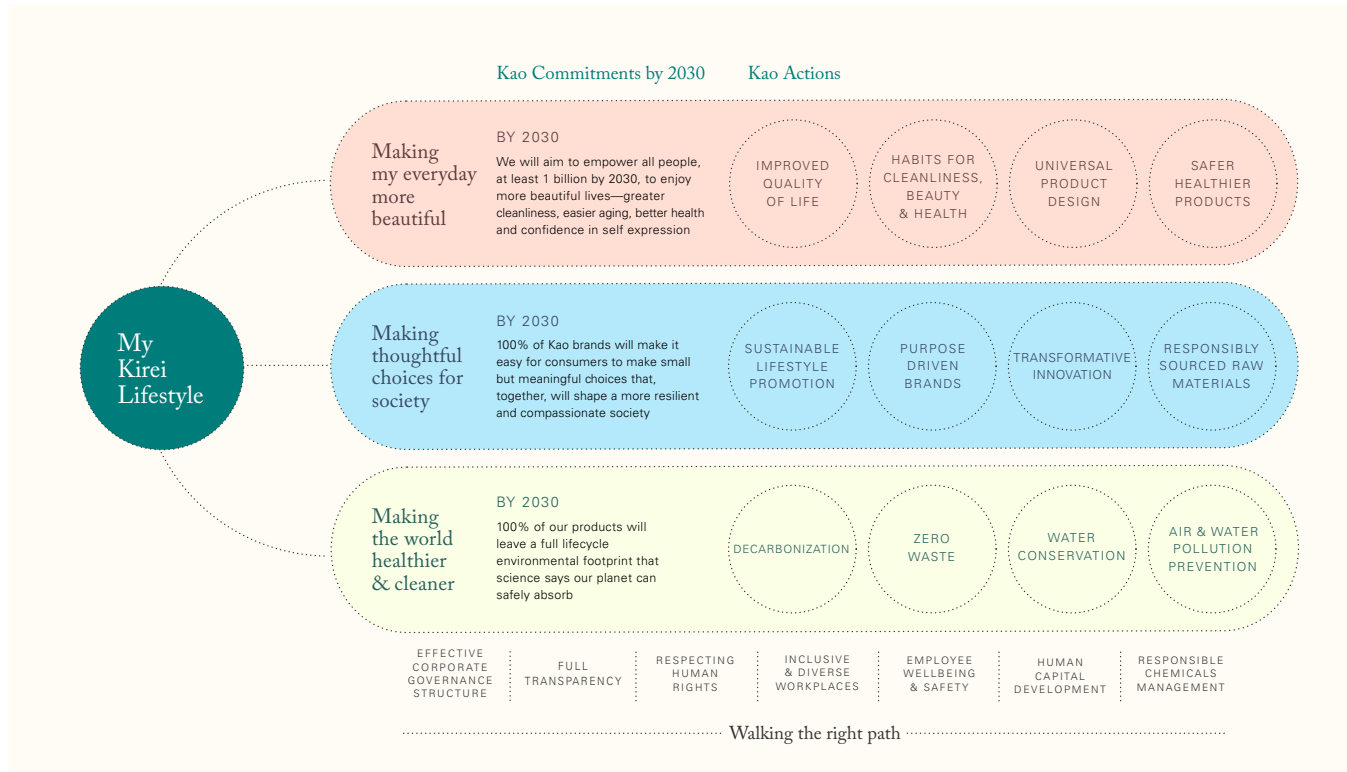
As the environment surrounding our global business activities becomes increasingly complex and social issues are expected to expand, we believe that Kao needs to have a strong will to promote structural reform and play a part in bringing about change in society so that we can achieve "K30." As the importance of governance is growing, we will further strengthen the effectiveness of our governance in line with our core value of "walking the right path." To that end, we have set mid- to long-term targets for each of the 19 Kao Actions to facilitate effective and reliable activities.

Acceleration of business growth through ESG Strategies

One of the basic policies to realizing Kao's vision of "Sustainability as the only path" outlined "K27" is "becoming an essential company in a sustainable world." The aim is to build business models that simultaneously solve multiple social issues together with our business partners. "K27" is based on the approach of developing our business for the purpose of benefiting society, and achieving business growth as a result. This philosophy is symbolized by the fact that our

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purpose is to realize a Kirei world in which all life lives in harmony.

We believe that our ESG activities, which are taken with the goal of enriching the lives of the people the world over and realizing a sustainable world, will result in business growth and the creation of a cycle where generated profit is returned to stakeholders, consumers and customers, and society at large. The KLP is the

main driver for achieving this management vision, and ESG activities are therefore positioned as future investments and the efforts linked to our finances.

It is said that technological innovation is essential to address the serious social issues of today and to realize a sustainable society. Kao is focusing on *Yoki-Monozukuri* based on proposals for innovation, and “ESG-driven *Yoki-monozukuri*,” which incorporates

innovative technologies based on *Essential Research*, will be a major strength. Furthermore, we believe that Kao can trigger innovations that transcend technology. Through innovation, we aim to have a significant impact on people, society, and the planet while at the same time achieving Kao’s sustainable growth.

The KLP will also help to increase both our corporate brand value and product brand value. The spirit of the

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KLP is also integrated into our products, campaigns, programs, communications and other activities. Therefore, products, services, and various styles of communication based on the KLP should contribute to increasing our corporate brand value and product brand value.

One of the KLP Actions is “Purpose-driven brands.” It strengthens the brands’ purpose/reason for existing and gains empathy from product users, thus contributing to greater brand loyalty. This is why we set purpose-driven brand development as the pillar for our management policies. We will develop strong ties with people through loyalty marketing, thereby improving our high-profit structure. Under the management strategy, which integrates the concept of ESG, we will further strengthen ESG-driven *Yoki-monozukuri*, rooted in our purpose. We believe that this will help us become an essential company for a sustainable world and achieve a sustainable society through solving social issues, while at the same time contributing to Kao’s business growth.

We will deepen our existing business domains and expand into new ones based on the KLP, thereby amplifying our impacts on society and achieving business growth at the same time.

ESG Strategy and finance

We made investments to avoid sustainability-related risks and expand and create relevant opportunities, and promoted ESG activities based on the KLP. For example, in palm oil procurement, we continue to purchase RSPO-certified oils, which are more expensive than uncertified palm oil. We believe that this investment has allowed us to avoid risks related to palm oil procurement and reputation risks. In order to expand

opportunities, we invested in the GUARD OUR FUTURE project to protect future lives from mosquitoes so as to further distribute *Bioré GUARD Mos Block Serum*, an innovative repellent lotion available in Thailand. We expect that this investment will help further expand business opportunities.

To convey Kao’s corporate stance and efforts to help realize a sustainable society, we also invested in communication activities for consumers with a message of “Wastefulness—*Mottainai*. Never today, nor tomorrow.” As a result, we confirmed that this initiative is effective for promoting and generating sufficient sales of Kao products to recoup the investment in the activities.

We also continued to make appropriate environmental investments to avoid risks and create opportunities related to business activities by preventing pollution in the areas surrounding our plants, among other measures, and succeeded in continuing our business through stable operations. Investments and costs related to environmental conservation in 2023 were 5.56 billion yen and 26.8 billion yen, respectively. The economic effect was 8.46 billion yen (See the right table. For details, see Environmental Accounting). The economic benefits are mainly attributed to cost savings through the saving of natural resources, and we were able to recover one-fourth of the investments and costs.

In 2023, we have initiated two sustainability-linked financing projects to further accelerate our ESG activities. One is the Sustainability Linked Loan, which began in March 2023 and has borrowed 20 billion yen. This loan has a variable interest rate based on the achievement of the sustainability performance targets and is subject to a lower interest rate based on the condition of achieving an “A” rating for at least two of the three CDP ratings. The other is the Sustainability

Link Bond, a 25 billion yen bond issued in June 2023. The sustainability performance target of this bond is to reduce the CO₂ emissions (Scopes 1+2) by 39% (Base year: FY2017) by FY2026. Through these financing activities, we will promote business activities that will both help create opportunities and avoid risks associated with climate change.

Unit: million yen

Region	Investment	Cost	Economic effect
Japan	4,148	16,301	2,326
Asia, Americas, Europe	1,414	10,536	6,136
Total	5,562	26,837	8,462

Note: Numeric values represent the results in 2023

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Resilience of ESG Strategies

Not only elements in the environmental range such as abnormal weather, critical change of the earth system, the collapse of ecosystems, and resource depletion but also elements in the social realm such as the erosion of human rights are highly ranked as global risks in the coming decade*¹.

We believe that the KLP will maintain a certain level of resilience even if the degree of these future risks fluctuates. For example, significant deterioration of social and environmental risks may lead to restrictions on the use of fossil-derived raw materials and higher costs for palm oil procurement, among other

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consequences. However, we expect that products developed based on KLP through ESG-driven *Yoki-Monozukuri*, aiming to maximize functional and social value using minimal resources, will minimize the negative impact by reducing CO₂ emissions and the consumption of energy and raw materials, while increasing the use of reusable energy throughout their life cycles. This approach aims to maximize functional and social value using minimal resources.

Conversely, a limited degree of deterioration indicates that society as a whole is deeply conscious of the significance of environmental conservation and is actively involved in endeavors to minimize negative effects. In such a society, there is likely to be a well established market where eco-friendly products hold a competitive edge, leading to heightened demand and loyalty for products with strong environmental

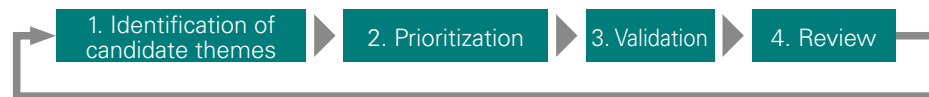
performance created through ESG-driven *Yoki-monozukuri*. Therefore, we believe that the KLP is resilient to the risks expected in the future and can realize sustainability not only for the world but also for the business.

* 1 The Global Risks Report 2024, World Economic Forum

Selection process for the Kao Actions as material themes

Kao selected the 19 Kao Actions in the Kao ESG Commitments and Actions through the following four steps.

Selection process



Selection of Kao Actions implemented in 2018

1. Identification of candidate themes

1.1 Making a list of candidate themes

We used the following to help identify candidate themes:

- ISO26000
- GRI Standards
- SDGs
- Evaluation items used by ESG assessment bodies
- Global mega-trends

- In-house workshops
- Materiality at other companies
- Third-party opinions

As a result of this process, 78 candidate themes (17 environmental, 37 social and 24 governance) were selected.

1.2 Top management interviews

We held interviews with eight members of top management including representative directors, directors and managing executive officers, and compiled their thoughts and requests regarding Kao's ESG Strategy.

Objectives of selecting the Kao Actions

1. Targeted action in view of changing social circumstances and issues, and the changing expectations for Kao
2. Strategic implementation of ESG activities based on Kao policy and changes in business environment and strategy
3. Efficient investment and effective use of management resources

1.3 Region-based workshops

Using a workshop format in the regions of Asia, the Americas and Europe, we identified activities that would simultaneously satisfy business needs, sustainability needs and customer and consumer needs from the viewpoint of our operational sites. We then identified elements in those activities that serve becoming a company with a global presence.

2. Prioritization

Of the 78 candidate themes identified in 1.1, we asked some external stakeholders and employees to rate their

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priority in growing our business and increasing our corporate value.

We then organized the results of their evaluations in the Matrix of Materiality, which maps materiality along two axes: priority for stakeholders and priority for Kao. In evaluating the level of materiality for Kao, we consider Kao's medium- to long-term impact on the environment and society in accordance with the principle of double materiality.

The ESG Promotion Meeting, attended by division leaders, reviewed materiality based on the results of the evaluations and third-party opinions, and then selected the 19 Kao Actions.

Themes that were not included in the Kao Actions despite being relatively highly rated in the evaluations will be managed and implemented under a separate organization. For instance, "Disaster preparation and reconstruction assistance" was highly rated externally. These themes have been and will continue to be implemented under the Responsible Care Promotion Committee.

3. Validation

The ESG Committee (now ESG Managing Committee) reviewed the 19 Kao Actions selected in the ESG Promotion Meeting, and the Board of Directors approved them.

Based on this, divisions set their own targets and action plans to conduct ESG activities.

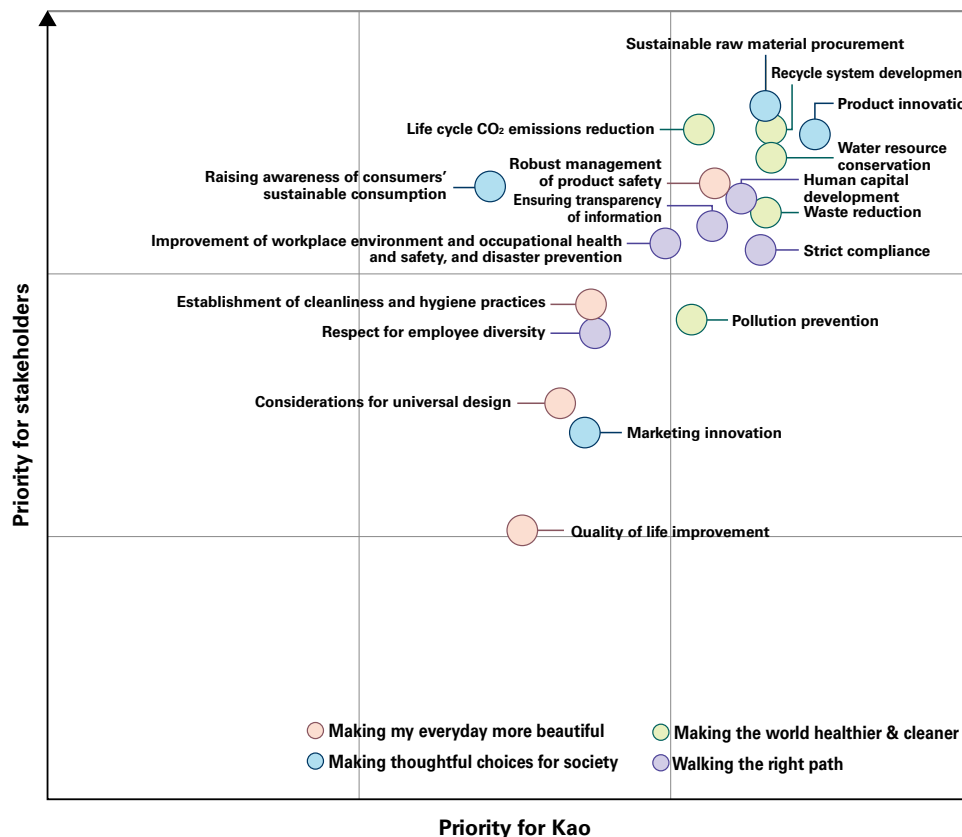
Evaluator attributes

- External stakeholders: 32 (21 Japanese, 11 non-Japanese)
- Employees: 71 (39 Japanese, 32 non-Japanese)

External stakeholders who provided evaluations fall under the following groups:

- Consumers/customers
- Suppliers
- Local communities
- NGOs / NPOs
- Academia
- Industry groups / Peer companies
- Shareholders/Investors

Matrix of Materiality



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4. Review

The 19 Kao Actions will be periodically reviewed and revised using the selection steps 1 to 3. In addition, the actions are reviewed each year at a meeting of the ESG External Advisory Board.

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Relationship between our Commitment to the Future and the KLP Kao Actions

In 2020, we indicated our focus on four social issues based on rapid changes around the world: Environmental issues, Population aging, Pandemics, and Challenges associated with diversification. We also declared our policy to enhance existing businesses and accelerate the creation of new businesses.

In 2021, we established Our Commitment to the Future based on KLP Kao Actions that were strongly related to business activities. We will promote these activities to achieve our commitment, with the goal of becoming an essential company in a sustainable society through our company-wide endeavors to protect future lives.



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

Indicators corresponding to our Commitment to the Future

We will specify the indicators and KPIs for each theme in accordance with progress in the formulation and execution of business plans.

Commitment to the Future	Corresponding priority theme and indicators of the KLP
<p>1 Plan for and enable regeneration.</p>	<p>[Improved quality of life]</p> <ul style="list-style-type: none"> The number of products which contribute to a comfortable, beautiful, healthy life and touch the hearts of people <p>[Habits for cleanliness, beauty and health]</p> <ul style="list-style-type: none"> Cumulative number of people reached by awareness-raising activities for acquiring habits for cleanliness, beauty and health using Kao products and services <p>[Universal product design]</p> <ul style="list-style-type: none"> % of new or improved products that meet Kao's Universal Design Guidelines <p>[Sustainable lifestyle promotion]</p> <ul style="list-style-type: none"> Cumulative number of people reached by awareness-raising activities for promoting environmentally friendly lifestyles and realizing a sustainable world
<p>2 Move beyond CO₂ reduction and unlock CO₂ recycling.</p>	<p>[Decarbonization]</p> <ul style="list-style-type: none"> % reduction in absolute full lifecycle CO₂ emissions % reduction in absolute scope 1 + 2 CO₂ emissions % of renewable energy in electricity consumption
<p>3 Waste nothing. Period.</p>	<p>[Zero waste]</p> <ul style="list-style-type: none"> Quantity of fossil-based plastics used in packaging Quantity of innovative film-based packaging penetration for Kao and others per annum % recycling rate of plastics involving Kao Practical use of innovative film-based packaging made from collected refill packs % of recycled plastic used in PET containers (Japan) % of the waste generated from Kao sites*¹, ratio of waste that cannot be recycled <p>*¹ Beginning with production sites</p> <ul style="list-style-type: none"> % reduction of discarded products and discarded promotional materials
<p>4 Every person is unique. Our solutions will be too.</p>	<p>[Improved quality of life]</p> <ul style="list-style-type: none"> The number of products which contribute to a comfortable, beautiful, healthy life and touch the hearts of people
<p>5 Innovation can be for everyone. We won't stop.</p>	<p>[Improved quality of life]</p> <ul style="list-style-type: none"> The number of products which contribute to a comfortable, beautiful, healthy life and touch the hearts of people

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Contributions to the SDGs

Looking ahead to 2030, Kao is focused on the SDGs that have been agreed upon and adopted by the international community. As indicators for realizing a sustainable society, the SDGs set forth an integrated approach for improving the economy, society and the environment. Contributions by companies are considered extremely important to achieving the SDGs.

As indicated below, we are working to address the Kao Action topics set in the Kao ESG Commitments and Actions with the aim of achieving the SDGs.

The SDGs that the 19 Kao Action topics contribute to

Kao Actions	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	
Making my everyday more beautiful																		
Improved quality of life			●		●							●						●
Habits for cleanliness, beauty & health			●			●												●
Universal product design										●		●						●
Safer healthier products			●									●		●				●
Making thoughtful choices for society																		
Sustainable lifestyle promotion				●							●	●						●
Purpose driven brands												●						●
Transformative innovation								●				●	●					●
Responsibly sourced raw materials								●		●		●			●			●
Making the world healthier & cleaner																		
Decarbonization							●					●	●					●
Zero waste												●		●	●			●
Water conservation						●						●		●				●
Air & water pollution prevention			●			●						●		●				●
Walking the right path																		
Effective corporate governance								●									●	
Full transparency								●				●					●	●
Respecting human rights					●			●		●								●
Inclusive & diverse workplaces					●			●		●								
Employee wellbeing & safety			●					●										
Human capital development			●	●	●			●		●								
Responsible chemicals management			●			●						●		●				●

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Impacts on society through the value chain

Our business activities have various effects on society through the value chain.

The table below shows the 19 Kao Actions set in the Kao ESG Commitments and Actions, our ESG Strategy and their relationship to the value chain. The items indicate areas where our impact on society is particularly large and where the expectations on us are similarly greater. These are high-priority areas for our business growth and increasing our corporate value.

Relationship between the 19 Kao Actions and the value chain

Kao Actions	Material procurement	Development / Manufacturing	Distribution	Sales	Use	Disposal / Recycling
Making my everyday more beautiful						
Improved quality of life				●	●	
Habits for cleanliness, beauty & health				●	●	
Universal product design				●	●	●
Safer healthier products					●	●
Making thoughtful choices for society						
Sustainable lifestyle promotion				●	●	●
Purpose driven brands	●	●			●	●
Transformative innovation	●	●			●	●
Responsibly sourced raw materials	●					
Making the world healthier & cleaner						
Decarbonization	●	●	●	●	●	●
Zero waste	●	●	●	●	●	●
Water conservation	●	●	●	●	●	●
Air & water pollution prevention		●			●	●
Walking the right path						
Effective corporate governance	●	●	●	●	●	●
Full transparency	●	●	●	●	●	●
Respecting human rights	●	●	●	●	●	●
Inclusive & diverse workplaces		●	●	●		
Employee wellbeing & safety		●	●	●		
Human capital development		●	●	●		
Responsible chemicals management	●	●	●	●	●	●