

Metrics and Targets

To ensure the progress of the KLP, Kao has established metrics and targets to enhance the levels of initiatives through continuous evaluation and improvements to our approach to achieving goals.

Metrics and Targets

We have set metrics and targets for three symbolic commitments and 19 Kao Actions towards fulfilling the KLP. The process is managed utilizing the PDCA (Plan, Do, Check, and Act) cycle

with the aim of boosting the level of initiatives and steadily achieving targets.
The status of the 2024 initiatives are as follows. Under the KLP promotion framework, we will identify the reasons certain items have not been achieved and make efforts to attain them.

Mid- to long-term targets for the 19 Kao Actions

Kao Actions	Metrics	Results					Mid- to long-term targets		References
		2020	2021	2022	2023	2024	Target value	Year	
Making my everyday more beautiful									
Commitment	Number of people empowered to enjoy more beautiful lives—greater cleanliness, easier aging, better health and confidence in self-expression	—	0.49 billion*4	0.53 billion*4	0.52 billion*4	0.52 billion	1 billion	2030	P271
Improved quality of life	Number of products which contribute to a comfortable, beautiful, healthy life and touch the heart of people	4.8 billion*4	4.5 billion*4	4.5 billion*4	4.1 billion*4	3.9 billion	7 billion	2030	
Habits for cleanliness, beauty & health	Cumulative number of people reached by awareness-raising activities for acquiring habits for cleanliness, beauty & health using Kao products and services (cumulative since 2016)	0.034 billion	0.045 billion	0.051 billion	0.059 billion	0.063 billion	0.1 billion	2030	
Universal product design	% of new or improved products that meet Kao's Universal Design Guidelines (Japan)*1	(53%)*10	98%	99%	99%	99%	100%	2030	
Safer healthier products	% of targeted ingredients of concern on which views are disclosed	17% (31%)*11	30% (56%)*11	60% (100%)*11	67%	77%	100%	2030	
Making thoughtful choices for society									
Commitment	% of Kao brands that make it easy for people to make small but meaningful choices that, together, shape a more resilient and compassionate society	—	—	58%*5 (59%)*12	58%*5 (61%)*12	61%	100%	2030	P272
Sustainable lifestyle promotion	Cumulative number of people reached by awareness-raising activities for promoting environmentally friendly lifestyles and realizing a sustainable world (cumulative since 2016)	0.0094 billion	0.011 billion	0.043 billion*6	0.048 billion*6	0.056 billion	0.1 billion	2030	
Purpose driven brands	% of Kao brands that make a contribution to solving social issues and that make people feel and sympathize with the brand's social usefulness	—	—	52%*5 (53%)*12	52%*5 (57%)*12	55%	100%	2030	

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*2 Value based on former survey (See 2023 KPI definitions P377) (Japan only)

*3 Reviewed metrics for 2024

*4 Corrected results (Exports are recorded as results)

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*6 Corrected results (Corporate advertisement "Wastefulness-Mottainai. Never today, nor tomorrow." activities are included in the aggregate)

*7 Corrected results (Recalculated and changed due to the revision of Scope 3 Category 11 in Japan)

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*9 Corrected results (Added the amount of innovative packaging diffusion other than film containers)

*10 Value based on former definition (See 2021 KPI definitions P232)

*11 Value based on former definition (See 2024 KPI definitions P74)

*12 Value based on former definition (See P90)

*13 Value based on former definition (See P132)

*14 Value based on former definition (See 2024 KPI definitions P388)

*15 Make partial corrections to results and revise to express in per-thousand rates

* Definitions of each metric (Formula, Factor, Scope) are provided in the "Kirei Lifestyle Plan KPI definitions" (P271).

* "Practical use of innovative film-based packaging made from collected refill packs" was removed from the list as the target had been achieved.

Kao Actions	Metrics	Results					Mid- to long-term targets		References
		2020	2021	2022	2023	2024	Target value	Year	
Transformative innovation	Cumulative number of proposed or realized products with a big positive impact on lifestyles (cumulative since 2019)	3 cases	4 cases	5 cases	6 cases	7 cases	10 or more	2030	P272
	Cumulative number of proposed or realized businesses and systems with a big positive impact on lifestyles (cumulative since 2019)	1 case	3 cases	5 cases	6 cases	7 cases	10 or more	2030	
Responsibly sourced raw materials	% of certified paper products and pulp for consumer products	94%	96%	97%	98%	99.6%	100%	2025	
	Confirm traceability to oil palm smallholders	Completed up to own farm managed by oleo chemicals supplier	Completed up to own farm managed by oleo chemicals supplier	Completed up to own farm managed by oleo chemicals supplier	Completed up to traceability checks to farms: 87%	Completed up to traceability checks to farms: 88%	Finish	2025	
Making the world healthier & cleaner									
Commitment	% of Kao products that leave a full lifecycle environmental footprint that science says our natural world can safely absorb (Japan)* ¹	–	9%	14%	17%	21%	100%	2030	P273
	Kao recognition or achievement level by external ratings firms	CDP Climate Change A, Water A, Forest (Timber) A-, Forest (Palm Oil) A	CDP Climate Change A, Water A, Forest (Timber) A, Forest (Palm Oil) A	CDP Climate Change A, Water A, Forest (Timber) A, Forest (Palm Oil) A	CDP Climate Change A, Water A, Forest (Timber) A, Forest (Palm Oil) A	CDP Climate Change A, Water A, Forest (Timber) A, Forest (Palm Oil) A	Highest evaluation level	Yearly	
Decarbonization	% reduction in absolute full lifecycle CO ₂ emissions (Base year: 2017)	4%	4%	6%	12%* ⁷	15%	22%	2030	
	% reduction in absolute scope 1 + 2 CO ₂ emissions (Base year: 2017)	15%	20%	26%	35%	42%	28%	2025	
		55%	2030						
% of renewable energy in electricity consumption	29%	40%	49%	57%	69%	100%	2030		
Zero waste	Quantity of fossil-based plastics used in packaging	–	91 thousand tons	88 thousand tons	79 thousand tons* ⁸	79 thousand tons	Will peak and begin to decline	2030	
	Quantity of innovative packaging penetration for Kao and others per annum* ¹	0.007 billion items	0.011 billion items	0.013 billion items	0.046 billion items* ⁹ (0.014 billion items)* ¹³	0.1 billion items	0.3 billion items	2030	
	% recycling rate of plastics involving Kao	–	1%	3%	6%	8%	50%	2030	
	% of recycled plastic used in PET containers (Japan)	–	19%	69%	81%	90%	100%	2025	
	% of the waste generated from Kao sites*, ratio of waste that cannot be recycled * Beginning with production sites	–	9.1%	4.2%	4.3%	4.6%	0 (Less than 1%)	2030	
	% reduction of discarded products and discarded promotional materials (Base year: 2020)	–	14%	20%	43%	35%	95%	2030	
Water conservation	% reduction in full lifecycle water use per unit of sales (Base year: 2017)	-5%	-5%	3%	6%	12%	10%	2030	P274
	% of manufacturing sites in water-stressed areas that have achieved their individually set water management targets (related to water withdrawal)* ¹	–	–	–	–	Plan to disclose in 2026* ³	100%* ¹	2030	
Air & water pollution prevention	% of plants which disclose VOC and COD emissions	VOC 0%, COD 100%	VOC 65%, COD 100%	VOC 68%, COD 100%	VOC 84% COD 100%	VOC 94% COD 100%	100%	2025	

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Kao Actions	Metrics	Results					Mid- to long-term targets		References
		2020	2021	2022	2023	2024	Target value	Year	
Walking the right path									
Effective corporate governance	Kao recognition or achievement level by external ratings firms	Highest evaluation level (World's Most Ethical Companies® selection)	Highest evaluation level (World's Most Ethical Companies® selection)	Highest evaluation level (World's Most Ethical Companies® selection)	Highest evaluation level (World's Most Ethical Companies® selection)	Highest evaluation level (World's Most Ethical Companies® selection)	Highest evaluation level	Yearly	P275
	Number of serious compliance violations* per annum * Compliance violations that have a significant impact on management and significantly damage corporate value	0	0	0	0	0	0	Yearly	
Full transparency	% of consumer product brands for which people can easily access complete ingredients information	9%	12%	18%	22%	22%	100%	2030	
Respecting human rights	% response rate to human rights due diligence (risk assessment across internal, suppliers, and contractors respectively)	Internal: 100%, suppliers: 55%, contractors: 0%	Internal: 100%, suppliers: 60%, contractors: 3%	Internal: 100%, suppliers: 62%, contractors: 15%	Internal: 100%, suppliers: 81%, contractors: 19%	Internal: 100%, suppliers: 90%, contractors: 26%	100%	2030* * Suppliers: 2025	
Inclusive & diverse workplaces	Score for “Inclusive organizational culture” in our employee engagement survey (perfect score: 100)	–	–	(69%)* ³	62	63	75	2030	P276
	% of female managers related to that of female employees* ¹ * * Calculated as a weighted average based on the number of management positions at each group company	73.9% (28.8%)* ¹⁴	75.8% (30.2%)* ¹⁴	75.9% (30.5%)* ¹⁴	76.2% (31.1%)* ¹⁴	78.1%	100%* ¹	2030	
Employee wellbeing & safety	Lost Time Frequency Rate (per million hours worked)	0.53	0.65	0.65	0.71	0.83	0.15* ¹	2030	
	Average number of lost long-term work days (days/people) * Starting from Japan	146	197	182	195	220	105	2030	
	Ratio of employees who have lost long-term work days per 1,000 employees * Starting from Japan	18.5* ¹⁵	23.2* ¹⁵	28.7* ¹⁵	25.6* ¹⁵	27.2* ¹⁵	0.12	2030	
	Score for “Vitality” in our employee engagement survey (perfect score: 100)	–	–	(77%)* ²	59	61	70	2030	
Human capital development	Score for “Organizational culture in which employees are encouraged to take on challenges” in our employee engagement survey (perfect score: 100)	–	–	(79%)* ²	61	63	80	2030	P277
	Score for “Work satisfaction” in our employee engagement survey (perfect score: 100)	–	–	(74%)* ²	60	63	75	2030	
Responsible chemicals management	% of chemical products and raw materials with disclosed information on benefits and safety to ensure safe usage for our customers	–	14%	29%	38%	48%	100%	2030	P277
	% of areas where impacts on health, environment and safety from chemicals are managed responsibly and sustainably considering their stages from raw materials procurements to disposal	–	96%	98%	93%	96%	100%	Yearly	

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Progress and insights on our three commitments

1. Making my everyday more beautiful

As a commitment to this theme, Kao aims to empower all people, at least 1 billion by 2030, to enjoy more beautiful lives—greater cleanliness, easier aging, better health, and confidence in self-expression. The actual performance for 2024 was 520 million people, with almost no change from the 520 million in 2023. Although there were minor fluctuations per country and region, the overall numbers were similar to the previous year, and further expansion into more countries and regions will be essential going forward. As some activities contributing to this commitment had not been calculated previously, we have updated the results to include data from previous fiscal years.

The number of products that contribute to a comfortable, beautiful, healthy life and touch the hearts of people, which is one indicator of this commitment, was 3.9 billion in 2024. Looking ahead, we aim to provide more consumer-oriented products to more people around the world, in our efforts to contribute to an enriched and sustainable future through Kao products.

2. Making thoughtful choices for society

As a commitment to this theme, Kao aims to achieve 100% of Kao brands that make it easy for people to make small but meaningful choices by 2030, in hopes of shaping a more resilient and compassionate society. As a result, the actual figure for 2024 was 61%, although the number of brands that met the commitment remained the same as the previous year. This increase in the ratio was due to a decrease in the total number of brands included in the survey. Furthermore, figures from previous years have been updated due to some brands being changed or discontinued in 2024. This reflects that 61% of our brands have highly resonated with consumers or were able to propose or deliver products, businesses or systems that had a significant and positive impact on lifestyles.

Although the number of brands that meet this commitment has remained unchanged, each brand continues to carry out initiatives that are consistent with the goals of the commitment. For example, the two 2024 results under the “Transformative Innovation” goal—which is one of the indicators of this commitment—were achieved by the two brands *est* and *LISSAGE* (refer to P271 for calculation details).

Kao will continue to accelerate its efforts to shape a more resilient and compassionate society through its brands.

3. Making the world healthier & cleaner

As a commitment to this theme, Kao aims to increase the percentage of products that leave a full life cycle environmental footprint that science says the planet can safely absorb to 100% by 2030. The actual percentage achieved in 2024 was 21%, a steady increase from 17% in

2023. As with the previous year, the major contributing factor was an increase in sales of products that applied to the criteria, such as the water-saving laundry detergent *Attack* and dishwashing detergent *CuCute*. The adoption of *CuCute*’s eco-peko bottle for the future and the new use of recycled plastic for the main container of Liese also contributed to the results. Furthermore, sales of products that met the strict environmental criteria under this commitment saw a positive 24% year-on-year change.

Going forward, we will work to minimize environmental impact throughout the product lifecycle with *Yoki-Monozukuri* from an ESG perspective and contribute to making the world healthier and cleaner by providing high-performance, environmentally friendly products.

Quantification of Environmental and Social Impacts

We believe it is important to clearly state the magnitude and nature of the impact Kao’s business has on the environment and society and to continue to be accountable to improve corporate value and investment. In 2024, we continued to participate in the ESG Disclosure Study Group and deepened discussions on how to disclose information on ESG. In addition, since 2018, we have converted our social impacts into monetary equivalents, and in 2024, we also used the indicators in the table below to calculate and assess the impact on society.

Theme	Output	Impact
Decarbonization	Lifecycle CO ₂ emissions (absolute emissions)	Lifecycle CO ₂ emissions (absolute emissions) social cost
Zero waste	Amount of plastic packaging used	Amount of plastic packaging used (social cost)

 Study on Returns to Kao’s Stakeholders In FY2017
<https://www.kao.com/content/dam/sites/kao/www-kao-com/global/en/sustainability/pdf/databook-2017-study.pdf>

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