

Universal Product Design GRI 417-1

As part of Kao's Environmental, Social, and Governance "ESG-driven *Yoki-Monozukuri*" in plan and action, we provide products and services that satisfy individual consumers based on our Universal Design Guidelines and aim to realize a society where people connect, coexist, and thrive together.

Social issues

To bring about sustainable growth for society, it is important to realize a world in which all individuals are respected and in which people can fulfill their potential. For this purpose, we need to provide products that are easy to use for everyone, regardless of cultural background, nationality, beliefs, ethnicity, gender, identity or abilities, and to provide relevant information in a way that is easy to access. Under the present circumstances, some products, services, information, and the like lack adequate consideration.

Especially in Japan, where the population is aging dramatically, the concept of universal design (UD) is crucial for improving consumers' quality of life.

Policies

Our purpose is to create a Kirei world for all—providing care and enrichment for the lives of all people and the planet. To this end, it is crucial to implement tangible steps to ensure that no one is left behind. In other words, we believe it is important to provide not only the functional value of Kao products and information but also the sentiment and affective value achieved by using our products.

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

To promote diversity, equity, and inclusion (DE&I) practices in a society that includes consumers as well as employees and business partners to further develop society and business, Kao developed DE&I policies in 2023.



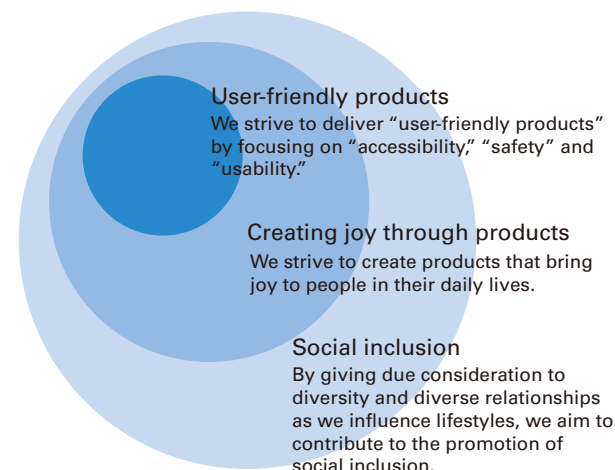
Diversity, Equity and Inclusion (DE&I) Policy
<https://www.kao.com/global/en/sustainability/walking-the-right-path/inclusive-diverse/dei/policy/>

To achieve DE&I in society, we believe that applying the concept of UD to each and every product is crucial. We will also create inclusive experiences with our products, taking diverse values and lifestyles into account.

Kao Universal Design Guidelines

We implement universal product design in accordance with the Kao Universal Design Guidelines, which were formulated in 2011.

We will promote "ESG-driven *Yoki-Monozukuri*" and pursue it throughout the company, and by delivering satisfaction and inspiration to all consumers in their daily lives through the use of Kao products, we will strive to create social value through our business to enhance our corporate value.



Strategy

Risks and opportunities

Risks

If products do not adequately take UD considerations into account, then there is a risk of improper usage by consumers, and of other safety issues. Furthermore, even products developed with safety in mind may be used improperly if easily understood information about how to use them correctly is not provided. Failure in this regard could have a negative impact on safety for consumers, and might lead to a loss of trust in our company and products. Continuing to provide products and information without considering diversity also erodes trust in our company and brand. This is likely to result in lower earnings due to a decrease in users, making it difficult to achieve the Mid-term Plan 2027 (K27).

Universal Product Design GRI 417-1

In addition, observing the Act for Eliminating Discrimination against Persons with Disabilities will become a legal requirement in 2024. In other words, we must consider removing social barriers to a reasonable extent if people with disabilities ask the company for some consideration. Delays in this process would also diminish trust in our company and brand.

Opportunities

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

Providing UD products and information can lead to greater loyalty to our products, enhance our brand value and corporate value, and ultimately drive higher profitability and competitiveness.

Strategy

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

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

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

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

3. Promoting the perspective of inclusiveness

Product development with consideration for DE&I must be approached from a global perspective, and this necessitates ongoing updates. We are elevating the standard of product development by promoting inclusivity on a global scale through the sharing of best practices across countries and regions, in order to disseminate this mindset and consideration.

The integration of functional UD features has become deeply ingrained in products available in Japan, and we will enhance product-related information in addition to functional considerations in the future. This will involve delivering the information individual consumers demand, especially through DX.

Regarding information provided on the web, we will provide web accessibility that meets the Level AA quality standard of the Web Content Accessibility Guidelines (WCAG) 2.1, published by the World Wide Web Consortium (W3C), on all of the Kao Group's websites by 2025.

Through collaboration with Mirairo Inc., a company which operates services to support people with disabilities, we aim for an inclusive future where every consumer can live in ways one likes.

Social impact

We have promoted the development and provision of products that anyone can use with ease under the basic concept of our consumer-focused *Yoki-Monozukuri* in plan and action.

Notches, tactile symbols to distinguish a shampoo bottle, which Kao created in 1991, have become the standard in the industry.

UD products such as the *Attack ZERO One-hand Push Bottle*, with which people with impaired vision or hands can measure out the right amount of detergent, help to improve the everyday lives of diverse consumers.

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

Contributions to the SDGs



Universal Product Design

GRI 417-1

Business impact

In line with the philosophy of *Yoki-Monozukuri*, Kao integrates the perspective of UD right from the product design stage. In this way, through UD-conscious product development, we provide products that a diverse range of people across the world can easily use and disseminate related information surrounding these products to contribute toward an inclusive society.

This leads to greater loyalty to our products, fosters the trust of stakeholders, and expands market share. We believe that, as a result, we can enhance our global presence to ultimately achieve greater brand loyalty and business growth.

Governance

Framework

Under the Board of Directors' supervision, the Internal Control Committee carries out risk management in relation to improving universal product design, and the ESG Managing Committee manages opportunities. These committees are both headed by the President & CEO.

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

Opportunity management related to universal product design is conducted by the ESG Managing Committee (meets six times a year). Comprising outside experts, the ESG External Advisory Board provides

advice and suggestions on issues raised by the ESG Managing Committee and offers outside perspectives to be reflected in management strategy, and the ESG Promotion Meeting executes the strategies.

P25 Our ESG Vision and Strategy > Governance

Education and promotion

Deploying a structure for UD-centered manufacturing throughout the company

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

Internal education system

We have distributed the edited footage of Workshops for Promoting Empathy with Elderly People, which started in 2012. The aim is to develop greater empathy for the elderly and a sense of direct connection with the problems they face.

Mainly in Japan, we have also re-examined internal examples of UD and shared them with the relevant internal functions, together with consumer feedback.

Collaboration with stakeholders

Collaboration with diverse stakeholders is an essential part of promoting UD.

For example, we reflect the opinions of consumers who actually use our products, implement product development in collaboration with people with disabilities, and communicate with the government.

Manufacturing that reflects consumers' views

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

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

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

Co-creation with Mirairo, Inc.

As a business collaboration, we invest in Mirairo, Inc., which contributes to a better quality of life from the perspective of people with disabilities under the company philosophy, which says that people's shortcomings, weak points, traumas and the like are "barriers" and these should be replaced by "strengths" and value (Mirairo refers to this philosophy as "Barrier

Universal Product Design

GRI 2-4, 416-1, 417-1

Value”) and promote cooperation to realize comfortable lives for consumers so they can fulfill their potential. We also aim to build a new social infrastructure to connect and deliver information and products that address the pressing daily concerns of people with disabilities, their families, the elderly, and others.

Exchanging information with consumer administration agencies and consumer groups

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

Risk management

When developing new or improved products, we identify possible risks and apply insights on what happened with similar products in the past, etc. Then, relevant functions check these risks to address them in accordance with the company-wide crisis response framework. Specifically, relevant departments organize and check the content of past consultations and assumed risks for each touchpoint between consumers and products. These include recognition, selection, in-store or online purchase, conveyance, storage, use, disposal, and refilling.

Consumer comments on and responses after launch are also shared at the monthly Quality Improvement Study Meetings and other relevant occasions, and lead to further improvements in products.

We also keep a close watch on legal amendments and social trends related to UD considerations, and share information with related divisions to ensure that we can take appropriate actions in a timely manner.

P40 Our ESG Vision and Strategy > Risk management

Metrics and targets

Mid- to long-term targets and 2023 results

Mid- to long-term targets in 2030

1. Continuously practice manufacturing from diverse perspectives

We will expand “*Yoki-Monozukuri*” from the perspectives of UD and inclusiveness both within and outside Japan. We will also promote *Yoki-Monozukuri* in plans and actions established in collaboration with diverse consumers, taking a broad range of third-party opinions into account with the aim of solving social issues, and will widely disclose the processes and content outside the company.

UD products 100% within Japan
80% globally

We present product development processes co-created with a diverse range of consumers (at least one process a year)

2. Adopt a UD perspective when disseminating information

To improve the accessibility of Kao Group websites, we promote the improvement of user experiences and user

interfaces that make it easier for everyone, including people with disabilities, to use our websites and online services. Our target level is the WCAG 2.1’s Level AA. [The target is 700 (global) websites. The plan is for all of them to reach the target level by the end of FY2027.]

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

We publish summaries of information co-created with diverse consumers.

3. Promote understanding on the part of stakeholders

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

2023 results

1. Product development from UD perspectives

Percentage of new and improved products that incorporate UD perspectives*1

Japan: 646 items (99%)

We launched products such as *Bioré UV Aqua Rich Aqua Protect Mist*, which is easy to carry and use even outside, *Attack ZERO Perfect Stick*, which does not require measuring and neatly removes stains, and *Toilet Magiclean Foam Pack*, which simply requires covering the inside of the toilet bowl with foam and which does not require scrubbing.

We integrate UD not only in consumer products but also in B-to-B hygiene products, and have developed a

Universal Product Design

GRI 2-4, 416-1, 417-1

new bathhouse/bathroom detergent, the *Raku Navi* series, which lightens the load of daily cleaning tasks.

*1 Regarding the data for Japan, we decided whether to carry out the production of improved products or stop the production based on the improvement percentage in comparison with the previous product up to 2020. However, starting in 2021, the calculation is based on a more precise assessment of whether products feature UD considerations. Improvement percentage data for AEMEA has not been given because the basis for comparison is being revised.

2. Initiatives targeting diverse groups of people

- Promotion of web accessibility: 30% of Kao websites have achieved the WCAG 2.1's Level AA.

P327

Digital Transformation (DX) > Metrics and targets

Initiatives to aid people with visual impairments

- We revised the Braille stickers we have been creating since 2001 for people with impaired vision to identify products, and set up a website that provides information that people with impaired vision can easily understand. This website can be accessed by scanning the 2D code on Braille stickers with a smartphone camera.
- We provided lifestyle information content, and our employees volunteered to help record narrated information for *Home Life*, a voice-based magazine published by the Japan Braille Library.

Initiatives to aid people with hearing impairments

TV commercials with closed captioning

Kao has created over 2,000 commercials with closed captioning since 2012, promoting their widespread adoption.

As almost all television stations now support TV commercials with closed captioning, more than 80% of

our commercials include it. We will continue to work on promoting the inclusion of closed captioning in our Japanese commercials.

Activities by employee volunteers with impaired hearing

Kao Group employees with impaired hearing work on activities such as information provision and awareness raising in a community they voluntarily started. In 2023, we held some lectures, including a course on grooming and appearance for job-search activities for students with hearing impairments.

Reviews of 2023 results

We have been advancing product development that integrates the perspective of UD, and it has become standard practice to integrate UD principles from the initial stages of product design in Japan.

Yet we believe that the content of and the way we communicate product-related information still have room for improvement.

In 2023, we mainly worked on dispatch of information on websites. Although web accessibility has been heavily promoted, we will continue to enhance both the content and the methods of information delivery, solving problems for consumers.

Kao will continue to promote product development co-created with a diverse range of people to respect the principle of DE&I and deliver necessary information into the future.

We will review the system by 2025 for globally standardized evaluations.

Main initiatives

UD considerations in relation to the products that we launched and the information that we disseminated in 2023

We are continuing to develop products that make it possible for diverse groups of people to use our products in a stress-free manner in different circumstances. In this section, we present some examples of how we took UD into account in 2023.

Initiatives for people with impaired vision Revision of Braille stickers and creation of a website to provide information for people with impaired vision

Since 2001, Kao has been providing Braille stickers to identify the usage of products in similar containers, such as facial wash and toothpaste, for people with impaired vision, including those with weak vision or who are completely blind.

However, since we started distributing Braille stickers, the usage environment has changed. For example, there has been an expansion in the types of target products, accompanied by a reduction in their container sizes. Moreover, the usage of sanitizer has increased due to the COVID-19 pandemic. In response to these environmental changes, we reviewed and revised the descriptions on the stickers.

To develop new stickers, we visited people with impaired vision at their homes, where we asked them to actually use Braille stickers. Then, we interviewed them, enabling us to add symbols that offer greater flexibility of use and review the range of sticker types.

Universal Product Design GRI 416-1



Revised Braille stickers



Community
<https://www.kao.com/global/en/sustainability/society/community/>

We have received positive feedback from individuals who have used the new Braille stickers. For example, one person mentioned, "I accessed your website from a Braille sticker and learned about your cleaning detergent as well."

We also introduced the new Braille stickers, along with Kao's lifetime information content, called "Hair styling to hear," at a comprehensive event for people with impaired vision, Sight World 2023.

We will keep striving to create and provide information that is easy to understand in the future.

Development of a new bathhouse/bathroom detergent, the Raku Navi series, which lightens the load of daily cleaning tasks

Kao Professional Services Co., Ltd. (KPS), a Kao Group company engaged in the BtoB hygiene product business, has proposed creating environments where consumers can enjoy their time comfortably by providing commercial-use products for catering establishments, care facilities, hospitals, and accommodations, and offering expertise in sanitation management.

In 2023, the flow of people rebounded due to the relaxation of behavioral restrictions following the reclassification of COVID-19 as a less serious Class 5 disease under Japanese law. In this background, accommodation operators are facing problems such as workforce shortages and an aging employee demographic. This is driving a need to alleviate the workload in order to maintain quality services with a limited number of staff members.

KPS directed their attention towards the cleaning of bathhouses and bathrooms, areas that pose particularly burdensome challenges for facility cleaning, and developed a new bathhouse/bathroom detergent, the *Raku Navi* series, which lightens the load of daily cleaning tasks.

They offer *Raku Navi Large Bathroom Cleaner* for cleaning large bathrooms at inns, spa facilities, hotels, and more. This bathroom detergent eliminates the need for scrubbing with a brush. All cleaners have to do is spray it and wait for about 10 minutes. This new efficient cleaning method is expected to lighten some of the cleaning burden on employees.

They also offer *Raku Navi Modular Bathroom Cleaner* for cleaning bathrooms in budget hotels, city-center hotels, and similar establishments. This bathroom detergent enables cleaners to complete the job by spraying it into the bathtub and wiping it off with a towel. This eliminates the need for scrubbing with a sponge and rinsing detergent to clean bathtubs. As a result, reductions in cleaning burden, time, and water use are anticipated. Since this detergent is suitable for use on toilets, washstands, and glass, an entire module bathroom can be cleaned without needing different detergents for each type of surface.

We received positive feedback from user facilities. For example, one user remarked, "*Raku Navi Large Bathroom Cleaner* eliminated the need for burdensome scrubbing with a brush, which made cleaning easier." Another noted, "*Raku Navi Modular Bathroom Cleaner* reduced the workload because we no longer need to rinse off the detergent.



Raku Navi Large Bathroom Cleaner and dedicated foam sprayer

Universal Product Design

Stakeholder engagement



Risa Nara

Viwa, a support organization for people with impaired vision

Special Researcher, PD, Japan Society for the Promotion of Science

Satoshi Fukushima Laboratory, Research Center for Advanced Science and Technology, the University of Tokyo
Doctor of Disability Science

As a visually and hearing impaired person, I would like to contribute what I have noticed about Kao's efforts.

Braille Seal Initiatives

As a user, I am grateful for your efforts to develop and improve Braille stickers since 2001. It is estimated that less than 20% of the visually impaired can read Braille, and I am concerned that this may be regarded as a cost-effective initiative. In fact, the revision has added visibility considerations not only for Braille users but also for low vision (low vision) people like myself. Nevertheless, if some of you think that this

seal is a special seal for a few stakeholders, that is a "waste! It is a waste!" The reason is that the existing products and this sticker can be multiplied to solve inconveniences. For example, the shampoo itself has an uneven surface, but the refill does not. By using this sticker, both the shampoo and the refill can be identified. In other words, this sticker is very versatile. It is a waste that users do not have a chance to know about it. It is a "waste" that users do not have the opportunity to know about it.

Liese, "Hairstyling Information You Just Listen To"

I was involved in the development of this content from the perspective of a concerned citizen and an expert. Content that a totally blind person can understand just by listening to it has become inclusive of all people. As a happy response, a visually impaired junior high school student practiced bun hairstyling over and over again while listening to it, and a sighted person also told me that he was able to straighten his hair in bed! I have also been approached by people who can see! Personally, I feel that the discussions we had with Kao employees over and over again during the development process led to a live learning experience for both parties. This project led to inquiries from other Kao departments, and I was impressed by the company's attitude toward realizing a society in which no one is left behind. I expect that this project, which involves people with disabilities, will provide a living training opportunity for those who are responsible for manufacturing, which will also eliminate subconscious discrimination

against people with disabilities and lead to further innovation.

Lastly, I was assigned to the University of Birmingham in the United Kingdom as an international visiting scholar. I was surprised to find that the concave and convex pump-type shampoo that is commonplace in Japan was not common, and I had to ask someone every time I used the shower. Because I use this shampoo every day, it was more stressful than I expected, and I even had to ask someone to bring a shampoo bottle all the way from Japan. As a Japanese, I am proud of Kao's efforts in this regard, and I hope that Kao will make more of these efforts known to the world. I hope that Kao will continue to promote activities to deliver necessary products and information in a sustainable manner to people around the world who will be made comfortable by Kao's products.