

Employee Wellbeing & Safety GRI 403-6

The mental and physical health of our employees, which is the source of our business activities, is the base for promoting global sharp-top human resources/organizational management and is an important factor in maximizing individual growth and organizational strength.

Kao will implement Health and Productivity Management® to maximize the power and potential of employees, and will also provide case studies on best practices to communities, workplaces, and consumers.

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

Employee Wellbeing

Social issues

Population aging

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

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

The spread of infectious diseases

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

Kao is also taking thorough measures to prevent infection and recommending vaccinations to accommodate new lifestyles.

Raising the retirement age and increasing female participation in society

With people tending to work to a more advanced age, and with the increase in the number of working women, it has been reported that around 30% of people will develop cancer while they are still of working age. It can be anticipated that the number of cases of people

continuing to work while dealing with chronic diseases such as cancer will further increase.

Policies

Kao Group Health Declaration

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

Well-being

Making things better for everyone



The Kao Group incorporates products and healthcare solutions developed through the analysis of basic internal and external health information and healthcare knowledge

into its own Health and Productivity Management® and promotes practical health promotion activities in which employees and their families participate.

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

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

Strategy

Risks and opportunities

Risks

We aim to create a working environment and society in which a variety of lifestyle habit improvement activities can be implemented cheerfully and enthusiastically to help each individual recognize the health issues that are relevant to them personally and work to maintain the best possible health status.

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Short-term: Increasing obesity, mental health problems, and infectious disease epidemics

Mid-term: Increasing number of employees with lifestyle-related diseases, cancer, or musculoskeletal or other illnesses associated with advanced age

Long-term: Increasing number of older employees and rising healthcare costs

Opportunities

As a company, we intend to provide support to help employees who possess health literacy (in other words, who are able to recognize the importance of their own health issues) to improve their health through self-directed, self-disciplined efforts.

We consider employees with high health literacy as employees who do the following:

1. Independently review and improve their lifestyles based on health check-up results
2. When necessary, consult with a family doctor who can view their health data and provide advice rather than just consulting occupational physicians
3. Maintain awareness of their mental health and confer with appropriate professionals as needed

Programs originally designed to help Kao employees maintain and improve their health are also made available for use outside of the company and are being deployed for health maintenance and promotion activities in local communities and workplaces. We hope that the initiatives at Kao will have a positive influence on local communities and workplaces and contribute to extension of healthy life expectancy for society as a whole.

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

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

Long-term: Well-being of healthcare financing

Strategy

Mid-term Health Plan Kao Health 2025

One goal stated in our Mid-term Plan 2027 (K27) is “Maximize the power and potential of employees.” The basis for achieving this goal is ensuring our employees and their families are healthy. In Kao Health 2025, our mid-term health plan, we encourage our employees and their families to voluntarily participate in various health-related activities so that everyone can become healthier. While further evolving the knowledge gained through these activities, we will expand it to local communities and consumers to contribute to the health of people around the world.

Six health promotion initiatives

Rather than merely fulfilling the minimum requirements for health management that we need to meet as a company, we implement health promotion in line with the six core themes below. Health promotion refers to the independent maintenance and improvement of the employee's own health.

1. Lifestyle-related diseases
2. Cancer
3. Quitting smoking
4. Mental health care
5. Women's health
6. Senior health

Basic activities

1. Health check-up, secondary checkup, specific health guidance
2. Support for balancing treatment and work
3. Health management and hazardous worker management
4. Measures against infectious diseases

Health and Productivity Management Strategy MAP

In order to maximize the power and potential of employees, we have updated our Health and Productivity Management Strategy MAP for 2023. We will promote initiatives to improve the mental and physical health of our employees, and examine how these initiatives will contribute to the improvement of our employees and organizational power.

Kao Group Health Day

花王グループ健康の日(2023年)



社員と家族、そして世界のみなさんとともに

世界保健機関(World Health Organization:WHO)は、4月7日を世界保健デーとし、毎年テーマを定めて世界的な取り組みを呼びかけています。
この日を花王は「花王グループ健康の日」とし、社員とその家族に向けた健康増進、そして世界のみなさんの暮らしと健康を支えることをメッセージとして発信しています。

花王グループ健康の日によって

私たちは、日々いきいきと健康づくりに取り組むことを「花王グループ健康宣言」に掲げ、協力して実践しています。
私たちは、健康に関するプログラムを提供し、社員と家族の主体的な健康づくりの取り組みを積極的に支援し、元気で活力ある職場環境をつくることで、社員活力の最大化を支援しています。

しかし、私たちの貢献はそれだけではありません。私たちは、地域・生活者に対して、健康を支援するための取り組みを行い、社員と社会の両方に貢献しています。そして、well-being、一人ひとりのよりよい状態へ向けて、持続可能なビジネスを展開することを目指しています。

この「健康の日」をきっかけに、改めて健康について考え、私たちと一緒に、自分自身と社会に対し、健康を通じて貢献していきましょう。



私の健康宣言

「心身の健康と社会的健康のバランスを保つ」

花王株式会社
代表取締役 専務執行役員
根来 昌一

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Social impact

Employees and their families

Through preventive initiatives such as promoting lifestyle improvements and putting various health guidance measures in place, we can protect our employees' and their family members' health, as well as limit excessive increases in medical expenses. In addition, we are focusing our efforts on limiting long working hours through promoting modulated work styles and mental health training for managers from the perspective of creating pleasant workplaces. To help employees suffering from chronic diseases, cancer, or other diseases maintain the right balance between managing their health issues and their work responsibilities, we offer support that, rather than being "one size fits all," is carefully tailored to the actual circumstances of each individual employee.

One of our key assets in this area is the basic health data (including employees' health examination results and records of their participation in related special events) that we have accumulated over a period of many years, which can be combined with job stress assessment results and employment information for complex analysis. We can also leverage our own healthcare expertise to improve health promotion initiatives. In addition, we have Health and Productivity Management know-how, which is based on our many years of experience in Health and Productivity Management and which we can utilize in our future health maintenance and promotion activities.

Communities and workplaces

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

Consumers

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

Contributions to the SDGs



Business impact

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

Governance

Framework

Systematization of the Health and Productivity Management promotion framework

Policy proposals for Health and Productivity Management strategies are discussed and approved by the Human Capital Development Committee, which includes directors and executive officers, and shared

with the Kao Group in Japan as well as the companies outside Japan.

Strategies at Kao Group in Japan are developed through joint efforts between the company and the health insurance union, and are discussed at regular monthly meetings.

The key strategies among them are discussed and decided at Employee-Management Meetings with employee representatives and Group Welfare Meetings attended by the responsible executive officers, employee representatives, and people responsible for human capital development.

At every workplace and area, the manager and staff of the HR section work together with occupational physicians and nursing staff to promote the strategies that have been decided.

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

Increasing the visibility of the Health Promotion Management System

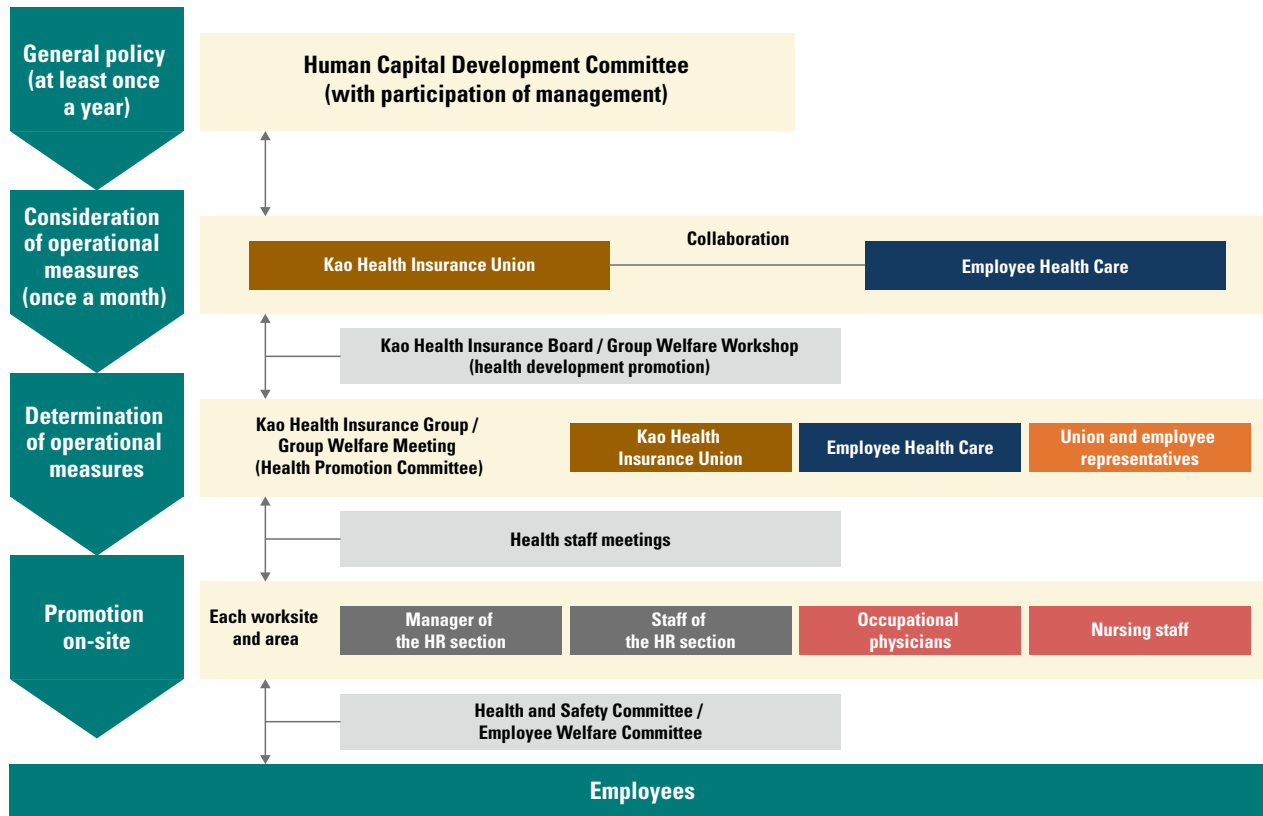
Since 2009, we have compiled a statistical summary of the previous year's health data in an anonymized format (including medical interviews, check-ups, occupations, and diseases), and made this information available to the 21 in-house counseling rooms throughout Japan.

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

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

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Organizational structure



Cultivation of health staff and internal information sharing

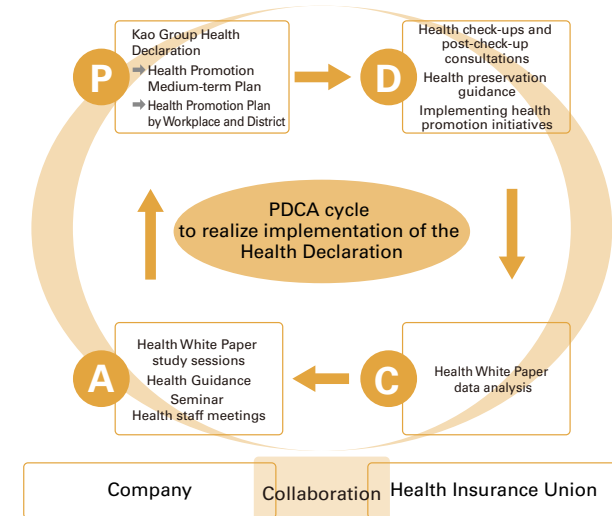
Since 1999, we have held annual Health staff meetings for the development of workplace occupational health staff and for information sharing and dialogue among HR section managers and staff who are responsible for employee health tasks within Kao. In 2023, the meeting was held in October and attended by about 130 participants from all over the country both in person and online.

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

The Tochigi Office, Ehime Plant, and KCMK Chugoku and Shikoku Area were selected for best practices for 2023.

In addition, worksites and areas with outstanding achievements in KAO Health 2025's important

Health Promotion Management System



indicators and activity indicators were selected and presented with special awards.

We also encourage occupational health staff to attend training seminars to enhance their skill levels. In 2023, a total of 145 occupational health staff members participated in these training seminars, including 26 staff members who attended training seminars for specific health guidance program specialist staff, 27 staff members who attended training seminars for the intermediate to advanced specific health guidance program staff, and 92 staff members who attended training seminars relating to health services.

Education and promotion

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

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This initiative is being implemented in recognition of April 7, which is the World Health Organization's (WHO) World Health Day. In 2023, the initiative was implemented in line with the WHO theme for 2023, "Health For ALL." Health Declarations and interviews with executive officers responsible for human resources and Kao track and field athletes, as well as a white paper on health for employees, were posted on the intranet to encourage each employee to register specific actions as a Health Declaration, and 1,041 employees registered.

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

As a result, 28.8% of male employees (an improvement of 0.5 percentage points over the previous year) and 22.9% of female employees (an improvement of 0.5 percentage points over the previous year)* are engaged in lifestyle improvement.

* Based on the results obtained from the 2022 periodic health check-up questionnaire

Collaboration with stakeholders

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

For example, we make effective services that we have developed available outside the company based on the needs reported by external experts in occupational health promotion and local government officials. For example, we have made useful contributions toward the prevention of societal health issues such as metabolic syndrome and locomotive syndrome.

To create new health value, we also promote collaborative research with external organizations.

Risk management

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

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

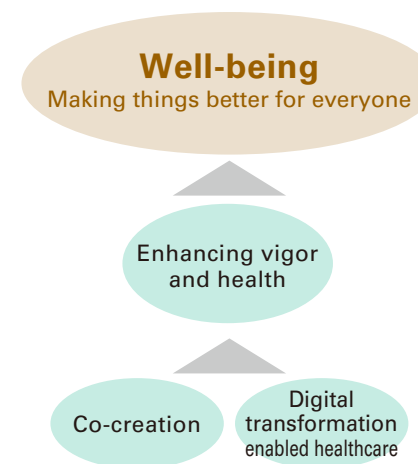
P40 Our ESG Vision and Strategy > Risk management

Metrics and targets

Mid- to long-term targets and 2023 results

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

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



Main initiatives

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

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Important indicators for Kao Health 2025

What we want to achieve through Health and Productivity Management® is the maximization of the power and potential of employees.

We believe that by working on both the “mental” and “physical,” each individual’s ability to maintain their health will be enhanced, leading to the maximization of the power and potential of employees.

- We represent two indicators, “mental” and “physical,” as important indicators for Kao Health 2025.
- Degree of *GENKI* (being energetic, lively, bright): The percentage of employees who are active and work vigorously regardless of the working environment and working style.
 - High stress level: Percentage of high-stress individuals by job stress assessment
 - Average number of lost long-term work days: Average number of days of absence for employees who have lost long-term work days

2023 results

	Quantitative target	2023		2025 (target)	
		Male	Female	Male	Female
Mental	Degree of <i>GENKI</i>				
	Rate of affirmative answers “I feel vivacious,” “I am full of energy,” and “I am active.” in the job stress assessment	77.9%	77.1%	80.0%	80.0%
	High stress level	9.6%	8.5%	8.6%	7.7%
Physical	Long-term absenteeism rate	1.6%	3.3%	1.5%	1.5%
	Average number of lost long-term work days	176	202	117	117
	BMI level over 25	27.4%	16.3%	26.0%	14.0%
	Smoking rate	24.7%	14.6%	21.0%	13.1%

- Percentage of employees who have lost long-term work days: Percentage of employees who are absent from work for 30 or more calendar days
- BMI level over 25: Percentage of employees who were determined to have a BMI of 25 or higher during health check-ups
- Smoking rate: Percentage of employees who reported smoking in the medical interview during health check-ups

Reviews of 2023 results

Global

We promoted awareness of Health Day globally in 2023, and first exchanged information regularly with our subsidiaries in the Americas and EMEA about their health initiatives and current status.

In Japan

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

Main initiatives

Mental health care

Job stress assessments

In 2023, we continued to conduct job stress assessments as part of an employee engagement survey.

Occupational physicians and nursing staff promptly follow up on employees who are assessed as requiring prompt treatment based on their responses to these stress tests. Individual follow-up e-mails are sent to employees who are judged to display stress levels that are somewhat high. We also develop workplace improvement activities upon receiving the results of stress tests in each workplace and area.

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Human Capital Development > Risk management

Mental health courses

Through training, we are trying to increase individual employees’ skills in managing their mental health. We are continuing to foster a corporate culture in which everyone at Kao, including the colleagues at our individual worksites, acquires the ability to pay attention to small but significant changes that have occurred in their own lives, address problems at an early stage, and help each other in times of difficulty.

Line Care training included an e-learning basic course and advanced course presentation by an outside lecturer for all management levels. We also implemented training in each workplace and area to promote mental health care suitable for each organization.

We stream a 30-minute video to all employees once every two months as self-care training to help employees become more skilled in coping with various types of stress.

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Return-to-work guidelines

We are making effective use of our guidelines for helping to ensure a smooth return to work after long periods of leave. At both the individual employee level and the level of the organization as a whole, we are creating workplaces filled with vitality and higher productivity by implementing activities to help people avoid mental health problems and to address them at an early stage if they do experience them.

Mental health meeting

Mental health meetings are held twice a year (March and September) to share the status of mental health, various initiatives, and the status of internal and external consultation services with relevant parties within the company.

We exchange opinions on issues and the direction of future measures with participants, and make use of these opinions in future initiatives.

Item	2023 results
Invigorated workplace ratio	49.7%
Job stress assessment participation ratio	96.8%
High stress level	9.0% (0.7% improvement)
Training for managers	17 sessions with 6,034 participants
Self-care training	5 sessions with 4,551 participants
External EAP usage rate (number of usages / number of target employees)	225 telephone consultations + 15 e-mail consultations + 259 face-to-face consultations (including online) / 25,115 employees = 2.0%
Consultations with internal counselors (career-focused interviews)	13,876 people

Lifestyle habit improvement initiatives

Smart WASHOKU

Smart WASHOKU is a dietary method that leads to less visceral fat accumulation while ensuring sufficient nourishment. Rather than focusing on the overall quantity of food consumed, the *Smart WASHOKU* approach emphasizes three key points to provide a diet that enables people to eat well while still keeping their visceral fat level down: (1) the ratio of protein to fat, (2) the ratio of dietary fiber to carbohydrates, (3) the ratio of Omega-3 to fat. We are continuing our efforts to inform our employees and their families as well.

- *Smart WASHOKU* online cooking classes: Popular annual project for employees. Held three times with 105 participants.
- *Smart WASHOKU* online challenge course: Newly established in FY2023 for employees and their families. Held four times with 44 participants; twelve of the applications were submitted by the families themselves.
- Real *Smart WASHOKU* cooking classes: A revival of a project that was popular before the COVID-19 pandemic for employees and their families. Attended by 39 employees and their family members.
- The *Smart WASHOKU* Challenge was implemented for employees and their families as a summer holiday project. During the three months from July to September, 22 photos were posted.
- Ten *Smart WASHOKU* breakfast recipe videos from the *Kayabacho Shokudo* were streamed. Each video has been viewed by over 200 people. In particular, the video on *mettajiru* (pork miso soup) was viewed by more than 1,000 people.



- *Smart WASHOKU* breakfast menus uploaded to YouTube were made into recipe cards and distributed in front of the cafeterias at the Head Office, Sumida Office, and Kao Group Customer Marketing Co., Ltd.

42-day Weight-loss Challenge

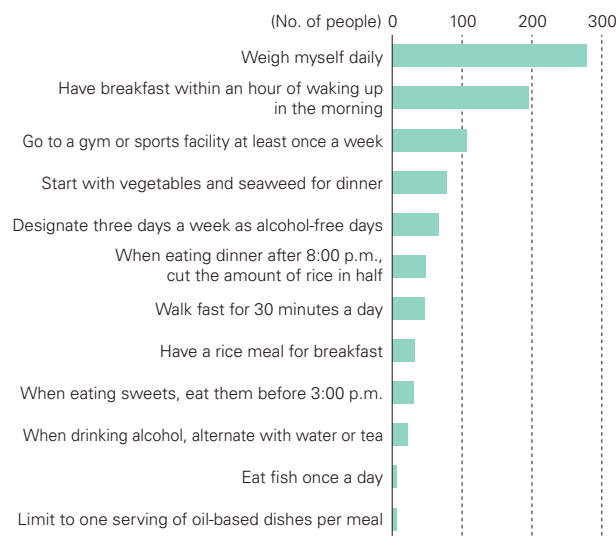
This campaign, which is designed to encourage employees to try to lose 2 kg in weight over the 42-day period starting in January each year (except employees with a BMI of less than 20), was held from January 17 to February 27, 2023.

Participants were able to share their experiences of losing weight through communication using Microsoft Teams, providing each other with mutual encouragement in their efforts to lose weight.

- Number of participants: 2,535 people (participation rate: 14%)
- Number of participants that achieved their target: 918 succeeded in losing 2 kg (36.2%)
- Combined total of visceral fat lost by all participants: 2.7 tons

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Targets set by 918 people who successfully lost 2 kg:



Pre-health check-up belly slimming challenge

Two months prior to the health check-up, we implemented a 42-day weight loss and belly slimming challenge. During the implementation period, participants entered their weight and snacking records into the *GENKI*Web every day to raise awareness. While distributing information on food to participants via e-mail every week, we made efforts to help them lose weight.

- Implementation period: March–August 2023 (6 times in total)
- Number of participants: 345 people
- Number of participants that successfully lost 2 kg of their body weight: 97 people
- Lost at least 3% of their abdominal circumference: 97 people
- (Comparison of health check-up results between FY2022 and FY2023)

Online seminar on “With-COVID-19-Era Diet and Stress Update”

The COVID-19 pandemic caused a major change in the living environment and an increase in the number of employees suffering from weight gain, stress, etc. An internal seminar was held on April 26, 2023 to address this issue. The lecture was given by Dr. Naoki Sakane from National Hospital Organization Kyoto Medical Center, a specialist in preventive medicine. On the day of the event, 288 people attended the lecture, and 436 people watched the recorded video later. The specific diet suggestions were well received, with 95% of the respondents saying they were satisfied or somewhat satisfied (from a post-viewing questionnaire).

The video can be seen not only in the company but also in the *Smart WASHOKU* master class e-learning seminar (hosted by Kao) and Dr. Sakane’s diabetes seminar (hosted by the Japan Family Planning Association).

Online seminar on “Priorities for Health Actions Based on Test Values”

A seminar was held on December 11, 2023, to provide tips on how to live well during the year-end and New Year’s holiday season when the rhythm of life is more easily disrupted, to review and improve one’s diet, and to reflect on one’s lifestyle based on the results of health check-ups. (Lecturer: Ms. Yoshiko Sano, Registered Dietitian, Comprehensive Health Check-up Promotion Center, Japan Anti-Tuberculosis Association)

At the seminar, participants learned how to understand the results of health check-ups and the key points of countermeasures, as well as practice healthy behaviors that are linked to lifestyle, and received tips to incorporate them into their daily lives.

In the post-seminar survey, 96% of the participants answered that they were satisfied with the seminar.

- Number of participants:
Online seminar participants: 220 people /
Video viewers: 352 people

Health action implementation record

In order to practice the ways of eating and living that we learned in the “Priorities for Health Actions Based on Test Values” seminar, we select the items we want to work on from the 22 “Year-end and New Year’s Health Action Goals” created by Ms. Yoshiko Sano, record them on the *GENKI*Web, and use them to reflect on our own lives.

- Implementation period: December 12, 2023 to January 12, 2024
- Number of participants: 400 people

Visceral Fat and Lifestyle Check-up Service (lifestyle habit analysis and visceral fat measurement)

This service helps to enhance awareness of the need to improve lifestyle habits by digitalizing and displaying the results obtained through a survey of lifestyle habits and measurements of visceral fat, which tends to be affected by lifestyle habits.

In FY2023, after measuring visceral fat and lifestyle habits, activities were implemented to encourage participation in health events and improve individual health behaviors. Approximately three months later, the same measurements were taken again to measure the effects of the program.

For visceral fat measurement, we offered two courses: (1) actual measurement, and (2) estimation of visceral fat values based on health check-up results.

- July to December 2023 (to be held at 8 workplaces)
- Number of participants: 3,059 people total
- Rate of improvement: 53.0% (846 of the participants attended twice)

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Gait Measurement Sessions and *Hoco Touch*

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

- *Hoco Touch* were rented out for use at 86 spot locations by 9,141 personnel.
- 23.1% continued to use the devices, of whom 43.6% achieved Rank A walking steps and speeds over one day or more.

* A smartphone app has also been provided so that *Hoco Touch* can be used by employees working from home. 49.4% of continued users have made use of this app.

- A Gait Measurement Session took place at two worksites. Approximately 240 people attended.

Spring Walking ★ *Waku Waku Walk!* Challenge

We implemented Spring Walking ★ *Waku Waku Walk!* Challenge from April 7, 2023, which is Kao Group Health Day. In FY2023, in addition to individual competitions, team competitions (worksites and areas) were held, and the teams worked together to make the event a success.

During the implementation period, a “Walking Seminar” by an alumnus of the track and field team and the “*Waku Waku Post Award*,” in which participants were asked to post photos and stories of their walks and the scenery, helped to keep participants motivated.

- Implementation period: April 7 to June 15, 2023

Starting on Kao Group Health Day

- Number of participants: 2,693 people
- Participants that achieved their goals:

(1) Those who recorded steps over the target 56 days:
744 people (27.6%)

(2) Those who achieved (1) and an average of 8,000 steps: 1,324 people (49.2%)

➔ Average number of steps: 11,174 steps

Waku Waku Post Award

Wonderful photos taken by participants during the walk



2023 KAO Autumn Sports Challenge

The 2023 KAO Autumn Sports Challenge was held from September 14 to November 14, 2023, as an event to promote exercise. A “Beginner Course” was offered for employees who were not accustomed to exercising, and an “Intermediate Course” was offered for employees who had a regular exercise routine, allowing them to choose the course that suited them best.

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

According to the results of a questionnaire conducted after the event, 93% of participants reported that they would like to continue exercising after the event.

- Number of participants: 3,284 people total for Beginner and Intermediate Courses
- Participants that achieved their goals:

	Participant	Achiever	Rate of achievement
Beginner Course	1,813 people	1,024 people	56.5%
Intermediate Course	1,471 people	505 people	34.3%
Total	3,284 people	1,529 people	46.6%

Information provision / Questionnaire surveys

We have been disseminating health information via the intranet and implementing awareness-raising activities so that employees can take steps to improve their health, regardless of whether they are working on company premises or working from home.

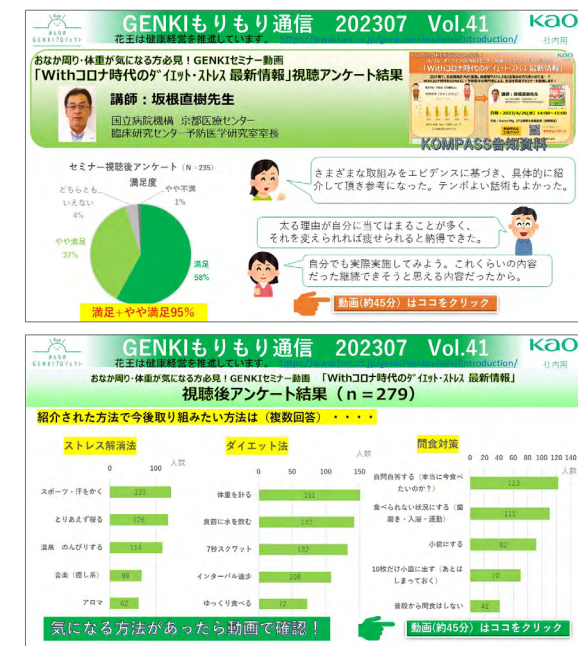
Information Provision via the Company Intranet “*GENKI Mori Mori Bulletin*”

Throughout 2020, we have continued to disseminate health-related information via the intranet as the *GENKI Mori Mori Bulletin*. We present information that employees want to know in an easy-to-understand format and in a timely manner through collaboration between relevant units and Research Laboratories.

In FY2023, we reported in detail on Dr. Naoki Sakane’s seminar “With-COVID-19-Era Diet and Stress Update,” which was conducted to address the increasing number of obese employees. Questions from employees and Dr. Sakane’s answers were compiled and sent out to encourage employees to recognize the importance of their own health issues.

We also continued to devise ways to interest employees with articles on various health events, interviews with people who have achieved their goals, and graphs of data from workplaces that have conducted in-house sessions to measure gait and visceral fat.

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Internal Survey on Health and Productivity Management Activities and Personal Health

A questionnaire targeting all employees was implemented with the aim of determining employees’ degree of understanding regarding Health and Productivity Management and their subjective health awareness with the aim of leading to future Health and Productivity Management activities and health promotion activities.

Summary of Survey Results

- Implementation period: July 13 to July 24, 2023

		Male	Female	Total
Response rate	Respondents	41.40%	40.90%	41.10%
	Non-respondents	58.60%	59.10%	58.90%
Number of respondents		4,516 people	5,575 people	10,091 people
Average age of respondents		49.6 years old	46.2 years old	47.7 years old
Kao Group Health Declaration awareness rate		67.90%	75.40%	72.00%
Health maintenance activity implementation status	Share of employees currently implementing health maintenance activities	58.80%	44.40%	51%
Health issues subjectively felt to be most important *1 Pain includes stiff shoulders, back pain, and headaches.	Weight	Weight (24.9%)	Weight (24.3%)	Weight (25%)
	Visceral fat	Visceral fat (18.3%)	Pain*1 (12.4%)	Visceral fat (13%)
	Pain*1	Pain*1 (11.7%)	Inadequate exercise (11%)	Pain*1 (12%)

- Health initiatives you would like to work on

Top 3 health initiatives you would like to work on yourself	Top 3 health initiatives you would like to work on with your family
1. Weight-loss Challenge	1. Walking
2. Measures for back pain/stiff shoulders	2. Weight-loss Challenge
3. Walking	3. Measures for back pain/stiff shoulders (seminars/events)

- Satisfaction with health initiatives

Satisfied / Somewhat satisfied	49%	Reasons for satisfaction
Can't say either way	46%	<ul style="list-style-type: none"> Various events are held regularly Can attend with friends Can set your own goals
Not very satisfied / Not satisfied	5%	Reasons for dissatisfaction
		<ul style="list-style-type: none"> Too busy to participate Not interested

- How do you work with motivation in a lively workplace? (Multiple answers permitted, n = 2,700)

Free response sentences analyzed by the “Visualization Engine” (excluding non-responses and don’t know):

Word 10 with high frequency of appearance

Health	Workplace	Environment	Work	Communication
Mental	Physical	Motivation	Awareness	Employee

Sample answer) By increasing opportunities for members to get to know each other through communication and events at each workplace, the workplace will become a more consultative, vibrant environment where people are more considerate of others. I believe that this will help both the mind and body move in a healthier direction.

Smoking cessation initiatives

Promoting smoking cessation (Japan)

With the aim of making healthy and pleasant workplaces a reality, in January 2018 we began promoting a ban on smoking during working hours. Starting from April 2020, having built a consensus with management, we have been using the company’s intranet to clearly illustrate to employees both the ban on indoor smoking and smokers’ obligation to be considerate of others.

In 2023, in order to reduce the number of new cigarette smokers, we are distributing leaflets and messages to strengthen the prevention of passive smoking and the promotion of smoking cessation.

Kao Group Stop Smoking Week

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

In addition, we conducted the “No Smoking Quiz & Let’s Support Participants in the Stop Smoking Challenge” campaign, in which employees could participate regardless of whether they smoked or not, to send messages of support to employees who were taking up the challenge.

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Stop Smoking Challenge

The health effects of smoking are not only on the smoker, but also on those around them. You can participate in the Stop Smoking Challenge with a supporter who will help you. There is also a follow-up system in place to support participants with the support of workplace colleagues, supervisors, and family members to help them quit smoking, which can be difficult to achieve alone. This activity improves employee health and is effective in preventing passive smoking.

Participants in the Kao Group Stop Smoking Challenge

Month held	Number of participants	Number of participants that achieved their goal
January 2023	22 people	12 people
April 2023	54 people	24 people
May 2023	37 people	22 people
December 2023	32 people	23 people

- A total of 12 supporters (people who watch over and cheer on those trying to quit) participated
- A total of 780 people participated in the No Smoking Quiz & Let's Support Participants in the Stop Smoking Challenge campaign
- Union-subsidized smoking cessation treatment (Kao Health Insurance Union): 1 person
- Online smoking cessation program (Kao Health Insurance Union): 18 employees participated

Women's health initiatives

Within Japan, we have established a Women's Health Consultation Service (for e-mail consultations), which arranges for occupational physicians to respond to employees' requests for consultations. Kao Women's News is distributed regularly (once every three months) using the company's intranet to help deepen understanding of women's health issues.

Online seminar on fertility treatment and support for balancing treatment and work

In March 2023, in conjunction with International Women's Day, we held an online seminar on fertility treatment, a topic frequently brought up in consultations with our employees. The video has been viewed over 3,000 times.

In a post-session survey, 99% of participants answered that the seminar was highly satisfactory, saying that the content was useful. Online participation: 151 people / Video views: 3,063 times

Video lessons on women's health

Video lessons on women's health were posted from September to November 2023. The video content lineup included five videos, with 2,324 managers watching the video "What Managers Need to Know About Women's Health," promoting understanding women's health.

In the post-session questionnaire, the question "Did you understand the role of managers in women's health?" had an average response of 4.46 (on a 5-point scale).

Support for specific fertility treatment

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

Initially, the Kao Health Insurance Union subsidized treatment, but in 2013, responsibility was transferred to the Kao Family Association (a mutual aid association). Subsequently, the program has been revised several times. In 2017, financial assistance for male fertility treatment was added, and in 2020, the application scope was expanded to cover additional companies, resulting in all Kao Group companies within Japan now being covered.

Due partly to the fact that infertility treatment is now covered by insurance as of April 2022, in 2023 the

annual total of instances of subsidy usage was 136 (none of which involved male fertility treatment), representing a decrease of 110 instances, 55% of the year before.

We have also created an environment in which employees can seek to maintain an appropriate balance between work responsibilities and treatment by making effective use of the various flexible working arrangements that we offer (including a flextime system, a work-from-home option, and the option to take leave in hourly increments).

Content of support for specified fertility treatment (Japan)

Item	Details
Target group	Employees and their spouses/partners (If both partners are Kao Family Association members, financial support will be provided for only one person)
Subsidy	60% of the co-payment for one round of treatment (up to 120,000 yen), up to 1 million yen per couple (for the co-payment, from which all assistance including public support, etc. has been deducted)

Childcare support

For childcare support, we provide the necessary support such as the establishing of lactation facilities in workplaces.

Senior health initiatives

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

In 2023, 433 people were interviewed.

Infectious disease initiatives

COVID-19 pandemic

As a countermeasure against the COVID-19 pandemic, the Kao Group in Japan is using an infectious disease

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reporting application to monitor the situation in a more timely manner.

In addition, guidelines for employees and human resources personnel and the handling of employment were reviewed in accordance with the transition of COVID-19 to a Class 5 disease.

In addition, we continue to provide information on COVID-19 infections and vaccinations.

Posting on the intranet

- COVID-19 infections / Vaccine information
Information sent five times in 2023 / Viewed 73,449 times in total

Employment support

- Persons infected with COVID-19 are exempted from working for five days to prevent the spread of the virus.
- Work exemptions apply to those who are ill due to adverse reactions on and after the date of vaccination (up to three days including the day of inoculation).

* Employment assistance ends on April 1, 2024.

Influenza

In 2023, the number of cases of infection increased earlier than usual, and we have been issuing influenza alerts from an early stage.

In addition, in order to avoid a simultaneous outbreak of COVID-19 infections, the Kao Health Insurance Union has been fully subsidizing the co-payment of influenza vaccines for insured persons and their dependents as a special measure since FY2020.

We also send out information about the influenza vaccine to employees via the intranet.
24,613 views in 2023

Expansion of health checks for employees working long hours

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

Health Check Results for Employees Working Long Hours in 2023	
Content	2023 results
Meetings with Occupational Physicians	Number of eligible employees: 99 Number of employees attending consultations: 98 (Implementation rate: 99%) * One employee did not attend consultations due to resignation.
Online health check-ups	1) Number of eligible employees: 9 Number of employees attending consultations: 9 (Implementation rate: 100%) 2) No. of employees responding to online medical interviews: 619 Number of eligible employees: 111 (Implementation rate: 100%)

Health management for Japanese personnel on overseas assignment

With regard to employees who are sent to work outside of Japan, we implement health status grading in accordance with the health management guidelines for personnel working overseas and make a determination as to whether it is appropriate for each employee to be working overseas. Furthermore, personnel have started working outside of Japan after they have had all of the inoculations required by the criteria established by the Quarantine Information Office, Ministry of Health, Labour and Welfare.

Regarding health management for employees working outside of Japan, in principle, they were entitled to return to Japan for a health check-up once a

year. However, starting in 2020, we have changed to a system whereby such employees can have a health check-up at a local medical facility, and their family members can also have a health check-up at the same time. Those employees requiring follow-ups receive health follow-up sessions at in-house counseling rooms and may make an appointment to see an occupational physician based on the results of these sessions.

In addition, based on the results of the health check-up, grading of health status is conducted to determine whether or not the employee can continue their assignment.

In areas where avian influenza is endemic, we recommend vaccination for all Japanese personnel on overseas assignments.

Initiatives in the Americas and EMEA

Initiatives in EMEA

EMEA is striving to create a work environment where employees can receive appropriate mental health support without being discriminated against, so that we can have a positive effect on employees' mental health.

The policy focuses on the following three pillars:

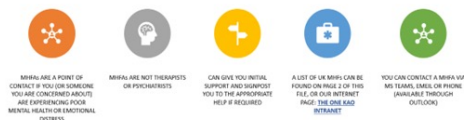
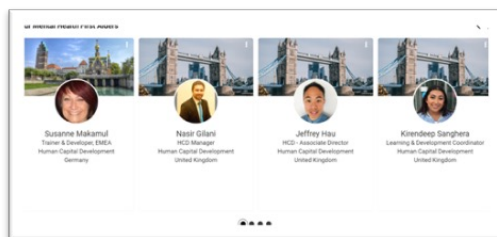
- Mental illness, disability, stigma
- Work-related or external (COVID-19 infection / conflict-related) stress
- Active support of physical and mental health and a balanced lifestyle

We focus on Mental Health First Aider (MHFA) training. MHFAs refer to individuals at the workplace who are trained to provide initial support and assistance to employees with mental health issues. In fact, if an employee has a mental health issue, they can consult with an MHFA to have an initial dialogue, get support,

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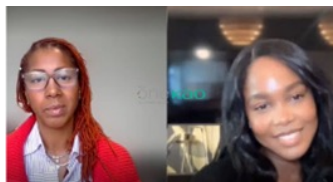
and receive a road map to utilize the appropriate resources. For example, they encourage the use of employee assistance programs, such as the Unum app, which offers free therapy sessions.

In addition, if a manager notices that someone on their team is in a poor emotional state, they can consult with an MHFA confidentially to get advice on how to support the employee and what the next steps should be.



Main activities in 2023

Black History Month featured experts and guest speakers to raise awareness about the impact of discrimination and intergenerational trauma on mental health. Approximately 150 employees from EMEA participated in this event.



Also, in collaboration with the Americas, we invited guest speakers and mental health experts to discuss the importance of mental health on World Mental Health Day. The event was attended by approximately 400 employees. At this event, we also produced an article on our intranet, The One Kao, with useful links and suggestions for our team.



We designated Blue Monday, the saddest day of the year, as Mental Health Day, and gave all employees paid time off to focus on mental health and wellbeing.



Mental Health Day 2023 Thank you Kao

Pictures of how employees spend their day

The EMEA Rewards team is always looking at possible employee mental health support, and currently offers employee assistance programs with therapy and support in a number of regions, including the Unum and My Strengths apps in the U.K. and the ICAS app in Germany, Switzerland, the Netherlands, and other countries.

During the grief awareness week in December, we carried out activities so that employees would have increased awareness about grief and bereavement in The One Kao and could provide their colleagues with the necessary support.



We held a mental health focus group with the Salon Division. We then discussed what would be the best support for employees' mental health and well-being, and set up short- and long-term activity goals based on the feedback in the discussion.

We established a no-meeting time on Wednesday mornings every two weeks to allow employees to step away from meetings and phone calls and focus on their work.

Reflecting on international situations and conflicts, we had a session with employees on how to deal with conflicts from a mental health and resilience perspective.

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In the U.K., we introduced a “Summer Hour” pilot program to give employees an afternoon off (offsetting of overtime work) to focus on mental health and wellbeing.

Molton Brown’s Retail Team has introduced “Retail Winter Wellbeing Days” during the busy winter season to provide employees with winter wellness tips and exercise ideas, holiday stress relief tips, and techniques to manage holiday-related stress.

Initiatives in the Americas

Employee mental health and wellbeing is a top priority for the Americas Leadership Team, and the HCD Team is actively working on helping employees achieve a healthier lifestyle and personal wellbeing, in addition to increased productivity and job satisfaction, by providing employees with the necessary benefits, policies, resources, and tools.

An integral part of our wellbeing strategy is the Kao Wellness Employee Resource Group (ERG). The group encourages and supports healthy lifestyles and helps employees with their mental health by offering online courses such as yoga and mindfulness sessions. These sessions provide a convenient way for employees to be mentally fulfilled during the workday and promote a balanced and healthy lifestyle. The group serves as a platform for fostering a sense of unity and commitment to holistic health among employees. The ERG also functions as a platform for expanding our commitment to a sense of unity and health across the overall organization, and therefore, promotes networking among employees and generates positive effects in the overall organization.

Calm app subscriptions are available to all employees in the Americas region. Known as the No. 1

app for resilience and mental fitness, Calm offers guided meditations and soothing music to help users achieve better sleep, boost confidence, and reduce stress and anxiety.

The Americas also recognizes the evolving future of work styles since the pandemic and offers flexible combinations so that employees and their managers can optimize working styles.

The M.A.D. DASH (Making a Difference Week) initiative aims to inspire employees to make a difference through volunteerism. When employees are actively involved in volunteer activities that resonate with their values and passions, they can promote positive physical and mental change and have a lasting and meaningful impact on our world as well. Specifically, we give 16 hours of paid leave per employee and allow employees to work for organizations and activities to which they want to contribute. Active participation in volunteer activities not only aligns with employees’ values and passions, but also contributes significantly to employee mental health by creating a sense of fulfillment and satisfaction.



In 2023, we introduced Soul Hugs, a new program for Black and/or African American employees. The program aims to support and promote the engagement of participating employees through the facilitation of external professional support. Meetings there focus on fostering a sense of community, providing resources

and support, and addressing the unique challenges and experiences faced by participants.



The Americas offers a holiday to all employees each year on World Mental Health Day to raise awareness and understanding of this important day. They foster a workplace culture that prioritizes employee wellbeing and are continually expanding wellbeing initiatives. This year, Kao Wellness ERG and the Kao Women’s Network (Kao NOW) ERG jointly hosted an “Awareness is Power” event to honor the day and combat mental health-related biases. The event provided employees the opportunity to interact with expert instructors with the goal of encouraging participants to take better care of themselves and each other.

Initiatives in Asia

In Asian countries as well, the mental and physical health of employees is considered very important as one of the measures to realize business growth and social contributions.

While sharing the concept and direction of the Kao Group Health Declaration, we aim to contribute to the creation of vibrant and creative workplaces by developing optimal initiatives in line with the lifestyle, history, and culture of each country and region to promote the mental and physical health of our employees more effectively.

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Exercise habits

To encourage people to adopt walking as part of their health promotion, we sponsor “Walking Campaigns” and provide opportunities for people to participate in fun, game-like activities. In some countries, it is difficult to walk for long hours outdoors during the daytime due to the climate, so we support sustainable efforts such as early morning or late evening walking at a time that is suitable for walking.

Awareness-raising activities/seminars

Raising the health awareness of each and every employee is necessary to promote employee health. In Asian countries, health issues are becoming more important than ever before. We conduct awareness-raising activities from time to time on the importance of mental and physical health for each individual in various settings, including work and private life, and how to promote good health.

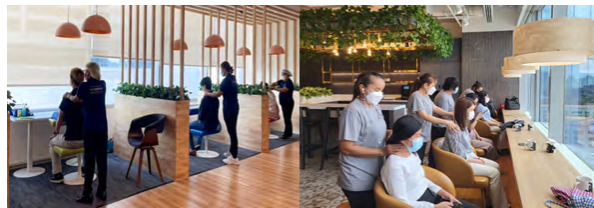
Furthermore, we provide seminars to enhance knowledge on the prevention of specific diseases. Examples include “Lifestyle for Cancer Prevention,” “Prevention of Internal Organ Diseases,” and “Prevention of Back Pain.” These seminars are held as needed to highlight diseases that are on the rise due to changes in lifestyle and living environments, as well as diseases that have traditionally been more common due to work characteristics, to raise prevention awareness, and to help create a workplace where all employees can always demonstrate their vitality and creativity.

Refreshing body and mind in the office

In addition to a comfortable office environment and easy working conditions, opportunities for employees to refresh body and mind within the company are expected to be effective in improving employee productivity and creativity. In some countries,

multipurpose rooms have been set up and equipped with balance balls and other health equipment to provide employees with an environment where they can refresh body and mind during breaks or after working hours. The multi-purpose rooms are also used for in-house yoga classes to promote the physical and mental health of employees.

Kao Industrial (Thailand) has established a service where employees can take advantage of their individual breaks to receive a 20-minute massage in the office. Currently, the session is limited to 20 people a day, twice a week, but it has been very well received by employees, as the short time spent massaging effectively refreshes them and helps them concentrate on their work. In addition, we also request massage therapists who are visually impaired through an outside organization to provide employment support for people with disabilities.



Promoting the GENKI Project

Kao GENKI Project for Everyone

Besides working actively to promote the health of employees and their family members, the Kao Group also shares this knowhow externally with local government authorities, corporations, senior care facilities, etc., thereby providing support for health promotion efforts.

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



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

GENKI-well Service

In our Human Healthcare, we have for many years now been researching areas such as the relationship between visceral fat and lifestyle and the relationship between walking and health. The knowledge obtained from this research is utilized not only in the development of new products but also to improve the health of our employees and their families through our health promotion programs. We call this unique approach to health promotion “Kao GENKI-well Solution.” What makes Kao GENKI-well Solution special is the way it visualizes health status and lifestyle habits, which helps to boost health awareness and encourages people to make effective improvements through lifestyle changes. In order for people to achieve a health-conducive lifestyle without it being too stressful so that they can keep it up over the long term and enjoy doing it, we provide support for building a healthy environment and offer assistance through our company’s products. We have also begun to support the promotion of Health and Productivity Management by sharing with people outside the company the model and know-how for preparing health white papers that we have been implementing for many years. We call this assistance “Kao GENKI-well Assistance.” The Kao GENKI-well Service, which combines “Solutions” and “Assistance,” supports health promotion and Health and

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Productivity Management of people in the community and society.

Within the company, we make effective use of *GENKIWeb*, a health community website for Kao employees, as a platform for Kao *GENKI-well* Service by recording daily life activities, holding special health events, etc.

GENKI-well



Kao *GENKI-well* Service

Visualization (awareness)

Measurement and analysis of visceral fat and lifestyle habits

- Using proprietary visceral fat measurement technology and lifestyle analysis algorithms, measurement sessions are held at Kao worksites across Japan.
- Issues for each individual and for each worksite are visualized.
- Changes in visceral fat show results in health promotion.

Measuring and analyzing walking ability

- By simply walking on the “pressure sensor sheet,” the system instantly analyzes the way you walk. It calculates the gait balance age and gait speed age.

- It helps to improve health by motivating employees to develop good walking habits and learn to walk in a youthful manner.

Improvement by effective living

Creating an environment to eat deliciously without storing visceral fat

- *Smart WASHOKU* lunch, a unique meal to “eat well and avoid storing visceral fat,” is provided at employee cafeterias at 11 Kao worksites across Japan.
- Lunch seminars and cooking classes for families are also offered.

Creating an enjoyable and effective walking environment for everyone

- We distributed *Hoco Touch*, our proprietary active mass-meter, which displays users’ “walking age” that indicates how youthfully they walk.
- Walking and employee communication are stimulated with the question “How old are you today?”
- Competitive projects between plants and sales branches are also held.

Assist continuity with in-house products

- Continuity is supported by using or giving away the company’s products.

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

Collaborative efforts with stakeholders

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

In order to spread awareness of our employee nutrition improvement program throughout the world,

we have joined the Nutrition Japan Public-Private Platform and are undertaking related activities.

Within Japan, we have become an official partner of the Japan Obesity Prevention Association in order to deepen public understanding of obesity and metabolic syndrome and to promote healthy lifestyles that prevent weight gain, as well as hold seminars for the general public and be engaged in other activities.

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

Awareness of *Smart WASHOKU*

We have also been working to spread awareness of the *Smart WASHOKU* dietary method for eating well without increasing visceral fat.

Online Seminars

- *Smart WASHOKU* master class e-learning seminar for public health nurses, nutritionists, and other specialists: This was held twice as regular sessions, with a session for an individual company. A total of 79 people attended.
- The Online Seminar on Health Promotion and Health and Productivity Management support for specialists, human capital, and general affairs was streamed for free online. 486 people registered for the seminar.
- *Smart WASHOKU* Seminar for occupational fields and local government facilities: Held for three companies that promote Health and Productivity Management (one of them was a local government facility). A total of 294 people attended. In addition to teaching people how to eat without storing visceral fat, we also introduced tips on how to choose meals when eating out and how to eat when working shifts, etc.

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Smart WASHOKU 1-Day lesson

- In collaboration with ABC Cooking Studio (operated by ABC Cooking Studio Co., Ltd.), a one-day trial cooking class for *Smart WASHOKU* was held in June 2023 at 94 ABC Cooking Studio locations nationwide. The lessons were very well received, with 1,226 people participating and approximately 80% of the participants responding that they were satisfied with the lessons.

Introduction on social media

- Recipes for *Smart WASHOKU* are posted monthly on Kao's official Facebook page. For our posts from January to December, we received an average of 313,000 impressions, an average of 248,347 reaches, and a total of 762 shares, with many comments such as "I made this at home right away!"
- A total of 13 *Smart WASHOKU* recipe videos were uploaded on Kao's official YouTube page and have been viewed a total of 6,105 times.



Smart WASHOKU mettajiru (pork miso soup)

Support for the manufacture and sale of Smart WASHOKU Bento (lunch boxes)

We extend various forms of support, such as menu supervision, for the manufacture and sale of *Smart WASHOKU* Bento in Toyohashi Zosen Service Co., Ltd.

Lifestyle habit and visceral fat measurement service

- Lifestyle habit measurement: Held at external companies/corporations with 829 participants
- Visceral fat measurement workshop: 774 people participated in the General Assembly of the Japan Medical Congress
158 people participated in the Tokyo Business Chance EXPO

Get Walking Program

- As part of a program to create effective and enjoyable walking environments in workplaces and local communities, we have been distributing our unique *Hoco Touch* pedometer devices and holding Gait Measurement sessions to provide detailed analyses of walking "quality."
- *Hoco Touch* Pedometer Gait Measurement: Approx. 9,200 people have registered with it at corporate, foundation, and local government facilities
Active users: Approx. 5,700
 - Gait Measurement sessions: Held 12 times externally, with approximately 900 participants
 - Gait measurement workshop: 1,846 people participated in the General Assembly of the Japan Medical Congress
230 people participated in the Tokyo Business Chance EXPO

Support for writing health white papers

We provided advice on know-how about and the way of writing health white papers to three companies that are promoting health and productivity management.

Comprehensive initiatives in collaboration with local government authorities and research institutes

Initiatives that integrate our health solutions in a comprehensive manner have been implemented in collaboration with local governments and universities.

Fukushima Prefecture: Health Promotion in Collaboration with private companies

Among all prefectures in Japan, Fukushima Prefecture in particular has seen a considerable increase in the rate of individuals who are diagnosed with metabolic syndrome or certified as requiring long-term care since the Great East Japan Earthquake in 2011, causing a significant deterioration in health indicators. The Prefecture, in response to the issues, has started to outsource health promotion programs to available companies who put forward their own proposals for the citizens, and we have been successful in being selected for six years in a row since FY2017.

One of these prefectural projects, "Support for an Energetic Workplace," mainly has the aim of improving their lifestyle habits (such as diet and exercise) of the working-age generation because such habits have much to do with health indicators. Four small and medium-sized companies in the same prefecture (including three companies recognized as Certified Health & Productivity Management Outstanding Organizations) have outsourced to us the provision of dietary improvement programs. Employees of each company (160 employees in total) were provided with a *Smart WASHOKU* diet program that utilized knowledge about visceral fat for four weeks to three months. As a result of the dietary improvements, there were improvements in weight, abdominal circumference, and visceral fat area values.

In addition, we have provided a total of 1,494 local residents in 25 municipalities with Kao's walking ability improvement program for three to six months through the "Municipal Pioneering Health Promotion Support Project," aimed at extending healthy life expectancy through preventing frailty, and the "Project to Support the Resolution of Health Issues in Affected Areas," targeting residents in coastal areas affected by the disaster.

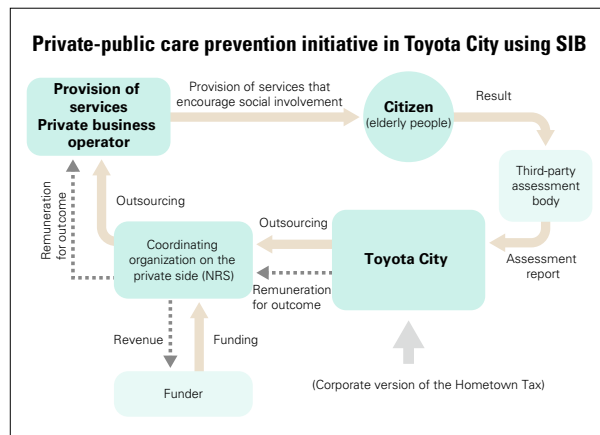
In all of the municipalities, there was a marked improvement in the quality of walking, especially for those aged 60 and older, and the program was highly evaluated by the participating residents, as well as by prefectural and municipal officials, as a motivational measure for preventing frailty.

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

Since October 2021, we have been holding *Hoco Touch* and Gait Measurement sessions for senior citizens aged 65 or over living in Toyota City. In 2021, the first year of the program, 80 people participated, and in 2022, 280 people participated. Many seniors continue to participate, with an 84.2% retention rate. The service was provided to 520 people in FY2023.

This project is making use of SIB (abbreviation for Social Impact Bond), Japan's largest-scale initiative in the healthcare sector, and is being implemented as a new initiative for working on social issues.



Private-public care prevention initiative in Toyota City using SIB

Joint research with COI, Hirosaki University

As a part of our efforts to contribute toward the building of a sustainable and healthy society, we are undertaking collaborative research with the Center of Healthy Aging Innovation (COI) at Hirosaki University, which is engaged in creating a "lifespan revolution." Focusing on

Aomori Prefecture, which has the shortest average lifespan in Japan, we are conducting social implementation research that integrates basic research on visceral fat reduction, with its measurements and modification of dietary and exercise habits, with the aim of preventing metabolic syndrome at all ages.

In 2023, as social implementation, we provided training on *Smart WASHOKU* to dietary habit improvement promoters in the Hirosaki City "Health and Community Vitality Creation Project" and developed *Smart WASHOKU* recipes together with them. In addition, we introduced a measurement technology that allows you to determine the level of visceral fat just by taking two photographs of your entire body with a smartphone using the "QOL Health Check-up," an enlightening health check-up originated by Hirosaki University. Through the use of health white papers as tools for preventing metabolic syndrome, we will help people in Aomori Prefecture succeed in becoming healthier.

Health Day Consortium Meeting

We designate WHO's World Health Day (April 7) as the Kao Group Health Day, and send messages to employees and their families at each group company within and outside Japan.

We also send a Health Day message to society.

In 2023, we launched the Health Day Consortium Meeting, and since then, we have been exchanging information on employee health promotion with like-minded business people and exchanging ideas on how to revitalize Health Day.

Information exchange with external organizations

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

- Participation in the Forum for Building Healthy, Vigorous Workplaces (organized by the ICT and Healthcare Promotion Division of the Japan Productivity Center) and sharing of information on mental health issues and on initiatives taken to build employee-friendly workplaces.
- Participation in *Sanpo-Kai* (Occupational Health Research Association) and exchanging views on the occupational health projects of human capital and health staff
- Participation in the General Incorporated Payer's Association for Better Healthcare and the Health Insurance Union Management Study Group to exchange information on overall health insurance union initiatives.

Disseminating Health and Productivity Management and Health Promotion case studies outside of the company (Japan)

The General Assembly of the Japan Medical Congress Exposition: Corporate Seminars & Hands-on Workshops

A seminar for companies to report on Health and Productivity Management activities was held at the exposition, the 31st General Assembly of the Japan Medical Congress 2023 Tokyo, held in the Marunouchi area in April 2023. In addition, we provided the public with hands-on workshops on gait measurement and visceral fat measurement, with 2,637 consumers trying out the measurements.

Seminar Hosted by the Institute for Future Initiatives, The University of Tokyo

On November 8, 2023, an online seminar under the theme of "Planning and Implementation of an Effective Health-promoting / Care Prevention Business for the Elderly: Based on Case Examples in Local Governments through Public and Private Co-creation" was held (hosted by the University of Tokyo's Institute for Future Initiatives, and co-organized by Kao Corporation's *GENKI*

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Project). In the seminar, Japan's Ministry of Health, Labour and Welfare gave a lecture on policy trends, local governments that are implementing public and private co-creation gave presentations of case studies, and participants discussed the specifics of public and private collaboration and its effect using Kao's gait improvement program as an example.



Seminar hosted by the University of Tokyo's Institute for Future Initiatives

Health and Productivity Management EXPO

We participated in the 3rd Health and Productivity Management EXPO Autumn held at Makuhari Messe in September 2023. We introduced Kao's Health and Productivity Management and health promotion to visitors to the booth, who were from company human resources, general affairs, and management departments.

Tokyo Business Chance EXPO

We participated in the 3rd Tokyo Business Chance EXPO held at Tokyo Big Sight in December 2023. We provided visitors, including small and medium-sized enterprises, with hands-on experience in measuring visceral fat and gait, and introduced Kao's support for health promotion.

Introduction of Activities to Fiji

As part of the support by the Japan International Cooperation Agency (JICA), a program to learn about

lifestyle-related diseases in Japan was conducted for a total of 11 Fijians, including doctors, nurses, nutritionists, and physiotherapists and public officers who were engaged in lifestyle disease control in Fiji. They stayed in Japan from October 18 to 27, 2023, and visited companies in Tokyo and at Hirosaki University in Aomori Prefecture. As part of the program, on October 20, participants visited Kao Sumida Office to see the Kao Museum and to learn about the programs by the *GENKI* Project, such as the Visceral Fat & Lifestyle Check-ups, walking program, *Smart WASHOKU*, and more. Participants appreciated learning about support for workplace health promotion programs, the importance of the department in charge of health

promotion in the workplace, and the importance of knowing about visceral fat.

In Fiji, which has a population of less than one million, more than 30% of both men and women are obese with BMI of 30 or more. While there is an urgent need for measures to combat lifestyle-related diseases, inadequate national policies on health promotion and financial and human resource issues have put off the solution. This visit to Japan was an opportunity to recognize the importance of promoting measures such as creating a supportive environment for health promotion, developing educational materials to improve health literacy, and strengthening health check-ups in the workplace.

Employees' opinions

Smart WASHOKU for Visceral Fat Reduction

Tomoko Adachi

GENKI Project,
Human Capital Strategy,
Kao Corporation



Metabolic syndrome and lifestyle-related diseases caused by the accumulation of visceral fat are on the rise, and the *GENKI* Project is promoting the spread and awareness of countermeasures to address them.

As one of the countermeasures, we are promoting the spread of eating habits that will serve you for a lifetime and "*Smart WASHOKU*," a diet for eating well that does not lead to weight gain. In 2023, we

focused on creating opportunities to experience the *Smart WASHOKU* way of eating so that people can practice it at work, at home, and when dining out. Through dietary education seminars, cooking classes, and information provision on social media, we tried to communicate in a way that looks at this issue through the eyes of the target audience and encourages them to think, "I can keep going with this," or "All I have to do is change a few actions and make better choices." We would like to expand the circle of *Smart WASHOKU* with you all.

We will continue to increase the number of people practicing *Smart WASHOKU*, both inside and outside the company, thereby contributing to the health promotion of both children and adults, who can live healthy and secure lives even as they age. We would also like to provide information to promote the *Smart WASHOKU* way of eating not only in Japan but also overseas.

Employee Wellbeing & Safety

Stakeholder engagement

Ms. Miwako Kojima

Representative and
Registered Dietitian,
Quality Life Service Co., Ltd.



Kao's response to the views expressed last year

In response to last year's stakeholder engagement, we are implementing the following initiatives:

1. As a health promotion program for seniors, we offer gait measurement and gait improvement (*Hoco Touch*) programs for local governments to promote the prevention of falls and frailty among the elderly. Local governments in Fukushima Prefecture and Toyota City, Aichi Prefecture have seen benefits, such as improved walking, as well as opportunities to get out more and increased communication.
2. We provide online lifestyle habit analysis and online cooking classes as lifestyle habit support in response to the new normal. We are also implementing initiatives to increase health literacy among employees and their families.

Based on Kao's long-standing research on visceral fat, we have been cooperating in the development and promotion of *Smart WASHOKU*, a diet for eating well and preventing weight gain.

Smart WASHOKU is considered to be useful for improving metabolic syndrome based on visceral fatty obesity, which is a health policy issue. It is used for Kao's employee health education, implemented in the company cafeteria, and used to promote the health of employees and their families.

Based on these results, Kao is providing services using *Smart WASHOKU* to leading companies engaged in Health and Productivity Management as well as to local governments working to promote Health and Productivity Management, thereby contributing to health promotion. This is highly commendable as a realization of the "Kao Group Health Declaration."

In addition, as part of measures to promote *Smart WASHOKU*, Kao provides education for health guidance professionals, such as public health nurses and registered dietitians from companies and local governments, and we commend this contribution to solving health promotion issues in Japan, which is facing a super aging society. To improve metabolic syndrome, health guidance is still often given to reduce dietary energy, which leads to temporary weight loss, but in the long run, there are concerns about future locomotive syndrome and frailty. For health guidance targets, support for eating well,

rather than reducing or restricting food, is easier to accept without stress and leads to positive efforts.

Expectations for Kao

In addition to the "table-level" information currently provided by *Smart WASHOKU*, such as the five guidelines for meals and recipes, we expect that information will be provided at the "food level" as well.

We would like to see Kao offer *Smart WASHOKU* ways to achieve dietary balance, such as showing simple ways to combine foods, when cooking from recipes is not a simple task, or there is not enough time to do so.

For those who do not cook, it would be effective to provide examples of combinations of convenience store products. We look forward to working with food retailers to present this type of "food-level" information when shopping. Providing information at times like this helps motivate consumer health behavior.

I hope that Kao will continue to actively and widely deploy the results of its practical health promotion activities and further develop as a leading company that supports the lives and health of people around the world.

Employee Wellbeing & Safety

Key Health Indicators for Kao Group Employees in Japan

Item	2019	2020	2021	2022
Percentage of employees undergoing periodic health check-ups	100%	100%	100%	100%
Percentage of employees who underwent follow-up examinations	94.9%	88.1%	92.6%	96.0%
Percentage of employees undergoing continued therapy who are at high risk of diabetes	—	—	87.7%	87.1%
Specific health guidance implementation rate (age 40 or older)	71.6%	63.2%	71.2%	75.2%
Percentage of employees who eat breakfast at least three times a week	Male	77.1%	76.5%	75.8%
Percentage of employees who exercise at least once a week		57.5%	60.3%	61.0%
Percentage of employees who walk for at least 60 minutes a day		56.0%	55.6%	49.1%
Percentage of employees who get adequate sleep		63.0%	63.8%	63.6%
Percentage of employees who do not smoke		72.6%	74.0%	75.2%
Percentage of employees who do not drink alcohol every day		82.1%	82.0%	82.1%
Percentage of employees with a BMI of 25 or higher		26.7%	28.5%	27.3%
Percentage of employees engaged in improving their lifestyle habits		27.3%	28.0%	28.3%
Percentage of employees who are at risk of developing metabolic syndrome (age 35 or older)		32.3%	36.9%	33.8%
Percentage of employees receiving specific health guidance (age 40 or older)		19.0%	22.4%	18.9%
Percentage of employees who eat breakfast at least three times a week	Female	76.1%	76.3%	76.5%
Percentage of employees who exercise at least once a week		36.5%	40.4%	41.0%
Percentage of employees who walk for at least 60 minutes a day		61.7%	60.6%	56.2%
Percentage of employees who get adequate sleep		61.9%	62.6%	61.7%
Percentage of employees who do not smoke		81.6%	83.0%	84.4%
Percentage of employees engaged in improving their lifestyle habits		18.6%	21.2%	22.4%
Percentage of employees who do not drink alcohol every day		91.4%	90.6%	90.0%
Percentage of employees with a BMI of 25 or higher		14.0%	15.0%	14.7%
Percentage of employees who are at risk of developing metabolic syndrome (age 35 or older)		7.4%	8.9%	8.2%
Percentage of employees receiving specific health guidance (age 40 or older)		7.9%	9.2%	8.1%

Final health indicators in the Health Management Strategy MAP

	Male				Female			
	FY2019	FY2020	FY2021	FY2022	FY2019	FY2020	FY2021	FY2022
Degree of <i>GENKI</i> (being energetic, lively, bright)	77.8	78.0	77.8	76.6	77.5	77.6	77.2	78.1
Work engagement level	70.4	72.1	69.8	66.6	70.9	76.2	74.3	72.9
Absenteeism	7.1	6.2	5.3	6.2	7.2	6.2	6.4	9.1
Presenteeism	21.6	21.7	21.5	22.4	25.4	25.0	24.6	24.9
Job satisfaction	67.8	69.8	68.0	66.7	62.9	69.8	67.2	65.7
Life satisfaction	85.3	85.5	85.5	85.8	84.4	86.5	86.4	87.2

Investment in major health facilities

	Year	Category	Cases	Yen (tax excluded)
<i>GENKI</i> -WEB	2023	Meal analysis		5,400,000
		Communities		3,359,472
		Fee for system usage		6,263,000
<i>GENKI</i> point	2023	Items	4,352	13,625,079
		Donation to Heart Pocket Club	1,312	131,200
Subsidization in each worksite and area (Health Insurance Union PE-Aid)	2022	Health promotion business activities	102	7,318,736

Method for calculating values:

- Degree of *GENKI*: Each response to the vitality question items, “I feel vivacious.” “I am full of energy.” and “I am active.” in the stress check is scored (4 points for “Almost always,” 3 points for “Often,” 2 points for “Sometimes,” 1 point for “Almost never”). The number of employees whose average score on the three questions corresponds to 2 or more points divided by the total number of employees who responded.
- Work engagement level: Each response to the work engagement question items, “I feel energized when I’m working.” and “I feel proud of my work.” in the stress check is scored (4 points for “yes,” 3 points for “fair,” 2 points for “somewhat different,” and 1 point for “no.”). The number of employees whose total score for the two questions corresponds to 5 or more points divided by the total number of employees who responded.
- Absenteeism: To the question, “During the past 12 months, how many days in total did you take off due to illness or health reasons?” the number of employees who responded eight or more days divided by the total number of employees who responded.
- Presenteeism: In response to the question, “If your work performance, which you can show when you are at your best condition with no mental or physical discomfort, is set at 100, how would you rate your job performance in the last month, using a scale from 0 to 100?,” the average of all employees who responded subtracted from 100.
- Job satisfaction: Each response to the stress check question, “I am satisfied with my job.” is scored.
- Life satisfaction: Each response to the stress check question, “I’m happy with my home life.” is scored.

Employee Wellbeing & Safety

Deployment of Company-wide Health Promotion Activities (Japan)

Content of activities in 2023	2023 results	2023 Participant satisfaction level
42-day Weight-loss Challenge Diet magazine distribution	2,535 participants (Lost 2 kg: of whom 918 were successful) Distributed six times during the event period	
Pre-health check-up belly slimming challenge	345 participants (Lost 3% from abdominal circumference: of whom 97 were successful / Lost 2 kg: of whom 97 were successful)	
Online seminar: Latest Information on Dieting and Stress in the Era of the post-COVID-19 New Normal	288 participants online / 436 video viewers	95%
Online Radio Calisthenics	A total of 208 participants	
Stop Smoking Challenge No Smoking Quiz & Let's Support Participants in the Stop Smoking Challenge Campaign	145 participants (of whom 81 were successful) / 12 supporters participated 780 participants	
Quitting smoking online	18 participants	
Smoking cessation treatment subsidy	1 person	
Spring Walking ★ <i>Waku Waku</i> Walk! Challenge Post Award	2,693 participants (1) Walking every day for 56 days or more as the target: 744 people were successful (2) (1) + 8,000 steps as the average: 1,324 people were successful	87%
2023 KAO Fall Sports Challenge	Beginner Course 1,813 / Intermediate Course 1,471, Total 3,284 (of whom 1,529 were successful)	93%
Seminar on dealing with back and shoulder pain	278 participants (Real venue 19 people / Online 259 people) Video viewed 255 times YouTube video distribution: 293 times	92%
Online seminar on "Priorities for Health Actions Based on Test Values"	220 participants online / 352 views	96%
Health action implementation record	400 participants	
Kao Women's News	4 issues published (January/April/July/October) (average number of times accessed: 2,824)	
Online seminar to support both fertility treatment and work	151 participants Video viewed 3,063 times	99%
Video lessons on women's health "What Managers Need to Know About Women's Health"	2,324 participants	4.46 (5-point scale)
World Menopause Day	Viewed 3,504 times	
Menopause Survey (men and women over 40 years old)	Number of respondents: 1,458 people	
<i>GENKI Mori Mori / Smart WASHOKU</i> Bulletin	12 issues published (average number of times accessed: 2,023)	
My Health Declaration interview	FY2023: 1 issue published / Viewed 1,642 times	
My Health Declaration	1,041 people	
Internal Questionnaire Survey on Health and Productivity Management Activities and Personal Health	10,091 people	
Eye Care Day Campaign	2,160 people	

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

Content	2023 results
Related to lifestyle-related diseases: Nutrition seminars, strength tests, health fairs, lectures by occupational physicians, etc.	75 programs were held with a total of 14,045 participants.
Quitting smoking challenge, etc.	10 programs were held with a total of 1,019 participants.
For women: Women's health seminars, change-of-life seminars, etc.	6 programs were held with a total of 1,571 participants.
Mental: Industrial physician lectures, sleep seminars, seminars for beauty advisors, new employees, newly promoted employees, etc.	18 programs were held with a total of 2,204 participants.
Slip-and-fall prevention seminars, etc.	2 programs were held with a total of 200 participants.

Employee Wellbeing & Safety

The Kao Group Responsible Care (RC) Policy includes occupational safety and health guidelines designed to ensure the health and safety of all who work at Kao.

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

Safety

Social issues

As we have several large-scale chemical plants, process safety and disaster prevention needs are increasingly heightened in the context of accidents at chemical plants and the many natural disasters that have occurred recently. Given this situation, ensuring safe workplace practices and providing a workplace environment where all employees can work safely is a crucial issue for the enterprise.

Policies

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



Kao Group Responsible Care Policy
<https://www.kao.com/global/en/sustainability/klp/policy/responsible-care-policy/>

Basic Principle and Basic Policies on Environment and Safety
<https://www.kao.com/global/en/sustainability/klp/policy/environment-safety-policy/>

Strategy

Risks and opportunities

Risks

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

Opportunities

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

Strategy

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

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

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

Social impact

The Kao Group Responsible Care (RC) Policy specifies occupational safety and health-related activity guidelines, and we strive to safeguard the safety and health of everyone working at Kao. We do this by implementing risk assessment of operations, machinery and chemical substances, ensuring thorough implementation of health check-ups and related follow-ups, and implementing activities focused on mental health.

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

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

Contributions to the SDGs



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

Business impact

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

Governance

Framework

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

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

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

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

Kao’s promotion system and activities are described below.

P25

Our ESG Vision and Strategy > Governance

P300

Responsible Care Activities

Education and promotion

To ensure that work can be carried out safely, we draft educational plans related to occupational safety and health for employees and temporary workers, and conduct training for new hires and reassigned personnel. We also identify roles that require special training, and implement training for the employees who require it as needed.

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

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

Collaboration with stakeholders

We strive to create workplaces where all employees can work with safety and peace of mind every day. Furthermore, in order to ensure the safety of employees of partner companies who work together with us at our worksites, we conduct events related to safety and disaster prevention, such as emergency rescue seminars and fire-extinguishing training, in cooperation with

partner companies. Every month, we share safety-related information—including case studies of occupational accidents within Kao and the steps taken in response—with partner companies, and we strive to become an enterprise characterized by safety and peace of mind through collaborative promotion of safety activities.

Risk management

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

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

Three meetings are held regularly every year: the Responsible Care Promotion Committee, the Global RC Meeting and the Japan RC Meeting. This provides the responsible officers from the relevant divisions and group companies with regular opportunities to share and exchange information and clarify risks within the Kao Group, which enables risk mitigation across the Kao Group as a whole.

We have identified large-scale earthquakes and other natural disasters as corporate risks and are engaged in ongoing risk mitigation activities. We have prepared initial response procedures in the event of a major earthquake occurring in a major city or in the Nankai Trough. Drills are carried out and verified twice

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

Our Priorities -Kirei Lifestyle Plan-

Employee Wellbeing & Safety GRI 403-2, 403-9, 403-10

per year. Where necessary, the procedures and their implementation are reviewed and used to improve preparedness for such a disaster. In addition, the Corporate Risk Working Group has also set the activity themes of the Corporate Risk Working Group to address new risks such as flood risks due to tsunamis and heavy rainfall, natural disasters that are expanding and becoming more severe worldwide, and the eruption of Mt. Fuji.

Metrics and targets

Mid- to long-term targets and 2023 results

Mid- to long-term targets

We aim to become a company that meets top-level occupational safety and health criteria on a global basis by 2030.

We have set ourselves the goals of cutting deaths and loss of function accidents to zero, decreasing the lost time frequency rate to 0.10 or less, and, with regard to work-related traffic accidents, reducing 100% negligence accidents causing bodily injury to zero, with respect to both Kao employees and employees of affiliates, by 2030.

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

2023 results

We implemented activities from the two perspectives of “Eradication of occupational accidents” and “Creating a pleasant working environment and improving the health of our employees.” More specifically, with regard to the eradication of occupational accidents, we have focused on promoting measures to prevent non-work-related accidents,

upgrading safety management systems, implementing risk assessments for facilities, operations and chemical substances, promoting near-miss reporting and improvement reporting activities, ensuring thorough implementation of safety management for infrequent operations, ensuring proper implementation of safety training, sharing information about past accidents, and working to prevent traffic accidents by expanding the provision of traffic safety education.

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

2023 targets and performance (Kao Group)

Item	Indicator	Scope	2020	2021	2022	2023	
			Results	Results	Results	Target	Results
Occupational accidents	Death / loss of function ^{*1} (persons)	Including both regular employees and temporary workers (Kao Group)☑	0	0	1	0	0
		Breakdown					
		Japan	0	0	1	—	0
		Asia	0	0	0	—	0
		Americas	0	0	0	—	0
		Europe	0	0	0	—	0
		Subcontractors (Kao Group)☑	0	1	0	0	0
		Breakdown					
		Japan	0	0	0	—	0
		Asia	0	1	0	—	0
		Americas	0	0	0	—	0
		Europe	0	0	0	—	0
	Lost time accidents frequency rate ^{*2}	Including both regular employees and temporary workers (Kao Group)☑	0.53	0.64	0.65	0.32 or less	0.71
		Breakdown					
		Japan	0.41	0.46	0.51	—	0.58
		Asia	0.07	0.38	0.33	—	0.27
		Americas	2.03	4.40	1.91	—	2.49
		Europe	2.85	1.50	2.26	—	2.25
		Including both regular employees and temporary workers (Reference: Member companies of Japan Chemical Industry Association)	0.28	0.41	0.43	—	—
		Subcontractors (Kao Group)☑	0.66	0.23	0.77	0.17 or less	0.63
		Breakdown					
		Japan	0.85	0.38	1.28	—	0.80
		Asia	0.14	0.14	0.12	—	0.29
		Americas	5.51	0.00	6.20	—	3.11
		Europe	7.88	0.00	3.57	—	1.18
		Subcontractors (Reference: Member companies of Japan Chemical Industry Association)	0.59	0.64	0.60	—	—

^{*1} Loss of function accident: Accidents in which there is a continued loss of physical function after treatment for the injury has been completed (with a loss of physical function of Level 5 or higher)

^{*2} Lost time frequency rate: Number of persons dead or seriously injured in occupational accidents per million hours worked (including only accidents involving at least one lost work day and also the loss of a part of the body or a bodily function)

Employee Wellbeing & Safety

GRI 403-2, 403-9, 403-10

2023 targets and performance (Kao Group)

Item	Indicator	Scope	2020	2021	2022	2023	
			Results	Results	Results	Target	Results
Occupational accidents	Total accident frequency rate*1	Including both regular employees and temporary workers (Kao Group)	1.90	1.82	1.75	0.96 or less	1.82
		Breakdown					
		Japan	2.00	1.73	1.84	—	1.89
		Asia	0.34	0.95	0.65	—	0.61
		Americas	4.05	8.00	3.19	—	2.49
		Europe	4.98	2.44	3.20	—	2.25
		Subcontractors (Kao Group)	1.43	1.07	1.39	0.52 or less	1.41
		Breakdown					
		Japan	2.18	1.78	2.85	—	2.60
		Asia	0.55	0.55	0.18	—	0.44
		Americas	5.51	0.00	6.20	—	4.66
		Europe	7.88	2.50	4.76	—	1.18
	Severity rate*2	Including both regular employees and temporary workers (Kao Group)	0.04	0.01	0.11	—	0.02
		Breakdown					
		Japan	0.05	0.01	0.15	—	0.01
		Asia	0.00	0.01	0.00	—	0.00
		Americas	0.03	0.12	0.07	—	0.10
		Europe	0.08	0.02	0.03	—	0.08
		Including both regular employees and temporary workers (Reference: Member companies of Japan Chemical Industry Association)	0.11	0.01	0.07	—	—
		Subcontractors (Kao Group)	0.03	0.30	0.02	—	0.02
		Breakdown					
		Japan	0.06	0.03	0.04	—	0.03
		Asia	0.01	0.52	0.00	—	0.01
		Americas	0.17	0.00	0.08	—	0.02
		Europe	0.06	0.00	0.26	—	0.01
		Subcontractors (Reference: Member companies of Japan Chemical Industry Association)	0.15	0.15	0.04	—	—
	Number of employees who experienced lost work days due to occupational illness (persons)	Including both regular employees and temporary workers (Kao Group)☑	0	0	0	0	0
		Breakdown					
		Japan	0	0	0	—	0
		Asia	0	0	0	—	0
		Americas	0	0	0	—	0
		Europe	0	0	0	—	0
Traffic accidents	100% negligence accidents causing bodily injury (no. of accidents)	Sales and logistics (Japan)	1	3	5	0	3
	Accidents other than 0% negligence accidents per 100 vehicles*3		3.68	4.63	5.01	7.90 or less	5.90

*1 Total accident frequency rate: Number of persons injured in occupational accidents (including accidents without lost work days) per million hours worked

*2 Severity rate: Number of lost days / total working hours × 1000

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

Targets for 2024

In order to become a company that meets top-level occupational safety and health criteria on a global basis by 2030, we have set ourselves the target of striving to prevent accidents and disasters, and we are implementing activities based on the backcasting of accident and disaster prevention targets for 2024.

Note that traffic accident targets are for Japan only.

Targets for 2024 (Kao Group)

Item	Scope	Indicator	2024 target
Occupational accidents	Regular employees and temporary workers	Death/loss of function*4 (persons)	0
		Lost time frequency rate*5	0.27 or less
		Total accident frequency rate*6	0.81 or less
	Subcontractor employees	Death/loss of function*4 (persons)	0
		Lost time frequency rate*5	0.16 or less
		Total accident frequency rate*6	0.47 or less
	Employees	Number of employees who experienced lost work days due to occupational diseases (persons)	0
Traffic accidents	Sales and logistics	100% negligence accidents causing bodily injury (no. of accidents)	0
		Accidents other than 0% negligence accidents per 100 vehicles*7	7.3 or less

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

*5 Lost time frequency rate: Number of persons dead or seriously injured in occupational accidents per million hours worked (including only accidents involving at least one lost work day and also the loss of a part of the body or a bodily function)

*6 Total accident frequency rate: Number of injuries of all types (including those resulting in lost time) due to occupational accidents per million hours worked

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

Reviews of 2023 results

The number of lost-time accidents and the number of traffic accidents in 2023 were about the same as those in 2022.

Employee Wellbeing & Safety GRI 403-2, 403-4, 403-5

Main initiatives

Status of occupational accident occurrences

In 2023, there were 145 injuries affecting regular employees and temporary workers due to occupational accidents. Of these, 57 injuries resulted in lost time (absence from work). There were no incidences of illness directly associated with the workplace. For occupational accidents involving subcontractors, the number of persons affected was 38, of whom 17 suffered injuries resulting in lost work days.

The most common types of accidents among regular employees and temporary workers were slips and falls arising from carelessness and insufficient checks (60 employees), accidents involving recoil movements (30 employees), and cutting and scratching (16 employees). As slip and fall accidents have been the most common type of accident in recent years, in implementing our activities we have focused mainly on strategies to prevent slip and fall accidents.

Risk assessment of chemical substances

As many types of chemical substances are handled at our manufacturing locations, the risk of damage to human health and of environmental pollution is not negligible. With this in mind, we evaluate the impacts on people and the environment and make provisions to reduce these risks. In addition, when installing additional equipment or making changes to existing equipment, and when changing the types of raw materials used, we assess the potential impact on human health and on the environment in advance. These measures have been implemented in response to the UN's Strategic Approach to International Chemicals Management (SAICM) initiative.

P275 Responsible Chemicals Management

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

With the aim of further increasing safety awareness, starting in 2016, the scope of application of the "award system for no accidents that cause lost work days" was expanded to include not only plants inside Japan but also plants outside Japan. In addition, starting in 2021, the scope of application of the safety awards systems (including both the "award system for no accidents that cause lost work days" and the "traffic safety award system") was expanded to include sales companies and logistics companies in Japan that have had significant numbers of occupational accidents.

In 2023, a total of one plant in Japan, three plants outside Japan, one sales company and six logistics sites received awards.

Award criteria

Stage	Award criteria
1	3 years
2	5 years or 5.4 million hours
3	7 years or 8.1 million hours
4	10 years or 12.2 million hours
5	15 years or 18.3 million hours

Award system for no accidents that cause lost work days (Plant, 2023)

Country	Company / Plant	Stage
Japan	Toyohashi Plant	Stage 3 (7 years)
Indonesia	PT Kao Indonesia Chemicals	Stage 2 (5 years)
U.S.	Kao Collins Inc.	
Germany	Kao Manufacturing Germany GmbH (Germany)	Stage 1 (3 years)

"Award system for no accidents that cause lost work days" (Sales companies and logistics companies 2023.)

Company	Region / Office	Stage
KCMK	Kayabacho	Stage 2 (5 years)
Kao Transport & Logistics	Atsugi Kita Center	Stage 3 (7 years)
	Yonago No. 2 Center	
	Atsugi Minami Center	Stage 2 (5 years)
	Sagamihara Center	Stage 1 (3 years)
	Sakaide Logistics Center	
	Atsugi Logistics Center	



PT Kao Indonesia Chemicals received an award for 5 years of operation without a single accident leading to lost work days

Sharing safety messages globally

With the aim of enhancing safety awareness globally, since 2017 we have had the company's safety slogans translated into local languages at our worksites outside Japan, and the safety posters on which the President & CEO appears have been shared globally, being displayed at worksites both inside and outside Japan.

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

Employee Wellbeing & Safety GRI 403-4, 403-5

In 2023, the winning entry came from Kao Indonesia. Safety posters with this slogan were distributed for display at Kao affiliates both inside and outside Japan.

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



Award ceremony for the best entry
(Kao Indonesia)

Creating a pleasant working environment for employees

Besides striving to create a pleasant working environment at all worksites, in order to ensure compliance with working environment standards and relevant laws in each country, we implement surveys of the working environment on a regular basis, and undertake improvement and maintenance management of the workplace environment.



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